



Government of Karnataka

Economic Survey of Karnataka 2010-11



*Planning, Programme Monitoring
and Statistics Department*



GOVERNMENT OF KARNATAKA

**Economic Survey of
Karnataka
2010-11**

**Planning, Programme Monitoring and Statistics Department
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Preface

Over the years, the key objective of Economic Survey had been to provide basic information and data on economic policies and programmes of the State Government and overall performance of the State. To date, the Survey is the single most authentic source of official information on the entire state of Karnataka economy for budget and other key economic policy purposes. The users of the Survey include policy makers, current and prospective investors and producers, researchers, academics and students.

In recent years, the users of the Survey are broadened to include foreign investors and domestic investors outside the State. They look for the nature and direction of State economic policies and programmes to decide on Karnataka as an attractive destination of their business, investment and jobs. Further, investors in the State look for the Survey to formulate strategic business policies to enhance and strengthen their competitiveness.

Keeping in view the needs of all the users, the Survey has been redesigned without losing continuity of previous surveys by enhancing its quality of global readability and by projecting Karnataka's national and global competitiveness through professionalizing the entire process of redesigning in terms of content changes, stylistic presentations and editorial and write up improvements.

The overall coordination of the Economic survey has been done by Prof.S.Madheswaran, Special Officer (Deputation from ISEC), Planning Department and Mr.B.S.Hiremath, Project Director, Karnataka Statistical System Development Agency. Prof.S.Madheswaran has not only coordinated, he has also written some chapters and edited the entire report with due care.

The Economic Survey 2010-11 of the Government of Karnataka is prepared with the inputs and contributions by the subject experts and functional directors of the planning department. I take this opportunity to thank a team of experts from Institute for Social and Economic Change (ISEC), viz. Prof.M.R.Narayana, Dr.K.Gayithri, Prof.Parmod Kumar, Prof.K.S.James, Dr.Sivanna, Dr.C.Nanujundaiah, Dr.Veerashankarappa, Prof.Usha Devi and Prof.Abdul Aziz.

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The Functional Directors viz. Mr.M.A.Basith, Mr.Krishnamurthy Maiya (SPB), Mr.Shankar Rao, Mr.H.E.Rajashekarappa (DES), Mr. Raghuram Reddy, Mr.Mazher Pasha, Mr.M.N.Narashima Murthy, Mr.Keshava, Mr.B.R.Prakash, Mrs.Sushuma Godbole(SDP), Mr.Bhandary (FD) and their staffs have meticulously gone through several drafts to enhance the quality of the Survey.

I record my appreciation to Mr.P.R.Devi Prasad, Director, Fiscal Policy Institute, Prof.R.S.Deshpande, Director, ISEC, and Mr. D.Subramanyam, representative from FKCCI for their constructive remarks in the initial stages of redesigning of this Economic Survey.

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I am also thankful to all the officials of the line departments who have provided the data including information on new initiatives and challenges. We have tried our best to present the information with due care and accuracy, and we look forward to receive your feedback for further improvements.

Bangalore
Date:14.02.2011

(SANJIV KUMAR)
Principal Secretary
Planning, Programme Monitoring
and Statistics Department

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ECONOMIC SURVEY OF KARNATAKA 2010-11

HIGHLIGHTS

- ❖ Advanced estimates of Gross State Domestic Product (GSDP) at constant prices or State Income is expected to grow by about 8.2 per cent during 2010-11, mainly attributable to higher growth of primary and tertiary sectors from 3.3 and 3.7 per cent in 2009-10 to 5.7 and 9.7 per cent in 2010-11 respectively. The secondary sector made a remarkable recovery to positive growth rate (9.3 per cent) in 2009-10 and projected to maintain it at 7 per cent in 2010-11.
- ❖ Tertiary sector continues to dominate in the economy with 55.17 percent to GSDP at constant prices as compared to primary sector (16.22 percent) and secondary sector (28.61 percent).
- ❖ The per capita Net Income (per capita NSDP at factor cost), at current prices, is estimated at Rs.60,000 for 2010-11 as against Rs.51,858 for 2009-10. The growth rate in per capita net income is estimated at 15.7 percent during 2010-11, as against 12.0 percent during previous year.
- ❖ The per capita GSDP (or) per capita income during the year 2010-11 at current prices is likely to attain a level of Rs. 67,253 as compared to the quick estimates for the year 2009-10 of Rs.58,582. The growth rate in per capita income is estimated at 14.8 percent during the year 2010-11, as against the previous year's estimate of 12.3 percent.
- ❖ The annual rate of inflation based on monthly WPI rose to 8.43 per cent for December 2010 as compared to 6.92 per cent in the corresponding month of 2009.
- ❖ The point to point rate of inflation based on consumer price index for industrial workers for the month of December, 2010 is 9.47, whereas it was 14.97 per cent in the corresponding month of the previous year.
- ❖ The wholesale price index of agricultural commodities (WPIAC) (Base 1981-82=100) in Karnataka has increased from 768 in April 2010 to 807 in December 2010 or by 5.08 per cent. In 2010-11 (up to Dec 2010), the average WPIAC (779.8) has increased by 4.63 per cent as compared to the same period in 2009-10.
- ❖ During current financial year (2010-11) from April to December, the State's own tax revenue has recorded a growth of 30 per cent as compared to the corresponding period of last year.
- ❖ The size of the State Plan has increased by more than 20 per cent per annum in the last 3 years. The State has one of the highest per capita (Rs.5217) plan expenditure in the country and there has been a continuous increase in the share of plan expenditure (42 percent) in total expenditure in the State.

- ❖ The production of food grains increased from less than 110 lakh tonnes in 2009-10 to above 125 lakh tonnes during the current year.
- ❖ The cumulative irrigation potential under major, medium and minor irrigation (surface water) is anticipated to go up to 35.12 lakh hectares (excluding ground water) in 2010-11 from 34.43 lakh hectares in 2009-10.
- ❖ The ASI figures (2007-08) indicate that Karnataka accounted for 5.53 per cent of the total registered factories in the country, 7.10 per cent of the fixed capital investment, and 7.23 per cent of the total Gross Value Added of registered factories in the country.
- ❖ Karnataka accounted for 5.64 per cent of the total number of unorganized manufacturing enterprises and 5.42 per cent of the total unorganized manufacturing employment in the country in 2005-06. In terms of gross value added per enterprise as well as per worker, Karnataka performed better than All-India and stood fourth among the states of India.
- ❖ The tourist flow in to the State has continuously been increasing steadily from 2.52 crores in 2005 to 3.32 crores in 2009, which indicates an increase of 16 per cent.
- ❖ For the current year, up to December 2010, the State Level Single Window Clearance Committee (SLSWCC) has approved 378 projects with an investment of Rs.6087.37 crore, with an employment potential of 1.03 lakhs. Further the State High Level Clearance Committee (SHLCC) has cleared 130 projects with an investment of Rs. 146566.89 crore, and employment potential of 4.63 lakhs persons.
- ❖ The Global Investor's Meet was held on 3-4 June 2010. The expected total investment from the Meet is about Rs.473000 crore and with an employment potential of 85000 new jobs.
- ❖ Karnataka as partner State of Vibrant Gujarat 2011 participated in the 5th Global Summit on 12-13 January 2011. About 20 MOUs/EOIs have been signed with expected investments of Rs.24759 crore in 10 sectors and employment potentials of 24795 persons.
- ❖ In 2009-10, Karnataka's exports amounted to about Rs.142871.41 crore or about 13.3 percent of the country's exports. Commodities which have more than 5 percent share in Karnataka's exports are electronics & computer software (63.5 per cent), Petroleum and Petroleum products (7.7 per cent) and gems & jewellery (12.2 per cent). These three commodities account for over 83 per cent of Karnataka's exports.
- ❖ Presently the state has a higher density of financial institutions compared to the national average, persons per bank branch is 8091 against the national average of 14000 and state ranks 4th and 5th in deposit mobilization and advances respectively, compared to other states.

- ❖ The state has a total of 58,889 primary schools and 12,453 high schools. The state has a total enrolment of 100.35 lakh children in class I to X. The state has a total of 12,453 secondary schools and a total enrolment of 25.78 lakh pupils in high schools. There are about 9.72 lakhs students studying in the Pre-university colleges.
- ❖ There are 3640 pre-university and 1362 colleges and 18 Universities to impart General education. There are 289 Polytechnic and 187 Engineering colleges to provide technical education. Vocational education is provided through 553 institutions.
- ❖ There are 8143 sub-centres, 2193 primary health centres and 326 community health centres and taluk hospitals catering to the health needs of the rural population.
- ❖ The infant mortality in 2009 is 41 per 1000 live births as against 47 in the year 2008.
- ❖ Karnataka improved its position in labour force with third highest Labour Force Participation Rate (49.2 percent) in the country compared to other States. Organised sector employment in the state has increased by 0.25 per cent from 22.85 lakh at the end of March 2010 to 22.91 lakh at the end of September 2010 adding 0.06 lakh additional jobs.
- ❖ Employment generation has been estimated based on three factors viz., income, employment elasticity over a period of years and anticipated estimates of gross state domestic product for the 2010-11. During 2010-11, it is 283.72 lakh person-days compared to 278.22 lakh person-days in the previous year.
- ❖ In Mahatma Gandhi National Rural Employment Guarantee Scheme, 277.53 lakh mandays were generated by providing employment to 49.08 lakh workers up to December 2010.
- ❖ According to UNDP report, 2010, the position of Karnataka in multi-dimensional poverty is also better than the all India with nearly 46 per cent people being multi-dimensional poor in the state as against 55.4 per cent at the all India level.
- ❖ A total number of 96 lakh cards have been issued to the poor in Karnataka that includes 11 lakh AAY and 85 lakh BPL card holders.

KARNATAKA AT A GLANCE

ITEM	1960-61	1970-71	1980-81	1990-91	2000-01	2009-10
Geographical Area (000 Sq.Km)	192	192	192	192	192	192
Administrative Setup						
Revenue Divisions	4	4	4	4	4	4
Districts	19	19	19	20	27	30
Taluks	175	175	175	175	175	176
Inhabited Villages	26377	26826	27028	27066	27481	27481
Uninhabited Villages	2972	2707	2362	2127	1925	1925
Towns	231	245	281	306	270	270
Population as per Census (in 000s)	(1961)	(1971)	(1981)	(1991)	(2001)	(2001)
Total -"	23587	29299	37136	44977	52851	52851
Males -"	12041	14972	18923	22952	26899	26899
Females -"	11546	14327	18213	22025	25952	25952
Rural -"	18320	22177	26406	31069	34889	34889
Urban -"	5267	7122	10730	13908	17962	17962
Scheduled Castes	3117	3850	5595	7369	8564	8564
Scheduled Tribes	192	231	1825	1916	3464	3464
Density of Population (per Sq.Km)	123	153	194	235	276	276
Literacy Rate (Percentage)	29.80 *	36.83 *	46.21 **	56.04 **	66.60 **	66.60 **
Sex Ratio (Females per 1000 males)	959	957	963	960	965	965
Percentage of Urban Population to Total Population	22.3	24.3	28.9	30.9	33.99	33.99

* Population aged 5 years and above

** Population aged 7 years and above

KARNATAKA AT A GLANCE

ITEM	1960-61	1970-71	1980-81	1990-91	2000-01	2008-09
State Income - at Current Prices						
State Income (Rs.Crores)	751	2016	5587	20551	96348	268118
Primary Sector (Rs.crores)	432	1063	2573	7626	31473	49903
Secondary Sector (Rs.crores)	122	418	1160	4734	18684	68212
Tertiary Sector (Rs.crores)	197	535	1854	8191	46191	150003
Percapita Income (Rs.)	321	696	1520	4598	18344	46285
Agriculture (Area in 000 ha.)	1960-61	1970-71	1980-81	1990-91	2000-01	2008-09
Net Area Sown	10228	10248	9899	10381	10410	10174
Gross Cropped Area	10588	10887	10660	11759	12284	12368
Gross Irrigated Area	NA	1355	1676	2598	3271	3942
Percentage of gross irrigated area to gross cropped area	NA	12.45	15.72	22.09	26.63	31.87
Area under Principal Crops (in 000 ha)	1960-61	1970-71	1980-81	1990-91	2000-01	2008-09
Paddy	1028	1170	1114	1173	1483	1514
Wheat	324	343	322	198	266	269
Jowar	2969	2224	1991	2155	1782	1382
Bajra	500	562	564	425	462	266
All cereals	6274	5971	5573	5415	5757	5373
All Pulses	1306	1444	1531	1621	2047	2088
Total foodgrains	7579	7416	7104	7036	7804	7461
Sugarcane	72	104	154	272	417	460
Sugarcane Harvested area	NA	NA	NA	NA	NA	281
Cotton	984	1142	1012	596	552	409
Groundnut	915	1027	790	1212	1063	850
Production of Principal Crops (in 000 tonnes)	1960-61	1970-71	1980-81	1990-91	2000-01	2008-09
Rice	1328	2000	2258	2428	3847	4031
Wheat	77	130	174	123	250	257
Jowar	1154	1565	1506	1282	1547	1484
Bajra	129	211	192	203	342	181
All Cereals	3578	5235	5714	5705	10004	10158
All Pulses	352	511	488	539	956	973
Total foodgrains	3930	5746	6202	6244	10960	11131
Sugarcane	5184	8106	12127	20750	42924	24266
Cotton *	382	570	597	640	855	825
Groundnut	448	780	475	816	1081	399

* in bales of 170 kgs in lint form

KARNATAKA AT A GLANCE

Agricultural Census	1970-71	1980-81	1990-91	2000-01	2005-06	
No. of Operational holdings(in 000)	3551	4309	5776	7029	7581	
Area of Operational holdings (000 ha)	11368	11746	12321	12307	12385	
Average size of operational holdings	3.20	2.73	2.13	1.74	1.63	
Live Stock Census	1977	1983	1990	1997	2003	2007(P)
Total Livestock (in 000)	21800	24680	24968	30688	28359	32812
Total Poultry (in 000)	9696	12096	15694	21399	24451	42437
Tractors (000s)	140	300	336	506	612	NA
Year	1962-63	1970-71	1980-81	1990-91	2000-01	2008-09
Forest area (000 in hectare)	3522	3621	3838	3872	3828	4335
Factories	1959	1971	1981	1991	2001	2010
Working Factories	1837	3668	4985	7768	9440	12559
Employees(in No)	88929	252074	434202	777900	903895	1203069
Employees per lakh population	377	860	1169	1730	1710	1955
Industrial (project investments from Rs.3.00 crores to Rs.50.00 crores)	2000-01	2005-06	2006-07	2007-08	2008-09	2009-10
No.of projects approved	292	297	881	728	310	362
Investments (Rs in crore)	4557.88	6786.57	11923.65	10309.92	5181.63	7836.74
Employments in Numbers	138204	292309	731750	349665	135623	116839
Industrial (project investments from Rs.50.00 crores above)	2000-01	2005-06	2006-07	2007-08	2008-09	2009-10
No.of projects approved	88	55	65	108	50	110
Investments (Rs in crore)	38345.82	43993.19	90255.84	160522.82	105266.20	288548.57
Employments in Numbers	109863	588259	772966	1996504	410842	284934
Electricity	1960-61	1970-71	1980-81	1990-91	2000-01	2009-10
Total Generation (Mu)	1058	4833	6389	12431	21985	42899
Total Consumption (Mu)	922	3187	5189	12182	17860	33971
Industrial Consumption (Mu)	717	2488	3864	5429	4882	7510
Agricultural Consumption (Mu)	31	179	384	4486	7350	11895
Domestic Consumption (Mu)	76	217	696	1803	3909	7212

P-Provisional

KARNATAKA AT A GLANCE

Banking	1960-61	1970-71	1980-81	1990-91	2000-01	2009-10
All Scheduled Commercial Banks (No)	473	1190	2823	4245	4758	6050
Deposits (Rs.crores)	106	369	2042	9665	55592	281655
Advances (Rs.crores)	62	275	1524	7985	32984	224359
Education	1960-61	1970-71	1980-81	1990-91	2000-01	2009-10
Primary Schools(No.)	27050	32630	35143	40208	50340	58295
Enrolment (000)	2446	4064	4974	6922	8581	7450
High Schools(No.)	778	2002	2381	5020	8928	12453
Enrolment (000)	254	483	713	1334	1955	2578
Health	1960-61	1970-71	1980-81	1990-91	2000-01	2009-10
Hospitals (no.)	186	195	233	293	297	383
Dispensaries (No.)	993	791	1730	208 *	847	659
Beds per lakh population	58	89	94	104	105	106
Demographic Status	1960-61	1970-71	1980-81	1990-91	2000	2008
Birth rate	21.2	31.7	28.3	26.9	22.2	19.8
Death rate	8.1	12.1	9.1	9.0	7.6	7.4
Infant mortality rate	62	95	69	77	58	45
Transport	1960-61	1970-71	1980-81	1990-91	2000-01	2009-10
Railway route length (Km)	2699	2806	2875	3093	3041	3244
Total Road Length (Kms.)	45670	70383	109551	130924	154204	219935
Of which Surfaced (Kms)	27317	40597	58129	84973	92232	142922
Motor Vehicles (in 000s)	39	123	400	1433	3691	9043
Co-operation	1960-61	1970-71	1980-81	1990-91	2000-01	2009-10
Primary agricultural Credit Societies (No)	9107	8675	4871	4350	4388	4866
Membership (in 000s)	1198	1787	3692	4469	5245	9613
Total No. of Co-operative Societies (No.)	14871	19437	23159	25083	29930	34927
Total Membership (in 000s)	2433	4345	8289	11800	16167	19904

Note: * Excluding dispensaries coming under Indian System of Medicine.

KARNATAKA AT A GLANCE

Local bodies	1990-91	2000-01	2006-07	2007-08	2008-09	2009-10
Zilla Parishat/Panchayat	20	27	27	29	29	30
Gram Panchayats	2532 *	5692	5628	5628	5628	5627
Taluk Panchyats	175	175	176	176	176	176
Municipalities and Corporations	177	209	219	219	219	219

Note: * Mandal Panchayats

Source: Statistical Abstract of Mysore /Karnataka 1960-61, 1967-1968, 1970-71, 1973-74, 1983-84, 1993-94 & 2000-01 and Karnataka at a Glance:1961-62, 1970-71, 1980-81, 1990-91, 2000-01, 2001-02, 2008-09 & 2009-10.

KARNATAKA COMPARED WITH INDIA

Item	Unit	Karnataka	India
Total Population 2001 Census	In Thousand	52851	1028737
Males	In Thousand	26899	532223
Females	In Thousand	25952	496514
Rural Population	In Thousand	34889	742617
Percentage of Rural Population to total Population	Percent	66.02	72.18
Urban Population	In Thousand	17962	286119
Percentage of Urban Population to total population	Percent	33.99	27.82
Sex Ratio	Females 1000 Males	965	933
Percentage growth of Population - 1991-2001	Percent	17.25	21.34
Literacy Rate	Percent	66.60	64.84
Population of SC/ST	In Thousand	12028	250962
Total Workers	In Thousand	23535	402235
Geographical Area	Lakh Sq.Kms	1.92	32.87
Net Area sown (2007-08)(p)	'000 ha.	10419	140860
Gross Cropped Area (2007-08) (p)	'000 ha.	12893	195830
Gross Irrigated Area (2007-08) (p)	'000 ha.	3789	87260

* Excludes Mao-Maram, Paomata and Pural sub division of Senapati district of Manipur
P-Provisional

KARNATAKA COMPARED WITH INDIA

Item	Unit	Karnataka	India
Percentage of Gross irrigated Area to Gross Cropped Area (2005-06)	Percent	29.38	44.56
Area under principal Crops (2008-09)			
Paddy	000 ha	1514	45540
Maize	000 ha	1068	8170
Jowar	000 ha	1382	7530
Wheat	000 ha	269	27750
Bajra	000 ha	266	8750
All Food Grains	000 ha	7461	122830
Total Pulses	000 ha	2088	22090
Sugarcane	000 ha	281	4420
Cotton	000 ha	409	9410
Groundnut	000 ha	850	6160
Total Livestock (2007 Provisional)	In Thousand	32812	510600
Tractors (2003)	(000 Nos)	612	23612
Diesel Engines with Pumps for irrigation Purpose (2003)	(000 Nos)	1108	72374
Forest Area (2005)	Sq.Kms	4335	774740
Working factories (2004-05)	Nos	10128	136353
Average daily Employment (2003-Provisional)	In thousand	1003	4927
Total electricity Generation (2007-08)	G.W.H	40195	722626
Total electricity consumption (2007-8)	K.W.H	29970	501977
Electricity Consumption in Industries(2007-08)	G.W.H	6903	189636
% of Industrial consumption to total consumption	%	23.03	37.77
Banking Offices March 2010	Nos	6050	83997

KARNATAKA COMPARED WITH INDIA

Item	Unit	Karnataka	India
State / National Income			
Gross Income at Current Prices (2009-10) QE *	Rs.Crores	343010	6133230
Net Income at Current Prices (2009-10) QE *	Rs.Crores	303638	5477557
Net Per capita Income at current prices (2009-10) QE *	Rupees	51858	46492
Gross per capita Income at current prices (2009-10) QE *	Rupees	58582	52421

* quick estimate

STATE OF KARNATAKA ECONOMY: AN OVERVIEW

1 CHAPTER

1.1 General Overview

Karnataka, India's eighth largest State in terms of geographical size (191,791 sq km) is home to 5.28 crore people (2001 census) accounting for 5.1 % of India's population. The population density in the State has risen from 235 in 1991 to 275 in 2001. It is lower than the corresponding figures for the country (267 and 324 respectively). The State is divided into 30 districts and 176 taluks.

Karnataka's population growth in the last decade of 17.25% is less than the corresponding all-India figure of 21%. However, it is higher than the neighbouring states of Kerala (9.4%), Tamil Nadu (11%) and Andhra Pradesh (13.9%). While the decadal growth rate of population in the state reveals declining trend, the growth rates vary widely across districts. According to the population projections of the Registrar General & Census Commissioner of India, Karnataka's population is likely to be 5.9 crores by 2011, and 6.3 crores by 2016, reaching 6.5 crores and 6.7 crores in 2021 and 2026 respectively. The aged population (60 years and above) would increase from 43 lakh in 2006 to 61 lakh by 2016. However, it is noted that the growth rate of school going child population will decline over the years. This population trend represents tremendous challenges and opportunities for the state.

The Human Development Index (HDI) of the state has increased from 0.47 in 1991 to 0.65 in 2006. This indicates an improvement in the overall level of human development in the State. Over the years, Karnataka has accumulated large infrastructure for human resources development. The State is leading in technical education. There are 3640 pre university colleges and 1362 other colleges and 18 Universities to impart General education. There are 289 Polytechnics and 187 Engineering colleges to provide technical education. Vocational education is provided through 553 institutions, and several premier institutes/ centres of research in pure and applied science, social sciences and humanities, management, information technology, bio-technology, fashion technology, legal education, manufacturing technology and foundry technology, etc., the State is aptly called the "Brain Bank of India".

Karnataka improved its position in labour force with third highest labour force participation rate (49.2 percent) in the country. Availability of skilled manpower, best corporate management and practices for global competitiveness, dynamism in the development and application of modern engineering technologies, and good governance measures have been the driving factors for enormous growth of high-tech industries and inflow of domestic and foreign investment in the State. These were seen especially in the information technology, electronics and communications, machine tools, engineering, automobiles, auto-components, food processing, agriculture, readymade garments, pharmaceuticals, and aero-space. Thus, Bangalore, the State's capital, is aptly called the *Silicon Valley of India, IT Hub of Asia, and IT Capital of India* with many global players.

The 2010 Human Development Report of United Nations Development Programme (UNDP) introduced a new Multidimensional Poverty Index (MPI). This new international

measure of poverty complements income-based poverty measures by reflecting the multiple deprivations that people face at the same time. The multiple factors considered included basic living standards, access to school, clean water and health care. According to UNDP report, the position of Karnataka in multi-dimensional poverty is also better than all India with nearly 46 percent people are multi-dimensional poor in the state as against 55.4 per cent at the all India level.

The Economic Survey 2010-11 presents an overview and major trends of Karnataka's State Income and Prices, State finances, Agricultural and Allied Activities, Natural Resources and environment, Industry and Commerce, Investments and Exports, Human Development Indicators, Social Sector, and Balanced Regional Development. The information provided in the Economic Survey intended to draw implications on the nature and patterns of State's current growth competitiveness in the light of its achievements.

1.2 State Income and Prices

(i) State Income

The advance estimates of Gross State Domestic Product for the year 2010-11 began with encouraging growth prospects. In addition, Karnataka has adopted the new base year (2004-05) for the State Income estimates in tune with the National Estimates. The main highlight of this chapter is as follows:

- Growth of GSDP at constant prices (2004-05) increased from 5.2 percent in 2009-10 to 8.2 percent in 2010-11, mainly attributable to higher growth of primary and tertiary sectors from 3.3 and 3.7 percent in 2009-10 to 5.7 and 9.7 percent in 2010-11 respectively. The secondary sector made a remarkable recovery to positive growth rate (9.3 percent) in 2009-10 and is projected to maintain it at 7 percent in 2010-11. Overall, Karnataka economy is showing encouraging trends with a projected (or advance estimates) growth rate of 8.2 percent during 2010-11. Overall, the growth performance of Karnataka is competitive as compared to other states and at national level, mainly contributed by tertiary/services sector.
- Tertiary sector continues to dominate in the economy with 55.17 percent to GSDP at constant prices as compared to primary sector (16.22 percent) and secondary sector (28.61 percent).
- A higher and faster economic growth needs (a) considerable revival of growth in agricultural sector with more investments and productivity and (b) realisation of projected growth rate in secondary sector industries.
- To achieve the growth targets of XI FYP, Karnataka must aim at higher and sustainable growth rates in primary, secondary and tertiary sectors and overall GSDP growth rate higher than what the State achieved in 2007-08.
- Long term changes in sectoral composition from primary to secondary and tertiary sectors of State Income are in conformity with the structural changes in fast developing countries (e.g. BRIC).
- Inter-districts variations within the Bangalore Division as well as in the State are largely reduced if Bangalore Urban district is kept as a separate entity for analysis.
- The new estimates of Gross Fixed Capital Formation and consumption of goods and services are useful as policy instruments and monitors of Karnataka economy in particular and for other states in India in general.

(ii) Per capita Income

The per capita Net Income (per capita NSDP at factor cost), at current prices, is estimated at Rs.60,000 for 2010-11 as against Rs.51,858 for 2009-10. The growth rate in per capita net income is estimated at 15.7 percent during 2010-11, as against 12.0 percent during the previous year.

The per capita GSDP (or) per capita income during the year 2010-11 at current prices is likely to attain a level of Rs. 67,253 as compared to the quick estimates for the year 2009-10 of Rs.58,582. The growth rate in per capita income is estimated at 14.8 percent during the year 2010-11, as against the previous year's estimate of 12.3 percent.

(iii) Prices

All India Wholesale Price Index (WPI) (Base:2004-05) for all the commodities increased from 138.3 in April 2010 to 144.1 in December 2010 showing a rise of 4.19 percent, where as it has recorded an increase of 6.66 percent during the corresponding period in 2009. During 2010-11 (up to December 2010) WPI for „Primary articles group“, has increased by 10.47 percent, for „Fuel & power“ increased by 6.38 percent and „Manufactured products group“ increased marginally by 1.18 percent. The annual rate of inflation based on monthly WPI rose to 8.43 percent for December 2010 as compared to 6.92 percent in the corresponding month of 2009.

At all India level, Consumer Price Index for Industrial Workers on base 2001=100 moved to 185 points in December 2010 from 169 points during December 2009, according to Labour Bureau, Shimla. The point to point rate of inflation based on consumer price index for industrial workers for the month of December, 2010 is 9.47, whereas it was 14.97 percent in the corresponding month of the previous year.

The wholesale price index of agricultural commodities (WPIAC) (Base 1981-82=100) in Karnataka has increased from 768 in April 2010 to 807 in December 2010 or by 5.08 percent. In 2010-11 (up to Dec 2010), the average WPIAC (779.8) has increased by 4.63 percent as compared to the same period in 2009-10.

During the current year 2010-11 (April - December 2010) and by indices for commodity groups, Miscellaneous group, Oilseeds, Fiber, Condiments and Spices have increased by 33.87 percent, 7.75 percent, 6.50 percent and 2.73 percent respectively. On the other hand, price decline is evident for pulses by 20.56 percent, cereals by 7.14 percent, gur & sugar by 1.22 percent. Thus, highest increase in miscellaneous group and decrease in pulses group can be noticed.

The index of Pulses declined from 1070 in April 2010 to 850 in December 2010 or by 20.56 percent. Within pulses, green gram shows a higher decline by 34.78 percent and tur by 23.19 percent. Further, average index value of pulses (956.7) decreased by 8.19 percent from April to December 2010 to corresponding period in 2009.

The index of Miscellaneous group showed an increase from 809 in April 2010 to 1083 in December 2010 or by 33.87 percent. Commodities, such as, onion and potato show the highest increase of 311.66 percent and 70.19 percent respectively. Overall, the average value

of index of Miscellaneous group (908.3) increased from April to December 2010 by 14.12 percent as compared to the previous year of the same period (795.9).

1.3 State Finances

The recent fiscal consolidation initiatives of the state have yielded good gains to the state finances as revealed by the broad fiscal indicators. Targets as stipulated in the Fiscal Responsibility Act (FRA) 2002 for the fiscal and revenue deficits have been achieved well within the stipulated timelines and the resultant revenue surpluses have helped in the enhancement of capital outlays. Fiscal and revenue deficits account for 3 percent and -0.2 (revenue surplus) percent of GSDP respectively in 2010-11 BE. The state's broad fiscal indicators also compare well with the other states. Revenue deficit as a proportion of Gross Fiscal Deficit (GFD) is lower than all states average. Further, the state has a better capital outlay level in the GFD. Proportion of interest payments in the revenue expenditure and that of non-development expenditure in the aggregate disbursements also place Karnataka in a better position. On the resource front, while Karnataka has all along performed better than the other states in terms of tax revenue as a proportion to revenue expenditure, that of non-tax revenue does not compare favourably with other states.

Detailed analysis of government receipts and its components and expenditure and its components for 2010-11 BE in comparison with 2009-10 RE and 2008-09 accounts is presented. The share of tax revenue in the total revenue receipts has increased from 80 percent (2008-09) to 84 percent (2010-11). Sales tax/VAT has been the main source of revenue comprising of 55.65 percent of state's own tax revenue and has experienced a rate of growth of 30.17 percent. During current financial year (2010-11) from April to December, the State's own tax revenue has recorded a growth of 30 percent as compared to the corresponding period of last year.

A large number of new schemes (53) with an allocation less than Rs 10 crore are introduced in 2010-11 budget of the total 66 new schemes announced. Due to continuous focus of new initiatives, the plan expenditure (April-December, 2010-11) has shown a growth of 16 percent compared to the last year during the same period. In 2010-11, the plan expenditure is expected at Rs.31,050 crore as against Rs.25967 crore in 2009-10. On the other hand, Non-plan expenditure has increased by only 10 percent, signifying an overall improvement in the quality of expenditure.

The size of the State Plan has increased by more than 20 percent per annum in the last 3 years. State's fiscal challenges include sustaining the state's fiscal gains, reversing the low and stagnant non-tax revenue, protecting the capital investments and optimal utilization of central funding support.

1.4 Agriculture and Allied Activities

(i) Agriculture

Despite the declining share of primary sector in GSDP, agriculture remains the primary activity and main livelihood source for the rural population in the state. Agriculture in the state is characterized by wide crop diversification and still remains highly dependent on the vagaries of southwest monsoon. Out of the net area sown, about 30 percent is irrigated.

Actual cumulative southwest rainfall (June to September 2010) was measured as 879 mm against the normal of 820 mm and it was normal in all the four months, but untimely/excess northeast monsoon (October to December 2010) in some parts of the state caused damage to kharif crops at the maturity to harvesting stage. During 2010-11 foodgrains production in the state increased at an enormous rate of more than 14 percent over the last year's production and this increase was mainly led by increase in yield rate as the area increase during the year was only 2.9 percent. The production of foodgrains increased from less than 110 lakh tones in 2009-10 to above 125 lakh tonnes during the current year. Production of major non foodgrains also increased during the current year over the last year production. There has been a gradual increase in the gross irrigated area in the state which increased steadily from 16 percent of total cultivated area in 1980-81 to 32 percent in 2008-09. The cumulative irrigation potential under major, medium and minor irrigation (surface water) is anticipated to go up to 35.12 lakh hectares (excluding ground water) in 2010-11 from 34.43 lakh hectares in 2009-10. Additional potential of 0.69 lakh hectares is anticipated during the year. Minor irrigation has the definite advantage of providing immediate benefit from the potential created.

There are no indications of any increase in cropping intensity in the state since the beginning of the decade and the recorded cropping intensity in 2008-09 was 121.6, well below the national level of 139. The holding size in Karnataka is continuously declining, as the average size of holdings came down from 1.95 hectares in 1995-96 to 1.63 hectares in 2005-06. Given the importance of fertilizer in agricultural productivity, the state government has targeted to overcome the scarcity of fertilizers particularly in the Kharif season. The state has planned for buffer stocking of 5.50 lakh tonnes of different grades of fertilizers. The Karnataka State Co-operative Marketing Federation (KSCMF) was identified as nodal agency which stocked 3.35 lakh tonnes of fertilizer in various districts. This arrangement in turn helped to manage the fertilizer demand/supply situation smoothly in the state and there was no major problem in availability of fertilizers. Similarly, during Kharif 2010, it was programmed to distribute 13 crop seeds at 50 percent subsidised rates to farmers under Small and Marginal Farmers Scheme, Rashtriya Krishi Vikasa Yojana and Prime Minister's Rehabilitation Package Programme. At the aggregate, 494420 quintals seeds were distributed and around 20.65 lakh farmers benefited from these schemes. During Rabi/Summer 2010-11, up till now a total of 152164 quintals of seeds have been distributed among 3.77 lakh farmers. Farm mechanization programme is also being implemented as Karnataka Farm Mechanization Mission under RKVY. The state agriculture is implementing various programmes for the enhancement of area and productivity of various crops under Central Schemes as well as Flagship programmes such as NFSM, APPP, RKVY, Macro management, ISOPOM, Bhoo Chetna, Karnataka Seed Mission, Organic farming, Watershed Development programmes, Integrated Watershed Management Programmes etc.

A novel mission mode „Bhoo Chetana“ programme started in 2009-10 for increasing the agriculture productivity in the rainfed agriculture has been extended to 16 districts in 2010-11 covering an area of about 12 lakh hectares to benefit about 8.70 lakh farmers.

(ii) Horticulture

Horticulture sector is growing at a rapid pace in Karnataka. During the year 2008-09, an area of 18 lakh hectares was covered by horticulture crops producing 136.38 lakh tones of output. Horticulture in the state is being promoted under different programmes like Area Expansion, Assistance to Farmers, Supply of Seeds and Seedlings, Micro Irrigation, Control

of Pests and Diseases, Post Harvest Management and Marketing etc. During 2010-11, all the 30 districts were being covered under the National Horticulture Mission. In order to develop horticulture farms and nurseries with more scientific approach, A Special Purpose Vehicle (SPV) namely „Karnataka State Horticulture Development Agency“ has been constituted in the state. Similarly, to give prime importance for processing of horticulture crops, Karnataka state government has introduced Processing and value addition for Horticulture crops which includes post harvest management of horticulture produce and processing programmes like grape dehydration, red chilli powdering, construction of storage godown etc. Among new interventions in Horticulture includes, Introduction of New Varieties of Vegetables; Establishment of Karnataka Grape Wine Board; Mango Development Board; Modern Arecanut Dehusking Machine and establishment of Karnataka State Horticulture Development Agency (KSHDA).

(iii) Animal Husbandry and Dairy Development

In Karnataka, the share of Animal Husbandry in GSDP of Agriculture and Allied activities during 2009-10 was 26 percent. The state ranks eleventh in India in milk production and state's share in livestock and poultry population of India was 6.2 percent and 6.48 percent, respectively. The milk production in the state increased from 4.5 million tones in 2008-09 to 4.8 million tones in 2009-10, the rate of increase being 6.2 percent during the year. Similarly meat production increased at a rate of 4 percent from 1.14 lakh tones in 2008-09 to 1.19 lakh tones in 2009-10. The health of livestock and poultry in the state are rendered through a network of Veterinary Institutions, comprising of Veterinary Hospitals, Veterinary Dispensaries, Primary Veterinary Centres, Artificial Insemination Centres, Mobile Veterinary Clinics and Veterinary Institutions. For strengthening of animal breeding services, the National Project for Cattle and Buffalo Breeding is implemented through Karnataka Livestock Development Agency. This programme has helped in increasing the number of productive cattle and buffalo. Six sheep breeding centres are functioning under the Karnataka Sheep and Wool Development Corporation (KSWDC). As a part of breeding improvement programme cross bred semen are distributed to the progressive farmers. During the current year, Sheep Insurance Scheme is being undertaken by Karnataka Sheep and Wool Development Corporation. KSWDC is also implementing Sheep and Wool Improvement Scheme (SWIS) in the state. 84 primary poultry co-operative societies are affiliated to Karnataka Co-operative Poultry Federation which imparts short term training regarding poultry rearing techniques to the farmers and rearing and sale of Giriraja birds. The Poultry Feed Act has come into force to maintain the quality of poultry feed. 24 poultry farms are functioning under the technical guidance of the Department. There are 5 pig-breeding centers where piglets are produced and distributed to farmers. Similarly, there are 4 rabbit rearing farms functioning in the state. The new Schemes during 2010-11 include, Interest subsidy for livestock and sheep rearing; New mobile veterinary clinics; Foot and Mouth Disease Control project, National Programme for Control of PPR in Sheep and Goats; Establishment and Strengthening of Veterinary Hospitals and Veterinary Dispensaries.

(iv) Fisheries

There is immense scope for development of fisheries in Karnataka as the state has a continental shelf of 27000 Sq km with 300 km of coastline and 5.60 lakh hectares of inland waters. 8000 hectares of brackish water area provides additional scope for shrimp farming. The annual fish production in Karnataka increased at a massive rate of 13 percent from 3.6 lakh metric tonnes in 2008-09 to 4.1 lakh metric tonnes in 2009-10. The marine fishery

production increased at a rate of 14 percent during the year while inland fishery production increased at a rate of 11 percent during the same time period. Thus the contribution of marine sector in total fishery production constituted 60 percent and Inland sector 40 percent. The fish production from the state contributed about 4.8 percent of India's total fish production. The major programmes under marine fisheries development include construction of fishing harbours and fish landing centers in selected places of the coastal districts in order to provide safe landing and berthing facilities for mechanized fishing boats, construction and improvement of fishery link road etc. The major programmes under inland fisheries development include assistance for construction of fish ponds, stocking of grass carp seeds, construction of ponds in water logged areas, development of fish sanctuaries, intensive fish culture development through fish farmers development agencies, etc. Fishermen in the state are assisted by the Department of Fisheries through several fishermen welfare schemes such as, HUDCO sponsored Mathsya Ashraya Scheme for construction of houses to houseless fishermen, Construction of Link roads for quicker transportation of fish caught, Savings-cum-Relief Scheme for marine fishermen, Group accident insurance scheme etc. In addition state is running several programmes for the welfare of the fishermen, e.g., Distress relief fund; Group Accident Insurance Scheme; Matsya Ashraya Scheme; CSS Savings-cum-Relief Scheme for Marine Fishermen; Matsya Mahila Swavalambana Yojana; Fisheries Co-operative Societies (FCS).

1.5. Natural Resources and Environment

Karnataka state is endowed with rich natural resources and it has also retained its rich and pristine biological diversity and environmental resource base in spite of many detrimental forces operating persistently. Karnataka's geographical area 1,91,791 sq. kms constitutes 5.83 per cent of the country's total area, and The forest is the second largest land use sector after agriculture in the state. As per the Forestry Survey of India Report, 2009, the recorded forest area consists of 38,284 sq. kms. Of which the reserve forest constitutes 74.94 percent, protected forest 10.27 percent and un-classed forest 14.79percent. Thus, one-fifth of state's geographical area is under forest cover.

Of the total forests, about 15.20 percent of forests are classified as wet evergreen, 14.10 percent as semi-evergreen, 24.06 percent as moist deciduous and 25.23 percent as dry deciduous. Thorn forests consist of 12.39 percent, plantations cover 8.22 percent and a marginal 0.80 percent of forests are classified as board leaved hill forests

The state also has an excellent network of 5 National Parks and 21 Wildlife sanctuaries covering an area of 6446 Sq kms which constitutes 16percent of the total forest area with around 6,000 wild Elephants and nearly 290 Tigers which comprise 25 percent and 20 percent of the country population respectively. This indicates an extremely healthy and vibrant eco system of our forests, but at the same time, forest resources and wildlife face severe pressure with rapid population growth and consequent development, livelihood, agricultural and industrial needs and conserving forests for productive and ecological services is a major challenge.

During 2009-10 Rs.940.00 lakhs was allocated for the maintenance of the Wildlife Sanctuaries and National Parks, out of which Rs.870.380 lakhs have been spent; and for 2010-11, Rs.1200.00 lakhs, out of which Rs.133.870 lakhs have been spent up to the end of November-2010.

The state had realised Rs 9061.59 lakhs during 2009-10 from marketing forest produce such as timber, firewood, sandalwood, bamboos, canes and other minor forest products. The large-scale afforestation programme undertaken by the State Forest Department shows that the department has succeeded in afforestation of 177220 hectares with planting of 1456.408 lakhs seedlings during 2009-2011, further, under farm forestry programme, 110.55 lakhs seedlings were distributed to farmers and general public for planting in private lands.

The Karnataka Forest Department has been implementing the KSFMBBC project from the year 2005-06 with an outlay of Rs.745.00 crores for a period of 8 years up to 2012-13. The project covers 176 taluks in 30 districts of the state. During 2005-06 to 2009-10, Rs. 624.358 crores were spent for raising 151016 hectares of plantations and for other developmental works. For 2010-11 Rs.81.99 crores are earmarked for carrying out the approved works out of which Rs.40.156 crores have been spent up to the end of November-2010 for raising 38451 hectares of plantations and for other development works. The state has formed about 1222 village forest committees up to 2009.

The Forest Department is implementing Dr. D.M. Nanjundapp's Committee recommendations. During 2010-11, Rs.2000.00 lakhs was provided under forestry sector. Out of which, Rs.762.081 lakhs has been spent on raising 3820 ha. plantations and 11278ha of plantation maintenance, up to the end of December, 2010.

In Karnataka, ground water exploitation has reached beyond natural rechargeable limit in recent years and its management is highly challenging one as the overdraft of water has exceeded the stage of 70 percent exploitation in the state indicating growing scarcity of ground water resource. The impact of overdraft of ground water has detrimental effect as about 124 taluks have reached above 70 per cent exploitation causing severe impacts on environmental balance of the region. Out of 234, about 64 watersheds have serious water quality problems in the state as per the recent analysis of ground water samples by the Department of Mines and Geology. Ground water is highly polluted with excess concentration of fluoride, arsenic, iron, nitrate and salinity due to both anthropogenic and geogenic factors.

The analysis on air pollution shows that an increasing level of energy consumption has contributed to the emission of pollutants such as Carbon dioxide, Oxides of Nitrogen, Sulphur Dioxide, Suspended Particulate Matter (SPM), Respirable Suspended Particulate Matter (RSPM) with about 34.77 lakhs vehicles plying on the roads of Bangalore city alone. The RSPM levels ($160-180 \mu\text{g}/\text{Nm}^3$) in Bangalore city are almost 4-5 times more than the Indian National Ambient Air Quality Standards (INAAQS).

The adaptive capacity and coping mechanism of the state will depend on the capacity of its human population, economic development, social capital, governance and technology, which may need a new policy thrust on green GSDP, green jobs and green development with low carbon economy. The state has gone forward in taking policy initiative in climate change front with appropriate mitigation strategies embedded in its developmental policies. However, more focused efforts in mitigating climate change with capacity building and preparing a comprehensive Action Plan on Climate Change, effective utilisation of available economic instruments such as clean development mechanism or carbon credits and payment for ecosystem services along with inclusive growth may further strengthen sustainability.

1.6 Industry and Commerce

Karnataka is considered a pioneer in the field of industrialization in India. The state has been in the forefront of industrial growth of our country since independence. In the era of economic liberalization since 1991, the state has been spearheading the growth of Indian industry, particularly in terms of high-technology industries such as Electrical and Electronics industries, Information & Communication Technology (ICT) industries, Biotechnology industries and more recently in terms of Nanotechnology industries. The Highlights of Karnataka's Industrial Growth performance are as follows:

- The ASI figures indicate that Karnataka accounted for 5.53% of the total registered factories in the country, 7.10% of the fixed capital investment and 7.23% of the total Gross Value Added by the registered factories in the country.
- Karnataka compared favorably to All-India in terms of labour productivity, input per worker, output per worker and wages per worker during 2005-06 to 2007-08.
- Karnataka accounted for 5.64% of the total number of unorganized manufacturing enterprises and 5.42% of the total unorganized manufacturing employment in the country in 2005-06. In terms of gross value added per enterprise as well as per worker, Karnataka performed better than All-India and stood fourth among the states of India.
- Under service sector, Karnataka accounted for 4.9% of the total enterprises and 4.8% of the total enterprise workers in the country. In terms of both gross value added per enterprise and gross value added per worker, Karnataka stood first in the country.
- Karnataka has registered more than 12000 MSMEs and generated employment for more than 75000 persons during April-December 2010.
- Karnataka is making rapid strides in terms of its important industry sectors such as food processing industries, textiles, sericulture, Information Technology and Bio-Technology industries.
- Karnataka has been making impressive progress in e-Governance. Its e-procurement project won Futuregov Award 2010 for Best Business Practices in Asia's Public Sector for the year 2010.
- Growing number of SEZs presents another dimension of Karnataka's industrialization. This is however skewed towards IT/ITES sectors.
- Karnataka is an industrially peaceful State and therefore has salubrious industrial climate in the country. Naturally, therefore, according to the Investment Assessment Report of ASSOCHAM, Karnataka is the most favoured investment destination in the country today.

Tourism

Karnataka with its great Heritage and Cultural Background has vast potential for the sustainable development of tourism industry. State Government has declared „Tourism as an industry“ since 1988. The Department has brought out a series of Tourism Policies with the package of incentives, concessions and subsidies for development of Tourist Infrastructure in the State through the private investment. Tourism has been given priority and it is instrumental for Socio-Economic growth of the State as well as providing lot of employment opportunities for both skilled and unskilled man power. The tourist flow in to the State has continuously been increasing steadily from 2.52 crores in 2005 to 3.32 crores in 2009, which

indicates an increase of 16%. Due to the recession 2008 and 2009 there was a marginal decrease in foreign tourist arrivals. In the perspective of overall tourist inflow to the State is steadily increasing.

In view of integrated development of tourism, the State government has announced new tourism policy for 2009-14. In the overall period of this policy (5 years), it is estimated that Rs.25,000 crore of private investment will be invest in tourism sector. And in the same period 29 to 41 lakhs of employment opportunity will be generated. To minimize the financial burden, the PPP scheme has also been introduced to attract more number of mega investors. Revenue realised by the tourism in Karnataka by the three organization viz., Directorate of Tourism, Jungle Lodges & Resorts Ltd. and Karnataka Tourism Development Corporation during the year 2007-08 was Rs. 62.77 crore and it was Rs.68.98 crore in the year 2009-10.

1.7 Investment and Exports

Over the years, Karnataka State has been best known for its comprehensive economic reforms and competitiveness in attracting private investments, especially in information and communication technology (ICT) and Bio-technology sectors. The most recent Global Investors" Meet, held on 3-4 June 2010 and organized by the Government of Karnataka, had aimed at attracting national and global investments by highlighting the investment opportunities in 12 different sectors including minerals, tourism, information and bio-technology, power, health, education, food processing and textiles. Karnataka Udyog Mitra is a special organization, established by the Government of Karnataka under the Department of Industries and Commerce, for promotion and facilitation of investments in the State. Major Accomplishments of the State in attracting Private Investment and Export during 2010-11 are as follows:

Investment

- Over the years, Karnataka State has been best known for its comprehensive economic reforms and competitiveness in attracting private investments, especially in information and communication technology (ICT) and Bio-technology sectors. Karnataka Udyog Mitra is a special organization, established by the Government of Karnataka under the Department of Industries and Commerce, for promotion and facilitation of investments in the State.
- For the current year, up to December 2010, the State Level Single Window Clearance Committee (SLSWCC) has approved 378 projects with an investment of Rs.6087.37 crore, with an employment potential of 1.03 lakhs. Further the State High Level Clearance Committee (SHLCC) has cleared 130 projects with an investment of Rs. 146566.89 crores, and employment potential of 4.63 lakhs persons.
- Foreign Direct Investments (FDI) inflows to Karnataka stood 3rd in India after Maharashtra and Gujarat. Karnataka continues to be a favourite destination for foreign direct investment (FDI) in the country. State attracted Rs. 9143 crore, during 2008-09 and further attracted Rs.4852 crore during 2009-10.
- Incidentally, the country, as a whole, recorded 11% growth during fiscal 2009 as against US\$24580 million in fiscal year 2008. In fact, the State, which stood at fourth

position last year, has gone one notch up this fiscal, indicative of investors' implicit faith in Karnataka and brand Bangalore.

- The achievements in Information Technology sector for the year 2010-11 (upto September 2010) by their location in STP and EHTP or SEZ IT/ITES is encouraging. Total approved investment include Rs.375 crore by Software Technology Park units, Rs.327 crore by foreign equity companies, Rs.1140 crore by hardware units and Rs.308 crore by BPO companies. In addition, approved investment in SEZ IT/ITES Units in 2010-11 (till Sept.2010) amounted to Rs.6103 crore.
- Karnataka is home to 60 percent of the country's biotech units. During 2009-10, 6 Projects were cleared through State Level Single Window Clearance Committee (SLSWCC) with investment of Rs.5209.30 crore.
- The expected total investment from the Global Investor's Meet in June 2010 is about Rs.473000 crore and with an employment potential of 85000 new jobs.
- Karnataka, as a Partner State of Vibrant Gujarat 2011, participated in the 5th Global Summit on 12-13 January 2011. Karnataka received a special recognition with a special session on Opportunities for Investment in Karnataka. About 20 MOUs/EOIs have been signed with expected investments of Rs.24759 crore in 10 sectors and employment potentials of 24795 persons.

Exports

- In 2009-10, Karnataka's exports amounted to about Rs.142871.41 crore or about 13.3 percent of the country's exports. Commodities which have more than 5 percent share in Karnataka's exports are electronics & computer software (63.5%), Petroleum and Petroleum products (7.7%) and gem & jewellery (12.2%). These three commodities account for over 83 percent of Karnataka's exports. Other commodities with a share of over 3 percent in the State's exports are readymade garments (3.6 percent), engineering (3.1 percent) and iron ore and minerals (incl. Granites) (3.3 percent).
- Karnataka enjoys a unique position in India in exports of Electronics and Computer Software. In 2009-10, the exports of Electronics and Computer Software from the State accounted for as much as 40 percent of the India's total exports. Other commodities from the State accounted as 6 percent of the exports at the all India level.
- Karnataka's contribution to the total exports of India has varied between 13 percent and 15 percent. Further, Karnataka's share in India's total exports of information and communication technology products has remained higher than 25 percent since 2005-06.
- Higher export performance is an important determinant of increasing degree of openness to export trade. Degree of openness is measured by the ratio of value of exports to GDP at national level and by the ratio of value of exports to GSDP at the State level. Karnataka's degree of openness to export trade has been about 44 percent during 2007-08 to 2009-10. This is remarkably higher than the all India average (about 19 percent). Increasing degree of openness to trade is an indicator of economic globalization. From this viewpoint, levels of Karnataka's economic globalisation have been higher than the National benchmark.

1.8 Economic Infrastructure

(i) Roads, Transport and Communication:

Transport: Karnataka State is known for its efficient public transport, as its services satisfies different income groups across state and in neighbouring states also. For efficient functioning and operational feasibility, the State Government has bifurcated the Karnataka State Road Transport Corporation into four Corporations. It is observed that the percentage share of over aged buses has come down from 10.7 per cent to 5.8 per cent in KSRTC and in BMTC from 9.9 to 3.4 per cent, in the other two corporations it is marginal.

After paying taxes and prior period adjustments, total profit of KSRTC in 2009-10 is Rs. 48.85 crore. As on December 2010, BMTC operated 3798 schedules by deploying fleet strength of 3451 vehicles, BMTC is operating over 11.87 lakh km. daily catering to 12.67 lakh passengers from 35 depots with 47 bus stations. The NWKRTC operating 4298 schedules covering daily 13.5 lakh kms and carrying 18 lakh passengers on an average per day and realizing revenue of more than Rs. 2.80 crore per day.

Roads: Over the year, the National Highways length has increased by 12 per cent and Major District Roads length by 5% whereas there is reduction in the length of State Highway due to upgradation to National Highway. The carriage width details of the roads show that the 19% of National Highways have four lane width followed by 61% two lane width and 17% intermediate lane width. The State Highways have 1% of four lane followed by 12% two lane, 42% intermediate lane and 45% single lane widths. Whereas 9% of Major District Roads have intermediate lane width followed by 89% single lane width.

Under KSHP-I, 2414 Km of State Highways and Major District roads were taken up for development at an estimated amount of Rs. 2304.50 crore. Of this, a length of 2394 Kms has been developed with an expenditure of Rs. 2,277 crore. Under KSHIP-II Phase-I, it is proposed to develop 1576 Kms of roads with the assistance of World Bank and Asian Development Banks.

The KRDC has been created as a state owned enterprise for the development of Road Infrastructure facilities in the State. Under this agency, construction of 853 bridges are taken up under different phases, of which 613 bridges are already completed and the balance 171 bridge works are in progress and the 69 bridge works are yet to be started. Apart from the construction of the bridges, the Corporation has also taken up the development of various state highways, some of them are: 148.50 Km length of Mysore – Bantwal State Highway and 50 Kms of Belgaum-Chorla State Highway.

The Pradhan Mantri Gram Sadak Yojana was launched in the State in December 2000 with the objective of providing road connectivity through all weather roads to all rural habitations with a population of 500 persons or more by the year 2007. The roads considered for this purpose will be surface roads. Under this programme, Rs.2924.04 crore has been spent and 12720.72 Kms of road length has been asphalted, up to November 2010.

Ports Inland and Water Transport: The Karnataka State has a coastal line of 300 Kms consisting of one major port and 10 minor ports. Apart from the New Mangalore major port, which is under the control of the Government of India, the following 10 minor ports come under the control of the State Government. Among them, the Karwar, Belikeri, Malpe and old

Mangalore have handled a significant cargo. However, the cargo handled is very fluctuating and the cargo handled by Belikeri port is increasing compared to other ports. To improve the ports an investment of Rs 2.83 crore is made in all the 10 minor ports by the end of September 2010. Further, anti sea erosion works and flood control works have been taken up and an expenditure of Rs 4.22 crore has been incurred.

Airways: The country's first Green Field International Airport has been developed at Devanahalli, Bangalore at a cost of Rs.2470 crore as a passenger and cargo Department hub under Public Private Partnership (PPP) model. This airport has considerable traffic movement domestic as well as international due to its location in Bangalore, IT and BT capital of India. During 2009-10, nearly about 1.05 lakhs aircraft movements in the BAIL airport, 99.20 lakhs passengers and 1.75 lakhs tonnes cargo were handled.

The Minor airport at Hubli is being upgraded to International Standards and 650 acres of land required for the expansion Hubli airport is being acquired. A total sum of Rs.245.00 crores has been released so far for land acquisition. Acquiring and handing over of the additional land of 93 acres required for extension of Runway for Belgaum airport is under consideration.

Railways: In Karnataka, the railway route has two types of gauge system, viz., broad gauge and meter gauge. The total broad gauge is 2,761 Kms and the meter gauge is 410.65 Kms. Within Karnataka the Sothern Karnataka has major track as well as maximum number of stations compared to the North Karnataka. The Kotturu – Harihar new railway line has been completed and the State Government has already released Rs. 217.33 crores. Munirabad – Mehabubnagar new railway line (except the route passing through Gangavathi) land has already been acquired and handed over to the railway and work is under progress. This project is being executed by cost sharing of 50:50 between GoK and MoR. The State Government has so far released Rs. 30.00 crores. The Doubling of Bangalore – Ramanagara railway line has been completed and the State government has released Rs.196.99 crores. The land for Bidar – Gulbarga new railway line has been acquired and handed over to South Central Railway and work is under progress. The expenditure for this project is being shared by GoK and Ministry of Railways on 50:50 basis. The State Government has so far released Rs. 115.00 crore for this project.

Communication: In Karnataka, there are 9820 post offices, 2778 telephone exchanges with 21.88 lakhs telephone connections as on 2009-10. During 2008-09, the number of subscribers in Karnataka through Aircel, BSNL, Bharathi Air Tel, Spice Communication and Vodafone were 177.17 lakhs.

(ii) Power

Karnataka generates power in four different forms – hydro power, thermal power, wind power and solar power. Of these, hydel and thermal power generations account for the considerable majority whereas wind and solar power generations make only marginal additions. In addition to these, there is electricity generation through diesel used generation plants. The highlights of Karnataka's power sector growth are as follows:

- To support the growing economic activities in the State and to meet the peak demand, adequate generation capacity needs to be created. The peak demand for power has been growing consistently in the State and so is supply. The peak demand during

April-December 2010 reached 7634 MW whereas it was 6897 MW in 2009-10. The supply was 155.82 MU during April-December 2010 and 147.98 MU in 2009/10 (which includes power generation within the State and power imports from outside).

- The total installed capacity of power in the State as on 31st March 2010 was 8685.91 MW including both public and private sectors. Of these, public sector accounted for as much as 66% and the rest (34%) came from the private sector.
- Total electricity generation in the State in the current year is 28454.63 Mu (up to November 2010) as compared to 30188.43 Mu in 2008/9 and 31566.10 in 2009-10. The State imported about 27.7% of the total electricity supply in 2008-09, about 25.8% in 2009-10 and about 25.5% up to November 2010.
- T&D losses which accounted for as much as 38% in 1999-00 came down to about 22% in 2009-10 and are expected to be less than 21% in 2010/11.
- The four major groups of consumers are: (i) Irrigation pump (IP) sets, (ii) Domestic lighting & All Electric Homes (AEHs), (iii) Industries, and (iv) Commercial lighting. These four groups together accounted for about 87% of the total power consumption in 2009-10 and almost 88% in the first half of 2010-11.
- While taking steps to generate power through conventional sources, the State is also making efforts to promote non-conventional sources of energy. The State is particularly making progress in terms of bio-gas plants.

(iii) Banking and Finance including Cooperatives

Karnataka state is a pioneer in establishing commercial banks. Presently the state has a higher density of financial institutions compared to the national average, persons per bank branch is 8091 against the national average of 14000 and state ranks 4th and 5th in deposit mobilization and advances respectively, compared to other states. The annual average growth of the deposits is 12.83 per cent and the annual average growth of advances is 9.5 per cent. Thus the state has good potential in deposit mobilization. However, the distribution of the financial institutions varies across the districts. The Udipi district comes first in the order, whereas Raichur followed by Gulbarga, Chamrajnagar come at the bottom.

The advances to the priority sector from the commercial and regional banks consistently meets the set targets. The share of advances to priority sector against the total advances is 44 per cent, which is higher than stipulated norms of 40 per cent. The advances to weaker sections though declined in the earlier years, has shown clear positive trend this year. Government utilized institutional finance from National Bank for Agriculture and Rural Development (NABARD) under Rural Infrastructure Development Fund (RIDF) Scheme for financing various developmental programmes in the State to supplement plan financing. An amount of Rs.781 crore has been allocated to Karnataka by NABARD under RIDF-XVI and proposals regarding Construction of School and College buildings, Rural Roads and Bridges, Anganwadi buildings, Minor Irrigation works, SC/ST and BCM Hostels, Rural Godowns, Panchayat service centers, ITI Buildings etc. have been forwarded to NABARD for utilizing the same.

Further, to create assets through intervention of credit assistance, state under SGSY programme funded self employment programmes at individual level as well as at group level, and till September 2010, Rs 418 crores has been spent as compared to Rs.408 crores last year.

State is doing well under the micro credit programme with the cooperation of NABARD. In the SHG-Bank linkage programme, the state stands second after Andhra

Pradesh in number of groups linked and financial assistance provided. The total number of groups (SHGs) promoted are 594,117 and number of groups linked are 530210. Of the total linked groups 51 per cent have been linked to the commercial banks, the remaining groups are linked to RRBs and cooperatives. In the Small Term Cooperative Credit Structure (STCDCS) state has initiated bringing legal as well as institutional reforms to make them vibrant. Long term financing institutions such as SFC, KCARDB are expanding their credit and portfolio. Interest subsidy introduced by the State government has helped large number of poor.

1.9 Human Development

(i) Education:

(a) Primary Education

The review of the various indicators of school education in Karnataka reveals an impressive growth in terms of schools, enrolment, teachers and infrastructure facilities. The state has a total of 58,889 primary schools and 12,453 high schools of which the schools run by the Department of Education constitute 78.3 per cent and 33.5 per cent respectively. The rural areas in the state are primarily served by government schools. The state has made conscious and deliberate effort to successfully enroll school age children from all sections of the society. This is also quite evident from the recent ASER survey (2010) which has commended the state's effort in this direction. The enrolment during 2010-11 in primary (class I to V) and in upper primary (class VI to VII) stage is 53.27 lakhs and 19.87 lakhs respectively. The state has a total enrolment of 100.35 lakh children in class I to X. Over 68.0 per cent of these children are enrolled in schools of the Education Department. The proportion of SC/ST children in class I to VII in the State is 27.22 percent. More than 75.0 per cent of these children are enrolled in schools run by the State department of education.

The State has improved its Educational Development Index (EDI) rank at the primary stage from 11th in 2007-08 to 8th in 2008-09. It has also improved its rank with regard to access and infrastructure at the upper primary stage. However, the state is required to consolidate its gain from access and infrastructure to improve its performance on outcome index both at primary and upper primary stage.

The state has done exceedingly well in terms of the various interventions launched under its Quality Improvement Programme. Its upscaling of Nali-Kali teaching methodology in primary schools, CALC, Radio Lessons, documentation and production of materials and professional literature, teacher training and teacher support, monitoring school quality, Educational Leadership Programme. Its coverage of incentives for students is also quite impressive. The state's initiatives and other innovative programmes direct bearing on the quality of education for enhancing girls' participation and retention in schools through Meena Groups, Adolescent Girls' camps and NPEGEL & KGBV interventions is praiseworthy. The gender parity index reveals a favourable trend.

Similarly, the state's yet another major innovative activity, namely, Chinnara Zilla Darshana, an educational tour program within the district targeting SC & ST children has been a huge success. The state has covered 86, 500 children in the year 2009-10 under this programme. Similarly the state's attempt to enhance school participation of minority children through awareness programme is commendable. The steady decline in the out of school

children population is noteworthy. The state has to now address the issue relating to the successful school completion with a particular focus on the children from the marginalized groups.

(b) Secondary Education

With significant gains in Primary education, the state has set in motion the planning process for universalisation of secondary education, to achieve the target of 65.0 per cent enrolment in 14 to 18 age group population in class 9 to 12 by 2012 as envisaged under the eleventh five year plan.

The state has a total of 12,453 secondary schools, out of which 4,504 schools are run by the department of Education, 3275 by Private Aided Management, 4579 by Private Unaided Management and 95 by others. 37 percent of the secondary schools are run by the private sector which indicates low access to higher education to the students from marginalized groups.

There are altogether 1,09,503 teachers working in secondary schools. From out of this, number of teachers working in schools of Department of Education is 34,767. In addition 2392 teachers and 26771 teachers are working in schools managed by other departments of state government and private aided schools respectively. The state has a Teacher-Pupil Ratio (TPR) of 25.22 for working teachers and 23.43 for sanctioned teacher for schools of the education department.

The state has a total enrolment of 25.78 lakh pupils in high schools. Of this 44.35 per cent and 32.02 per cent of students are enrolled in government and aided schools respectively. The enrolment of SC/ST children constitute 24.52 per cent of the total enrolment in high schools. Rashtriya Madhyamika Shikshana Abhiyan (RMSA) is a new mission for secondary education. The guiding principles are universal access, equality and social justice, relevance and development and curricular structural aspects. Universalization of secondary education gives opportunity to move towards equity in higher education.

(c) Pre-University Education

Pre University education is an important milestone in between school education and Higher education. As at the end of 2009-10, there are 1200 Government PU Colleges, 803 aided and 1627 un-aided colleges in the State. There are about 9.78 lakhs students studying in these colleges. Financial assistance is provided under NABARD- RIDF and Special Development Plan to meet the infrastructure requirements of the PU colleges. Orientation programmes are organized by the Department for the lecturers to upgrade their knowledge and improve the results. The focus is on those districts where the pass percentage of students is low.

(d) Higher Education

The focus of the state for a long time has been on expansion of primary education to attain universalization of primary education which is definitely essential to expand the base of higher education. However, in recent years, the State has made some major interventions in the field of higher education. These include establishment of new colleges and Universities, attracting and retaining talent in higher education by providing incentives and

higher salaries, institutional reforms and ICT interventions, provision of more scholarships and education loans to the students etc. Innovative models of public private partnerships with stress on equity and excellence are also introduced to achieve desired goals. The Azim Premji foundation has established a private University to develop models of quality education.

There are 3643 pre university and 1362 colleges and 18 Universities to impart General education. There are 289 Polytechnic and 187 Engineering colleges to provide technical education. Vocational education is provided through 553 institutions to about 32000 students in 29 courses. The participation of private sector is dominant in higher education.

(e) Karnataka Knowledge Commission

The State has established Karnataka Knowledge Commission which is endeavouring to promote excellence and quality in higher education. Two of the State Universities – Karnataka and Mysore Universities- are being shaped as Model Universities. Karnataka State Higher Education Council is established to plan development of higher education in the state to meet the global challenges. These developments need to be strengthened and sustained over a long period of time to increase enrolment in Higher education from 13 percent to 21 percent by the end of XII five Year Plan. The expansion in higher education should meet the requirements of the growing Industry, Business and Service Sector and should increase the stock of human capital to take the lead in global competition.

(ii) Health

For improving the population health status, Karnataka has embarked on several programmes in recent years. Additionally, the government has also taken several steps to improve access to health care for the poor and marginalized population. There had been conscious efforts to enhance the reach of health infrastructure and to improve the quality of services.

The public health infrastructure in the state is relatively good. As of now, there are 17 district hospitals, 10 other hospitals and 29 Autonomous & Teaching Hospitals in the state. The primary health infrastructure in the rural areas has fulfilled the norms required under the “Minimum Needs Programme” at the aggregate level. There are 8143 sub-centres, 2193 primary health centres and 326 community health centres and taluka hospitals catering to the health needs of the rural population. However, there is regional disparity in the health infrastructure. The Bangalore and Mysore division accounts for around 61 per cent of the total beds in the state and the rest 39 percent is shared by Belgaum and Gulbarga divisions.

The analysis observed a sharp fall in the infant mortality rate in the state in the last two years. The infant mortality in 2009 is 41 per 1000 live births as against 47 in the year 2008. The various programmes the state has initiated to reduce infant mortality seems to be paying dividend. However, the infant mortality rate of around 41 in 2009 is far higher than the eleventh five year plan target of 24 set for the year 2012 and it is important that the vigour of the implementation of various schemes is maintained to achieve that. The major reasons for the fast declining infant mortality rate is due to the various efforts by the state to encourage institutional delivery. The percentage of institutional births is estimated to be around 86 percent due to an increase of around 20 percentage points within the last four years. Similarly the full immunization coverage also has increased but at relatively slower pace.

The state has performed relatively better in population control with total fertility rate below the replacement level (Total Fertility Rate (TFR) of 2.0). The state is likely to achieve the eleventh five year plan target of TFR 1.8 for the year 2012.

The state has announced several add on programmes in addition to the National Rural Health Mission (NRHM), to improve maternal and child health situation. *Thayi Bhagya Plus*, *Arogya Kavacha*, *Suvarna Arogya Chaitanya*, *Bhagyalakshmi Scheme* and *Thayi Bhagya* are some of the important programmes. Under *Arogya Kavacha* till now 1,87,49,856 calls have been received of which 1,85,19,149 cases are attended. About 83,06,868 children have been medically examined and 4626 surgeries have been done at a cost of Rs 36.88 crores under *Suvarna Arogya Chaitanya* scheme. Under *Bhagyalakshmi Scheme*, 8,01,639 Girl children across the State have been medically examined. In addition to this, through the *Karnataka Health System Development and Reform Project (KHSDRP)*, several innovative programmes to enhance access to the services and quality care has been launched. These programmes include, (1) *Organisational Development* programmes, (2) *Public Health Competitive Fund*, (3) *Service Improvement Challenge Fund*, (4) *Health Financing / Insurance* and (5) *Project Management & Evaluation*.

Karnataka State AIDS Prevention Society implements the *National AIDS Control Program Phase III* in the state. The pregnant women who tested positive for HIV has shown a decline from 1.34% in 2005 to 0.89% in Karnataka in 2008. The society also provides various other services like targeted intervention for high risk groups, counselling services, ART centres etc.

In addition to the above services the Department of AYUSH provides Indian system of health services. There are several Clinics, Hospitals, Nursing Homes for inpatient care and specialized therapies like *Panchakarma*, the kit interventions etc. The strategies in the 11th Five Year Plan include training for AYUSH personnel ,mainstreaming the system of AYUSH in National Health Care delivery system, strengthening regulatory mechanism for ensuring quality control, research and development and processing technology involving accredited laboratories of the Govt. and Non-Govt. sectors.

Overall, Karnataka has made significant strides in improving the health status of the people in the last few years. However, despite the progress, the state has a long way to go in achieving the desired health goals.

(iv) Labour and Employment

The need to ensure adequate growth in employment opportunities for providing productive employment for the growing labour force is widely regarded as one of the most important challenges of the state. The expansion of productive employment is also crucial for sustained poverty reduction, as labour is the main asset for a majority of the poor. Near about 63% of the Karnataka's total population is in the working age group of 15-59 years, which is higher than the All-India average of 59%. According to the usual status (ps+ss), about 63% of rural males and 46% of rural females belonged to the labour force. For urban areas the corresponding figures are 59% and 19% respectively (61st Round of NSSO Survey, 2004-05). Karnataka improved its position in labour force with third highest Labour Force Participation Rate (49.2 percent) in the country compared to other States.

The share of rural females at the all India level was 26.8 percent whereas Karnataka had significantly higher percentage of rural females in labour force (30.0%). Urban Females constituted only 5.5% of the total labour force in the country whereas it was as high as 6.5 percent in Karnataka. In the case of Scheduled Caste and Schedule Tribes (STs), Karnataka had the highest Labour force participation rate of 52.1 and 55.1 percent respectively compared to all India average of 43.75percent (SC) and 50.49 percent (ST) respectively.

The distribution of workers across industry suggests that agriculture is the most important sector wherein 81 per cent of workers in the age-group of 15 years and above are engaged for their livelihoods in rural Karnataka. In urban Karnataka, 27 percent of workers in Trade, Hotels and restaurant and 22 percent of workers in Manufacturing and 17 percent of workers in Public administration, etc are engaged according to NSS data 2004-05.

Fifth Economic Census 2005 data shows that the number of total establishments comprising of Agricultural and Non-Agricultural activities increased from 19.12 lakh in 1998 (Fourth Economic Census) to 25.39 lakh in 2005 or by 32.81%. Correspondingly, the total number of persons usually working in establishments registered an increase of 20.79% from 52.53 lakh persons in 1998 to 63.46 lakh persons in 2005.

With regard to total female employment, there has been an increase by 30.96% between the period 1998 and 2005. In respect of female employment, in Agricultural Establishments the increase was 13.55 percent, whereas the increase in Non-Agricultural female employment is 35.63 percent. The share of female employment to the total employment increased from 24.63 percent to 26.70 percent between the period 1998 and 2005.

Organised sector employment in the state has increased by 0.25% from 22.85 lakh at the end of March 2010 to 22.91 lakh at the end of September 2010 adding 0.06 lakh additional jobs. Public sector employment accounts for 10.62 lakh (46.34 per cent) and private sector for 12.29 lakh (53.66 per cent) up to september 2010.

The size of unorganised sector is 92.3 percent in Rural and 71.5 percent in urban Karnataka. As per the definition of National Commission for Enterprises in the Unorganised Sector (NCEUS), about 87 per cent of the workers work in the unorganized sector in Karnataka (the size of unorganised sector workers in India is 91.83 percent). The organized sector with secured job and provision of social security employs only 13.5 per cent of the total workforce. This picture is better than all India average of 8.17 percentage share of organised sector workers.

In view of growing unorganised sector workers, State government has setup the Social security board according to Social Security Act 2008, Construction welfare board to provide benefits to the unorganised workers. Apart from these, Rashtriya Swasthya Bima Yojana, a health insurance scheme for the unorganized sector workers is implemented during 2009-10 in Bangalore Rural, Dakshina Kannada, Belgaum, Mysore and Shimoga Districts of Karnataka. Near about 1.61 lakhs smart cards have been issued and expenditure of Rs.85.26 lakhs have been incurred for the treatment. . It is proposed to extend RSBY to the remaining 25 districts and to cover 19,19,014 BPL families of Rural and 10,92,870 BPL families of urban areas.

The number of job seekers as per the live register figures of employment exchanges was 5.11 lakh in December 2010 compared to 5.64 lakh at the end of March 2010, a decrease of 9.41 per cent. During the corresponding period in the previous year the number of job seekers had decreased by 10.64 per cent.

Karnataka's child workforce has been witnessing decline in the last two decades, both in terms of magnitude and workforce participation rates. According to National Sample Survey (NSS), the number of child labour in Karnataka was 12.71 lakhs in 1993-94, 8.31 lakhs in 1999-2000 and 5.10 lakhs in 2004-05. Both Census and NSS sources show that there has been a decline in the magnitude of child labour in Karnataka. However, it is important to note that the child marginal workers are increasing over a period of time according to Census. Keeping this in mind, a new initiatives have been taken by the Department of Labour and State Resource Centre on Child Labour has been established which is functioning as "Nodal Agency" in implementing the Revised action plan for combating child labour.

Employment generation has been estimated based on three factors viz., income, employment elasticity over a period of years and anticipated estimates of gross state domestic product for the 2010-11. During 2010-11, it is 283.72 lakh person-days compared to 278.22 lakh person-days in the previous year. In Mahatma Gandhi National Rural Employment Guarantee Scheme, the fund available for 2010-11 is Rs.4781.34 crore; Rs.894.01 crore is spent upto December 2010 and 277.53 lakh mandays were generated by providing employment to 49.08 lakh labourers. In order to generate employment, State has initiated various wage employment and self-employment programmes.

The State Government of Karnataka has taken up the Skill Development as a major policy initiative since 2008-09. The State Government has also initiated many new initiatives in achieving the targeted goals and objectives of ensuring adequate availability of skilled man power with social and regional justice. During the year 2010-11 up to the end of December 2010, 17 skill and job fairs were organised in which 2254 employers and 2,94,770 job seekers participated, and 1,89,510 persons received successful placement and 2,81,868 persons were provided skill training.

(v) WATER SUPPLY AND SANITATION

Rural Water Supply

Access to safe drinking water and adequate sanitation are immediate prerequisites for realising improved human health and welfare. As per 2001 census, 3.48 crore people live in rural areas of the state spread over 59203 habitations. All the habitations are provided with water supply. Out of 59203 habitations in the Karnataka, 32,236 habitations are fully covered (FC) and 26,967 are partially covered (PC) as at the end of March 2010. The drinking water schemes of the state consist of hand pumps and bore wells, piped water supply schemes and mini water supply schemes. Of the 59203 rural habitations covered under the above schemes, about 22610 (38 per cent) habitations receive above 55 lpcd of water, remaining 62 per cent of habitations receive less than 55 lpcd of water. Of the 59203 rural habitations covered under the above scheme, about 22610 (38 per cent) habitations receive above 55 lpcd of water, remaining 62 per cent of habitations receive less than 55 lpcd of water.

The main source of water supply for drinking water needs is ground water in the State. In view of over exploitation of ground water for various uses, conservation of water by conventional and non-conventional measures for improving drinking water sources was taken by the State. About 1162 pits and trenches, 2150 check dams, 806 percolation tanks, 1060 dug wells, and 389 roof top harvesting structures were constructed for ground water point recharge during 2010-11 Action Plan. The state also made available 20 % of central government grant for this programme and the estimated amount of schemes was Rs. 325.65 crore.

The state is facing with water quality problems and about 21008 water quality affected habitations are identified in the State as per 2000-01 survey. Out of these 7930 habitations are covered and 4999 habitations were covered by the end of March 2010. The remaining 8079 habitations have to be covered in the next two to three years time. It is estimated that about 1600 crore is required to cover these habitations afflicted with water quality problems.

State government has established 30 district level laboratories to check the quality of ground water for meeting drinking water standards. About Rs. 134.28 lakhs worth of Field Water Testing Kits have been procured for distribution to all the 5628 Gram Panchayats during 2008-09. These kits are used to test all the ground water sources both in pre-monsoon and post- monsoon seasons Training is also given to V.W.S.C. for testing water quality using Field Water Testing Kits.

World Bank assisted Jal Nirmal Project is a demand responsive project implemented in 11 districts (i.e., Bagalkote, Belgaum, Bidar, Bijapur, Dharwad, Gadag, Gulbarga, Haveri, Koppal, Raichur and Uttar Kannada) of Northern Karnataka. Under this project water supply project has been taken up in 744 GPS having 3061 villages/habitations and roads and Drain schemes were taken up in 1523 villages/ habitations at an estimated cost of Rs. 997 crore. About 51 lakh rural population has been benefitted by this project

Under World Bank assisted Jal Nirmal Project, since inception Rs. 94310.39 lakhs has been utilized and Rs. 71643.37 lakhs has been claimed as reimbursement and Rs. 71417.83 lakhs has been reimbursed from the World Bank. Under this project, 2907 water supply schemes and 1429 roads and drain schemes have been implemented.

Further under world Bank assisted Jalnirmal Additional Financing Project ,1552 water supply schemes and rural internal road and drain works are taken up for implementation from July 2010, at an estimated cost of Rs. 816.18 crore for a period of 3 years in the existing 11 districts of Northern Karnataka and water quality affected habitations in few other districts.

Urban Water Supply:

Drinking water supply is better in case of urban areas with 78.4 per cent of households having access to tap water whereas, in rural areas only 48 per cent of the households have access to this source The Board has implemented assure safe drinking water to 179 urban areas. Further, the board is implementing 22 schemes for shifting the source of water from ground water to assured surface source of water. All these schemes are expected to be completed by the year 2013. By the year 2013 only 12 urban areas will be left with sub-

surface water as source. Most of the urban areas are provided with surface water as source. At present 49 urban areas are provided with UGD facilities. In most of the urban areas the sewerage system is covered in core areas. The newly developed areas are not provided with Sewerage system. The Board has prepared a plan amounting to Rs.16921.00 crore for providing UGD scheme to all the urban areas in Karnataka.

Total Sanitation Campaign (TSC)

Individual Health and hygiene is dependent largely on adequate availability of drinking water and proper sanitation. Therefore there is a direct relationship between water, sanitation and health. Consumption of unsafe water, improper disposal of human excreta, high infant mortality rate is also attributed largely to poor sanitation. The concept of sanitation was earlier limited to disposal of human excreta to cuss pool, open ditches, pit latrines, bucket system etc. The revised approach in programme emphasizes more on information Education and communication (IEC), Human Resource Development, Capacity development activities to increase awareness and demand generation for sanitary facilities. This will enhance people's capacity to choose appropriate options through alternative delivery mechanism with beneficiary participation

Total Sanitation Campaign is under implementation in all the 30 districts of the state since 2005. Grama Panchayat is the implementing unit at village level. Achieving Open Defecation Free environment, along with other components like School and Anganwadi sanitation, solid and liquid waste management in all the villages of the Grama Panchayats is the ultimate goal of the campaign. Nirmal Gram Puraskar is the final incentive to the Grama Panchayats for their holistic approach and achievement.

At the launch of campaign financial outlay was pegged at Rs.325.03 crore. With the revision of guidelines and change of norms for various components financial outlay has been enhanced to Rs.977.24 crore (Including beneficiary share). Amount is released to districts in installments based on the approved PIP. Families belonging to BPL only will be given an incentive amount of Rs.3000/- for construction and usage of toilets. Of which GOI share is Rs.1500/- & GOK share is Rs.1500/-.

By adopting area specific strategies to make villages open defecation free zone 845 Gram panchayaths and 4 block panchayaths have received Nirmal Gram Puraskar.

(vi) Human Development Indicators

Karnataka is projected to have a population of around 59419 thousand in 2011 with a growth rate of around 12 percent during 2001-11 decade. Karnataka's population is expected to increase gradually henceforth with an annual growth rate of less than 1 per cent. As a result, the state is expected to experience a rapid change in its age structure from young to adult. Further, there will be over 3 percentage point increase in the elderly population within the next 10 years. Therefore, ensuring quality of life to all sections of the population to take advantage of the demographic dividend remains to be a challenge for the state in the coming years.

The poverty levels according to the new Methodology developed by the Planning commission remains to be 33.4% in Karnataka for the period 2004-05 as against 37.2 percent at the all India level. However, Karnataka has one of the highest poverty levels among the southern states.

The human development report of 2010 computes multi-dimensional poverty reflecting the multiple deprivations that people face at the same time. The position of Karnataka in multi-dimensional poverty is also better than the all India with nearly 46% people being multi-dimensional poor in the state as against 55.4 per cent at the all India level. At the same time, the extent of multi-dimensional poverty in Karnataka is far higher than the neighbouring states of Kerala (15.9 per cent). Similarly the proportion of households having access to all the three important amenities; drinking water within the premises, electricity for domestic use and latrine facilities remain at 34.8 per cent in the state.

Karnataka State is also at the forefront of bringing out district level human development reports. Four pilot districts (Bijapur, Gulbarga, Mysore and Udupi) were taken up for preparation of District Human Development Reports in the first phase on a pilot basis, which were released in the year 2010. Based on the pilot experience a standard manual is being developed for the District Human Development Report preparation and the same will be used to bring out the District Human Development Report of the remaining districts. The remaining districts will be covered by the end of XI plan period.

Karnataka has considerable regional disparities in many human development indicators. It is observed that in the case of educational development many of the northern districts like Yadgiri, Gulbarga, Koppal, Bidar and Raichur perform poorly as against the better performing districts like Hassan, Kodagu and Tumkur. It is also found that the percentage of children out of school in the age group 6-14 years is above ten percent in Bellary, Raichur and over 8 per cent in Gulberga as against the state average of 3.2 per cent.

Karnataka has also implemented various programmes to enhance the human development in the state through different departments. Overall it is found that the position of Karnataka is better in human development indicators as compared to all India level but its position is far lower than the southern states and Maharashtra. Regional disparities in the achievement of human development remains to be a challenge for the state. Therefore, concerted efforts are necessary to ensure that the regional disparity in the human development is bridged as early as possible.

1.10 Social Sectors

(i) Status of Poverty

Given the contemporary global emphasis on mid-term evaluation of the progress towards the Millennium Development Goals (MDGs), this section reviews issues related to deprivation and inequality in consumption and education in rural and urban Karnataka. It reviews Karnataka's performance in reducing consumption deprivation in the rural and urban sectors and evaluates the findings in an integrated perspective with reference to education, skills and employability.

- Of the eight goals, MDG 1 aims to eradicate poverty and hunger while MDG 2 aims to achieve universal primary education. Regional disparities along the consumption dimension in Karnataka cannot be addressed without a sizable improvement in educational attainment. Higher level of educational attainment is the first step towards facilitating acquisition of job-oriented skills and improving the chances of becoming employable and getting higher wages.

- Rural poverty has declined since 1972-73; percentage point reduction in incidence of rural poverty between 1973-74 and 2004-05 was higher in Karnataka (34) than at the all-India level (28).
- Deprivation in the urban sector too declined but to a lesser extent in Karnataka (19-percentage point) than in India as a whole (24-percentage point) between 1973-74 and 2004-05.
- There are four NSS regions in Karnataka, viz. Coastal & Ghats, Inland Eastern, Inland Southern, and Inland Northern. The salient features of consumption in the four regions are as follows:

Rural Karnataka: Coastal & Ghats, and Inland Eastern regions stand out with levels of consumption higher than the state average and incidence of poverty lower than the state average in the year 1993-94. By 2004-05, Inland South also caught up with the mainstream as shown by both the mean-based and order-based averages exceeding the corresponding estimates for the state as a whole.

Urban Karnataka: The economic profile of different NSS regions in urban Karnataka is slightly different from that for rural Karnataka. Coastal region stands out as the most prosperous region in terms of both mean and order-based averages in 1993-94. By the year 2004-05, Inland South excels Coastal Karnataka in terms of both mean-based and order-based averages. Inland North fares badly with reference to the urban sector also in terms of average consumption and extent of deprivation, which afflicts more than half of the urban population.

- The issue of poverty reduction cannot be tackled without addressing the issue of education. After all, educational attainment reflects employability of the individual.
- The literacy rate in Karnataka is comparable to the national average. The literacy rate however only conveys part of the story.
- A single indicator that captures the extent of educational attainment is the school life expectancy, the expected number of years of schooling. The average school life expectancy in rural and urban Karnataka is 9.3 years and 10.4 years respectively. The school life expectancy in the four regions, viz. Coastal & Ghats, Inland Eastern, Inland Southern and Inland Northern are 10.4, 10.5, 10.3, and 9.1 years respectively.
- Based on the discussion that the head count ratio of poverty is the highest in the Inland Northern region it is not surprising that school life expectancy is lower by 1.4 years as compared to Inland Eastern region. The average age at time of enrolment is higher at 5.8 years in Inland Northern region compared to 5 years in Inland Eastern region.
- In terms of policies and interventions, data from the NSSO 64th Round (July 2007-June 2008) Survey on Participation and Expenditure in Education suggests that the government is indeed focusing on the Inland Northern region.

(i) Women and Child Development

The Women and Child Development Department has taken up various programmes with a view to ensure protection of women and children against negligence, abuse and exploitation and to guarantee their basic human rights, including survival, development and full participation in social, cultural, educational and other endeavours necessary for their individual advancement and well-being.

The Stree Shakthi Programme launched in 2000-01, aiming at empowering rural women through the formation of self help groups (SHGs). Since the inception of the programme 76,952 groups have taken up income generating activities like sheep rearing, poultry rearing, readymade garments, papad preparation etc., with an investment of Rs.821.81 crores. So far 1.40 lakh groups have been formed with 20.73 lakh women members. Out of which, 3.83 lakhs are SC members, 1.52 lakhs are ST members and 1.42 lakhs belong to minority communities. These groups have so far mobilized savings of Rs. 877.68 crore.

In the state, so far, 144 Santhwana centres have been sanctioned by giving priority to the most backward taluks identified by the High Power Committee for Redressal of Regional Imbalances headed by Dr. D.M.Nanjundappa. During the year 2010-11, a budget allocation of Rs.655.00 lakhs has been earmarked for the scheme. Out of which an amount of Rs.280.96 lakhs has been spent up to the end of December 2010.

Under Bhagyalakshmi scheme, during 2010-11 an amount of Rs.358.00 crore have been provided, out of which Rs. 320.04 crore has been released for this programme. 1,61,708 beneficiaries have been covered up to the end of December 2010. In addition sarees have been distributed to mothers of Bhagyalakshmi beneficiaries and a sum of Rs. 20.00 crores has been released to the Karnataka Handloom Development Corporation (KHDC) towards purchase of sarees and Rs 10.27 crores to all the 30 districts towards organizational expenses of conducting the programme. Under this programme Child Tracking System has been developed with the assistance of NIC. During the year 2009-10, nearly 1,44,999 beneficiaries were covered with the expenditure of Rs. 229.89 crore.

Karnataka State Women's Development Corporation has been implementing various schemes such as Udyogini, Women Skill Training Programme, Devadasis Rehabilitation Programme, Marketing Assistance Scheme for the upliftment of the women.

The Integrated Child Development Services Scheme was started in Karnataka on 2nd October 1975. Since then, the programme has been expanded to all the revenue taluks in the state. The welfare of pregnant women, nursing mothers, adolescent girls and children below 6 years has acquired a prime place in the programme. The total number of Anganwadi centre is 60046 excluding 3331 mini anganwadi centres. It covers 175 taluks (166 rural projects, 10 urban projects and 9 tribal projects) and 48.32 lakh beneficiaries have availed the benefit of the scheme during 2010-11. Under the supplementary Nutrition Programme, in the year 2010-11, an amount of Rs.32619.62 lakhs of expenditure has been incurred, benefitting around 4624652 beneficiaries.

Karnataka is the first state in the country to introduce "Karnataka Mahila Abhivrudhi Yojane" scheme for the empowerment of women. The scheme is to earmark 1/3rd of resources for women in individual beneficiary oriented schemes and labour intensive schemes of the various departments of the Government. Under this programme, 25 departments have identified 238 schemes in Central, State and District Sector.

(ii) Food Security through Public Distribution System (PDS)

Distribution of food among the poor at subsidized rates through Public Distribution System is an important poverty alleviation programme. The state government conducted new survey in 2005 to identify the BPL families. On the basis of state government's laid down

criterion, BPL families were identified and Computerised Cards with Bio-metric and photographs were issued. During 2010-11, a total number of 96 lakh cards were issued to the poor in Karnataka that includes 11 lakh AAY and 85 lakh BPL card holders. The Central government allots food grains for only 31.29 lakh families in the state that includes both AAY and BPL families. The remaining food grains are purchased by the state from the Central Pool at the APL rates and distributed at the BPL rates. The AAY families are issued 29 kg of rice at Rs 3/- per kg and 6 kg of wheat at Rs 2/- per kg. The main commodities covered under PDS in the state are Rice, Wheat, Sugar and Kerosene. One kg per card sugar is supplied to the AAY and BPL families at the rate of Rs 13.50 per kg. For Sugar and Superior Kerosene Oil (SKO) allotment, ration cards are divided as Gas and Non-Gas cards. LPG cards do not get SKO allotment. In order to avoid misuse, the colour of PDS SKO has been made blue and is distributed only to the ration card holders. The state government has made a policy to have Fair price shop at every Revenue village and at present more than 20 thousand FPS are working in the state. During 2009-10, total offtake of rice for AAY increased up to 416342.73 tonnes from the level of 415778.81 tonnes in 2008-09. Similarly, offtake of wheat under BPL increased from 129024 tonnes in 2008-09 to 140544 tonnes in 2009-10. During the current year offtake was 100 percent of the total foodgrains allotted for both AAY and BPL.

(iv) Housing

To meet the growing demand for housing, the State Government has been pro-active in its housing programmes and is intending to bring out the draft „Karnataka Housing and Habitat Policy“. To provide an affordable shelter to the needy people, the State Government has set up Rajiv Gandhi Rural Housing Corporation Limited (RGRHCL), Karnataka Housing Board (KHB) and Karnataka Slum Development Board (KSDB), The Government is also successfully implementing Rural Ashraya, Rural Ambedkar, Indira Awaas Yojana (IAY), and Urban Ashraya with a view to provide quality houses to the families living Below Poverty Line (BPL) and for weaker sections in the society.

Rajiv Gandhi Rural Housing Corporation Limited (RGRHCL) under Rural Ashraya Scheme has constructed 33,551 houses upto the end of December 2010. During 2009-10, 15,217 houses have been constructed. Further, in the year 2010-11 (till December 2010), under Rural Ambedkar Housing Scheme 2234 houses have been constructed. Under IAY during the same period 45,056 houses have been completed under Urban Ashraya scheme. In the year 2010-11 (till December 2010) 628 houses have been constructed Under Urban Ashraya Scheme.

Under the programme of House site, from 2000-01 to 2010-11 (till December 2010) 1,69,446 sites have been distributed (113815 sites in rural areas and 55,631 sites in urban areas). For the year 2010-11 it is targeted to distribute 2.5 lakh sites (2 lakh in rural and 0.50 lakh in urban areas). Out of the target, 1,729 sites have been distributed (1384 in rural area and 345 in urban) till December 2010.

The total expenditure on Economically Weaker Section housing schemes has increased significantly. From 2000-01 to 2010-11, the Government has spent a total amount of Rs. 5599.24 crore, of which Rs. 1723.61 crore (30.8 %) is from centrally sponsored schemes and Rs. 3875.63 crore (69.2 %) from the state Government sponsored housing schemes for economically weaker sections. Further, State government during the current year has

introduced new schemes such as Basava Vasathi Yojane, Vajpayee Urban Housing Scheme and Nanna Mane.

The major works done by Karnataka Housing Board include 1048 housing schemes which have been completed, 1,13,795 houses constructed and 29,517 sites provided. In addition, Satellite townships have been developed at Yelahanka, Kengeri at Bangalore and Hootagalli at Mysore.

The Karnataka Slum Development Board is implementing schemes for improving the environmental conditions of slums and provides basic amenities like drinking water, toilets, drains, roads, streetlights, etc. The Board is implementing the following schemes, viz. Slum Improvement Programme, Jawaharlal Nehru National Urban Renewal Mission (JnNURM) - Basic Services to Urban Poor (BSUP), Integrated Housing and Slum Development Programme (IHSDP). Since the inception of BSUP, against the target of 24508 houses, 7383 houses have been completed and 10848 houses are at various stages of construction as at the end of December 2010. The State has prepared an Action Plan to take necessary steps for implementation of the Rajiv Awas Yojana.

(v) Welfare Programmes for SCs, STs, BCs, Minorities and Disabled and Senior Citizens

(a) Welfare Programmes for Scheduled Caste

The Department of Social Welfare has implemented several schemes for the development and empowerment of the SC community. The budgetary allocations as well as expenditures for pre-and post-matric scholarships and pre-matric hostel facilities, construction of Residential Schools, Morarji Desai Residential Schools, Ambedkar Housing under Scheduled Castes Sub Plan (SCSP), etc., have gone up during 2010-11 over the previous year, benefiting a large pool of this community. It has also been found that, in most of the above schemes, except in pre-matric scholarships, the percentage of expenditures is higher than the budgetary allocations. The budgetary allocation and expenditure under SCSP has got reduced during 2009-10 over 2008-09, and increased during 2010-11 over the previous year. The percentage utilization of the funds under SCSP, however, has increased during the last two years. There has been a rapid increase in the SCSP pooled funds and expenditure in recent years.

The Dr. B. R. Ambedkar Development Corporation Limited, Bangalore has launched various programmes focusing on economic welfare of the SC community in the state. It has been found that the budgetary provision and expenditure under the programmes such as Self-employment Programmes, Land Purchase Scheme, Ganga Kalyan Scheme and Safai Karmachari Rehabilitation Programme have got reduced during 2010-11 over the previous year, but under the Micro Credit Finance Scheme it has gone up by 39 % in respect of budget and 23% in respect of expenditure during 2010-11 over 2009-10. In the wake of growing incidence of educated youth unemployment among the SC community, a greater allocation of funds and effective implementation of such programmes is the need of the hour.

(b) Welfare Programmes for Scheduled Tribe

The Department of STs Welfare has implemented various programmes for the development and empowerment of the ST community in the state. There has been an increase

in the budgetary allocation and expenditure under various incentive schemes for educational advancement such as Admission of Meritorious Students in Prestigious schools, Pre-and Post-matric Scholarships and provision of hostel and school facilities, Book Banks Scheme and Rationalization of ZP sectoral schemes during 2010-11 over the previous two years, covering a larger number of beneficiaries. It could be mentioned that the utilization of funds over the budgetary allocation is, by and large, satisfactory in most of the educational incentive schemes, but in respect of Post-matric Scholarships, the utilization of funds allocated has not been encouraging during 2008-09 and 2009-10, and it remains the same for 2010-11. The funds allocated for the free housing for ST families remained constant during 2008-09 to 2010-11, and its percentage utilization tended to decline during 2009-10 over 2008-09. For the welfare of Primitive Tribal Groups (PTGs), the budgetary allocation for comprehensive development of these groups in the tribal concentrated districts has declined and its utilization needs improvement during 2010-11.

In the case of the programmes meant for economic advancement of STs such as Self-employment Scheme, Land Purchase Scheme and Special Development Programmes mainly implemented in the backward taluks, the budgetary allocation has come down during 2010-11 over the previous year, but under the Ganga Kalyana Scheme largely implemented in the backward taluks (as identified by the High Power Committee headed by the late Dr. D. M. Nanjundappa), it has gone up during the same period. Further, the utilization of funds allocated especially in the former three programmes need improvement.

(c) Welfare Programmes for Backward Class

Similarly, for the socio-economic development of BCs several programmes have been implemented by the Department of Backward Classes Welfare. The budgetary allocations and expenditures under the programmes meant for education and skill development of BCs such as construction of Ashrama Schools, Maintenance of Morarji Desai Residential Schools, Pre-and Post-matric Hostels, Tailoring Training Centres, Nursing Training, Stipend to Law Graduates and the like have shown the improvement during 2010-11 over the previous year. The programmes such as Pre-and Post-matric Scholarships, Financial Assistance for Foreign Studies, Koushalya Training Programmes, etc., however, have got less priority in the budgetary allocation during 2010-11 over 2009-10, but its financial and physical achievements are, by and large, closer to the targets during the same period. The budgetary allocation and expenditure under the schemes meant for the welfare of nomadic and non-nomadic backward classes category has persistently increased during 2008-09 to 2010-11, extending benefits for a large number of such community in the state.

For economic upliftment of BCs, several schemes have been implemented by the D. Devaraj Urs Backward Classes Development Corporation, Bangalore. Most of the schemes such as Chaitanya Subsidy-cum Soft Loan, Micro Credit Scheme, Ganga Kalyana Scheme, National Backward Classes Finance Development Corporation (NBCFDC) Schemes, etc., have got more budgetary allocations during the last three years and have shown improved financial and physical performance. For the dedicated and committed upliftment and welfare of BCs, the Corporation has been conferred with the “Best Performance Award” and the “Chief Minister’s Rathna Award”.

(d) Welfare Programmes for Minorities

The budgetary allocations and expenditures under the programmes, implemented by the Department of Minorities Welfare, such as Incentive Schemes for Minority Students and Skill Development have shown persistent improvement during 2008-09 to 2010-11. Physical progress is also better during the same period.

For the upliftment of the religious minorities focusing on economic upliftment, the Karnataka Minorities Development Corporation Limited has been set up by the Government of Karnataka in 1986 and is implementing various development programmes for them. The budgetary allocations and expenditures under various schemes such as Shramashakthi Scheme, Micro Loan Scheme, Ganga Kalyan Scheme and Arivu Loan Scheme have gone up during 2010-11 over the previous year, and their financial and physical performance over the targets is also encouraging during the same period. The Swavalambana Margin Money Loan Scheme, the self-employment scheme, however, needs push for realization of its financial and physical targets.

(e) Welfare Programme for Disabled and Senior Citizen

For socio-economic empowerment and security of the persons with disabilities and senior citizens in the state, the Government of Karnataka has established a separate department for the persons with disabilities in 1988 and added the welfare of senior citizens in 2003. Several schemes such as the Maintenance Allowance and Aids and Appliances to the Persons with Disabilities, Medical Relief Fund, Financial Assistance to NGOs to run Special Schools, Sadhane and Prathibe, Scholarship and Incentives to the Disabled Persons, Grameena Punarvasthi Yojane, Adhara, etc., have been implemented for their safeguard. For the programmes like the Maintenance Allowances, Aids and Appliances, Financial Assistance to NGOs to run schools and Grameena Punarvasthi Yojane, the budgetary allocations have got reduced during 2010-11 over the previous year. Most of these schemes, however, have shown their financial and physical achievements closer to the targets. In the case of senior citizens, the Financial Assistance to NGOs to run the Old Age Home, the Day Care Centre and Helpline are the important programmes.

1.11 Balanced Regional Development

(i) Implementation and Achievement of Dr.D.M.Nanjundappa Committee

The State constituted a Committee to look into the problem of regional imbalances. The High Power Committee on Redressal of Regional Imbalances, popularly known as Dr.D.M.Nanjundappa Committee, submitted its report in June 2002. The Committee identified 114 talukas out of the total 175 talukas in the various categories of Backwardness – Backward, More Backward and Most Backward. 39 Talukas are in Most Backward category and 26 of them are in North Karnataka.

The Committee has recommended a Special Development Plan based on the resource requirement of the backward taluks. The plan is to be implemented over a period of eight years covering the major programmes in various sectors based on development requirement. The Committee has estimated that to bring up the level of development of the backward 114 taluks to the state average, an investment of Rs. 31,000 crore at 2002-03 prices is required. The investment was to be spread over an eight year period till 2010. Out of this amount, Rs.

15,000 crore was expected to flow into these taluks in the normal course from the annual budgets. The balance of Rs. 16000 crore was estimated as an additional investment in various sectors to fill the gaps in development. The focus of the Special Development Plan (SDP) is on Irrigation, Rural Development and Social Services.

Some of the specific recommendations of the Committee have been implemented: A Central University is started at Gulbarga, a High Court Bench is established at Hubli and Circuit Bench at Gulbarga, Women University is established at Bijapur, Action plans are being prepared to establish IT park in Gulbarga, Hubli and Bagalkot. A Food Park and Textile park is in the process of being established at Gulbarga.

The Special Development Plan is being implemented from 2007-08. The amount provided for various programmes under SDP has been increasing. To begin with an amount of Rs. 1571.50 crore was provided in the financial year 2007-08 across various sectors of development. The amount released was Rs. 951.44 crore against which an expenditure of Rs. 945.99 crores was made. Similarly, in the year 2008-09 the allocation was Rs. 2547.34 crore and the expenditure was Rs. 1739.41 crore. For the year 2009-10 and 2010-11 the allocation is Rs. 2578.83 crore and Rs. 2464 crore respectively. The total allocation from 2007-08 to December 2010 works out to Rs. 9161.67 crore of which Rs. 5574.14 crore has been spent. Sectors like Rural Development (20.19%) Irrigation (15.43%), Housing (12.52%), Social Welfare (7.76%) Health and Education (8.99%) have a major share in total outlay.

The major works include mechanization and supply of inputs to the farmers for agricultural development, completion of major irrigation works in backward talukas, implementation of Gram Swaraj Scheme in 39 Most backward talukas, additional houses under rural housing Programmes, Model High schools and KGBV type schools and development of health facilities in 39 Most Backward talukas etc. The implementation of SDP has thus helped to develop infrastructure in these talukas.

The progress of the works under SDP is reviewed at State and the District level in KDP meetings every month and a Management Information System (MIS) system is developed by NIC for providing on-line information about the programmes undertaken under SDP and the physical and financial progress achieved.

(ii) Role of Decentralised Governance and Civil Society

Karnataka, with 5627 Grama Panchayats, 176 Taluk Panchayats and 30 Zilla Panchayats, has been a pioneer State in decentralised governance, more specifically in nurturing Panchayat Raj Institutions (PRIs). The State has to its credit entrusting major responsibilities and devolving all the 29 functions (a first State to do so in the country as a whole) to the panchayats as enlisted under the Eleventh Schedule of the Constitution. Further to this, to empower and to enable them to discharge their responsibilities more independently, activities of all the three panchayats have been redefined under "Activity Mapping". The PRIs have been further strengthened through transfer of 137 state sector plan schemes along with funds in tune with the activity mapping.

The District sector plan size is increasing over the years. The District sector plan size which was at Rs.4416 crore during the year 2008-09 rose to Rs.4737 crore during the year 2009-10 to Rs. 4870 crore during the year 2010-11.

In strengthening the participatory planning process, Civil Society Organisations have been actively involved in organising skill up-grading and capacity building programmes, training of panchayat members and in creating awareness in the fields of women and child development, social welfare, health, education, watershed development programme etc. They have been playing multiple roles in promoting decentralised planning and development process by extending their support to PRIs and other development departments in the State. The networking between these grassroots level organisations should be seen as a better strategy for ensuring participatory planning and development process.

2.1 Introduction

This chapter analyses the economic growth in terms of changes in aggregate and per capita State Income and stability of prices by various indices of wholesale and retail price changes or inflation in Karnataka. Focus of the analysis is on current year in the light of past two years. The analysis reveals that the year 2010-11 began with growth prospects. Growth of GSDP at constant prices increased from 5.2 percent in 2009-10 to 8.2 percent in 2010-11, mainly attributable to higher growth of primary and tertiary sectors from 3.3 and 3.7 percent in 2009-10 to 5.7 and 9.7 percent in 2010-11 respectively. The secondary sector made a remarkable recovery to positive growth rate (9.3 percent) in 2009-10 and projected to maintain it at 7 percent in 2010-11. Overall, Karnataka economy is showing encouraging trends with a projected (or advance estimates) growth rate of 8.2 percent during 2010-11. In addition, this chapter provides descriptions on the recent move to new base year (2004-05) for the National/ State Income estimates and implications for comparative and competitive growth performances of Karnataka. Analysis of District Income estimates is presented and inter-district variations in district income are underlined. Further, new estimates of public and private gross fixed capital formation, private final consumption expenditure of goods and services, and net exports and other uses of State Income are presented.

2.2 Base Year Revision

The base year of the national accounts is revised periodically in order to take into account the structural changes that take place in the economic scenario and to estimate national and state income at constant prices. Before 1980-81, National Accounts Statistics (NAS) were revised based on the base year changes which coincided with decennial Population Census, mainly due to the availability of data for benchmark estimates on work force. Subsequently, Central Statistical Office (CSO) had been basing its work force estimates from the results of Quinquennial Employment and Unemployment Surveys of National Sample Survey Office (NSSO) and revising the base years of NAS, which coincide with these Surveys.

The new and latest series of NAS has been released by CSO with base year 2004-05 on 29th January, 2010 using the work force data from the results of NSS 61st round (2004-05) on Employment and Unemployment Survey. Subsequently, Directorate of Economics and Statistics (DES), Karnataka revised the State Income estimates with the base year 2004-05 in November 2010.

2.3 Advance Estimate of All India GDP for 2010-11

CSO's advanced estimates project the growth rate of Gross Domestic Product (GDP) at constant (2004-05) prices at 8.6 per cent in 2010-11 as compared to 8.0 per cent in 2009-10. As compared to previous year the annual growth of GDP by sectors shows a decrease in mining and quarrying (6.2 percent), Electricity, gas and water supply (5.1 percent) and

Community, social and personal services (5.7 percent) and an increase in all other sectors, such as Agriculture and allied activities (5.4%), Construction (8.0 percent), Trade, hotels, Transport and Communication (11.0percent) and financing, insurance, real estate and business services (10.6 percent). The annual growth rate of Manufacturing sector remains at 8.8 percent. The annual growth of Agriculture sector in 2010-11 may be attributed to expected increase in the production of (a) food grains and oil seeds by 11.9 percent and (b) cotton and sugarcane by 41.2 percent and 15.2 percent respectively.

2.4 Advance Estimate of Gross State Domestic Product (GSDP) for 2010-11

Gross State Domestic Product (GSDP) at constant (2004-05) prices is expected to grow at 8.2 percent and reach at Rs. 271956 crore in 2010-11. The GSDP from agriculture and allied activities is expected to increase by 5.9 percent, which is marginally higher than the National level (5.4%). This increase is higher than the national level and attributable, among others, to good monsoon and higher production of food grains especially pulses (31.63 percent), oil seeds (32.14 percent) and sugarcane (6.63 percent). The manufacturing sector is expected to grow at 9.3 percent, which is almost the same in 2009-10 (9.2 percent). The expected growth rate of construction sector is 3.6 percent, 'The transport by other means' is 4.2 percent. 'Railways', 'storage', 'trade hotels and restaurants', 'real estate, ownership of dwellings and business services' 'communication', 'public administration', 'other services' have contributed to the growth of services sector (9.7 percent) and in turn contributory to the expected overall growth of 8.2 percent in GSDP.

2.5 Comparison between Advance Estimates for 2010-11 and Quick Estimates for 2009-10

A comparison of the estimates is presented by annual growth rates in **Table 2.1**. The agriculture sector is expected to grow by 5.9 percent in 2010-11 as against 4.3 percent during 2009-10. After a spectacular recovery from negative growth rate of 2.2 in 2008-09 to positive growth rate of 9.3 percent in 2009-10, the growth rate of secondary sector (comprising manufacturing, construction and electricity, gas and water supply) moved to 7.0 percent during 2010-11. Within the secondary sector, there is a decline in growth rate of electricity, gas and water supply. A remarkable increase in tertiary sector from 3.7 percent in 2009-10 to 9.7 percent, (especially in real estate, ownership of dwellings and business services from 2.1 percent to 8.9 percent) in 2010-11 is a key driver of 8.2 percent growth of GSDP in 2010-11, i.e. from Rs. 2,51,268 crore in 2009-10 to Rs. 2,71,956 crore in 2010-11. At the same time, Per Capita GSDP is expected to increase from Rs. 42914 in 2009-10 to Rs. 45962 in 2010-11 or about 7 percent. The growth of GSDP is comparable with that of All India level.

Table 2.1: Annual growth rate by sectors in GSDP at constant (2004-05) prices

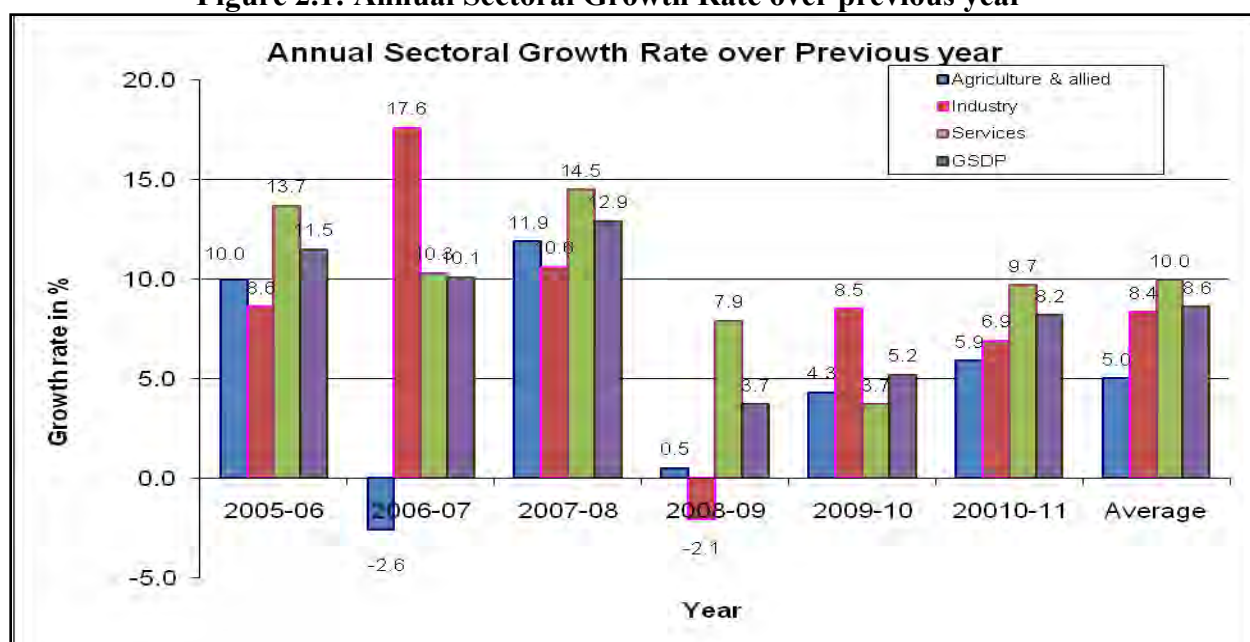
Sector	Growth rate (percent)		
	2008-09	2009-10	2010-11
I. Agriculture & allied activities	0.5	4.3	5.9
II. Industry (i + ii + iii + iv)	-2.1	8.5	6.9
i. Mining and quarrying	-0.2	-10.5	3.4
ii. Manufacturing	1.8	9.2	9.3
iii. Electricity Gas and water Supply	-32.8	50.5	-0.3
iv. Construction	-4.0	4.2	3.6
III. Services (a + b + c)	7.9	3.7	9.7
a. Trade Hotels. Transport, Storage, & communications	3.4	5.1	8.5
b. Finances, Insurance, Real estate & business Services	11.2	2.8	8.6
c. Community & personal services	10.7	2.2	13.9
GSDP	3.7	5.2	8.2
Primary sector	0.5	3.3	5.7
Secondary sector	-2.2	9.3	7.0
Tertiary sector	7.9	3.7	9.7

Source: Directorate of Economics and Statistics, Government of Karnataka

2.6 Growth Trends

The average annual growth rate of GSDP at constant (2004-05) prices, during the last seven years i.e. from 2004-05 to 2010-11 is equal to 8.6 percent. The sectoral growth rates during this period for agriculture & allied activities, industry and service sector are 5.0, 8.4 and 10.0 per cent respectively. The wide variations in sectoral annual growth from 2004-05 to 2010-11 are evident in **Figure 2.1**. In general, the trends in the annual growth of GSDP correspond with the growth rates of industry and services sectors.

Figure 2.1: Annual Sectoral Growth Rate over previous year



The sectoral growth rates of GSDP are compared from VIII Five Year Plan (FYP) to XI FYP in **Table 2.2**. The average annual growth rate of GSDP in the VIII, IX and X Five Year Plan were 6.4, 8.3 and 7.8 per cent respectively. The average growth rate during the first four years of XI FYP is equal to 5.7 percent in agriculture and allied activities, 6 percent in industry and 9 percent in services. To move towards the XI FYP targets, Karnataka growth performance in this and next year must be higher than in 2007-08.

Table 2.2: Sectoral growth rates of GSDP from VIII to XI Five Year Plan

Five Year Plan /Year	Agriculture & allied activities	Industry	Services	GSDP
VIII FYP	3.7	6.2	7.7	6.4
IX FYP	11.9	8.1	8.2	8.3
X FYP	2.0	9.9	9.1	7.8
XI FYP targets	5.4	12.5	12.0	11.2
2007-08	11.9	10.6	14.5	12.9
2008-09	0.5	-2.1	7.9	3.7
2009-10	4.4	8.5	3.6	5.1
2010-11	5.9	6.9	9.7	8.2

Source: Directorate of Economics and Statistics, Government of Karnataka

2.7 Comparative position of GSDP and GDP

At constant (2004-05) prices, the GDP in 2010-11 is estimated at Rs.48, 79,232 crore or 8.6 per cent higher than in 2009-10. The corresponding annual increase in GSDP is 8.2 per cent. The growth rates of GDP and GSDP are given in **Table 2.3**.

The GSDP of the State in 2010-11 is estimated to be Rs. 397938 crore at current prices or 16.0 percent higher than in 2009-10. The sectoral composition of GSDP shows that agriculture & allied activities, industry, services sector is 17.36, 27.69 and 54.94 per cent respectively. The Per Capita GSDP at current prices is estimated at Rs. 67253 in 2010-11 as against Rs.58582 in 2009-10.

At current prices, the estimated GDP is equal to Rs.7256571 crore in 2010-11, an increase of 18.3 per cent over the previous year. The corresponding increase in GSDP is 16.0 per cent.

Table 2.3: Annual growth rate of GSDP and GDP at constant prices

Year	GSDP (in Rs.crore)	GDP (in Rs.crore)	GSDP(2004-05 prices) growth rate	GDP(2004-05 prices) growth rate
2004-05	166380	2971464	-	-
2005-06	185512	3254216	11.5	9.5
2006-07	204179	3566011	10.1	9.6
2007-08	230484	3898958	12.9	9.3
2008-09	238899	4162509	3.7	6.8
2009-10	251268	4493743	5.2	8.0
2010-11	271956	4879232	8.2	8.6

Source: 1. Directorate of Economics and Statistics, Government of Karnataka.
2. Central Statistical Office, Government of India.

2.8 State Income

The estimates of Net State Domestic Product (NSDP) are derived from the Gross State Domestic Product (GSDP) by deducting Consumption of Fixed Capital (CFC). The estimated Net State Domestic Product (NSDP) at constant (2004-05) prices is Rs. 2,39,835 crore in 2010-11 as compared to Rs. 220418 crore in 2009-10, showing an increase of 8.8 per cent against 4.5 per cent of the previous year. During 2010-11 agriculture & allied activities, industry and service sector, grew by 5.9, 7.8 and 10.1 percent respectively. The level of per capita income at constant (2004-05) prices for the year 2010-11 is estimated to increase to Rs.40553 as compared to Rs. 37645 of 2009-10.

The Net State Domestic Product at current prices is estimated at Rs. 3, 55,019 crore in 2010-11, higher by 16.9 per cent than in 2009-10. The agriculture & allied activities, industry and service sectors are expected to register a growth of 14.7, 12.5 and 19.7 per cent respectively. Per Capita State Income (i.e. Per Capita NSDP) of Karnataka at current prices is estimated at Rs. 60,000 in the year 2010-11 as against Rs. 51,858 in 2009-10.

The annual sectoral growth rates (%) of NSDP at constant (2004-05) prices and current prices from 2004-05 to 2010-11 are shown in **Figure 2.2**, and **Figure 2.3**. The positive (or negative) difference in growth rates account for the extent of annual inflation (or deflation) in the State economy as shown in **Figure 2.4**.

Figure 2.2: Sectoral Growth Rate over previous year of NSDP at constant (2004-05) prices

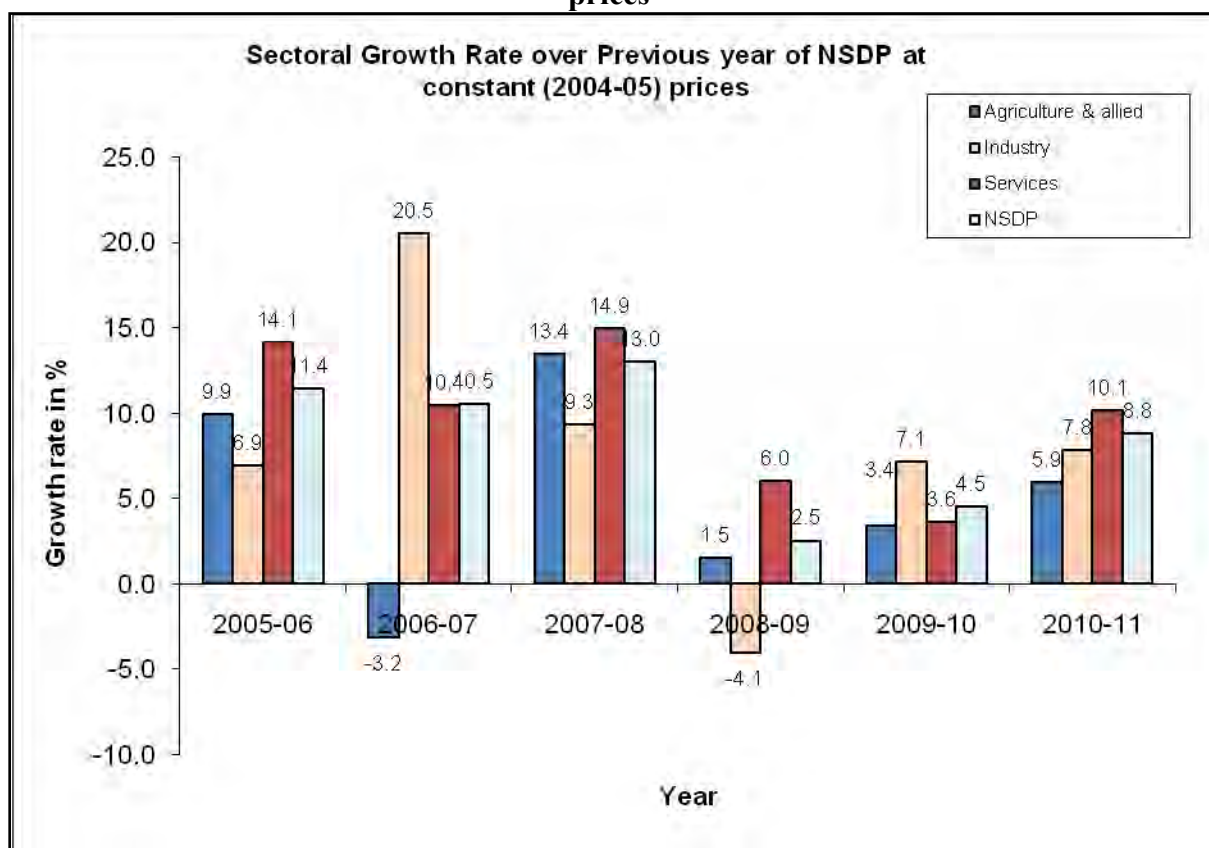


Figure 2.3: Sectoral Growth Rate over previous year of NSDP at current prices

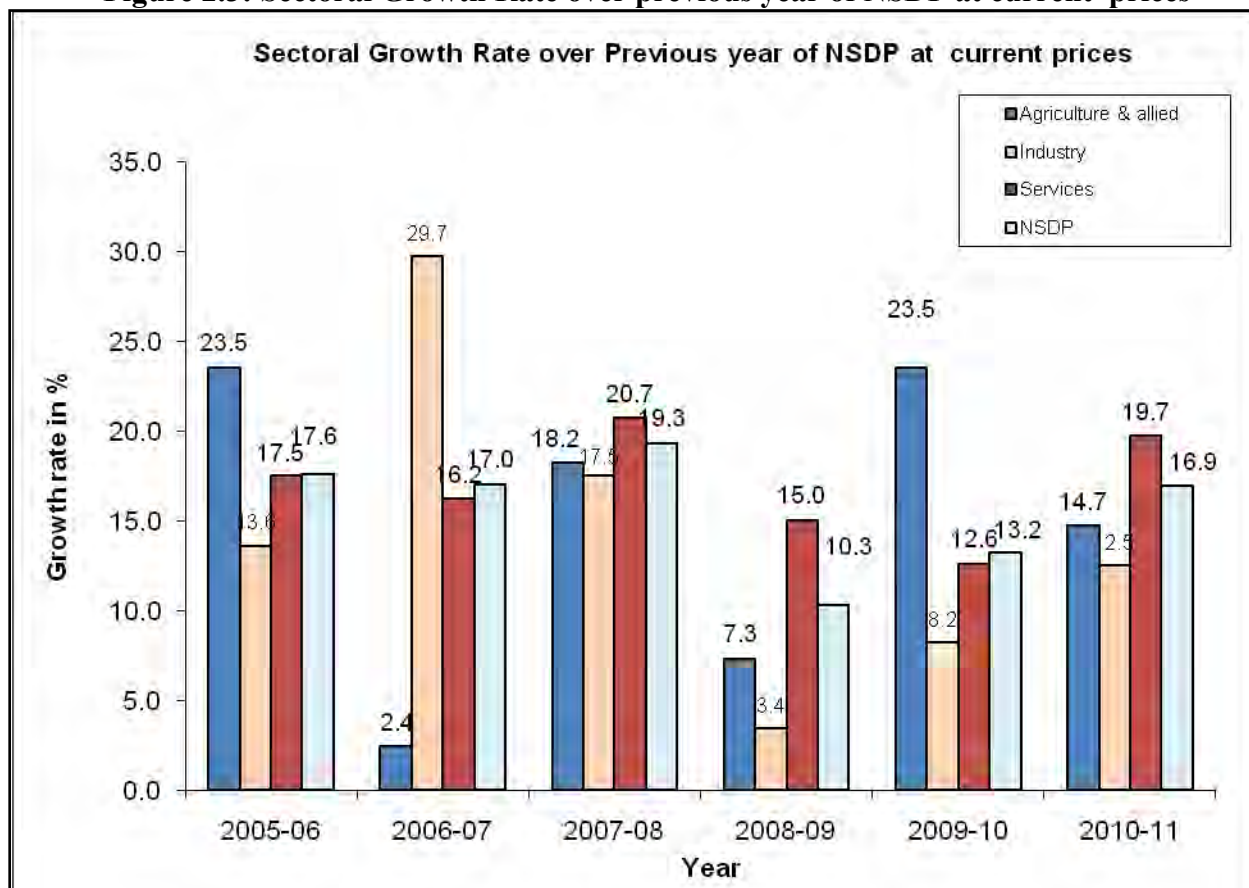
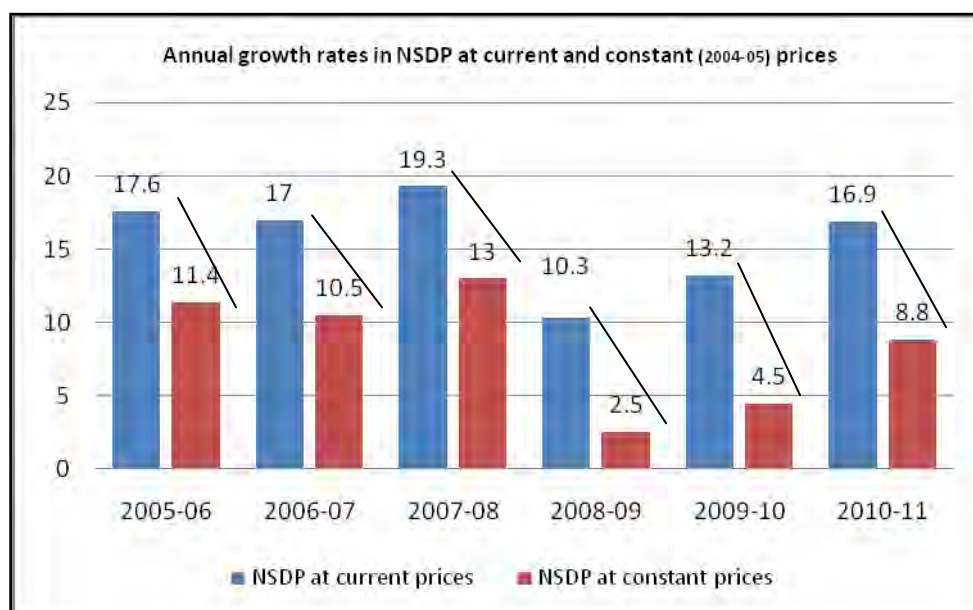
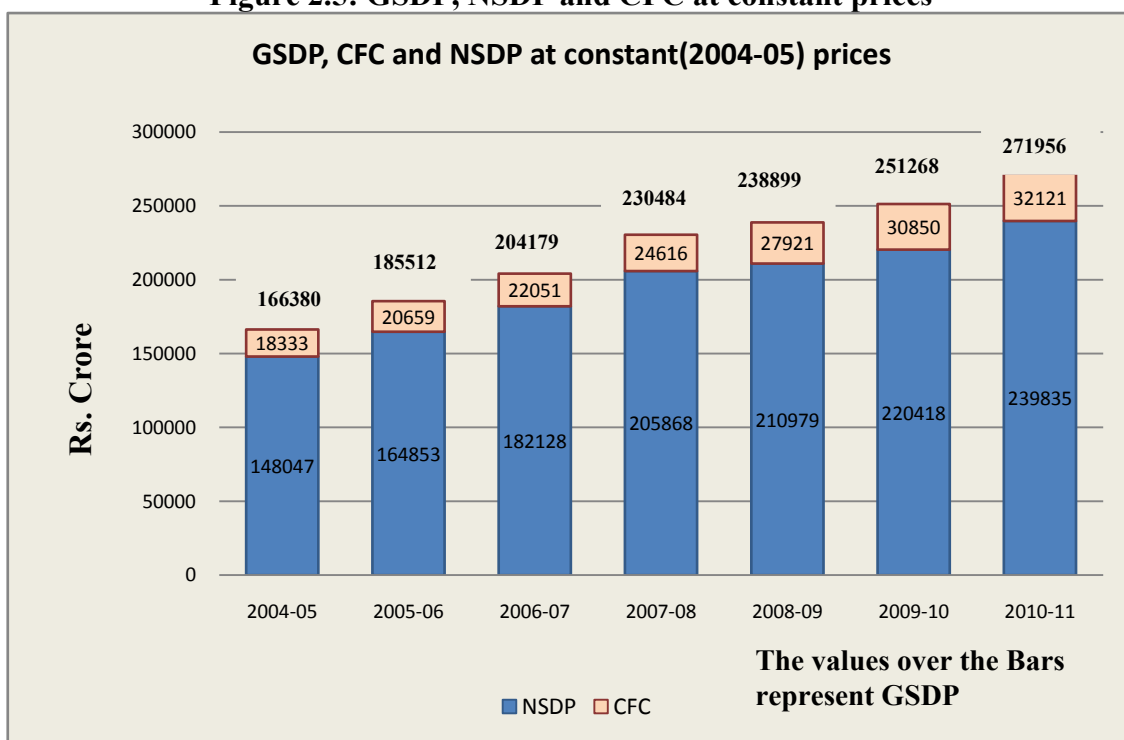


Figure 2.4: Annual growth rates in NSDP at current and constant (2004-05) prices



On the other hand, **Figure 2.5** shows the GSDP, NSDP and CFC at constant (2004-05) prices from 2004-05 to 2010-11. The difference in GSDP and NSDP is clearly shows the extent of consumption of fixed capital or depreciation.

Figure 2.5: GSDP, NSDP and CFC at constant prices



The sector wise details of Gross State Domestic Product and Net State Domestic Product (State Income) for the years 2004-05 to 2010-11, both at current and constant (2004-05) prices are presented in **Appendices 2.1 to 2.4**.

2.9 Sectoral composition of the State Income

At constant (2004-05) prices, a marginal decrease is evident in the composition of GSDP of Agriculture & allied activities and industry sector from 15.6, 29.9 per cent in 2009-10 to 15.3 and 29.6 per cent in 2010-11 respectively. At the same time, a marginal increase in the composition of the tertiary sector from 54.46 to 55.17 per cent is apparent. Over the years, tertiary sector has been the largest component of GSDP. Composition of 'Manufacturing' is highest with 18.52 percent in 2009-10 and 18.7 percent in 2010-11. This is followed by 'Trade, Hotels & Restaurants', 'Agriculture' (including livestock and horticulture) and 'Real Estate, Ownership of Dwellings & Business Services'.

The sectoral composition of GSDP by sectors and industry in 2009-10 and 2010-11 at constant (2004-05) prices is given in **Table 2.4**. This is shown in **Figure 2.6** by primary, secondary and tertiary sectors.

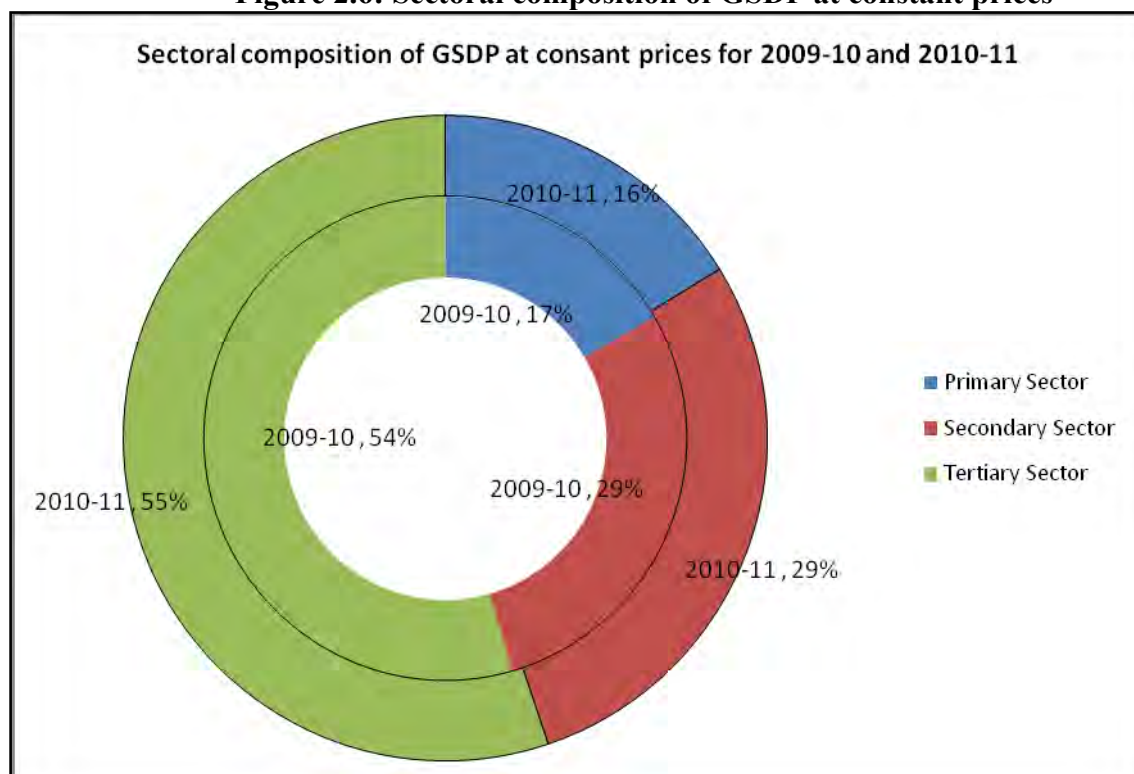
Table 2.4: Sectoral Composition of GSDP for Karnataka at Constant (2004-05) Prices

Sl. No.	Sector	2009-10	2010-11
1	Agriculture	13.25	13.00
2	Forestry and Logging	1.98	1.92
3	Fishing	0.38	0.34
4	Mining and Quarrying	1.00	0.95
	Primary Sector	16.60	16.22
5	Manufacturing	18.52	18.70
5.1	Registered	14.70	14.92
5.2	Un-registered	3.81	3.78
6	Construction	8.75	8.37
7	Electricity, Gas and Water supply	1.68	1.55
	Secondary Sector	28.94	28.61
8	Transport, Storage and Communication	7.82	7.78
8.1	Railways	0.66	0.68
8.2	Transport by other means	4.27	4.11
8.3	Storage	0.02	0.02
8.4	Communication	2.88	2.97
9	Trade, Hotels and Restaurants	14.24	14.37
10	Banking and Insurance	8.59	8.58
11	Real estate, Ownership of Dwellings and Business services	13.25	13.34
12	Public Administration	3.70	4.11
13	Other services	6.86	7.00
	Tertiary Sector	54.46	55.17
	Total GSDP	100.0	100.0

Source: Directorate of Economics and Statistics, Government of Karnataka

Sectoral composition of GSDP and NSDP at current and constant (2004-05) prices are presented in **Appendices 2.5 to 2.8**. At current prices, the compositions indicates that the share of agriculture & allied activities, industry and service sector were 17.36, 27.69 and 54.94 per cent respectively in 2010-11. In 2004-05, the corresponding shares were 18.73, 30.11 and 51.16 per cent respectively. Long run decline in share of agriculture and allied activities and increase in share of industry and services in national income have been the most important structural changes in fast growing developing countries in the world. Changes in Karnataka's sectoral compositions of GSDP at constant (2004-05) prices show close conformity with the global trends in structural changes of the fast growing developing countries, such as, Brazil, Russia, China and India (popularly called BRIC countries).

Figure 2.6: Sectoral composition of GSDP at constant prices



2.10 District Income

Estimates of gross and net district income at current and constant (2004-05) prices and per capita net district domestic product at current prices the years 2007-08 and 2008-09 for the 29 districts in the state are presented in the **Appendices 2.11 and 2.12**.

The District income estimates are prepared on provisional basis. The data base for the estimations is available for primary sector only. In respect of secondary and tertiary sectors, the state level estimates are allocated to the districts with appropriate available indicators at the time of preparation of the estimates as per the guidelines of CSO. Because of the limitations, it may not be very useful to analyse the sector wise district estimates between two points of time as the estimates are not firmed up. However, a brief description of broad sector wise district estimates is given below.

Bangalore Urban district stands first in the total District Income as well as Per Capita District Income for the year 2008-09. Bangalore Urban district contributes 33.8% to GSDP at Current Prices followed by Belgaum (5.4 percent) and Dakshina Kannada (4.6 percent). Chamarajanagar with 1 percent stands last in the contribution to the GSDP.

At constant (2004-05) prices, contribution of Belgaum district to the Primary Sector GSDP is highest in 2008-09, due to higher production of commercial crops like sugarcane and tobacco and higher production activities in mining & quarrying (especially aluminum). Bangalore Urban district tops in secondary and tertiary sectors due to high concentration of major industries and infrastructure facilities.

District income is a measure of level and growth of economic growth at district level. It is a useful policy indicator and monitor of the nature and degree of inter-district variations and disparities in the process of economic growth at the State level. A simple summary statistical indicator of inter-district variations in levels of district income is coefficient of variation. **Figure 2.7** shows the computed values of coefficient of variations across four divisions and at State level.

Figure 2.7: Inter-district variations of District Income and Per Capita Income by Divisions in Karnataka for 2008-09

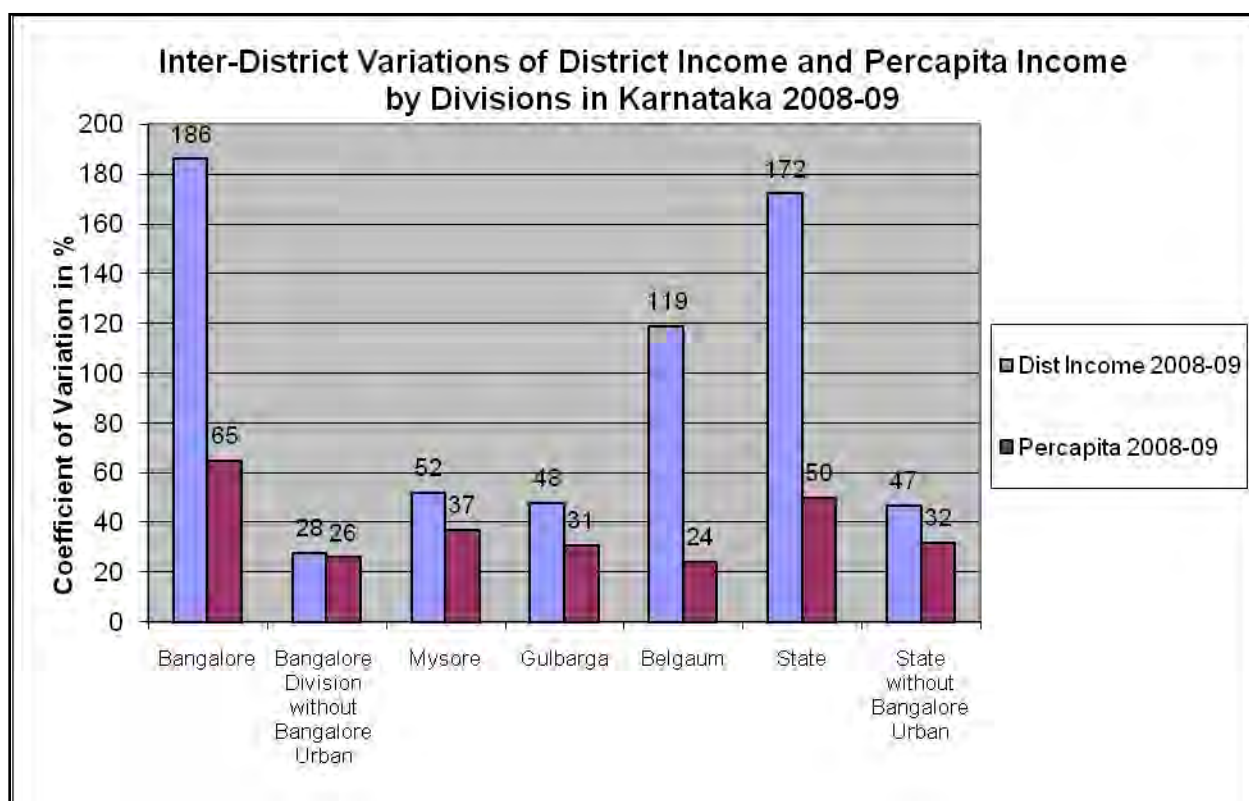


Figure 2.7 indicates the variations in district and per capita district income among the districts in each revenue division of the State. The highest variation is evident for Bangalore Division if Bangalore Urban district is included. Excluding Bangalore Urban, inter-district variations in district income and per capita district income are remarkably reduced at the divisional and state level and to the lowest level as compared to other divisions. The low values of coefficient of variation for Gulbarga Division are mainly attributable to comparable levels of backwardness among the districts in the Division. A growing inter-district variation is an important indicator and source of broader inter-regional disparities in the process of State's economic development. However, a low coefficient of variation as such does not imply a higher or lower district economic growth or regional disparity.

2.11 Comparative position of National, State Income and Inter-State Income

The estimated National Income (i.e. Net National Product at factor cost) at current prices is equal to Rs. 64,66,860 crore in 2010-11. This accounts for annual growth of 18.9 percent. The corresponding annual growth of State Income is equal to 16.9 per cent. On the other hand, per capita national income in 2010-11 at current prices is equal to Rs. 54527 as

compared to per capita Net State Domestic Product of Rs. 60,000. Thus, Karnataka's per capita NSDP is higher than the per capita national income when the incomes are not adjusted for inflation.

At constant (2004-05) prices, annual growth of National Income is 8.3 per cent in 2010-11. This is lower than the annual growth of State Income (8.8 percent) by 0.5 percentage points. Per Capita State Income in 2010-11 (Rs.40533) is higher than per capita National Income (Rs36003). Thus, the gap between the per capita State Income and National Income is reduced when incomes are adjusted for inflation.

The above comparisons between the national and state income in terms of their relative growth rate and per capita income are relevant only for 2009-10 and 2010-11. A more plausible approach is to make the comparisons over a period of time because the national and state income is the consequences of present and past changes in determinants of growth.

This is evident by the compound average growth rate (CAGR) of aggregate and per capita NNP and NSDP from 1999-00 to 2007-08 by sectors by major states and at all India level in **Table 2.5 and Table 2.6**. Sectorwise details of Gross and Net Domestic Product and National Income both at current and constant (2004-05) prices are presented in **Appendices 2.9 and 2.10**.

Table 2.5: Inter-state comparison of growth rates by sectors

CAGR of states from 1999-2000 to 2007-08 at constant prices (base year 1999-2000)				
State	Agriculture and allied activities	Industry	Services	GSDP
Andhra Pradesh	5.1	9.7	8.5	7.8
Bihar	2.7	12.5	7.1	6.4
Gujarat	9.9	9.8	9.4	9.6
Himachal Pradesh	5.4	8.9	6.9	7.3
Haryana	3.3	10.2	12.1	9.2
Kerala	0.9	10.8	9.2	8.0
Karnataka	(-0.4)	10.2	8.8	7.0
Madhya Pradesh	3.1	4.6	4.1	3.9
Maharashtra	4.5	6.3	8.5	7.3
Orissa	3.6	10.8	8.6	7.8
Punjab	2.3	6.4	5.8	4.7
Rajasthan	5.2	7.8	6.3	6.4
Tamil Nadu	1.5	7	7.9	6.7
Uttar Pradesh	1.8	7.9	5.3	4.8
West Bengal	2.6	8.3	7.4	6.2
All-India	2.8	8.1	8.9	7.4

Source: 1. Directorate of Economics and Statistics, Government of Karnataka.
2. Central Statistical Office, Government of India.

Table 2.6: Average annual growth rates of Net State Domestic Product and Per Capita Income in Current Prices for all India and major states of India

State	Annual Average Growth Rates (%) during 1999-00 to 2007-08		Per Capita income at Current prices 2007-08 (Rs)	Rank
	Income	Per Capita Income		
Andhra Pradesh	11.4	10.2	35864	8
Assam	9	7.4	21991	12
Bihar	10.4	8.2	11135	15
Gujarat	13.3	11.4	45773	3
Haryana	14.1	11.8	58531	1
Karnataka	10.3	10.1	36945	7
Kerala	10.3	10.1	43104	6
Madhya Pradesh	6.8	4.7	18051	13
Maharashtra	10.3	8.7	47051	2
Orissa	16.3	10.4	23403	11
Punjab	8.5	6.6	44923	5
Rajasthan	11.6	7	23933	10
Tamil Nadu	10.8	9.9	45058	4
Uttar Pradesh	8.2	6	16060	14
West Bengal	9.8	8.5	31722	9
All India	11.2	9.3	33283	

Source: 1. Karnataka: Directorate of Economics and Statistics, Government of Karnataka
2. All India and other States: Central Statistical Organisation, Government of India

Among the fifteen major states, Karnataka stands at seventh position and is above 'all India' in terms of per capita income at current prices. Karnataka's major growth problem lies in low contribution of primary sector (in particular, agriculture sector) to State Income. Thus, other things being equal, all efforts to boost the value added by the agricultural sector will be largely contributory to increase the size and growth of aggregate and per capita State Income. This will be complementary to State's higher competitive performance as compared to other States and all India level.

2.12 Estimation of GSDP by expenditure method – Broad uses of State Output

Gross State Domestic Product (GSDP) at factor cost is a measure of State Income in terms of gross value added. From the expenditure side, it equals to the sum of public and private investment, public and private final consumption on goods and services, and net exports. Gross savings is that part of aggregate output which is not consumed. Hence, by definition, gross saving is equal to aggregate (public + private) investment. In the absence of complete data on all exports from and imports into the State, the discrepancy between the GSDP and aggregate (public and private) investment and aggregate (private and Government) final consumption expenditure is accounted for net exports from the State to other States and nations (NX). Recently, the DES in collaboration with Institute for Social and Economic Change (Bangalore) and National Accounts Division of the Central Statistical Office (New Delhi) completed the estimates of Gross Fixed Capital Formation (or GFCF, as a measure of investment or capital formation), final consumption of goods and services, net exports and other uses of output from 1999-00 to 2008-09. The estimates are based on CSO guidelines. Public sector investment estimates show relative contribution of the State Government (Administration and Enterprises), Central Government, Rural Local Bodies,

Urban Local Bodies, MP-Local Area Development and Autonomous Bodies. Private sector estimates are obtained by industry as in the State Income. The DES will place the entire Report of these estimates in the public domain. The consolidated results are presented below.

2.13 Estimates of Gross Fixed Capital Formation

Table 2.7 presents the aggregate investment in Karnataka by public and private sectors. The importance of private sector investment is apparent. Over the years, the relative share of private sector has varied from 80.39 percent in 1999-00 to 68.25 percent in 2003-04 to 74.91 percent in 2008-09. Since 2006-07, this share is comparable at the all India level.

Table 2.7: Gross Fixed Capital Formation by public and private sectors in Karnataka

Year	Public GFCF (Rs. in lakh)	Private GFCF (Rs. in lakh)	Total GFCF (Rs. in lakh)	Share of private GFCF in total GFCF (%)	Share of private investment in total GFCF at all India level (%)
1999-00	5,01,144	20,54,590	25,55,734	80.39	71.67
2000-01	6,39,226	21,84,486	28,23,712	77.36	71.60
2001-02	6,80,131	21,61,783	28,41,914	76.07	72.55
2002-03	6,73,048	22,62,785	29,35,833	77.07	73.64
2003-04	12,76,597	27,43,565	40,20,162	68.25	74.16
2004-05	10,79,870	34,25,271	45,05,141	76.03	77.46
2005-06	11,36,886	40,50,506	51,87,392	78.08	77.48
2006-07	14,55,397	46,92,255	61,47,652	76.33	76.64
2007-08	19,69,329	56,22,771	75,92,100	74.06	75.50
2008-09	22,85,556	68,22,919	91,08,475	74.91	73.99

Source: Directorate of Economics and Statistics, Government of Karnataka.

Ratio of GFCF to GSDP or GDP at market prices defines the investment rate. GSDP or GDP at market prices is equal to GSDP or GDP at factor cost at current prices plus net indirect taxes (i.e. total indirect taxes minus total subsidies). Estimates of investment rates are presented in **Table 2.8**. In general, all India investment rates are higher than the investment rates for Karnataka.

Table 2.8: Estimates of investment rates for Karnataka and All India

Year	Investment rate (%) for Karnataka			All India investment rate (%)		
	Public	Private	Total	Public	Private	Total
1999-00	4.64	19.01	23.64	6.60	16.80	23.40
2000-01	5.47	18.71	24.18	6.50	16.30	22.70
2001-02	5.61	17.84	23.46	6.50	17.10	23.60
2002-03	5.16	17.34	22.50	6.30	17.60	23.80
2003-04	8.93	19.19	28.12	6.50	18.50	25.00
2004-05	6.31	20.01	26.32	6.40	22.00	28.40
2005-06	5.67	20.19	25.85	7.00	24.00	31.00
2006-07	6.40	20.65	27.05	7.60	24.90	32.50
2007-08	7.53	21.50	29.03	8.30	25.70	34.00
2008-09	7.62	22.76	30.38	8.08	22.98	31.05

Source: Directorate of Economics and Statistics, Government of Karnataka.

Investment rate is a key parameter for estimation and projection of economic growth rate at the State and national level. Given the capital-output ratio, investment rates determine the growth rate of national or state income. Estimates in **Table 2.8** clearly imply that private sector GFCF is largely contributory for economic growth of Karnataka and India. Thus, other things being the same, attraction of more private investment and its resultant capital formation will be highly contributory for faster and higher economic growth of Karnataka.

2.14 Estimates of final consumption expenditure

Estimates of aggregate final consumption expenditure and its share in total consumption expenditure and GSDP at market prices are presented in **Table 2.9**. Over the years, size of aggregate PFCE has increased, although its annual growth varied from 8.39 percent in 1999-00 to 4.66 percent in 2004-05 and to 12.27 percent in 2008-09. Aggregate Private Final Consumption Expenditure (PFCE) as a percent of total consumption expenditure has remained around 94 percent. At the same time, aggregate PFCE as a percent of GSDP shows annual variations and recent decline (especially, since 2003-04). Estimates at commodity level of disaggregation show that food items constitute the highest share in the PFCE. Within the food items, the share of cereals and bread, and fruits and vegetables are remarkable. Among the other items of expenditure, the share of gross rent, fuel and power; and transport and communication are noteworthy.

Table 2.9: Estimates of private final consumption expenditure for Karnataka

Year	Private Final Consumption Expenditure (Rs. in crore)	Annual growth rate (%)	Share of Private Final Consumption Expenditure in aggregate (public and private) consumption expenditure (%)	Share of Private Final Consumption Expenditure in GSDP (%)
1999-00	68,947	NA	94.38	63.78
2000-01	74,735	8.39	94.92	64.01
2001-02	80,571	7.81	94.88	66.51
2002-03	83,976	4.23	95.07	64.35
2003-04	92,348	9.97	94.07	64.60
2004-05	96,648	4.66	94.60	56.47
2005-06	1,08,595	12.36	94.17	54.12
2006-07	1,21,234	11.64	93.45	53.35
2007-08	1,36,756	12.80	94.68	52.30
2008-09	1,53,534	12.27	92.52	51.22

NA refers Not Available

Source: Directorate of Economics and Statistics, Government of Karnataka.

2.15 Estimation of net exports and other uses in State Income

Estimates of net exports and other uses by netting out the estimated public and private consumption and GFCF from the State income are presented in **Table 2.10**. Net exports and other uses as a percent of GSDP at market price are positive. This may be broadly interpreted as a surplus to the economy on account of imports and exports of goods and services (excludes transfers) from the state to other states/countries, as also errors and approximations

in the estimation of GFCF and consumption expenditure due to data limitations in the estimations.

Table 2.10: Estimated Net Exports and other uses in Karnataka's State Income

Year	Estimated net exports and other uses (Rs. Lakh)	Net exports as a percent of GSDP
1999-00	9,49,099	8.78
2000-01	9,78,560	8.38
2001-02	7,80,994	6.45
2002-03	12,81,168	9.82
2003-04	4,58,161	3.21
2004-05	23,93,591	13.99
2005-06	33,47,139	16.68
2006-07	36,04,646	15.86
2007-08	41,15,100	15.74
2008-09	42,74,239	14.26

Source: Directorate of Economics and Statistics, Government of Karnataka.

Karnataka has taken a lead to obtain the estimate of GFCF, PFCE and net exports and other uses of State Income in Karnataka. The forthcoming publication of the DES on *Estimation of Public and Private Investments and Consumption of Goods and Services* [DES No.12: 2010] includes a simple regional macroeconomic model, estimation framework, data sources, estimation and computation methods, descriptions and analyses of estimation results for policy purposes and recommendations for improvements of the estimates are importance for Karnataka as well as other States in India. This implies that Karnataka's model is and will be of general applicability and estimates from other states will be useful for future inter-state comparison of performance in GFCF, PFCE and net export and other uses of State Income.

Prices

2.16 Introduction

Prices play a very significant role in the economy. They affect both quantum and pattern of consumption of goods and services through allocation, exchange and distribution of resources. Prices determine the purchasing power of money and rate of inflation at wholesale and retail levels. A high rate of inflation, other things being the same, increases the cost of living and reduces the standard of living. Thus, levels and growth of prices have important implications on all sections of society and economy in general, and poorer and lower income people in particular.

Wholesale Price Index and Consumer Price Index are the basic constructs to measure inflation at wholesale and retail levels respectively. In general, rising prices or increase in inflation is evident by all the indices constructed below.

2.17 Wholesale Price Index in India

Changes in Wholesale Price Index (WPI) is a measure of inflation at national level. The Office of the Economic Adviser in the Department of Industrial Policy and Promotion,

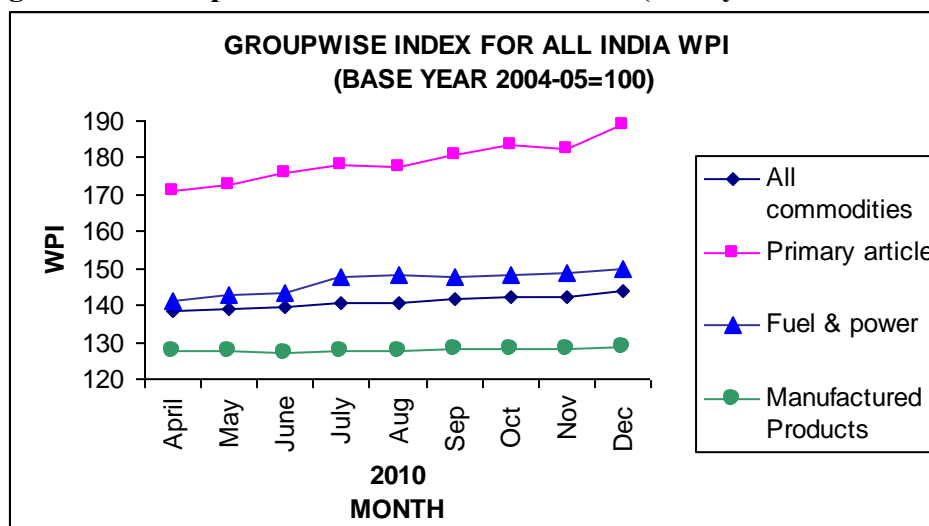
Ministry of Commerce and Industry is the official body for compilation, construction and publication of WPI on weekly basis. Most recently, the base year for construction of WPI is changed to 2004-05 with total number of 676 commodities comprising 102 primary articles, 19 fuel and power items and 555 manufactured products.

The all India WPI in December 2010 was 144.1 as compared to 132.9 in the corresponding period of the previous year. The annual rate of inflation based on monthly wholesale price index rose to 8.43 percent for December 2010 as compared to 6.92 percent in the corresponding month of 2009.

WPI of all commodities increased from 138.3 in April 2010 to 144.1 in December 2010 showing a rise of 4.19 percent, where as it had recorded an increase of 6.66 percent during the corresponding period in 2009. During 2010-11 (up to December 2010) WPI for 'Primary articles group', is increased by 10.47 percent, for 'Fuel & power' increased by 6.38 percent and 'Manufactured products group' increased marginally by 1.18 percent. **Figure 2.8** below reveals price trends in all India WPI by major groups of commodities.

Details of all India WPI in 2008, 2009 and 2010 with special reference to new base year (2004-05=100) are given in **Appendix 2.13 and 2.14**.

Figure 2.8: Group wise Index for All India WPI (Base year 2004-05=100)



2.18 Wholesale Price Index in Karnataka

The Directorate of Economics and Statistics constructs the WPI for 33 agricultural commodities for the base year 1981-82. Recommendations of the Technical Advisory Committee on Price Statistics for shifting of base year from 1981-82 to 2007-08 of Wholesale Price Index for Agricultural Commodities in Karnataka are being considered for implementation in future.

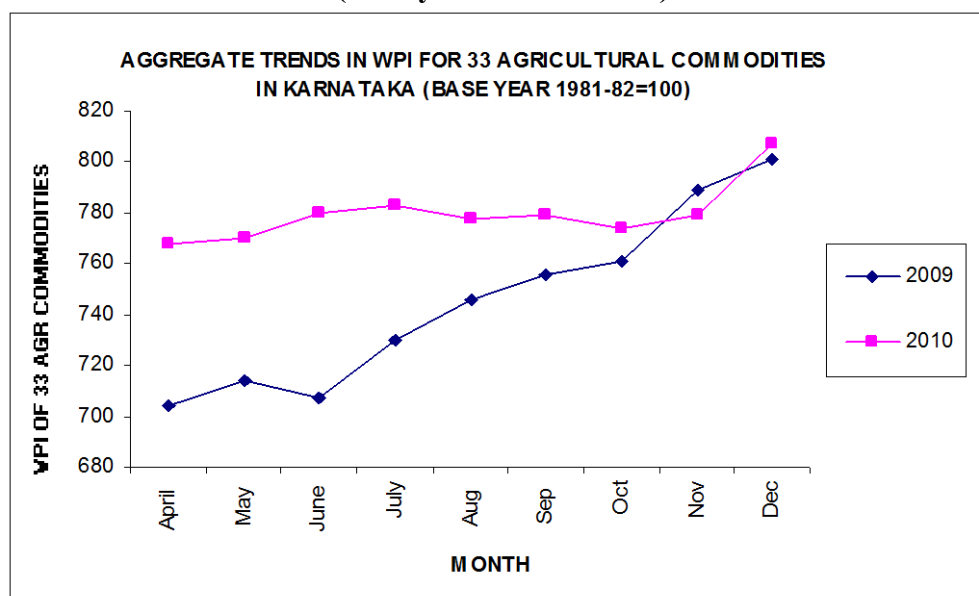
The WPI in Karnataka is useful to monitor the trends in prices at the first stage of commercial transactions and estimation of price deflators to obtain GSDP at constant prices.

The Directorate of Agricultural Marketing is the official body for compilation of prices of agricultural commodities in Karnataka. The source of primary data is 40

Agricultural Produce Marketing Committees situated across the State and also the Sugar Directorate, Coffee Board, Tobacco Board and Spices Board.

The aggregate trends of WPI for 33 agricultural commodities in Karnataka for the year 2010 and 2009 are shown in **Figure-2.9** WPI has increased from 768 in April 2010 to 807 in December 2010 or by 5.08 percent. In current year 2010-11(up to Dec 2010) the average WPI (779.8) is increased by 4.63 percent as compared to the same period in 2009-10.

Figure 2.9: Aggregate Trends in WPI for 33 Agricultural Commodities in Karnataka (Base year 1981-82=100)



During the current year 2010-11 (April - December 2010) and by indices for commodity groups, Miscellaneous group, Oilseeds, Fiber, Condiments and Spices have increased by 33.87 percent, 7.75 percent, 6.50 percent and 2.73 percent respectively. On the other hand, price decline is evident for pulses by 20.56 percent, cereals by 7.14 percent, gur & sugar by 1.22 percent. Thus, highest increase in Miscellaneous group and decrease in pulses group can be singled out.

The index of Pulses declined from 1070 in April 2010 to 850 in December 2010 or by 20.56 percent. Within pulses, green gram shows a higher decline by 34.78 percent and tur by 23.19 percent. Further, average index value of pulses (956.7) decreased by 8.19 percent from April to December 2010 to corresponding period in 2009.

The index of Miscellaneous group showed an increase from 809 in April 2010 to 1083 in December 2010 or by 33.87 percent. Commodities, such as, onion and potato show the highest increase of 311.66 percent and 70.19 percent respectively. Overall, the average value of index of Miscellaneous group (908.3) increased from April to December 2010 by 14.12 percent as compared to the previous year of the same period (795.9). **Figure 2.10(a) & 2.10(b)** show the trends by tur, greengram, potato and onion in Karnataka. Wholesale Price Index numbers of Agricultural Commodities in Karnataka since 2000-01 are given in **Appendix - 2.15** and by commodity groups are given for 2008, 2009 and 2010 in **Appendix - 2.16**.

Figure-2.10(a)

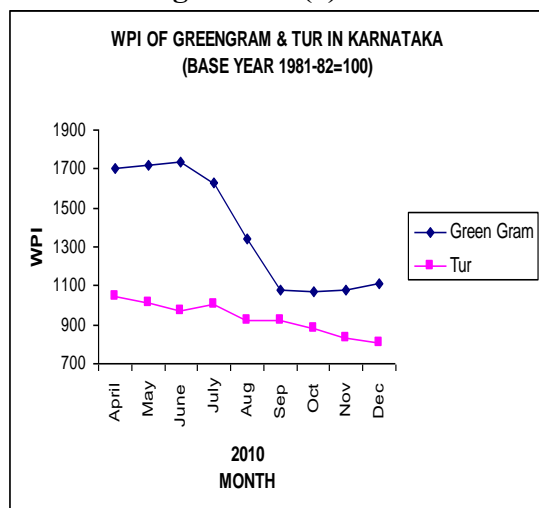
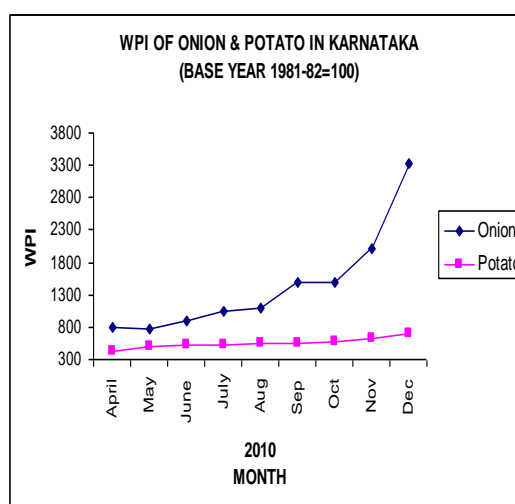


Figure – 2.10(b)



2.19 Consumer Price Index for Industrial Workers

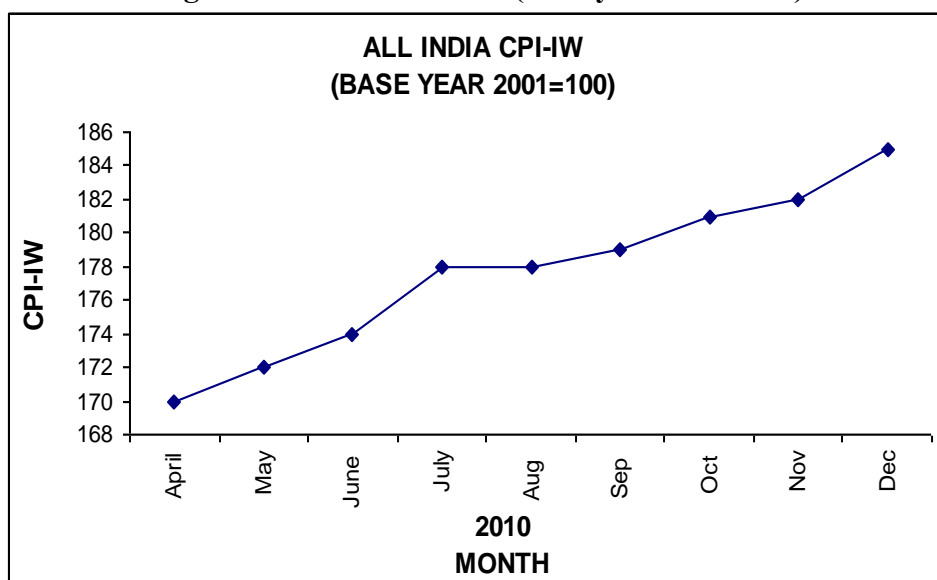
Consumer Price Index for Industrial Workers (CPI-IW) is designed to measure the changes in the level of retail prices of a select goods and services consumed by the workers of factories, mining, plantations, motor transport, docks, railways and electricity. The CPI-IW is an important indicator to determine the dearness allowance of employees in both the public and private sectors.

Consumer Price Indices have been compiled by four different categories of population: Industrial Workers (CPI-IW), Agricultural Labourers(CPI-AL), Rural Labourers(CPI-RL) and Urban Non Manual Employees(CPI-UNME). The first three indicies have been compiled by Labour Bureau and the last one by the CSO.

At All India level Consumer Price Index for Industrial Workers on base 2001=100 moved to 185 points in December 2010 from 169 points during December 2009 according to Labour Bureau, Shimla. The point to point rate of inflation based on Consumer Price Index for Industrial Workers for the month of December, 2010 is 9.47 percent, whereas it was 14.97 percent in the corresponding month of the previous year.

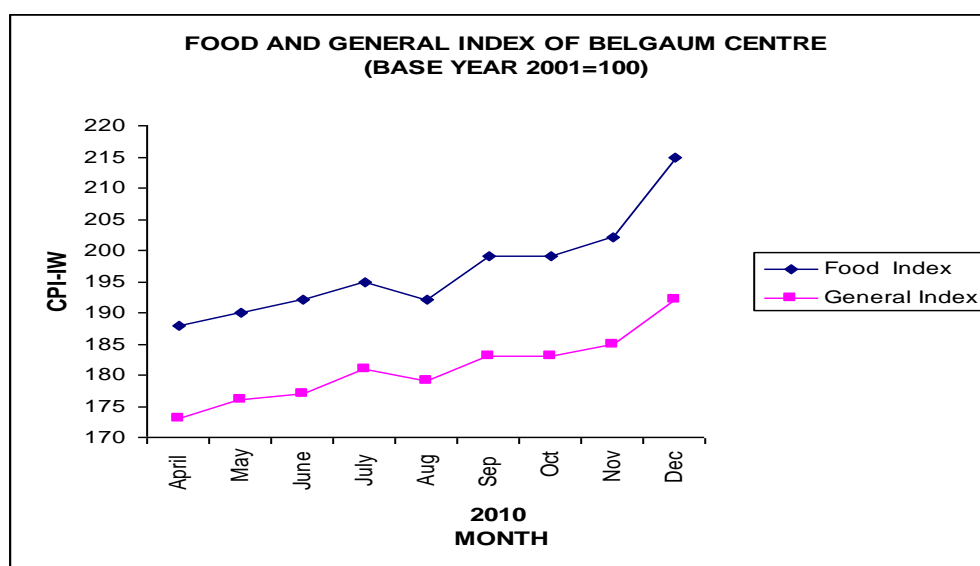
At All India level, CPI (IW) is constructed from 78 selected industrially developed centres across the country. Of these centres, 5 centres are in Karnataka (Bangalore, Belgaum, Hubli-Dharwad, Madikeri and Mysore). The base year of these centres is 2001=100. The average All India CPI-IW during 2010-11 (up to December 2010) shows an increase by about 10.99 percent over the same period in 2009-10. The trend of All India CPI-IW is shown in **Figure 2.11**.

Figure 2.11: All India CPI (Base year 2001=100)



Among the 5 Central series (Base year 2001=100), Belgaum centre shows the highest increase (10.98 percent) during April to December 2010. During 2010-11 (up to December 2010) the average General Index is 181.0, an increase by 9.76 percent over the corresponding period of the previous year (164.9). For Food Index, this increase is 9.32 percent. Food and General Index of the current year is shown in **Figure-2.12. Appendix - 2.17** provide details of the CPI-IW for all-India and Karnataka.

Figure 2.12: Food and General Index of Belgaum Centre (Base year 2001=100)

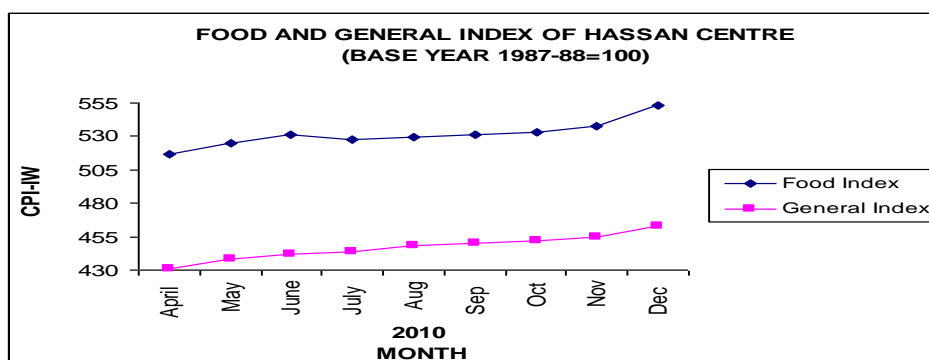


In Karnataka, The DES computes the Index for Industrial workers by 11 centres viz., Bellary, Bhadravathi, Davangere, Dandeli, Gulbarga, Harihara, Hassan, Mandya, Mangalore, Raichur and Tumkur with base year 1987-88=100.

Of 11 centres, Hassan recorded the highest increase for the period April to December 2010. The CPI-IW of Hassan during 2010-11 increased from 431 in April 2010 to 463 in December 2010 showing a rise of 7.42 percent. In current year 2010-11(up to December

2010), the average General Index (447) is increased by 9.02 percent as compared to the corresponding period of the previous year (410). The Food Group index records an increase by 10.38 percent. Food and General Index of the current year is shown in **Figure-2.13**. CPI-IW in Karnataka - 2008, 2009 and 2010 are given in **Appendix – 2.18**. **Appendix – 2.19(a)** provide details on the CPI-IW at selected centres in Karnataka – Central Series (Base year 2001=100) and 2.19(b) provide details on the CPI-IW at selected centres in Karnataka - State series (Base year 1987-88=100).

Figure 2.13: Food and General Index of Hassan Centre (Base year 1987-88=100)

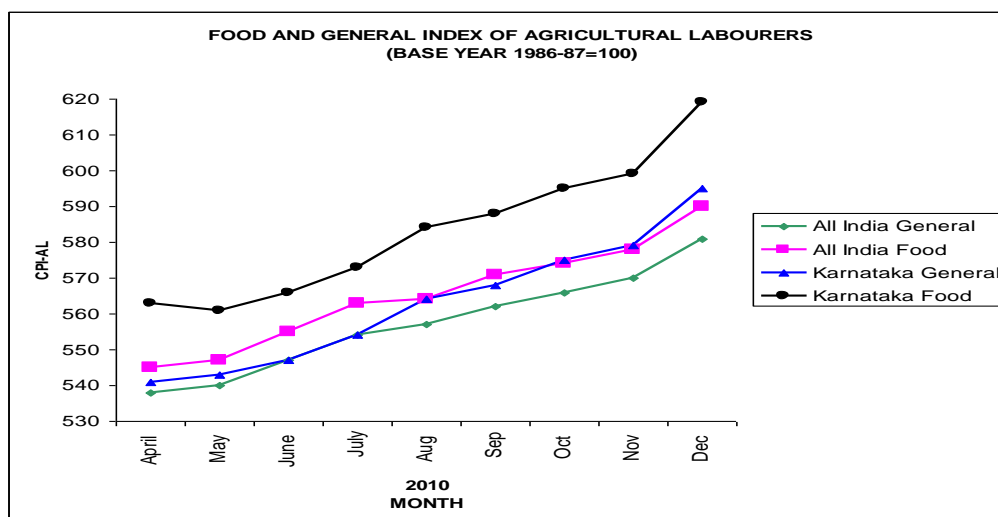


2.20 Consumer Price Index for Agricultural Labourers in Karnataka and All India

The Labour Bureau in Shimla, compiles Consumer Price Index for Agricultural Labourers (CPI-AL) for 20 States including Karnataka by obtaining information from Field Operation Division of National Sample Survey Organisation. The CPI-AL in Karnataka (Base year 1986-87=100) recorded an increase of 9.98 percent as compared to 7.99 percent at All India level during April to December 2010. Similarly, The Food Index in Karnataka showed an increase of 9.95 percent and 8.26 percent at All India level.

During 2010-11 (up to December 2010) the average CPI (AL) of Karnataka (562.9) showed an increase by 10.61 percent as compared to the corresponding period of the previous year (508.9). At All India level, this increase was 10.42 percent. The average Food Index of Karnataka and at All India level (583.1, 565.2) shows an increase of 10.71, 10.20 percent respectively. Food and General Index of the current year is shown in **Figure-2.14**. CPI-AL for 2008, 2009 and 2010 are given in **Appendix -2.20** and CPI-AL at All India and Karnataka are given in **Appendix -2.21**.

**Figure 2.14: Food and General Index of Agricultural Labourers
(Base year 1986-87=100)**



2.21 Price Situation by rural and urban Karnataka

For assessing the price situation in the State, the DES collects retail prices of select essential commodities from chosen centres in rural and urban areas of the State. Rural retail prices are collected on monthly basis and urban retail prices on weekly basis. On the basis of these prices, monthly Rural Retail Price Index numbers (Base year 1970=100) and Urban Retail Price Index numbers (Base year 1970=100) are constructed by rural and urban areas of the State. These index number series are based on unweighted diagram and shows broad price trends by rural and urban areas.

2.22 Price Situation in Rural Areas

Monthly retail prices of 29 essential commodities are collected from 352 villages for construction of Rural Retail Price Index (RRPI). The Index shows a continuous increase from April, 2010 (2741.1) to December 2010 (3028.4). This rise was mainly due to increase in prices of onion, potato, coconut, gur and sugar. Trend of onion, potato and gur are shown in **Figure 2.15(a) &(b)**. During 2010-11 (upto December 2010), the average RRPI (2848.9) increased by 10.41 percent as compared to the corresponding period of the previous year (2580.2). Rural Retail Price Index Numbers in Karnataka has been given in **Appendix - 2.22**.

Figure-2.15(a)

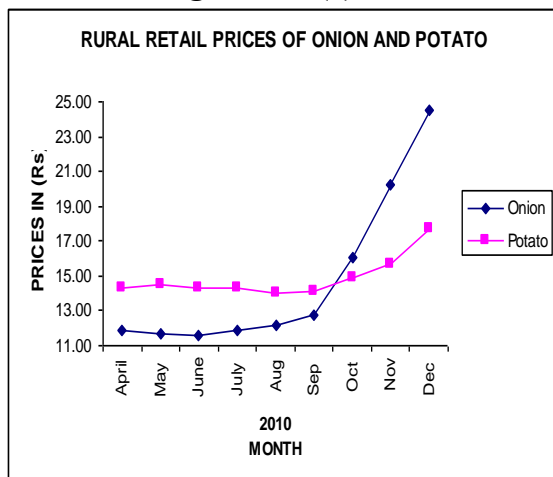
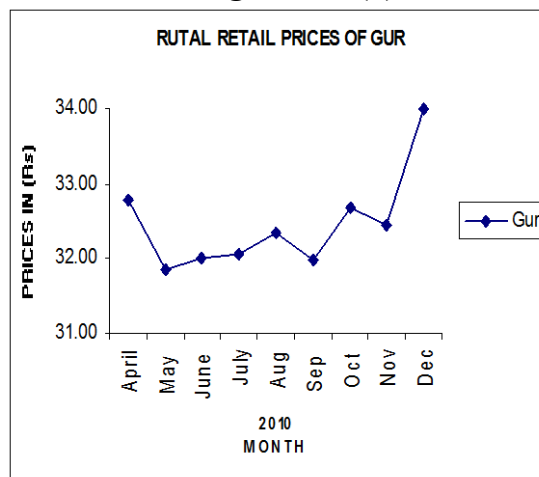


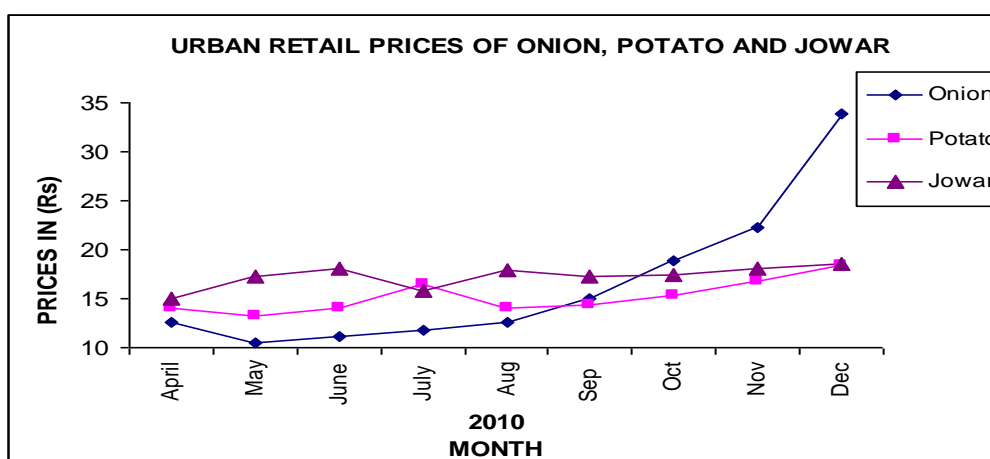
Figure-2.15(b)



2.23 Price Situation in Urban Areas

Weekly retail prices of 20 important commodities are collected from 20 centres for construction of Urban Retail Price Index (URPI). As in the case of RRPI, the URPI also shows an increase of 319 points or by steep rise of 17.17 percent from April 2010 (1858) to December 2010 (2177) due to increase in prices of onion, potato, jowar, coconut, sugar, groundnut oil and gur. This is evident in the price trends of onion, potato and jowar in **Figure 2.16**. During 2010-11 (upto December 2010), the average URPI (1918.7) increased by 3.99 percent over the corresponding period of the previous year (1845.0). Urban Retail Price Index numbers in Karnataka are presented in **Appendix - 2.23**.

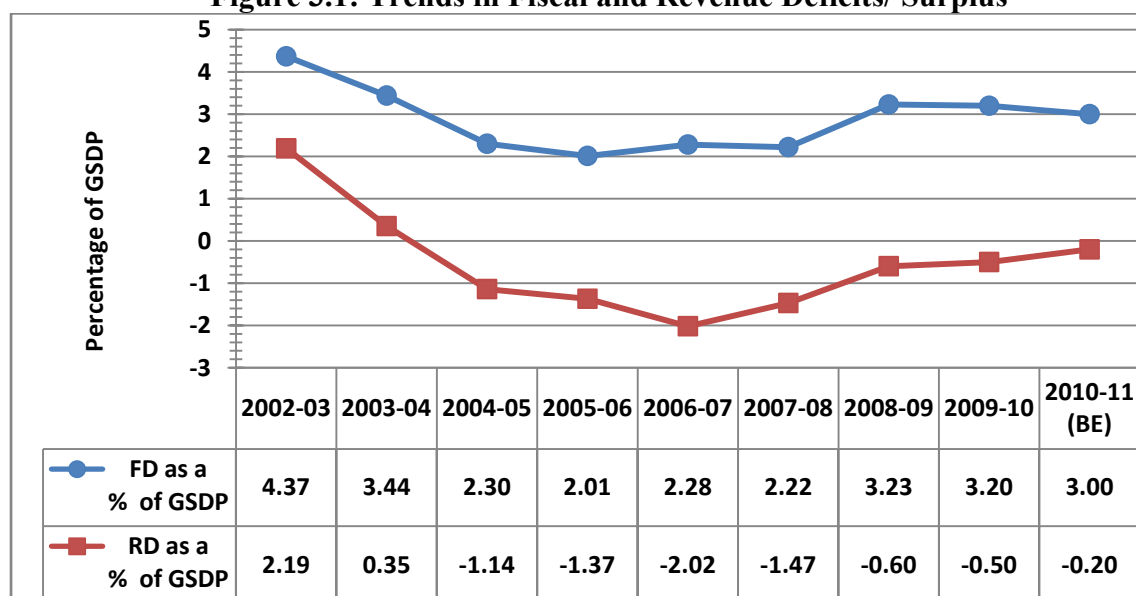
Figure 2.16: Urban Retail Prices of Onion, Potato and Jowar



3.1 Karnataka - A Fiscal Backdrop:

The recent fiscal consolidation initiatives of the state have yielded good gains to the state finances as revealed by the broad fiscal and revenue deficit trends. **(Figure 3.1)** Targets as stipulated in the Fiscal Responsibility Act (FRA) 2002 for the fiscal and revenue deficits have been achieved well within the stipulated timelines and the resultant revenue surpluses have helped in the enhancement of capital outlays. The enhanced fiscal deficit limits suggested by the Central Government as a measure to fight the recessionary trends, to 3.5 percent and 4 percent limits during 2008-09 and 2009-10 respectively, too have been very well adhered to. The state's other important fiscal indicators reflect the sound fiscal position of the state in the post FRA period.

Figure 3.1: Trends in Fiscal and Revenue Deficits/ Surplus



3.2 Karnataka vis-a -vis Other States:

The fiscal position of the state compares well with the southern states as well as all states average both at the times when Karnataka was experiencing severe fiscal stress and the current decade when the state's fiscal health has substantially improved. This gets very well depicted from the information on various fiscal indicators presented in **Table 3.1**. Revenue deficit as a proportion of Gross Fiscal Deficit (GFD) is lower than all states average for all the time points presented and the surplus in the recent years has been larger than the other states. Further, the state has a better capital outlay level in the GFD. The other important expenditure indicators such as the proportion of interest payments in the revenue expenditure and that of non-development expenditure in the aggregate disbursements also place Karnataka in a better position. On the resource front, while Karnataka has all along

performed better than the other states in terms of tax revenue as a proportion to revenue expenditure, that of non-tax revenue does not compare favorably with other states.

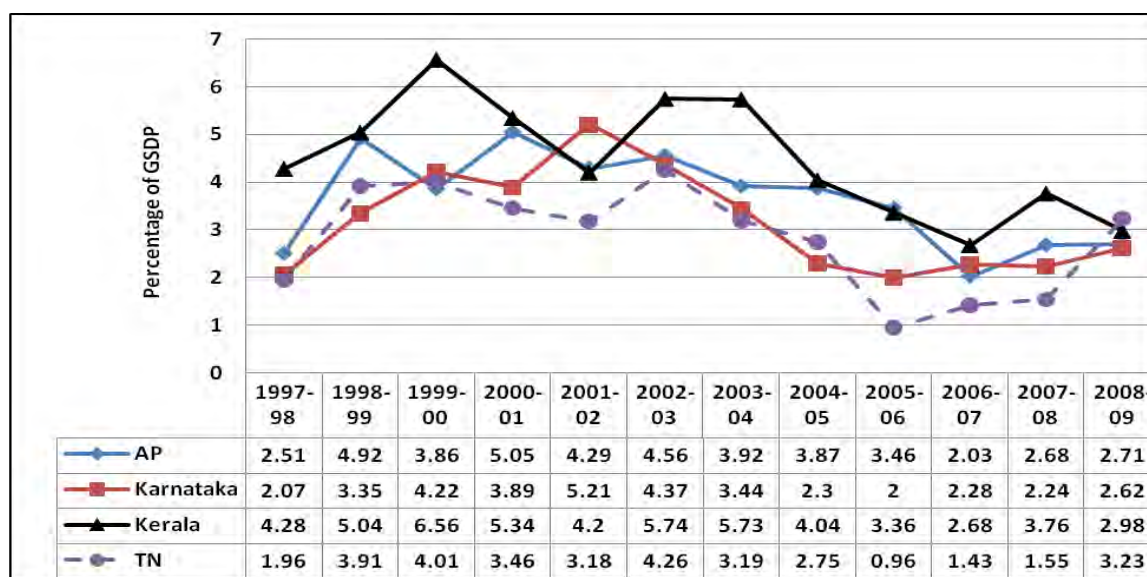
Table 3.1: Major Fiscal Indicators of Karnataka

Fiscal Indicators	1990-95 (Average)		1999-2000 (Accounts)		2000-01 (Accounts)		2002-03 (Accounts)		2007-08 (Accounts)		2009-10 (BE)	
	KAR	All States	KAR	All States	KAR	All States	KAR	All States	KAR	All States	KAR	All States
RD/GFD	11.20	29.80	54.40	60.10	44.10	61.10	50.10	54.00	-70.80	-56.90	-13.60	16.20
Capital Outlay/GFD	85.90	49.90	41.60	25.60	46.10	33.50	55.60	35.80	162.20	157.50	125.00	80.30
Non-devpt. Expenditure/Aggregate disbursement	24.50	27.30	30.30	35.10	28.90	34.40	30.10	36.10	23.30	31.00	24.80	31.20
STR/RE	58.60	44.90	50.80	42.10	54.20	43.10	55.50	42.40	69.50	49.30	69.30	43.80

RD = Revenue Deficit; GFD = Gross Fiscal Deficit; NTR = Non-Tax Revenues

Source: RBI state finances various issues

Figure 3.2: Karnataka's Fiscal Deficit Compared with the Southern States



3.3 Development Expenditure: An Inter-State Comparison:

The per capita development expenditure in Karnataka during 2007-08, 2008-09(RE) and 2009-10(BE) were Rs.5820, Rs.6114 and Rs.6962 respectively as compared to all State's average of Rs.4014, Rs.5224 and Rs.5539. Details of per capita development expenditure of major States for the years 2007-08 to 2009-10 are presented in **Table 3.2**.

Table 3.2: Per Capita Development Expenditure Compared

State	2007-08 (A/C) (Rs)	2008-09 (RE) (Rs)	2009-10 (BE) (Rs)
Andhra Pradesh	6185	7837	8565
Assam	3177	5399	6060
Bihar	2160	3337	3322
Gujarat	4725	6264	6319
Karnataka	5820	6114	6962
Kerala	3753	4686	4975
Madhya Pradesh	3228	3892	4166
Maharashtra	4834	6487	7204
Orissa	3285	4807	5063
Punjab	4432	6024	5858
Rajasthan	3683	4177	4750
Total : All States	4014	5224	5539

Note: *Per capita developmental expenditure is based on the projected population of 2008, 2009 and 2010

Source: RBI state finances various issues

3.4 Overall Budgetary Position in 2010-11:

1. Highlights:

The State budget for 2010-11 envisages expenditure of Rs.67741.40 crore comprising Rs.53138.30 crore of revenue expenditure and Rs.14603.30 crore of capital expenditure. Expenditure during the year 2010-11 is expected to grow by 14.81 per cent over the previous year. Receipts are expected to be Rs.67793.00 crore in 2010-11, comprising Rs.53638.80 crore of revenue receipts and Rs.14154.21 crore of capital receipts. Revenue receipts and Capital receipts during the year 2010-11 are expected to increase by 15.59 per cent and 9.62 per cent respectively over 2009-10. An overall increase in receipts is anticipated to be 14.29 per cent. The overall budgetary position of the State is reflected in **Table 3.3**.

Table 3.3: Overall Budgetary Position (Rs. Crore)

	Receipts and Disbursements	2008-09 (A/C)	2009-10 (RE)	2010-11 (BE)	Percent Variation 2010-11 over 2009-10
A.	Receipts				
1	Revenue Receipts	43290.70 (82.06)	46406.00 (78.23)	53638.80 (79.12)	15.59
2	Capital Receipts	9466.32 (17.94)	12912.20 (21.77)	14154.21 (20.88)	9.62
	Total A :(1+2)	52757.00	59318.30	67793.00	14.29
B.	Disbursement				
1	Revenue Expenditure	41659.30 (78.30)	45867.80 (77.74)	53138.30 (78.44)	15.89
2	Capital Disbursements	11546.10 (21.70)	13136.80 (22.26)	14603.30 (21.56)	11.16
	Total B :(1+2)	53205.40	59004.60	67741.40	14.81

A/C: Accounts, R.E.: Revised Estimates, B.E.: Budget Estimates

Note: Ways and means advance from RBI has not been included in the Capital receipts and expenditure; values in the bracket indicate percentage to grand total.

Important budgetary indicators are presented in **Table 3.4**. There has been an increase in per capita expenditure on education, sports, art and culture, social security and welfare. The share of development expenditure in the total expenditure is 70.33 % in 2009-10 and 68.97 % in 2010-11.

There has been a significant increase in the State Plan outlay by Rs.5033.00 crore from Rs.25967.00 crore (RE) in 2009-10 to Rs.31000.00 crore in 2010-11. The Central Plan component (including CSS) has decreased by Rs.119.04 crore from Rs.1977.09 crore in 2009-10(RE) to Rs.1858.05 crore during the current year. Non-Plan expenditure is expected to increase by 18.85 per cent from Rs.34081.52 crore in 2009-10 to Rs.40505.09 crore in 2010-11. Development expenditure budgeted for 2010-11 is of the order of Rs.46723.42 crore against Rs.41496.98 crore in 2009-10, an increase of 12.59 per cent. Non-development expenditure is likely to increase by 20.05 per cent over the previous year.

Revenue from sales tax / VAT is expected to go up from Rs.15486.90 crore in 2009-10 to Rs.20160.00 crore in 2010-11, revealing a growth rate of 30.17 per cent. Taxes on goods and passengers have increased by 14.92 per cent and State excise increased by 10.24 per cent. Increase in overall revenue receipts will be 15.59 per cent. The State's share in the Central taxes is expected to increase by 29.43 per cent.

Table 3.4 Important Budgetary Indicators

Indicator		Unit	2009-10 (R.E.)	2010-11 (B.E)
1.	Aggregate Receipts (Revenue + Capital)	Rs. Crore	59318.25	67792.99
2.	Revenue Receipts	Rs. Crore	46406.03	53638.78
3.	State's Own Tax Revenue	Rs. Crore	29338.72	36228.32
4.	Per Capita State's Own Tax Revenue	Rupees	4981.11	6088.79
5.	Sales Tax / VAT Collection	Rs. Crore	15486.90	20160.00
6.	Share of Sales Tax /VAT in the State's Own Tax Revenue	Per cent	52.79	55.65
7.	Non-Tax Revenue including Grants from the Centre	Rs. Crore	10067.31	8350.37
8.	Share of Non-Tax Revenue in Revenue Receipts	Per cent	21.69	15.57
9.	Debt Receipts	Rs. Crore	8906.10	10672.41
10.	Share of Debts Receipts in Aggregate Receipts	Per cent	15.01	15.74
11.	Per Capita Receipts	Rupees	10071.01	11393.78
12.	Aggregate Expenditure (Revenue + Capital)	Rs. Crore	59004.60	67741.57
13.	Developmental Expenditure	Rs. Crore	41496.98	46723.42
14.	Per Capita Development Expenditure	Rupees	7045.33	7852.68
15.	Share of Developmental Expenditure in Total Expenditure	Per cent	70.33	68.97
16.	Per Capita Expenditure - Social Security & Welfare	Rupees	751.20	964.93
17.	Per Capita Expenditure on Health, Family Welfare, Water Supply and Sanitation	Rupees	735.50	791.51
18.	Per capita Expenditure on Education, Sports, Art and Culture	Rupees	1517.01	1800.14

R.E.: Revised Estimates, B.E.: Budget Estimate
Per Capita are calculated on Projected population of 2010 and 2011

2. Receipts

Aggregate receipts are likely to go up considerably by about Rs.8474.74 crore (BE) i.e. 14.29 per cent in 2010-11. Revenue receipts are expected to increase by Rs.7232.75 crore, and capital receipts are expected to increase by Rs.1241.99 crore. Revenue receipts account for 79.12 per cent of total receipts. Details of revenue and capital receipts are presented in **Table 3.5**.

a) Revenue Receipts:-

Revenue receipts comprise of tax and non-tax revenue. The state's own tax revenue in 2010-11 is anticipated to increase by 23.48 per cent and non tax revenue by 13.03 per cent. The share of tax revenue in the total revenue receipts has increased from 80.39 percent in 2008-09 to 84.43 percent in 2010-11 BE.

i) Tax Revenues:

The state's tax revenue increased significantly experiencing a 20 percent annual compound growth rate during 2002-03 to 2006-07, after which a declining trend set in caused by the general economic slowdown. A number of tax reform initiatives introduced by the state government aided in the tax/GSDP ratio from 9.6 percent in 2003-04 to 11.3 percent in 2006-07, which has had a decline to 9.8 percent owing to the general economic slowdown.

Tax revenue includes mainly taxes on income & expenditure, entry tax property and capital transactions, VAT, sale of goods, commodities & services, State excise, motor vehicle taxes and the State's share in Central taxes. The budgeted tax revenue is anticipated at Rs.45288.40 crore in 2010-11 as against Rs.36338.70 crore of previous year. Sales tax / VAT is the main source of tax revenue comprising about 55.65 per cent of own tax revenue in 2010-11, with a growth rate of 30.17 per cent. Revenue from State excise is expected to increase to by 10.24 per cent. Taxes on income and expenditure will be 3.85 per cent more compared to previous year. The State's share in Central taxes is anticipated to increase by Rs.2060.09 crore i.e. by 29.43 per cent.

ii) Non - tax Revenues

Non-tax revenue includes receipts from social, economic and general services, interest and dividends. The budget for 2010-11 has revenue from the three services as Rs.2819.90 crore (BE) against Rs.2494.81 (RE) crore in 2009-10 (increase of 13.03 per cent). Grants from Government of India will decrease from Rs.7572.50 (RE) crore in 2009-10 to Rs.5530.47 crore (BE) in 2010-11 (decreased by 26.97 per cent).

Table 3.5: Revenue and Capital Receipts, Karnataka 2008-09 to 2010-11 (Rs. Crore)

Category of Receipts		2008-09 (A/C)	2009-10 (RE)	2010-11 (B.E)	% Variation 2010-11 over 09-10	Percentage to total		
						2008-09 (A/C)	2009-10 (RE)	2010-11 (B.E)
I.	Revenue Receipts							
A.	State's Tax Revenue	34799.43	36338.72	45288.41	24.63	80.39	78.31	84.43
(i)	Taxes on Income and Expenditure	548.07	520.00	540.00	3.85	1.27	1.12	1.01
(ii)	Taxes on Property & Capital Transactions of which	27097.59	28818.72	35688.32	23.84	62.59	62.10	66.53
	(a) Sales Tax / VAT	14622.73	15486.90	20160.00	30.17	33.78	33.37	37.58
	(b) Taxes on vehicles	1681.16	1795.00	2050.00	14.21	3.88	3.87	3.82
	(c) State Excise	5749.57	6735.00	7425.00	10.24	13.28	14.51	13.84
	(d) Taxes on Goods & Passengers	1085.02	1183.44	1360.00	14.92	2.51	2.55	2.54
	(e) Others	3959.11	3618.38	4693.32	29.71	9.15	7.80	8.75
	State's Own Tax Revenue (i)+(ii)	27645.66	29338.72	36228.32	23.48	63.86	63.22	67.54
(iii)	Tax Devolution from Centre	7153.77	7000.00	9060.09	29.43	16.52	15.08	16.89
B.	Non-tax Revenues	3158.99	2494.81	2819.90	13.03	7.30	5.38	5.26
C.	Grants - in - aid from Centre Government	5332.26	7572.50	5530.47	-26.97	12.32	16.32	10.31
	Total I: Revenue Receipts (A+B+C)	43290.68	46406.03	53638.78	15.59	100.00	100.00	100.00
II.	Capital Receipts							
(i)	Loans from Govt. of India	596.16	726.10	1142.00	57.28	6.30	5.62	8.07
(ii)	Internal Debt (Net of W & M & MB)	7162.53	7133.43	8558.60	19.98	75.66	55.25	60.47
(iii)	Public A/c (Net)	1471.94	4983.35	1550.36	-68.89	15.55	38.59	10.95
(iv)	Recovery of Loans & Advances	56.65	29.35	103.25	251.83	0.60	0.23	0.73
(v)	Contingency Fund (Net)	-2.10	0.00	0.00	0.00	-0.02	0.00	0.00
(vi)	Misc. Capital Receipts	181.14	40.00	2800.00	6900.00	1.91	0.31	19.78
	Total II : Capital Receipts (i) to (vi)	9466.32	12912.22	14154.21	9.62	100.00	100.00	100.00
	AGGREGATE RECEIPTS: I+II	52757.00	59318.25	67792.99	14.29			
	Total Tax Revenue as per cent of Total Receipts	66.00	61.30	66.80				

A/C: Accounts, RE: Revised Estimates. BE: Budget Estimates, W & M = Wages & Means, MB = Market Borrowings

b) Capital Receipts:

Capital receipts include loans from Government of India, Internal Debt-Ways & Means, open market loans (Net), public account, recoveries of loans & advances and Contingency funds (Net). Capital receipts of Rs.14154.21 crore in 2010-11(BE) account for an increase of 9.62 per cent over the 2009-10 (RE) level. Loans from the Government of India account for Rs.1142.00 crore i.e. 8.07% of the capital receipts and expected to increase by 57.28 per cent as compared to previous year. There is an increase in internal debt-open market loans (Net) by 19.98% in 2010-11 whereas recovery of loans and advances has increased by 251.83%.

3.5 Trends and Composition of Expenditure:

Expenditure indicators reveal (**Table 3.7**) that the state's total expenditure under Consolidated Fund as a proportion of the GSDP has increased from 23.12 percent in 2003-04 to 25.81 percent in 2010-11 B.E. The state's efforts to enhance the social and economic infrastructure are revealed in the positive gains that the social services and capital expenditure have had during the post FRA period. Social services have had an increased share from 4.65 percent to 7.36 percent of GSDP and that of capital expenditure increased from 2.02 percent to 3.95 percent. In terms of annual compound rate of growth capital expenditure reveals a higher rate at 14.49 percent per annum as compared to that of revenue expenditure at 12.6 percent during 1991-92 to 2009-10. This sharper growth in capital account has largely occurred during the current decade (after 2002-03) caused by the recovery experienced by the state government finances following pronouncement of FRA and sound revenue position. Rate of growth of capital expenditure during the period 2003-04 to 2010-11 was 18.5 percent. On an average revenue and capital heads constitute 85.66 and 14.34 percent share in total expenditure. The committed items of expenditure such as interest payments, wage bill and the pension payments have had a declined share creating fiscal space for larger developmental expenditure.

Table 3.6: Expenditure Indicators in Karnataka, (Rs. Crore)

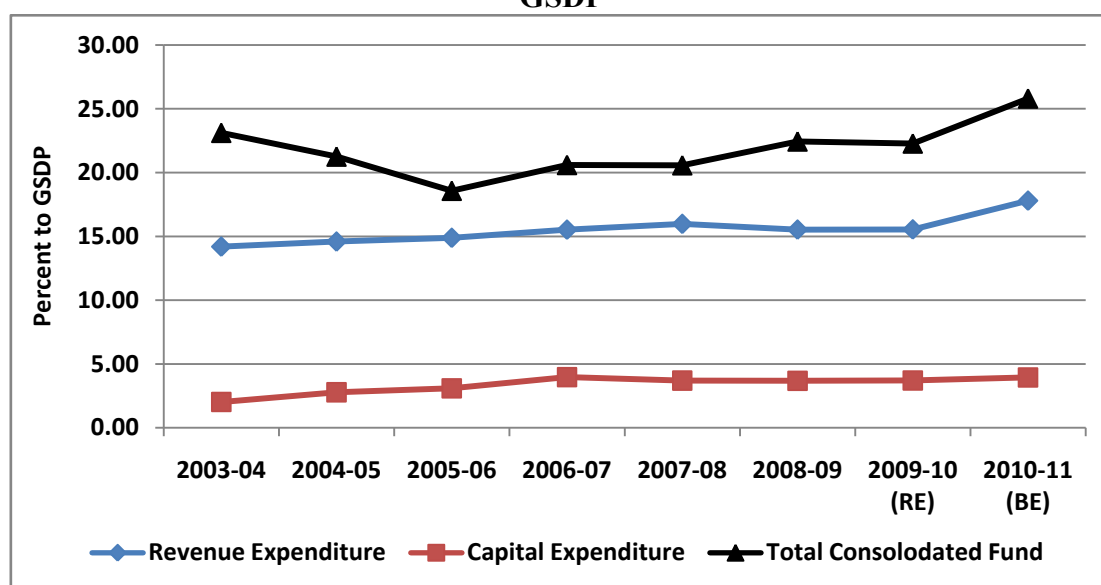
Particulars	2003-04	2005-06	2007-08	2008-09	2009-10 (RE)	2010-11 (BE)
Revenue Receipts	20759.88	30352.05	41151.14	43290.68	46406.03	53638.78
Revenue Expenditure	21284.72	28040.90	37374.77	41659.29	45867.90	53138.29
Development Expenditure	11616.74	16846.11	24577.12	27009.63	30047.09	34178.61
Social Services	6965.05	8898.79	13123.81	15872.99	19649.49	21952.46
Economic Services	4651.69	7947.32	11453.31	11136.64	10397.6	12226.15
General Services	9039.13	10035.84	10871.79	12275.57	13451.06	16074.54
Interest Payments	3710.00	3765.00	4506.00	4532.00	5250.00	6316.00
Wage Bill	5523.00	5750.00	8667.00	9927.00	11306.00	11366.00
Pensions	1901.00	2237.00	3241.00	4113.00	3500.00	4500.00
Capital Expenditure	3029.40	5821.93	8648.94	9870.29	10920.82	11777.76
Total Expenditure (RE+CE)	24314.12	33862.83	46023.71	51529.58	56788.71	64916.05
Consolidated Debt	42954.00	56027.00	63655.00	71410.00	82513.00	91575.00
Total Consolidated Fund	34648.39	34973.38	48109.22	60178.38	65724.16	77041.71

Source: Finance Department; Accounts Reckoner & MTFP

Table 3.7 Expenditure Indicators in Karnataka (as percent to GSDP)

Particulars	2003-04	2005-06	2007-08	2008-09	2009-10 (RE)	2010-11 (BE)
Revenue Receipts	13.85	16.12	17.60	16.14	15.73	17.97
Revenue Expenditure	14.20	14.89	15.99	15.54	15.55	17.80
Development Expenditure	7.75	8.95	10.51	10.07	10.19	11.45
Social Services	4.65	4.73	5.61	5.92	6.66	7.36
Economic Services	3.10	4.22	4.90	4.15	3.53	4.10
General Services	6.03	5.33	4.65	4.58	4.56	5.39
Interest Payments	2.48	2.00	1.93	1.69	1.78	2.12
Wage Bill	3.69	3.05	3.71	3.70	3.83	3.81
Pensions	1.27	1.19	1.39	1.53	1.19	1.51
Capital Expenditure	2.02	3.09	3.70	3.68	3.70	3.95
Total Expenditure (RE+CE)	16.23	17.99	19.68	19.22	19.25	21.75
Consolidated Debt	28.26	29.76	27.23	26.63	27.98	30.68
Total Consolidated Fund	23.12	18.58	20.58	22.44	22.28	25.81

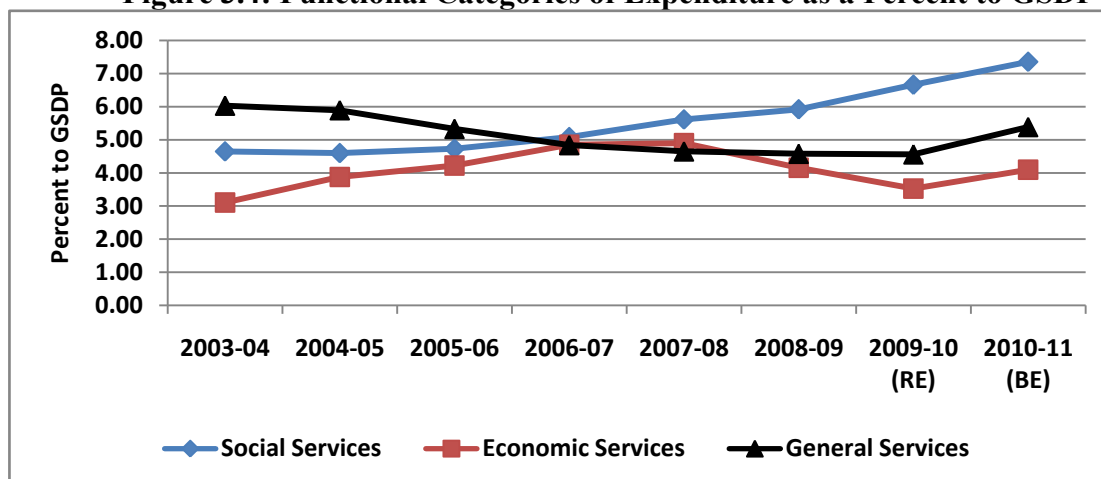
Figure 3.3: Revenue Exp, Capital Exp, and Consolidated Fund Exp as a percent to GSDP



a. Functional Categories of Expenditure:

Services provided by the government are meaningfully categorized broadly under three functional categories-General, Social and Community and Economic services and reflect the priorities of the government by its various functions performed. The trends and composition of the functional categories of expenditure from 2003-04 reveal that the focus on social services covering the sectors such as Education, health, housing, water supply etc., has significantly increased from 4.65 percent to 7.36 percent of GSDP. (Figure 3.4) Share of expenditure on Economic Services has increased from 3.1 percent to 4.1 percent and that of General services has declined from 6.03 percent to 5.39 percent during the reference period.

Figure 3.4: Functional Categories of Expenditure as a Percent to GSDP



b. Expenditure Highlights: 2010-11:

Details of key expenditure components for the 2010-11 BE are presented in **Table 3.8**. Total expenditure under Consolidated Fund in 2010-11(BE) is Rs.67741.57 crore, as opposed to Rs 59004.6 crore in 2009-10, experiencing an increase of 14.81 percent in 2009-10. Development expenditure is Rs.46723.42 crore (68.97 % of total expenditure) and non-development expenditure is Rs.21018.15 crore of total expenditure (31.03%) of which Revenue expenditure is Rs.16074.54 crore (76.48% of total Non-Development Expenditure) and Compensation & Assignment to local bodies and Panchayat Raj institutions is Rs.2885.14 crore (13.73% of total Non-Development Expenditure). Sector wise break up of development and non-development expenditure is presented in **Table 3.8** and corresponding revenue, capital and loan accounts are given in Appendix 3.3.

Expenditure on social services is anticipated to go up by 10.29 per cent or Rs.2394.75 crore, from Rs.23264.05 crore in 2009-10 to Rs.25658.80 crore in 2010-11. Expenditure on economic services is expected to increase by 15.53 per cent from Rs.18232.92 crore in 2009-10 to Rs.21064.63 crore in 2010-11. Per capita development expenditure has increased from Rs.7045.33 in 2009-10 to Rs.7852.68 in 2010-11. Development expenditure on Social Security & Social Welfare in 2010-11 is anticipated to go up by 29.76% per cent; Housing & Urban Development has increased by 30.79% over the previous year. Water and Power development and Agriculture and Allied services have large share in the total with an increased share in 2010-11 BE. Education sector gets the largest share in the social services. Social Security and Welfare has an enhanced share in 2010-11 BE.

Non-development expenditure is expected to increase to Rs.21018.15 crore in 2010-11 from Rs.17507.62 crore in 2009-10, accounting for 31.03% share in total expenditure. Repayment of loans to Government of India and discharge of internal debt account for Rs.1491.08 crore in 2010-11 compared to Rs.1263.56 crore in 2009-10. Interest payments in the current year have increased to Rs.6316.00 crore compared to Rs.5250.00 crore in 2009-10. Expenditure on administrative services is anticipated to increase by 14.33 per cent, while on pension and miscellaneous general services there is increase by 28.28 per cent as compared to 2009-10. Lower pension expenditure in 2009-10 was on account of increase in the retirement age for all state government employees from 58 years to 60 years during 2008-09 and would commence again from 2010-11, hence, Pension expenditure in 2010-11 has had

a sharp increase. The retirement Expenditure on the organs of the State has decreased by 2.33 per cent over the previous year.

Figure 3.5: Development and Non Developmental Exp as a % of GSDP

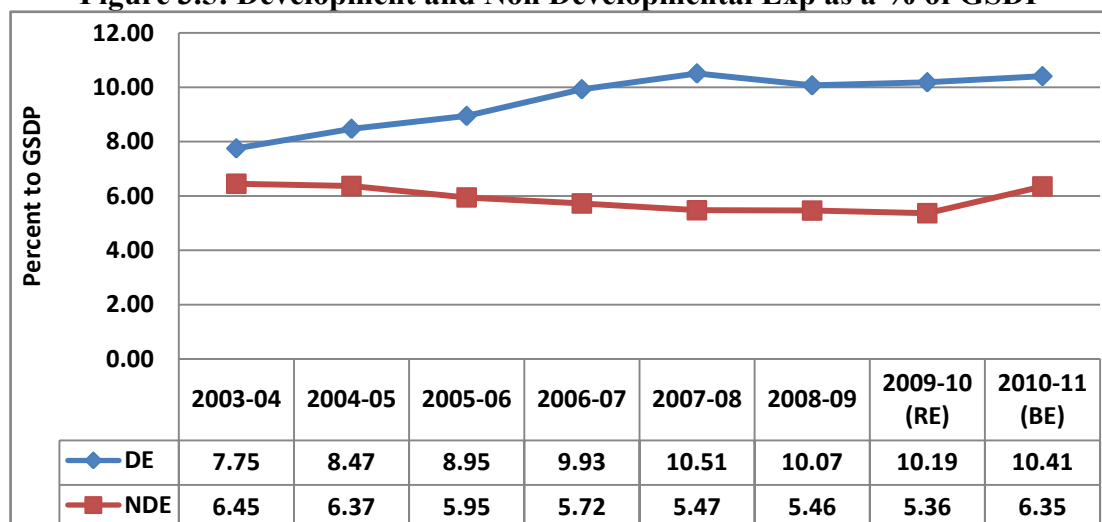


Table 3.8: Trends in Key Expenditure Components (in crores)

Category of Expenditure		2008-09 (A/C)	%	2009-10 (RE)	%	2010-11 (B.E)	%	Percent Variation 2010-11 over 2009-10
I	Developmental Expenditure							
A	Economic Services of which	18531.80	49.91	18232.90	43.94	21064.60	45.08	15.53
1	Agriculture & Allied Services	3547.86	9.55	4295.89	10.35	4940.88	10.57	15.01
2	Rural Development	941.43	2.54	1112.31	2.68	1624.26	3.48	46.03
3	General Economic Services	2706.25	7.29	1282.61	3.09	1728.58	3.70	34.77
4	Water & Power Development	6636.82	17.87	7532.37	18.15	8769.90	18.77	16.43
5	Industry and Minerals	739.05	1.99	583.13	1.41	693.77	1.48	18.97
6	Transport and Communication	3708.47	9.99	2912.69	7.02	3187.03	6.82	9.42
7	Others	251.93	0.68	513.92	1.24	120.21	0.26	-76.61
B	Social Services of which	18601.50	50.09	23264.10	56.06	25658.80	54.92	10.29
8	Education, Sports, Art and Culture	8691.70	23.41	8935.20	21.53	10710.80	22.92	19.87
9	Medical & Public Health, Family Welfare, Water supply & Sanitation	3525.36	9.49	4332.10	10.44	4709.50	10.08	8.71
10	Social Security & Welfare Including SC & ST Welfare	3558.00	9.58	4424.55	10.66	5741.36	12.29	29.76
11	Housing and Urban Development	1877.78	5.06	2379.90	5.74	3112.58	6.66	30.79
12	Information and Publicity	55.74	0.15	45.04	0.11	65.09	0.14	44.52
13	Others	892.91	2.40	3147.26	7.58	1319.45	2.82	-58.08
	Total Development Expd. (A+B)	37133.30	100.00	41497.00	100.00	46723.4	100.00	12.59
II	Non-developmental Expenditure							
(a)	Revenue Expenditure under General services	12275.60	76.38	13451.10	76.83	16074.5	76.48	19.50
(i)	Organs of the State	454.90	2.83	561.40	3.21	548.34	2.61	-2.33
(ii)	Fiscal Services	444.39	2.76	538.21	3.07	599.27	2.85	11.34
(iii)	Interest payment & servicing of debts	4552.03	28.32	5250.00	29.99	6316	30.05	20.3
(iv)	Administrative Services	2705.01	16.83	3574.81	20.42	4087.04	19.45	14.33
(v)	Pension & Miscellaneous General Services	4139.25	25.75	3526.63	20.14	4523.9	21.52	28.28
(b)	Compensation & Assignment to Local Bodies and PRIs	2374.09	14.77	2369.68	13.53	2885.14	13.73	21.75
(c)	Capital Expenditure	1422.39	8.85	1686.88	9.63	2058.46	9.79	22.03
(i)	General Services	475.36	2.96	410.76	2.35	547.32	2.60	33.25
(ii)	Discharge of Internal Debt (Net)	483.00	3.01	793.92	4.53	941.11	4.48	18.54
(iii)	Repayment of Loans to G.O.I.	461.43	2.87	469.64	2.68	549.97	2.62	17.10
(iv)	Loans & Advances to Govt. Servants	2.60	0.02	12.57	0.07	20.07	0.10	59.67
	Total non-development Expenditure	16072.10	100.00	17507.60	100.00	21018.2	100.00	20.05
	Aggregate Expenditure I + II+III	53205.40		59044.60		67741.6		14.81
	Developmental Exp as % of total Exp	69.79		70.33		68.97		
	Per Capita Development Expenditure(Rs)	6358.44		7045.33		7852.68		11.46
	III.Ways & Means & Market Borrowings	-		-		-		-
	Consolidated Fund	53205.40		59004.60		67741.6		14.81

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

Note: Per capita is based on the projected population of 2009, 2010 and 2011

Source: Appendix 6.3 based on Budget Document 2010-11

c) Plan and Non-Plan Expenditure:

Table 3.9 presents details relating to Plan and non-plan expenditure. Of the aggregate expenditure of Rs.67741.57 crore budgeted for 2010-11, Plan outlay amounts to Rs.32858.05 crore, of which Rs.1858.05 crore are under Centrally sponsored and Central sector schemes. State Plan expenditure is expected to increase by 19.38 per cent i.e. Rs.31000.00 crore in 2010-11(BE) while increase in the total Plan expenditure over the 2009-10(RE) level is 17.58 per cent. Non-Plan expenditure is expected to increase by 17.00 per cent, the expenditure on irrigation projects pending approval is Rs. 755.65 crore.

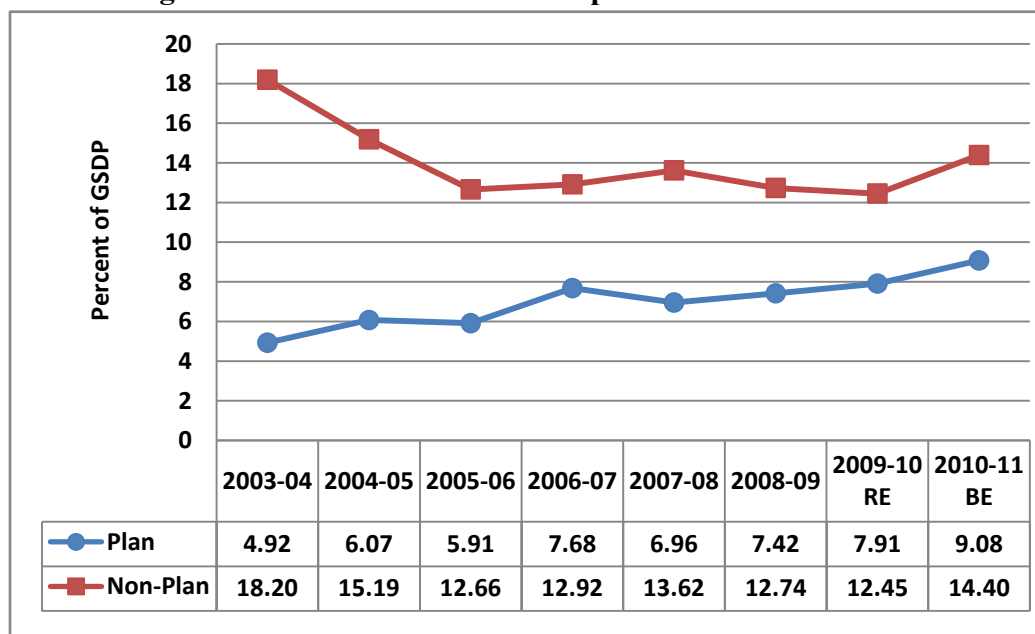
Table No. 3.9: Plan and Non-plan Expenditure, Karnataka 2008-09 to 2010-11
(in crores)

	Items	2008-09 (A/C)	2009-10 (RE)	2010-11 (BE)
I.	Plan			
1	State Plan	22576.74 (92.51)	25967.00 (92.92)	31000.00 (94.35)
2	Centrally Sponsored Schemes (including Central sector)	1829.19 (7.49)	1977.09 (7.08)	1858.05 (5.65)
	Total Plan Outlay	24405.93	27944.09	32858.05
II.	Non-Plan Expenditure	34149.66	36721.99	42965.50
III.	of which Irrigation Projects Pending Approval (Non-Plan)	317.30	585.47	755.65

Note: values in the bracket indicate percentage to grand total.
R.E: Revised Estimates, B.E: Budget Estimates

Trends in the share of plan and non-plan expenditure in the GSDP during 2003-04 till 2010-11 presented in figure 3.6 reveal that there has been a gradual increase in the former. Restricting the non-plan expenditure has been possible due to the austerity measures adopted by the government from time to time such as restrictions on fresh recruitment, vehicle purchases, foreign tours and training, holding government functions in star hotels and total ban on travel in business class in flights.

Figure 3.6: Plan and Non Plan Expenditure as a Percent of GSDP



3.6 Economic Classification of Expenditure:

Under the guidelines from the Central Statistical Organisation, the Directorate of Economics and Statistics classifies government expenditure under economic categories in the annual budget. This is useful for analyzing the economic significance of the budgetary transactions of the State Government. It throws light on the extent of capital formation out of budgetary resources, savings of the government, drawal of the government on various resources of the State's economy and contribution of the government to State income.

Table 3.10 presents a summary of the total expenditure by economic classification for 2010-11 in comparison with the preceding two years. In 2010-11 in the final outlays, the government's consumption is anticipated to increase by 20.72% over 2009-10. The capital formation has increased by 14.27 per cent. Consumption expenditure forms 21.65% of the total expenditure during the current year. Transfer payments to the rest of the economy are anticipated to go up by 11.27 per cent during the current year. The share of transfer payments to the rest of the economy in total expenditure is 55.94 per cent. With in transfer payments, current transfers, which include interest and subsidies, are a major component (98.78%). Financial investments and loans to the rest of the economy that amounted to Rs.4842.98 crore in 2009-10 have increased to 5517.26 crore in 2010-11.

Table 3.10: Economic Classification of Expenditure of Karnataka (Budget) 2010-11 (in crores)

	Description	2008-09 (A/C)	2009-10 (RE)	2010-11 (B.E)	Percent Variation 2010-11 over 2009-10
1	Final Outlays	17975.89	20906.87	21857.88	4.55
(a)	Government consumption Expenditure	9714.64	11144.62	13453.81	20.72
(b)	Gross Capital Formation	8441.81	9800.40	11199.16	14.27
(c)	Acquisition of Fixed Assets	-180.56	-38.15	-2795.09	
2	Transfer Payments to the Rest of the Economy	28236.07	31232.06	34752.96	11.27
(a)	Current Transfers *	22760.72	30715.03	34329.09	11.86
(b)	Capital Transfers	475.35	517.03	423.87	-18.02
3	Financial Investments and Loans to the rest of the Economy	4196.17	4842.98	5517.26	13.92
Total Expenditure (1+2+3)		50408.13	56981.91	62128.1	9.03

* Includes interest and subsidy also

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

Source: An Economic-cum-Purpose Classification of the Karnataka Government Budget 2010-11, Directorate of Economics and Statistics, Government of Karnataka

3.7 Capital Formation by Government:

Table 3.11 presents details of capital formation by the government. Gross capital formation by the government is expected to decrease by 14.12 per cent in 2010-11. The value of assets anticipated to be created in 2010-11 is Rs.8827.94 crore of which Rs.2433.77 crore will be created by departmental commercial undertakings and Rs.6394.17 crore by government.

Table 3.11: Capital Formation by the Government, Karnataka 2010-11 (in crore)

	Description	2008-09 (A/C)	2009-10 (RE)	2010-11 (B.E)	Percent Variation 2010-11 over 2009-10
1	Value of Assets Created	8736.60	10279.30	8827.94	-14.12
(a)	By Departmental Commercial Undertakings	1318.61	2194.94	2433.77	10.88
(b)	By Government Administration	7417.99	8084.34	6394.17	-20.91
2	Change in Stock in (a) & (b) above	-8.09			
Total : Gross Capital Formation		8728.51	10279.3	8827.94	-14.12

Source: An Economic-cum-Purpose Classification of the Karnataka Government Budget 2010-11, Directorate of Economics and Statistics, Government of Karnataka

3.8 Investment under Plan:

a) Annual Plan 2010-11:

The Eleventh plan outlays and percent distribution by major sectors for Karnataka are presented in **Table 3.12**. Irrigation and flood control (25.9%) Transport (22.68%) energy (17.59%) and Agriculture and allied services (13.46%) get the lead share. Among the Social Services Urban Development (31.19%) and Education (20.14%) get the lead share.

The budgeted outlay for 2010-11 under state plan is Rs.31000.00 crore and constitutes about 30.49 per cent of the Eleventh Five-Year Plan of which Rs.3010.31 crore have been provided to the Zilla Panchayat sector in 2010-11. (**Table 3.13**)

b) Inter-sectoral Outlays:

About 54.49% of the budgeted outlay for the State's Plan in 2010-11 is allocated to economic services (and about 25.12% to the core sectors of irrigation and energy) (**Table 3.13**). In 2010-11 (B.E), the percentage outlay on agriculture and allied services was 7.60 per cent, rural development and Panchayat Raj 4.86 per cent, industries and minerals 2.95 per cent and transport 10.00 per cent. About 42.98% of the budgeted outlay for the State's Plan in 2010-11 is allocated to Social Service Sectors (and about 22.26% to the core sectors of Water Supply, Housing & Urban Development). Percentage distribution of plan outlays with in the economic and social services reveal that Irrigation and flood control (26.22%) energy (19.89%) Transport (18.33%) and Agriculture and allied services (13.95%) get the lead share. Among the Social Services Urban Development (31.89%) and Education (12.57%) get the lead share.

Table 3.12: Plan Outlays by Major Sectors

Sl.No	Sectors	Eleventh Plan 2007-12 (at 2006-07 prices) Proposed (in crores)	%
A.	Economic Services		
1	Agriculture & Allied Activities(incl. Cooperation)	7687.73	7.56
2	Rural Development	5200.27	5.12
3	Special Area Programme (including HKDB, MADB & BADP)	1369.11	1.35
4	Irrigation and Flood Control	14795.36	14.55
5	Energy	10050.55	9.89
6	Industry & Minerals	2143.37	2.11
7	Transport	12959.26	12.75
8	Science, Technology & Environments	277.22	0.27
9	General Economic Services	2650.29	2.61
	Total - A : Economic Services	57133.16	56.20
B.	Social Services		
10	Education. Sports, Art & Culture	8412.02	8.27
11	Health	3376.22	3.32
12	Water Supply, Housing & Urban Development		0.00
	a) Water Supply	5409.35	5.32
	b) Housing	3393.05	3.34
	c) Urban Development	13027.41	12.81
13	Information & Publicity	59.00	0.06
14	Welfare of SCs, STs & OBCs	3626.33	3.57
15	Labour & Labour Welfare	572.18	0.56
16	Social Welfare & Nutrition	3895.36	3.83
17	Other Social services		0.00
	Total – B : Social Services	41770.92	41.09
C.	General Services	1961.80	1.93
D.	Forestry & Wild Life	7983.12	7.85
	Grand Total – State Plan	101664.00	100.00

Source: Draft Eleventh Five Year Plan document, Planning Department, GoK

Table 3.13: Developmental Outlays by Major Sectors: 2008-09 to 2010-11

	Sectors	2008-09 (A/C)	%	2009-10 (RE)	%	2010-11 (BE)	%
A.	State Plan						
I.	Economic Services						
1	Agriculture & Allied Activities (Including Co-operation)	1541.4	6.23	1914.04	6.70	2356.99	7.01
2	Rural Development	1322.43	5.34	1772.48	6.21	1505.63	4.48
3	Special Area Programme (including HKDB, MADB & BADP)	88.06	0.36	144.98	0.51	137.82	0.41
4	Irrigation and Flood Control	2581.41	10.43	3875.7	13.57	4428.91	13.17
5	Energy	3600.71	14.55	3547.82	12.42	3359.24	9.99
6	Industry and Minerals	482.67	1.95	328.38	1.15	913.53	2.72
7	Transport	3781.09	15.27	3047.39	10.67	3096.94	9.21
8	Science, Technology & Environment	20.81	0.08	30.28	0.11	38.36	0.11
9	General Economic Services	714.31	2.89	803.94	2.82	1054.3	3.13
	Total – I: Economic Services	14132.89	57.09	15465.01	54.16	16891.72	50.21
II.	Social Services						
10	Education, Sports, Art & Culture	1999.38	8.08	2110.58	7.39	2634.2	7.83
11	Health	763.13	3.08	808.95	2.83	1086.76	3.23
12	Water Supply, Housing & Urban Development						
	(a) Water Supply	704.27	2.84	1326.07	4.64	1674.72	4.98
	(b) Housing	604.8	2.44	669.22	2.34	976	2.90
	(c) Urban Development	2049.66	8.28	3115.74	10.91	4248.8	12.63
13	Information and Publicity	18.86	0.08	14.35	0.05	27.7	0.08
14	Welfare of SCs, STs & OBCs	930.71	3.76	626.4	2.19	1031.59	3.07
15	Labour & Labour Welfare	124.84	0.50	161.4	0.57	315.68	0.94
16	Social Welfare & Nutrition	731.01	2.95	1104.72	3.87	1327.49	3.95
	Total - II : Social Services	7926.68	32.02	9937.43	34.80	13322.94	39.60
III.	General Services	517.19	2.09	564.54	1.98	884.74	2.63
	Total - A : State Plan	22576.76	91.20	25966.98	90.93	31000	92.15
B.	Irrigation Projects Pending Approval (Non-Plan)	317.3	1.28	585.47	2.05	755.65	2.25
C.	Centrally Sponsored & Central Plan Schemes (GOI Share Outlay)	1829.19	7.39	1977.09	6.92	1858.05	5.52
D.	Western Ghats Development	31.49	0.13	26.32	0.09	26.32	0.08
	Grand Total	24754.74	100.00	28555.86	100.00	33640.02	100.00

Source: 1) Details of provision of Plan schemes, 2008-09 to 2010-11, Finance Department, 2) Details of Estimates of Irrigation, 2008-09 to 2010-11
BE: Budget Estimates, RE: Revised Estimates

c) Centrally Sponsored and Central Sector Schemes:

Outlays and expenditure under Centrally sponsored and Central sector schemes by sectors during 2008-09, 2009-10(RE) and 2010-11(BE) are presented in **Table 3.14**. In 2010-11, the budgeted outlay (Government of India's share) on Centrally sponsored and Central sector schemes was Rs.1858.05 crore, the revised estimate of 2009-10 was Rs.1977.09 crore and expenditure in 2008-09 was Rs.1829.19 crore. Sectorwise break up reveals that the funding support for the Agriculture and allied activities has increased in its share from 7.62 percent in 2008-09 to 20.33 percent in 2010-11. Social services account for the largest share under the CSS and CPS, its share however has declined from 80.77 percent in 2008-09 to 72.28 percent in 2010-11. There is in fact even an absolute decline in the amount from Rs 1477.49 crore to Rs1342.93 crore during the above reference period.

Table 3.14: Outlay and Expenditure on Centrally Sponsored and Central Plan Scheme (GOI share) (Rs crore)

Sectors	2008-09 (A/C)	2009-10 (RE)	2010-11 (BE)
Agriculture & Allied Activities	139.33 (7.62)	176.37 (8.92)	377.77 (20.33)
Rural Development	0.83 (0.05)	6.91 (0.35)	12.13 (0.65)
Special Area Programme	0.80 (0.04)	1.92 (0.10)	6.54 (0.35)
Irrigation and Flood Control	177.21 (9.69)	21.22 (1.07)	75.87 (4.08)
Energy	3.74 (0.20)	6.29 (0.32)	11.32 (0.61)
Industry and Minerals	22.96 (1.26)	29.80 (1.51)	22.87 (1.23)
Transport			
Science, Technology & Environment	1.88 (0.10)	3.83 (0.19)	3.62 (0.19)
General Economic Services	4.95 (0.27)	6.00 (0.30)	5.00 (0.27)
Social Services	1477.49 (80.77)	1724.75 (87.24)	1342.93 (72.28)
GRAND TOTAL	1829.19	1977.09	1858.05

Note: values in the bracket indicate percentage to grand total.

3.9 New Schemes 2010-11 Budget:

In all there were 66 new schemes announced in the 2010-11 budget. Agriculture sector has seven new schemes followed by Industry and Commerce and Woman and Child Development with five new schemes each; Primary and Secondary Education and Minorities had four new schemes each. Distribution of schemes by other departments is presented in **Table 3.15**. Financial allocation wise grouping of schemes presented in **Table 3.16** reveals that of the total 66 new schemes a large number of them (53) fall in the category of less than Rs 10 Crore amounting to Rs. 282.87 crore. Highest allocation of the order of Rs 472.2 crore is however for the three schemes that fall in the category of over and above Rs 50 crore. A short description of the five schemes costing more than Rs 25 crore is presented in the following chart.

Table 3.15: Department wise New Plan Schemes for the year 2010-11

Agriculture	7
Horticulture	3
Watershed	1
Animal Husbandry	2
Fisheries	3
Co-operation	1
Forest	1
Commerce & Industries	5
Sericulture	1
Tourism	1
Information Technology & Bio-Technology	3
Primary & Secondary Education	4
University & Higher Education	2
Kannada & Culture	2
Science Technology	1
Health & Family Welfare	1
Medical Education	2
Urban Development	1
Revenue	2
Labour	2
Information & Publicity	2
Women & Child development	5
Social Welfare	1
Minority	4
Law	3
Public Works Department	2
Infrastructure Development	1
Home	3
Total	66

Table 3.16: Abstract of New Scheme

Allocation Range (Rs. Crore)	No	Total Allocation (Rs. Crore)
<10	53	282.87
10-25	8	157.95
25-50	2	98.00
50 and above	3	472.70
All Total	66	1011.52

Description of Major New Scheme for year 2010-11

1) Rashtriya Madhyamika Shikshana Abhiyan

For the universalisation of secondary education Rashtriya Madhyamika Shikshana Abhiyana scheme is implemented from the year 2009-10 under joint coordination by State government / Central government and local bodies. During 2010-11 Rs 5030 lakhs are have been proposed being the State share for implementing the scheme.

Main objectives of Rashtriya Madhyamika Shikshana include:

- To ensure that all secondary schools have physical facilities, staffs and supplies at least according to the prescribed standards.
- To improve access to secondary schooling to all young persons according to norms through proximate location.
- To ensure that no child is deprived of secondary education of satisfactory quality due to gender, socio-economic, disability and other barriers.
- To improve quality of secondary education resulting in enhanced intellectual, social and cultural learning.

2) New Private ITI's

Government has introduced new scheme of providing 25% backend investment subsidy with ceiling of Rs. 25.00 lakhs for establishing new ITI and additional 10% limited to Rs. 10.00 lakhs for establishing new ITI in backward taluks identified by HPCFRRI.

Rs. 5000.00 lakhs are provided for this scheme during 2010-11-2011-12 and 100 New Private ITI's it is will be benefited from this outlay.

3) Integrated Watershed Management Programme (IWMP):

IWMP scheme aims at achieving sustainable development of rain fed areas and degraded or wasteland areas by adopting integrated watershed development approach. The Centre and the state share the cost in the ratio of 90:10. Rs. 22240.00 lakhs are proposed for this scheme of which Rs. 6328 lakhs is proposed for state share and Rs. 15912.00 lakhs is central share. Common guidelines have been evolved and published by Ministry of Agriculture, Government of India in 2008 applicable to all the ministries and departments engaged in the task of watershed development programmes. Under the new guidelines all the area development programmes like DPAP, DDP and IWDP have been brought under one umbrella with the nomenclature as Integrated Watershed Management Programme (IWMP). Department of Land Resources, Ministry of Rural development, Government of India have accorded sanction to Karnataka to take up 119 IWMP projects during the year 2009-10. This programme is planned to be implemented in 27 district of the State except Bangalore urban and Kodagu. These projects have to be implemented in a span of 4-7 years. Under this new programme sustainable development and equity of rain fed areas is ensured by way of people's participation. Livelihood security and income generation activities are also emphasized.

Salient features of IWMP include: Livelihood Orientation; Cluster Approach; Scientific Planning; Institutional Frame Work; Capacity Building; Evaluation

4) Sustainable Coastal Protection and Management

Karnataka has a coastline of about 300kms with narrow beaches 249.54 kms being affected by sea erosion. Erosion along the beaches causes loss of valuable life & public property. The scheme sustainable coastal protection and management has been implemented with loan assistance of ADB through the multi – Tranche financing facility over the period of 8 years from 2010-2018 at an estimated investment of Rs. 911.00 crore. Rs. 4800.00 lakh have been provided for the first year of the project.

5) Renewal of State Highways

Under this scheme the Department is planning to take up major works like renewal, surfacing and re-chip carpeting of major District roads. Rs. 20000.00 lakhs have been provided in the Annual Plan 2010-11 for undertaking above road works.

3.10 District Sector Plans and District Sector Outlay for 2010-11:

The Karnataka Panchayat Raj Act, 1993 was enacted to bring in the practice of decentralized administration and development in line with the 73rd amendment to the Constitution. The three-tier structure created with Zilla Panchayat at the district level, Taluk Panchayat at the taluk level and Gram Panchayat at the village level is under force. Section 309 of the Act provide for the preparation of development plans by the Zilla, Taluk and Gram Panchayats. Section 310 of the Act envisages for setting up of the District Planning Committee (DPC) in each district to consolidate the plans prepared by the Zilla, Taluk and Grama Panchayats and Urban Local Bodies in the district and to prepare a draft development plan for the district as a whole taking into consideration the need of spatial planning, physical and natural resources and level of infrastructure development. The DPCs have been constituted in all the districts except the newly created districts of Ramanagara, Chikkaballapura and Yadgir. The DPCs will also have to be constituted for Bangalore (Rural) and Kolar from which new districts have been carved out. In the case of Bangalore urban district the process of setting up of Metropolitan Planning Committee is underway. Guidelines for functioning of the DPCs have been issued.

Activity mapping depicting the activities to be taken at different levels of Panchayat Raj Institutions has been issued. The PRIs have been further strengthened through transfer of 137 plan schemes implemented at state sector along with funds in tune with the activity mapping.

Guidelines for the formulation of Comprehensive District Development Plan (CDDP) for the Eleventh Five Year Plan Period (2007-12) has been issued. Zilla Panchayats have been advised to avail the help of Technical Support Institutions for this purpose. The districts of Udupi, Uttar Kannada, Haveri, Chitradurga, Davanagere, Kolar, Chikkamngalore, Bangalore(Rural), Tumkur, Ramanagara, Hassan, Dharwar, Kodagu, Dakshina Kannada, Bagalkote, Shimoga, Belgaum, Gulbarga, Chamrajnagar, and Bijapur have prepared the CDDP of their districts. Preparation of CDDP is under progress and is at different stages in the remaining districts.

District Sector plan outlays from 1990-91 to 2010-11 is given in **Appendix 3.1**. The total outlay of the District Sector plan programmes for the year 2010-11 is Rs.4870 crore, of

which Rs.3010 crore is the State's share and Rs.1860 crore is the share of Government of India. This constitutes around 14% of the total state plan size. The corresponding share of the State and the Centre being 10 per cent and 67 per cent respectively. District wise break-up of the plan outlay is presented in **Table 3.17**

Table 3.17: District Plan Outlay for the year 2010-11 (Rs Lakhs)

District	State	%	Central	%	Total	%
Bangalore Urban	7157.62	1.47	4036.55	0.83	11194.17	2.30
Bangalore Rural	4933.92	1.01	2115.69	0.43	7049.61	1.45
Bagalkote	10482.27	2.15	3817.18	0.78	14299.45	2.94
Belgaum	18843.61	3.87	8105.74	1.66	26949.35	5.53
Bellary	11529.63	2.37	4235.11	0.87	15764.74	3.24
Bidar	9034.86	1.86	4096.67	0.84	13131.53	2.70
Bijapur	12109.32	2.49	5127.33	1.05	17236.65	3.54
Chamarajanagar	6916.20	1.42	2653.90	0.54	9570.10	1.97
Chikkaballapur	6864.91	1.41	3425.60	0.70	10290.51	2.11
Chickmagalore	7826.80	1.61	3262.58	0.67	11089.38	2.28
Chitradurga	9200.44	1.89	4001.67	0.82	13202.11	2.71
Dakshina Kannada	7407.08	1.52	3764.94	0.77	11172.02	2.29
Davangere	10057.71	2.07	4609.70	0.95	14667.41	3.01
Dharwad	6056.07	1.24	2999.89	0.62	9055.96	1.86
Gadag	6011.05	1.23	2757.71	0.57	8768.76	1.80
Gulgarga	14878.50	3.06	4678.73	0.96	19557.23	4.02
Hassan	9613.40	1.97	4502.40	0.92	14115.80	2.90
Haveri	8442.80	1.73	3602.34	0.74	12045.14	2.47
Kodagu	3200.07	0.66	1662.70	0.34	4862.77	1.00
Kolar	6798.55	1.40	3072.99	0.63	9871.54	2.03
Koppal	9161.94	1.88	3173.47	0.65	12335.41	2.53
Mandya	9704.31	1.99	3612.25	0.74	13316.56	2.73
Mysore	11381.66	2.34	5641.85	1.16	17023.51	3.50
Raichur	11979.85	2.46	4965.75	1.02	16945.60	3.48
Ramanagar	6333.47	1.30	2083.85	0.43	8417.32	1.73
Shimoga	9388.47	1.93	4191.16	0.86	13579.63	2.79
Tumkur	16119.31	3.31	7377.28	1.51	23496.59	4.82
Udupi	4039.58	0.83	1920.69	0.39	5960.27	1.22
Uttar Kannada	9393.54	1.93	3926.13	0.81	13319.67	2.73
Yadgir	6539.54	1.34	1961.22	0.40	8500.76	1.75
Lump sum - ZP	29624.61	6.08	70596.95	14.50	100221.56	20.58
Grand Total	301031.09	61.81	185980.02	38.19	487011.11	100.00

3.11 Externally aided Projects under Implementation:

In 2010-11 Thirteen Projects are under implementation with assistance from the World Bank and other external agencies. Of these, four are under Urban Development Dept, two each in Water Resources (MMI & MI), Health & Family Welfare Department, Rural Development & Panchayath Raj and one each in Forest, Energy and Education Departments.

One Project namely Karnataka Urban Development and Coastal Environment Project, implemented with the assistance from the Asian Development Bank closed during 2009-10. It is proposed to implement 4 new projects viz., Karnataka State Highways Improvement Phase II, (two projects, one each with Asian Development Bank and World Bank Assistance), Sujala III and Sustainable Coastal Protection & Management, from the current year. Expenditure incurred on these projects since inception up to 30.11.2010 is Rs. 8308.12 crore. Project wise details are presented in **Table 3.18**.

3.12 Fiscal Challenges:

- Sustain the fiscal gains and enhance fiscal space in the long-run by prudent expenditure planning and management. Enhance the allocative efficiency by reprioritizing to reflect the societal needs and weed out the schemes that have outlived their utility. Shifting of focus from incremental budgeting to results based budgeting.
- Protect the capital investments and developmental expenditure from fiscal adversities.
- Arrest the declining levels of non tax revenue by undertaking measures through better enforcement and continuous review to enhance non tax revenue and enhance the recovery of user charges.
- Enhance utilization of funding support available under Centrally Sponsored and Central Plan schemes.

Table 3.18: Externally Aided Projects under Implementation

(Rs.in Crores)

Sl.No.	Name of the project & Department	Name of the aiding Agency	Project	Year of Commencement / Closing	Expenditure Since Inception up to end of 30-11-2010	Outlay for 2010-11
1	FOREST					
	Karnataka Sustainable Forest Management & Bio-Diversity	JICA	745.00	2005-2013	607.64	81.99
2	WATER RESOURCES (MMI)					
	National Hydrology Phase – II	World Bank	29.19	2006-2012	6.62	11.17
3	WATER RESOURCES (MI)					
	Karnataka Community Based Tank Management (including Additional Finance)	World Bank	815.61	2002-2012	376.65	200.00
4	AGRICULTURE AND HORTICULTURE					
	Sujala - III	World Bank	Project is yet to be signed		0.00	10.00
	HEALTH AND FAMILY WELFARE					
5	Secondary Level Health Care Facilities - Phase II	KFW Germany	121.28	2004-2011	68.47	40.00
6	Karnataka Health Systems Development & Reforms	World Bank	897.77	2007-2012	664.36	132.58 (Project Finance)
	URBAN DEVELOPMENT					
7	Karnataka Urban Development & Coastal Environment Management	ADB	996.30	2000-2009	951.97	35.00*
8	Karnataka Urban Water Sector Improvement	World Bank	237.04	2005-2011	198.89	20.00
9	Cauvery Water Supply Scheme- Stage IV – Phase II	JICA	3383.70	i. 2005-2012 ii. 2006-2013	1174.97	790.00
10	Karnataka Municipal Reforms	World Bank	1364.00	2006-2011	350.52	350.00
11	North Karnataka Urban Sector Investment Programme	ADB	1980.00	2008-2016	96.97	200.00
	PUBLIC WORKS					
12	i. Karnataka State Highways Improvement Phase-I	World Bank	2389.49	2001-2007	2351.58	30.00**
	ii. Karnataka State Highways Improvement Phase-II	World Bank/ ADB	4766.20 (Tentative)	Project is yet to be signed	77.55	240.00
13	Sustainable Coastal Protection & Management	ADB	911.00	Project is yet to be signed		48.00
	EDUCATION					
14	Karnataka Improving Education Governance	World Bank	3.85	2009-2012	0.06	2.00
	RURAL DEVELOPMENT AND PANCHAYAT RAJ					
15	i. Second Karnataka Rural Water Supply & Sanitation-Jal Nirmal	World Bank	997.00	2002-2010	903.77	50.00
	ii. Jal Nirmal -A.F	World Bank	816.00	2010-2013	5.11	75.00
16	Karnataka Panchayath Strengthening- Gram Swaraj	World Bank	600.00	2006-2012	460.54	88.54
	ENERGY					
17	Bangalore Distribution Upgradation	JICA	563.70	2007-2012	12.45 (including BESCOM Share)	125.00 (JICA Share)
					8308.12	2529.28

* Project has been completed during 2009-10; Amount allocated for 2010-11 is for committed expenditure.

** Project has been completed during 2007-08; Amount allocated for 2010-11 is for committed expenditure which is to be borne by the State Government.

4.1 Introduction:

Agriculture has remained the backbone of Karnataka and is still the mainstay of the state economy. The agriculture and allied sectors' contribution to Karnataka's GSDP was around 43 percent in 1980-81 that came down to 26 per cent in 2001-02, which further came down to 16.8 percent during 2007-08 and it is stagnant during 2009-10. Despite the declining share of primary sector in GSDP, agriculture remains the primary activity and main livelihood source for the rural population in the state. Besides, agriculture provides raw material for a large number of industries. Agriculture in the state is characterized by wide crop diversification. The extent of arid land in Karnataka being second only to Rajasthan in the country, agriculture is highly dependent on the vagaries of the southwest monsoon. Out of the net area sown, only 30 per cent is irrigated. The most important challenge of agriculture is food security, besides improving the livelihood of the farmer. Karnataka has attained self-sufficiency in foodgrain, but still continues to be deficit in the case of pulses. Development of agriculture improves the purchasing power of the major section of our population, which in turn will also help the development of other industries.

In view of the above, the new technologies developed by the State Agricultural universities, Indian Council of Agricultural Research Institutions and private sectors are transferred to the farming community through Raitha Samparka Kendra. The coordination of various input agencies to ensure the supply of quality inputs besides enforcement of various Acts to enhance the quality of inputs, which is a paramount importance of the State. The agricultural extension activities have been providing training facilities to the farming community to adopt new technologies for the higher agricultural productivity. Apart from this, the State is implementing several Plan schemes along with Centrally sponsored and Central sector schemes for the overall development of agricultural sector.

4.2 Monsoon in 2010:

Pre-monsoon showers commenced from end of March and light to moderate rainfall occurred in many parts of the state during April 2010. Actual average rainfall was 58 mm as against the normal of 37 mm. During May 2010 many parts of the state except Belgaum, Bidar, Bijapur, Davanagere, Kodagu, Udipi and Uttara Kannada received light to moderate rainfall. Actual average rainfall was 83 mm as against the normal of 91 mm. Land preparation, sowing of early kharif rainfed crops like jowar, short duration pulses (greengram, blackgram, cowpea etc.), sesamum, cotton and planting of tobacco commenced in parts of Mysore, Chamrajnagar, Mandya, Hassan, Chikkamagalur, Chitradurga and Kodagu districts in first fortnight of April.

Southwest monsoon advanced to south interior parts during first week of June and by mid June, it covered all parts of Karnataka. Monsoon was weak in major parts of the state from 18th June to 1st July. However, it became active in major parts of North Interior Karnataka during first fortnight of July and in South Interior Karnataka during second fortnight of July, which although helped timely sowing of major rainfed crops like maize,

redgram (tur), groundnut, ragi etc., but affected early sown crops like blackgram, greengram, redgram, sesamum, maize etc., in some parts of Gulbarga, Bidar, Bellary, Gadag, Davanagere, Hassan and Shimoga districts. Again, excess rainfall in Haveri district during first week of October 2010 caused damage to maize and cotton crop. At an aggregate, agricultural crops in about 1.96 lakh hectares were affected by excess rainfall during southwest monsoon period. Actual cumulative rainfall from June to September was 879 mm as against a normal of 820 mm and was normal in all the four months. Southwest monsoon withdrew on 29th October from the state and Northeast monsoon commenced from the same day.

The dry spell in the state from 18th June to 1st July hampered normal sowing of jowar, soybean, greengram and blackgram in northern districts as a result of which slight decline was observed in area coverage of these crops compared to corresponding coverage of last Kharif. Higher area coverage was observed under crops like redgram, cotton and maize on account of diversion from sunflower, Bajra etc. Under the influence of Severe Cyclone 'JAL' over Southwest Bay of Bengal, many parts of Tumkur, Davangere, Gadag, Chikkaballapur, Dharwad, Hassan, Chitradurga, Bellary, Bagalkote, Kolar, Bangalore, Mandya, Chamarajnagar, Udupi, Chikkamagalur and Dakshina Kannada districts experienced continuous rainfall from 2nd to 15th November causing damage to Kharif crops like paddy, ragi, maize, redgram, groundnut, cotton etc., to the extent of about 1.91 lakh hectares. Excess and continuous rains hampered timely harvest of kharif crops and quality of grains in the ear heads/ cobs. Even the fodder crop was affected in many parts.

Performance of Rabi crops depends on adequacy of residual soil moisture on account of rainfall in September and Northeast monsoon during October to December (normal of 190 mms), which accounts for 17 percent of the annual normal rainfall. Northeast monsoon rains commenced from October 2010 in the state. Actual and Normal rainfall during October, November and December 2010 was 134 mm, 159 mm and 3 mm as against normal of 134 mm, 45 mm and 11 mm. Untimely/excess rainfall in some parts of the state caused damage to kharif crops for about 1.91 lakh hectares at the maturity to harvesting stage. District wise and month wise rainfall received during the year 2010 is given in the **Appendix 4.1**.

4.3 Agricultural Production: Performance and Prospects:

During 2010-11 foodgrains production is likely to increase at an enormous rate of more than 14 percent over the last year's production. The production is likely to increase from 110 lakh tones in 2009-10 to 126 lakh tonnes during the current year (**Table 4.1**). The increase in foodgrain production was mainly led by increase in yield rate as the area increase during the year was only 2.9 percent. The yield improvement was probably fostered by more than normal rainfall all over the state as mentioned above. This increase in foodgrain production occurred despite the fall in area under cereals during the same time period. Area under cereals declined by -2.2 percent during the year but cereals production underwent increase by 12.9 percent. The biggest boost in foodgrain production came from pulses which observed positive growth rate in area as well as yield rate leading to around 32 percent increase in production of pulses over the previous year's production. Production of principal crops in Karnataka for Kharif, Rabi and Summer are given in **Appendix 4.2**.

Table 4.1: Area and Production of Major Crops in the State
(Area in lakh hectares, Production in lakh tonnes)

Crop/Group	2010-11*		2009-10**		Average annual growth rate (%)	
	Area	Production	Area	Production	Area	Production
Cereals	53.62	111.09	54.75	98.39	-2.21	12.91
Pulses	28.75	14.69	24.79	11.16	14.20	31.63
Total Foodgrains	82.37	125.78	79.54	109.55	2.90	14.84
Oilseeds	16.92	13.24	20.01	10.02	-16.39	32.14
Cotton #	5.33	10.36	4.57	7.54	16.41	37.40
Sugarcane	5.14	324.61	4.97	304.43	1.81	6.63
Tobacco	1.22	1.00	1.18	0.91	4.24	9.89

#: Lakh bales of 170 Kg. lint, ** Estimate of Directorate of Economics and Statistics

Source: * Estimates of Agriculture Department.

In the case of non-foodgrain crops, production of all major non-foodgrains increased during the current year over the last year production. Oilseeds and cotton production increased by more than 32 and 37 percent respectively over the previous year. Increase in area and yield both contributed towards increase in production of cotton. While area under oilseeds decreased during the year and thereby production increase in oilseeds was solely due to increase in its yield rate. Production of tobacco and sugarcane increased by 10 and 7 percent respectively during the year where growth was contributed by both area as well as yield increase (**Table 4.1**).

Table 4.2 and **Appendix 4.3** provides details of area coverage under Kharif, Rabi and Summer during the current and previous years. The loss in area coverage under cereals during the current year as discussed above was on account of lower area in the Rabi and Summer seasons while area under cereals increased in the Kharif season as compared to last year. These trends were observed not only in cereals but also in almost all other crops. At the aggregate, total area under Kharif crops increased from 70 lakh hectares in 2009-10 to 74 lakh hectares in 2010-11. However, the Rabi area decreased from 34 lakh hectares in 2009-10 to 31 lakh hectares in 2010-11, against the normal area of 34 lakh hectares. Similarly, the summer area is expected to decline from 7 lakh hectares in the previous year to 6.50 lakh hectares during the current year. The decline in area under Rabi season was on account of excess area coverage under Redgram and Cotton during kharif season. **Table 4.3** provides targets proposed for agricultural production in the state during 2011-12 anticipating timely and well-spread monsoon rains during the coming year.

Table 4.2: Area Coverage: Kharif, Rabi and Summer

(Lakh hectares)

Crop Group	Kharif			Rabi			Summer		
	Normal	2010-11	2009-10	Normal	2010-11	2009-10	Normal	2010-11*	2009-10
Cereals	34.54	35.79	35.16	16.14	14.48	15.70	3.32	3.35	3.90
Pulses	13.85	16.71	13.41	8.95	11.83	11.34	0.22	0.20	0.04
Total Foodgrains	48.39	52.50	48.57	25.09	26.31	27.04	3.54	3.55	3.94
Oilseeds	15.99	11.68	13.07	6.66	2.86	4.56	2.44	2.40	2.38
Cotton	2.36	4.16	3.09	1.67	1.16	1.46	0.002	0.01	0.02
Sugarcane	3.61	4.41	3.96	0.42	0.43	0.53	0.37	0.30	0.48
Tobacco	0.98	1.18	1.16	0.07	0.04	0.02	-	-	-
Aggregate	71.34	73.93	69.85	33.92	30.80	33.61	6.352	6.26	6.82

Source: Agriculture Department. * anticipated coverage

Index numbers of area, production and yield of agricultural commodities over the years are given in **Appendix 4.4**. Area under principal crops in Karnataka over the years is given in **Appendix 4.5**. Production under principal crops in Karnataka over the years are given in **Appendix 4.6**. Average yield of selected crops in India and Karnataka are given in **Appendix 4.7**.

Table 4.3: Production Programme for 2011-12

Crop/Group	Area (Lakh ha.)	Production (Lakh Tonnes)	Yield (Kg./ha.)
Cereals	55.75	117.19	2102
Pulses	23.25	12.10	520
Total Foodgrains	79.00	129.29	1637
Oilseeds	25.25	19.37	767
Cotton	4.50	9.53*	360
Sugarcane	4.25	375.00	100#
Tobacco	1.00	0.92	920

Source: Agriculture Department

* Lakh bales of 170 Kg lint. # Tonnes/ha.

4.4 Irrigation:

Water is becoming a scarce commodity which is needed in all spheres of life including domestic needs of urban and rural population. Economic progress of a state is intricately and inseparably related to the management of its scarce water resources, use of its adequate quantity at right place and at regular intervals. Water also plays a very crucial role in agriculture. Irrigation is central in augmenting agriculture production. **Table 4.4** depicts the trends in irrigated area in Karnataka. There has been a gradual increase in the gross irrigated area in the state. The gross irrigated area has increased steadily from 16 percent of total cultivated area in 1980-81 to 32 percent in 2008-09. The total irrigated area has reached up to 39.42 lakh hectares up from 16.76 lakh hectares in 1980-81.

Table 4.4: Trends in Irrigated Area in Karnataka

(lakh hectares)

Year	Gross Cultivated Area	Gross Irrigated Area	Net Irrigated Area	Gross Irrigated Area as a percentage of Gross Cultivated Area
1980-81	106.60	16.76	13.62	16
1990-91	117.59	25.98	21.13	22
2000-01	122.84	32.71	26.43	27
2001-02	116.70	30.89	26.83	26
2002-03	115.32	28.41	27.05	25
2003-04	114.50	27.02	28.38	24
2004-05	128.07	33.28	29.06	26
2005-06	130.27	36.32	29.70	28
2006-07	124.38	36.03	29.46	29
2007-08	128.93	37.89	31.32	29
2008-09	123.68	39.42	32.38	32

Source: Water Resource Department, GOK.

About 30 percent of the cultivable area is under irrigation and rest 70 percent is dependent on rainfall. Canals account for approximately 36 percent of the total irrigated area

while the second main source of irrigation is Tube/Bore wells. Source-wise gross irrigated area during 2008-09 is given in **Table 4.5** while historical data is given in **Appendix 4.8**.

Table 4.5: Source-wise Irrigation during 2008-09

Source	Area (Lakh Hectares)	Percent Share
Canals	14.02	36
Tanks	2.34	6
Wells	4.58	12
Tube/Bore Wells	13.49	34
Lift Irrigation	1.45	4
Other Sources	3.55	9
Total	39.42	100

Source: Water Resource Department, GOK.

4.4.1 Irrigation Potentials Created through Major and Minor Irrigation Projects:

The cumulative irrigation potential likely to be created under major, medium & minor irrigation (only surface water) up to the end of 2010-11 is 35.12 lakh hectares, as against an estimated total irrigation potential of 45 lakh hectares comprising of 35 lakh hectares under major & medium irrigation and 10 lakh hectares under minor irrigation. An additional irrigation potential of 0.59 lakh hectares is anticipated during the current year (2010-11) through major & medium irrigation projects, consisting of 0.47 lakh hectares under plan projects and 0.12 lakh hectares under projects pending approval. Through the Upper Krishna project alone, a potential of 0.17 lakh hectares is anticipated in 2010-11. Under minor irrigation (surface water), the additional potential, which will be created this year, is 0.10 lakh hectares leading to a total of 0.69 lakh hectares from the three categories.

The cumulative irrigation potential under major, medium and minor irrigation (surface water) is anticipated to go up to 35.12 lakh hectares (excluding ground water) in 2010-11 from 34.43 lakh hectares in 2009-10. Additional potential of 0.69 lakh hectares is anticipated to be created during the year (**Table 4.6**).

Table 4.6: Irrigation Potential Created by Source 2010-11

Lakh Hectares (Cumulative)

Source	2008-09	2009-10	2010-11 (Anticipated)
Major and Medium Irrigation	24.28	24.56	25.15
Minor Irrigation (Surface water)	9.81	9.87	9.97
Total	34.09	34.43	35.12

Source: Water Resources Department, GoK.

A total number of 47 Major and Medium Irrigation Projects, which have been completed, have so far created irrigation potential of 8.96 lakh hectares. 25 major irrigation projects and 53 medium irrigation projects are under implementation, and they have so far created 15.60 lakh hectares of irrigation potential. Karnataka announced its **State Water Policy in January 2002**. The objectives of the Policy are:

- a) Provide drinking water at the rate of 55 LPCD in rural areas, 70 LPCD in towns, 100 LPCD in city municipal council areas and 135 LPCD in city corporation areas.
- b) Create an ultimate irrigation potential of 45 lakh hectares under major, medium and minor irrigation projects. Facilitate creation of an additional irrigation potential of 16 lakh hectares by individual farmers using ground water.
- c) Improve performance of all water resources projects.
- d) Improve productivity of irrigated agriculture by involving users in irrigation management.
- e) Harness the hydropower potential in the state.
- f) Provide a legislative, administrative and infrastructural environment, which will ensure fair, just and equitable distribution and utilization of the water resources of the state to the benefit of all.
- g) Formation of revised State Water Policy is in progress.

Major/Medium and Minor Irrigation projects:

The irrigation projects are classified into three categories viz., major, medium and minor. Projects, which have a Cultivable Command Area (CCA) of more than 10,000 ha. are termed as major projects, those which have a CCA of less than 10,000 ha. but more than 2,000 ha. are termed as medium projects and those which have a CCA of 2,000 ha. or less are known as minor projects. Minor irrigation projects have both surface and ground water as their source, while major and medium projects mostly exploit surface water resources.

4.4.2 Expenditure Incurred on Major and Medium Irrigation Projects:

Expenditure on major and medium irrigation projects was Rs.3163.41 Crore for plan and projects pending approval together in 2009-10. The corresponding expenditure anticipated in 2010-11 is Rs.3480.47 Crore. Expenditure incurred up to the end of December 2010 was Rs.1554.44 Crore for Plan projects and Rs. 304.39 Crore for projects pending approval. The expenditure on Upper Krishna Project alone, up to end of December 2010 is Rs. 426.09 Crore.

The latest revised estimated cost for Upper Krishna project, Stage I is Rs.3959.80 Crore & Upper Krishna Project Stage II is Rs. 6891.59 Crore and the total Upper Krishna Project is Rs.10851.39 Crore. As per Planning Commission approval dated 22.1.2009, the cumulative expenditure up to end of March 2010 on Upper Krishna Project. Stages I & II was Rs.10267.93 Crore. The anticipated

KBJNL: “Krishna Bhagya Jala Nigam Limited” was formed vide G.O. No. ID/25/WBM/95, dated: 6-5-94, to expedite the works of Upper Krishna Project (UKP) is functioning since 19th August 1994. The Nigam has mobilised Rs 6620.65 Crore from 1995-96 to 2007-08.

KNNL: “Karnataka Neeravari Nigam Limited” was formed vide G.O. No. ID: 201: KBN: 98, dated: 26-11-98, to expedite the works in Krishna Basin, except UKP is functioning since 9th December 1998. The Nigam has mobilised Rs 2027.05 Crore from 1995-96 to 2007-08.

CNNL: “Cauvery Neeravari Nigam Limited” was formed vide G.O. No. WRD: 32: KBN: 2003, Dated: 12.05.2003, to expedite the works in Cauvery Basin is functioning since 3rd June 2003. The Nigam has mobilised Rs 930 Crore from 1995-96 to 2007-08.

expenditure in 2010-11 for the Upper Krishna Project alone accounts for Rs.583.46 Crore. The Stage I Phase –III and Stage-II works are nearing completion.

The works in UKP are nearing completion. It has been planned to irrigate about 6.22 lakh hectares of land falling under the drought prone districts of Bijapur, Bagalkot, Gulbarga and Raichur. As on September 2010 an outlet potential of 6024473 Ha. has been achieved.

KBJNL has undertaken construction of five barrages across river Bhima to utilise 9 TMC of water. Already construction of five barrages viz. Ghattarga barrage, Kallur „B“ barrage, Yadgir barrage and Joladagi – Gudur barrages are completed and water is stored and utilised. In respect of Sonthi barrage to utilise 4 TMC of water, construction of modified scope of civil work of barrage, providing gates, lifting system work on turnkey basis etc., is in progress.

Table 4.7: Plan Allocation (Rs crore) on Irrigation Sector

Year	Allocation	Expenditure
2002-03	1613.52	1297.55
2003-04	1897.14	1178.59
2004-05	2041.68	1305.58
2005-06	2856.63	1696.30
2006-07	3224.54	2106.86
2007-08	2396.77	2209.90
2008-09	2857.48	2101.02
2009-10	3144.08	2787.62
2010-11 (upto Dec.2010)	3608.70	1858.88

Source: Water Resources Department, GoK

In addition to the above, 4 works namely Jeerigehal, Manikeshwar, Halhalla and Chandapura anicuts have been taken up across Manjra river in Bidar district to utilize 4.8 TMC of water. Civil works are in progress. Apart from this, tendered works of fixing gates are in progress. The Narayanapur & Almatti dams have been completed. Almatti dam (Sri Lalbahadur Shastri Sagar) was dedicated to the nation by the Hon^{ble} President of India on 21st of August 2006.

During 2010-11, a potential of 17,500 hectares is anticipated to be created as against the contemplated irrigation potential of 6.22 lakh hectares under the Upper Krishna Project, Stage I and II.

Table 4.8: Details of Major Canal Network under Upper Krishna Project

Component of work	Length in km	Planned irrigation command (in Ha.)
Narayanpur Left Bank Canal	78.00	47,223
Shahapur Branch Canal	76.00	1,22,120
Mudbal Branch Canal	50.80	51000
Indi Branch Canal	172.00	131260
Jewargi Branch Canal	86.36	57,100
Almatti Left Bank Canal	85.00	20,235
Narayanpur Right Bank Canal	95.00	84,000
Almatti Right Bank Canal	67.50	16,100
Mulwad L.I.S.	95.40	30,850
Rampur L.I.S.	51.50	20,235
Indi L.I.S.	96.00	41,900

Source: Water Resources Department, GoK.

Table 4.9: Progress of Malaprabha, Ghataprabha Stage III and Upper Tunga Project

Particulars	Unit	Ghataprabha Stage III	Malaprabha	UTP
Estimated Cost	Rs Crore	1435.00	1383.48	1966.00
Expenditure up to 2009-10	Rs Crore	1281.25	1038.93	1081.47
Expenditure expected in 2010-11	Rs Crore	56.06	234.00	85.00
Irrigation potential envisaged	Hectares	171440	220028	80494
Potential created up to 2009-10	Hectares	160783	213537	22005
Additional Potential anticipated to be created in 2010-11	Hectares	2271	169	10000

Source: Water Resources Department, GoK.

4.4.3 Minor Irrigation - Surface Water:

Irrigation works with an atchkat of up to 2000 hectares are classified as minor irrigation works. They have the definite advantage of providing immediate benefit from the potential created. Minor irrigation works with an atchkat up to 40 hectares come under the control of Zilla Panchayats. In 2009-10 the expenditure on minor irrigation works was Rs. 59408.24 lakh. In 2010-11, an allocation of Rs. 9841.78 lakh has been made for construction and improvements to anecuts, pickups and feeder channels and Rs. 5000.00 lakh for SCSP and TSP. Besides Rs. 84.52 lakh has been provided for the Zilla Panchayats to take up minor irrigation with an atchkat of 40 hectares or below, and create a potential of 9000 hectares. The development of surface water irrigation from 2002-03 onwards is summarised in **Table 4.10**.

Table 4.10: Development of Minor Irrigation from Surface Water: 2002-03 to 2010-11

Year	Expenditure (Rs lakh)	Potential Created (in hectares)
2002-03	11057.98	7295
2003-04	12988.38	6300
2004-05	20395.97	4280
2005-06	19418.78	7101
2006-07	35470.41	10800
2007-08	35950.44	8954
2008-09	58660.13	16039
2009-10(RE)	59408.24	10000
2010-11(A)	82384.52	10000

Source: Details of Provisions for Plan Expenditure, 2010-11
(A) Anticipated

The Government has covered the Karnataka Jala Samvardhane Yojana Sangha (JSYS) within the framework of Registration of Societies Act, 1960 to develop and strengthen minor irrigation with local participation. It will promote capacity building, provide strategic resources and logistic support for training and orientation, promote and undertake efforts for integrated, multi-dimensional interventions in related sectors and ensure timely and adequate flow of funds from all possible sources, including World Bank. The budgetary allocation for JSYS during the year 2010-11 is Rs. 200.00 Crore and the expenditure incurred is Rs. 64.98 Crore, up to the end of December 2010.

4.4.4 Command Area Development:

The Command Area Development (CAD) programme, started during the Fifth Plan period, is intended to tackle the problem of non-utilisation of irrigation potential created under major and medium irrigation projects and reduce the gap between the potential created and utilized. The Government of Karnataka has constituted six CADAs namely Tungabhadra Project, Munirabad; Malaprabha and Ghataprabha Projects, Belgaum; Cauvery Basin Project, Mysore; Upper Krishna Project, Bheemarayanagudi; Bhadra Reservoir Project, Shimoga and Irrigation Project Zone, Gulbarga. The CADAs take up on-farm development works like construction of filed channels, land leveling/shaping and realignment of field boundaries, where necessary, adoption of Warabandi and Construction of field drains etc. In 2010-11 the expenditure anticipated is Rs.129.00 Crore, against Rs.85.48 Crore spent in 2009-10. The Central assistance for CADAs in 2010-11 is anticipated to be Rs. 25.00 Crore. In addition, KBJNL, KNNL and CNNL have also been carrying out CADA works with an anticipated Central Assistance of Rs. 33.50 Crore. Progress made by the CADAs is presented in **Table 4.11**.

Table 4.11: Command Area Development Programme in Karnataka (2008-09 to 2010-11)
(000" hectares)

Item of work	2008-09	2009-10	2010-11 (Anticipated)
Construction field irrigation channels	28.40	17.09	95.83
Construction of field drains & leveling	35.17	50.61	30.68
Land Reclamation	2.13	3.88	12.36

Source: Water Resources Department, GoK.

4.4.5 Modernization of Bhadra Project:

Modernization of Bhadra canal system was taken up in a comprehensive manner during 2008-09 at an estimated cost of Rs. 951.00 Crore. This project is wholly assisted under Hon'ble Prime Ministers Special package project till completion as per revised guidelines. Expenditure incurred till date is Rs. 700.03 Crore. Similarly Upper Bhadra Project is envisaged to provide irrigation facility to drought prone areas of Chickmagalur and Chitradurga districts along with drinking water facilities to Tumkur and Kolar districts. Expenditure incurred till date is Rs. 176.02 Crore.

4.4.6 The National Hydrology Project:

The National Hydrology project was taken up with World Bank assistance in 1996-97, envisages setting up a reliable and well-designed network for the collection of hydrological and meteorological data for surface and ground water. The project was revised to Rs. 34.86 Crore and closed on 31.12.2003. The Hydrology Project Phase II has allocated a provision of Rs. 23.53 Crore for the above purpose. This has again been divided into two components. (i) Surface Water Component with Rs. 9.09 Crore and (ii) Ground Water Component with Rs. 14.44 Crore.

Hydrology Project II is a follow up action project of World Bank Aided Hydrology Project-I, wherein infrastructure for collection of data was established. The data so collected is now proposed for utilization in the new Hydrology project II. The main components are:

1. Institutional strengthening, which includes consolidation of hydrology project-I activities, awareness raising, dissemination and knowledge sharing and implementation support.
2. Vertical extension, which includes development of hydrological design aids, development of decision support system, implementation purpose driven studies.

The total financial progress achieved as on September 2010 in 2010-11 is Rs.41.01 lakh. The programme for 2010-11 is Rs.255.23 lakh. The cumulative progress achieved since inception till December 2010 is Rs.247.26 lakh.

4.4.7 Accelerated Irrigation Benefit Programme:

For early completion of some of the ongoing irrigation projects, which were lingering due to shortage of funds for many years, the Government of India launched the Accelerated Irrigation Benefit Programme, during 1996-97.

Since then, 11 Projects in the state, namely, Upper Krishna Project (UKP) Stage-I, Phase-III, Malaprabha, Hirehalla, Ghataprabha, Karanja, Upper Krishna Project (UKP) Stage-II, Maskinala, Varahi, Bhima LIS, Guddadamallapura LIS and Gandhorinala have received / are receiving Central Loan Assistance (CLA) / (CA) under Accelerated Irrigation Benefit Programme (AIBP).

- During 1996-97, at the end of 8th Five Year Plan, Government of India launched the Accelerated Irrigation Benefit Programme (A.I.B.P.) with the intention of completing those projects lingering due to shortage of funds. From 1996-97 to

2002-03, the sharing between the centre and the state was in the ratio of 50:50. Since 2002-03, the sharing is in the ratio of 2/3:1/3.

- During 2009-10, UKP Stage I, Phase III, UKP Stage II, Malaprabha, Ghataprabha, Karanja, Gandorinala, Varahi, Bhima LIS and Guddadamallapura LIS are the 9 projects that have received / are receiving C.L.A. under A.I.B.P.
- The cumulative C.L.A. (including grants) released up to end of March 2010 is Rs. 4,116.05 Crore. The cumulative expenditure incurred on these projects up to the end of March 2010 is Rs. 5569.78 Crore.
- During 2004-05, loans along with grants were released to the projects in the ratio of 70: 30.
- The Central Assistance released, during 2009-10 for 9 projects namely UKP Stage I Phase III, UKP Stage II, Malaprabha, Ghataprabha-III, Gandorinala, Karanja, Bhima LIS (new), Guddadamallapura LIS (new) and Varahi is Rs. 549.75 Crore.
- The expenditure incurred on these 8 projects during 2010-11 up to end of March 2010 is Rs. 399.68 Crore.
- 8 Major & Medium Irrigation Projects under AIBP and 3 projects under Prime Minister's Special Package have been proposed for Central Assistance. Expenditure incurred till December 2010 is Rs. 456.65 Crore and anticipated expenditure for the year 2010-11 is Rs.1598.00 Crore.

4.4.8 Special Package to Distress Farmers of Six Drought Prone Districts of the State:

Seventeen Major and Medium irrigation projects have been identified in the six selected drought prone districts of the State. An amount of Rs.1208.71 Crore has been approved by Government of India for five major & two medium irrigation projects. Central Assistance under the Prime Minister's Special Rehabilitation Package will be released to the irrigation projects through Ministry of Water Resources as per Accelerated Irrigation Benefit Programme guidelines. Central Assistance to the tune of Rs.226.76 Crore for 4 major & medium irrigation projects namely Hipparagi, Bhadra Modernization, Dudhganga & Bheemasamudra has been released up to the end of March 2010. Three irrigation projects namely, Chicklihole, Votahole & Markandeya have been completed out of State funds. Two major irrigation projects, namely, Malaprabha & Ghataprabha are already receiving central assistance under AIBP since 1996-97. Six irrigation projects of Cauvery Basin are pending approval due to Cauvery Water Dispute Tribunal (CWDT) award. Out of the remaining 3 projects Extension, Renovation and Modernisation (ERM) of Bheemasamudra tank has been approved and proposals for availing Central Assistance (CA) during current year is submitted to Central Water Commission (CWC). Rameshwara LIS & Bellarynala LIS are under various stages of approval.

Table 4.12.1: Details of Package under Assured Irrigation

(Rs. Crore)

Project	Loan component	Grant	Total
Major & Medium irrigation	483.47	725.24	1208.71
Minor Irrigation	-	-	
Total	483.47	725.24	1208.71

Source: Water Resources Department, GoK.

Table 4.12.2: Details of Central Assistance under Special Package during 2009-10

(Rs. Crore)

Projects	CLA Sanctioned/ Proposed	CLA Released	Expenditure
Hipparagi	99.05	114.78	120.51
Modernisation of canal systems of Bhadra	47.64	108.50	249.48
Dudhganga	3.01	-	8.48
ERM of Bheemasamudra tank	4.30	3.48	-
Total	154.00	226.76	378.47

Source: Water Resources Department, GoK.

Central Assistance under Prime Minister's Special Package will be released to the Irrigation Projects through MOWR as per AIBP guidelines. Central Assistance to the tune of Rs.456.46 Crore for 3 Major and medium irrigation projects namely Hipparagi, Bhadra Modernisation and Dudhganga, is anticipated during 2010-11. Expenditure incurred till December 2010 is Rs. 224.62 Crore.

4.4.9. Special Development Programme (SDP):

State Government is committed to eradicate regional imbalance by implementing the recommendation of Dr. Nanjundappa Committee Report. For completion of on-going major and medium irrigation projects in backward, more backward and most backward areas, budget allocation of Rs.302.80 Crore was made during 2008-09. Financial Progress of Rs. 289.41 Crore (96 percent) has been achieved. During 2009-10 financial progress of Rs. 314.19 Crore was achieved against budget provision of Rs. 310.00 Crore (as per the revised guidelines). Budget allocation for the year 2010-11 is Rs. 328.83 Crore, expenditure incurred till December 2010 is Rs. 256.05 Crore and 3325 hectares of irrigation potential is achieved.

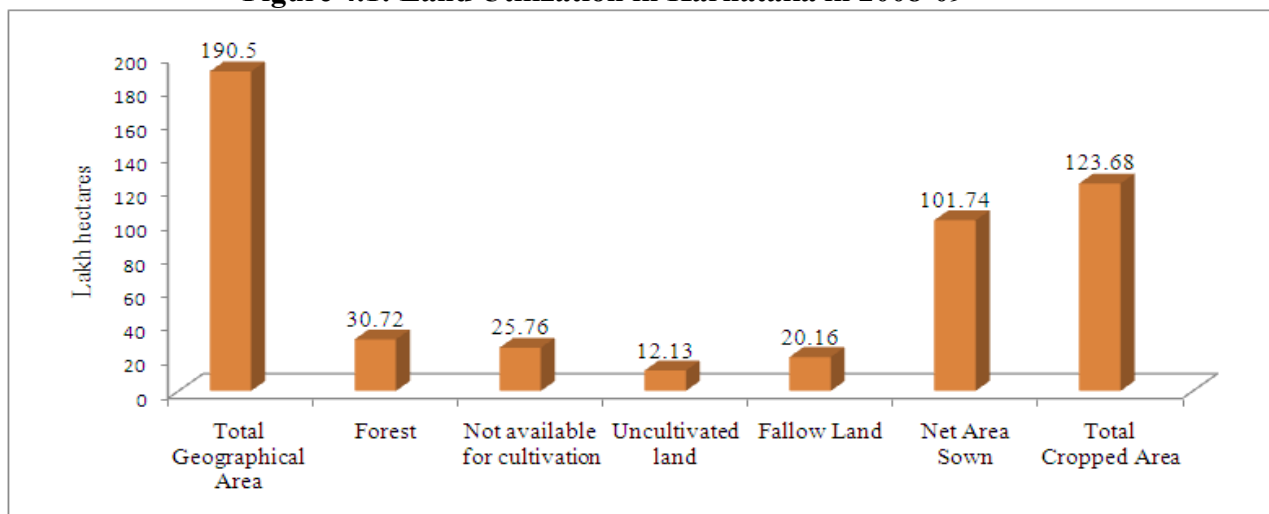
4.5. Land Utilization and Operational Holdings:

4.5.1. Land Utilization:

As per the land utilization statistics for 2008-09, out of the total 190.5 lakh hectares geographical area of the state, the total cropped area was 123.7 lakh hectares that was around 64.9 percent of the total geographical area. The net area cropped constituted around 53 percent of the total geographical area and the fallow land was around 10.6 percent of the geographical area. Around 16 percent of the area was covered under forest. 7.2 percent land was under non-agricultural uses, 4.1 percent land was barren and uncultivated land and 2.2 percent land was cultivable waste. Permanent pastures, grazing land and miscellaneous tree

crops constituted around 6.3 percent of the total geographical area of the state. Cropping intensity indicates intensity of multiple cropping on the net area cultivated. The details of land utilization statistics for the historical period are given in **Appendix 4.9 (a) and (b)**

Figure 4.1: Land Utilization in Karnataka in 2008-09



4.5.2 Land Holdings:

The holding size in Karnataka is continuously declining as is also the case with most other states in the country. The average size of land holding was around 3.20 hectares in 1970-71 that declined to 1.95 hectares in 1995-96 and came down further to 1.63 hectares in 2005-06, for the period for which the latest estimates are available. Out of the total 75.81 lakh operational holdings, marginal (48 percent) and small (27 percent) together account for 75 percent and operate only 36.5 percent of the total operated area, while semi medium (17percent), medium (7 percent) and large holdings (1 percent) together account for 25 percent holdings and they operate a sizable 63.5 percent of total operated area in the state. However, if one observes carefully, the average size of operational area is reducing for small as well as large holding sizes. The average size of marginal holdings declined from 0.48 hectares in 1995-96 to 0.46 hectares in 2000-01 and further to 0.45 in 2005-06. Similarly, large holding size declined from 15.02 hectares in 1995-96 to 14.99 hectares in 2005-06. The more details of holding size are given in **Table 4.13**.

Table 4.13: Land Holdings in Karnataka

I. Number of Operational Holdings (000³)			
Size Class	1995-96	2000-01	2005-06
Marginal (Below 1 ha.)	2610	3252	3655
Small (1 to 2 ha.)	1707	1909	2014
Semi Medium (2 to 4 ha.)	1204	1259	1278
Medium (4 to 10 ha.)	594	569	555
Large (Above 10 ha.)	106	90	79
Total	6221	7079	7581
II. Area of Operational Holdings (000³ hectares)			
Marginal	1248	1492	1651
Small	2480	2742	2876
Semi Medium	3298	3429	3468
Medium	3490	3317	3206
Large	1593	1327	1184
Total	12109	12307	12385
III. Average Size of Operational Holdings (hectares)			
Marginal	0.48	0.46	0.45
Small	1.45	1.44	1.43
Semi Medium	2.74	2.72	2.71
Medium	5.88	5.83	5.78
Large	15.02	14.74	14.99
Total	1.95	1.74	1.63

Source: Karnataka Agriculture Census Reports.

4.6 Cropping Pattern:

There has been steady increase in area of paddy, maize, pulses, sugarcane and tobacco. Paddy area increased from 10.28 lakh hectares in 1960-61 to 15.14 lakh hectares in 2008-09. Maize area increased from just 11,000 hectares to 12.87 lakh hectares during the same time period. Redgram and Bengal gram have reached 8.83 and 9.85 lakh hectares from 2.96 and 1.58 lakh hectares, respectively in 1960-61. Area of pulses has doubled from 13.06 lakh hectares to 28.31 lakh hectares. Oilseed area also witnessed a steady increase up to 1993-94 when it reached to 31.27 lakh hectares. Sunflower happened to be the major oilseed crop in an area of about 14.69 lakh hectares. Oilseed area declined in successive years and touched 17.37 lakh hectares in 2001-02. However, it again increased up to 2005-06 with the introduction of special programmes like TMOP & IOSPOM. There has been steady decline in area under oilseeds from 2006-07 onwards. During current year area coverage under maize, pulses (mainly under Redgram & Bengalgram) and cotton was higher than the normal and targeted area on account of better market prices and favourable climatic conditions. Some crops like jowar, minor millets, horsegram and safflower have witnessed steady fall in the area under cultivation. The further details on cropping pattern in given in **Appendix 4.10**.

4.7 Distribution of Inputs:

4.7.1 Distribution of Fertilizer:

For Kharif 2010, the State Government had projected the requirement to the tune of 23.60 lakh tonnes of different grades of fertilizers consisting DAP - 6 lakh tonnes, MOP- 2.90 lakh tonnes, Complexes – 5.70 lakh tonnes, Urea - 8 lakh tonnes and Others (MAP, Pot.,

Sch., AS, ACI, CAN, RP & SSP) - 1.00 lakh tonnes. The trend in fertilizer consumption for the last decade is furnished in **Appendix 4.11**. Consumption of chemical fertilizers during the last three years is given in **Table 4.14**.

Table 4.14: Consumption of NPK in Karnataka

(lakh metric tonnes)

Year	N	P	K	Total (N+P+K)
2008-09	864136	558831	408907	1831874
2009-10	962898	629855	465726	2058479
2010-11 (Likely achievement)	1008496	686322	441542	2136360

Source: Directorate of Agriculture

4.7.2 Buffer Stocking of Fertilizers for Kharif 2010:

To overcome the scarcity of fertilizers at critical periods during the Kharif season the State had planned for buffer stocking of 5.50 lakh MTs of different grades of fertilizers namely, DAP-3.00 lakh MTs, Urea-1.00 lakh MTs, Complexes-1.00 lakh MTs and MOP-0.50 lakh MTs. The Karnataka State Co-operative Marketing Federation (KSCMF) is the nodal agency to operate this programme. A sum of Rs. 400.00 Crore was allocated to KSCMF to operate the Scheme. Accordingly, KSCMF stocked DAP-109387, MOP-63476, NPK- 99640, UREA-59146 and others-3120 tonnes of fertilizers equaling to total of 334770 tonnes in various districts. This arrangement in turn helped to manage the fertilizer demand-supply situation smoothly in the state.

4.7.3 Distribution of HYV Seeds:

As per the Seed Replacement Norms, Seed Replacement Rates fixed for different Agricultural Crops for 2010-11 is as follows:

1. Cereals : 22 to 33 percent
2. Pulses : 22 to 25 percent
3. Oilseeds : 15 to 86 percent
4. Cotton : 16 percent
5. All Hybrids : 100 percent

Production and supply of Breeder Seeds of different crops is being done by the State Agricultural Universities and Indian Council of Agricultural Research (ICAR) Institutes. These organizations produce and supply, Breeder Seeds required for the state based on the advance indents placed by the Department of Agriculture. The Seed Association of India is the Nodal agency for supply of breeder seeds to the private seed producing agencies. Certified seed production and distribution in the state is being done by Karnataka State Seeds Corporation, National Seeds Corporation, Karnataka Co-operative Oilseed Growers Federation, State Agricultural Universities and number of private seed supplying agencies.

Seed producing and supplying agencies fix the procurement and selling rates of various seeds taking into account, procurement rates, production costs, certification, processing, packaging and other overhead charges. Production and distribution of Certified/Quality seeds in the State from 2007-08 to 2010-11 are given in **Table 4.15**.

Table 4.15: Production and Distribution of Certified/Quality Seeds

Quantity in quintals

Particulars	2007-08	2008-09	2009-10	2010-11(A)
Production	580950	707769	1087450	1115850
Distribution	919860	919976	1035123	1104070

A: Anticipated.

Source: Directorate of Agriculture

4.7.4 Distribution of Seeds at Subsidized Rates to Farmers during 2010-11:

During Kharif 2010, it was programmed to distribute 13 crop seeds viz., paddy, ragi, jowar, maize, bajra, cowpea, greengram, blackgram, redgram, groundnut, sunflower, soybean and castor crops at 50 percent subsidised rates to farmers under Small and Marginal Farmers Scheme, Rashtriya Krishi Vikasa Yojana and Prime Minister's Rehabilitation Package Programme. At the aggregate, 494420 quintals seeds have been distributed and Rs. 7817.21 lakh subsidy amount is utilized for this purpose and around 20.65 lakh farmers benefited from these Schemes.

During Rabi/Summer 2010-11, it is programmed to distribute seeds of 12 crops under subsidy. A total of 152164 quintals of seeds have been distributed and Rs. 1816.96 lakh subsidy amount is utilized for this purpose benefiting 3.77 lakh farmers.

4.7.5 Agricultural Implements - Farm Mechanization:

The Centrally Sponsored Scheme of Farm Mechanisation Programme is being implemented under Macro Management Mode of Agriculture (Work Plan) since 2001-02. Under this scheme, 25 per cent subsidy is provided as per the assistance norms indicated by Government of India. From 2003-04 as per the State Government announcement, the rate of subsidy was increased to 50 per cent with the State share of 25 per cent in addition to the Central share of 25 per cent. From 2008-09 Central fund under Macro Management Mode of Agriculture (Work Plan) is used as a matching grant to State fund. After utilising the Central fund, the entire 50 percent subsidy for farm machineries is borne by the State fund. Farm Mechanisation Programme is also implemented as Karnataka Farm Mechanisation Mission under Rashtriya Krishi Vikas Yojana. The total allocation for Farm Mechanisation Programme for the Year 2010-11 is Rs. 7500.00 lakh.

The main objective of the scheme is to popularize mechanized farming in order to reduce drudgery in farm operations, labour use, to save time and to cover more area in short span of time. Mechanized farming helps to increase efficiency in farming operations and ultimately results in higher production and productivity.

The details of expenditure incurred during the last three years under Farm Mechanisation programme are given in **Table 4.16**.

Table 4.16: Farm Mechanisation Programme in Karnataka

(Rs. Lakh)

Scheme	2007-08	2008-09	2009-10	2010-11
Farm Mechanisation (Under all Schemes)	7993.80	15382.34	13000.08	3539.75*

*As on 15th December 2010.

Source: Directorate of Agriculture

4.7.6 Micro Irrigation:

Considering the irrigation needs in agriculture, emphasis is given to promote the proven cost-reducing micro-irrigation technology which helps conserve water, reduces fertilizer inputs and ensures higher productivity. The Centrally Sponsored Scheme on Micro Irrigation is implemented to provide 75 per cent subsidy to the farmers for adoption of Micro Irrigation systems. The main objective is to achieve economic and judicious use of water. Under this scheme, drip and sprinkler units are provided to the farmers at 75 percent subsidy so as to facilitate more farmers to adopt Micro Irrigation Systems. As per the announcement in the state budget for 2006-07, the rate of subsidy was increased to 75 per cent with the State share of 25 per cent in addition to the Central share of 50 per cent. During 2010-11, an allocation of Rs.5400.00 lakh is provided by Government of India, the state government has provided Rs.5500.00 lakh under state sector and Rs.587.62 lakh under district sector. The details of expenditure during the last three years under this programme are given **Table 4.17**.

Table 4.17: Details of Micro Irrigation Scheme

Scheme	2007-08	2008-09	2009-10	2010-11*
CSS Micro Irrigation	4601.88	8426.10	10245.36	844.35

*As on 15th December 2010.

Source: Directorate of Agriculture

4.8 Various Programmes and Schemes implemented by State Government:

4.8.1 National Food Security Mission:

A Centrally Sponsored Scheme, 'National Food Security Mission' (NFSM) was launched during 2007-08 under two components in Karnataka state namely, NFSM (Rice) and NFSM (Pulses) to achieve additional production of 10 lakh tonnes of rice and 2 lakh tonnes of pulses in the state. The Districts covered under NFSM Scheme are:

- **NFSM Rice:** Belgaum, Dakshin Kannada, Hassan, Raichur, Shimoga, Udupi and Uttara Kannada.
- **NFSM Pulses:** Bagalkote, Belgaum, Bellary, Bidar, Bijapur, Chitradurga, Dharwad, Gadag, Gulbarga, Koppal, Mysore, Raichur and Tumkur.
- **Newly added Districts under NFSM Pulses for 2010-11:** Bangalore(R), Bangalore (U), Kolar, Chikkaballapur, Chikkamagalur, Chamarajanagar, Ramanagar, U.Kannada, D.Kannada, Hassan, Shimoga, Mandya, Madikeri, Udupi, Yadgiri, Haveri and Davanagere.

The State has a vision to achieve an average productivity target of 45 quintals paddy per hectare and 8 quintals of pulses per hectare in the NFSM implementing districts during 2010-11 with the budget support of Rs. 9031.65 lakh (NFSM Rice Rs. 1952.99 lakh, NFSM Pulses Rs. 4181.68 lakh and A3P Rs. 2896.98 lakh) under NFSM programme.

**Table 4.18: Budget Allocation and Expenditure under NFSM for 2010 -11
(up to November 2010)**

(Rs. lakh)

Sl. No.	Programme	Budget Provision	Unspent balance	Grants Released	Total Grants Available	Exp up to the end of November 2010
1	NFSM Rice	1802.99	598.78	963.22	1562.00	830.88
2	NFSM Pulses	4009.68	44.18	2046.65	2090.82	2768.64
3	Local Initiative	Rice	150.00	-	-	3.29
		Pulses	172.00	-	-	53.99
4	A3P	2077.08 (Kharif)	-	2077.08	2077.08	1484.50
		819.90 (Rabi)	-	819.90	819.90	704.45
		Sub Total	-	2896.98	2896.98	2188.95
Grand Total		9031.65	642.96	5906.85	6549.80	5845.74

Source: Directorate of Agriculture

4.8.2 Accelerated Pulses Production Programme during 2010-11:

For vigorous implementation of the pulse development, accelerated pulses production programme is being implemented during 2010-11 under NFSM Pulses. The main objective of the programme is to demonstrate plant nutrient and plant protection centric improved technologies and management practices in compact blocks covering large area for four major pulse crops namely pigeon pea, greengram, blackgram and bengalgram, for increasing production and productivity of these crops. To stimulate other farmers in the adjoining areas of A3P block demonstration plots to adopt these technologies. During the year 2010-11, an area of 71600 hectares of pigeon pea, 15000 hectares of green gram, 5000 hectares of blackgram, 72400 hectares of bengalgram, aggregating to 164000 hectares have been covered under A3P.

4.8.3 Rashtriya Krishi Vikas Yojana (RKVY):

The Government of India has launched a Special Additional Central Assistance Scheme called “Rashtriya Krishi Vikas Yojana” from 2007-08 in order to reorient the agriculture development strategies for rejuvenation of agriculture to meet the needs/demands of farmers. It incentivizes the states to increase public investment in agriculture and allied sectors. It aims at achieving the goal of reducing the yield gaps in important crops and thus maximizes returns to the farmers in Agriculture and allied sectors.

For the Year 2009-10 an amount of Rs. 410 Crore was allocated and funds were utilized for implementation of the schemes related to Agriculture, Horticulture, Animal Husbandry, Fisheries, Agricultural Marketing, University of Agricultural Sciences (Bangalore, Dharwad and Raichur) Karnataka State Seeds Corporation and Karnataka Warehousing Corporation. During 2010-11, an amount of Rs.284.03 Crore has been sanctioned for implementation of the Schemes as mentioned above. Up to November 2010, Government of India has released grants of Rs.173.40 Crore as first installment for implementation of the Schemes under progress. As on November 2010, an amount of Rs. 72.88 Crore is utilized for various Schemes.

An amount of Rs.107.00 Crore has been earmarked for Agricultural department for implementation of following schemes given in **Table 4.19**.

Table 4.19: Funds Allocated for Department of Agriculture, GOK

Project Title	Amount Rs Crore
Karnataka Seed Mission	75.00
Karnataka Farm Mechanisation Mission	10.00
Bhoochetana	15.00
Strengthening of RSKs through computerization	5.00
Raitha Shakthi Groups	1.00
Strengthening of Department Laboratories (Soil Testing/ Seed Testing/ FCLs / SPTLs/BFLs/BCLs)	1.00
Agro-processing	
Total – Agriculture	107.00

Source: Directorate of Agriculture

4.8.4 Macro Management:

The funds are utilised to implement the work plan prepared by the state keeping in view the crop region specific requirement of the State Programmes such as, Quality Seed Programmes, Crop Production Management Programmes, Integrated Nutrient Management, Human Resource Development and Farm Mechanization.

Objectives:

1. To formulate interventions based on States specific/region specific problems in crop production and formulate programmes accordingly.
2. Certification, value addition, marketing of organic produce as per the State Organic Farming Policy
3. Assisting the farmers by providing subsidy to purchase farm equipments/machineries for reduction in drudgery of farm operations and adoption of scientific farming practices and carry out farm operations on time.
4. Arranging need based trainings for extension personnel to improve their technical know-how and improvement of infrastructure facilities of the training centres.
5. To adopt and demonstrate precision farming techniques of land, crop, water, nutrient management as well as pest and diseases management.
6. To impart training to the farmers and the officials of the line departments and extend advisory services on precision farming techniques.

Outcome:

1. Model organic villages/sites is established one in each district
2. Provides satellite based and other training programmes to farmers and extension personnel and to develop the infrastructure facilities of training venues.
3. Helps the farmers to acquire modern farm equipments viz., rotavator, seed-cum-fertilizer drill, power weeders, power ploughs and other such equipments.
4. The farmers are enlightened with latest crop production technologies.

4.8.5 Integrated Scheme for Oilseeds, Pulses, Oil Palm & Maize (ISOPOM):

Centrally Sponsored ISOPOM Scheme is being implemented in the state since 2004-05 to improve the production and productivity of oilseeds, pulses, oil palm and maize.

i) Maize: The scheme has been implemented in all the districts of the State. Karnataka stands 1st in area and 2nd in production of maize in the country.

ii) Pulses: To augment pulses production, an action plan for the Year 2010-11 to cover 22.72 lakh hectares and a production target of 11.01 lakh tonnes was formulated by Technology Mission with the assistance of University of Agriculture Sciences, Bangalore and Dharwad, seed producing agencies like the KSSC Ltd., and NSC.

iii) Oilseeds: Oilseeds Production Programme is being implemented in all the districts except Kodagu since 1990-91 with central assistance. The cost share being in the ratio of 75:25 between Central and the State Governments. The targeted area and production of maize, pulses and oilseeds and achievement from 2008-09 to 2010-11 are given in **Table 4.20**.

Table 4.20: Target and Achievement of Area and Production of ISOPOM Crops

Year	Area (Lakh Ha.)		Production (Lakh Tonnes)	
	Target	Achievement	Target	Achievement
Maize				
2008-09	9.10	10.68	29.93	29.56
2009-10	10.45	12.40	32.83	30.14
2010-11	10.90	12.87	32.78	38.10
Pulses				
2008-09	20.95	20.88	12.54	9.73
2009-10	21.40	24.79	10.00	11.16
2010-11	22.42	28.46	11.01	14.69
Oilseeds				
2008-09	28.62	21.78	20.83	9.69
2009-10	25.35	20.01	16.00	10.02
2010-11	24.98	16.78	17.60	13.24

Source: Directorate of Agriculture & Directorate of Economics and Statistics

4.8.6 Crop Insurance:

a. National Agricultural Insurance Scheme (NAIS):

National Agricultural Insurance Scheme (NAIS) is being implemented in the state since Kharif 2000. All farmers irrespective of the size of their holdings, both loanee (who have taken loan) and non-loanee (have not taken loan) will be insured against any loss of yield due to natural calamities under the scheme. The scheme is compulsory for loanee farmers and optional for non-loanee farmers. The premium paid by small and marginal farmers is subsidised to the extent of 10 percent. Claims will be paid based on indemnity level, sum assured and shortfall in the assessed yield against the threshold yield.

During the year 2010-11, 25, 19 and 5 crops were notified at Hobli level for Kharif, Rabi and summer seasons, respectively. To compensate the crop losses on individual basis to the farmers in the event of crop failure due to localized calamities like flood, hailstorm, cyclone and landslide, all the notified districts are covered during the year 2010-11.

The financial allocation for the year 2010-11 is Rs.5000.00 lakh. Crops notified during Kharif, Rabi and summer 2010-11 and progress made under NAIS since inception of the Scheme till 2009-10 are given in **Appendix 4.12**. Claims of Rabi and summer 2009-10 will be settled to the farmers shortly by Agriculture Insurance Company of India Limited.

b. Weather Based Crop Insurance Scheme (WBCIS):

This is an alternative Scheme for NAIS framed by Government of India and was launched in the country during Kharif 2007. The scheme compensates the insured farmers against the likelihood of financial loss on account of anticipated loss in crop yield resulting from incidence of adverse weather conditions and will cover the risk of weather parameters like rainfall, relative humidity, temperature, wind velocity etc. The scheme is compulsory for loanee farmers and voluntary for non-loanee farmers. All the payable claims shall be the responsibility of the Insurance Companies.

The scheme is continued during Kharif 2010 covering 19 crops viz., jowar (RF), maize (RF), ragi (RF), greengram (RF), blackgram (RF), tur (RF), groundnut (RF), soyabean (RF), sunflower (RF), cotton (I), cotton (RF), onion (I), onion (RF), chilly (I), chilly (RF), potato (I), potato (RF), grapes and banana in 373 reference unit areas (Hoblis) of 22 Districts. Among the 22 districts, 20 districts viz., Bangalore (Rural), Bagalkote, Bellary, Belgaum, Bidar, Bijapur, Chickmagalur, Chickballapur, Davanagere, Dharwad, Gadag, Gulbarga, Hassan, Haveri, Kolar, Koppal, Raichur, Ramanagar, Shimoga and Tumkur districts were allotted to Agriculture Insurance Company of India Limited. Chitradurga and Yadgir Districts were allotted to ICICI Lombard General Insurance Company Ltd.

The actuarial premium rates are charged under the scheme. Farmers would pay concessional rates of premium which are equivalent to the premium rates under NAIS. The difference in the premium will be borne by State and Central Governments on 50: 50 basis. During Rabi 2010-11, nine crops viz., jowar (irrigated), jowar (rainfed), wheat (irrigated), wheat (rainfed), bengalgram (irrigated), bengalgram (rainfed), potato (irrigated), grapes and mango were notified in 202 reference unit areas (Hoblis) of 15 Districts, viz., Bangalore (Rural), Bagalkot, Belgaum, Bellary, Bidar, Bijapur, Chitradurga, Chickballapur, Davanagere, Dharwad, Haveri, Kolar, Koppal, Raichur and Yadgir.

This Scheme is implemented by Agriculture Insurance Company of India Limited., ICICI Lombard General Insurance Company Limited., HDFC ERGO General Insurance Company Limited and Cholamandalam General Insurance Company Limited. The allocations of the districts among the Insurance Companies are given in **Table 4.21**.

Table 4. 21: Allocations of Districts among the Insurance Companies

Sl. No.	Agriculture Insurance Company of India Limited.,	ICICI Lombard General Insurance Company Limited	HDFC ERGO General Insurance Company Limited	Cholamandalam General Insurance Company Limited
1	Bagalkot	1.Bijapur	1.Bangalore (Rural)	1.Bellary
2	Belgaum	2.Chitradurga	2.Raichur	
3	Bidar	3.Chickballapur		
4	Davangere	4.Koppal		
5	Dharwad	5.Yadgir		
6	Haveri			
7	Kolar			

The financial allocation provided under NAIS for the year 2010-11 that is Rs. 5000.00 lakh will be used to pay State Government share towards premium subsidy. The details of the progress made under Weather Based Crop Insurance Scheme since inception of the scheme till 2009-10 is given in **Table 4.22**.

Table 4.22: Progress made under Weather Based Crop Insurance Scheme

Season/year	No. of farmers participated	Premium paid by farmers (Rs. lakh)	Premium subsidy (Rs. lakh)	No. of Beneficiaries	Claims (Rs. lakh)
2007-08	43790	159.26	630.69	35275	524.10
2008 Kharif	25006	90.24	262.67	20087	275.72
2008-09 Rabi	3621	47.71	72.06	1632	113.40
2009 Kharif	100526	528.51	121.37	67825	1592.46
Grand Total	172943	825.72	1086.79	124819	2505.68

c. Modified National Agricultural Insurance Scheme (MNAIS):

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

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

This scheme is implemented by Agriculture Insurance Company of India Limited in three districts viz., Gulbarga, Shimoga and Tumkur. Five crops viz., paddy (irrigated), maize (irrigated), horsegram (rained), greengram (rainfed), safflower are implemented at Hobli level and eight crops viz., jowar (irrigated), jowar (rainfed), wheat (irrigated), wheat (rainfed), bengalgram (irrigated), bengalgram (rainfed), sunflower (irrigated), sunflower

(rainfed) at Grama Panchayath level during Rabi 2010-11. During summer 2010-11 sunflower (irrigated) crop is notified at Hobli level, whereas paddy (irrigated) and groundnut (irrigated) crops are notified at Grama Panchayat level.

4.8.7 Minimum Support Price:

Minimum Support Price (MSP) signals the floor price for the produce, which in turn has the potential of increasing the prices. The MSP is considered necessary to incentivize the farmers to increase production and productivity. It also protects the farmer from distress sale of his produce in case of production glut. Commission for Agricultural Costs and Prices recommends MSP of various crops to the Union Cabinet. Procurement of commodities is undertaken by Agriculture Marketing Department and other agencies like FCI, NAFED, KOF, etc. To protect the interest of farming community, Karnataka State Government has sanctioned a bonus of Rs. 100 per quintal for paddy over the MSP of Rs. 1000 per quintal.

Minimum Floor Price Scheme is operated in Karnataka for perishable agriculture commodities like onion, potato, and tomato and green chilies. The Agriculture Marketing Department will procure the commodities through HOPCOMS in districts/taluks after the sanction of cabinet subcommittee. Details of Minimum support price fixed is given in **Appendix 4.13**.

4.8.8 Flagship Programmes.

a. Accelerated Pulses Production Programme (APPP):

Accelerated Pulses Production Programme aims at enhancing production and productivity of pulses. Under this programme 50000 hectares large scale demonstrations have been organized under pigeon pea, greengram and blackgram in Gulbarga, Bidar, Bijapur and Gadag districts. The technology adopted included use of quality seed, nutrient management based on soil test results, Integrated Pest Management & Market support etc. As a result of this programme, the state is likely to achieve all time record production of pulses in general and redgram in particular during 2010-11.

b. Accelerated Oilseed Production Programme:

Karnataka is one of the major oilseed growing states in India contributing about 5 percent to the national oilseed production. Groundnut, soybean, sunflower, safflower, sesamum, castor, niger, linseed, rapeseed, mustard are the oilseed crops cultivated in the state. Among them, the important oilseed crops are groundnut, sunflower and soybean. Oilseed crops are grown in an area of about 20 lakh hectares with a production of about 10 to 12 lakh metric tonnes and productivity of 600-750 Kg/hectare. To harness the production potentiality of oilseed crops especially in groundnut and soybean, the “Accelerated Oilseed Production Programme” has been launched during 2010-11 with the objectives to increase productivity by 30 percent, to impart Improved Technology Practices to farmers by Scientists/ Specialists, to improve the economic status of farmers by adapting following interventions;

1. Adopting Integrated Nutrient Management, Integrated Pest Management & technical up gradation through Farmers Field School

2. Intensifying the Cropping Intensity by adapting intercropping with Pigeon Pea and mixed cropping
3. Efforts are being made to increase the area under irrigation
4. Incentives are given to producers for quality seed production

c. Bhoo chetana:

The Government of Karnataka has initiated a novel mission mode project '**Bhoo chetana**' in the year 2009-10 to improve the livelihoods of the farmers practicing dry land farming by increasing the agricultural productivity in the rainfed agriculture. The consortium partners of the project are Karnataka State Department of Agriculture, Watershed Development Department, UAS, Bangalore/Dharwad/Raichur and ICRISAT, Hyderabad.

The mission goal: To increase average productivity of selected rainfed crops by 20 percent in selected 25 districts over a period of four years (2009-10 to 2012-13) in a phased manner. The major crops covered are maize, groundnut, ragi, soyabean, redgram, blackgram, greengram, bengalgram, sunflower, jowar and bajra.

Main strategies: Soil test based nutrient management with a major thrust to micronutrients, distribution of inputs @ 50 percent subsidy at cluster village level, services of farmer facilitators for Transfer of Technology, wide publicity through wall writings, posters, village meetings and mass media, effective project monitoring and feedback.

Outcome of the project: An enhancement in yields up to 44 percent in maize, 35 to 65 percent in ragi, 32 to 41 percent in groundnut and 39 percent in soybean has been observed in the treated areas during 2009-10.

During 2010-11 Kharif this programme was implemented in 16 districts (including the 6 districts of 2009-10) viz. Kolar, Chikkaballapur, Tumkur, Chitradurga, Haveri, Dharwad, Bidar, Gulbarga, Yadgir, Raichur, Gadag, Davanagere, Chamarajanagar, Bijapur, Bangalore Rural and Hassan in about 12 lakh hectares. About 8.70 lakh farmers of 5030 villages availed the benefits of the scheme.

d. Karnataka Seed Mission:

Seed is an important and crucial agricultural input. The **Karnataka Seed Mission** Scheme is being implemented in the State since 2008-09 under RKVY. Components have been included to strengthen Certified Seed Production and Certified seed distribution programmes in the State.

Objectives:

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

e. Organic Farming:

Organic farming aims at production of quality and safe agricultural products which contain no chemical residues, following eco-friendly production methods and farming systems that restore and maintain soil fertility. To give maximum thrust to organic farming, the State Government during 2008-09 constituted a State Level Organic Farming Mission empowered committee under the Chairmanship of Dr. A.S. Anand. In the history of the state, for the first time such a committee was formed involving more number of farmers as its members. The committee includes 14 progressive farmers including the chairman and 9 senior officials of the government.

Under organic mission programme, 174 registered organic farmers' associations have been selected in 172 taluks. Through these associations 300 farmers (beneficiaries) have been identified in each taluk and a total of 52500 farmers have been brought under this programme. During 2009-10, around 35200 additional new farmers are being brought under organic mission programmes to train them on various aspects of organic farming. Under this programme assistance is given to the beneficiaries for various organic farming promotional activities.

f. Raitha Samparka Kendra:

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

Objectives of the Raitha Samparka Kendra:

- Service Delivery
- Information Dissemination
- Schemes / programmes implementation
- Public Grievance and redressal

Based on the various agro climatic zones of the state, the new food production technologies and skills are being implemented in the farmers' field aiming to increase the state food production levels under this scheme. Bi-monthly and fortnightly, primary and secondary training sessions, respectively built in the system to continuously upgrade and update the professional skills of the extension workers.

Facilities available at RSK include, Seed sample testing (Rs 5.00 per sample), Soil sample testing (Rs 3.00 per sample), Rentals for the space to stock and sale agricultural inputs by the public sector and private sector companies (Rs 100.00 per month), Rentals for the space used for demonstration purpose by the public sector and private sector companies (Rs 300.00 per plot for a period of four months), Rentals for promotional activities conducted in the premises of the RSK's by the public sector & private sector companies (Rs 100.00 per day per event). Service charges for sale of seeds and other inputs are collected at the RSK.

4.8.9 Scheme to provide relief to the families of the farmers who have committed suicide:

This scheme was launched during 2003-04 to provide Rupees one lakh as a relief to families of farmers committing suicide on account of the heavy burden of loans borrowed from the institutional agencies. A budget provision of Rs.202 lakh provided during 2010-11 and Rs.90.00 lakh has been distributed up to end of November 2010.

4.8.10 Prime Minister Rehabilitation Programme:

The PM rehabilitation package was launched during October 2006, initially for three years up to 2008-09. The package was extended up to 30th September 2011. The package is for six distressed districts (Belgaum, Chitradurga, Chikkamagalur, Shimoga, Hassan and Kodagu) where there is high incidence of farmers' suicides reported. The departments involved in implementation of the package are Agriculture Department, Major and Medium Irrigation, Water Resource Department (Minor irrigation), Department of Watershed Development, Horticulture Department, Animal Husbandry and Fisheries Department. A budget provision of Rs.2689.64 Crore has been allotted for the whole programme till September, 2011. Government of India has released Rs.1715.38 Crore up to the end of November 2010 and Rs.2926.58 Crore has been spent up to the end of November, 2010.

4.8.11 Relief to farmers/agricultural labourer due to accidental death from snake bites, fall from trees and other accidental death while doing agricultural activities and also compensation for loss of fodder/hay from fire accidents:

This scheme was launched during 2010-11 to provide Rupees one lakh as a relief to farmers/agricultural labourer due to accidental death from snake bites, fall from trees and other accidental death while doing agricultural activities and up to Rs.10,000 for loss of fodder/hay from fire accidents. A budget provision of Rs.100.00 lakh has been provided during 2010-11 and Rs.27.01 lakh has been distributed up to the end of November 2010.

4.8.12 Sanction of Crop loans to the farmers through Commercial Banks and Regional Rural Banks (RRBs) at 3 percent:

The farm credit system in agriculture, evolved over decades has been instrumental in enhancing production and marketing of farm produce and stimulating capital formation in agriculture. This scheme was launched during 2009-10 to provide interest subsidy up to 3 percent to facilitate short term agricultural crop loans to the farmers at 3 percent through commercial banks and regional rural banks up to Rs. 50000. The benefits of the subsidy on interest is available to the farmers who will repay the principal amount along with the interest before due date fixed by the banks. A budget provision of Rs.20000 lakh has been provided during 2010-11.

4.8.13 ATMA - Reformed Agricultural Extension System – CSS:

The Scheme is being implemented in the state, since 2005. The Revised Scheme shall focus on the following key extension reforms as objectives of the Scheme:

- Providing innovative, restructured and autonomous institutions at the state/district/ block level.

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

Table 4.23: Grants Released and Expenditure Incurred under ATMA Scheme
(Rs. Lakh)

Year	Administrative Sanction by GOI	Amount released		Expenditure
		GOI	GOK	
2008-09	943.35	28.00		410.18
	922.20	424.00	50.22*	
2009-10	1857.80	250.00	27.78*	692.45
2010-11 (up to Nov. 2010)	1587.52	634.63	70.51*	128.67
Total	5310.87	1336.63	148.51	1231.30

Note: There was opening balance of Rs. 140.20 lakh as on 1-4-2010.

Table 4.24: Achievements under Some Important Activities of ATMA Scheme

Programme		2007-08	2008-09	2009-10	2010-11 (October, 2010)
Exposure visit of Farmers	No. of farmers Benefited	5908	7970	16582	2,340
Demonstrations	Numbers	1840	1995	4922	257
Training-					
1. Farmers	Numbers	310	259	377	52
	Beneficiaries	18510	16200	19790	2,222
2. Extension workers	Numbers	26	46	75	13
	Beneficiaries	490	1149	2302	389
Farm Schools	Numbers	-	36	45	-

4.8.14 Karnataka Krishi Mission:

For the comprehensive development of agriculture and allied activities, “Karnataka Agriculture Mission” is set up under the chairmanship of Hon’ble Chief Minister with the following objectives:

- To induct new ideas, sensitize and develop new plans, projects and programmes for agriculture and agriculture related universities and line departments related to agriculture.

- Streamlining and co-ordinating the functions of line departments viz., agriculture, horticulture, animal husbandry and veterinary services, sericulture and fisheries etc., including agriculture and agriculture related universities in the state to provide technical information and services from a single window.
- Bring new policies and guidelines which can improve the farm productivity to the level 4.5 percent per annum and also increase the income level of farmers by convergence of line departments.
- Drafting new programmes for sustainable agriculture, conservation of natural resources like land, water and improving the fertility of soil and water use efficiency.
- Promotion of organic farming.
- Intensify training to the farmers in modern agriculture including marketing.
- To provide infrastructure for seed storage, water harvesting and water use efficiency, processing and value addition to the farmers through commodity groups.
- To provide intervention for better prices to the farmers through the commodity groups and future trading etc.

4.9 Watershed Development Programme:

Watershed Development Department was established during 2000 to give a new impetus to watershed management in the State. All the watershed development programmes

Objectives of Watershed Development Programmes:

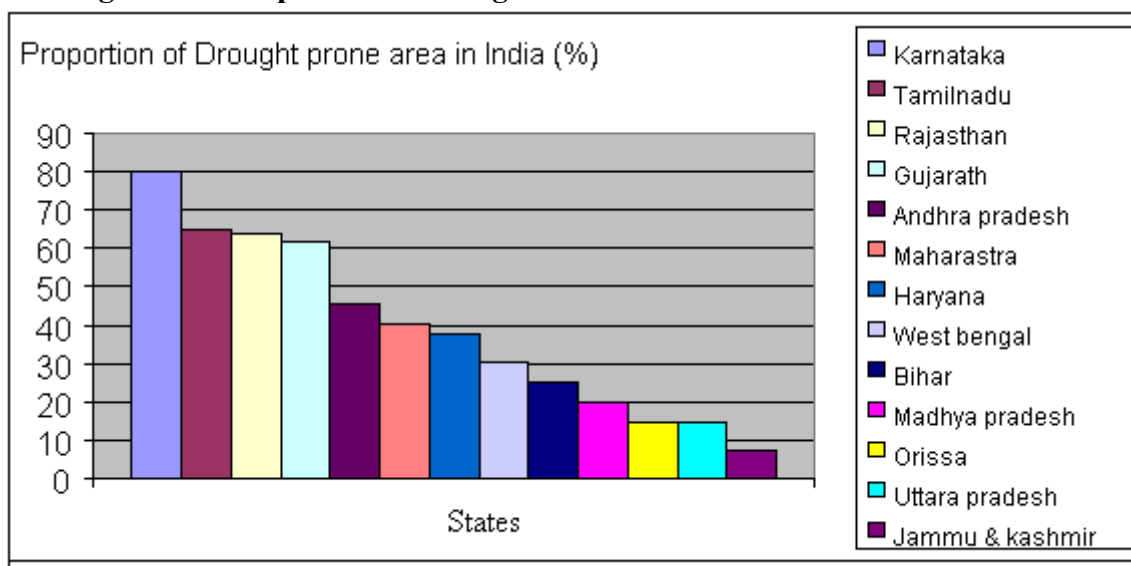
- Improve the productive potentials of selected watersheds and their associated natural resource base.
- Sustainable alleviation of Poverty.
- Develop and strengthen community based institutional arrangements for sustainable natural resource management
- Improved skills and employment opportunities for non-farm sectors
- Involvement of village communities in participatory planning, implementation, social and environmental management, maintenance of assets and to operate in a more socially inclusive manner.

have been brought under one umbrella. Karnataka has the highest proportion (79 percent) of drought prone area among all major states in the country and in absolute terms it has the second largest area of dry land in the country after Rajasthan. In addition, Karnataka also has the second lowest replenishable ground water resources among major states after Rajasthan.

The productivity of any crop mainly depends on two natural resources namely, land and water, in addition to management practices. Therefore the conservation, up-gradation and utilization of these two natural resources on scientific principles is essential for the sustainability of rainfed agriculture. The watershed concept for development of rainfed agriculture is gaining importance over the years and it amply demonstrated that watershed developmental tools are very effective in meeting the objectives with a mission approach.

Karnataka has given an important place for Watershed Development because about 75 percent of the cropped area in Karnataka depends upon low and uncertain rainfall. The total area available for Watershed Development in the State is about 129.70 lakh hectares. Out of this area, 49.27 lakh hectares have been treated up to March 2010, and the remaining 80.43 lakh hectares are yet to be treated.

Figure 4.2: Proportion of Drought Prone Area in India



The area covered by soil conservation measures from 2005-06 to 2010-11 (A) is depicted in the following **Table 4.25**.

Table 4.25: Area Covered under Soil Conservation
(lakh hectares)

Year	During the year	Cumulative
2005-06	3.78	39.20
2006-07	3.45	42.65
2007-08	2.22	44.87
2008-09	2.35	47.22
2009-10	2.05	49.27
2010-11 (A) A: Anticipated	1.73	51.00

Source : Watershed Development Department

4.9.1 Centrally Sponsored Macro Management Mode Schemes:

Under the Centrally Sponsored Macro Management Mode Schemes, two programmes viz. National Watershed Development programme for Rainfed Areas and River Valley Projects are being implemented. The sharing pattern of State and Central is 10 : 90. Rs.2500.00 lakhs has been provided for the year 2010-11 to develop 26947 hectares. 14511 hectares of area has been developed by utilizing Rs.745.56 lakhs up to the end of December-2010.

Area Development Programmes like Drought Prone Area Programme, Integrated Waste Land Development Programme & Desert Area Development Programmes are being implemented in the state. Rs.14075.50 lakhs has been allocated to develop 2.34 lakh hectares of land during the year 2010-11. 1.57 lakh hectares of land has been developed by utilizing Rs. 9999.13 lakh up to end of December-2010.

4.9.2 Hon'ble Prime Minister's Special Package:

Hon'ble Prime Minister's Special Package programme is a relief programme for revitalization of 6 distressed districts viz, Chickmagalur, Hassan, Kodagu, Shimoga, Belgaum and Chitradurga in the state. This scheme is being implemented on Sujala model. An allocation of Rs. 1600.00 lakhs has been made for the year 2010-11 and an amount of Rs.1832.58 lakhs has been spent up to the end of December-2010 by developing 14905 hectares.

4.9.3 Fisheries in farm ponds and other Harvesting Structures:

By utilising the available water in the form ponds and other water harvesting structures fish culture has been taken up. Rs.50.00 lakhs has been provided during 2010-11. Fish culture has been taken up in 2749 water harvesting structures by spending Rs.21.26 lakhs up to the end of December-2010.

4.9.4 Externally Aided Project:

Sujala -III: An allocation of Rs.1000.00 lakhs has been made for the year 2010-11. The World Bank approval is anticipated for financial support.

4.9.5 NABARD-WDF: Watershed programme with the assistance of NABARD-WDF is being implemented in the state with a total project cost of Rs. 50.00 crores Rs.84.30 lakhs has been allocated to develop 1300 hectares of area during this year. About 325 hectares of area has been developed by spending Rs.21.07 lakhs up to the end of December-2010.

4.9.6 Campaign for Check Dams: This scheme is introduced in the state to improve underground water table. An allocation of Rs.500.00 lakhs has been made to construct about 200 structures like Check dams, Nalabunds, etc., in the drainage lines during the year 2010-11. 115 ground water recharge check dams has been constructed by spending Rs.288.57 lakhs up to the end of December-2010.

4.9.7 Integrated Watershed Development Programme (IWMP): Integrated Watershed Management Programme (IWMP) is being implemented in the state since 2009-10 as per the common guidelines-2008 issued by Government of India. Increasing pressure on natural resources coupled with degradation of land and water are posing serious challenges to food, social, economic, livelihood and environmental securities. Sustainable development of rainfed, degraded or wasteland, common property resources and social capital to enhance employment and income is one of the foremost priorities of the government. To achieve these goals all the existing projects like Desert Development Programme, Drought Prone Area Development Programme and Integrated Wasteland Development Programme are being phased out and a common programme called integrated watershed management programme is being implemented under Common Guidelines-2008.

Rs.19840.00 lakhs has been allocated for the year 2010-11. An amount of Rs.2575.91 lakhs has been spent towards 4201 entry point activities up to the end of December-2010.

4.9.8 Special Development Plan:

In order to develop 114 backward taluks identified by Dr. Nanjundappa Committee report, Rs. 2760.00 lakhs (Revised target) has been provided under IWMP scheme for the year 2010-11. The release of amount is expected from Government for implementation of this scheme.

4.10 Horticulture:

Horticulture has taken a front line position in Karnataka agriculture and the sector is growing at a rapid pace. As a result, there is an increasing trend in the area under horticulture. During the year 2008-09 an area of 18.00 lakh hectares was covered by horticulture crops and production was 136.38 lakh tones.

Table 4.26: Area under Horticultural Crops in Karnataka
(Lakh hectares)

Crops	2007-08	2008-09	2009-10 (Provisional Estimated)	2010-11 (Anticipated)
Fruits	2.99	3.18	3.34	3.51
Coconut	4.6	4.71	4.81	4.9
Spices	2.46	2.43	2.51	2.59
Vegetables	4.27	4.21	4.41	4.62
Cashew	0.7	0.7	0.73	0.76
Flowers	0.25	0.27	0.28	0.29
Others	2.37	2.5	2.55	2.62
Total	17.64	18	18.63	19.29

Source: Directorate of Horticulture

In order to strengthen the cultivation of horticulture crops in the state, the government has taken up different programmes like Area Expansion, Assistance to Farmers, Supply of Seeds and Seedlings, Micro Irrigation, Control of Pests and Diseases, Post Harvest Management and Marketing etc.,

4.10.1 Area Expansion Programme:

a. National Horticulture Mission:

Government of India has launched the National Horticulture Mission (NHM) during the 10th Plan with effect from 2005-06 in which Karnataka is also included. The comprehensive progress achieved under the Mission is reflected in different activities of horticulture viz., Production of planting materials, cultivation of new gardens, rejuvenation of old gardens, Organic farming, Construction of water resources, Nurseries, Protective cultivation, Post harvest management, Marketing and human resource development etc.

The Mission programmes are being implemented in the state from the year 2005-06. During 2005-06 and 2006-07 the Government of India has provided 100 percent assistance.

From the year 2007-08, 85 percent assistance is being provided by the GOI and 15 percent by the State Government. In the first instance, 15 districts were covered during the year 2005-06. Subsequently two districts during 2006-07, four districts during 2007-08 and two districts during 2008-09 were included. Finally during 2010-11 all the 30 districts are being covered under the Mission. The financial progress achieved under NHM is given in **Appendix.4.14**.

b. Oil Palm Development Program:

Oil Palm Development Program is jointly sponsored by Government of India and Government of Karnataka, in which the fund sharing pattern is 75:25 respectively. During 2010-11 the program is being implemented with a total out lay of Rs. 977.28 lakh. Under this program, the farmers are assisted with subsidy to establish the plantation in the form of inputs for the initial 4 years or pre-bearing period at the rate of Rs. 15,500 per hectare (distributed for first 4 yrs) and planting material subsidy @ Rs. 7500 per hectare. The oil palm farmers are also encouraged by extending subsidy for the purchase of diesel pump set, leaf chopping machine, weed cutter, harvesting tools, aluminum ladder (for harvesting of bunches), for installing drip irrigation and for drilling of new bore-wells in their oil palm plantation. Farmers are also capacitated through exposure visits and training regarding advanced practices on oil palm cultivation.

Since inception (1990), till the end of March 2010, 25754 hectares have been brought under oil palm. During the current year (2010-11), against the annual target of 3860 hectares, an area of 2536 hectares has been covered (up to the end of December 2010) for which 362648 certified seedlings have been distributed to the farmers. In order to facilitate area expansion and planting in the next year, oil palm seedlings are raised during the current year 2010-11 So far (up to December 2010), 1,50,749 sprouts (both indigenous and exotic type) have been procured by the entrepreneurs and sown in various nurseries. Over seven lakh seedlings in various nurseries are ready for planting.

In order to produce indigenous oil palm sprouts, required for future area expansion programme, a seed garden in an area of 12 hectares has been established at Taraka, H.D. Kote taluk, Mysore district. Against a target of 1.90 lakh sprouts for production during 2010-11, up to December 2010, 88250 good quality sprouts have been produced and sold to entrepreneurs for raising nursery earning & valuable revenue to the Government.

The price of oil palm Fresh Fruit Bunches (FFBs) are fixed by Price Fixation Committee, in which the oil palm farmers, oil palm entrepreneurs and Government officials are the members. The Price Fixation Committee meetings are conducted regularly once in 3 months and companies procure the oil palm fruits at the price fixed by the Committee. This is a unique transparent system followed to promote oil palm crop in the state, which protects the interest of farming community and entrepreneur. Currently, the FFBs price for the quarter August-October 2010 has been fixed at Rs.5250 per tonne of FFBs. The price of FFBs which were ruling at Rs.6175 per tonne during August 2008 had fallen steeply during 2008-09 due to the import policy of Government of India, under which the import duty was reduced to zero percent and thereby allowing free import of edible oil from abroad. The State Government is pursuing with the Centre for re-imposing import duty in order to restore the FFBs price or otherwise announce Minimum Support Price for oil palm as is being done for other agricultural and oil seeds crops.

Table 4.27: Physical and Financial Progress under Oil Palm Development Program

Year	Physical AEP target (ha.)	Physical AEP achievement (ha.)	Financial allocation (Rs. lakh)	Financial achievement (Rs. lakh)
2008-09	4500	3005	991.94	658.27
2009-10	3500	1706	621.35	232.78
2010-11 (uptoDec-10)	3860	2536	977.28	488.638

Source: Department of Horticulture

c. Centrally Sponsored Schemes for Cashew and Cocoa Development:

The Centrally sponsored Cocoa Area Expansion and Training Programme is implemented since 2009-10. Directorate of Cashew and Cocoa Development, Kochi is financing the programme. The progress achieved under this component during 2009-10 is as follows:

Table 4.28: Cocoa Area Expansion and Training Programme - (2009-10)

Annual Target		Achievement	
Financial (Rs Lakh)	Physical (Hectares)	Financial (Rs Lakh)	Physical (Hectares)
4.06	100.32	3.95	100.32

Source: Department of Horticulture

d. Coconut Development Board:

Coconut Development Board is providing 100 percent financial assistance for the Integrated Development of Coconut Industry in the state. During the year 2010-11, up to the end of December 2010, 501.25 hectares of new coconut plots were developed for which an amount of Rs. 300.91 lakh is spent out of the budget release of Rs. 314. 65 lakh.

4.10.2 Assistance to Farmers:

a. Training:

Recently improved and hybrid varieties of high yield potential crops is developed in horticulture and the technology is disseminated to the farmers through various media in order to adopt it and get better returns. Therefore, training programmes are conducted by the Horticulture Department on latest technology available in horticulture. Since 2005-06 Training to Farmers scheme is implemented under Zilla Panchayat on the following aspects:

- 1) Management of pests and diseases, integrated pests management,
- 2) Importance of organic/inorganic fertilizers; importance of drip irrigation,
- 3) Rain water harvesting management and their uses,
- 4) Information about inter cropping, multi-cropping etc.
- 5) Marketing aspects of horticulture crops,
- 6) Cultivation practices of medicinal and aromatic plants.

Farmers both women and men are given training in preservation of fruits, vegetables and mushrooms cultivation. A total number of 34 thousand people were trained till 2009-10.

During 2010-11, up to December around 7057 men and women were trained under this programme.

Under the District Sector, Scheme on Assistance to Farmers for components such as Area Expansion of Horticulture Crops, Social Horticulture, Development of Ornamental Plants and Distribution of Plant Protection Chemicals are under implementation. During 2009-10, Rs.169.35 lakh have been spent as against an allocation of Rs.173.33 lakh under this scheme. During 2010-11, Rs. 109.14 lakh have been spent up to the end of December.

b. Credit:

In Karnataka to encourage area expansion of Horticultural crops, NABARD is providing credit facilities through various commercial and land development banks. For the year 2006-07 an amount Rs.440.00 Crore was released. For the year 2007-08, total financial outlay of Rs.565.44 Crore and for the year 2008-09 total financial outlay of Rs.537.09 Crore were released. During the year 2009-10 a sum of Rs.747.41 Crore were released for credit purpose.

c. Production and Supply of Planting Materials:

Emphasis has been given for mass multiplication of horticultural seed and planting materials at 410 horticultural farms and nurseries spread across the state and supplied to farmers at affordable rate. In order to develop horticulture farms and nurseries with more scientific approach, a Special Purpose Vehicle (SPV) namely „Karnataka State Horticulture Development Agency“ has been constituted vide G.O. No. AHD/88/HPP/2008 Bangalore dated 14-11-2008. This Agency aims at effective development and maintenance of farms. The production and distribution of horticultural seed and planting materials since 2007-08 to 2010-11 is as follows,

Table 4.29: Distribution of Horticultural Seed and Planting Material

Crops	Unit	2007-08	2008-09	2009-10	2010-11
Fruits	Lakh	110.94	18.2	26.91	14.48
Spice crops	Lakh	15.56	7.7	1.62	12.07
Cashew	Lakh	9.89	2.64	0.4	0.94
Ornamental and Flowers seedlings	Lakh	0.046	4.08	4.95	0.86
Vegetable and flower seeds	Hectares	2.35	6	16.8	1.4

Source: Department of Horticulture.

4.10.3 Centrally Sponsored Scheme on Micro Irrigation:

Water is a crucial resource in Agriculture/Horticulture. The judicious use and conservation of water is of utmost importance. In this context the use of Micro Irrigation has become a basic necessity. The use of micro irrigation helps not only in conservation of water resources but also brings profit to the farmer. The Department of Horticulture has recognized the advantages in using the drip irrigation and has been promoting its use among the farmers since 1991-92. Since inception of the scheme, an area of 2.50 lakh hectares has been brought under drip irrigation utilizing an amount of Rs. 450 Crore for providing subsidy.

The Centrally Sponsored Scheme of Micro Irrigation was sanctioned during the end of 2005-06, hence implemented during 2006-07. Under this scheme subsidy is available for drip irrigation for all horticulture crops, except coffee, tea, rubber, and oil palm. The components for which assistance is available are drip irrigation, sprinkler irrigation and drip demonstration. Presently, the assistance is available for a maximum area of 5 hectares per beneficiary family for both drip and sprinkler irrigation. Under drip irrigation, the subsidy is provided at 75 percent for the first 2 hectares and for the remaining 3 hectares subsidy is 50 percent. The subsidy for the Sprinkler Irrigation is at 75 percent. Under drip demonstration component, the State/Central government institutes, farmers of non-governmental organization/progressive farmers can avail assistance at 75 percent for a maximum area of 0.5 hectares.

4.10.4 Integrated Disease and Pest Management Programme for Horticulture Crops:

The Department of Horticulture through its Plant Protection Programmes provides bio-pesticides, botanicals, pheromone traps and lures to control the pests and diseases of horticulture crops. In addition, pest surveillance will be undertaken in different districts to predict the outbreak of pest and disease and create awareness in the management of pests and diseases like Eriophyid mite, Black headed caterpillar, Stem bleeding, Tomato leaf curl virus, Bacterial blight and Koleroga of areca nuts.

During 2009-10, Rs.295.94 lakh was spent for Parasite production, bacrimeria production, chemicals distribution, pest surveillance, and publicity. During 2010-11, Rs.48.30 lakh has been spent up to the end of December 2010 against Rs.75.00 lakh. There are 21 major and 36 minor parasite laboratories in the department where 426.34 lakh parasites were produced and released during 2009-10. During 2010-11, 157.00 lakh parasites were produced up to end of December 2010 and distributed to the beneficiaries for releasing in coconut garden against the pest black headed caterpillar.

The „Yellow Leaf disease“ has been a limiting factor for cultivation of Arecanut in Sringeri, Koppa and Narasimharajapura taluk of Chickamagalur district. In this context an exclusive “Areca Research Station” has been established at Sringeri as proposed in the budget of 2008-09 to help the areca growers with recommendation for the management of the disease. An amount of Rs. 200.00 lakh during 2008-09 and Rs.80.00 lakh during 2009-10 was provided to Horticulture University, Bagalkot for this purpose. Further, an amount of Rs.37.50 lakh has been released during 2010-11 up to the end of December 2010. Research activities are under progress in yellow leaf disease affected areca gardens besides taking up detailed survey of YLD affected gardens.

The University of Agricultural Sciences, Dharwad, is conducting Advanced Research on Bacterial Blight Disease in Pomegranate with the financial assistance from the Department of Horticulture since the year 2007-08. The total budgetary allocation for the project is Rs. 100 lakh, for a period of 3 years. Action has been taken for controlling the major disease of pomegranate by providing the financial assistance for research on management of Bacterial Blight Disease and the results of this research will be beneficial to the farmers. During 2007-08, 2008-09 and 2009-10, financial assistance of Rs.50 lakh, Rs.26.25 lakh and Rs.20 lakh, respectively, have been given to the University of Agricultural Sciences Dharwad under this scheme.

4.10.5 Bio Technology:

The Biotechnology Centre of the Department of Horticulture is taking up activities like germplasm conservation, tissue culture, mushroom development, production of Bio-fertilizer and Bio-pesticides, soil, water & leaf analysis, DNA finger printing etc.

4.10.6. Post Harvest Management, Marketing and Cold Storages:

To give prime importance for processing of horticulture crops, Karnataka state government has introduced, "Processing and value addition for Horticulture crops". It includes post harvest management of horticulture produce and processing programmes like grape dehydration, red chilli powdering, construction of storage godown etc. There are about 68 cold storages in Karnataka out of which 60 are in private, 4 are in co-operative and 4 are in public sector. To make the existing storages economical and to encourage establishment of new cold storages in private / co-operative sector, electricity subsidy of Rupees one is provided for every unit of electricity consumed by cold storages. During the year 2009-10 a subsidy amount of Rs. 35.96 lakh was released to 14 cold storages. During the current year up to the end of December, an amount of Rs. 27.00 lakh has been released to 26 cold storages.

At district level 19 Horticultural Produce Marketing and Co-operative Societies have been established on the similar lines of HOPCOMS Bangalore. At present these district HOPCOMS are unable to work under profit due to lack of infrastructure and basic amenities. In this regard, a project for strengthening of 19 districts HOPCOMS through Karnataka Horticulture Federation has been approved under RKVY with an outlay of Rs. 8.50 Crore on pilot basis for the year 2008-09. So far a financial achievement of Rs. 4.15 Crore has been achieved.

During the year 2010-11, a new scheme namely, "Procurement of fruits and vegetable" under state sector has been started for creation of infrastructure facilities for collection of fruits and vegetables with a financial outlay of Rs. 5.00 Crore. This scheme is being implemented by KHF in 8 district HOPCOMS to create infrastructures like retail outlets, collection centers and to provide revolving fund for starting the business.

To promote, develop and to increase exports of Agriculture and Horticulture produce from the state, an organization namely Karnataka State Agricultural Produce Processing and Export Corporation Limited (KAPPEC) was established in 1996. The said organization from its inception up to December 2010 has handled 532543 MTs of various agricultural and horticultural produce worth of Rs. 91580 lakh by earning a net profit of Rs. 1181.00 lakh. The Department of Horticulture has released a sum of Rs.10.00 crore. under the scheme "Assistance to KAPPEC". KAPPEC is utilizing the funds released by the department as seed money and also getting the funds from various sources viz., RKVY and Agricultural Produce Export Development Authority (APEDA) for creating infrastructure for export of horticultural produce at various parts of the state.

With a view to strengthen the marketing / forward linkages for flower crops, approval has been accorded for the implementation of the project on "Establishment of Flower Auction Centres" in Tumkur, Davanagere, Udupi, Uttara Kananda, Sirsi, Kodagu and Belgaum districts, at a total cost of Rs. 15 Crore for a period of 4years (2008-09 to 2011-12). Establishment of Flower Auction Centres at Tumkur and Davanagere during 2008-09 and

Udupi during 2009-10 is under progress. Rs. 121.40 lakh have been spent up to December 2010 towards the construction of these auction centres.

4.10.7 New Interventions in Horticulture:

a. Introduction of New Varieties of Vegetable:

A financial out lay of Rs. 510.00 lakh is allotted for this scheme for the year 2010-11. Under this scheme, components like introduction of new vegetable variety, development of nutrition gardens, area expansion of minor fruit crops and seed sampling are covered. It is proposed to distribute hybrids/open pollinated variety seeds of major vegetable crops viz., onion, chilly, tomato, brinjal, carrot, beans, etc., to small/marginal and SC/ST farmers under Introduction of New Vegetable Variety Programme with a budget of Rs. 350.00 lakh. Under this scheme major programmes viz., distribution of vegetable seeds with subsidy of 75 percent per unit or maximum of Rs. 2000 per unit whichever is less will be considered. Seed Sampling Programme is being implemented with an outlay of Rs. 10.00 lakh to check the sale of spurious seeds. Development of nutrition gardens has a financial out lay of Rs. 100.00 lakh and for area expansion of minor fruit crops an amount of Rs. 50.00 lakh has been allocated. Up to the end of December 2010, Rs. 236.82 lakh has been spent.

For the effective implementation of the programmes for the development of the horticulture sector many policies have been adopted and certain new programmes are being implemented as discussed below:

b. Wine Policy and Establishment of Karnataka Grape Wine Board:

To promote wine varieties of grapes in the state and to encourage wine industries, Wine Policy has been enforced in the state since the year 2007. The Karnataka Grape Wine Board has been set up for implementing the programmes under the Wine Policy. The Department of Horticulture is encouraging the development of wine varieties of grape crop and for implementation of programmes under the Wine Policy through providing share capital to the Wine Board. An allocation of Rs. 100 lakh has been made for providing share capital to the Wine Board during the year 2009-10. Since permission was not granted by the Government, funds were not released to the board. An allocation of Rs. 50 lakh has been earmarked for developmental programmes and for providing share capital during the year 2010-11. The financial progress up to December 2010 is Rs. 25 lakh.

c. Mango Development Board:

It is proposed to establish a Mango Development Board to promote and streamline the production, processing, marketing and export of mangoes in the state. During 2010-11, Rs. 1000 lakh has been earmarked for this purpose. The process of registration of this board is under progress. This is a new scheme being implemented from 2010-11. The Board after its complete establishment will look after the activities taken in the mango resource center in Kolar and Chickaballapur.

The Mango Development Center is developed at Kolar and Chickaballapur at a total cost of Rs. 19 Crore under the RKVY. The period of implementation of this project is 4 years from 2008-09 to 2011-12. During 2008-09 and 2009-10, major budgetary provision has been made for the creation of civil infrastructures and the construction of buildings is

under progress and Rs. 139.64 lakh has been spent up to December 2010 for this purpose. Further, market promotion activities and Mango Melas have been organized at Bangalore and Dharwad. The programme on Survey of status of mango orchards in the state has also been undertaken. Training programmes on Scientific Production and Post-harvest Management of Mango for the Departmental Officers have been organized at a cost of Rs. 2.10 lakh.

d. Modern Arecanut Dehusking Machine:

The new State Sector Scheme on Modern Arecanut Dehusking Machine is under implementation in the state during 2010-11. The main objectives of this scheme is to reduce man power drudgery, processing time, and expenditure towards post harvest management of Arecanut. The financial progress up to end of December 2010 is Rs. 20.95 lakh as against the annual allocation of Rs. 100 lakh during 2010-11.

e. Mechanization in Horticulture in Karnataka State:

This programme is being implemented with a financial target of Rs. 25.00 Crore for a period of 3 years from 2009-10 to 2011-12. During 2009-10, Rs. 444.77 lakh has been spent as against the annual allocation of Rs.500.00 lakh. The financial progress up to the end of December 2010 is Rs.76.00 lakh as against an annual target of Rs.400 lakh during 2010-11. The amount earmarked is to be implemented in 114 SDP taluks and 61 Non SDP taluks of the state.

f. Formation of Karnataka State Horticulture Development Agency (KSHDA) & Development of Horticulture through PPP Frame work:

There are 410 farms and nurseries with a total area of 15732 acres under the control of the Department of Horticulture. In order to make these farms and nurseries into self sustainable and profit making resource centers a special purpose vehicle namely, the Karnataka State Horticulture Development Agency (KSHDA) has been established vide G.O.No. AHD/88.HPP.2008 dt.14/11/2008.

- One of the main strategies of the agency is to produce necessary seed and seedlings and to develop these farms as technology resource centres and thereby provide necessary accessories and service to the farmers engaged in horticulture.
- Though 15732 acres of land are available in these farms, only 10050 acres of land is being used for development and 5682 acres of land is still available for development. Therefore in order to help the farmers engaged in horticulture, it is proposed to improve this area and to further improve the developed area under Public Private Partnerships (PPP).
- The intension of taking this task under Public Private Partnerships (PPP) is to make these farms as model high tech farms and set an example for the farmers living around these farms.

g. Modernization of HOPCOMS:

With a view to provide good service to the consumers in addition to supply of fruits and vegetables, it is proposed to overcome the deficiencies in weighing and billing. For this

purpose, Sport Billing Machines are installed in the HOPCOMS. In the current year 16 new retail outlets have been established and 65 outlets have been modernized. New banana ripening unit has been established.

4.10.8 Major Achievements in Infrastructure Created under NHM from 2005-06 Onwards:

- For production of quality planting materials 230 nurseries have been established under Public Sector.
- For production of quality planting materials 128 nurseries have been established under Private Sector.
- Under rehabilitation of existing tissue culture, two units have been established.
- For production of good quality seeds of vegetables, seed production has been taken up in 235 hectares.
- Four new seed infrastructure have been created for processing and storage of vegetable seeds.
- Under new area expansion programme 52500 hectares of fruits perennial, 46600 hectares of fruits non perennial, 20500 hectares of flowers, 19000 hectares of spices, 5000 hectares of medicinal and aromatic crops and 18900 hectares of plantation crops new area has been established.
- Under rejuvenation/replacement of old plantations, 5620 hectares has been rejuvenated for mango, citrus, cashew and pepper plantation.
- Under creation of water resources/farm ponds 3900 structures have been created for protective irrigation of horticulture crops.
- Under organic farming 11800 units of vermi compost/bio-digester units have been established, 25750 hectares of horticulture area has been converted and adopted to organic farming.
- Under human resources development 188000 farmers have been trained and provided the awareness programme within and outside the state for adopting the new technology for increasing production and productivity of horticulture produces.
- Under post harvest management 215 numbers of pack-houses, 74 numbers of onion storage structures, 4 numbers of cold storages, 5 numbers of refrigerated vans, and 345 numbers of primary processing units have been established.
- 28 marketing infrastructure have been created.

4.10.9 Future Plans for Implementation of NHM Scheme for 2011-12:

The mission has planned to prepare the draft annual action plan for an amount of Rs.15000 lakh. During this year more emphasis will be given on the following:

- Post Harvest Management
- Protected Cultivation
- Rejuvenation Programme
- Integrated Pest/ Diseases Management
- Integrated Nutrient Management
- Marketing Infrastructure Programmes

Progress under NHM is given in **Appendix 4.14**

Animal Husbandry and Dairy Sector:

4.11 Animal Husbandry:

The share of Animal Husbandry in GSDP of Agriculture & allied activities during 2009-10 was 26 percent. The total number livestock in the state was about 7.53 Crore. As per 2007 Livestock Census, livestock per lakh population was 62185 (provisional). The density of livestock per sq km was 171. The State's share in livestock and poultry population of India was 6.2 percent and 6.48 percent respectively. The livestock and poultry statistics is shown in **Table 4.30** and the detailed information is given in **Appendix 4.15**

Table 4.30: Livestock and Poultry Statistics

(No. in crore)

Particulars	Livestock Census			
	1997	2003	2007*	Percentage change in 2007 over 2003
Cattle	1.08	0.95	1.05	10.53
Buffaloes	0.44	0.40	0.43	7.5
Goat & Sheep	1.29	1.17	1.57	34.19
Other Livestock	0.26	0.30	0.24	-20.0
Total Livestock	3.07	2.84	3.29	15.85
Poultry	2.14	2.44	4.24	73.77

*18th Livestock Census Provisional figures.

4.11.1 Livestock and Poultry Production:

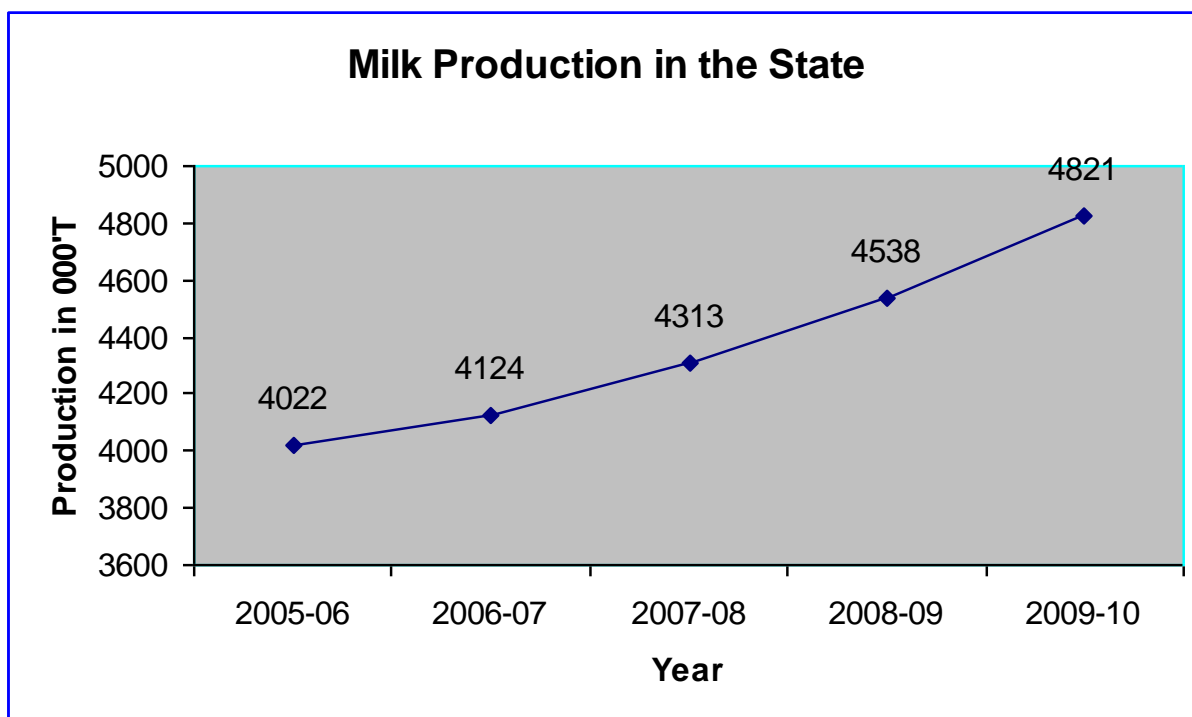
India ranks first in the world and the State ranks eleventh in India in milk production. During 2009-10, the production of milk at the State level was 4.8 million MT and the per capita daily availability was 216 gms, while the production of milk at All-India level was 107 million MT (Provisional) and per capita daily availability was 253 gms during the year 2008-09. The production of milk, meat, wool and eggs is shown in **Table 4.31** and **Figure 4.3** and more details are provided in **Appendix 4.16**.

Table 4.31: Livestock and Poultry Production

Item	Unit	2008-09	2009-10	2010-11* (Up to December 2010)	Percentage change in 2009-10 over 2008-09
Milk	„,000 T	4538	4821	3727	6.24
Meat [@]	Tonnes	114520	119247	125209	4.13
Wool	Lakh kg	7137	7165	7301	0.39
Eggs	No. in crore	237	291	292	22.78

[@] Includes Poultry Meat * Provisional.

Source: Animal Husbandry & Veterinary Services Department

Figure 4.3: Milk Production in the State

4.11.2 Animal Health and Veterinary Services:

The health of livestock and poultry are rendered through a network of 4110 Veterinary Institutions, comprising of 371 Veterinary Hospitals, 1941 Veterinary Dispensaries, 1181 Primary Veterinary Centres, 229 Artificial Insemination Centres, 174 Mobile Veterinary Clinics and 214 Veterinary Institutions. In 2008-09, 107.85 lakh and in 2009-10, 116.06 lakh cases were treated for various diseases. During the current year 2010-11, 83.64 lakh cases were treated for various diseases up to the end of December 2010. During 2008-09 and 2009-10, 373.83 lakh and 399.92 lakh vaccinations were given for various diseases, respectively. In 2010-11, 293.02 lakh vaccinations were given for various diseases as precautionary measures up to the end of December 2010.

4.11.3 Integrated Sample Survey:

The purpose of this survey is to estimate production of major livestock and poultry products in Karnataka. The following **Table 4.32** gives the summary of the developmental activities of the Animal Husbandry and Veterinary Services Sector in the state.

Table 4.32: Development of Animal Husbandry and Veterinary Services

SI. No.	Particulars	Unit	2007-08	2008-09	2009-10	2010-11
1	Veterinary institutions (including AI Centres and Mobile Veterinary Clinics)	No.	4110	4110	4110	4110
2	Livestock farms	No.	11	11	11	11
3	Poultry farms	No.	24	24	24	24
4	Artificial inseminations done	Lakh	25.92	28.53	30.50	22.29
5	No. of cases treated	Lakh	103.06	107.85	116.06	83.64
6	Fodder produced	Tonnes	14155	6612	7197	4315
7	Milk produced	„000Tonnes	4313	4538	4821	3727
8	Egg produced	Lakh	20385	23746	29083	29231
9	Wool produced	Tones	5631	7137	7165	7301
10	Meat produced	Tonnes	109953	114520	119247	125209

Note: 1) Information pertaining to items 1 to 3 is cumulative
 2) Information pertaining to items 4 to 8 is up to December 2010
 3) Anticipated estimation pertaining to items 9 to 10 for the year 2010-11

Source: Animal Husbandry & Veterinary Services Department

4.11.4 Performance under Artificial Insemination (A.I) Programme:

The AI facility has been provided in 4110 Centres. Two laboratories of frozen sperms are located at Bangalore and Dharwad. Performance about A.I. Programme is shown in **Table 4.33**.

Table 4.33: Performance under AI Programme

(No. in lakh)

Particulars	2008-09	2009-10	2010-11 (up to Sept. 2010)	Percentage change in 2009-10 over 2008-09
I) Cow (AI)				
i) Cross breed	11.95	12.74	10.26	6.61
ii) Exotic	4.82	5.11	3.61	6.02
iii) Indigenous	4.79	5.52	4.15	15.24
Total (AI)	21.56	23.37	18.02	8.40
No. of calves born (Cow)	5.96	5.29	4.20	-11.24
II) Buffalo (AI)				
No. of calves born (Buffalo)	0.61	1.59	1.19	160.66

Source: Animal Husbandry & Veterinary Services Department

4.11.5 Division wise Progress of AI Programme and Milk Production:

Division wise progress of AI programme and milk production is given in **Table 4.34**. Achievement under AI programme and milk production was comparatively very high in Bangalore Division as compared to other Divisions.

Table 4.34: Division wise Progress of AI Programme and Milk Production

Name of the Division	2008-09			2009-10			2010-11 upto September		
	AI		Milk Production (000' T.)	AI		Milk Production (000' T.)	AI		Milk Production (000' T.)
	Target	% of Ach.		Target	% of Ach.		Target	% of Ach.	
Bangalore	1150000	110.65	1559	1176000	112.98	1635	929900	110.45	1270
Mysore	674000	111.05	1194	712000	111.16	1311	572700	101.28	1010
Belgaum	645000	122.30	1108	702000	121.32	1183	569400	103.82	905
Gulbarga	170000	100.05	677	170000	105.39	692	119040	109.15	542

Source: Animal Husbandry & Veterinary Services Department

4.11.6 National Project for Cattle and Buffalo Breeding:

The National Project for Cattle and Buffalo Breeding is a 100 percent Centrally sponsored programme and is implemented through Karnataka Livestock Development Agency for strengthening of animal breeding services. Due to implementation of this programme, the number of productive cattle and buffalo have increased and the number of unproductive non-descript cattle and buffalo have decreased as per the latest Livestock Census report indicating positive development. Semen Production Centers, Bull Mother Farms and Artificial Insemination Centers in the state have been provided with necessary infrastructure like buildings, equipments, high pedigreed bulls and liquid nitrogen storage and transport facilities for production of quality frozen semen.

Rural unemployed youth have been trained for 4 years in Artificial Insemination and provided with equipments to carry out Artificial Insemination service at farmer's doorstep. Around 120 rural youth are self employed under this programme. Performance recording in Cattle and Buffalo has been started under NPCBB programme in collaboration with Karnataka Milk Federation and this has resulted in identification of 2450 elite HF & JR cows. Around 150 HF and 30 Jersey bull calves have been selected for breeding purpose.

4.11.7 Cattle Development:

Cattle breeding programme for milch animal production and conservation of indigenous breeds i.e., Hallikar, Amrutmahal, Khilar and Deoni for drought purposes is carried out through artificial insemination and embryo transfer technology. Indigenous breeds are developed by selective breeding in the livestock farms located at Kunikenahalli in Tumkur, Ajjampura in Chikmagalur and Bankapura in Haveri districts.

Frozen semen from the centers at Hessaraghatta and Dharwad is supplied for breeding purposes. In 2008-09 and 2009-10, 28.53 lakh and 30.50 lakh artificial inseminations were done resulting into birth of 6.57 lakh and 6.88 lakh calves, respectively during these two years. Further, 6.70 lakh and 6.96 lakh castrations were also performed, respectively during these two years. During 2010-11, 22.29 artificial inseminations were done giving birth to 5.39 lakh calves and 4.91 lakh castrations were performed up to end of December 2010.

4.11.8 Karnataka Sheep and Wool Development Corporation:

Karnataka Sheep and Wool Development Corporation (KSWDC) was constituted under Companies Act 1956 during December 2001. There are six sheep breeding centres functioning under the Corporation. As a part of breeding improvement programme, 185 and 217 cross bred rams were distributed from its Sheep Breeding Centres to sheep farmers during the year 2008-09 and 2009-10, respectively. During the current year, a total number of 208 cross bred semen were distributed by the end of December 2010.

During the current year Sheep Insurance Scheme is being undertaken by Karnataka Sheep and Wool Development Corporation and an amount of Rs. 50.00 lakh is earmarked for this Scheme. KSWDC is implementing Sheep and Wool Improvement Scheme (SWIS) in the state in co-ordination with the Central Wool Development Board, Jodhpur. The scheme is being implemented in the project areas of Badami and Harapanahally during the current year.

As a part of Breed Improvement Programme, KSWDC has been implementing a scheme for the supply of cross bred rams at subsidized rates under which 727 cross bred rams were distributed during the year 2009-10 and during the current year 544 cross bred rams were distributed as on December 2010. A total number of 4588127 sheeps/goats have been dewormed in the state by organizing 1766 Mass Deworming Camps at an expenditure of Rs.246.51 lakh up to the year 2009-10. 2622 sheep farmers have been trained in scientific sheep husbandry during the year 2009-10 and 363 sheep farmers are trained during the year 2010-11 till the end of December 2010.

Training in scientific sheep husbandry has also been provided to 91 and 88 sheep farmers at Central Sheep Breeding Farm, Hisar with Central Wool Development Board, Jodhpur during 2008-09 and 2009-10, respectively. Conservation of Bandur breed of sheep has been taken up under the Centrally sponsored scheme at Bandur Sheep Breeding Centre Dhanagur and Malavalli with an assistance of Rs.63.80 lakh from Government of India. Karnataka Sheep and Wool Development Corporation spent Rs.61.17 lakh and Rs.2.63 lakh during the year 2008-09 and 2009-10, respectively. KSWDC has insured 8852 and 8157 sheep farmers under “Kendriya Bhed Palak Bima Yojana” during the year 2008-09 and 2009-10, respectively and a compensation of Rs.4.50 lakhs and Rs.19.65 lakhs has been released by Life Insurance Corporation towards the death of 6 and 36 sheep farmers, respectively during these two years. In the current year 6639 sheep farmers were insured under the scheme till the end of December 2010 and steps have been taken for the release of Rs.13.90 lakh as compensation by the Life Insurance Corporation of India towards the death claim of 17 sheep farmers. Scholarship amount of Rs.13.61 lakh, Rs.37.05 lakh and Rs.54.96 lakh has been released to 2042, 3088 and 4580 students under SSY scheme during the year 2008-09, 2009-10 and 2010-11, respectively (as on December 2010).

During the year 2008-09 and 2009-10, KSWDC implemented by providing 10+1 sheep units under Special Component Plan and Tribal Sub plan. The progress achieved under the schemes is given in **Table 4.35 (I)**.

During the year 2009-10, SCP and TSP schemes were sanctioned at Rs.43.25 lakh and Rs. 15.50 lakh, respectively. Under these schemes 10+1 sheep or 10+1 goats were distributed to SC and ST Women/Men Members of the Sheep and Wool Producers Co-operative Societies which are registered with Karnataka Sheep and Wool Development Corporation. The cost of 10+1 sheep units is Rs. 23600/- and the cost of 10+1 goat units is Rs.23100/- of

which corporation released Rs.10000/- as subsidy and Nationalized Banks / Rural Bank / Co-operative Banks released remaining amount as loan to the beneficiaries. The progress achieved is as given in **Table 4.35 (II)**.

Table 4.35: Progress Achieved Under Special Component Plan and Tribal Sub Plan

Scheme	Year	No. of beneficiaries	Subsidy amount (Rs. in lakhs)
I			
Special Component Plan	2008-09	3843	226.66
	2009-10	1593	93.90
Tribal sub-plan	2008-09	790	46.59
	2009-10	736	43.38
II			
Special Component Scheme	2009-10	6	0.60
	2010-11 (Dec. 2010)	45	4.5
Tribal sub-plan	2009-10	2	0.20
	2010-11 (Dec. 2010)	24	2.4

Source: Animal Husbandry & Veterinary Services Department

During the current year, 10+1 sheep units will be supplied to 7050 members of the Sheep and Wool Producers Co-operative Societies registered with the Corporation at a unit cost of Rs. 22213, out of which Rs. 10000 will be released by the corporation as subsidy component and balance of Rs. 12213 will be provided by the Local Banks as loan component.

4.11.9 Rashtriya Krishi Vikasa Yojana (RKVY):

Government released Rs.275.00 lakh for the implementation of programme for the genetic improvement of sheep and goats during the year 2008-09. The implementation of the programme is under progress. So far an amount of Rs.147.50 lakh was utilized till December 2010.

4.11.10 Karnataka Co-operative Poultry Federation:

Presently 84 primary poultry co-operative societies are affiliated to the Federation. The Federation receives Grant-in-Aid from the state government under plan head of Account (short term training regarding poultry rearing techniques to the farmers and rearing and sale of Giriraja birds) and under Non plan head of Account for salary and other components of the staff of Federation. For the year 2010-11 under Plan Head Rs.20.00 lakh and Rs.90.87 lakh under non plan head has been sanctioned.

Table 4.36: Financial Achievements under Plan Schemes**(Rs in lakh)**

Year	Plan			Non-Plan		
	Sanctioned amount	Amount released	Expenditure	Sanctioned amount	Amount released	Expenditure
2007-08	15.50	15.50	15.50	65.95	65.95	65.95
2008-09	20.00	20.00	20.00	74.41	74.41	74.41
2009-10	20.00	20.00	20.00	87.38	87.38	87.38
2010-11 (upto Dec 2010)	20.00	15.00	14.35	90.87	68.00	68.00

Source: Animal Husbandry & Veterinary Services Department

Table 4.37: Physical Achievements under Plan Schemes

Year/Activity	Short term training in poultry rearing to farmers	Rearing and sale of Giriraja birds
2007-08		
Target	1250	8000
Achievement	1099	12548
%	88	157
2008-09		
Target	1250	10000
Achievement	1366	18715
%	109	187
2009-10		
Target	1250	10000
Achievement	1207	9961
%	97	99
2010-11(Sep 2010)		
Annual Target	1250	10000
Target	875	8000
Achievement	871	6555
%	99	82

Source: Animal Husbandry & Veterinary Services Department

4.11.11 Poultry Development:

The Poultry Feed Act has come into force to maintain the quality of poultry feed. 24 poultry farms are functioning under the technical guidance of the Department. The major developmental activities are breeding and rearing of Giriraja parent stock and supplying chicks to the farmers and rearing centers of the Department. In 2008-09 and 2009-10, 3166 and 2384 persons were trained in poultry rearing and 1.17 lakh and 1.07 lakh Giriraja chicks were produced, respectively. During the current year, 2.86 lakh chicks were reared and 2919 persons were trained up to end of December 2010.

4.11.12 Piggery Development:

There are 5 pig-breeding centers at Hesaraghatta (Bangalore), Kudige (Kodagu), Koila (Dakshina Kannada), Kalasa (Chikmagalur) and Bangarpet (Kolar) Districts. In these farms piglets are produced and distributed to farmers and beneficiaries of various socio economic programmes. Assistance and extension services are given to the farmers.

4.11.13 Rabbit Rearing:

There are 4 rabbit rearing farms functioning in the state. These centers are maintaining and breeding New Zealand white, California white and Gry-jaint breeds of rabbit and the bunnies are being sold to interested farmers. 315 bunnies were produced up to the end of December 2010.

4.11.14 Implementation of Livestock Insurance Scheme in Karnataka:

The Centrally Sponsored Livestock Insurance Scheme was implemented in 4 districts of Karnataka State i.e., Bangalore urban, Mandya, Kolar and Bangalore rural on pilot basis during 2006-07. This scheme was continued during 2007-08 in the same districts. The scheme was not implemented during 2008-09. During 2009-10, the scheme was implemented in 4 districts i.e., Belgaum, Gulbarga, Hassan and Mysore. During 2010-11, the scheme is being implemented in 17 districts of the State i.e., Bangalore urban, Bangalore rural, Mandya, Kolar, Belgaum, Gulbarga, Hassan, Mysore, Davanagere, Haveri, Bellary, Bagalkote, Dakshina Kannada, Tumkur, Ramanagar, Yadgiri and Chickaballapur.

This scheme envisages 50 percent subsidy on insurance premium from central fund in the form of grant in aid. Rest of the 50 percent premium cost will be borne by the beneficiaries. The Service Tax should be paid by the farmers. Entire cost towards payment of Honorarium to veterinary practitioners and publicity will be borne by the Central government. The indigenous/crossbred milch cattle and buffaloes are under the purview of the scheme. Benefit of subsidy is to be restricted to two animals per beneficiary per household. As per guidelines of central government, premium rates should not exceed 4.5 percent for annual and 12.5 percent for 3 year policies. Implementation of the scheme is coordinated and monitored by Karnataka Livestock Development Agency, Bangalore.

4.11.15 Feed and Fodder Development:

Fodder production is gaining importance in the state due to drought, flood and occurrences of natural calamities in the last couple of years. Fodder development is being taken to a large extent in the farms throughout the state and also in farmers land. There is shortage of green fodder production in the state. To mitigate this deficiency Central Minikit Testing programme, fodder production in livestock farms and training to farmers regarding fodder development programmes are implemented with the assistance of Government of India and calamity relief funds. The progress for the last three years is given in **Table 4.38**.

Table 4.38: Progress under Feed and Fodder Development

Programme	2008-09	2009-10	2010-11 (Dec. 2010)
Central Minikit Testing Program (minikits distributed)	25167	68042	26625
Fodder Production in Farms (MT)	6612	7197.00	4315.00
Fodder seed production in farms (Qtls)	10.00
Root slips distributed in farms (lakh No.)	12.32	5.96	27.19
Training to farmers regarding fodder development (No.)	5705	5210	1686

Source: Animal Husbandry & Veterinary Services Department

During the year 2010-11 new scheme viz., Special Development Programme has been implemented under the state sector. Under this scheme, Rs.225.00 lakh has been released to 114 taluks in 30 districts which are identified as backward, more backward and most backward as per Dr. Najundappa's report.

Department of Animal Husbandry and Veterinary Services selected 6 Amrith Mahal Kavals for Animal Husbandry and Breed improvement during 2010-11. Government will evict the unauthorized cultivation and development of these lands will be taken up in 3 years at the cost of Rs. 487.50 lakh by the Expert Organisation under Public Private Partnership (PPP). Government has accorded administrative approval for the above scheme. During 2010-11, Rs. 195.00 lakh has been released for development of 65 units (1 unit = 25acres) at Rs. 3.00 lakh per unit in 6 selected kavals for which action will be taken for implementation of the scheme.

4.11.16 Rastriya Krishi Vikasa Yojane (RKVY):

During 2010-11, an amount of Rs. 21.00 crores has been approved in the 5th and 6th State Level Sanction Committee meeting for 9 ongoing projects related to Genetic improvement of Cattle, Buffalo, Piggery-development, Fodder-Development and Animal Health Programmes. Out of Rs. 21.00 Crore, Rs. 12.00 Crore has been released as first installment. All the 9 projects are being implemented by the Department.

4.11.17 Prime Minister's Special Livestock Package:

A sum of Rs.5758.13 lakh was released by Government of India to Government of Karnataka for the implementation of various Animal Husbandry and Dairying Programmes in six suicide prone districts (Shimoga, Belgaum, Kodagu, Chikkamagalore, Chitradurga and Hassan) of Karnataka under Prime Minister's Special Livestock package. Out of the released funds, Rs.2547.53 lakh was released to KMF through State Government. In pursuance of State Government order for implementation of the scheme by Karnataka Livestock Development Agency, Department of Animal Husbandry and Veterinary Services, Government of Karnataka with effect from 01-04-2009, a sum of Rs.111.76 lakh was refunded to Karnataka Livestock Development Agency and Rs. 2387.456 lakh was utilized by KMF from 2006 till the end of December 2010. Karnataka Livestock Development Agency has utilized Rs.2691.94 lakh up to December 2010. A total sum of Rs.5079.40 lakh (88.21%) was utilized so far under the scheme.

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

Assistance to state for control of animal diseases has three components viz., Systematic Control of Livestock Disease of National Importance, Foot and Mouth Disease Control Programme and Animal Disease Surveillance. Under assistance to state for control of animal diseases the funds will be shared by the Central and states on 75:25 basis except the training component where 100 percent Central grants is envisaged. The funds will be provided for purchase of Vaccines/diagnostics/medicine and upgradation/strengthening of disease diagnostic labs/vaccine production facilities only as per Good Laboratory Practice (GLP) and Good Manufacturing Practice (GMP). No money is being provided for delivery system or for the manpower to undertake vaccination, which is to be borne by the state government. During the current year Budget provided under ASCAD is as follows: State Budget: Rs.926.00 lakh; Z.P. Budget: Rs.641.20lakhs; Total Rs.1567.20 lakh.

4.11.19 New Schemes during 2010-11:

Interest subsidy for livestock and sheep rearing: Rs. 5.00 Crore has been earmarked to provide interest subsidy to farmers above 6 percent interest on loan for purchase of dairy or sheep unit.

Starting of new mobile veterinary clinics: Rs.80.00 lakh is released to start 50 new mobile veterinary clinics to provide veterinary services at doorstep of farmers.

New Veterinary College at Athani: Rs.5.00 crore has been earmarked to establish a new veterinary college at Athani, Belgaum district based on Dr. Nanjundappa committee report to encourage dairy and animal husbandry activities in northern Karnataka.

New GOI Schemes: During 2010-11 Central Government has sanctioned three new schemes and released Rs.1211.35 lakh. Foot and Mouth Disease Control project, National Programme for Control of PPR in Sheep and Goats; Establishment and Strengthening of Veterinary Hospitals and Veterinary Dispensaries.

4.11.20 Departmental Policy for over all Development of Sector:

Karnataka Livestock Development Policy 2010 is in the final stages of approval. The policy envisages providing requisite infrastructure, institutions and incentives for achieving 8 percent annual growth rate during next 10 years. The policy also highlights the public private partnership for overall/accelerated growth in Annual Husbandry Sector.

4.11.21 Vision 2020-Development Goals of Animal Husbandry Sector:

Vision 2020-Development Goals of Animal Husbandry Sector have been envisioned and the draft is to be approved. The development goals aim at increasing milk, meat and egg production by 100 percent during next 10 years. So also proposes to increase budgetary support from the present Rs.700.00 Crore in 2010-11 to Rs.1200.00 Crore per annum.

4.11.22 11th Plan Initiatives and Strategy and Thrust Areas:

- Promotion of appropriate cross breeds with due extension for conserving indigenous breeds of livestock for enhancement of milk production.
- Fodder Development by encouraging fodder growers, through supply of minikits, rootslips and other inputs.
- Promotion of Backyard poultry rearing by providing assistance to SHG Poultry Co-operatives.
- Piggery Development through up-gradation and strengthening of Pig Breeding Station for more production of piglets for distribution.
- Strengthening of Extension, Training & Animal Health Units.
- Enhancement of Genetic Improvement of sheep and goats.
- Enhanced vaccine production control of animal diseases surveillance through Immunization and Enhanced Vaccine Production.

4.12 Dairy Development:

Karnataka Milk Federation is a State level Co-operative Organisation implementing Dairy Development activities in the State under „Operation Flood“. This organization has the responsibility of providing remunerative price and market to the rural milk producers of the State and of supplying pure milk and milk products to the consumers. The progress for the previous three years is given in a **Table 4.39**.

Table 4.39: Progress under Dairy Development

Sl. No	Items	Unit	2008-09	2009-10	Upto Mar'10	Upto Dec'2010
1	DCS registered	No.	494	446	567	422
2	DCS made functional	No.	637	607	668	443
3	Members enrolled	No.	66419	66333	68785	47593
4	Milk procured	Lakh Tonnes	11.88	13.24	13.06	10.62
5	Animals treated	Lakh	0.54	0.46	0.51	0.43
6	Animals inseminated	Lakh	18.95	20.39	20.38	16.92
7	Animals examined for pregnancy	Lakh	11.91	13.53	14.08	11.16

Source: Karnataka Milk Federation

The Federation has 22 Dairy processing plants with a capacity of 32.25 lakh litres a day and 42 chilling centres having 15.15 lakh ltrs. of chilling capacity and 5 product dairies equipped to produce 92 MTs of milk powder per day, ISO 9001/2000 Certification in respect of 4 cattle feed plants is renewed and the quality is being maintained with production and supply of goods. During the current year 10,087 dairy co-operative societies are functioning and 20.38 lakh farmers are enrolled as members.

Dairy programme for Women namely Amrutha Yojane has been announced in the budget, with an allocation of Rs.5000.00 lakh during 2007-08 for providing milch animals to

the Devadasis, Widows, SC and ST Women in order to improve their economic and social status, with a cost limit of Rs.20,000.00 of which the subsidy component is Rs.10,000/- for Devadasis and Widows Rs.12,000.00 for SC Women and Rs.15,000.00 for ST Women and the Department has spent Rs.2000.00 lakh for the implementation of the programme.

In the budget for the year 2009-10, a sum of Rs.1085.00 lakh has been allocated and Rs.271.25 lakh has been released as on December 2010. The programme is under implementation.

For Redressal of Regional imbalances, Government has taken a decision to strengthen the Dairy activities in the backward taluks of Bellary and Gulbarga Milk Unions, an amount of Rs.600.00 lakh has been earmarked and the Department has utilized the entire amount to strengthen forward and backward linkage to the milk producers of Bellary, Raichur, Gulbarga and Bidar Dairies during 2007-08.

In order to take up the development activities in backward taluks of Dharwad, Haveri, Gadag, Uttar Kannada, Belgaum, Bijapur and Bagalkot districts, an amount of Rs.300.00 lakh was provided during 2008-09 and the entire amount has been utilized for infrastructure developmental activities in the region.

Under the dairy development activities in the backward taluks of Gulbarga and Bidar districts during 2008-09 a sum of Rs.400.00 lakh has been allocated and released and in pursuance of Government Order the released amount is being utilized as share capital.

Under the Dairy development programme during 2009-10 a sum of Rs.400.00 lakh has been allocated for the Milk Union at Gulbarga and Bidar regions of which Rs.310.00 lakh earmarked for Special Development Programme, Rs.65.00 lakh for Special component plan and Rs.25.00 lakh for Tribal Sub plan.

In order to strengthen the infrastructure in Belgaum and Gulbarga division, provision of Rs.500.00 lakh was made for establishment of chilling centre in the budget for the year 2009-10. Proposal has been submitted and government has released the amount. The programme is under implementation.

Under financial assistance / relief in the North Karnataka Division for improvement in Dairy development activities in the 5 districts viz., Gulbarga, Dharwad, Bijapur, Belgaum and Raichur / Bellary a sum of Rs.400.00 lakh has been allocated in the budget for the year 2009-10 of which Rs.270.00 lakh has been earmarked for Special Development Programme, Rs.95.00 lakh for Special Component Plant and Rs.35.00 lakh for Tribal Sub Plan. Government has released Rs.200.00 lakh for first and second quarter. The programme is under implementation.

Ministry of Women and Children Development, Government of India has sanctioned the programme of Support to Training and Employment Programme” (STEP) with an objective of Socio-economic upliftment of Women. Exclusive women dairy co-operative societies are organized and women members are trained in Dairy Animal Management and Awareness Programme on Health & Nutrition, Legal Literacy Gender Sensitization at village level.

In order to meet the increasing demand for Cattle feed, it is envisaged to establish new cattle feed plant with a capacity of 300 MT at Hassan and 500 MT capacity plant Challaghatta Village, near Bangalore is under process and the proposal to establish Tetra Brick machine at Mother Dairy to milk in Tetra pack, with joint venture of M/s. Tetra pack to be constructed by NDDB is under consideration.

Under Centrally Sponsored Scheme special package for 6 suicide prone districts, Central Government has released Rs.2547.53 lakh to Karnataka Milk Federation(KMF) through State Government. In pursuance of State government order for implementation of the scheme by the Department of Animal Husbandry, Government of Karnataka, with effect from 1.4.2009 a sum of Rs.111.76 lakh was refunded to KLDA. As on December 2009 a sum of Rs.2326.63 lakh with KMF has been utilized.

In order to improve the keeping quality of the milk, the milk has to be chilled as early as possible. For this, the Bulk Milk Coolers (BMC) are being established at village dairy cooperative societies. In this programme, training of farmers in clean and hygienic milk production, supply of detergents to dairy cooperative societies supply of stainless steel equipments etc., are undertaken.

Government of India has approved Clean Milk Production Programme to 5 milk unions with a total approved outlay of Rs.823.85 lakh, out of which Rs.156.21 lakh is organization share. Rs.608.07 lakh has been released by Government of India. KMF has spent Rs.514.30 lakh and programme is being implemented as per the approved plan. During 2009-10 an amount of Rs.130.00 lakh is provided in the Budget for the implementation of strengthening of Infrastructure for Quality and Clean Milk Production.

The Hon“ble Chief Minister has announced in the Budget speech for the year 2008-09 a scheme to make dairy farming more remunerative for rural families especially for rural women, Government of Karnataka is providing a cash incentive of Rs.2/- per ltr. of milk sold by farmers to milk co-operative societies. For the implementation of this programme, an amount of Rs.130.00 crore has been allocated for the year 2008-09 and Rs.200.00 crore has been allocated for the year 2009-10.

4.13 Fisheries Development:

Karnataka has rich fisheries resources with a continental shelf of 27000 Sq. km with 300 km of coastline and 5.60 lakh hectares of inland waters. This offers immense scope for development of fisheries. In addition 8000 hectares of brackish water area provides good scope for shrimp farming. The total fisher folk population of the state is 7.66 lakhs comprising 2.75 lakh marine and 4.91 lakh inland areas. The fish production in Karnataka was around 2.0 lakh tons in early eighties and reached to a peak of over 3.0 lakh tons in mid nineties. The average fish production in the last 5 years is about 3.00 lakh tons with the contribution of Marine sector being 60 percent and Inland sector 40 percent. The fish production from the state contributed about 4.8 percent of India’s total fish production. The current level of per-capita fish availability in the state is 6.8 kg. The contribution of Fisheries Sector to GSDP at current prices during 1993-94 was Rs.16316 lakh and it has increased to Rs.139511 lakh in 2008-09.

4.13.1 Fish Production:

The annual fish production in Karnataka has shown a considerable increase from 3.05 lakh metric tonnes in 2000-01 to 4.08 lakh metric tonnes in 2009-10. The details of the fish production of the State during the last 10 years are given in **Table 4.40**.

Table 4.40: Fish Production in Karnataka
(Quantity- M. Tons)

Year	Marine	Inland	Total
2000-01	177907	127468	305375
2001-02	128416	121196	249612
2002-03	180161	86262	266423
2003-04	187003	70036	257039
2004-05	171227	80470	251697
2005-06	176974	120598	297572
2006-07	168544	123919	292464
2007-08	175566	122124	297690
2008-09	218137	143717	361854
2009-10	248728	159324	408052

Source: Department of Fisheries

4.13.2 Marine Fisheries:

The major programmes under marine fisheries development include construction of fishing harbours and fish landing centers in selected places of the coastal districts in order to provide safe landing and berthing facilities for mechanized fishing boats, construction and improvement of fishery link roads, remission of central excise duty on HSD used by mechanized fishing boats, etc. However due to the revised guidelines issued by GOI the scheme on remission of central excise duty on HSD used by mechanized fishing boats, it could not be implemented during the current year.

Besides, State Government has sanctioned supply of 85000 kilo litres of VAT exempted diesel during the year to mechanized fishing boats so as to reduce the fishing costs. Assistance is also being provided for purchase of modern fishing and navigational aids such as fish finders, radio-telephone equipment etc., for offshore fishing vessels for easy navigation and identification of fish in deeper waters. Application of remote sensing technology is also being used to identify potential fishing zones along the coast which help in saving fuel and time to fishermen.

In the year 2010-11, a new scheme for providing subsidy @ Re 1 per unit of electricity consumed by ice plants has been introduced to rejuvenate the ice plants existing in the coastal areas. Apart from this, an administrative approval has also been obtained from the government for construction of fish landing centre at Koderi at an estimated cost of Rs. 30.00 Crore and released Rs. 10.00 Crore. There are seven fishing harbours in the state located at Karwar, Tadri, Honnavar, Bhatkal, Gangolli, Malpe and Mangalore, besides 19 fish landing centers at intervening centers. Export of marine products was of the order of 26155 metric tons in 2007-08, 33000 metric tons in 2008-09 and 57359 metric tons in 2009-10 with a foreign exchange earning of Rs. 162.61 Crore, 264.00 Crore, and Rs. 391.12 Crore, respectively.

In order to provide infrastructural facilities to off-shore/deep Sea fishing boats, construction of Malpe II stage fishing harbour was taken up at an estimated cost of Rs. 1900.00 lakh and the work is almost complete. A cumulative expenditure of Rs.1863.02 lakh was incurred. Construction of fishing harbour at Gangolli was taken up at an estimated cost of Rs. 832.00 lakh and work is under progress. So far an expenditure of Rs.902.36 lakh has been incurred. Extension of 60 metres wharf at Mangalore fishing harbour at a cost of Rs.75 lakh was taken up and an expenditure of Rs.97.69 lakh has been incurred. Construction of 2nd stage fishing harbour at Karwar was taken up and an expenditure of Rs.134.80 lakh has been incurred. Sanction has been accorded by GOI for the detailed project report submitted for construction of Mangalore fishing harbor III stage at an estimated cost of Rs.57.60 Crore and Malpe fishing harbor III stage at an estimated cost of Rs.37.15 Crore. The State has also given administrative approval for the same.

4.13.3 Inland Fisheries:

The major programmes under inland fisheries development include assistance for construction of fish ponds, stocking of grass carp seeds, construction of ponds in water logged areas, development of fish sanctuaries, intensive fish culture development through fish farmers development agencies, etc. From 2009-10 onwards, a new scheme on providing 50 percent subsidy for purchase of fish seed and supply of fishery requisite kits worth Rs. 5000 were introduced. Administrative approval has been obtained for construction of new fish seed farms at Nugu in Mysore district and Karanje in Bidar district during 2010-11. An ornamental fish production and rearing centre called Aquapark is also being established at Hesaraghatta, Bangalore Urban district to promote ornamental fisheries.

During the period between 1956 and 1966, the foremost activities in the inland sector were to import fish seed mostly riverine major carp fry collections from West Bengal. With the advent of Induced breeding technique, the major carps fish seed production is no more a major problem and seeds of major carp is produced all over the country. In order to develop the much needed infrastructure for producing the required quantities of fish seed for stocking in tanks, ponds and reservoirs of the state fish seed production and rearing farms and taluk-level nurseries have been set up by the Department of Fisheries. At present, there are 55 fish seed production and rearing farms under the control of State Department, Zilla Panchayats and Fish Farmers Development Agencies and 77 Taluk level nurseries in the State. To meet increased demand for fish seed Government also has encouraged establishment of private fish seed production and rearing farms by providing subsidy. At present, there are 81 fish seed production and rearing farms in the private sector. The state requires at least about 23.60 Crore fingerlings of fish seed to develop 50 percent water resources for fish culture.

4.13.4 Tank Fisheries Development:

Tank fishery development plays a strategic role in providing employment to rural folk. The fish produced by them provides income to their livelihood or additional income to them. The fishery rights of the tanks with achkut more than 40 hectares vest with the fisheries department. These water bodies are disposed of either by lease or tender cum auction. As per the Government Order No/ RDPR/165/ZPS/2002 dated 1-3-2004 tanks up to 40 hectares achkut area have been transferred to the respective Gram Panchayats. A comprehensive policy for disposal of tanks, reservoirs and rivers has been formulated vide Government Order No. AHF 167 SFS 2005 dated 28-01-2006. As per these amendments the tanks are leased in the following order of priority:

1. Jalasamvardhana Yojana Sangha.
2. Karnataka Co-operative Fisheries Federation, Mysore,
3. Societies that have obtained membership of this Federation,
4. Registered fisheries co-operative societies
5. Unemployed fisheries graduates
6. Registered water users co-operative societies and other societies / institutions.

4.13.5 Steps undertaken for the Development of Fishery in Karnataka:

a. Seed Development:

The major fish seed farms in the state which were established to produce and supply quality fish seed are:

1. Bhadra fish seed production farm at Bhadra Reservoir Project, Shimoga district
2. National fish seed production farm at Bhadra Reservoir Project, Shimoga district
3. Tungabhadra fish seed production farm at Tungabhadra Dam, Bellary district (Tungabhadra Board)
4. Hagaribommanahalli fish seed farm, Bellary district
5. Narayanapura fish seed farm, Bijapur district
6. Shivapura fish seed farm, Koppal district
7. V.V.Sagar fish seed farm, Chitradurga district
8. Markonahalli fish seed farm, Tumkur district
9. Kabini fish seed farm, Mysore district
10. Hessarghatta fish seed farm, Bangalore (urban) district

b. Karnataka Co-operative Fisheries Federation, Mysore:

It has jurisdiction over the whole state. It is mainly developing fish culture in tanks through fishermen co-operative societies. It has implemented NCDC funded Integrated Reservoir Fisheries Development Programme in four districts viz., Mysore, Chamarajanagar, Mandya and Hassan. Further, Integrated Inland Fisheries Development Project is being implemented in six districts viz., Shimoga, Davangere, Haveri, Dharwad, Raichur and Bellary through Fish Cooperative Marketing Federation.

c. Landing and Berthing Facilities:

Construction of fish landing centre at Kodibengre was taken up at a revised estimated cost of Rs.179.00 lakh and an expenditure of Rs.153.97 lakh has been incurred so far. Government of India has accorded approval for the construction of fish landing centre at Alvekodi in Uttara Kannada district at an estimated cost of Rs. 223.99 lakh. Administrative approval has been provided for construction of fish landing centre at Koderi, Byndoor at an estimated cost of Rs. 30.00 Crore.

d. NABARD Assistance under RIDF:

Construction of 11 roads and 2 bridges taken up at a total estimated cost of Rs. 192.51 lakh under NABARD assisted RIDF-IV and V, has been completed. Administrative approval was accorded for construction of 16 roads and 2 bridges (total 18 works) at a total cost of Rs.370.12 lakh under RIDF-VII. All these works have been completed and an

expenditure of Rs. 347.81 lakh has been incurred. Administrative approval was accorded for 5 bridges and 24 roads at a total cost of Rs. 1056.83 lakh under RIDF VIII and of these 24 roads and 4 bridges have been completed. An expenditure of Rs. 827.66 lakh has been incurred. Under NABARD assisted RIDF schemes works have been taken up at Kodikanyana (estimated cost Rs. 300.00 lakh), Gangolli fisheries jetty (estimated cost Rs. 300.00 lakh), Belikeri (estimated cost Rs. 300.00 lakh), Balambara (estimated cost Rs. 260.00 lakh) and Karwar net mending shed (estimated cost Rs. 3.00 lakh) and tender has been invited. The construction of Jetty at Gangavali fish landing centre has been started.

e. Motorisation of Traditional Fishing Crafts:

Centrally Sponsored Scheme of Motorisation of Traditional Fishing Crafts was introduced in the state during the year 1987-88 and so far 2360 traditional crafts have been motorised. Under this scheme for each outboard motors, 1/2 of the unit cost is provided as subsidy subject to a maximum of Rs. 30000. This subsidy amount is shared equally by State Government and Central Government. The rest of the amount is borne by the beneficiaries with assistance from financial institutions.

f. Centrally Sponsored Scheme - Development of Brackish-water Areas through Brackish-water Fish Farmers Development Agencies (BFDA):

Brackish-water Fish Farmers Development Agency (BFDA) at Karwar and Udupi was established to promote shrimp farming and to execute Government of India approved programmes. The farmers are also being trained in shrimp farming and also brackish water fish culture. Apart from this, traditional/improved traditional shrimp farming is also being encouraged by providing licence. So far 339 shrimp farmers have been provided with licences to take up traditional/improved traditional shrimp farming.

g. Dredging of Fishing Harbours:

In the state, under centrally sponsored scheme and other schemes major fishing harbours and small landing centres have been constructed and after construction due to lack of periodic dredging and other natural reasons (such as less inflow of water) some of these harbours and landing centres have severe problem of siltation. To solve the problem of siltation, dredging of harbours has been taken up.

h. Maintenance of Coastal Link Roads:

There are 174 fisheries link roads with a length of 276.51 km in the three coastal districts of the state. Every year an allocation of Rs.500.00 lakh was made for the repairs, development and maintenance of these fisheries link roads.

i. Fish Farmers Development Agencies:

13 Centrally Sponsored Fish Farmers Development Agencies have been established to develop small tanks and ponds (with W.S.A of less than 10 hectares). Under the Centrally sponsored scheme on development of fresh water aquaculture, 13 Fish Farmers Development Agencies covering 17 districts have been established in the state for development of fisheries

in ponds, minor tanks and derelict waters. Under this scheme unemployed youths are trained in fish culture and fisheries activities and suitable water bodies are leased to them for fisheries development. The beneficiaries are assisted to obtain loan from the financial institutions for purchase of fish seed, feed, manure and fishery requisites and renovation of ponds and are provided with subsidy.

j. Rashtriya Krishi Vikasa Yojana:

Under Rashtriya Krishi Vikasa Yojana (RKVY), an allocation of Rs.2640.00 lakh was provided for improvement of fish seed production and rearing farms through Department of Fisheries, Improvement of marketing facilities through Karnataka Fisheries Development Corporation and to conduct various research projects through University of Agricultural Sciences, Bangalore and Karnataka Veterinary, Animal and Fisheries Sciences University Bidar. Under RKVY, for the fisheries sector "Integrated Fisheries Development Project" at a cost of Rs. 5288.00 lakh has been accorded sanction. During 2008-09, Rs.1314.00 lakh was released and the entire amount has been spent. For the year 2009-10, Rs.1869.00 lakh has been released. During 2010-11 Rs.600.00 lakh has been released so far.

k. Establishment of Aqua Park:

For the first time in the state with an objective of promoting ornamental fish seed production and sale in and around Bangalore with utmost priority government has accorded administrative approval for the establishment of Aqua Park vide GO No AHF/ SFM/ 2009 dated: 6/7/2009 with ornamental fish seed production and rearing units at Hesaraghatta at a cost of Rs.200.00 lakh. Work is under progress.

l. Brackish Water Shrimp Farming:

Karnataka has about 8,000 hectares of brackish water area, of which 4200 ha are suitable for shrimp culture. In order to encourage scientific fish farming in these waters, two Brackish Water Fish Farmers Development Agencies were established, one at Karwar and another at Brahmavara (presently in Udupi). These agencies are engaged in training of farmers in shrimp culture, selection of sites and preparation of project reports for getting financial assistance from the banks to the beneficiaries. 25 percent subsidy is provided to the shrimp farmers to encourage scientific shrimp farming. Central and State governments share the cost on 75:25 basis.

4.13.6 Fishermen Welfare Schemes:

Fishermen in the State are assisted by the Department of Fisheries through several fishermen welfare schemes such as, HUDCO sponsored Mathsya Ashraya Scheme for construction of houses to houseless fishermen, Construction of Link roads for quicker transportation of fish caught, Savings-cum-Relief Scheme for marine fishermen, Group accident insurance scheme etc.

a. Distress Relief Fund:

Distress relief fund was started in order to provide relief to fishermen/their dependents in case of death/permanent disability while fishing. In 2006-07 the relief amount provided from the distress relief fund has been increased from Rs.25000 per head to Rs.50000 per head.

b. Group Accident Insurance Scheme:

Under this Centrally Sponsored Group Accident Insurance Scheme, the premium amount of Rs. 30.00 per fisherman, shared equally by State and Centre has been paid to the National Federation of Fisheries Co-operative Ltd., New Delhi towards insurance coverage of 120,000 fishermen of the state. During 2009-10, Rs.18.00 lakh has been paid to FISHCOFED, New Delhi towards premium.

c. Matsya Ashraya Scheme:

In the State there was a great demand for houses by the houseless fishermen. Since the funds provided by the Government of India for the housing programme was insufficient, Government of Karnataka in the year 2006-07 started Matsya Ashraya III phase to construct houses at a unit cost of Rs.40000 per house. Under Matsya Ashraya III phase construction of 5000 houses have been taken up and so far 4028 houses have been completed. During 2009-10, administrative approval for construction of another 5000 houses has been provided and constituency wise distribution has been done. Under CSS programme another 1000 houses have been sanctioned and construction is under progress.

d. CSS Savings-cum-Relief Scheme for Marine Fishermen:

Under this scheme, Rs.75 per month will be collected from marine fishermen for a period of eight fishing months in a year. A total amount of Rs.600 thus collected from each fisherman will be matched with Rs.600 by the State and Central Governments and the total of Rs.1800 thus collected will be distributed during four lean months to the beneficiaries equally at Rs.450 per month. Every year around 18000 to 20000 fishermen are assisted every year.

e. Matsya Mahila Swavalambana Yojana:

In Marine Fisheries, women play a very important role and they are involved in activities such as drying of fish, curing and local marketing of fish. In the case of inland Fisheries also women play an important role. More than 1 lakh women are involved in fisheries activities and for the necessary investment, they are obtaining loan from private money lenders at a high rate of interest. To avoid such hardship and to improve their economic and social status “Matsya Mahila Swavalambana Yojane” was introduced. Under this scheme a revolving fund limited to a maximum of Rs. 20,000 per group of fisher women involved in fisheries activities is provided.

f. Supply of Fishery Requisite Kits:

In the year 2009-10, to improve the livelihoods of the traditional and poor fishermen, a new scheme “Supply of Fisheries Kit” was introduced by the Department. Under this scheme a kit consisting of fishing net, coracle and other fishery requisites are given to coastal

or inland fishermen involved in traditional capture fisheries. The unit cost of each kit would be Rs.5000.00 and it would be provided as 100 percent subsidy to the beneficiary. This would improve the economic condition of the poor fishermen in their day to day struggle for livelihood.

g. Processing, Preservation and Marketing:

There are 203 ice plants with a production capacity of 3225 tonnes of ice per day, 42 cold storages with a storage capacity of 2715 tonnes, 14 freezing plants with a capacity of 117 tonnes and 13 frozen storages with a storage capacity of 1730 tonnes per day. There are 8 canning plants and 15 fish meal plants in the state. There are two Co-operative Fish Marketing Federations and one Fisheries Development Corporation working in the coastal districts to help the fishermen in marketing their fish catches. These institutions will help the fishermen in supply of diesel, fishery requisites, spare parts etc., and in marketing of fish.

h. Fisheries Co-operative Societies (FCS):

There are 530 Fishermen Co-operative Societies in the state out of which 476 are functioning and 54 are defunct. One, State Level Co-operative Fisheries Federation and two, District Co-operative Fish Marketing Federations are functioning in the State. To assist the activities of these Co-operatives, share capital, fishery requisites loan and managerial subsidy are being provided. There are 177436 members in all FCS.

Natural Resources are essential not only for sustaining life but are also crucial for economic growth. Economic development aimed at continuous augmentation of human and man-made (physical) capital, imposes an immense cost on the natural capital, which in turn adversely affects society. For sustainable development simultaneous augmentation of all the three capitals is essential. An adequate investment on natural capital regeneration and conservation of environment is critical as it contributes for long-term sustainability of the economy. Karnataka's pro-active economic development agenda has yielded good results in recent times and has also impacted the environmental resource base. However, due to poor availability of information on various aspects of natural resource depletion and degradation, it is not possible to give an accurate account on environmental modification caused by economic development. But it is necessary to provide existing information on the environment and the responses of the state government in addressing these problems through various economic policies.

5.1 Forests:

Forests are an integral part of the natural resources and environmental system. The total economic value of forests may be better comprehended by taking into account their productive, protective and regulative functions. Forest resources continue to play a predominant role in supplying a wide range of goods and services, apart from generating income and employment to the forest dependent communities. Karnataka covers about 60 percent of the forest area of the Western Ghats. In recent years, due to fundamental and proximate factors, the Western Ghats have been severely depleted and degraded, and are therefore construed as one of the most "critical ecosystems" or "hot spots" of biodiversity. Most alarmingly, even though the depletion of forest cover has been halted to a large extent and the forest cover has quantitatively increased in the recent years, what is worrying is that the natural forest stock is qualitatively still under severe degradation. An accelerated deforestation and associated degradation of environmental resources base has serious implications both for the production and the resilience of the ecosystem. The loss of forest cover is considered as a serious threat to the environment and hence to the sustainable development and the lives and livelihood needs of millions of people in the state. Continued denudation of forest at an unprecedented rate could block the future development options in terms of declining agricultural productivity, loss of biodiversity, soil erosion, limited availability of food, fodder, fuel wood, depletion of underground water table, climate change and ozone depletion, at both the regional as well as the global levels. Forest resources perform many diverse tangible and intangible functions are given in **Table 5.1**.

Table 5.1: Goods and Services of Forest Ecosystem

Goods	Services
✓ Timber	✓ Remove air pollutants, emit oxygen
✓ Fuel wood	✓ Cycle nutrients
✓ Drinking and irrigation water	✓ Maintain array of watershed functions (infiltration, purification, flow control, soil stabilization)
✓ Fodder	✓ Maintain biodiversity
✓ Non-timber forest products, (vines, bamboos, leaves etc.)	✓ Sequester atmospheric carbon
✓ Food (honey, mushrooms, fruit, and other edible plants)	✓ Moderate weather extremes and impacts
✓ Genetic resources	✓ Generate soil
	✓ Provide employment
	✓ Provide human and wild life habitat
	✓ Provide aesthetic enjoyment and recreation.

Forest resources significantly contribute to the state's Gross Domestic Product (GSDP) in terms of supply of timber, medicinal plants, NTFPs, grazing, recreational activities, carbon sequestration, watershed provisions etc. Forest resources are under severe pressure due to rapid population growth; and in this scenario meeting development, livelihood, agricultural and industrial needs and conserving forests for productive and ecological services is a major challenge. The main factors responsible for the depletion of forest resource base are diversion of forest areas for developmental activities, encroachment of forest area, destruction of natural habitat, mining and quarrying, wildlife poaching, smuggling of timber, erosion of common property resources, excessive fuel wood collection and livestock grazing. The Forest Department of the state has succeeded in halting quantitative depletion of forest cover through afforestation programmes but the quality of forests continues to be the major threat for the sustainable living of both human beings and animals.

Karnataka's geographical area 1,91,791 sq. kms constitutes 5.83 per cent of the country's total area, and The forest is the second largest land use sector after agriculture in the state. As per the Forestry Survey of India Report, 2009, the recorded forest area consists of 38,284 sq. kms (19.96%); of which the reserve forest constitutes 74.94%, protected forest 10.27% and unclassified forest 14.79%. Thus, two-fifth of state's geographical area is under forest cover. However, classification of recorded forest areas on a legal basis provides slightly different statistics (**Table 5.2**).

Table 5.2: Classification of Recorded Forest Area in Karnataka on the Legal Basis

Sl. No.	Legal Status	Area (Sq. Km.)	Percentage to geographical area
1	Reserved forest	29550.22	15.41
2	Protected forest	3585.21	1.87
3	Village forest	49.05	0.03
4	Unclassified forest	10118.40	5.28
5	Private forest	54.06	0.03
6	Others	0.00	0
Total		43356.94	22.62

Note: The above figures are as per the Re-constituted Expert Committee-I Report

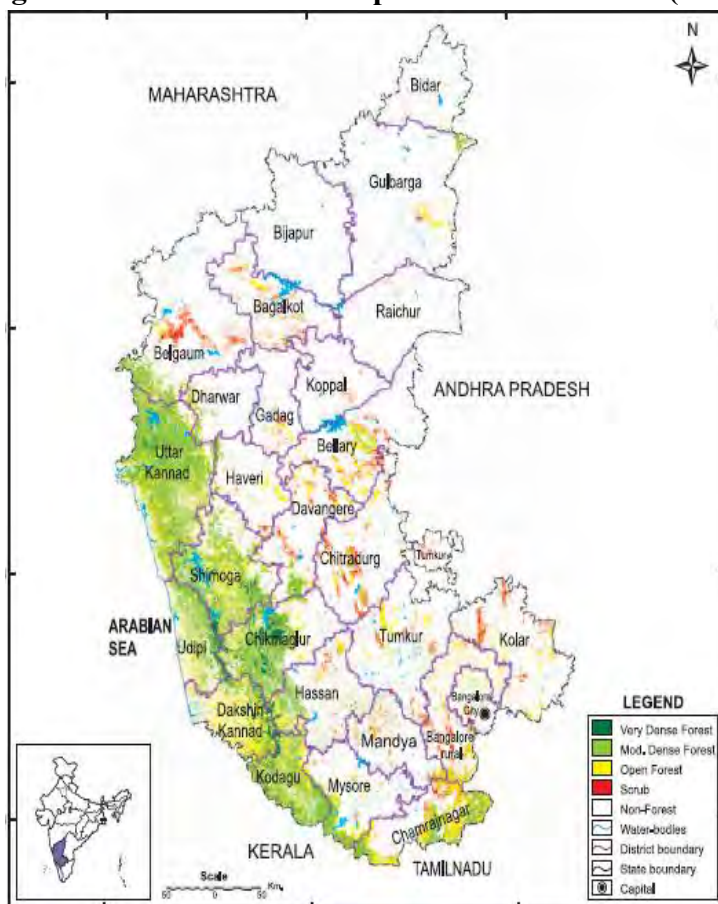
The estimates of FSI on the basis of interpretation of satellite data show that the recorded forest of the state comprise about 36,190 Sq Km, which is lower than the state estimates. Therefore, about 18.87 per cent of the geographical area of the state is under forest cover. The estimation of forest cover classified on the basis of forest canopy density shows that the state has 1777 sq km of very dense forest, 20,181 sq km of moderately dense forest and 14,232 sq km of open forest (**Figure 5.1**). District wise forest canopy density estimates along with the change compared to 2005 assessment are given in **Table 5.3**.

Table 5.3: District-wise Forest Cover along with Geographical Area in 2007 (km²)

District	Geographical Area	Very Dense Forest	Mod. Dense Forest	Open Forest	Total Forest Area	% of G.A.	Change*	Scrub
Bagalkot	6,575	0	11	189	200	3.04	-1	233
Bangalore	5,815	6	133	671	810	13.93	-1	253
Bangalore City	2,190	0	39	110	149	6.8	0	30
Belgum	13,415	17	757	318	1,092	8.14	1	467
Bellary	8,450	0	110	662	772	9.14	0	253
Bidar	5,448	0	18	36	54	0.99	0	12
Bijapur	10,494	0	0	12	12	0.11	0	0
Chamarajnaragar	5,101	45	1,043	1,548	2,636	51.68	0	179
Chimagalur	7,201	587	2,428	666	3,681	51.12	0	17
Chitradurga	8,440	0	56	362	418	4.95	0	435
Dakshina Kannada	4,560	253	1,009	1,598	2,860	62.72	2	0
Davanagere	5,924	4	339	399	742	12.53	-1	269
Dharwar	4,260	0	232	151	383	8.99	0	6
Gadag	4,656	0	0	123	123	2.64	0	64
Gulbarga	16,224	0	87	209	296	1.82	0	46
Hassan	6,814	67	752	511	1,330	19.52	1	91
Haveri	4,823	0	154	245	399	8.27	-2	53
Kodagu	4,102	246	2,142	951	3,339	81.4	1	0
Kolar	8,223	0	59	449	508	6.18	-2	283
Koppala	7,189	0	1	13	14	0.19	0	53
Mandya	4,961	1	98	209	308	6.21	0	135
Mysore	6,854	4	648	417	1,069	15.6	0	38
Raichur	6,827	0	2	23	25	0.37	-1	16
Shimoga	8,477	205	2,809	1,394	4,408	52	-3	23
Tumkur	10,597	0	62	490	552	5.21	-1	219
Udupi	3,880	158	1,415	617	2,190	53.87	-2	0
Uttara Kannada	10,291	184	5,777	1,859	7,820	75.99	-1	1
Total	191,791	1,777	20,181	14,232	36,190	18.87	-10	3,176

* Change compared to 2005 assessment (revised) Source: Forest Survey of India, 2009

Figure 5.1: Forest Cover Map of Karnataka State (2009)



5.2 Change in Forest Cover:

The forest resources of the state are under severe pressure with drastic fall in the area of dense forest cover during the period of 2001 and 2007. The dense forest cover was estimated about 26156 Sq Km (70 percent) in 2001 and has declined to 21958 sq km (60 per cent) in 2007 - a 10 per cent decline within a period of 7 years. However, the open forest cover has increased from 10835 sq km to 14232 sq km in the assessment period (**Table 5.4**). The forest area of the state has also slightly declined when compared to country's forest area during the period.

Table 5.4: Change in Forest cover (as assessed by FSI published in State of Forest Reports)

Sl. No.	Forest type	Forest Area in Sq Km			
		2001	2003	2005	2007
1	Dense forest	26156	22661	21968	21958
2	Open forest	10835	13988	14232	14232
	Total	36991	36449	36200	36190
4	India	675538	678333	690171	690899
5	Compare with India percentage	5.48	5.37	5.25	5.24

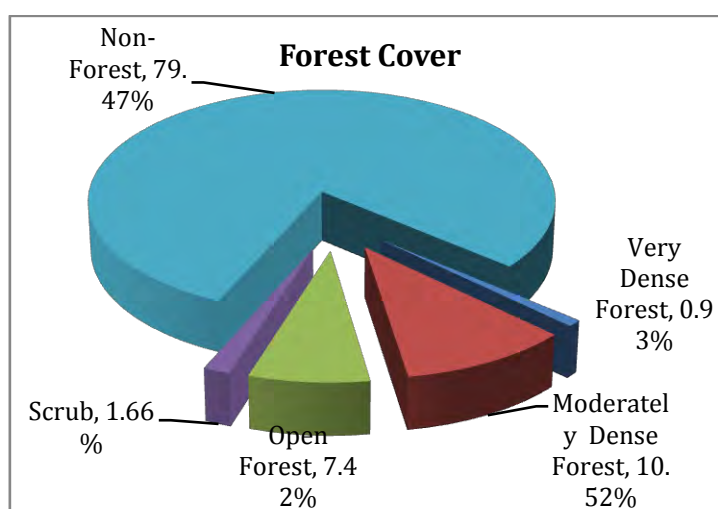
Note: The details have been collected from the State Forest Reports from 1989 to 2009. The SFR 2009 pertains to the assessment year 2007.

The forest cover as per the Forest department's estimation shows that about 0.93% area is classified as very dense forests, 10.52% as Moderately Dense Forests, 7.42% as Open Forests and 1.66% as scrub forests.

Table 5.5: Forest Cover (Percentage)

Very Dense Forest	0.93
Moderately Dense Forest	10.52
Open Forest	7.42
Scrub	1.66
Non-Forest	79.47
Total	100

Figure 5.2: Forest Cover (Percentage)



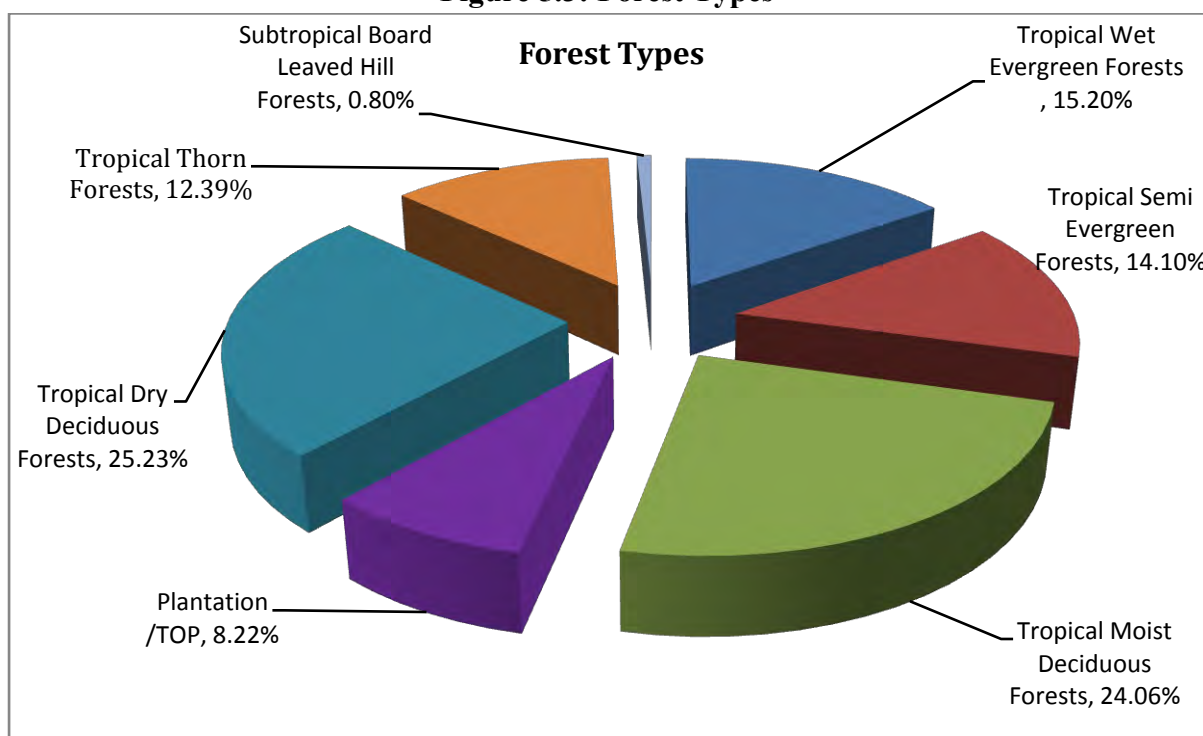
5.3 Types of Forests:

The forest vegetation of state is classified into seven types based on gradients of rainfall, length of the dry season and temperature. Of the total forests, about 15.20 percent of forests are classified as wet evergreen, 14.10 percent as semi-evergreen, 24.06 percent as moist deciduous and 25.23 percent as dry deciduous. Thorn forests consist of 12.39 percent, plantations cover 8.22 percent and a marginal 0.80 percent of forests are classified as broad leaved hill forests (Table 5.6 and Figure 5.3).

Table 5.6: Types of Forest

Sl. No.	Types of Forests	Percentage
1	Wet Evergreen Forests	15.20
2	Semi Evergreen Forests	14.10
3	Moist Deciduous Forests	24.06
4	Plantation/TOP	8.22
5	Dry Deciduous Forests	25.23
6	Thorn Forests	12.39
7	Subtropical Broad Leaved Hill Forests	0.80
	Total	100

Figure 5.3: Forest Types



5.4 National Parks and Sanctuaries:

The forests of Karnataka support a wide range of flora and fauna (biodiversity). Karnataka has a network of well connected and well protected Wildlife Sanctuaries and National Parks. The State has 5 National Parks and 21 Wildlife sanctuaries covering an area of 6446 Sq kms which constitutes 16% of the total forest area. These are spread across several forest types ranging from the evergreen to scrub forests, thus forming a network of areas representing different ecosystems containing rare and endangered species of plants as well as animals and birds. With around 6,000 wild elephants and nearly 290 tigers, the state is home for about 25% of wild elephants and 20% of the tigers in the country. About 4500 species of flowering plants, 500 species of birds, 120 species of reptiles, 70 species of frogs, and 800 species of fish are found in the forests of the state. During 2009-10 Rs.940.00 lakhs was allocated for the maintenance of the Wildlife Sanctuaries and National Parks, out of which Rs.870.380 lakhs have been spent; and for 2010-11, Rs.1200.00 lakhs have been earmarked, out of which Rs.133.870 lakhs have been spent up to the end of November-2010.

Table 5.7: National Parks in Karnataka

SI No	District	National Park	Area (in Sq kms)
1	Bangalore	Bannerghatta National Park	104.27
2	Mangalore	Kudremukh National Park	600.32
3	Uttara Kannada	Anshi National Park	339.87
4	Mysore	Bandipura National Park	872.26
5	Mysore/Kodagu	Nagarahole National Park	643.39
	Total		2560.11

Figure 5.4: National Parks of Karnataka State (Sq Km)

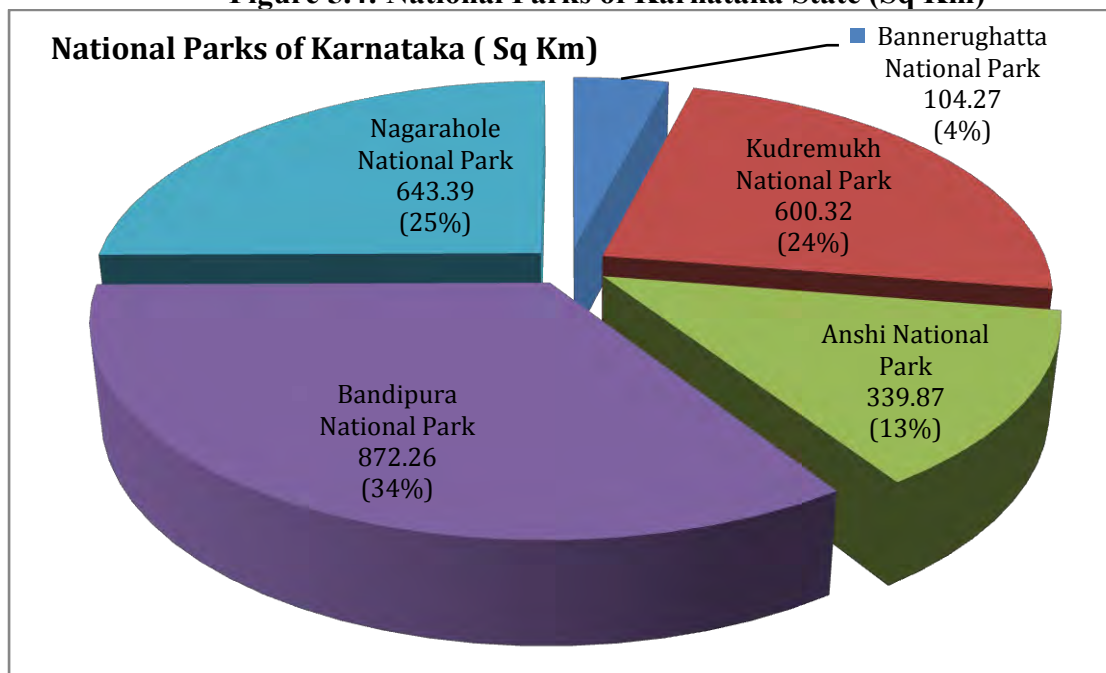


Table 5.8: Wildlife Sanctuaries in Karnataka

Sl no	Division	Sl no	Sanctuaries	Area (in Sq kms)
1	Mysore	1	Adichunchanagiri Peacock Sanctuary	0.84
		2	Ranganathittu Bird Sanctuary	0.67
		3	Arabithittu Bird Sanctuary	13.50
		4	Melkote wildlife Sanctuary	49.82
2	Chamarajanagara	5	BRT Wildlife Sanctuary	539.52
		6	Cauvery Wildlife Sanctuary	526.96
3	Kodagu	7	Pusphagiri Wildlife Sanctuary	102.59
		8	Talacauvery Wildlife Sanctuary	105.59
		9	Brammhagiri Wildlife Sanctuary	181.29
4	Mangalore	10	Someswara Wildlife Sanctuary	88.40
		11	Mookakambika Wildlife Sanctuary	247.00
5	Uttara Kannada	12	Dandeli Wildlife Sanctuary	475.02
6	Shimoga	13	Shettihalli Wildlife Sanctuary	395.60
		14	Sharavathi Wildlife Sanctuary	431.23
		15	Gudavi Bird Sanctuary	0.73
7	Chikamagaluru	16	Bhadra Wildlife Sanctuary	492.46
8	Dharawad	17	Renebennuru Blackbuck Sanctuary	119
		18	Ghataprabha Bird Sanctuary	29.78
		19	Attiveri Bird Sanctuary	2.23
9	Bellary	20	Daroji Bear Sanctuary	55.87
10	Mysore	21	Nagu Wildlife Sanctuary	30.32
Total				3888.42

Table 5.9: Details of Visitors Visited to National Parks & Wildlife Sanctuaries for the Period of 2009-10

Sl. No.	Name of WLS & NPs	Indian	Foreigners	Total
1	Nagarahole National Park	39645	5950	45595
2	Bandipura National Park	161237	2188	163425
3	Kudremukh National Park	48280	5	48285
4	Someshwara Wildlife Sanctuary	1515	0	1515
5	Mookambika Wildlife Sanctuary	913	0	913
6	Dandeli-Anshi Tiger Reserve	18599	744	19343
7	Bhadra Wildlife Sanctuary	5732	97	5829
8	Cauvery Wildlife Sanctuary	8567	191	8758
9	Ranganatittu Bird Sanctuary	262610	5932	268542
10	Pushpagiri Wildlife Sanctuary	3224	6	3230
11	Tala Cauvery Wildlife Sanctuary	20	25	45
12	Brahmagiri Wildlife Sanctuary	71189	244	71433
13	B.R.T. Wildlife Sanctuary	5242	179	5421
14	Sharavathi Wildlife Sanctuary	200	0	200
15	Gudavi Bird Sanctuary	95	0	95
16	Shettihalli Wildlife Sanctuary	91	0	91
	Total	627159	15561	642720

Note: Except Wildlife Shimoga & Ranebennur Sanctuaries

Table 5.10: Man-animal Conflict: Human and Animal Deaths during 2009-10

Sl No	Particulars	Number
1	Elephants	139
2	Tiger	10
3	Other animals	155
	Total	304
1	Total number of persons died due to wild animal's attack	33
2	Total amount of compensation paid (Rs.)	418,64,819

Table 5.11: Project wise Area and Expenditure under Wildlife and National Parks/Sanctuaries

Sl. No.	Scheme	Expenditure of 2009-10	Expenditure Rs. in lakhs			% Change in 2010 over 2005
			2000	2005	2010	
1	Project Tiger	1,153.861	309.170	560.570	570.142	+2
2	Development of Wildlife Sanctuaries & National Parks	870.380	212.030	812.980	235.711	-71
3	Project Elephant	278.790	43.340	138.360	105.949	-23
4	Nilgiri Biosphere Reserve	109.731	42.600	66.300		
5	Kudremukh National Park for Rehabilitation	97.424	-	-	125.000	
6	KSFMBC	286.663	-	201.300		
7	Eco-Tourism	33.720	-	5.000	20.459	309
8	Nature Conservation (PLAN)	149.408	-	-	5.695	
9	Eco-development around NPs & WLS		106.750	-		
10	Rehabilitation of Villages of Bhadra WLS		200.000	-		
11	Tribal Development around National Parks		61.480	-		
12	Eco-Development Bandipur National Parks		44.790	-		
13	India Eco-Development Project		725.850	-		

5.5 Revenue Realised from Forestry:

The state had realised Rs 547.81 lakhs during 2009-10 from marketing forest produce such as timber, firewood, sandalwood, bamboos, canes and other minor forest produce. The details are given in the following tables.

Table 5.12: Production (Cubic metre) and value (Rs in lakhs) of Forest Produce

Sl. No.	Forest Produce	2000		2005		2010	
		Production	Value	Production	Value	Production	Value
Major Forest Produce							
1	Timber	65035.475	4132	74170.989	3808	45719.06	7034.14
2	Firewood	294118.24	1090	230455.37	673	137317.126	1273.24
Minor Forest Produce							
1	Bamboo	224819.27	414	974480.36	347	187763.91	387.3
	Total	583972.98	5636	1279106.72	4828	370800.09	8694.68

Table 5.13: Total Revenue Realized from Forest Products (2009-2010)

Sl. No.	Forest Product	Revenue Realized (in Lakhs)
1	Sandalwood	222.55
2	Timber	7034.14
3	Bamboos	387.30
4	Canes	1273.24
5	Minor Forest Products	141.36
	Total	9061.59

5.6 Afforestation Programmes in the State:

Large-scale afforestation programmes have been implemented under externally aided projects. During 2009-10, afforestation was done to an extent of 83641 hectares and 636.842 lakhs seedlings planted. Under the Farm forestry programme, 110.55 lakhs seedlings were distributed to farmers and general public for planting in private lands. In 2010-11, afforestation has been carried out on 93,579 hectares by planting 819.566 lakhs seedlings up to end of November 2010.

5.7 Externally Aided Projects:

JICA-Assisted Karnataka Sustainable Forest Management and Bio-diversity Conservation Project (KSFMBC) (JBIC Phase – II):

The Karnataka Forest Department has been implementing the KSFMBC project from the year 2005-06 with an outlay of Rs.745.00 crores for a period of 8 years up to 2012-13. The project covers 176 taluks in 30 districts of the state. During 2005-06 to 2009-10, Rs.624.358 crores were spent for raising 151016 hectares of plantations and for other developmental works. For 2010-11 Rs.81.99 crores are earmarked for carrying out the approved works out of which Rs.40.156 crores have been spent up to end of November-2010 for raising 38451 hectares of plantations and for other development works. The state has formed about 1222 village forest committees up to 2009.

**Table 5.14: Formation and maintenance of VFCs formed under KSFMB Project
up to 31-03-2010**

Sl. No.	Division	2005-06		2006-07		2007-08		2008-09		Total	
		Tar	Ach	Tar	Ach	Tar	Ach	Tar	Ach	Tar	Ach
Project – A											
1	Belgaum	8	20	20	12	20	23	-	-	48	55
2	Gokak	8	7	10	12	10	10	-	-	28	29
3	Kollegal	11	11	12	12	12	7	-	1	35	31
4	Chikkamagalur	9	15	14	6	15	9	-	-	38	30
5	Koppa	8	10	14	12	15	11	-	-	37	33
6	Dharwad	9	4	16	11	15	1	-	-	40	16
7	Haveri	10	14	16	22	16	14	-	1	42	51
8	Mysore	8	8	15	6	15	4	-	-	38	18
9	Hunaser	8	10	10	16	10	6	-	-	28	32
10	Hassan	13	13	19	20	20	15	-	-	52	48
11	Shimoga	8	8	11	12	10	7	-	-	29	27
12	Bhadravati	8	9	11	12	10	16	-	-	29	37
13	Sagar	8	8	11	15	10	13	-	1	29	37
14	Madikeri	6	6	11	11	10	16	-	-	27	33
15	Virajpet	3	3	2	2	0	1	-	-	5	6
16	Karwar	12	12	17	17	15	18	-	-	44	47
17	Haliyala	10	14	14	11	14	13	-	2	38	40
18	Yellapur	9	12	15	18	14	17	-	-	38	47
19	Honnavaara	13	21	16	13	15	10	-	3	44	47
20	Sirsi	10	13	17	14	15	30	-	3	42	60
21	Mangalore	9	10	16	15	16	11	-	-	41	36
22	Kundapur	11	11	16	16	15	11	-	-	42	38
23	Chamarajnagar	2	2	2	2	2	2	-	-	6	6
Project – B											
24	Bangalore Urban	12	3	3	5	3	0	-	-	18	8
25	Bangalore Rural	22	9	7	4	0	0	-	1	29	14
26	Ramanagara		13		3	1	1	-	8	1	25
27	Kolar	14	9	11	6	11	2	-	-	36	17
28	Chikkaballapura		14	-	5	0	0	-	1	-	20
29	Bagalakote	11	10	10	11	7	7	-	-	28	28
30	Bijapura	3	3	-	4	-	-	-	-	3	7
31	Bellary	9	14	14	9	8	8	-	-	31	31
32	Chitradurga	10	17	13	8	7	12	-	-	30	37
33	Davanagere	10	10	13	13	8	10	-	-	31	33
34	Koppal	10	10	1	1	1	8	-	-	12	19
35	Gadag	9	10	12	9	6	8	-	-	27	27
36	Gulbarga	11	11	18	17	9	10	-	-	38	38
37	Bidar	9	9	15	17	8	8	-	-	32	34
38	Raichur	3	9	5	2	3	-	-	-	11	11
39	Mandya	7	7	12	11	8	9	-	3	27	30
40	Tumkur	18	23	16	11	12	5	-	-	46	39
	Total B	158	181	150	136	92	88	-	13	400	418
	Grand Total	359	422	455	423	386	353	-	24	1200	1222

5.8 District Sector Scheme:

Vanasamvardhana Yojane:

In the year 2009-10 as against the target of Rs.178.131 lakhs, Rs.175.140 lakhs was spent for distributing 34.11 lakhs seedlings to farmers and public besides raising 32.597 lakhs seedlings for distribution during the 2010 rains. The scheme will be dispensed with from 2010-11 onwards.

5.9 Special Development Plan:

The Karnataka Forest Department started implementing this scheme from 2008-09. It is being implemented in 114 Taluks as per D.M. Nanjundapp's Committee Report. The main object of the scheme is to eradicate regional imbalance between forward and backward taluks by providing employment opportunities. In the, year 2009-10 Rs.2000.00 lakhs was provided under forestry sector. Rs.1980.35 lakhs was spent for raising 9827 ha. plantations, advance work of 2673 ha. and raising of 39.14 lakhs seedlings and maintenance of 1451ha. of older plantations. For the year 2010-11 Rs.2000.00 lakhs was provided under forestry sector, Out of which, Rs.552.878 lakhs has been spent on raising plantation 3728 ha. plantations and 11278ha of plantation maintenance, up to the end of November-2010.

5.10 State Sector Plan Scheme:

Cultivation of Sandalwood Plantations:

Under this scheme protection and maintenance of sandalwood trees is taken up viz., fixing of chain link mesh, watch and ward and protective measures. In the, year 2009-10 Rs.215.00 lakhs was earmarked, out of which Rs.165.00 lakhs has been spent towards protection of 100 ha. sandal plantations. For 2010-11 Rs.250.00 lakhs are earmarked, out of this, Rs.47.480 lakhs have been spent for maintenance of 100 ha and protection of 80 ha. of sandal plantations.

Development of Bio-fuel Plantations:

This scheme is being implemented since 2008-09. In order to meet the increasing demand for fuel, and to reduce the effects of global warming due to fossil fuel and also to increase the usage of bio-fuel as alternative source, the state government has constituted "Bio-Fuel Task Force". In the year 2010-11, a budget provision of Rs.100.00 lakhs has been made for the maintenance of 202 ha. of bio-fuel plantations and research work. So far Rs.48.00 lakhs have been spent up to the end of 2010.

Development of Degraded Forests:

In the year 2009-10, Rs.332.00 lakhs was earmarked and released. Out of this Rs.329.07 lakhs was spent for raising 942 ha. of plantations, 932 ha. of advance work and for other developmental activities. In the year 2010-11 a target of Rs.408.00 lakhs is earmarked Rs.188.030 lakhs have been spent for raising 1510 ha. of plantations including maintenance, upto the end of November-2010.

Greening of Urban Areas:

In the year 2009-10, Rs.300.00 lakhs was earmarked and released. Out of this Rs.293.83 lakhs was spent for raising 573 km of plantations including maintenance of older plantations. In the year 2010-11, Rs.550.00 lakhs has been earmarked; Rs.210.65 lakhs have been spent for raising 1195 ha. of monsoon plantations, maintenance of 1.60lakhs seedlings and 1560 ha. of plantations, up to November-2010.

Raising of Seedlings for Public Distribution Scheme:

In the year 2009-10, Rs.128.43 lakhs was earmarked and released, out of which Rs.127.98 lakhs was spent for raising 22.302 lakhs seedlings besides maintaining 33.647 lakhs seedling for selling the same to the formers and public during 2010-11 rains. In the year 2010-11, a target of Rs.128.32 lakhs has been earmarked. Out of this up to end of November-2010, Rs.26.73 lakhs have been spent for maintaining 25.16 lakhs seedlings; of which 19.09 lakhs seedlings have been sold. Besides this, action has also been taken for raising 3.80 lakhs seedlings for distribution during the 2011 rains.

Table 5.15: Additional area brought under forestry (in hectares)

Type of Plantation	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11(A)
Eucalyptus plantations	496	3371	1668.00	753	174	-
Teak plantations	195	1009	2014.87	363	1891	-
Miscellaneous plantations	39386	11209	35958.68	65418	75445	98806
Canal and avenue plantations (kms.)	2331	2652	1804.27	2123	2901	1194
Afforestation Trees planted (lakhs)	542.19	1068.18	1011.062	608.817	632.842	819.566

A - Anticipated * Nos. in lakhs

5.11 Centrally Sponsored Schemes & Central Plan Schemes:

National Afforestation Programme through Forest Development Agency (NAP-FDA):

In the year, 2009-10 as against the target of Rs.1615.70 lakhs, Rs.1194.56 lakhs was released and Rs.1147.499 lakhs was spent for raising 4967 ha. plantation and maintenance of 69633ha. older plantations. In the year 2010-11, Rs.1580.994 lakhs have been earmarked. Up to the end of November-2010 Rs.198.08 lakhs have been spent for raising 2393 ha. of plantations and for other developmental works.

Conservation and Management of Mangroves:

In the year 2009-10 as against the target of Rs.150.00 lakhs, Rs.15.00 lakhs was released. Under the scheme maintenance of mangrove plantations in Honnawara, Kundapura, Mangalore and Karwar forest division has been under taken. During 2010-11, Rs.150.00 lakhs has been earmarked.

CSS – Integrated Forest Protection Scheme:

During 2009-10, under the Integrated Forest Protection Scheme, 8832 km of new fire lines have been created, 5928 km of old fire lines have been maintained and 941 km of survey and demarcation work has been done by spending Rs.149.557 lakhs. For 2010-11, Rs.500.00 lakhs have been earmarked as central share and Rs.125.00 lakhs as state share. No expenditure was booked up to the end of November, 2010.

5.12 Revenue and Expenditure:

The following table presents the details of revenue realized by sale of forest produce like timber, minor forest produce and fees charged for wildlife sanctuaries etc. The expenditure component includes the establishment cost.

Table 5.16: Revenue Realized and Expenditure Incurred on Forestry (Rs. Crore)

Year	Revenue	Expenditure
2001-02	100.00	330.68
2002-03	100.88	231.01
2003-04	182.27	231.70
2004-05	168.70	289.80
2005-06	114.79	253.28
2006-07	127.07	326.71
2007-08	130.51	377.14
2008-09	126.23	451.121
2009-10	193.99	500.76
2010-11(A)	364.98	541.34

A - Anticipated

5.13 Environment:

Rapid growth of population, sprawling urbanisation, expansion of industrial base under the globalisation led economic development have largely impacted environmental resources such as land, water, air and biodiversity in the state. The wellbeing of the people and sustainable development of the state are completely dependent on the extent of insurance provided by the natural resources against climate change and other natural catastrophes such as El-Nino. The major environmental problems of the state are surface and ground water bodies, which have been under severe pressure with increasing levels contamination by biological and toxic pollutants. Air quality is affected due to the high level presence of Respiratory Suspended Particulate Matter (RSPM) and Suspended Particulate Matter (SPM) exceeding the prescribed National Ambient Air Quality Standards (NAAQS). Mining activities, industrial pollution, domestic waste discharge, injudicious use of chemical fertilisers and pesticides in agriculture, and unscientific use of water for irrigation have polluted land resources. Biodiversity including forests and wild animals are under grave threat due to anthropogenic and developmental pressure. Climate change caused by the emission and high concentration green house gas in atmosphere has severely affected economic and environmental resources. Therefore, it is very important to give an account of environmental condition, present policies and future policy responses required in the state to realise sustainable development that aims at meeting the needs of both the present and the future generations.

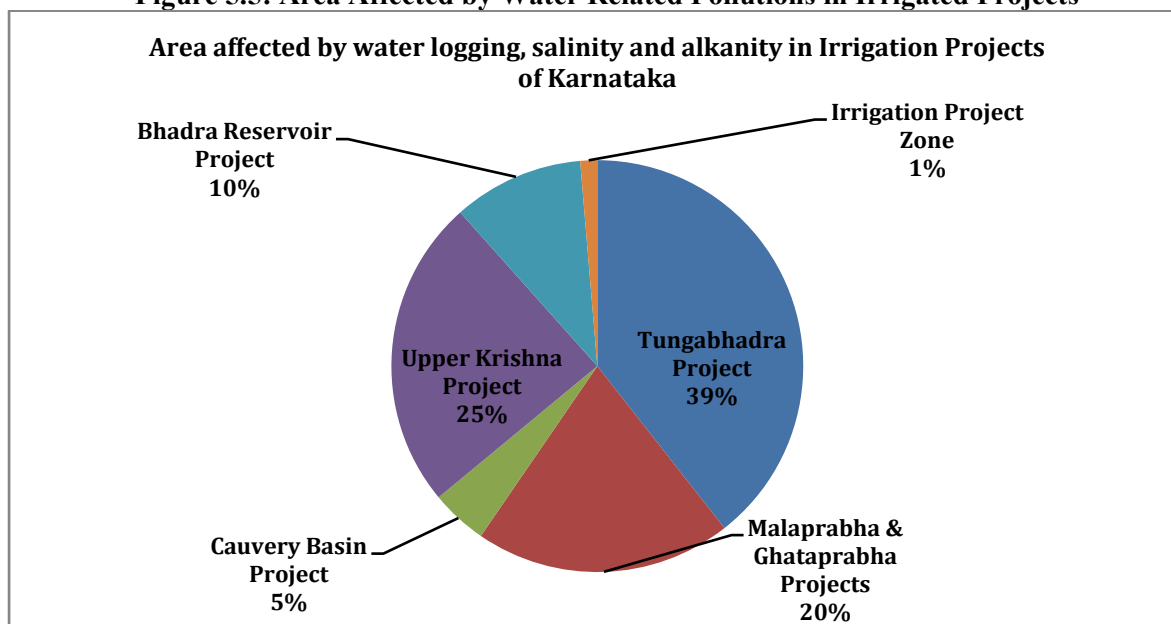
5.14 Land Resources and Pollution:

The land resources of the state are subject to severe pressure with growing demand for land for various economic needs. The competing demand for land on the one hand will have a negative effect on agricultural production and productivity as 70 percent of the state's geographical area falls under „arid“ and „semi arid' climatic zones, where rainfall is scanty and the average temperature is very high. On the other hand, top and fertile soils have been extremely degraded by human activities like intensive agriculture, over grazing, deforestation, rapid industrial growth and land contamination caused by mining activities, industrial and domestic pollution, improper irrigation and poor land management which have led to water and wind erosion, making land unproductive. The state faces soil erosion in 60 percent of the areas under crops with major environmental problems such as water logging, salinity and alkalinity. These cases have highly affected soil health in Tungabhadra, Upper Krishna, and the Malaprabha-Ghataprabha project areas.

Table 5.17: Details of Water Logged, Saline and Alkaline Affected land in the Command Areas (2010)

Sl. No.	Name of the CADA	Affected area in Ha			
		Water logged	Saline	Alkaline	Total
1	Tungabhadra Project	35850.86	52018.59	8345.84	96215.29
2	Malaprabha & Ghataprabha Projects	33093	15547	595	49235
3	Cauvery Basin Project	247.21	2716.72	7861.6	10824.99
4	Upper Krishna Project	30765	17218	11614	59597
5	Bhadra Reservoir Project	9690	5525	9838	25053
6	Irrigation Project Zone	2937.97	157	154	3248.97
	Grand Total	112584.04	93182.31	38407.9	244174.3

Figure 5.5: Area Affected by Water Related Pollutions in Irrigated Projects



5.15 Water Resources and Pollution:

Karnataka's water resources are fast dwindling due to population explosion and increased utilization of water for the rapidly growing economic activities. Water demand on the one hand for consumptive (drinking, health and sanitation needs) and productive uses (agricultural, industrial production, power generation, mining operations and navigation, and recreational activities) has increased tremendously, and on the other hand, water supply has declined with depletion and degradation of water resources causing water distress or scarcity in the state. Depletion of quantity and degradation of quality of water has restricted the availability of water for consumptive and productive uses and has consequently caused "negative externality" which imposes economic and social cost on society. The declining trend in the economic contribution of water resources has occurred due to physical and economic water scarcity which results in insufficient use, poor management, declining water productivity, and increasing environmental and economic costs. Obviously, the outcome is growing imbalance between water needs and supply augmentation capability of the state.

Table 5.18: Estimated Yield of Water from River Basins of Karnataka

Sl. No.	River System	Catchment Area		Available Quantity in TMC	Percentage	Utilization in TMC	Percentage
		Sq. km	Percentage				
1.	Godavari	4,405	2.30	49.97	1.44	22.37	1.32
2.	Krishna	1,13,271	59.10	969.44	27.90	1156.00	68.40
3.	Cauvery	34,273	17.80	425.00	12.23	408.62	24.17
4.	West Flowing Rivers	26,214	13.70	1998.83	57.51	0	0
5.	North Pennar	13,610	7.10	32.00	0.92	103.31	6.11
6.	South Pennar						
7.	Palar						
	Total	1,91,773	100	3475.2	100	1690.30	100

Source: Water Resources Department, Government of Karnataka, 2009-10

Even though the state has river basins with availability of 3475.2 TMC of water only 1690.30 TMC of water is being used for developmental needs and the state has also reached the stage where it cannot further enhance the utilization of water through construction of storage facilities (dams) by tapping the surface of the rivers, as inter-state water disputes are slowing down the developmental activities.

Surface water bodies, particularly rivers and lakes, are highly polluted with increasing pollution load from agricultural discharge, industrial effluents and domestic waste. The project report on the Bio – Mapping of major rivers in Karnataka carried out by Karnataka State Pollution Control Board (KSPCB) in 2006-07 shows that there is change in the environmental quality of Tunga, Bhadra and Tungabhadra rivers. This implies that rivers are the common dumping sources for untreated effluent release from various industries and municipal sewage. Mining industries involved in large scale mining of iron ore and other minerals have also inflicted water pollution through discharging tailings in Bellary, Chitradurga, Chikkamagalore, Tumkur, Belgaum, Bagakot and Bijapur districts.

The demand for ground water has increased many folds while the availability and supply of surface water for many developmental activities has receded with the passage of time. The ground water table has gone down beyond the natural rechargeable limit in recent years and managing it is one of the biggest challenges for the policy makers. The overdraft of water has reached the stage of 70 percent in the state indicating growing scarcity of ground

water resource. Many districts including Bangalore Urban, Bangalore Rural, Kolar, Tumkur, and Chitradurga have exceeded in overdraft of ground water beyond cent percent. Of the total ground water available for economic use, the agriculture sector alone siphons off 91 percent of water whereas other two sectors utilise merely 9 percent.

Table 5.19: Groundwater Resources of Karnataka as on 2004 and 2009 (HAM)

Particulars	As on 2004	As on 2009
Net Annual Ground water Availability	1529659.5	1481015
Existing Ground water draft for Irrigation	974731	900712
Existing Ground water draft for domestic and industrial water supply	96581	99975
Existing Ground water draft for all uses	1071312	1000687
Provision for domestic and industrial requirement supply for 2025	140693	126380
Net Annual Ground Water Availability for future irrigation development	647580	618071
Stage of Ground water development (%)	70	68

There is growing disparity between over exploitation and replenishability of ground water as the total replenishable groundwater resources have reduced from 16.3 lakh hectare metres (HAM) in 1992 to 15.3 lakh HAM in 2004, with the draft of groundwater increasing from 4.1 lakh HAM to 10.7 lakh HAM during the same period. Consequently, the ground water balance for future development has fallen from 9.7 lakh HAM in 1992 to 6.5 lakh HAM in 2004. The impact of overdraft of ground water has a detrimental effect, as about 124 taluks have reached above 70 percent exploitation causing severe impacts on the environmental balance of the region.

Table 5.20: Assessment of Dynamic Ground Water Resources of Karnataka State (2008-09)

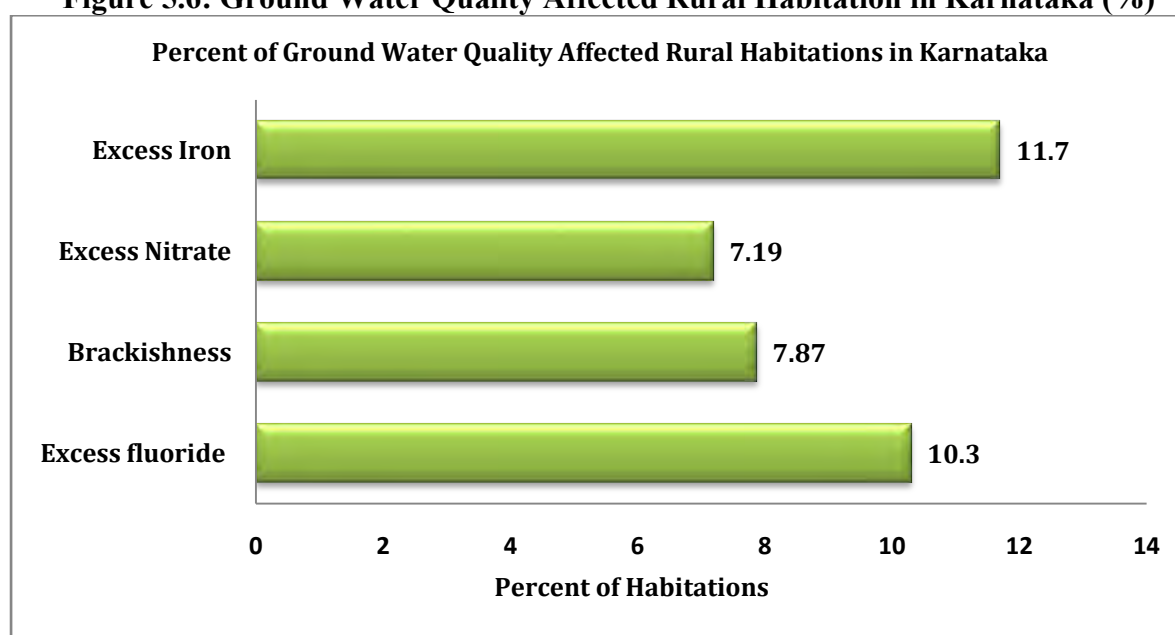
Category	Watersheds	Taluks
Safe	123	70
Semi Critical	13	10
Critical	2	3
Over Exploited	64	35
Mixed Category	32	58
Total	234	176
Stage of Ground water development (%)	70	68

While facing severe depletion of ground water table due to over-exploitation on the one hand, on the other, the state is also facing rapidly growing ground water pollution in many parts. About 64 of the 234 watersheds have serious water quality problems in the state as per the recent analysis of ground water samples by the Department of Mines and Geology. Ground water is highly polluted with excess concentration fluoride, arsenic, iron, nitrate and salinity due to both anthropogenic and geogenic factors.

Table 5.21: Ground Water Quality Problems in the State

Sl. No	Ground Water Contaminants	Districts Affected (in part)
1	Salinity (EC > 3000 μ S/cm at 25 ° C)	Bagalkot, Belgaun, Bellary, Davangiri, Gadag, Gulburga, Raichur
2	Fluoride (>1.5 mg/l)	Bagalkot, Bangalore, Belgaun, Bellary, Bidar, Bijapur, Chamarajanagara, Chikmagalur, Chitradurga, Davanagere, Dharwad, Gadag, Gulburga, Haveri, Kolar, Koppala, Mandya, Mysore, Raichur, Tumkur
	* <i>Excess Concentration of fluoride: 9.18mg/L</i>	<i>M M Kaval village, Gubbi taluk, Tumkur District</i>
3	Chloride (> 1000 mg/l)	Bagalkot, Belgaum, Gadag, Dharwar
4	Iron (>1.0 mg/l)	Bagalkot, Bangalore, Belgaum, Bellary, Bidar, Bijapur, Chikmagalur, Chitradurga, Dakshina Kannada, Davanagere, Gulburga, Hasan, Haveri, Kodagu, Kolar, Koppala, Mysore, Raichur, Shimoga, Tumkur, Udupi, Uttar Kannada
	* <i>Excess concentration of Iron: 8.3mg/L</i>	<i>Devalakere village, Pavagada taluk, Tumkur district</i>
5	Nitrate (>45 mg/l)	Bagalkot, Bangalore, Belgaum, Bellary, Bidar, Bijapur, Chamarajanagara, Chikmagalur, Chitradurga, Davanagere, Dharwad, Gadag, Gulburga, Hassan, Haveri, Kodagu, Kolar, Koppala, Mandya, Mysore, Raichur, Shimoga, Udupi, Uttar Kannada
	* <i>Excess concentration of Nitrate: 983mg/L</i>	<i>Mudgal Village, Kustagi taluk, Koppal District</i>
	* <i>Excess concentration Hardness: 3080mg/L</i>	<i>Devanahalli village, Channagiri Taluk, Shimoga District</i>

Figure 5.6: Ground Water Quality Affected Rural Habitation in Karnataka (%)



5.16 Industrial Pollution:

Industrial pollution such as air and water pollution caused by large, medium and small scale industries has had significant impact on environmental resources. The state is recognised as one of the “top five” industrialized states in the country for sheltering a vast industrial base. The state has 132 industrial areas covering about 40,000 acres. Currently about 39097 industries categorized under red, orange and green are operating in the state, 7771 industries have been closed and 6472 industries have been given consent for establishment (CFE) by Karnataka State Pollution Control Board (Table 5.22).

Table 5.22: Category of Industries in the State Based on Pollution Parameters as on 31.03.2010

Sl. No.	Type of activity/organization	Category	Operating	Closed	CFE issued for new activity but yet to Commission
1	Industry	Red	3415	1936	467
		Orange	2868	1395	421
		Green	9023	2751	1768
2	Health care establishments	Red	10819	286	143
3	Mines	Red	461	227	265
4	Stone Crushers	Red	1680	532	373
5	Telephone towers	Green	5482	19	88
6	Hospitality	Red	694	123	133
7	Layouts	Green	19	1	1375
8	Infrastructure*	Green	2289	393	1425
9	Coffee Estates	Red	2168	108	14
10	Local body (STP's & MSW)	Red	179	0	0
11		Total	39097	7771	6472

* **Infrastructure** includes – Apartments, school buildings, highway projects, irrigation projects, banks, commercial establishments, industrial/ software parks, wedding and community halls etc.

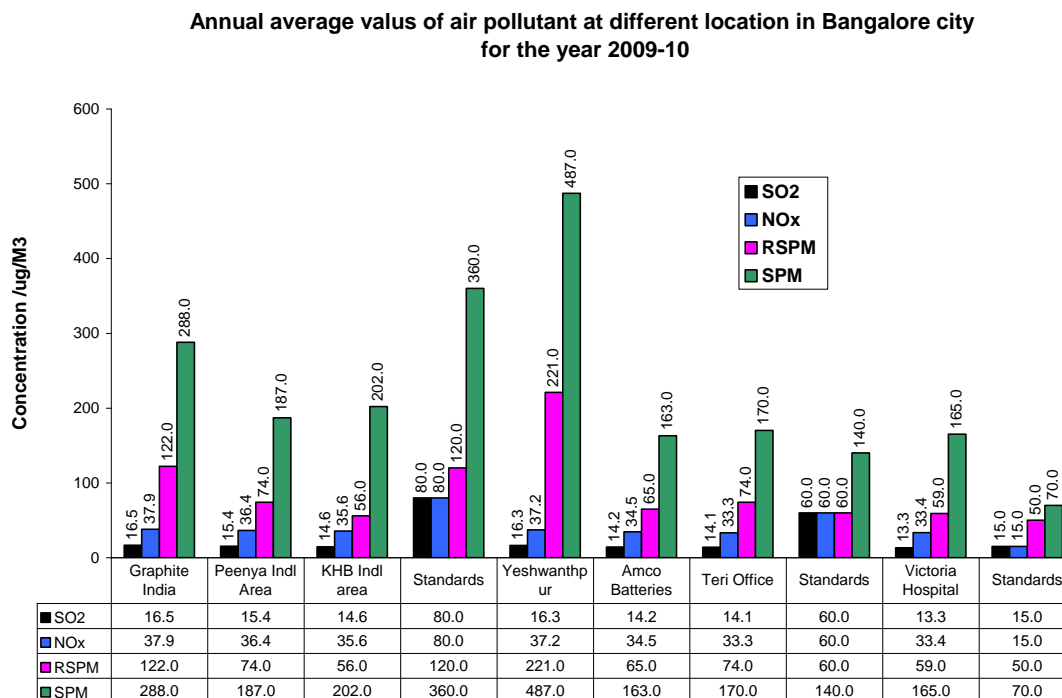
Among the industrial activities, mining is one of the leading activities with a total mine lease area of 52044 Hectares in the state, out of which, 26,511 ha is in Revenue Land, 16,731 ha is in Forest Land and 8,802 ha is in Patta Lands. Large scale mining of Iron Ore, Limestone and Dolomite that have taken place in Bellary, Chitradurga and Tumkur districts has polluted land, water, air and has also caused noise pollution in the adjoining areas. There are 161 industries under category 17, which is reserved for highly polluting industries operating in the state. However, since self monitoring is very poor under compliance and provision of the Water Act, the Air Act and the provisions of the Environmental (Protection) Act. These industries have generated a total of 5,96,000 kilo litre of effluent and liquid wastes.

5.17 Air Pollution:

Ambient air quality of Bangalore city and other urban centres is of very poor quality. This deterioration is the result of rapid growth of population, vehicular growth, industrialisation and rapid economic development. As per the Air Act, 1981 and the Environment (Protection) Act, 1986, National Ambient Air Quality Standards (NAAQS) are fixed to limit the levels of air pollutants with an adequate margin of safety to protect the public health, vegetation and property. The Central Pollution Control Board and KSPCB regularly monitor the levels of air pollutants since higher levels of air pollution directly affect

people who have symptoms of asthma, lung infection and heart disease thereby reducing lung function and increasing the possibility of heart attacks.

Figure 5.7: Ambient Air Quality at different locations in Bangalore city, 2009-10.



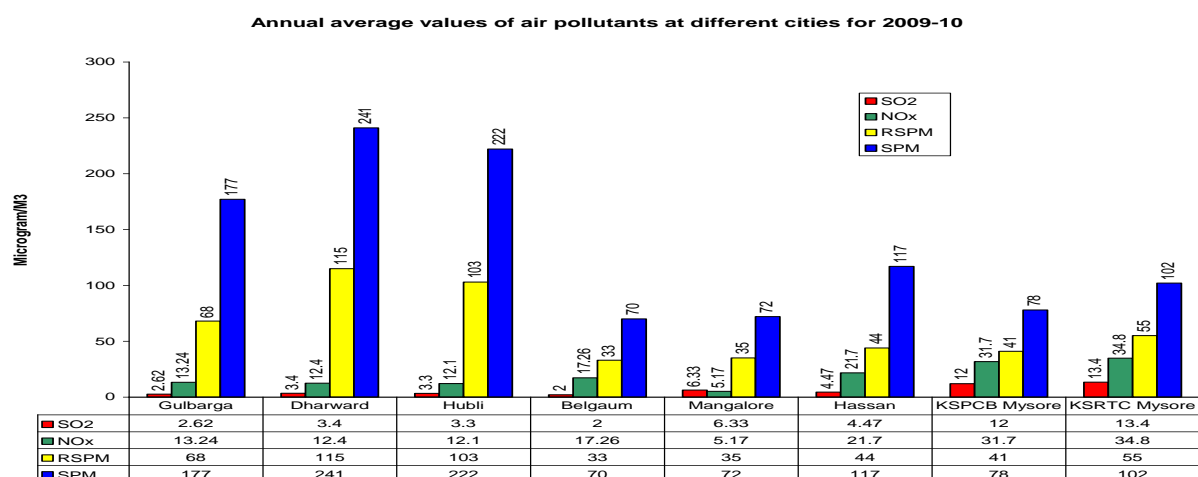
Increasing level of energy consumption has contributed towards emission of pollutants such as Carbon dioxide (CO²), Oxides of Nitrogen (NO_x), Sulphur Dioxide (SO₂) Suspended Particulate Matter (SPM), and Respirable Suspended Particulate Matter (RSPM). About 34.77 lakhs vehicles ply on the roads of Bangalore city alone and this rapid growth of vehicular population demands more combustion of fossil fuels and in turn emission of noxious air pollutants. The RSPM levels (160-180 µg/Nm³) in Bangalore city are almost 4-5 times more than the Indian National Ambient Air Quality Standards (INAAQS). The high concentrations of SPM and RSPM in many urban centres caused by vehicles and industrial pollution have imposed a high health and economic cost on society with increasing number of people afflicted with respiratory health problems and also the added damage to vegetation and infrastructure. However, ambient air quality monitoring of NO_x and SO₂ shows that these pollutants have remained within the prescribed standards of 80 µ/m³.

KSPCB has also monitored the ambient air quality at 28 stations of 15 districts in the state, in all types of areas such as industrial, residential, rural, sensitive and other areas. The table below indicates the ambient air quality monitoring results that reveal the annual average data for all the four pollutants. The pollution levels for RSPM and SPM exceeded NAAQS in many locations of the state.

Table 5.23: Ambient Air Quality at Various Locations in the State

Regional Office	Name of the Location/Station	Total No. of samples collected	Monitoring Results			
			SPM $\mu\text{g}/\text{m}^3$	RSPM in $\mu\text{g}/\text{m}^3$	SO ₂ $\mu\text{g}/\text{m}^3$	NOX $\mu\text{g}/\text{m}^3$
Mandya	KSPCB Building, Regional Office, Mandya	1782	115.6	65.9	15.0	21.0
Hassan	KSRTC, Bus Stand Building Hassan	1908	118	43.82	4.37	21.33
Mysore	KSRTC, Bus/Stand, Mysore	1872	90	45	14.3	18.8
	Regional Office, KSPCB, Mysore	1854	85	43	13.4	18.7
Dakshina Kannada	Baikampady Indl. Area, Mangalore	945	114.60	57.24	7.42	6.28
Dharwad	Rani Chennamma Circle, Hubli (Opp. NWKRTC Bus Stand)	1764	202	92	3	12
	Lakkammanhalli Indl. Area. Dharwad	1512	211	99	3	13
Gulbarga	Govt. General Hospital	1656	193	71	2.48	13.74
Bijapur	Terrace of Gandhi Chowk Police station, Bijapur	12	394.57	139.9	-	-
	Terrace of KSPCB Office, Bijapur	12	230.85	125.81	-	-
Belgaum	KSPCB Office Building	1782	74.25	33.5	2	14.66
Bagalkot	On office Terrace	57	94	-	-	-
Chitradurga	Regional Office Building	8	136.74	67.53	-	-
	Regional Office Building	12	406	354	38.89	13.25
Shimoga	The Mysore Paper Mills Ltd	2	183	-	17.6	33
	The VISL, Oxygen plant	2	198.5	-	18	32
Raichur	On office Terrace	353	183	63	3.27	13.2
Davanagere	Mothi Talkies P.B. Road	426	161.72	299.14	11.34	23.74
	Regional Office Building	162	49.28	45.83	10.22	19.98
Ranebennur of Haveri	HPF Guest House	308	97.33	-	19.69	9.51
	HPF Ltd water intake well	308	110.34	-	19.98	9.81
Karwar	Port Directors Office	150	297.81	81.52	2.5	14.04
	Belekeri Police Station	8	274	135.25	-	-

Figure 5.8: Annual average values of air pollutants at different cities for 2009-2010

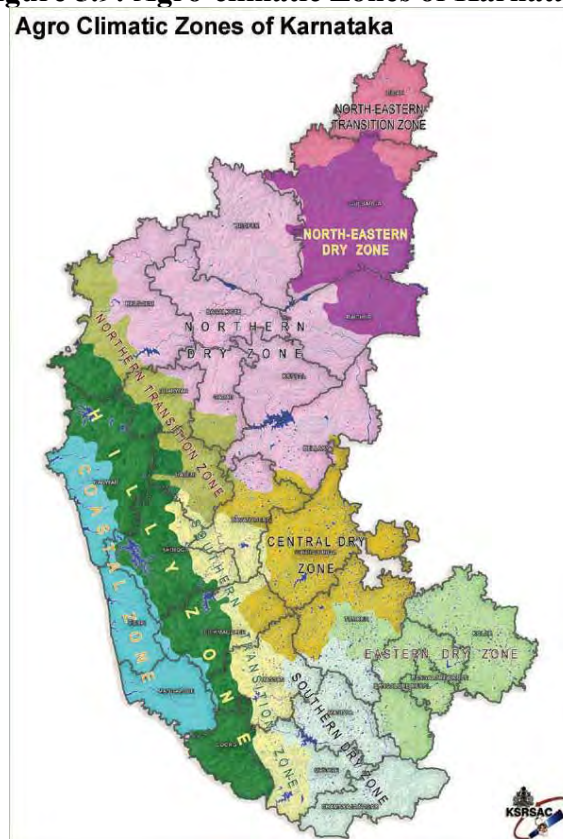


5.18 Climate Change:

Climate change, such as variations in temperature, rainfall pattern, evaporation and extreme events caused by El-Nino have a tendency to impact significantly upon natural resources, particularly the freshwater resources availability in the state. The research findings have already shown that the global temperature of the earth has increased by about 0.6°C, atmospheric concentration of carbon dioxide (CO²) has augmented to about 369 PPM by volume from 280 PPM; the global mean sea level has risen by 10 to 20 cm and there has been about 40 per cent shrinkage in thickness of the Arctic sea ice. These climate variations significantly alter rainfall, snowfall and hydrological cycles thereby influencing the moisture content of the atmosphere and also increase evaporation of surface moisture in the biosphere. Therefore, water resources, both surface and ground water will come under increasing pressure. Climate induced floods and droughts inflict vulnerabilities particularly in coastal areas and dry agricultural zones.

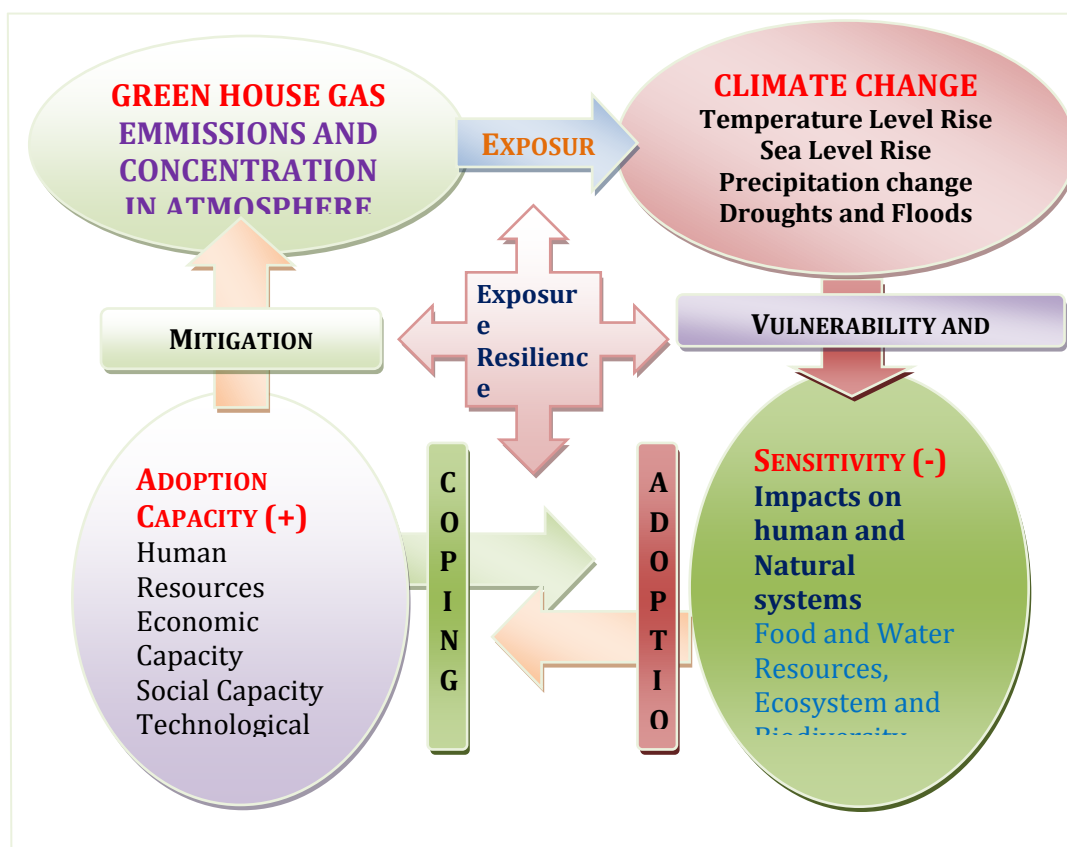
Karnataka is prone to frequent droughts and floods. The agriculture sector continues to be the mainstay of the state and its production and productivity is directly linked to availability of surface and ground water resources. It is significant that nearly 70% of the geographical area of the state falls under „arid“ and „semi arid“ climatic zones, where rainfall is scanty and average temperature is very high (see Figure). The availability of surface water to the agriculture sector has become limited due to agricultural expansion, changes in land use and cropping pattern. Over exploitation of surface water through storage has significantly modified the hydrological cycle and has resulted in inter-state water sharing disputes. Ground water exploitation has already reached the alarming stage of 70 percent. Of the 234 total watersheds assessed in the state 48 percent are in the category of over exploited, critical, semi-critical and mixed category. Ground water resources are highly depleted in non-command watershed areas of the state. This shows that is growing scarcity of surface and ground water resources for meeting future water demands for agriculture, industrial and domestic needs. The state’s vast coastal stretch of 400 km will be threatened with rising sea level, sea erosion and submergence of low lying areas directly inflicting livelihood vulnerability to millions of the fishing community. Further, unlimited expansion of cities and sprawling urbanisation due to migration of people inflicts environmental vulnerabilities such as water scarcity, air pollution etc. Environmental problems will be aggravated and would further impact the health and livelihoods of people rendered vulnerable by climate change. As the 70 percent of India’s population would be living in cities by 2050, climate changes would adversely affect a large number of people.

Figure 5.9: Agro-climatic Zones of Karnataka



The implications of climate change on the state are mainly the probable vulnerabilities that would be inflicted on food, water, ecosystems, biodiversity, human health and settlements. The adoptive capacity and coping mechanism of the state depends on the capacity of the human population, economic development, social capital, governance and technological capacity, to withstand climate change and also the policy directives to mitigate green house gases thereby realising the goal of low carbon economy (Figure).

Figure 5.10: Climate Change, Vulnerability and Adoption Capacity: An Integrated Framework



The state has taken some forward looking policy initiatives in the climate change front with mitigation and adoption strategies embedded in larger developmental policies. However, more focused efforts in mitigating climate change with effective utilisation of available economic instruments such as clean development mechanism or carbon credits and payment for ecosystem services along with inclusive growth may further strengthen the mitigation and adoption capacity of people.

5.19 State's Policy Responses for Environmental Conservation:

The Department of Ecology and Environment was established in the year 1981 with the objective of improving the environment and ecological situation in Karnataka. The department is a wing of the Forest, Ecology and Environment Department which has a network of organisations to facilitate the development of policy on issues related to environment and ecology in the state working on various fields of environment such as:

1. State Forest Department (FD)
2. Karnataka State Pollution Control Board (KSPCB)
3. Lake Development Authority (LDA)
4. Karnataka State Bio Diversity Board (KSBB)
5. State Environment Impact Assessment Authority (SEIAA)
6. State Level Expert Appraisal Committee (SEAC)
7. Environment Management and Policy Research Institute(EMPRI)

The Department administers the following Acts and Rules through its field offices and organizations:

1. The Water (Prevention and Control of Pollution) Act, 1974
2. The Air (Prevention and Control of Pollution) Act, 1981
3. The Environment (Protection) Act, 1986, and Rules and Regulations framed under the above Acts.

The following regulations issued by the Government of India under the Environment (Protection) Act, 1986 also come under the purview of the Department of Ecology and Environment:

1. The Hazardous Wastes (Management and Handling) Rules 1989 and amendment Rules 2000 and May 2003.
2. Manufacture, Storage & Import of Hazardous Chemical Rules, 1989.
3. Rules for the Manufacture, Use, Import, Export and Storage of Hazardous Micro-organisms, Genetically engineered Organisms or Cells, 1989.
4. Environment Impact Assessment (EIA) 2006 Notification on 14.09.2006
5. Bio-Medical Waste (Management and Handling) Rules, 1998 and amendment Rules 2000 and 2003.
6. Re-cycled Plastics Manufacture and Usage Rules, 1999 and Amendment Rules, 2003
7. Noise Pollution (Regulation and Control) Rules, 2000 and Amendment Rules 2002.
8. Municipal Solid Wastes (Management and Handling) Rules 2000
9. Notification declaring coastal stretches as Coastal Regulation Zone (CRZ) and regulating activities in the CRZ.
10. Chemical Accidents (Emergency, Preparedness and Response) Rules 1996.
11. Biological Diversity Act, 2002 and Biological Diversity Rules, 2004.

1. Karnataka State Pollution Control Board (KSPCB)

The KSPCB set up in 1974, is mandated under the Water Act 1974 and Air Act 1981, to prevent and control pollution of water and air, through enforcement, education, awareness and offering scientific and technological solutions to achieve its goals of a cleaner and greener environment.

A. Environmental Public Hearing.

The EIA Notification 2006 is the replacement of the 1994 Notification. Activities covered under this notification are grouped as category A & B. Category „A“ requires environmental clearance from the Ministry of Environment and Forest, GOI and category „B“ needs environmental clearance from the State Level Environmental Impact Assessment Authority. Environmental clearance is mandatory for scheduled activities for new projects or for expansion or modernization or change in product mix in existing projects. As per this notification, the environmental clearing processes are carried out and totally 43 Public Hearings were held during 2009-10.

B. Environmental Monitoring:

The Environmental Monitoring Board monitored the ambient air quality, surface and ground water quality, effluents, emissions, soil, noise and solid waste within the premises of the industry and other properties. The total number of samples analyzed during 2009-2010 in all the laboratories was 48799.

C. Bio – Mapping of Major Rivers in Karnataka:

The project on Bio-mapping of the major rivers in Karnataka was carried out during the year 2006-07 to assess the periodic changes in environmental quality. Bio-monitoring was carried out at 15 stretches of Tunga, Bhadra and Tungabhadra rivers using macro-invertebrates as indicators, since they are sensitive to changes in habitat and pollution. The inference of the study is that; out of three stations on Tunga River two are slightly polluted and one is moderately polluted; out of four stations on Bhadra River, two are slightly polluted and two are moderately polluted. Further, out of nine monitoring stations on Tungabhadra river, one is not polluted, one is slightly polluted and seven stations are moderately polluted.

D. National Ambient Air Quality Monitoring Programme (NAAQM), Bangalore:

Ambient air quality of Bangalore city is being monitored at 7 stations under the National Ambient Air Quality Monitoring Programme (NAMP). Monitoring is being carried out at a frequency rate of twice a week for 24 hours at six stations for Suspended Particulate Matter (SPM), Respirable Suspended Particulate Matter (RSPM), Sulphur Dioxide (SO₂) and Oxides of Nitrogen (NO_x). Under this programme **10,628** samples were collected and analyzed during 2009-10.

E. National River Conservation Plan:

The National River Conservation Directorate under the National River Conservation Plan (NRCP) has short-listed 8 towns of Karnataka with an objective of initiating action plans to prevent pollution of major rivers. Under this scheme the works are executed under core and non-core sectors. Core works are executed by KUWS & DB. The core scheme includes providing UGD, interception, diversion and STP's. The Karnataka State Pollution Control Board is the nodal agency for the implementation of non-core schemes taken under NRCP.

F. Formation of Eco-Clubs:

Eco-Clubs in identified Government and Aided schools have been established under the National Green Corps Programme of Govt. of India. These Clubs are spread over 27 revenue districts and 5 educational districts. The main objective of the programme is to impart environmental awareness to school children; the government of India grants Rs.1000/- per Eco Club.

2. Lake Development Authority (LDA):

The Lake Development Authority, since its inception, has rejuvenated and developed 4 lakes of Bangalore namely, Nagavara, Vengaihana kere, Lalbagh and Jaraganahally lakes at a cost of Rs.13.14 crores, 10 other lakes in Belgaum, Gadag, Hassan, Gulbarga, Haveri, Davangere, Chickamagalur, Bidar, Tumkur and Ramanagara districts at a cost of Rs. 50.46

crores under the National Lake Conservation Programme. The Lake Development Authority has also taken up the survey & demarcation of 158 lakes in BIAPPA areas at a cost of Rs. 42.92 lakhs and water analysis for 86 lakes at a cost of Rs. 50.39 lakhs during 2009-10 in Bangalore Urban District. The LDA has implemented NLCP and NWCP in the state for conserving various lakes and wetlands (Tables 5.24)

Table 5.24: List of lakes covered under National Lake Conservation Programme

Sl. No.	Name of the Lake	Estimate approved by Central Govt. (Rs in lakhs)
1	Vengaiahnakere Lake, Bangalore	212.21
2	Jaraganahalli Lake, Bangalore	335.82
3	Nagavara Lake, Bangalore	600.00
4	Lalbagh Lake, Bangalore	166.00
5	Kotekere Lake, Belgaum	564.09
6	Bhishma Lake, Gadag	250.00
7	Sharanabasaveshwara Lake, Gulbarga	489.00
8	Kundawada Lake, Davangere	340.64
9	Tripuranthakeshwara Lake, Bidar	463.50
10	Kotetavarekere Lake, Chickmagalur	364.00
11	Akkamahadevi Lake, Haveri	264.00
12	Channapatna Lake, Hassan	497.10
13	Amanikere, Tumkur	1336.73
14	Gowramma & Hobalamma lakes in Magadi town, Ramanagar Dt.	477.46
	Total	6360.55

Table 5.25: List of lakes covered under National Wetland Conservation Programme

Sl. No.	Name of Wetland	Amount released (Rupees in lakhs)
1	Bonal Wetland, Gulbarga	36.22
2	Gudavi Wetland, Shimoga	73.93
3	Magadi Wetland, Gadag	57.40
4	Ghata Prabha Wetland, Ranebennur	7.02
5	Hidkal Wetland, Belgaum	10.32
6	Ranganthittu Wetland	8.85
	Grand Total	193.74

3. Karnataka State Bio Diversity Board (KSBB):

The Karnataka State Bio Diversity Board was established in 2003 with the main objective being conservation and biodiversity of the state as per the Biological Diversity Act 2002, government of India. The functions of the board as follows:

1. Conservation of biological diversity,
2. Sustainable use of its components
3. Fair and equitable sharing of the benefits arising out of the use of biological resources, knowledge and for matters connected therewith or incidental thereto.

4. Regulate by granting of approvals or otherwise requests for commercial utilization or bio-survey and bio-utilization of any biological resource by Indians

The government of Karnataka had framed the Karnataka Biological Diversity Rules, 2005. The main activities of the board include formation of Biodiversity Management Committees (BMCs), awareness training on Biodiversity and related issues to BMC's, villagers, government servants, colleges, university students & teachers, general public, preparation of PBRs through BMC's with the guidance from NGOs, forest departments, universities, colleges etc., and other experts, preparation of proposals for declaration of some areas as heritage site under Biodiversity Act, collecting information on use of Bio-resources by Pharmaceutical Companies, commissioning of Research and Special Studies. The state has formed 3386 biodiversity boards at the Gram Panchayat levels against the target 5584 (Table 5.26).

Table 5.26: Biodiversity Management Committees Formed Year-wise

Sl. No	Year	Target	Achievement
1	2003-04	-	-
2	2004-05	-	18
3	2005-06	-	150
4	2006-07	-	160
5	2007-08	500	490
6	2008-09	600	1000
7	2009-10	1000	1452
8	2010-11	1800	116
9	2011-12	1684	
	Total	5584	3386

Table 5.27: Formation of Biodiversity Management Committees in the State at various levels

Sl. No	District	To be formed at GP level	Total formed at GP level	To be formed at TP level	Total formed at TP level	To be formed at ZP level	Total formed at ZP level
1	Bagalkote	162	129	6	6	1	
2	Bangalore (R)	94	81	4	1	1	
3	Bangalore (U)	109	68	3	3	1	
4	Belgaum	485	180	10		1	
5	Bellary	179	5	7		1	
6	Bidar	176	142	5	5	1	
7	Bijapur	200	166	5	1	1	
8	Chamrajnagar	111	65	4		1	
9	Chickmagalore	226	226	7		1	
10	Chickballapur	146	134	4		1	
11	Chitradurga	181	50	6	2	1	1
12	D.Kannada	205	176	5	2	1	1
13	Davanagere	229	150	6		1	1
14	Dharwad	123	4	5		1	
15	Gadag	106	17	5		1	1
16	Gulbarga	337	237	10		1	
17	Hassan	257	254	8		1	1
18	Haveri	206	149	7	2	1	1
19	Kodagu	101	97	3		1	
20	Kolar	150	117	7		1	
21	Koppal	132	19	4	1	1	
22	Mandya	232	202	7	1	1	1
23	Mysore	235	151	7		1	
24	Raichur	164	0	4		1	
25	Ramanagar	129	116	5		1	
26	Shimoga	244	76	7		1	
27	Tumkur	312	138	10	4	1	1
28	Udupi	146	49	3		1	
29	U. Kannada	207	188	11		1	1
	Total	5584	3386	175	28	29	9

A. People's Biodiversity Register (PBRs):

People's Biodiversity Registers were taken up in various districts at the grama panchayat level as suggested by the National Biodiversity Authority and Ministry of Environment and Forests, Government of India. People's Biodiversity Register is a panchayat level register that documents local biodiversity and the local community's knowledge on biodiversity including its conservation and traditional uses. The Peoples' Biodiversity Registers are being prepared by the Biodiversity Management Committees with technical assistance from NGOs / Departments / Universities / Colleges and other knowledgeable persons. So far, 167 biodiversity register were prepared in the state. The board has also conducted 168 Biodiversity Awareness Training Programmes in the state for creating awareness in respect of Biodiversity and its related issues including Traditional Knowledge Biodiversity documentation and Management Plan. The board also identified several critical biodiversity areas including unique or historical trees and brought them under heritage sites for conservation (Annexure).

B. In-situ Conservation of Biodiversity in Dry Zone of Karnataka:

Action has been initiated to identify and demarcate an area of 100 – 200 ha depending upon availability in the core forest area of 13 dry districts and In-situ conserve the species which are on the decline in the forests of the following districts: Bangalore (R) Bagalkot, Bellary, Bidar, Bijapur, Chamrajanagar, Chitradurga, Gulbarga, Kolar, Koppal, Mandya, Raichur & Tumkur.

C. Survey of Bio-industries and Utilisation of Bio Resources:

The National Biodiversity Authority has funded a project for the Survey of Bio-industries utilizing of Bio-resources. An amount of Rs. 3.00 lakhs has been released by the National Biodiversity Authority. Action was initiated to collect the information of Bio-resources from Bio-industries with the involvement of Karnataka Indian Medicine Manufacture's Association (Regd) and Karnataka Unani Medical Association. The forest officials were also involved in several districts. The information has been collected as per the format supplied by the National Biodiversity Authority, Chennai.

5. Environment Management and Policy Research Institute (EMPRI):

EMPRI was established in 2002 with the object of addressing the environmental management capacity building issues in the state. The institute conducts training programmes on various environmental topics; 18 training programmes were conducted in 2009-10 and 776 participants from various organisations attended. The institute had carried out studies related to environmental issues and had prepared the State of Environment Report (SoER) for Karnataka and Bangalore in recent years.

5.20 Future Policy Strategies:

1. Enhancement of investment on environmental conservation activities such as afforestation, wildlife conservation, establishment of biodiversity parks, social forestry, and promoting village forests through village forest committees.
2. Encouragement of afforestation on private lands in the Western Ghats of Karnataka through economic incentives such as payment for ecosystem services.
3. Effective use of economic instruments such as tax, fees and subsidies and also Clean Development Mechanisms such as Carbon Credits etc for better environmental conservation.
4. Giving importance for conservation and recharge of ground water and also prevention of water pollution in surface and ground water bodies.
5. Bringing out a ground water policy and establishing a ground water authority to regulate ground water exploitation and also for recharging water bodies through artificial rain water harvesting methods.
6. Effective implementation of Corporate Social Responsibility for Environmental Protection (CREP) programmes for better compliance and implementation of environmental rules and regulation in the 17 highly polluting categories of industries related air and water pollution.
7. Introduction of clean energy such as Compressed Natural Gas as fuel for vehicles to reduce air pollution in Bangalore city.
8. Introduction of the voluntary Eco Mark scheme and payment for ecosystem services.
9. Establishment of research organisation/cell to carryout research on climate change.

Annexure 5.1: List of Biodiversity hotspots and Heritage centres in the State

Sl. No.	Name of the district	Name of the Spot	Category	Taluka
Hotspots of Despair				
1	Bangalore Rural	Nallur Sacred Groove	Revenue land	Devenahalli
2	Bellary	Daroji sloth bear sanctuary	WLS	Harapanahally
			Sandur Vally	
3	Belgaum	Chorla	Reserve Forest	Khanapur
		Talewadi	Reserve Forest	Khanapur
		Anmode	Reserve Forest	Jogalpet
		Barapede Cave, Taewadi	Reserve Forest	Khanapur
Hotspots of Despair				
4	Chamrajnagar	BRT Hills	Sanctuary	Chamrajnagar
5	Chickmagalore	Bhadra	Tiger Reserve	Chikkamagalore
		Kemmangundi	Reserve Forest	Bhadravathi
		Bhagavati Valley	National Park	Mudigere
		Kudremukh National park	National Park	Belthangadi
Hotspots of Despair				
		Kudremukh National Park	National Park	Belthangadi
6	Dakshina kannada	Kudremukh National Park	National Park	Belthangadi
Hotspots of Despair				
		Kudremukh National Park	National Park	Belthangadi
		Charmadi Ghat	Reserve Forest	Belthangadi
		Kolli Bavali Vana (Durgaparameshwari Temple)	Private	Temple
7	Kodagu	Brahmagiri WLS	WLS	Bagamandala
		Tadiandamol	Reserve Forest	Madikeri
		Brhmagiri WLS	Sanctuary	Madikeri
		Kodagu Devarakadu	Reserve Forest	Kodagu
		Pushpagiri	WLS	Somvarpet
		Brahmagiri WLS	Sanctuary	Madikeri
		Bisle Ghat	Reserve Forest	Subramanya
8	Mandya	Melkote	Scrub Forest	Mandya
9	Mysore	Bandipur	National Park	Gundlupet
		Nagarhole	National Park	Virajpet
10	Shimoga	Agumbe Ghat	Reserve Forest	Thirthahalli
Hotspots of Despair				
		Agumbe Ghat	Reserve Forest	Thirthahalli
11	Udupi	Bhagavati Valley	National Park	Karkala
		Kudremukh National Park	National Park	Karkala
		Mookabika WLS	WLS	Kundapura
		Agumbe Ghat	Reserve Forest	Theerthahalli
Hotspots of Despair				
		Kudremukh National Park	National Park	Karkala
12	Uttara Kannada	Aghanashini River bank	River	Siddapur
		Aghanashini River bank	River	Kumta
		Sharavathy Bank	River Bank	Honnavar
		Castle Rock	Forest	Joida

		Aghanashini River bank	River	Siddapur
		Torme	Evergreen Myristica Swamp	Siddapur
		Malemane Village	Evergreen Forest	Siddapur
		Hemgar Village	Evergreen Forest	Siddapur
		Kudgund village	Evergreen Forest	Siddapur
		Hukli Village	Evergreen Forest	Siddapur
		Mahime Village	Evergreen Forest	Honnavar
		Harigar & Unchalli	Evergreen Forest	Sirsi
		Karikan	Evergreen Forest	Honnavar
		Karikallani Gudda	Evergreen Forest	Siddapur
		Yana	Reserve Forest	Kumta
		Sharavati Valley	WLS	Honnavar
		Siddapur	Evergreen Forest	Sorab
		Dandelli	WLS	Haliyal
		Siddapur	Reserve Forest	Siddapur
		Gerusoppa	Reserve Forest	Siddapur
		Yellapur	Reserve Forest	Yellapur
		Siddapur	Reserve Forest	Siddapur
		Badal	Reserve Forest	Kumta
		Dodmane	Reserve Forest	Siddapur
		Devimane	Reserve Forest	Sirsi
		Malemane	Reserve Forest	Siddapur
		Sirsi	Reserve Forest	Sirsi
		Aghanashini River bank	River Bank	Sirsi
		Sharavathy Bank	River	Siddapur
		Netrani island	Island	Bhatkal
Hotspots of Despair				
		Aghanashini River Bank	River	Sirsi
		Sharavathi Bank	River	Siddapur
		Netrani Island	Island	Bhatkal

Annexure 5.2: Declaration of Heritage Trees in the State

Sl No	Name of the Tree	Location	Girth in meters	Height in meters	Approximate Age as reported by locals.
1	Adansonia Digitata - Malvaceae	Bijapur District, Bijapur taluk,	10.84	5	600 years
2	Adansonia Digitata - Malvaceae	Bijapur District, Bijapur taluk.	9.20	7	359 years
3	Tamarindus Indica	Bijapur, Sindagi taluk, Devarahipparagi village	7.78	39.39	883 years
4	Azadirachta Indica – (Bevu)	Chickballapur district, Sidlagatta Taluk, T.Venkatapura village	5.4	25	200 years
5	Ficus Begalensis – (Alada Mara)	Mysore district, Mysore taluk, Chickkahally	11.2	30	260 years
6	Ficus Relegiosa – (Peepal)	Mysore district, Mysore taluk, Manasagangothri Campus	8.80	32	160 years
7	Kempu Booraga Mara	Mysore district, Mysore taluk, Palace Gate	28	19.4	130 years
8	Ficus Bengalensis (Doddaalada Mara)	Bangalore (U), Kethohalli	-	30	400 years
9	Araucaria cookie	Bangalore, Lalbagh	7	50	140 years
10	Pilali	Shimoga District, Soraba taluk, Banavasi	330	5-6	400 years

6.1 Introduction:

Karnataka is considered a pioneer in the field of industrialization in India. The state has been in the forefront of industrial growth of our country since independence. In the era of economic liberalization since 1991, the state has been spearheading the growth of Indian industry, particularly in terms of high-technology industries such as Electrical and Electronics industries, Information & Communication Technology (ICT) industries, Biotechnology industries and more recently in terms of Nanotechnology industries. However, the industrial structure of Karnataka presents a blend of modern high-tech capital goods and knowledge intensive industries on the one hand and traditional consumer goods industries on the other. Given this, this chapter throws light on the industrial growth of Karnataka in 2010-11 as well as the industrial policy initiatives taken by the government, among others.

6.2 Trends in Industrial Production:

The industrial sector of Karnataka can be broadly classified into organized and unorganized. The growth of organized industrial sector is measured by means of Index of Industrial Production (IIP) and industrial statistics from Annual Survey of Industries (ASI). Both are compiled and published by the Central Statistical Organization (CSO), Ministry of Statistics and Programme Implementation, Government of India. The IIP (Quarterly / annual) is also compiled by the Directorate of Economics and Statistics. It is an abstract number, the magnitude of which represents the status of production in the industrial sector for a given period of time as compared to a reference (base) period of time. The current reference (base) year for IIP is 1999-00. IIP is compiled and published on a quarterly basis. The scope of IIP is confined to mining, manufacturing and electricity sub-sectors of organized industrial sector. Therefore, IIP has been one of the key lead indicators of industrial growth on a current basis.

6.3 Index of Industrial Production (IIP)

The general Index of Industrial Production (IIP) of Karnataka covering mining, manufacturing and electricity sectors for 2009-10 stood at 185.77 (with base 1999-00 = 1000). The sector-wise indices for the period from 2007-08 to the first two quarters of 2010-11 are presented in Table 6.1 & 6.2. The overall organized industrial sector of Karnataka registered an impressive double-digit growth of 11.34% in 2009-10 compared to the earlier two years: 7.35% in 2007-08 and 4.72% in 2008-09. Within the organized industry, mining sector registered the highest growth of 37.95% followed by electricity (15.78%) and manufacturing (8.47%). All the three sectors of organized industry have registered a higher growth in 2009-10 compared to 2007-08 and 2008-09. Though the mining sector has registered a very high growth of 37.95%, it accounts for a meager 4.1% weight in IIP whereas electricity sector with a weight of 17.3% grew by almost 16% and the manufacturing sector grew by just 8.47% but accounts for the highest weight of about 78.6%. Therefore, the

overall industrial growth of the three sectors is moderated at 11.34% for 2009-10. The weights of different sectors and sub-sectors in IIP are assigned based on their relative contribution to (respective shares in) Gross Value Added of industry in the base year.

Table 6.1: Index of Industrial Production of Karnataka: 2007-08 to 2009-10
Base Year: 1999-00

Sector	Weight	2007-08*	2008-09*	2009-10*
Mining	41.3609	224.60 (17.81)	241.22 (7.40)	332.76 (37.95)
Manufacturing	785.7083	158.71 (7.76)	167.45 (5.51)	181.63 (8.47)
Electricity	172.9308	146.22 (6.23)	146.33 (0.08)	169.43 (15.78)
General Index	1000.000	158.98 (7.35)	166.85 (4.72)	185.77 (11.34)

Note : 1) Figures in brackets indicate percentage changes over the previous year.

2) * Provisional figures.

Source: Directorate of Economics & Statistics.

The average annual growth rates for the overall organized industry and mining, manufacturing and electricity sectors for the decade from 2000-01 to 2009-10 are presented in **Appendix 6.1**. The compound average rate of growth (CARG) for the decade for the overall organized industry was about 9% whereas it was 13.94% for mining, 6.18% for manufacturing and 6.48% for electricity.

The quarterly growth in Index of Industrial Production (IIP) under major sectors for the first two quarters during 2008-09, 2009-10 and 2010-11 is given in Table 6.2. The robust industrial growth experienced in 2009-10 has not been sustained in the current year. The State has experienced industrial deceleration in the first two quarters of the current year. While the growths of mining and manufacturing sectors improved marginally in the second quarter compared to the first quarter of current year, growth of electricity was impressive in the first quarter but electricity production declined absolutely in the second quarter. The overall industry growth was lower in the second quarter relative to the first quarter.

Table 6.2: Quarterly Growth in IIP: 2008-09 to 2010-11**Base Year: 1999-00**

Period	Mining	Manufacturing	Electricity	General
2008-09				
Q1 April 08 – June 08	207.29	121.15	156.46	130.82
Q2 July 08 – Sept. 08	186.98	119.51	132.11	124.48
2009-10				
Q1 April 09 – June 09	332.66 (60.48)	152.16 (25.60)	146.17 (-6.58)	158.59 (21.23)
Q2 July 09 – Sept. 09	378.10 (102.21)	159.49 (33.45)	152.81 (15.67)	167.38 (34.46)
2010-11				
Q1 April 10- June 10	*332.12 (0.00)	153.26 (0.72)	160.29 (9.66)	161.87 (2.07)
Q2 July 10 – Sept. 10	*388.57 (2.77)	162.51 (1.89)	141.74 (-7.24)	168.27 (0.53)

1.* Estimated

2. Figures in the brackets indicate percentage over the previous year.

Source: Directorate of Economics & Statistics.

6.4 Industrial Growth by Use-Based Classification

Industrial growth in terms of use-based classification of industries is presented in Table 6.3 for four broad groups of organized manufacturing industry: (i) Basic goods, (ii) Capital goods, (iii) Intermediate goods, and (iv) Consumer goods. Consumer goods, in turn, comprise durables and non-durables. Among the four broad groups of manufacturing industry sector (which accounts for almost 78.6% of the total weight of IIP), consumer goods industry sector accounts for the highest weight of 40.8% followed by capital goods (14.5%), basic goods (13.6%) and intermediate goods sector accounts for the lowest weight of about 9.6%. Within the consumer goods industry sector, non-durables account for 37% of the total weight of 40.8% and durables account for a meager 3.8%. These weights indicate relative importance of the different groups in the manufacturing industry of Karnataka.

The growth rates of the four broad groups and the two sub-groups of consumer goods are given in parentheses in Table 6.3. Among the four broad groups, intermediate goods, capital goods and consumer goods - industry sectors have registered double-digit growths whereas basic goods industry sector experienced a negative growth in 2009-10. These growth rates are in contrast with their growth rates in 2007-08 and 2008-09, respectively:

- The basic goods sector registered a double-digit growth of about 13.6% in 2007-08, a single digit growth of 2.4% in 2008-09 and declined absolutely in 2009-10.
- The capital goods sector experienced a single digit growth of 6.6% in 2007-08 and declined absolutely by experiencing a negative growth of about 5.9% in 2008-09. But bounced back strongly by registering a double-digit (13.24%) growth in 2009-10.

- The intermediate sector experienced moderate single digit growths both in 2007-08 and 2008-09 but registered an impressive growth of almost 14% in 2009-10.
- The consumer goods sector grew by almost 8% in 2007-08, by 7.4% in 2008-09 but improved its growth performance considerably to more than 10% in 2009-10.
- Within the consumer goods sector, both durables and non-durables grew more or less evenly by 7.6% and 8%, respectively in 2007-08 but durables registered an impressive growth of almost 20% whereas growth rate of non-durables declined to less than 4% in 2008-09, and in 2009-10, durables registered a negative growth of about 24% whereas growth of non-durables exceeded 14%.
- Since the growth performances of groups and sub-groups varied differently, the overall growth rate of manufacturing industry sector got moderated at 7.76% in 2007-08, 5.51% in 2008-09 and 8.47% in 2009-10.

Table 6.3: Index of Industrial Production for Organized Manufacturing Industry in Karnataka – Use-based Classification: 2007-08 to 2009-10

Base Year: 1999-00

Sl. No.	Industry Group	Weight	2007-08*	2008-09*	2009-10*
1.	Basic goods	136.2317	207.05	212.00	204.65
			(13.58)	(2.39)	(-3.47)
2.	Capital goods	145.1053	157.86	148.63	168.31
			(6.60)	(-5.85)	(13.24)
3.	Intermediate goods	95.9852	146.80	152.42	173.51
			(4.72)	(3.83)	(13.83)
4.	Consumer goods	408.3859	155.69	167.22	184.16
			(7.88)	(7.40)	(10.13)
	a) Consumer durables	38.0612	146.28	174.91	132.38
			(7.64)	(19.58)	(-24.32)
	b) Consumer non-durables	370.3247	160.11	165.49	188.95
			(7.96)	(3.36)	(14.18)
Total (Manufacturing sector)		785.7081	158.71	167.45	181.63
			(7.76)	(5.51)	(8.47)

Note : 1. Figures in brackets indicate percentage change over the previous year.

2. * Provisional Figures.

Source: Directorate of Economics and Statistics.

6.5 Industrial Growth by Two Digit Industries

At the two digit NIC-04 level, manufacturing industry sector has been sub-divided into 22 major industry groups. The weight of each of these major industry groups in the IIP for manufacturing sector is given in Table 6.4. Among the major industry groups, food products & beverages account for more than 11% weight followed by tobacco products (8.9%), chemical products (7.3%), machinery equipments (almost 6%), motor vehicles, etc (5.8%), wearing apparel (5.7%), electrical machinery & apparatus (5.5%), other non-metallic mineral products (5.4%), and so on.

The indices for the different two digit level industries for 2007-08, 2008-09 and 2009-10 and growth rates for 2009-10 are given in Table 6.4. Among the two digit level industries,

tobacco products (about 30%), wearing apparel (28%), publishing & printing materials (11%), and food products & beverages (10%) have experienced double digit growth in 2009-10. Furniture (5.9%), motor vehicles, trailers & semi-trailers (5.1%), machinery & equipments (4.4%), fabricated metal products (3.7%), paper & paper products (3.2%) electrical machinery & apparatus (3.1%), and medical, optical instruments & watches (3%) grew moderately. The remaining industry groups registered marginal growth rates ranging from 1% to 3% in 2009-10.

Thus, at the two digit industry level, non-durable consumer goods industries such as tobacco products, wearing apparel, and food products & beverages, intermediate goods and capital goods industries have grown considerably, pushing up the overall growth of manufacturing industry of Karnataka in 2009-10. Among the 22 two digit level industries, four industries have registered a growth rate of 10% or more, another two industries grew by more than 5% but less than 10%, and another five industries grew by more than 3% but less than 5%. The remaining 11 industries grew by less than 3% in 2009/10. Box 6.1 presents the classification of two digit level industries into high growth, moderate growth and low-growth industry groups based on growth rates for 2009-10.

Box 6.1

Classification of Industries into Groups based on Growth (2009-10)	
Groups	Industries
High-Growth Sector (= \geq 10% growth)	(i) Tobacco products; (ii) Wearing apparel; (iii) Publishing & printing; (iv) Food products
Medium-Growth Sector (= \geq 5% but $<$ 10% Growth)	(i) Furniture; (ii) Motor vehicles, trailers & semi-trailers.
Low-Growth Sector ($>$ 0% but $<$ 5% Growth)	(i) Machinery equipments, (ii) Fabricated metal products, (iii) Paper products, (iv) Electrical machinery & apparatus, (v) Medical, optical instruments & watches, (vi) Computing machinery, (vii) Petroleum products, (viii) Other non-metallic mineral products, (ix) Rubber & plastic products, (x) Other transport equipment, (xi) Leather goods, (xii) Basic metals, (xiii) Television & communication equipments, (xiv) Chemical products, (xv) Textiles, (xvi) Wood products

Table 6.4: Index of Industrial Production for the Manufacturing sector by Major Industries: 2007-2008 to 2009-2010

Base year: 1999-00

Sl. No	NIC 2004	Industry Group	Weight	2007-08*	2008-09*	2009-10*
1	15	Food Products & Beverages	114.2302	170.09	206.29	226.85 (10.0)
2	16	Tobacco Products	88.8659	148.35	121.79	173.77 (29.9)
3	17	Textiles	33.3693	130.43	152.29	153.09 (0.52)
4	18	Wearing Apparel	56.9767	148.81	129.94	166.42 (28.1)
5	19	Leather Goods	3.4481	117.40	168.46	171.13 (1.58)
6	20	Wood & Wood Products	6.3571	130.10	136.53	136.83 (0.22)
7	21	Paper & Paper Products	18.2818	166.50	207.28	213.93 (3.21)
8	22	Publishing & Printing Materials	8.1189	147.59	286.29	317.96 (11.06)
9	23	Coke, Refine Petroleum Products & Nuclear fuel	5.1339	155.61	195.79	200.10 (2.2)
10	24	Chemical & Chemical Products	72.7980	180.51	143.67	144.41 (0.52)
11	25	Rubber & Plastic Products	22.4338	167.97	234.32	238.32 (1.71)
12	26	Other Non-Metallic Mineral Products	54.1271	217.31	195.68	199.67 (2.04)
13	27	Basic Metals	51.1849	213.10	213.10	215.77 (1.25)
14	28	Fabricated metal products	29.4362	138.91	163.06	169.13 (3.72)
15	29	Machinery Equipments	59.6110	149.20	148.90	155.47 (4.4)
16	30	Office, Accounting & computing Machinery	1.3149	167.97	232.42	237.68 (2.26)
17	31	Electrical Machinery & Apparatus	55.3691	174.22	158.63	163.61 (3.14)
18	32	Television & Communication equipments	23.6595	199.53	196.26	198.25 (1.01)
19	33	Medical ,Optical Instruments & Watches	16.8933	215.21	167.03	172.06 (3.01)
20	34	Motor Vehicles, Trailers & Semi-Trailers	57.5095	133.88	137.18	144.11 (5.05)
21	35	Other Transport Equipment	4.3227	150.45	79.91	81.23 (1.65)
22	36	Furniture	2.2665	125.82	183.60	194.37 (5.87)
Total (Manufacturing sector)			785.7083	158.71 (7.76)	167.45 (5.51)	181.63 (8.47)

Note: 1. Figures in brackets indicate the percentage growth compared to previous year.

2. * Provisional Figures.

Source: Directorate of Economics & Statistics.

6.6 Annual Survey of Industries (ASI):

The Annual Survey of Industries (ASI) presents detailed statistics on manufacturing and electricity sub-sectors of organized industrial sector and excludes mining and quarrying from its purview. The detailed statistics of ASI are released with a time lag of two to three years. Since ASI provides exhaustive statistics for registered factories in the sectors covered by it, ASI constitutes the most pivotal part of industrial statistics in India.

Table 6.5 presents ASI statistics for registered factories in 2006-07 and 2007-08 for Karnataka state and All-India. Karnataka accounted for 5.53% of the total registered factories in 2007-08 in the country. The contribution of registered factories of Karnataka stood at 7.10% of total fixed capital, 6.65% of total output, and more than 7% of Gross Value Added in the same year. The share of Karnataka in total registered factories and total investment (fixed capital as well as working capital) has gone up in 2007-08 compared to 2006-07. However, the relative contribution of Karnataka's registered factories to industrial performance (of All-India) in terms of total output, gross and net value added and profits has declined marginally during the same period.

Table 6.5: Selected Key indicators of Registered Factories: Karnataka & All-India
(Rs. Crore)

Particulars	2006-07			2007-08		
	Karnataka	India	% share	Karnataka	India	% share
Industries (No)	7,602	1,44,710	5.25	8,089	1,46,406	5.53
Fixed Capital	49,754	7,15,092	6.96	59,967	8,44,995	7.10
Working Capital	9,284	2,82,238	3.29	12,392	3,17,345	3.90
Total Output	1,62,746	24,07,658	6.76	1,84,258	27,72,656	6.65
Total Input	1,26,864	19,48,332	6.51	1,44,720	22,25,509	6.50
Gross value added	35,882	4,59,326	7.81	39,537	5,47,147	7.23
Net value added	31,295	3,94,871	7.93	34,658	4,75,928	7.28
Profit	19,770	2,40,570	8.22	21,079	2,91,913	7.22

Source: Central Statistical Organization (CSO), GOI

The major industrial groups in the registered factory sector of Karnataka in 2007-08 (in terms of value of output) are (i) coke, refined petroleum and nuclear fuel (18.15%), (ii) basic metals (12.14%), (iii) food products & beverages (9.42%), (iv) other industries (6.51%), (v) machinery & equipments (not elsewhere classified) (6.16%), and (vi) motor vehicles, trailers and semi-trailers (5.91%), and others. These six industry groups together accounted for more than 58% of the total value of output of registered factories of Karnataka in 2007-08. The industry-wise composition of registered factories in Karnataka (in terms of two-digit National industrial classification of 2004) is given in **Appendix 6.4**.

The important indicators per registered factory based on ASI results for 2006-07 and 2007-08 are presented in Table 6.6. Karnataka compares favorably with All-India in terms of all the indicators – per factory - investment, employment, output and gross value added. Though registered factories of Karnataka, on an average, are more capital intensive than that of All-India, they are at the same time, more employment intensive and generated more value added as well as output.

Table 6.6: Important Indicators per Factory

Indicator	Unit	2006-07		2007-08	
		Karnataka	India	Karnataka	India
Investment in fixed capital	Rs.Lakh	654.5	494.2	741.3	577.2
Employment	No.	93	54	89	56
Value of output	Rs. Lakh	2140.8	1663.8	2277.9	1893.8
Gross Value Added	Rs. Lakh	472	317.4	488.8	373.7

Source: Central Statistical Organization (CSO), GOI

The selected economic indicators per worker for Karnataka and All-India are given in Table 6.7. Net value added, total input per worker, total output per worker and annual wages per worker reveal that Karnataka lagged behind the All-India average in terms of the first three variables but better-off than All-India in terms of annual wages per worker in 2007-08.

Table 6.7: Selected Economic Indicators of Industries 2005-06 to 2007-08

Year	Labour productivity (Net value added per rupee in wages)		Total input per worker (Rs.lakh)		Total output per worker (Rs. lakh)		Annual wages per worker (Rs.)	
	Karnataka	India	Karnataka	India	Karnataka	India	Karnataka	India
2005-06	7.8	8.3	21.4	21.6	26.3	26.7	53,881	52,779
2006-07	9.3	9.0	23.0	24.7	29.5	30.6	61,247	56,203
2007-08	9.0	9.4	25.5	27.2	32.5	33.9	67,478	62,297

Source: Central Statistical Organization (CSO), GOI

6.7 Unregistered Manufacturing Sector:

The unregistered or unorganized manufacturing sector is the other important component of Karnataka's manufacturing industry. Unlike the organized industry sector, there is no periodical collection and publication of statistics for the unorganized sector on an All-India basis. By their very nature, unorganized sector activities could only be captured by sample surveys. The National Sample Survey Organization (NSSO), Ministry of Statistics & Program Implementation, Government of India conducts periodic surveys covering unorganized sector at the national level and collect data. The latest (62nd round) survey covering unorganized manufacturing enterprises was conducted by NSSO during 2005-06.

The highlights of state-wise results of 62nd round of NSSO survey covering unorganized manufacturing enterprises are given in Table 6.8. Karnataka accounted for 5.64% of total number of unorganized manufacturing enterprises and 5.42% of the total unorganized manufacturing employment in the country in 2005-06. In terms of gross value added per enterprise as well as per worker, Karnataka performed better than All-India. Both in terms of gross value added per enterprise and gross value added per worker, Karnataka stood fourth among the states of India. Maharashtra, Gujarat and Rajasthan were the first three ranked states in the country – both in terms of gross value added per enterprise and gross value added per worker.

Table 6.8: Un-organized Manufacturing Enterprises 2005-06

State	Number (lakh)		Annual Gross Value Added (Rs.)	
	Enterprises	Workers	Per Enterprises	Per worker
Andhra Pradesh	15.33	29.39	30,062	15,683
Bihar	7.72	14.53	26,291	13,976
Chhattisgarh	2.07	4.58	40,519	18,341
Gujarat	6.54	18.52	96,612	34,133
Karnataka	9.62	19.74	58,030	28,268
Madhya Pradesh	8.55	17.41	29,625	14,544
Maharashtra	11.26	29.01	1,21,913	47,332
Orissa	9.57	20.24	20,374	9,638
Rajasthan	6.36	12.95	59,605	29,287
Tamilnadu	14.82	33.70	55,590	24,449
Uttar Pradesh	23.59	52.88	52,041	23,220
All India	170.71	364.43	51,308	24,304

Source: National Sample Survey Organization, GOI.

In addition to the manufacturing sector, service sector enterprises play a crucial role of support to industry. The highlights of results of NSSO survey covering service sector enterprises (excluding trade) under the 63rd round during 2006-07 are presented state-wise in Table 6.9. The table gives figures for number of enterprises and number of workers as well as gross value added per enterprise and gross value added per worker. Karnataka accounted for 4.9% of the total service sector enterprises and 4.8% of the total service sector enterprise workers in the country. In terms of both gross value added per enterprise and gross value added per worker, Karnataka stood first in the country followed by Maharashtra (in gross value added per enterprise) and Gujarat (in gross value added per worker). Karnataka accounted for more than twice as much as that of All-India in terms of gross value added per enterprise as well as gross value added per worker.

Table 6.9: Service Sector Enterprises (excluding trade) 2006-07

State	Number (lakh)		Annual Gross value added (Rs.)	
	Enterprises	Workers	Per enterprise	Per worker
Andhra Pradesh	17.23	36.35	58,255	27,605
Bihar	8.72	13.09	33,079	22,031
Chhattisgarh	1.77	4.50	52,476	20,664
Gujarat	6.44	12.23	1,89,061	99,506
Karnataka	8.05	15.92	2,21,559	1,12,097
Madhya Pradesh	4.68	10.17	64,742	29,822
Maharashtra	14.89	31.60	1,89,679	89,400
Orissa	6.22	19.24	36,123	11,678
Rajasthan	6.00	11.88	93,738	47,350
Tamil Nadu	11.93	29.22	98,969	40,413
Uttar Pradesh	22.46	40.64	47,380	26,188
All India	165.12	328.80	92,633	46,519

Source: National Sample Survey Organization, GOI

6.8 Micro, Small & Medium Enterprises:

Micro, Small & Medium Enterprises (MSMEs) form an important and growing segment of Karnataka's industrial sector. They represent largely the modern enterprises. MSMEs spread across both registered/organized and unregistered/unorganized industrial sectors. Statistics on MSMEs are based on registration of enterprises made with the Directorate of Industries and Commerce through District Industries Centres. The government of Karnataka has simplified the registration procedure for MSMEs in which the term „industries“ has been changed to „enterprises“ which have been broadly classified into two categories: (i) manufacturing, and (ii) services. MSMEs are defined as enterprises having investment in plant & machinery up to Rs.10 crore for manufacturing enterprises, and investment on equipments up to Rs.5 crore for service enterprises.

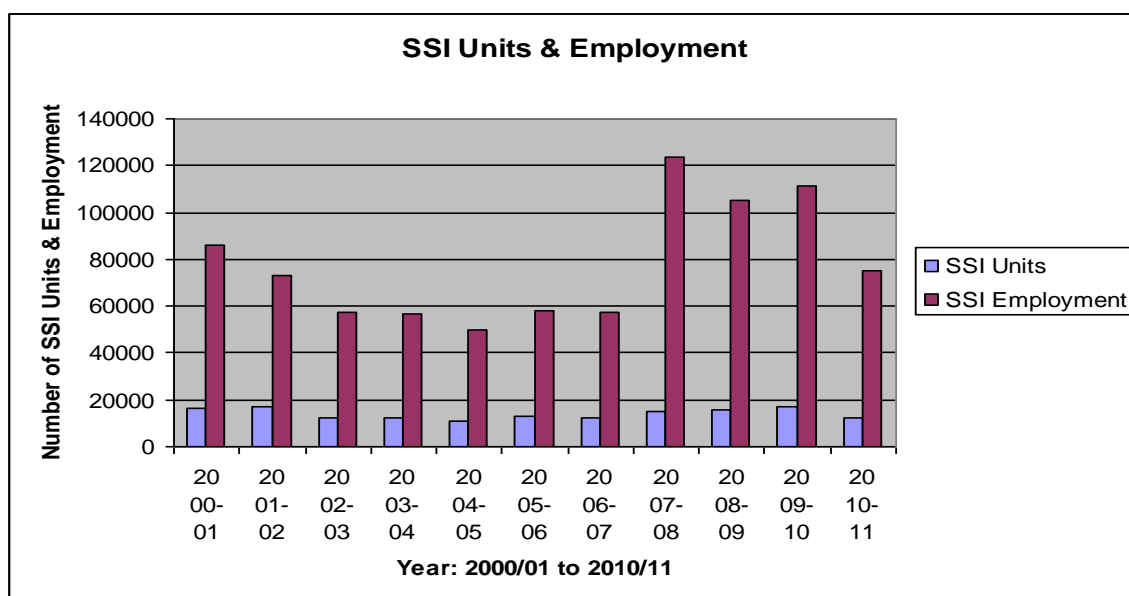
The year-wise registration of MSMEs in the state and the persons employed in the registered MSME enterprises during 2000-01 to 2010-11 are given in Table 6.10. The table also presents number of persons employed per unit in the newly registered MSME enterprises for each of the years from 2000-01 onwards. While the number of MSME enterprises registered and number of persons employed in these MSMEs fluctuated from year to year, the former has shown a steady upward trend during 2006-07 to 2009-10. The annual statistics on MSMEs for number of enterprises and number of persons employed are also shown in Figure 6.1.

Table 6.10: Micro, Small & Medium Enterprises: 2000-01 to 2010-11

Year	Annual statistics		
	MSME units	Employment	Employment per unit
2000-01	16554	85792	5.18
2001-02	16964	73195	4.31
2002-03	12029	57371	4.77
2003-04	12220	56790	4.65
2004-05	11238	49998	4.45
2005-06	12780	58133	4.55
2006-07	12580	57517	4.57
2007-08	14984	123399	8.24
2008-09	15705	105034	6.69
2009-10	17195	111164	6.46
2010-11* (Up to Dec-2010)	12292*	75120*	6.11

Source: Directorate of Industries and Commerce

Figure 6.1 MSME (SSI) Units Registered and Employment Generated: 2000-01 to 2010-11



Source: Department of Industries and Commerce

6.9 Industry Sectors:

a. Food Processing Industries:

Karnataka with a good agricultural base including a variety of food crops offers immense scope for the development of food processing industries. Accordingly, the Ministry of Food Processing Industries, Government of India had approved under the 10th Five Year

Plan the establishment of food parks in Malur, Hiriyur, Bagalkot and Jewargi. These food parks are at different stages of implementation.

Physical Progress:

M/s Innova Agri Bio-Park Limited at Malur, after acquiring 87 acres of land, has completed land leveling, metalling of roads, border fencing, sinking of bore wells, construction of water sump, site office, cold storage, warehouse, etc. It has also put in place a cold storage chain for transporting fruits and vegetables from growing yards to the site and the processed produce to the market. An Effluent Treatment Plant (ETP) is under establishment. The company has started processing fruits, vegetable and dal for local as well as export market. The company has already allotted around 42.97 acres of land to 12 companies and the remaining land available for allotment is 7.51 acres. Efforts are being made to get treated water from BWSSB to the Malur Industrial Area (where the food park is located) as well as to implement rain water harvesting facilities.

M/s Akshay Food Park Limited at Hiriyur, after acquiring 106 acres and 37 guntas of land, has completed land leveling, laying of internal roads, digging of bore wells, construction of cold storage, ware house, weigh bridge, installation of cold storage equipments, grading and separating machines, packaging machines, etc. The company conducted trail runs of all the plant & machineries to start regular operations. The company has entered into MOU with three companies for allting 10 acres and 4 guntas of land for establishing gherkin processing and food packaging. The food park is expected to be fully operational in a couple of months" time.

M/s Green Food Park Limited at Bagalkot, after acquiring land of 100 acres, has completed land leveling, laying of internal roads, digging of three bore wells, construction of fresh water drains, boundary fencing, construction of administrative block, security buildings and warehouse, installment of cold storage equipments, acquisition of weigh bridge, etc. However it has yet to acquire an ETP plant, grading, separating and packaging machines, cold storage chains, etc. The Food Park is expected to be operational in September 2011.

M/s Jewargi Agro Food Park Limited at Jewargi, after acquiring 105 acres of land, has done land leveling, all-round fencing, digging of bore wells, laying of roads and fresh water drains, civil works for site office, security block, weigh bridge, etc. The financial progress of the above referred Food Parks are presented in Appendices 6.5 and 6.6.

In addition to the above, Government of Karnataka has approved food parks in six more districts, namely, Bangalore rural, Tumkur, Shimoga, Davangere, Bijapur and Belgaum. Food Karnataka Limited (FKL) is in different stages of progress in identifying partners for developing these food parks. A Spice Park is proposed to be developed by FKL at Byadagi in Haveri district.

b. Textiles Industry:

Textiles and garments industry forms an important sector in Karnataka"s industry, particularly from the point of view of employment generation. Government of Karnataka is currently implementing its exclusive textile policy, namely, "Suvarna Vastra Neethi: 2008-2013". The major objectives of the policy are: (i) to promote the entire textile industry value

chain – comprising spinning, weaving (power loom and handloom) including pre-loom activities, knitting, processing, garmenting, and other ancillary activities including textile machinery manufacturing - in an integrated way, and (ii) to promote the sector as a producer of internationally competitive value added products to maintain a dominant presence domestically as well as internationally and (iii) to be a source of sustainable employment and economic growth of the State.

The progress of handloom and power looms in terms of production and employment in the cooperative sector is presented in Table 6.11.

**Table 6.11: Production and Employment in Handloom and Power loom Industries
(In Co-operative sector only)**

Item	Unit	Annual Plan 2007-08		Annual Plan 2008-09		Annual Plan 2009-10		Annual Plan 2010-11	
		Target	Ach.	Target	Ach.	Target	Ach.	Target	Ach. up to Dec. 2010
Handlooms									
a) Production	Million mtrs	50.00	45.62	50.00	58.25	50.00	48.92	50.00	43.61
b)Employment	Lakhs	0.90	0.87	0.90	0.69	0.90	0.74	0.90	0.76
Powerlooms									
a) Production	Million.mtrs	275.00	257.96	275.00	226.52	275.00	253.21	275.00	216.00
b)Employment	Lakhs	1.75	1.67	1.75	1.93	2.00	2.19	2.20	2.13

Source: Department of Textile.

c. Sericulture

Sericulture is another major industry of Karnataka which involves mulberry cultivation, production of cocoons, silk reeling, and raw silk production, among others. Thus it is one of the major employment generating sectors and its growth has immense employment generation potential, particularly in rural Karnataka. The area under mulberry cultivation in the State was about 66.89 thousand hectares at the end of September 2010, which has less than the area under mulberry cultivation in 2009-10. Even the production of cocoons, quantity of cocoons marketed, raw silk production and total employment in industry was less in 2010 compared to 2009. Table 6.12 presents the details.

Table 6.13 comprises details of expenditure incurred under various promotional programs of sericulture. Table 6.14 presents details of financial assistance availed by reelers and sericulturists.

**Table 6.12: Sericulture industry in Karnataka 2008-09 to 2009-10
(April to September 2010)**

Category	Unit	2008-09	2009-10	April to September		% variation 2010 over 2009
				2009	2010	
1. Area under mulberry	„000 hectares	77.329	82.09	81.18	66.49	-18.08
2. Production of cocoons	„000 MTs.	53.377	54.28	26.75	25.86	- 3.29
3. Quantum of Cocoons marketed	„000 MTs.	50.835	51.70	25.53	24.63	- 3.52
4. Raw silk production	„000 MTs.	7.238	7.36	3.62	3.55	- 1.93
5. Employment in sericulture	Lakhs	10.050	10.67	5.27	4.32	- 18.02

Note: MTs -Metric Tonnes

Source: Department of Sericulture.

Table 6.13: Promotional Programs for Sericulture: 2009-10

Sl. No.	Program	Amount sanctioned (Rs.Lakh)	Amount spent (Rs. Lakh)
1	Reshme Varadana Yojane	500.00	356.41
2	Special Component Plan (i) State sector (ii) District Sector	50.00 79.69	53.77 73.28
3	Tribal sub-plan (i) State sector (ii) District sector	50.00 30.51	38.64 28.22
4	Women Development Program	132.018	123.691
5	Catalytic Development Program	---	2046.41

Source: Department of Sericulture.

Table 6.14: Financial Assistance Availed by Reelers and Sericulturists: 2009-10

A. Financial Assistance to Reelers		
Particulars	Beneficiaries	Amount (Rs. Lakh)
Charaka	1	3.000
Cottage Basin	1	0.250
Multi-end basin	1	8.000
Total	3	11.250
B. Financial Assistance to Seri-culturists		
Mulberry Plantation	725	117.957
Purchase of equipment	668	194.375
Construction of Rearing House	915	1771.365
Irrigation system	19	6.340
Total	2327	2090.037

Source: Department of Sericulture.

Karnataka Silk Marketing Board :

The Karnataka Silk Marketing Board Ltd., Promoted by the Government of Karnataka was established in 1979, along with the formation of “ Silk Exchange ” where by law, all “ first sale “ of raw silk has to be conducted. This was done with the intention of stabilizing the prices in Silk industry. During the year 2009-10, turnover of the Company was Rs.2653.89 Lakh as against Rs.1898.47 lakh in the previous year. In the year 2010-11 (Upto Dec-10) the turnover is Rs.2604 Lakh. Efforts are being made to achieve higher turnover compared to the previous year.

Table 6.15: Year wise performance

(Rs in Lakh)

Particulars	2008-09	2009-10	2010-11(Upto 31-12-2010 (Provisional))
1. Turnover	1898.47	2653.89	2604.00
2.Profit after tax	(-)361.88	(-) 258.79	(-) 214.01

Source: Karnataka Silk Marketing Board.

The transaction at Silk Exchanges has decreased by 15.8% and the average prices of silk increased by 20% when compared to prices of 2008-09. In spite of poor arrivals at the Silk Exchanges, the Company was able to purchase 171 tons of silk valued at Rs.26.61 crore and sold 163 tons of silk valued at Rs.26.54 crore. The turnover of 2009-10 was considerably high when compared to the transactions of last 5 years.

Table 6.16: Year wise performance of Silk Marketing Board 2007-08 to 2009-10

Year	Quantity (Tonnes)	Average Price Rs. Per Kg.	
		Filature	CHS
2007-08	1363	1204	1100
2008-09	1288	1347	1240
2009-10	1084	1615	1500

Source : Karnataka Silk Marketing Board.

Table 6.17: Particulars of Purchase & Sales and Profit/Loss of Silk Marketing Board 2004-05 to 2009-10

(Quantity in tons and value in Rs. Lakh.)

Year	Purchase		Sales		(+ Profit (-) Loss	Accumulated Loss (-)
	Quantity	Value	Quantity	Value		
2004-05	71	704	103	1100	(-) 186.86	902.16
2005-06	104	1220	104	1219	(-) 195.06	1097.22
2006-07	105	1215	95	1165	(-) 316.65	1413.87
2007-08	87	959	113	1324	(-) 405.86	1819.73
2008-09	127	1569	147	1898	(-) 361.88	2181.61
2009-10	171	2661	163	2653	(-) 258.79	2440.40

Source : Karnataka Silk Marketing Board.

During the year 2009-10 the prices of imported silk were higher than that of domestic silk prices. After July 2009 the prices of silk yarn prevailed high and the Company made efforts to buy and sell the silk by investing the available funds with the Company and achieved growth both in purchases and sales. During 2009-10 in order to help the small reelers, the Company has re-opened its purchase branches at Chamarajanagar, Chikkaballapur, Kanakapura and Kolar and extension counter at Kyalnoor and also has opened a branch at Mudhol in North Karnataka. To improve the sales, selling branch at Doddaballapur was re-started and M/s NHDC(GOI) has been appointed as selling agent at Varanasi. The Company has made purchases/sales throughout the year and achieved a considerable progress during 2009-10. Efforts are being made to obtain additional funds from the Government for improving the capital base of the Company. The comparative table showing the figure of Karnataka State production of silk yarn and the import of silk yarn for the last ten years is given below:-

**Table 6.18: Production of silk yarn and import of silk yarn in Karnataka
2000-01 to 2009-10**

Year	Production of Silk Yarn (in tons)	Import of Silk Yarn (in tons)
2000 – 2001	8121	4713
2001 – 2002	8200	6808
2002 – 2003	8728	9054
2003 – 2004	6760	9258
2004 – 2005	7302	7185
2005 – 2006	7471	8334
2006 – 2007	7883	5567
2007- 2008	8240	7921
2008 - 2009	7238	8391
2009 - 2010	7360	7341

Source: i) Karnataka Silk Marketing Board.
ii) Central Silk Board, Bangalore

Company is primarily discharging the function of Price Stabilisation of silk yarn which is generally a non-profitable proposition. Company is expected to protect the interest of reelers and farmers by continuously purchasing silk in all Silk Exchanges in Karnataka. Company being the biggest Govt. licensed buyer of silk at Silk Exchanges of Karnataka State has to strive to maintain price stability and to prevent formation of groups and cartels among traders and merchants, thereby to protect the interest of cocoon producers (farmers), reelers and weavers. Company has to maintain sufficient buffer stock to meet the daily requirement of consumers spread over the state of Karnataka, Tamilnadu & Andhra Pradesh . It sells silk to artisans (i.e. weavers). When the prices are continuously stable, the intervention of KSMB in the market may not be necessary. This will result in very low purchase and sales. This is in fact the role of any Price Stabilisation Institution and KSMB is one among them. Maintenance of procurement and distribution points involve considerable overhead expenses such as rent for Office and Godown, insurance etc.

In the context of liberalized economy, the Company may have to face increased hurdles and obstacles while performing its function of price stabilization in this Agro based, labour intensive sector requiring substantial capital. There are about two lakhs families directly and indirectly involved in sericulture in the state of Karnataka alone, apart from

considerable number of weavers and traders in the states of Tamil Nadu and Andhra Pradesh, for whom the activities of KSMB are quite necessary if not essential. Karnataka's contribution for sericulture development is substantial. In various process of sericulture and Silk Industry, over the years, the functions of KSMB has become a vital link in a stage at which effort of the farmers get money value in real terms. The value of exports of silk goods from Karnataka and India is given in Table 6.19.

**Table 6.19: Value of exports of Silk goods from Karnataka and India
2008-09 & 2009-10 and 2010-11 (April to July)**

Particulars	2008-09	2009-10	(Rs.Crore)
			2010-11 (April to July 10) (P)
Karnataka	873.12	700.32	212.76
India	3178.19	2892.44	807.96
Share of Karnataka (Percentage)	27.47	24.21	26.33

Note: 1. Figure includes silk yarn and silk waste

2. Value of export of silk goods figures from Karnataka reflects the export consignments dispatched from ports viz., Bangalore air and Bangalore ICD only.

3. (P) Provisional.

Source: Central Silk Board, Bangalore

d. Information Technology and Bio-Technology Industries:

Karnataka has emerged into a major base of Information Technology (IT) and Bio-Technology (BT) industry sectors domestically as well as globally. The State is one of the most attractive destinations for both domestic and foreign investors. The different dimensions of achievements made in the IT sector are presented in Table 6.20.

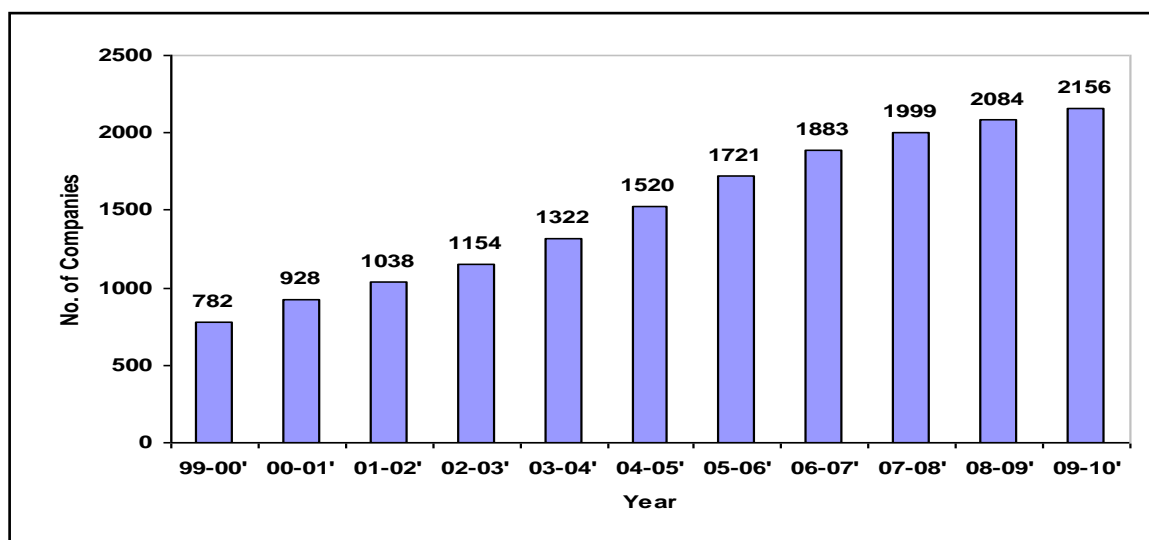
The Software Technology Parks of India (STPI) has been set up as an autonomous society under Ministry of Communication and Information Technology, Government of India with a distinct focus to boost up software exports from India. The Software Technology Park of India (STP), Bangalore is making rapid progress in terms of IT companies and software exports. The cumulative number of IT companies operating in the STPI of Bangalore is presented in Figure 6.2 and total software exports are given in Figure 6.3.

Currently steps are being taken by Government of Karnataka to set up one IT park each in Mysore, Mangalore, Gulbarga and Shimoga under Public-Private Partnership (PPP). These projects are under different stages of progress.

Table 6.20: Achievements in Information Technology Sector: 2008-09 to 2010-11

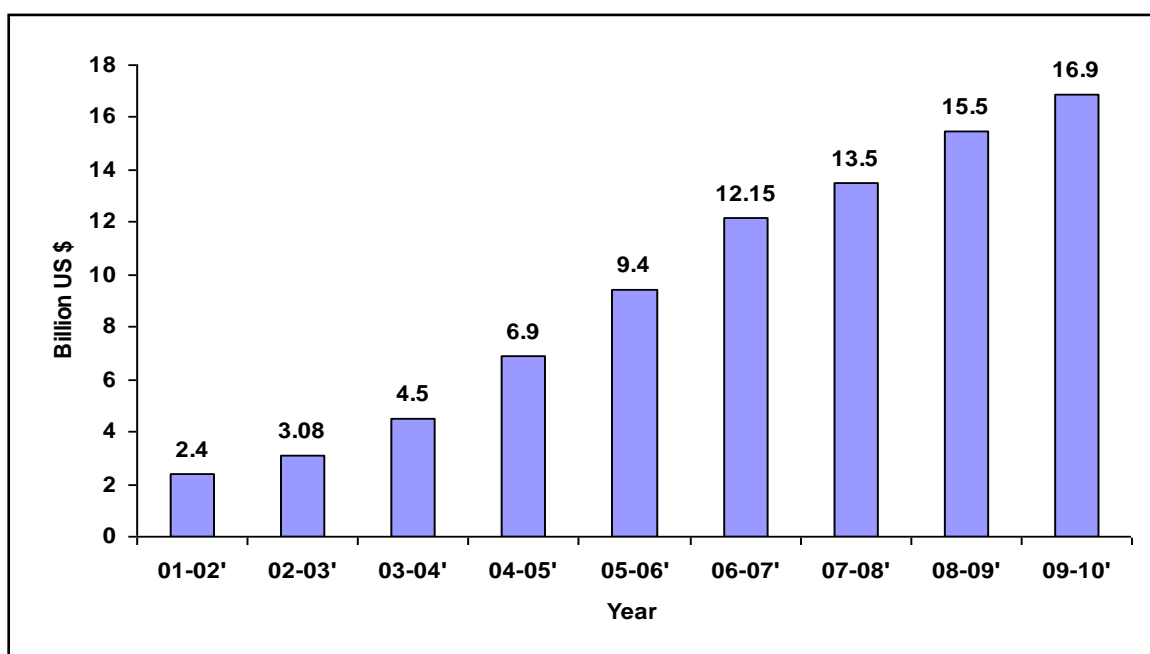
Sl. No.	Particulars	Units	2008-09	2009-10	2010-11 (till Oct 10)
1.	Software Exports	Rs. Crore	74929	76000	27000
2.	No. of STP units Approved	Nos.	84	77	25
3.	Investment from STP units approved	Rs.Crore	464.16	818.08	374.52
4.	No. of Foreign Equity companies	Nos.	33	34	10
5.	Investment from FE's	Rs.Crore	287	449.87	327.38
6.	No. of Electronic Hardware Companies	Nos.	68	-	-
7.	Investment from Hardware units	Rs.Crore	-	2261.57	1139.69
8.	No. of Major Indian Companies	Nos.	2	-	-
9.	Investment from Major Indian Companies	Rs.Crore	40.65	4	-
10.	No. of SMES Companies	Nos.	49	213.83	0.00
11.	Investment from SMES	Rs.Crore	135.78	39	15
12.	No. of BPO Companies	Nos.	15	-	-
13.	BPO Exports	Rs.Crore	76004.30	-	-
14.	Investment from BPO units approved	Rs.Crore	24708	-	-
15.	New IT projects approved by the SLSWCC/SHLCC/BT for the current year up to November 2011	Nos.	69	83	71

Source: Karnataka Biotechnology and Information Technology Services

Figure 6.2: No of IT Companies in STPI Bangalore: :1999-00 to 2009-10

Source: Software Technology Park of India

Figure 6.3: Total Software Exports from Karnataka: 2001-02-2009-10

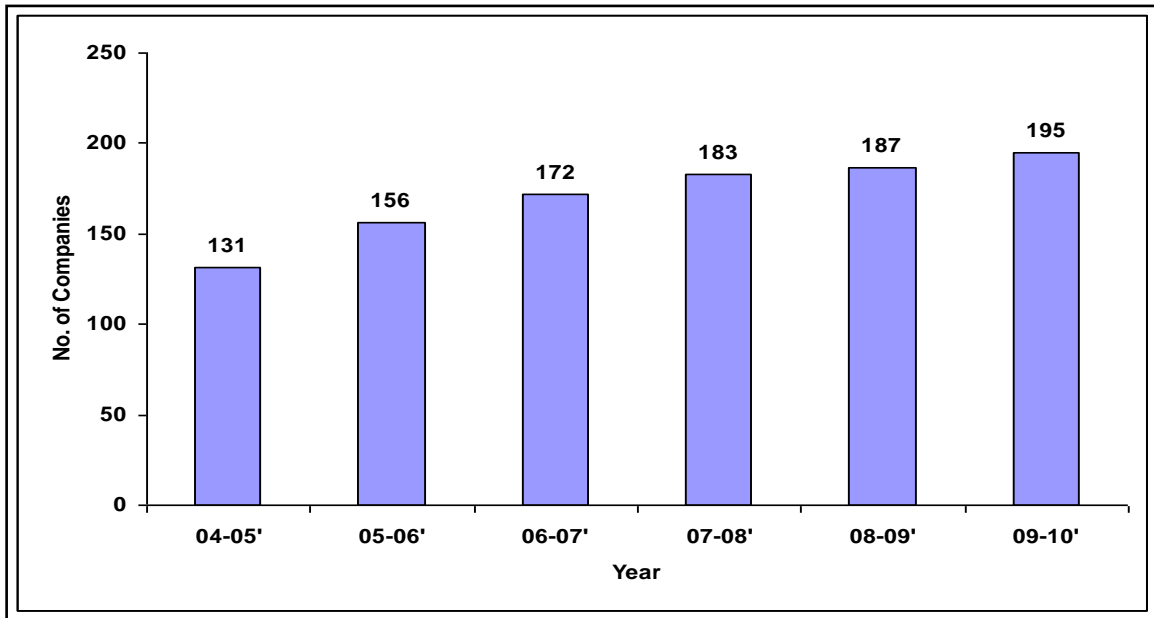


Source: Software Technology Park of India

To promote semi-conductor industry, Government of Karnataka has launched an exclusive Semiconductor Policy. A Karnataka Fund for Semiconductor Excellence of Rs.10 crore has been formed to encourage innovation and R&D in chip design, product development, telecom, etc. A contribution of Rs.25 crore proposed to be KITVEN IT Fund to assist semiconductor start-ups engaged in design and embedded software. Special encouragement is provided to solar PV manufacturing units. In addition, fiscal concessions and incentives under Karnataka Industrial Policy (2009-14) are being extended.

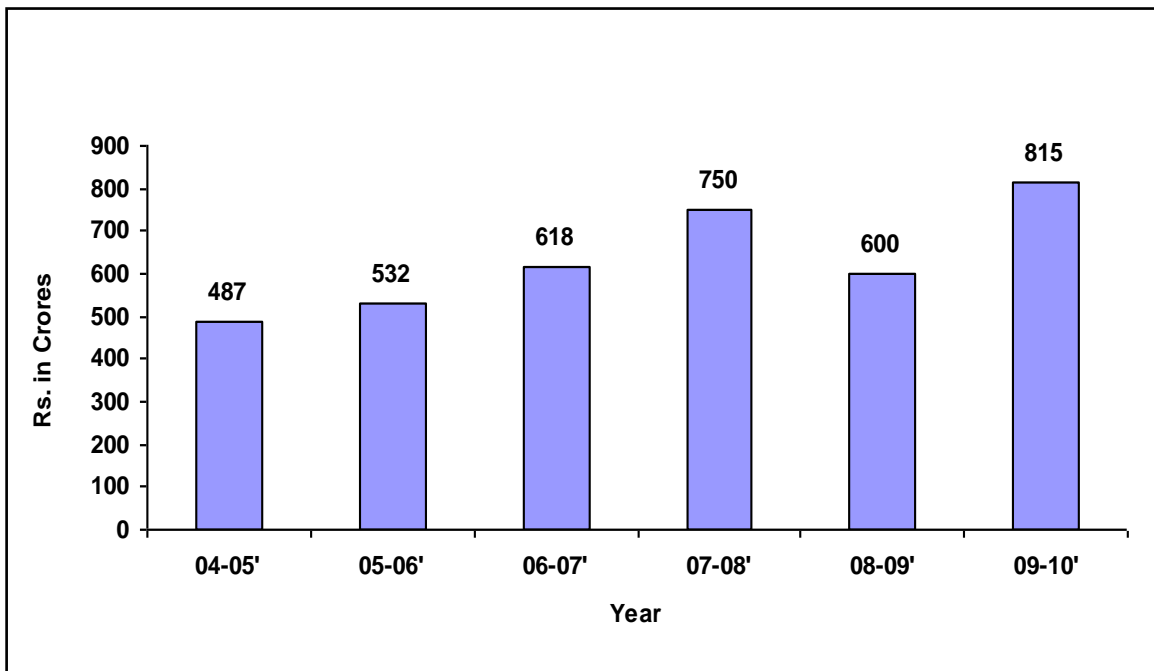
Karnataka is making rapid strides in the Bio-Technology Sector as well. An exclusive Millennium Biotech Policy is being implemented. A Bio Venture Fund of Rs.50 crore in partnership with a professional Venture Capital Fund is proposed to promote Bio-tech start-ups. A unique package of concessions for mega projects is proposed. Fiscal incentives and concessions are offered under Karnataka Industrial Policy (2009-14). Five Bio-Tech Parks – one each in Bangalore, Mysore, Mangalore, Dharwad and Bidar are being established in the State. The growth of Bio-Tech industry in the State in terms of number of companies and value of production are presented in Figures 6.4 & 6.5.

Figure 6.4: No of Bio-Tech Companies in Karnataka: 2004-05 to 2009-10



Source: Software Technology Park of India

Figure 6.5: Bio-Tech Industry Output: 2004-05 to 2009-10



Source: Software Technology Park of India

e. e-Governance

Karnataka has an exclusive e-Governance secretariat in the Administrative Reforms wing of the Department of Personnel & Administrative Reforms, which was set up in 2003, to accelerate the process of IT enabling of government processes for the benefit of citizens and to improve transparency and efficiency in administration.

The e-Governance secretariat has created the necessary infrastructure for implementing e-Governance in the State. It includes, among others, e-procurement project. This project has been extended to 96 departments/organizations as of January 2011. Procurements valued at Rs.47,000/- crore plus have been made through this platform. This platform has enabled competition among the bidders and more bidders are participating in the tendering process, resulting in the reduction of about 10% in bid amount vis-à-vis the estimated expenditure. More than 10,000 suppliers/bidders are registered on the platform. The project has been awarded **Futuregov Award 2010 for Best Business Practices in Asia's Public Sector** for the year 2010, among many other awards.

Other important developments are as follows:

- Karnataka State Wide Area Network (KSWAN) project has covered 2700 government offices comprising 56 departments and I.P phones provided to more than 2300 offices. Government Business Centres are established in 126 taluk headquarters, which can be used by all the offices in the taluk headquarters.
- Service registers of all the Government employees have been computerized under the Human Resource Management System.
- Bangalore One Centres have been started to provide G2C and B2C services under a single roof as a one stop shop. It is proposed to establish a Bangalore One Centre in each ward of the city. There are now 69 Bangalore One centers. The number of transactions upto November 2010 was more than 3 crore transactions.
- Thirty two Karnataka One centres have been established (similar to Bangalore One) in tier two cities, namely, Hubli-Dharwad, Shimoga, Belgaum, Bellary, Mysore, Mangalore, Davangere, Gulbarga and Tumkur.
- Rural Digital Services (Nemmedi), which was launched in October 2006, has a total of 799 rural kiosks established at Hobli level. Rural clients are provided with G2C and B2C services of government departments and private companies.
- File Monitoring System (FMS) and Letter Monitoring System (LMS) has been operationalised in the Karnataka Government Secretariat. Another package called Document Management System and Court Monitoring System has also been operationalised. The upgraded Sachivalaya-2 package has been implemented.
- Wireless LAN connecting 1500 nodes is in place in the Secretariat.
- Aadhar (UID) project was inaugurated on 08.10.2010. This is being implemented on a pilot basis in the districts of Mysore and Tumkur.
- The officers and staff of various department of Government of Karnataka have been trained in operating the e-procurement platform.
- Flexi system has been implemented successfully for officers of the rank of Section Officers and above in the Karnataka Government Secretariat to facilitate optimum utilisation of their time and to enhance their efficiency.
- Right to Information Project: To enable citizens to seek information under RTI Act, 2005, through Call Centre/Bangalore One/Karnataka One /State Web Portal. This project is expected to go live by April, 2011.
- MIS system for the Planning Department to enable web based collection and collation of information about the implementation of various plan schemes of different departments. This project will be implemented by April, 2011.
- State Service Delivery Gateway to provide services to citizens anywhere or everywhere.

- Stamps and Registration Services: Marriage certificates, encumbrance certificates and sale deeds will be made available to the public through BangaloreOne centres electronically. This project will be implemented by March 2011.
- Automation of the services of Labour Department: Under this project, the services of the Labour Department will be automated and electronically made available to the public. This project is expected to be implemented by June 2011.
- Vajpayee Arogyashree: The project will be electronically enabled. It is expected to be operational by April, 2011.
- Karnataka Residents Data Hub: The State Government is implementing citizen friendly schemes like Nemmadi, Bhoomi, BangaloreOne, etc. The intention of this project is to have consolidated information relating to all the citizens availing benefits with linkages established between the different data bases. This will help the Government in evaluating not only the progress of the project but also extending the benefits to the targeted beneficiaries. This Project is expected to become operational by June, 2011.

6.10 Industrial Policy Initiatives and Industrial Investment:

Karnataka has been in the forefront of industrialization ever since India's independence in 1947. It is one of the five most industrialized states in the country today. The State is known for pursuing a pro-active industrial policy to facilitate and promote a favorable investment climate both for existing and prospective investors. The State's current industrial policy (2009-2014) has been introduced for a period of five years with effect from 1st April 2009. It has the following major objectives:

- To build prosperous Karnataka by developing human and natural resources in systematic, scientific and sustainable manner
- To create an additional employment of 1 million with an investment of Rs.30,000 crore in the industrial sector by the end of 2014
- To create enabling investment for robust industrial growth and achieve inclusive industrial development in the State
- To enhance the contribution of manufacturing sector to the State GDP from the present 17% to 20% by the end of March 2014.

To achieve the objectives of Industrial Policy (2009-2014), the following programs are proposed:

- Thrust on provision of world class infrastructural facilities for industries with active involvement of private sector/industry.
- Creation of land bank: 1000 to 2000 acres of land in each district will be acquired and developed for attracting industrial investments including Foreign Direct Investment (FDI) for the establishment of industries.
- Development of road infrastructure through the development of 8 lane roads under Suvarna Karnataka Development Corridor Program, to promote industries along the corridor.
- Development of sector-wise industrial zones for optimal utilization of local natural and human resources so as to minimize migration to urban centers.
- Safeguarding the socio-economic interests of both farmers and investors while acquiring land.

- Classification of taluks of the State into four zones depending on backwardness based on the broad guidelines of D M Nangundappa Committee Report on Redressal of Regional imbalance.
- Preferential treatment for MSMEs to enable them to meet global challenges.
- Attractive employment and performance linked incentives and concessions to attract investment to backward regions.
- Separate policy for Special Economic Zones (SEZs).
- Kaigarika Adalaths to be organized on a continuous basis at District/Division/State levels.

Industrial investments proposed through filing of Industrial Entrepreneurs' Memorandum (IEM) and issuing of Industrial Licences (IL) are presented in Table 6.21. The number of investment proposals, amount of proposed investment and proposed employment in 2010 have increased compared to 2009.

Table 6.21: Industrial Approvals in Karnataka

Particulars	2008	2009	2010 (January to September)
Industrial Entrepreneurs Memorandum (IEM) filed (Nos.)	194	179	209
Proposed Investment (Rs. Crore)	1,42,218	92,054	1,26,974
Proposed Employment (Nos.)	1,22,440	82,339	84,479
Letter of Intent & Direct Industrial Licences issued	16	-	6
Proposed Investment (Rs. Crore)	66	-	1,068
Proposed Employment (Nos.)	1,108	-	6,345

Source: Department of Industrial Policy & Promotion, GOI.

The figures for State-wise FDI inflows for 2008-09, 2009-10 and 2010-11 (up to November 2010) as well as cumulative FDI inflows from April 2000 till November 2010 are given in Table 6.22. Though FDI inflows to Karnataka has fluctuated from year to year in the last three years, the total FDI inflows to the State in the last decade accounted for 6% of the total FDI inflows to India and Karnataka stands third among the States, in terms of quantum of FDI inflows.

Table 6.22: State-wise FDI Inflows¹

Amount: US \$ in million

Sl. No.	Reserve Bank of India – Regional Office ²	States covered	2008-09	2009-10	2010-11 (Apr. – Nov.)	Cumulative Inflows (April '00 – Nov.'10)	% to Total Inflows
1	Mumbai	Maharashtra, Dadra & Nagar Haveli, Daman & Diu	12,431	8,249	4,469	43,440	35
2	New Delhi	Delhi, Part Of Up And Haryana	1,868	9,695	2,038	24,450	20
3	Bangalore	Karnataka	2,026	1,029	1,109	8,006	6
4	Ahmedabad	Gujarat	2,826	807	393	6,824	5
5	Chennai	Tamil Nadu, Pondicherry	1,724	774	674	6,173	5
6	Hyderabad	Andhra Pradesh	1,238	1,203	594	5,310	4
7	Kolkata	West Bengal, Sikkim, Andaman & Nicobar Islands	489	115	79	1,472	1
8	Chandigarh	Chandigarh, Punjab, Haryana, Himachal Pradesh	--	224	299	907	1
9	Panaji	Goa	29	169	300	722	1
10	Bhopal	Madhya Pradesh, Chattisgarh	44	54	406	609	0.5
11	Jaipur	Rajasthan	343	31	44	513	0.4
12	Kochi	Kerala, Lakshadweep	82	128	25	357	0.3
13	Bhubaneshwar	Orissa	9	149	11	258	0.2
14	Kanpur	Uttar Pradesh, Uttranchal	--	48	93	158	0.1
15	Guwahati	Assam, Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Tripura	42	11	0	64	0.1
16	Patna	Bihar, Jharkhand	--	--	--	0.4	0
17	Region Not Indicated ³		4,181	3,148	3,472	25,051	20
Sub. Total			27,331	25,834	14,025	124,315	100
18	RBI'S NRI SCHEMES (from 2000 to 2002)		0	0	0	121	--
GRAND TOTAL⁴			27,331	25,834	14,025	124,436	--

Source: Department of Industrial Policy & Promotion, GOI

¹ Includes „equity capital components“ only.

² The Region-wise FDI inflows are classified as per RBI's – Regional Office received FDI inflows, furnished by RBI, Mumbai.

³ Represents, FDI inflows through acquisition of existing shares by transfer from residents to non residents. For this RBI Regional wise information is not provided by Reserve Bank of India.

⁴ On the basis of clarification received from RBI, the amount of Stock Swap & advance pending for issue of shares has been deleted from FDI data

6.11 Karnataka Udyog Mitra (KUM):

Karnataka Udyog Mitra (KUM) is the single window agency for the clearance of investment projects in the State. But KUM deals with projects having an investment up to Rs.50 crore whereas investment projects above this value are dealt with by the State High Level Clearance Committee. The details of number of projects, investment involved and employment to be generated by these projects – cleared by KUM and the State High Level Clearance Committee from 2000-01 to 2010-11 are given in Table 6.23 and Table 6.24, respectively.

Table 6.23: Projects Approved by State Level Single Window Clearance Committee**2000-01 to 2010-11**

Year	Approved Projects	Investment (Rs. in crore)	Employment (in Nos.)
2000-01	292	4557.88	138204
2000-02	103	2042.92	46007
2002-03	95	1822.97	32072
2003-04	162	3797.57	102735
2004-05	202	4524.76	109028
2005-06	293	6647.65	272654
2006-07	871	11511.44	612620
2007-08	727	10266.92	349015
2008-09	310	5181.63	135623
2009-10	363	7836.74	116839
2010-11 (Upto Dec. 2010)	378	6087.37	102611
Total	3796	64277.84	2017408

Source : Karnataka Udyog Mitra.

6.12 Global Investors Meet 2010:

For the first time, Government of Karnataka conducted Global Investors Meet (GIM) on 4th and 5th of June 2010. In the GIM 2010 government signed 389 MOUs with an expected investment of Rs.3.93 lakh crore and estimated employment generation for 7.11 lakh persons. Subsequently, 368 new proposals with an investment of Rs.91,810 crore to generate an employment for 2 lakh persons have been approved.

Table 6.24: Projects approved by State High Level Clearance Committee from 2000-01 to 2010-11

Year	Approved Projects	Investment (Rs.in crore)	Employment (in Nos.)
2000-01	88	38345.82	109863
2001-02	21	5975.40	30702
2002-03	7	1130.82	9302
2003-04	26	10263.61	99313
2004-05	29	31718.05	130642
2005-06	55	43993.19	588259
2006-07	65	90255.84	772966
2007-08	108	160522.82	1996504
2008-09	50	105266.20	410842
2009-10	110	288548.57	284934
2010-11 (upto Dec. 2011)	130	146566.89	462896
Total	689	922587.21	4895923

Source: Karnataka Udyog Mitra.

6.13 State Policy for Special Economic Zones (SEZs):

Special Economic Zone (SEZ) is a specifically delineated duty free enclave and is deemed to be a foreign territory for the purpose of trade operations, duties and tariff. SEZ can be set up by any private/public/joint sector or State government agencies. The SEZs are promoted as an engine of economic growth by providing quality infrastructure and an attractive fiscal package both at the Centre and State levels, with minimum possible regulations. The objective is to attract more FDI and promote exports.

The Government of Karnataka has formulated a State Policy for SEZs as per Central SEZ Act 2005 and Rules 2006, with a view to providing a hassle free environment for export production and to attract FDI. The salient features of the policy are:

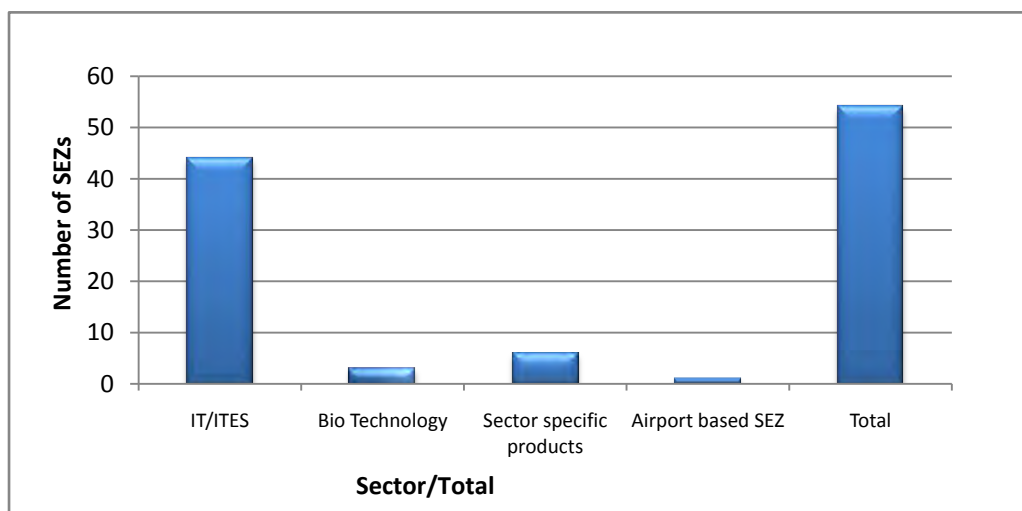
- Single point clearance to SEZ developers and units.
- No compulsory acquisition of land. Land has to be acquired on consent.
- SEZs have to be set up on waste, dry & single crop land.
- Delegation of Labour Commissioner's powers to Development Commissioner – SEZ.
- A monitoring and review committee is constituted to monitor and review implementation of SEZs under the Chairmanship of the Chief Secretary.

The fiscal package of incentives extended to SEZ developers and units included:

- Exemption from State taxes for all purchases from Domestic Tariff Area (DTA) excluding petroleum products
- Exemption from stamp duty
- Exemption from Electricity duty
- Capital subsidy for Common Effluent Treatment Plants.

The Board of Approval of SEZ constituted under SEZ Act 2005 has granted approvals for 54 SEZs in different sectors in the State so far (Figure 5.6). The State has approved a considerably large number of SEZ proposals (81% of the total) in the IT/ITES sector.

Figure 6.6: Sector-wise SEZ approvals



Source: Directorate of Industries & Commerces.

Of the 54 SEZ proposals approved, 20 SEZs are operational. So far a total of Rs. 14433 crore have been invested in the SEZs and they have generated employment for 97313 persons. Their total exports (up to 30th September 2010) accounted for Rs.27376.36 crore.

6.14 Mining and Minerals:

Though mining accounts for a minor share in the IIP of Karnataka, the State has a rich deposit of mines and minerals. The Department of Mines & Geology is involved in the investigation of various mineral deposits in the State, apart from controlling unauthorized mining. Currently, the department is engaged in the exploration of iron ore, gold, platinum group of elements, bauxite, limestone, refractory minerals and ornamental variety of granites. The department is granting reconnaissance permits for the exploration of high value minerals such as diamond, gold and associated minerals in the State to both national and Multinational Companies.

Table 6.25 presents the various schemes under implementation during 2010-11 under the plan scheme of the department. A total of Rs.400 lakh has been allocated to this department under the plan scheme for implementing six different schemes. The composite scheme covers salary, office expenses, fuel expenses, and travel expenses of district and sub-division mineral offices which are engaged in mineral administration and collection of royalty. The training of officers and staff of the department is for upgrading their professional skills, and to facilitate their participation in seminars, workshops and conferences, etc. The publication wing of the department brings out investigations brought out by the technical officers in the form of a report titled, "Geological Studies".

The mineral conservation wing of the department maintains a museum for procuring and show casing new mineral samples for the public, industrialists and students. The Environmental wing carries out Environmental Impact Assessment (EIA) and Environment Management Plan (EMP) studies through Universities and private organizations. The modernization scheme of the department aims at constructing ultra modern check posts. A check post building construction work is in final stages at Chowlapura village of Tumkur district.

**Table 6.25: Plan Schemes of Department of Mining and Geology: 2008-09 to 2011-12
(Rs. in lakh)**

Name of the Scheme	2008-09		2009-10		2010-11		2011-12
	Budget allocation	Expenditure	Budget allocation	Expenditure	Budget allocation	Expenditure (up to September 2010)	Proposed budget
Composite Scheme	209.42	162.69	209.12	159.21	210.00	88.64	210.00
Training of officers and staff of the Department	5.00	0.98	5.00	1.62	3.00	0.91	3.00
Publication Wing in the Department	5.00	1.98	5.00	4.94	3.00	0.21	3.00
Mineral Conservation cell in the Department	1.00	0	1.00	0.40	5.00	-	1.00
Environmental Geological Wing of the Department	10.00	8.22	10.00	9.99	10.00	-	10.00
Modernization	200.00	147.46	200.00	134.82	169.00	39.83	173.00
Total	430.42	321.33	430.12	310.98	400.00	129.59	400.00

Source: Department of Mines and Geology

The department has collected Rs.725 crore as royalty during 2010-11 (up to November 2010) as compared to Rs.860 crore during 2009-10. In 2010-11 (up to September 2010) a total of 18 quarry leases for ornamental stone and 397 leases for building stone have been granted, and 19 mining leases have been sanctioned as against granting 9 quarry leases for ornamental stone and 550 leases for building stone and sanctioning 29 mining leases during 2009-10.

During 2010-11, it is proposed to carryout regional survey and mapping on 1:50,000 scale covering an area of about 1,500 sq. km and large scale mapping on 1:1,000 scale covering 200 hectares for Gold, Iron ore, Clay, Quartz, Feldspar and ornamental stone in the State. The Department has deployed diamond drilling units to extract core for ascertaining the true thickness and quantity of mineral deposits. It has been planned to drill about 1200 meters for limestone deposits in Bhima basin of Gulbarga district and Melanahalli of Tumkur District.

To prevent illegal mining and transportation, the department has established 13 composite check posts at vital points involving officers, police, Commercial Tax, PWD and DMG. It is proposed to introduce on-line issue of permits. It is made mandatory to fix RFID and GPS devices to the vehicles carrying minerals. In addition, it is proposed to utilize services of unmanned aerial vehicles to check illegal mining and transportation of minerals.

In order to curb illegal mining and transportation State has framed the draft rules entitled **Karnataka (Prevention of Illegal mining, Transportation and Storage of**

Minerals) 2010 under the provisions of section 23(C) of MMRD Act 1957. The government of Karnataka has issued a ban order on the issue of mineral dispatch permits for exporting iron ore. Further the stock yard permission given to the traders is also cancelled. The stock yard permissions are accorded only for mine owners and genuine mineral processors.

The government is currently deliberating on new sand policy from the coming year to prevent illegal sand mining with suitable local modifications following the Tamilnadu model. The new policy is currently under the scrutiny and consideration of the Cabinet Sub-Committee.

6.15 Industrial Development Institutions:

a. Karnataka Small Scale Industries Corporation:

Karnataka State Small Industries Development Corporation Limited (KSSIDC) promotes the development of small-scale industry (SSI) sector by providing industrial sheds, channels for procurement and distribution of raw materials and management guidance to SSI entrepreneurs. The Corporation has a network of 24 depots for raw material distribution in the State. It has also acquired land in and around Bangalore and in other districts for the construction of sheds and plots development as per the SSI units' demand. The details of raw materials sold, sheds constructed and plots developed by the Corporation are given in Table 6.26.

Table 6.26: Performance of Karnataka State Small Industries Development Corporation

Sl. No	Particulars	Unit	2008-09	2009-10	2010-11 (April to November)
1.	Depots for distribution of raw material	Number	24	24	24
2.	Raw material sold	Rs. Crore	63.13	74.16	58.67*
3.	Industrial sheds constructed (cumulative)	Number	5756	5573	5573
4.	Industrial Plots developed (cumulative)	Number	5943	6361	6361

* The figures shown is approximate only (However the actual sales up to October is Rs.52.33 crore).

Source: Karnataka State Small Industries Development Corporation.

b. Karnataka State Industrial Area Development Board:

Karnataka Industrial Areas Development Board (KIADB) is a wholly owned infrastructure agency of Government of Karnataka, set up under Karnataka Industrial Areas Development Act of 1966. Till date, KIADB has formed 132 industrial areas spread all over the State, and acquired land for nearly 400 Single Unit Complexes ensuring balanced industrial development in all regions with well thought-out infrastructure. The statistics on the performance of KIADB for the last three years are given in Table 6.27.

**Table 6.27: Performance of Karnataka Industrial Areas Development Board
2007-08 to 2010-11**

Sl. No.	Particulars	Unit	2008-09	2009-10	2010-11 (April to November)
1.	Area acquired	Acres	7105.25	3778.08	21758.39
2.	Area allotted				
	(a) SSI, L &M	Acres	2316.00	1985.26	1450.16
	(b) Single Unit Complex	Acres	1231.29	262.16	4120.16
	Total	Acres	3547.29	2247.42	5570.32
3.	Expenditure incurred for acquisition	Rs. in lakhs	1,27,500.00	13,750.00	9,500.00
4.	Expenditure incurred for development	Rs. in Lakhs	22,500.00	1,567.00	2,000.00
5.	Total Expenditure incurred	Rs. in Lakhs	1,50,000.00	15,317.00	11,500.00
6.	No. of Entrepreneurs				
	(a) SSI units, L & M	No.	863	1072	609
	(b) Single Unit Complex	No.	11	8	10
	Total		874	1080	619

Source: Karnataka State Industrial Area Development Board.

c. KEONICS:

Karnataka State Electronics Development Corporation (KEONICS) has been established (in September 1976) to promote and develop electronics industry and allied activities in the State. KEONICS has been recognized as a Nodal Agency of the Government of Karnataka for the promotion of IT and IT enabled services and development of IT infrastructure, IT Parks, IT cities, and IT related activities in the State.

KEONICS is currently involved in the setting up of IT Parks in tier-2 cities such as Hubli, Gulbarga, Belgaum, Mysore, Shimoga and Mangalore to encourage young entrepreneurs in the IT and ITES sectors. These IT Parks are at various stages of development. In addition, KEONICS has taken up training service activities in computer software, hardware, medical transcription, etc in its own training centres and also through its 276 franchisee centres in all the districts of the State.

KEONICS offers consultancy services on project implementation to various government departments in the areas of networking, web creation, software development and computerization plans. It has entered into MOU with various organizations such as e-devalaya, tender wizard, works management system, drugs Logistics Smart Card, etc. to

market their products and services. The financial performance of KEONICS is presented in Table 6.28.

Table 6.28: Financial Performance of KEONICS 2008-09 to 2010-11

Rs. in Crores

Head	2008-09	2009-10	2010-11 (up to September 2010)
Sales and Service Turnover	69.93	113.80	43.91
Other Income	5.87	5.36	1.27
Total Turnover	75.80	119.16	45.18
Profit before Tax	6.17	5.92	1.07
Profit after Tax	4.03	4.53	0.75

Source : KEONICS.

d. Department of Factories, Boilers, Industrial Safety and Health:

The Department of Factories, Boilers, Industrial Safety and Health is a regulatory department enforcing various Labour laws related to workplace safety, health and welfare measures which includes The Factories Act, The Payment of Wages Act and The Maternity Benefit Act. The State has 12,956 registered factories. There are about 13 Lakh workmen working in such industries. The State also has 1048 hazardous industries out of which 79 are Major Accident Hazard units. The main functions of the department is also to prevent the accidents and disasters. In order to achieve the said goals, the department has adopted various techniques of training, enlightenment, involvement of industries and workmen in propagation of safety and also creation of awareness amongst industrialists, employees and general public. The details of newly registered units under various production categories are given in Table 6.29.

Table 6.29: Registration of New Industrial Units in Karnataka

Sl. No.	Industrial Units	2008-09	2009-10	April to November	
				2009	2010
1.	Food Products	55	97	91	66
2.	Paper & Paper Products	21	24	18	18
3.	Metals & Alloys	20	49	23	42
4.	Chemicals	32	48	56	22
5.	Transport & Equipment	25	54	39	45
6.	Textiles	19	28	09	47
7.	Wood & Wood Products	06	19	13	12
8.	Others	532	668	584	513
	Total	710	987	833	765

Source : Department of Factories, Boilers, Industrial Safety and Health

6.16 Industrial Finance:

While central government promoted Financial Institutions have a substantial presence in the State and do promote industrial investments, the State Government plays its own role

in promoting industrial investments by means of two financial institutions, namely, KSFC and KSIIDC, among others.

a. Karnataka State Financial Corporation (KSFC)

Karnataka State Financial Corporation (KSFC) is a State level financial institution established by the State Government in the year 1959 under the provisions of SFCs Act 1951 to cater to the long term financial needs of Micro, Small and Medium Enterprises (MSMEs) in the State of Karnataka. The Corporation has extended sizeable assistance to Manufacturing industries, Textiles, infrastructure and other service sectors like Hospitals, Hotels, Transport, Mining etc. Over the last 51 years KSFC has been playing a pivotal role in the promotion of Micro, Small & Medium Scale Enterprises (MSMEs), development of backward areas and first generation entrepreneurs through start-ups etc. in the State. The performance of KSFC is given in Appendix 5.5.

b. Karnataka State Industrial Investment & Development Corporation (KSIIDC)

KSIIDC, established in 1964, has been greatly instrumental in the industrialization of the State, especially in the large and medium sector. An important arm of the state in bringing industrial boom in various sectors, KSIIDC has assisted 135 start-up ventures through equity participation to the extent of Rs. 118.28 crore spread over the length and breadth of the State. KSIIDC has also extended financial assistance in the form of debt to core sector industries like Steel, Cement, Mining and Textiles and modern sector Industries like Information Technology, Aviation, Tele-communication and other infrastructure projects. The sanctioning of loans and disbursements in the recent period by KSIDC is presented in Table 6.30.

Table 6.30: Performance of KSIIDC: 2008-09 to 2010-11

Assistance Sanctioned (Gross)	Unit	2008-09	2009-10	April to Nov	
				2009	2010 (Provisional)
Sanction:					
a) Loan	Rs.Crore	0.00	0.00	-	-
b) Equity	Rs.Crore	0.00	4.90	4.90	-
Distribution:					
a) Loan	Rs.Crore	0.00	0.00	-	-
b) Equity	Rs.Crore	7.53	3.25	-	4.15
Recovery	Rs.Crore	109.93	23.04	9.63	14.92

Source: KSIIDC

6.17 Department of Public Enterprises:

State Public Sector Undertakings/(PSEs):

There are in all 72 PSEs grouped in various sectors like Agriculture, Horticulture, Animal Husbandry & Fisheries, Commerce and Industries, Co-operation, Energy, Mining, Forest, Housing & Transport, IT & Youth Services, Information Technology, Education, PWD, RDPR, Social Welfare, Urban Development, Women and Child Development Dept., Finance. Out of them, 32 are profit making and remaining are with performance below Break

Even Point. Prominent profit making ones include KPCL, KSRTC, BMTC, KS&DL, HGML, MML, MPVL, BESCOM etc.,

Functions of Department of Public Enterprises:

The Department of Public Enterprises functions mainly as the nodal agency for monitoring overall performance of the enterprises. The Department focuses the administrative, financial, marketing, human resources Policy Procedure aspects with a view to ensuring positive growth and development. The Department executes various functions.

Evaluation of PSEs:

In order to ascertain the level of performance, financial stability, resources utilization, bottlenecks and hurdles, areas of profitability and losses and to advise the enterprises for the needy corrective actions, the department undertakes Evaluation Studies of the PSEs through professionalized external institutions. The recommendations and findings of these reports are being sent to the Public Sector Units for taking effective actions for performance improvement of the enterprise. As on 2009-10, evaluation studies of 58 PSUs have been conducted the remaining ones are being covered during 2010-11. The department in future plans to take up these evaluation studies on the basis of Concept Paper with an objective to examine all aspects of performance and for providing specific advise on areas of improvement and possibilities of removing hurdles and bottlenecks.

Memorandum of Understanding (MoU) between the Government and the Public Sector Enterprises:

The Government of Karnataka has passed legislation in 2008-09 making execution of Memorandum of Understanding between the Government (Department of Public Enterprises) and the State Public Sector Enterprises. mandatory. The main objective of the MoU is to have annual growth of atleast 5% year over year, committed targets for performance improvement, better utilization of all resources, turnaround management, Corporate Social Responsibility and steps to restructure the enterprises. The PSUs are committed to outline and achieve the Objectives, Mission and Vision for long range planning & implementation to run the units profitably. The State is following the Government of India guidelines and patterns for compilation of information for the MoU. Out of the 72 PSUs in the State, 52 PSUs have already executed the MoU. There is an indication of good trend towards performance improvement.

Opinion and Advises on Policy Matters:

The Department of Public Enterprises act as a advisory and consulting agency in according advice, concurrence, clearance on matter of policy, procedure, guidelines on matter pertaining to salary and Administration, Human Resources, Service matters, Technical issues, performance evaluation, foreign tours and visits etc., Almost all the 72 PSU utilize such services.

Management Development and Training of officers/officials of PSUs:

It is quite essential to abreast the officers/officials with the latest managerial/technical concepts for effective improvement in performance of the PSUs. There are in all more than two lakh officers/officials working in the State PSUs. The Department of Public Enterprises keeping in view the needs of the PSUs conducts various Management Development & training programmes in the areas of Production Management, Human Relations, Marketing Management, Policy and Procedures in Administration, Research and Development, Quality Control, Loss Management, Financial Management through National and State level institutions like Administrative Staff College of India, Hyderabad, Institute of Public Enterprises, Hyderabad, Institute of Leadership Development, Jaipur, National Productivity Council, New Delhi (Bangalore Regional Office), Administrative Training Institute, Mysore, Regional Institute of Co-operative Management, Bangalore, Center for Entrepreneurship Development of Karnataka, Dharwar, Institute of Cost and Works Accounts, Bangalore, Institute of Material Management, Bangalore, Karnataka State Financial Corporation, Bangalore etc., Annually around 400 officers/officials are being covered under this programme. During 2009-10 more than 400 officers/officials of PSU have been trained in the said institutions. This has resulted in good motivation for performance improvement of the Enterprises.

State Public Sector Enterprises Data Compilation of MIS:

The Government of India in 2008-09, have issued uniform guidelines for data compilation in respect of State Public Enterprises. The data so compiled throw light on the contribution of SLPEs and towards percapita income, resource utilization, profitability, Corporate Social Responsibilities etc., A uniform model schedule for collection of data has been issued for the Management Information System. The Department of Public Enterprises acts as a nodal agency for co-ordinating the data compilation. This work has already been started. Out of the 72 SPSEs so far 29 PSEs have entered the data on the online system. The remaining units also shall be covered during 2011-12.

The Annual Chief Ministers Ratna Award for Best Performing SLPEs:

In order to recognize, motivate and appreciate the performance of the State Public Sector Enterprises, the Government of Karnataka has introduced from 2008-09, the Annual Chief Ministers Ratna Award to the Best Performing State Level Enterprises. During the year 2008-09, one PSE and in the year 2009-10, ten PSE have been provided with this Award. In 2010-11, five Public Sector Enterprises have been planned to be covered under this schem.

Table 6.31: Performance of public sector undertakings 2006-07 to 2009-10
(Rs.Lakh)

Particulars	2008-09	2009-10 (Provisional)
1. Capital employed	355094.4	1302354.49
2. Investment	42217.91	44793.79
3. Employment	167160.54	81047.17
4. Turnover	919584.11	15481.08
5. Net profit after tax	58764.57	7053.21
6. Ratio of turnover to Total investment	480.579	93.309

Source: Department of Public Enterprises.

Note: No. of units : 72; Reported no. of units : 37

Table 6.32: Performance of top five profit making PSUs 2008-09 & 2009-10 (operating profit)

Public Sector Undertakings	2008-09	2009-10
1. Karnataka Power Corporation Ltd., Bangalore	227.29	436.10
2. Bangalore Metro Transport Corporation	22.13	65.08
3. Bangalore Electricity Supply Company Ltd.,	-	11.59
4. Hutti Gold Mines Ltd.,	177.80	161.31

Source: Department of Public Enterprises.

6.18 Challenges and Industrial Outlook:

Karnataka has a salubrious industrial climate and a pro-active industrial policy as reflected in the organization of first-ever Global Investors Meet in 2010, among others, resulting in projecting Karnataka as an attractive investment destination to the leading investors and Transnational Corporations (TNCs) across the world. As a result, the State has succeeded in entering into MOUs with many global investors and Companies. Added to these, according to the Investment Assessment Report (2010) of ASSOCHAM, which is one of the three Apex Chambers of Commerce and Industries in India, Karnataka has emerged as the most favored investment destination in the country.

Providing adequate and competent industrial infrastructure to the proposed investments is a major challenge to be faced by the State in the immediate future. Development of industrial infrastructure comprising roads, transport & communications, peaceful acquisition of land, etc. across the proposed industrial corridor should be a priority if the State has to successfully transform the approved investment proposals into a reality.

The provision of professional personnel and skilled workforce at the district level (along the industrial corridor) within the State should receive adequate attention as part of the State's industrial development strategy. This is to ensure sufficient availability of personnel locally as far as possible and reduce migration towards congested urban centres.

Though industrial growth in the current year appears sluggish, the State is poised to experience industrial buoyancy in the future. If adequate industrial infrastructure is developed

and assured to investors, a double-digit industrial growth will not remain beyond the reach of Karnataka in the distant future. This is particularly true because industrial growth at the country level is picking up and FDI inflow into India is on a consistent rise at the global level.

6.19 Karnataka Tourism

Karnataka with its great Heritage and Cultural Background has vast potential for the sustainable development of tourism industry. State Government has declared „Tourism as an industry“ since 1988. The Department has brought out a series of Tourism Policies with the package of incentives, concessions and subsidies for development of Tourist Infrastructure in the State through the private investment. Tourism has been given priority and it is instrumental for Socio-Economic growth of the State as well as providing lot of employment opportunities for both skilled and unskilled man power. Human Resource Development has also given importance and initiatives have been taken to impart Tourism Education to the young generation. With the development of Tourism, other related sectors such as, Transport, Hospitality, Horticulture and other small scale industries has also been developed.

The Economic benefits of Tourism are far-reaching. In addition to enhancing revenues within the segment, tourism has the potential to create employment and generate wealth in a sort of “ripple effect” across industries throughout an entire geographical region. By boosting local spending and generating direct as well as indirect job opportunities, tourism provides socio-economic benefits that, far out weight the costs. Rural areas, in particular, stand to gain the most from the improved regional infrastructure and enhanced revenue circulation engendered by tourism-related development projects.

The growth of Tourism is directly proportional to the arrivals of tourists to a particular destination. More number of arrivals will make more economic activities and generates employment and other social facilities

The impact is measurable at a particular destination comparing with its previous position. The Road Connectivity, Electrical Connection, Water Supply, Poultry, Handicrafts and various other related sectors are also improved in that particular destination. Totally, growth of Community Development in that particular area is because of growth of Tourism.

Karnataka is a veritable Treasure Trove of Tourism Towering hills, bewitching white sand beaches, magnificent monuments, temples and palaces, exciting wild life, exquisite handicrafts, salubrious and eco- friendly climate, endless varieties of mouth-watering cuisines, hospitality of the people, rich heritage and a glorious culture make the whole state a tourist's paradise. The exclusive perfume of sandalwood and agarbathis, the aroma of fresh blooming coffee flowers, the heady fragrance of the Mysore jasmine and the thousand varieties of roses blossoming make Karnataka a land of fragrance. The State has all the ingredients for a great holiday - the relaxed length of the Arabian Sea coast line, the majestic rocks of the Deccan, thick lush green tropical forests, an unimaginable variety of trees, plants, flowers, animals and birds and an all-pervasive sense of history and culture. Karnataka is probably the only state in India where you can take an elephant ride; hike across an excitingly rugged terrains swim and surf in a green blue sea; wander through the forts and ruins; pay a devotional visit to magnificent Temples, Churches, Mosques, Gurudwaras and Jain Basadis relax in an unpolluted and peaceful natural environments or simply watch the monsoon rains

batter the earth, transforming the land into a variegated form of productivity. Yet, Karnataka is a state of charming contrasts with the modern blending harmoniously with the ancient. Even in the thick of the bustling life of the modern cities, one can discern an easy-going, relaxed way of life. All these and many more make the state an enigmatic, unforgettable and ecstatic experience for all tourists. Hence, Karnataka is aptly called "ONE STATE, MANY WORLDS".

The Directorate of Tourism at Bangalore is looking after the administration of Tourism along with promotional and developmental activities. It is supported by two other Government undertaking agencies namely, Karnataka Tourism Development Corporation Ltd and Jungle Lodges and Resorts Ltd. The Directorate of Tourism has a special officer to look after the Eco-Tourism activities, particularly to look after the growth of Tourism in forest areas. Every district has a District Tourism Promotional Council which is headed by the Deputy Commissioners of the concerned districts. This committee will look after the tourism activities and also monitor the progress of Tourism works. The KSTDC undertakes commercial activities like operation and maintenance of infrastructure facilities created by the Department and running of cafeterias, restaurants, and organizing package tours in and outside the State. It is also looking after the operation of Golden Chariot (Luxury Tourist Train). The responsibilities of Jungle Lodges and Resorts is to manage the Eco-Tourism units in the State, currently it has managing 14 such Eco-Tourism units across the State, which are the best of its kind in the country. Jungle Trails and Camps, Eco Sites have been developed at 8 forest areas across the State with the coordination of special officer (Eco-Tourism) and Forest Department. In view of development of Golf Tourism in the State, the Department is directly supporting by creating tourist infrastructure facilities at various private golf clubs in the State.

Karnataka Tourism has made infrastructure development as its top priority, and has taken several concrete steps to enhance facilities at tourist destinations. Department has also made all possible efforts and took all possible steps for aggressive marketing and publicity campaigns both at National and International levels. As a result of this, Karnataka has a considerable growth in tourist arrivals, the flow of tourists registered a considerable increase compare to the past few years. The figures of arrivals are given in Table 6.33.

Table 6.33: Tourists' Arrival from 2005 to end of 2009

Year	Indians	Foreigners	Total
2005	2,46,98,243	5,45,225	2,52,43,468
2006	3,61,95,907	5,05,524	3,67,01,431
2007	3,78,25,953	5,34,563	3,83,60,516
2008	3,70,10,928	5,20,041	3,75,30,969
2009	3,27,29,679	5,29,847	3,32,59,526
Total	16,84,60,710	26,35,200	17,10,95,910

The tourist flow in to the State has continuously been increasing steadily from 2.52 crores in 2005 to 3.32 crores in 2009, which indicates an increase of 16%. Due to the recession 2008 and 2009 there was a marginal decrease in foreign tourist arrivals. In the perspective of overall tourist inflow to the State is steadily increasing.

6.19.1 Accommodation Facilities:

As a result of sustained promotional activity of the Department, the tourist inflow is expected to increase substantially in the coming years. As a result, the demand for hotel rooms is expected to go up sharply and supply would fall short. In order to meet the demand Department has taken initiatives to encourage private stake holders through the Tourism Policy to construct more number of Hotels and Accommodation facilities, which are more affordable.

Besides, a new venture called „Athithi“- Home Stay scheme has been introduced in the State. Many families are coming forward to share their homes with tourists as Home stays and there are some excellent Home Stays offered to the tourists in the State. A separate set of guidelines for approval has also been drawn up to encourage this venture.

Initiatives have also been taken to construct International standard hotels in major tourist places to facilitate the high end tourists. It is also supported by the Eco-Tourism units managing by Jungle Lodges and Resorts across the State. Department has also enhancing the Budget Class Accommodation facilities at various tourist places by way of construction of Yatrivas, Dormitory Accommodation. As a result of Tourism Policy and Athithi Home Stay Scheme, the demand gap of hotel rooms has been minimize particularly in peak season

6.19.2 Tourism as an Economic Activity:

There are a significant proportion of workers in the Tourism Economy, as many as 20 percent, in administrative roles and managerial occupations and with good salaries. Business tourism is also a high value-added market in some areas with luxury hotels that offer additional services to business delegates. This requires high staffing rates as well as specific skills related, for instance, to kitchen activities and the management of events.

In view of integrated development of tourism in the state government has announced new tourism policy for 2009-14. In the overall period of this policy (5 years), it is estimated that Rs.25,000/- Crores of private investment will be invest in tourism sector. And in the same period 29 to 41 lakhs of employment opportunity will be generated. To minimize the financial burden the PPP scheme has also been introduced to attract more number of mega investors.

Analysis of work patterns of tourist related employees highlights that it will provide employment to not only skilled man power but also for unskilled man power. It is estimated that about 8 to 11% of the population are working for Tourism either directly or indirectly. Moreover, Tourism attractions, monuments etc are fall in the rural area and there is a good opportunity for the regional people to get employment.

6.19.3 Income from Revenue Earnings:

Tourism earns a handful foreign exchange compare to other products. The revenue generated by the Tourism is from various sources both by direct and indirect incomes. One of the reports issued by National Tourism Development Council (NTDC) says that the foreign exchange earnings share of the Karnataka would be 9% of the total foreign exchange earned

by the country that will come to Rs.1170.00 crores (2008). The revenue generation made under the public sector during the last 5 years are summarized in Table 6.34.

Table 6.34: Revenue Realised by the Tourism

(Rs. in lakhs)

Name of the Organization	2005-06	2006-07	2007-08	2008-09	2009-10
Directorate of Tourism	736.25	931.21	1314.39	3309.73	92.43
Jungle Lodges & Resorts Ltd	1436.70	1927.41	2143.35	2597.68	2785.46
Karnataka Tourism Development Corporation	2098.17	2551.90	2819.89	4147.90	4020.02
Total	4271.12	5410.52	6277.63	10055.31	6897.91

6.19.4 Other Initiatives taken by the Department: In order to maximize impact, Karnataka Tourism has devised and implemented a four-pronged strategy for the development of tourism in Karnataka. The department has focused its efforts on four separate areas-policy and implementation, infrastructure development, marketing and preservation and sustenance. We hope that progress made on these four fronts will coverage to achieve the ambitious development and revenue goals we have set for ourselves.

Perhaps the single biggest achievement of Karnataka Tourism has been the creation of a cohesive, comprehensive, and seamless tourism strategy that overlooks no detail.

- 30 District Tourism Promotion Councils have been created for all the 30 districts which are headed by Deputy Commissioners of the concerned district. This committee will be functioning by focusing on development of identified areas in their region and will also monitoring the progress.
- A State Level Monitoring Committee is also been created for monitoring the overall developments and progress of Centrally Financial Assistance projects.
- Master plans for all the districts are under preparation.
- The detail project reports for infrastructure plans both for State and Central will be prepared through outstanding Architects / Consultants who are emplaned in the Department.
- Two World Heritage Centers are being developed under mega project, namely, Hampi and Pattadakal. The integrated development of the Hampi site has already in progress with an estimated cost of Rs.81.77 Crores. The detail project report for the development of circuits – Badami-Pattadakal-Aihole has been submitted to Central Government and the estimated cost of this mega project is Rs.143.00 Crores.
- Integrated development of Almatti Dam has been taken by providing tourist infrastructure near this dam with an estimated cost of Rs.16.00 crores.
- The existing KSTDC Hotels at various places have been upgraded and additional rooms are also been added.
- In addition to the existing Eco-tourism units, initiatives have been taken for the development of some more such Eco-tourism centers, namely, Talakale near Jog, Vilaspur tank in Bidar district.

- A separate Budget has been provided for development of Last mile connectivity roads leading to monuments from the main road. The works are under progress.
- It is proposed to add Night Safari Project at Bannerghatta National Park with a budget estimate of Rs.178.00 crores. Shortly the tender will be called for the purpose.
- Steps have been taken to construct an International Convention Center near Devanahalli with an estimated cost of Rs.1100.00 crores.
- It is proposed to construct a Theme Park about Hampi near Kamalapur with an estimated cost of Rs.50.00 crores.
- Estimates are being prepared to construct Wayside facilities at a distance of every 50 KMs on the National Highways and important roads leading to tourism destinations.
- Steps have been taken to erect signages and Hoardings across the state in the important locations.
- A systematic approach has been followed to increase the tourism man power specifically in Hospitality section by imparting tourism training through Institute of Hotel Management.
- Food craft Institutes at Hassan and Mangalore have been started to give training to the local young generation in various wings of catering services.
- Under the Rural Tourism Project, Anegundi, Kokkre Bellur and Attivari Bird Sanctuary have been developed. Schemes prepared to develop Rural Tourism at other places also to showcase rural life, art and culture and heritage.
- Estimates are being prepared for development of Hill stations such as Kemmanagundi and Nandi hills.
- A separate Budget Head has been provided for the development of Schedule caste Special Plan and Tribal Special Plan, under which tourists taxis have been provided to the eligible SC & ST candidates.

Under the New Initiatives, the Department has proposed to develop Heli tourism, Cruise Tourism, Wellness tourism, Adventure tourism and Caravan Tourism.

a. Heli tourism:

In view of Heli tourism in the state, the Department has identified four circuits namely, Coastal, Heritage, Malnad and Pilgrim. The Department would make available basic common infrastructure such as Helipads, Road Connectivity and Restroom etc. The whole project has been taken up under PPP. Steps have been taken to provide base station facilities for Heritage Circuit at Hampi and the operator has also been selected.

b. Curies Tourism:

It is proposed to Curies tourism along its pristine coastal line with a view to providing and enriching, exciting and memorable experience to tourists in the state. RFP has been called in this regard, the Department would required to form a Technical Committee

that would provide all the technical details and specifications and would conduct the technical evaluation of the tenders received from the bidders.

c. Wellness Tourism:

Bangalore is a cosmopolitan City, renowned the world over as the silicon valley of India, offers a wide range of healthcare options like ultra-modern allopathy, time-tested ayurveda, holistic naturopathy and spa-based rejuvenation. In fact, Bangalore has the distinction of having the largest number of systems of medicine approved by the World Health Organization in a Single City. Utilization of this opportunity department would like to develop Wellness Tourism in the State. More than 6000 patients from different parts of the globe are visiting to Karnataka for availing treatment in the multi specialties Hospitals.

d. Adventure Tourism: There are ample opportunity for adventure tourism in the state. River rafting, Parasailing, Rock climbing, Hard Trekking etc areas are focused for development. River rafting facilities are added to Kali Adventure Camp, Dandeli.

e. Caravan Tourism: The concept of Caravan Tourism has gained immense popularity across the globe owing to the freedom and flexibility it provides, while holidays vis-à-vis itineraries and accommodation. Department of Tourism has taken steps to develop Caravan Tourism in the State and it is already requested the concerned Deputy Commissioners to provide suitable lands for development of Caravan Camping Parks.

Some of the Caravan Operators have already shown their interest to run the Caravans in some of the selected tourism places in the State. If this scheme is concerned under PPP project, the scales of operations can be much larger. The Caravan Parks can be designed to provide camp site, low cost Hotels with some recreational facilities.

6.19.5 Safety and Security:

Department of Tourism, Government of Karnataka has taken initiatives to conduct a meeting among the Stakeholders, Service providers to create awareness on the implementation of code of Conduct regarding safe and Honorable Tourism. Steps have also been taken to provide Green Police in all major tourism destinations to provide protection, Safety and Security to visiting tourists. 30 such destination have been selected in the first phase and 89 Green Police personnel have been deployed to work in these places.

6.19.6 Investment Plans:

The investment for creation of infrastructure and promotional activities mainly come from State Budget, Central Financial Assistance, JNNURM, Central Planning Commission and 12th Finance Commission

**Table 6.35: Details of Projects taken up during 2008-09 and 2009-10
(District wise)**

(Rs. in lakhs)

District	No. of Works	Estimated Cost	Amount released
Bellary	27	5169.45	3026.66
Gadag	4	1094.21	329.64
Belgaum	10	1094.63	416.55
Dharwad	5	560.56	430.00
Bagalkot	4	425.00	165.00
Bijapur	4	725.50	231.00
Haveri	8	466.35	322.20
Davangere	9	1143.08	305.69
Bidar	3	7900.00	8035.00
Raichur	9	557.40	231.00
Koppal	4	156.97	63.00
Gulbarga	4	457.95	285.00
Yadagiri	2	340.32	200.00
Tumkur	3	376.06	376.06
Kolar	3	207.57	150.00
Chikkaballapura	1	25.00	25.00
Kodagu	4	368.00	368.00
Udupi	9	904.85	627.86
Dakshina Kannada	10	1138.17	974.17
ChamarajaNagara	2	200.00	200.00
Ckikkamagalur	10	1359.21	488.47
Mandya	6	540.00	498.00
Mysore	4	270.00	270.00
Hasana	6	1215.21	1048.89
Uttarakannada	25	1887.67	1213.82
Shimoga	19	5272.14	3958.66
Ramanagara	5	1102.40	507.77
Bangalore Urban	1	297.00	100.00
Bangalore Rural	3	178.25	165.00
Chitradurga	11	874.97	759.94
Total	215	36307.92	25772.38

Table 6.36: Tourism Roads Taken Up with NABARD Assistance

RIDF No	Number of Roads	Length (KM)	Total Project Cost	Total Amount Released	Balance Amount to be released
RIDF - XIV	8	94.80	1704.78	1328.78	376.00
RIDF - XV	2	13.50	460.00	230.00	230.00
RIDF - XVI	7	38.85	1219.00	552.34	666.66
Total	17	147.15	3383.78	2111.12	1272.66

a. JN-NURM Scheme: The Urban Development Department, Government of India, under the JNNURM scheme has sanctioned an amount of Rs.45.00 crores for development of Heritage Core around Mysore Palace in Mysore. The work has been implemented through City Corporation of Mysore. The District Tourism Development Committee's coordination are being availed for the above said developmental activities and also with assistance of KSTDC and JLR, the projects are being implemented.

b. Mega Tourism Projects: In addition to the mega tourism project at Hampi, a proposal has been submitted for development of circuit, namely Badami- Pattadakal-Aihole. The estimated cost of this mega project is Rs.143.00 crores.

c. Rural Tourism: Rural Tourism projects have been implemented in various identified places in the state, namely, Kokre Bellur, Anegundi, Attiveri Bird Sanctuary and Kodagu. Another 4 villages have been identified to be brought out under this project.

d. Other initiatives: A Biological park has been developed in the Bannerghatta National Park, which is about 22 kms. away from the City. It is also proposed to add Night Safari Project to this park, the estimated cost would Rs.178.00 crores. It is proposed to provide world class wayside facilities on the newly constructed national and state highways for every 50 kms to facilitate the travelling tourists. Signages and hoardings will be erected at appropriate places to guide the travelling tourists. Sound and light shows have been proposed to be provided at Hampi, Srirangapatna, Bidar and Bellary Fort. In order to impart hospitality orientation courses, Food Craft Institutes are being commissioned at Belur, Mangalore and Bellary.

7.1. Introduction:

This Chapter presents the policies for attraction of private investment into the State and performance in attracting inward private investment into the State. The descriptions give special reference to foreign direct investment and investments in information technology and bio-technology sectors in the State and highlights the competitive advantages and performance of Karnataka in attracting national and global investors. The State level export promotion policies and measures in Karnataka are described and the size, growth and commodity composition of exports from Karnataka are highlighted. Karnataka's contribution to national level exports and remarkable increasing degree of openness to export trade is emphasized.

7.2. Attraction of Private Investment into Karnataka:

Investment is the creation of capital. It is an important determinant of national and State level economic growth. Consequently, promotion of domestic investment and attraction of foreign investment have occupied key elements of India's national and regional growth policies. With the introduction of national and state level economic reforms since July 1991, however, policies have been focused on promotion of private investments and public-private partnership programmes, as instruments of non-debt financing of economic development. In particular, state level policies for promotion of private investment have become increasingly competitive at national and international levels.

Over the years, Karnataka State has been best known for its comprehensive economic reforms and competitiveness in attracting private investments, especially in information and communication technology (ICT) and Bio-technology sectors. The most recent Global Investor Meet, held on 3-4 June 2010 and organized by the Government of Karnataka, had aimed at attracting national and global investments by highlighting the investment opportunities in 12 different sectors including minerals, tourism, information and bio-technology, power, health, education, food processing and textiles. Karnataka Udyog Mitra is a special organization, established by the Government of Karnataka under the Department of Industries and Commerce, for promotion and facilitation of investments in the State.

7.3 Policy Framework for Attraction of Private Investments:**a. National Policy Frameworks:**

Foreign investment is in the Central List of the Indian Constitution. All powers for design of policies for promotion and regulation (including approvals) of foreign investment rest with the Government of India. State Governments' complement the national policy efforts by special measures for speedy clearances and smooth facilitations of inflow of investments.

Foreign Direct Investment (FDI) is recognised as an important driver of growth in the country. Government is, therefore making all efforts to attract and facilitate FDI and investment from Non-Resident including Overseas Corporate Bodies that are predominantly

owned by them to complement and supplement domestic investment. FDI is freely allowed in all sectors including the services sector, except a few sectors where the existing and notified sectoral policy does not permit FDI beyond a ceiling. FDI for virtually all items/activities can be brought in through the Automatic Route under powers delegated to the Reserve Bank of India (RBI) and for remaining items/activities through Government approval. These approvals are accorded on the recommendation of the Foreign Investment Promotion Board (FIPB).

The FIPB is responsible for facilitating and increasing the FDI inflow in the country. FIPB located in Department of Economic Affairs, Ministry of Finance, provides a time bound, transparent and pro-active FDI regime for approval of FDI investment proposals. The Board also plays a pro-active role in resolution of the problems faced by foreign investors in implementation of their projects through Foreign Investment Implementation Authority, which interacts directly with the Ministry / State Government concerned.

Enhanced international response and powerful sectoral productivity ratios in India are continuously drawing the attention of global investors in India. India has been ranked at the second place in global foreign direct investments in 2010 and will continue to remain among the top five attractive destinations for international investors during 2010-12 period, according to United Nations Conference on Trade and Development in its report on world investment prospects titled, 'World Investment Prospects Survey 2009-12'.

National policy frameworks are aimed at maximising the inflow of private foreign investment into India. However, investors have the ultimate locational choice of their investment anywhere in India. In this context, policies and programmes of Government of Karnataka for attracting private foreign investment by making Karnataka a competitive and attractive destination for global investments assumes special and utmost significance.

b. State Policy Frameworks:

Karnataka is one amongst the industrially developed States in the Country. The State has been focusing on development of industries, trade and service sectors. In order to make the State more attractive and investor friendly, investment promotion policies and programmes have been aimed at more inclusive industrial development, comprehensive HRD programmes, special attention towards development of sector specific zones, backward taluks according to Dr.D.M.Nanjundappa Committee Report, attractive package of incentives and concessions, and encouragement for existing industries to take up expansion, modernisation and diversification etc. The current Industrial Policy 2009-14 of the Government of Karnataka is a reflection of these broad aims for promotion of industrial investment and development in the State through various fiscal and financial incentives, concessions and exemptions, such as, capital investment subsidy, exemption of electricity duty on captive power generation, exemption of stamp duty & reduction of registration charges, waiver of conversion fee (on lands converted for industrial use), acquisition and allotment of land through KIADB, subsidy for setting up of Effluent Treatment Plants (ETPs), entry tax & special entry tax concessions, technology upgradation, industrial infrastructure development/common infrastructure/facilities in notified industrial clusters, agriculture produce processing industries – exemption of APMC cess, incentives for Export Oriented Enterprises under medium, small and micro enterprise, large and mega projects, interest free loan on VAT for large and mega projects, anchor unit subsidy, special incentives for enterprises coming up in low HDI districts only for large and mega projects, interest subsidy

for micro manufacturing enterprises, exemption from electricity duty for micro and small manufacturing enterprises and refund of cost incurred for preparation of project reports micro and small manufacturing enterprises.

Karnataka Udyog Mitra (KUM) is a Government of Karnataka organization. Its main functions are to promote and facilitate investments and assist investors as a single point of contact for all investors who are looking at setting up businesses in Karnataka. It is to facilitate investments and execute initiatives to enable a smooth transition from receiving an investment proposal to the eventual implementation of the project.

7.4 Advantages for Karnataka:

Karnataka is one of India's fast growing State's with a vast and diversified base. Apart from nurturing the globally recognized Silicon Valley of India-Bangalore-the State has emerged as a reputed investment destination for investors worldwide. Its capital, Bangalore is now a global brand.

In the Report of the World Bank on 'Investment Climate across 16 state's Karnataka has been ranked No.1 in investment climate. The State was the first to bring the industrial facilitation act to investors. Karnataka has a single Window which acts as a one stop shop for investments in the State. The specific advantages for Karnataka include:

- (i) Good law and order situation prevails in Karnataka which is conducive to foreign direct investments.
- (ii) Highly skilled manpower is abundantly available in Karnataka.
- (iii) Karnataka ranks among the top 5 industrially developed States in India
- (iv) The State provides excellent logistic support and connectivity to the investors.
- (v) The State provides to the investors one of the biggest and fastest expanding markets in the country.

Karnataka's investor-friendly and responsive administration has worked towards easing administrative procedures and implementing policy measures for faster and smoother industrial growth. Some of the significant policies are as follows:

- (a) An investor-friendly responsive administration.
- (b) The State Level Single Window Clearance Committee and the State High Level Clearance Committee facilitate clearance of proposals in a speedy manner.
- (c) Sector-specific industrial zones and SEZs that match the natural resources and capabilities of a region with the industry requirements.
- (d) Creation of world class ready to use infrastructure through investments in power, roads, water, warehouse and logistic facilities, connectivity through rails and ports etc.
- (e) The State Government's packages of incentives and concession for new industrial investments.
- (f) Special focus on skill development to enhance generation of technical manpower.
- (g) Excellent telecommunication network and optical fiber connectivity through State.
- (h) Exemption from state taxes for all purchases from Domestic Tariff Area.

7.5 Investment Flows into Karnataka:

For the current year, up to December 2010, the State Level Single Window Clearance Committee (SLSWCC) has approved 378 projects with an investment of Rs.6087.37 crore, generation employment potential of 1.03 lakhs (Table 7.1). Further the State High Level Clearance Committee (SHLCC) has cleared 130 projects with an investment of Rs. 146566.89 crores, generating employment potential of 4.63 lakhs persons (Table 7.2).

Table 7.1: Projects Approved by State Level Single Window Clearance Committee from 2000-01 to 2010-2011

Year	Approved Projects	Investment (Rs. Crore)	Employment (In Nos.)
2000-01	292	4557.88	138204
2000-02	103	2042.92	46007
2002-03	95	1822.97	32072
2003-04	164	3893.47	111405
2004-05	202	4524.76	109028
2005-06	297	6786.57	292309
2006-07	881	11923.65	731750
2007-08	728	10309.92	349665
2008-09	310	5181.63	135623
2009-10	363	7836.74	116839
2010-11 (Upto Dec. 10)	378	6087.37	102606
Total	3813	64967.88	2165508

Source : Karnataka Udyog Mitra, Bangalore.

Table 7.2: Projects Approved by State High Level Clearance Committee from 2000-01 to 2010-2011

Financial Year	No. of Projects	Investment (Rs. crore)	Employment (Nos.)
2000-01	88	38345.82	109863
2001-02	21	5975.40	30702
2002-03	7	1130.82	9302
2003-04	26	10263.61	99613
2004-05	29	31718.05	130642
2005-06	55	43993.19	588259
2006-07	65	90255.84	772966
2007-08	108	160522.82	1996504
2008-09	50	105266.20	410842
2009-10	110	288548.57	284934
2010-11 (Upto Dec. 2010)	130	146566.89	462896
Total	689	922587.21	4896223

Source: Karnataka Udyog Mitra, Bangalore.

Foreign Direct Investments (FDI) inflows to Karnataka stood 3rd in India after Maharashtra and Gujarat. Karnataka continues to be a favourite destination for foreign direct investment (FDI) in the country. State attracted Rs. 9143 crore, during 2008-09 and further

attracted Rs.4852 crore during 2009-10. The flow of foreign investment shows inclination towards States with investor friendly business environment. As result, the six top State (Maharashtra, Gujarat, Karnataka, New Delhi, Tamil Nadu and Andhra Pradesh) together attracted about 81% of total FDI during fiscal year 2009. Further, despite global recession and financial crisis in world's largest economies, India continued to be held as most safe destination for investment.

Incidentally, the country, as a whole, recorded 11% growth during fiscal 2009 as against us\$ 24580 million in fiscal year 2008. In fact, the State, which stood at fourth position last year, has gone one notch up this fiscal, indicative of investors' implicit faith in Karnataka and brand Bangalore. Foreign Direct Investments (FDI) details are presented in Table 7.3

Table 7.3: Foreign Collaborations in Karnataka 2008-09 and 2009-10

Particulars	2008-09	2009-10
1. No. of cases	194	179
2. FDI involved (Rs. crore)	9143	4852

Source: Technical Consultancy Services Organisation of Karnataka (TECSOK) Bangalore.

7.6 Investment in Information Technology:

The information technology in Karnataka has become one of the main pillars of economy. Majority of IT activity in Karnataka is concentrated in Bangalore. Lately, other parts of Karnataka have also seen a growth in IT related activity. In 1992 Bangalore was the first city in India where a satellite earth station was set up for high speed communication services to facilitate software exports. The State made a giant forward leap in the IT sector to the country's first extended facility of the International gateway and network operations centre at the Software Technology parks of India (STPI) in the Electronic city.

Information Technology policy in Karnataka State Government gives a thrust to the IT sector and encourages units to set up their operations in the State. Under this policy, several infrastructure facilities are proposed in Mysore, Hubli, Manipal & Mangalore apart from Bangalore to help the development of IT industry. The setting up of IT industries under this policy will help earn valuable foreign exchange through software exports.

Promotional Policies:

- 1) Karnataka fund for Semiconductor Excellence of Rs.10 crore to encourage innovation and R&D in Chip Design Development, Telecom etc.
- 2) Contribution of Rs.25 crore towards KITVEN IT fund to assist start up semiconductor units engaged in design and embedded software.
- 3) Financial assistance to augment Orchid Tech Space in STPI into Characterisation Lab.
- 4) Encouragement and assistance to Solar PV manufacturing units.
- 5) Special package of incentives for ATMPs.
- 6) For focussed school under IIIT and strengthening research labs in the Institute; Rs.12 crore are being provided.
- 7) Fiscal incentives and concessions under Karnataka Industrial Policy 2009-14 being extended.

The achievements in Information Technology sector for the year 2008-09 to 2010-11 (upto September 2010) are given in Table 7.4 and Table 7.5 by their location in STP and EHTP or SEZ IT/ITES.

Table 7.4: Investment by Information Technology Sector (STP and EHTP Units), 2009-10 to 2010-11

Approved investment by types of companies	Approved investment (Rs. in crore)		
	2008-09	2009-10	2010-11 (Up to September 2010)
1. STP units	464.16	818.08	374.52
2. Foreign Equity Companies	287.73	449.87	327.38
3. Hardware units	-	2261.57	1139.69
4. Major Indian Companies	40.65	213.83	-
5. SMES	135.78	154.38	47.14
6. BPO units approved	138.08	331.94	307.99

Source: Karnataka Biotechnology & Information Technology Services, Bangalore.

7.7 Investment in Biotechnology:

Karnataka has played a key role in India's emergence as a significant player in the global biotechnology industry. Karnataka is home to 60 percent of the country's biotech units. Their number has increased to 187 in 2008-09 with total revenue of Rs.3000 crore, an 10 fold increase from 2001 and number is still growing. Most of the well known companies have chosen the State for conducting their operations.

Karnataka, the home of India's biotechnology industry, has a strong framework providing all requisite resources for this industry-research and development capabilities, leading information technology and engineering services with global firm located in the state and a huge pool of skilled manpower. One of the pioneers of the biotechnology industry, the state has built up considerable resources and talent pool that are well suited for the needs of the industry.

Karnataka was one of first State to frame an industry oriented biotechnology policy, the millennium Biotech policy was formulated by Karnataka Govt in 2001 to give a thrust to the biotechnology industry in the State. Keeping with the rapid evolving changes in the industry, the policy was revised in 2009 incorporating the needs of the industry. The highlights of the Millennium Biotech Policy II are as follows.

- 1) Bio-venture fund of Rs.50 crore in partnership with professional VC firm.
- 2) Unique package of concessions for Mega projects.
- 3) Fiscal incentives and concessions under Karnataka Industrial Policy 2009-14 being extended.
- 4) Research labs automatically come under green category.

- 5) BT finishing schools to equip students with necessary employable skills to make them industry ready.
- 6) Five Biotech parks being established in different parts of the State.
- 7) Animal quarantine facility near BIAL.
- 8) Bio-IT facility in IBAB.

During 2009-10, 6 Projects were cleared through State Level Single Window Clearance Committee (SLSWCC) with investment of Rs.5209.30 crore.

7.8 Expected Investments:

The Global Investors Meet (GIM) was held in Bangalore Karnataka for 2 days on June 4 and June 5, 2010. During the Meet, 361 MoUs [memorandum of understandings] with total investment amounting to about Rs 473,000 crore were signed. These investments have the potential to create 850,00 new jobs in sectors ranging from steel, cement, auto, energy and information technology. Expected investments by sectors are presented in Table 7.5.

Table 7.5: Expected Investment into Karnataka from Global Investor Meet 2010

Sector	Investment (Rs. in crores)
Aerospace	951
Automobile	170
Cement	41,196
Drugs/Chemicals	5,722
Distilleries/Breweries	171
Electronics/Telecommunications	170
Engineering	514
Food Processing	2,049
Hotel/Tourism	2,695
Health	1,467
Iron/Steel	2,43,416
Infrastructure Development	2,942
Others	44,152
Power	44,152
Proposals receive during GIM	82,114
Plastic/Rubber	78
Petroleum process	18,513
Software/Hardware	16,489
Sugar	3,445
Textile	1,548
Total investment	4,73,382

Source: Karnataka Udyog Mitra, Bangalore.

Karnataka, as Partner State of Vibrant Gujarat 2011, participated in the 5th Global Summit on 12-13 January 2011. Karnataka received a special recognition with a special session on Opportunities for Investment in Karnataka. About 20 MOUs/EOIs have been signed. The outcomes of Summit are promising for Karnataka in terms of expected investments as summarized in Table 7.7. These investments are expected to generate 24795 new jobs.

Table 7.6: Expected Investment into Karnataka from Vibrant Gujarath 5th Global Summit 2011

Sectors	Total Investment (Rs.in crores)	Total Employment
Automobile & Engineering	5120	12255
Agro & Food Processing	425	2250
Cement & Steel	12792	5540
Education	400	1200
Energy	2050	280
IT/ITES – SEZ	1830	200
Textiles	316	1073
Tourism	459	918
Others	1367	1079
Total	24759	24795

Source: Karnataka Udyog Mitra, Bangalore.

7.9 Exports of Karnataka:

Karnataka has a long tradition of overseas trade. Historically, Karnataka has been a major exporter of commodities like Coffee, Spices, Silk, Cashew nuts, Handicrafts and Agarbathies. In the last two decades the State has emerged as a major player in the export of Engineering goods, Readymade Garments, Leather goods, Chemicals, Minerals and Ores etc. Since the second half of the 1990's, Karnataka has carved out a niche for itself in the global market place as the knowledge and technology capital of the Country. The State has made rapid and spectacular strides in the new economy. Information Technology, Bio-Technology and Research and Development institutions have enhanced Karnataka's name and fame at national and global levels as a *Knowledge Capital of India, IT Capital of India, Silicon Valley of India and IT Hub of Asia*.

a. Export Performance of Karnataka:

Karnataka is a pioneer in establishing a continuous database on exports among the states in India. Visveswaraya Industrial and Trade Centre (VITC) in the Department of Industries and Commerce of the Government of Karnataka is the official institution for compilation and publication of the export data by 19 commodities from various Export Promotion Councils (EPs) and Commodities Boards and Export Houses. Since VITC has no statutory backing and as there are several exporters both in the category of merchant exporters and manufacturer exporters, not all of whom send returns regularly either to this centre or to the respective EPCs, Export Houses etc, a complete export database is not yet built at the State level. Thus, the data presented here needs to be taken as indicative of an overall export patterns and not of the exact magnitude of every exported item.

Karnataka exports a wide variety of goods both agricultural and industrial covering Silk, Sandalwood Oil, handicrafts, readymade garments, coffee, iron ore, sophisticated machine tools, electronic products, computer hardware and software etc. In the last two decades the State has emerged as a major player in the export of Engineering goods, Readymade Garments, Leather goods, Chemicals, Minerals and Ores etc. Since the second half of the 1990's, Karnataka has carved out a niche for itself in the global market place as the knowledge and technology capital of the Country. The State has made rapid and

spectacular strides in the new economy. Information Technology, Bio-Technology and State of the art Research and Development Institutions have given Karnataka a pride of place as a frontier knowledge State in India. Karnataka accounts for more than one third of electronics and computer software exports from the country. It leads in exports of engineering commodities from Southern Region.

The magnitude of Karnataka's exports in terms of value in 2007-08, 2008-09 and 2009-10 is shown in **Table 7.7. Appendix 7.1** provides export trade since 2001-01. In 2009-10, Karnataka's exports amounted to about Rs.142871.41 crore which constituted about 13.3 percent of the country's exports. The commodities whose share in Karnataka's exports is more than 5 percent are electronics & computer software (63.5%), Petroleum and Petroleum products (7.7%) and gem & jewellery (12.2%). These three commodities account for over 83 percent of Karnataka's exports. Other commodities with a share of over 3 percent in the State's exports are readymade garments (3.6 percent), engineering (3.1 percent) and iron ore and minerals (incl. Granites) (3.3 percent).

Karnataka enjoys a unique position in India in exports of Electronics and Computer Software. In 2009-10, the exports of Electronics and Computer Software from the State accounted for as much as 40 percent of the India's total exports. Other commodities from the State accounted for 6 percent of the exports at all India level.

Table 7.7: Export Performance of Karnataka State: 2007-08 to 2009-10

Sl. No.	Commodity	Value of Exports (Rs. In crore at current prices)		
		2007-08	2008-09	2009-10
1	Electronics, Computer Software & BT	69517.5	82153	90734.6
2	Readymade Garments	4125	5395	5125
2	Readymade Garments	4125	5395	5125
3	Petroleum & Petroleum Products	11232	11642	11041.4
4	Engineering Products	8301	6185.99	4386.57
5	Iron Ore & Minerals (incl. Granite)	10197	7274.77	4692.97
6	Silk Products	912.12	896.87	701.56
7	Coffee Products	1307.6	1579.05	1423.1
8	Basic Chemicals, Pharmaceuticals and Cosmetics	2069.76	2530.64	2760.91
9	Agriculture and Processed Food Products	415.51	712.34	662.57
10	Gem and Jewellery	9749	10892.7	17409.3
11	Cashew and Cashew Kernals	527.05	638.48	644.18
12	Handicrafts	428.36	428.93	257.27
13	Leather Products	201.28	213.9	193.97
14	Chemicals and Allied Products	399.28	456.87	311.25
15	Marine Products	153.46	236.21	412.27
16	Plastic Goods	215.25	265.77	327.09
17	Spices	245.15	479.25	381.73
18	Wool & Woolen Products	147.59	153.25	144.39
19	Miscellaneous and Others	2559.52	2120.39	1261.29
	Total	122703	134255	142871.41
	Karnataka's share in all India exports	15	12.77	13.33
	Karnataka's degree of openness to export trade (%)	45.3	44.3	42.55
	India's degree of openness to export trade (%)	18.01	20.11	18.51

Source: Visveswarayya Industrial Trade Centre, Government of Karnataka

The exports of Electronic and Computer Software, Basic chemicals, Pharmaceuticals and cosmetic, Gem & Jewellery, marine products, plastic goods have increased significantly in 2009-10 as compared to their exports in 2008-09. The exports of Readymade Garments, Petroleum & Petroleum products, Engineering Iron ore and Minerals (including granites) Silk products, Coffee products, Agriculture & processed food products have come down sharply in 2009-10 as compared to 2008-09. The traditional export commodities, such as, readymade garments, coffee products, petroleum & petroleum products, engineering commodities have increased significantly in 2008-09 compared to their exports in 2007-08. The exports of Agriculture & processed food products, Handicrafts, Leather products, Chemicals and allied products plastic goods, Wool & Woollen products and spices have come down sharply in 2009-10. In addition, the exports of Cashew and Cashew kernels has marginally increased in 2009-10 compared to their exports in 2008-09.

Karnataka's contribution to total exports of India has varied between 13 percent and 15 percent. Further, Karnataka's share in India's total exports of information and communication technology products has remained higher than 25 percent since 2005-06.

Higher export performance is an important determinant of increasing degree of openness to export trade. Degree of openness is measured by the ratio of value of exports to GDP at national level and by the ratio of value of exports to GSDP at State level. Karnataka's degree of openness to export trade has been about 44 percent during 2007-08 to 2009-10. This is remarkably higher than at all India level (about 19 percent). Increasing degree of openness to trade is an indicator of economic globalization. From this viewpoint, levels of Karnataka's economic globalisation have been higher than at all India level.

b. Policy Support for Exports:

The twin forces of liberalisation of Indian economy with opening up of the Indian market and globalisation that is greater integration of the Indian economy with the global economy, poses several challenges as well as opportunities. The entire world today is one market place. The defining principle of international trade today is competitiveness. The future of exports for State will be predicted upon an intense interplay between the domestic policy environment and the enormous external trading opportunities.

Foreign trade is in the Central List of the Indian Constitution. The Government of India is empowered to formulate all rules and regulations (e.g. customs) for foreign trade as they applicable for the country as a whole. The role of the State Government is complementary by way of providing additional and special promotional measures for promotion foreign trade, especially in regard to exports of goods and services. In this regard, Government of Karnataka has explicit policy measures for export promotion in various policies relating to general industrial policy and sector-specific policies, such as, Information Technology Policy, Agro-Food Processing Industrial Policy and Package of Incentives and Concessions, Industrial Promotion Policy for the Automobile Industry, The Millennium Biotech Policy and The Millennium BPO Policy. For instance, State Government's incentives for exports in the Industrial Policy 2009-14 include the following.

- 1) Exemption from Payment of Entry Tax:** For 100% export oriented units, the State provides 100% exemption from payments of entry tax on plant & machinery and capital goods for an initial period of 3 years from

the date of commencement of project implementation irrespective of their location in specified Zones.

For other export oriented units (minimum export obligation of 25% of their total turnover), the State provides 100% exemption from payment of entry tax on raw materials, inputs, component parts & consumables (excluding petroleum products) for an initial period of 3 years from the date of commencement of commercial production in zone 1, 2 & 3 and 50 percent in Zone 4.

- 2) Refund of Certification Charges:** The State refunds expenses incurred for compulsory marking like Conformity European (CE), China Compulsory Certificate (CCC) etc. to extent of 50 percent of expenses subject to a maximum of Rs.2.00 lakh per unit for both 100 percent and other export oriented units in all zones.

The Government of India has in the recent past, initiated a number of measures to promote exports of both primary and manufactured products as also services. Allocation of funds for export development by States, Export promotion Industrial Park Scheme, Critical Infrastructure balance Scheme, Export Intensive Area Scheme, Market Development Scheme and setting up of Special Economic Zones, in important locations are some of the initiatives taken by the Government of India.

Karnataka has almost similar export promotional measures like other leading exporting States such as Maharashtra, Gujarat, Tamil Nadu and Andhra Pradesh. Nevertheless, one unique measure is that Karnataka has dedicated nodal agency for promotion of Export namely Visvesvarayya Industrial Trade Centre (VITC). In addition to compiling data on State's exports to other countries, VITC provides initial services in market intelligence, export documentation, finance and other critical areas to the enterprises. Incentives will also be provided for technology upgradation/sourcing of technology to meet the specification of international buyers. VITC also organizes several export related programmes for both prospective and existing exporters including export awareness programmes at district levels. Export Promotion Councils, Export Houses and several individual major exporters furnish information to VITC on commodities exported from the State. VITC has established computerized trade information centre to facilitate exporters of State. The promotional activities for exports through VITC include the following.

- Export Awareness Programmes
- Short-term (6 days) Export Management Training Programmes
- Seminars, Workshops, Conferences, Open Houses on various export related matters
- Buyer - Seller meets.
- Participation of industries in National / International Exhibitions / Trade Fairs.
- Activating Karnataka Pavilion at Pragati Maidan, New Delhi, during India International Trade Fair.
- Market Development Assistance to Overseas visits of Trade Delegations from Karnataka

- Providing Live trade enquiries emanating from over 200 countries through VITC Portal.
- Computerised Trade Information Centre at Dharwad in association with National Centre for Trade Information, New Delhi to facilitate the exporters,
- On behalf of State, confer State Export Award for exporters who have outstanding performance.
- Provides stall rental assistance / travelling and daily allowance to artisans, women and SC/ST entrepreneurs for participation in exhibitions within the State and Outside the State organized by Govt. agencies.
- Implementation of Government of India ASIDE Scheme in the State. Under this scheme assistance is provided to upgrade essential export infrastructure.

It is also expected that exports of all commodities mainly engineering commodities will be increased further with the incentives and encouragements provided by the Government for development of industries specially export-oriented. In addition, the export promotional measures are expected to increase exports of both primary and manufactured products as also services. However, these expectations are subject to the presence of favourable world market demand and other conducive factors for exporters from the State.

8.1 POWER

Power or electricity is an important economic infrastructure required for achieving accelerated rate of economic development and industrialization. Apart from its contribution to economic development, electricity (generation, transmission and distribution) contributes significantly in terms of revenue generation, employment and enhances the quality of life of those who get access to it. Karnataka generates power in four different forms – hydro power, thermal power, wind power and solar power. Of these, hydel and thermal power generations account for the considerable majority whereas wind and solar power generations make only marginal additions. In addition to these, there is electricity generation through diesel used generation plants.

8.1.1 Demand-Supply Status

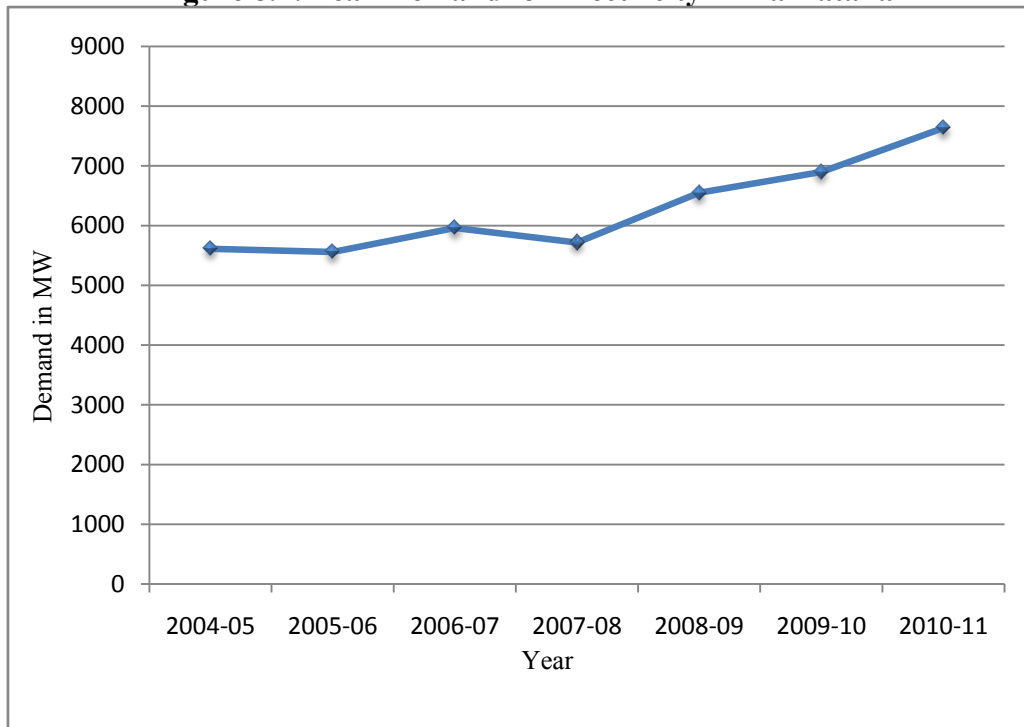
The core issue in power is the status of demand and supply to ensure that there is no power shortage in the State. Though Karnataka has been experiencing shortage of power due to rapid economic progress achieved on a continuous basis, the State government has been taking various initiatives to bridge the demand-supply gap. **Table 8.1** presents data on peak demand and supply in the State for the last seven years from 2004-05 till 2010-11. The increasing peak demand for power is depicted in **Figure 8.1**.

To ensure regular but growing economic activities and meet peak demand, adequate supply capacity needs to be created. The peak demand for power has been growing consistently in the State and so is supply. The peak demand during April-December 2010 reached 7634 MW whereas it was 6897 MW in 2009-10. The supply was 155.85 MU during April-December 2010 and 147.98 MU in 2009-10 (which includes power generation within the State and power imports from outside). Since peak demand and supply are in different units, a comparison is not possible. However, Karnataka does experience shortage of power and to overcome the supply deficit, Government of Karnataka resorts to power imports from Central projects and even from other States. The remaining shortage was bridged by means of load shedding.

**Table 8.1: Demand and Supply for Power at Peak Demand
2004-05 to 2010-11**

Year	Peak Demand (MW)	Supply (MU)
2004-05	5612	116.099
2005-06	5558	126.600
2006-07	5959	135.878
2007-08	5715	137.320
2008-09	6458	137.737
2009-10	6897	147.977
2010-11 (Up to Dec 2010)	7634	155.852

Figure 8.1: Peak Demand for Electricity in Karnataka



8.1.2 Installed Capacity

The total installed capacity of power in the State as on 31st March 2010 was 8685.91 MW including both public and private sectors. Of these, public sector accounted for as much as 66% and the rest 34% emerged from the private sector. The installed capacities under public and private sectors and under different sources for 2008-09, 2009-10 and 2010-11 are presented in **Table 8.2**.

The installed capacity in the public sector (up to November 2010) is anticipated to be around 5975.91 MW which is marginally higher than that of 5725.96 MW in 2009/10. Of the estimated installed capacity of 5975.91 MW in the public sector, as much as 61% emerged from the hydel plants and another 37% from thermal plants. Thus hydel and thermal plants together accounted for almost 98% of the total installed capacity whereas the remaining 2% capacity emerged together from diesel plants, solar PV plants and wind energy in the State in the current year.

The private sector installed capacity comprising hydel, wind, co-generation and biomass plants, accounted for 2959.95 MW as on 31st March 2010. Private sector capacity is anticipated to be around 3725.75 MW up to November 2010. There is substantial increase in the private sector installed capacity in the current year is on account of rise in all the sources – hydel, wind, co-generation and biomass. As a result, the total installed capacity in the State in the current year is expected to rise to 9701.66 MW from 8685.91 MW in 2009-10.

Total electricity generation in the State in the current year is 28454.63 Mu (up to November 2010) as compared to 30188.43 Mu in 2008-09 and 31566.10 Mu in 2009-10. Like all other States, Karnataka also get an allocation from Central Power Projects. During the current year the Central Government Stations allocation is 1534 MW. To meet deficits the

State has imported electricity from other States as well this year. The State imported about 27.7% of the total electricity supply in 2008-09, about 25.8% in 2009-10 and about 25.5% up to November 2010.

Table 8.2: Power Sector Progress: 2008-09 to 2010-11

Source	Units	2008-09	2009-10	2010-11 (up to Nov 2010)
1. Installed capacity (cumulative)				
Public sector				
a) Hydel				
KPC plants	MW	3637.35	3637.35	3637.35
b) Wind energy	MW	4.56	4.56	4.56
c) Thermal (KPC)	MW	1970.00	1970.00	2220.00
d) Diesel plants	MW	127.92	108.00	108.00
e) Solar PV Plant	MW	-	6.00	6.00
Total		5739.83	5725.96	5975.91
Private sector				
a) IPP Thermal	MW	109.10	109.10	709.10
b) Hydel	MW	422.27	572.27	608.77
c) Wind	MW	1367.08	1512.58	1633.88
d) Co-generation & Biomass	MW	616.00	766.00	774.00
Total		2514.45	2959.95	3725.75
Total installed capacity		8254.28	8685.91	9701.66
2. Electricity generation				
a) Hydel (KPC generation)	Mu	12897.24	12249.00	10613.00
b) Thermal (KPC)	Mu	11717.45	13263.00	11998.00
c) Diesel (KPC)	Mu	451.18	492.00	534.00
d) Private generation	Mu	5108.07	5545.78	5289.63
e) Wind (KPC)	Mu	13.89	13.30	13.00
f) Solar PV Plant	Mu		3.02	7.00
Total 2		30188.43	31566.10	28454.63
3. Electricity imported from				
a) Central projects	Mu	11600	10974.18	9672.55
b) Other States	Mu	Nil	34.82	30.00
Total 3		11600	11009	9702.55
4. Total Electricity supply	Mu	41788.43	42575.10	38157.18

Sources: 1. Karnataka Power Corporation Limited (KPCL) and
2. Karnataka Power Transmission Corporation Limited (KPTCL)

8.1.3 Plant Load Factor (Capacity Utilization)

The plant load factors (capacity utilization) of select hydel and thermal stations of Karnataka Power Corporation Limited (KPCL) and their respective unit cost of power are presented in **Table 8.3**. The plant load factors of hydel stations of Sharavathy, Nagjhari, Supa and Varahi have steadily declined from 2008-09 to 2009-10 and from 2009-10 to 2010-11.

But the plant load factors of various thermal stations have fluctuated from year to year. As can be seen from **Table 8.3** per unit cost of power generation is higher in thermal plants compared to hydel plants and the State's reliance on thermal plants for power generation has increased over the years (see **Table 8.2**). As a result, the average cost of power generated (paise/kwh) has been increasing.

**Table 8.3: Plant Load Factor and Unit Cost of Power for Select Power Stations
2008- 09 to 2010-11**

Power station	Plant Load Factor (percentage)			Unit cost*
	2008-09	2009-10	2010-11 (up to December)	Paise/Kwh
1. Sharavathy	57.53	57.23	42.23	22.58
2.Nagihari	41.80	32.22	21.89	40.94
3.Supa	57.45	44.38	27.53	
4.Varahi	41.01	29.79	23.95	67.28
5.RTPS Unit-1	62.99	64.56	56.76	
6.RTPS Unit-2	78.24	78.97	25.73	
7.RTPS Unit-3	79.08	87.51	67.47	
8.RTPS Unit-4	89.37	88.79	40.77	263.38
9.RTPS Unit-5	90.44	82.17	77.49	
10.RTPS Unit-6	80.01	91.23	66.62	
11. RTPS Unit-7	91.66	72.23	52.48	
12.BTPS Unit-1	27.37	65.32	52.66	264.38

*Before accounting for T&D losses.

For RTPS, besides unit cost, fuel escalation charges are to be paid.

Source: KPCL

8.1.4 Transmission & Distribution (T&D) Losses

A unit of power saved is a unit of power produced. Energy conservation is as important as energy production. However certain amount of power is bound to be lost in the process of its transmission and distribution across the State. Of late, there has been a consistent reduction in the transmission and distribution losses in the State. T&D losses which accounted for as much as 38% in 1999/00 came down to about 22% in 2009/10 and are expected to be less than 21% in 2010/11. **Appendix 8.1** presents time-series data on installed capacity for power generation, electricity generation, imported electricity, T&D losses and power consumption from 1996-97 to 2010-11.

8.1.5 Pattern of Power Consumption

The different segments of power consumers, amount of power consumed and average tariff rates for the different groups are given in **Table 8.4**. The four major groups of consumers are: (i) Irrigation pump (IP) sets, (ii) Domestic lighting & All Electric Homes (AEHs), (iii) Industries, and (iv) Commercial lighting. These four groups together accounted for about 87% of the total power consumption in 2009-10 and almost 88% in the first half of 2010-11. The irrigation pump sets alone consumed more than 1/3 of the total power

consumption in the State. The percentage-wise distribution of power consumption by different groups of consumers for 2009-10 is depicted in **Figure 8.2**.

The average tariff rates for the different groups of consumers for 2009-10 reveals that highest tariff is charged for commercial lighting. This is followed by industries, L T industries & water works, public water works & sewerage pumping, domestic lighting & AEHs, public lighting, and the lowest for irrigation pump sets. The tariff rates are determined based on the orders of Karnataka Electricity Regulatory Commission (KERC) from time to time. The recent tariff rate hike was implemented in 2009 vide order of KERC dated 25/11/2009. KERC has prescribed differential tariff rates for urban and rural areas on the ground that consumers in Bangalore and other cities enjoy comparatively a better quality of electricity supply and therefore should pay a little more than the consumers in the rest of the State. Accordingly slightly higher tariff rate is determined for consumers in Bangalore Metropolitan Area and other cities and a lower tariff for consumers in rural areas.

Table 8.4: Pattern of Power Consumption & Power Tariffs in Karnataka

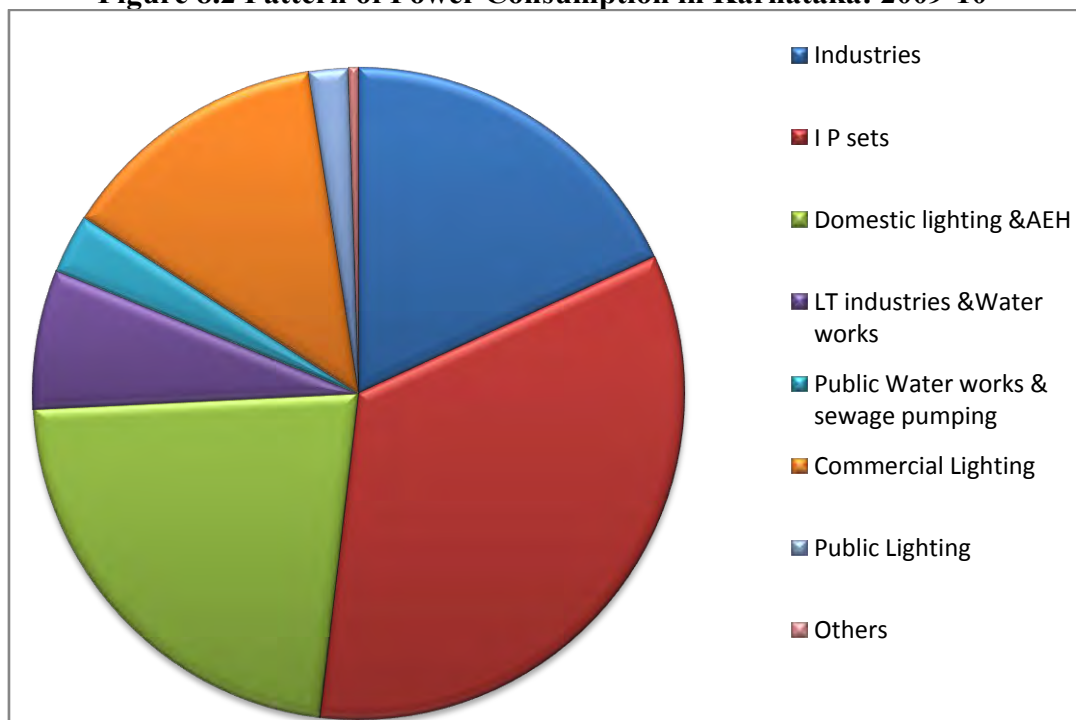
Consumer Groups	Electricity Consumption (MUs)			Average rate (paise/kwhs) (2009-10)
	2008-09	2009-10	2010-11 (up to Dec. 2010)	
1. Industries	5692.98(17.78)	5932.03 (17.61)	4958.48(18.54)	495
2. I.P.Sets	11216.55(35.03)	11772.05 (34.94)	8733.48(32.65)	102
3. Domestic lighting & AEH	6710.26(20.96)	7359.97 (21.84)	6059.53(22.66)	343
4. LT industries & Water works	1519.40(4.75)	2365.66 (7.02)	1878.36(7.03)	412
5. Public Water works and Sewerage pumping	1779.24(5.56)	1044.16 (3.10)	802.50(3.00)	354
6. Commercial Lighting	4009.69(12.52)	4349.76 (12.91)	3636.13(13.59)	644
7. Public Lighting	492.90(1.54)	690.01 (2.05)	541.60(2.03)	311
8. Others	598.98(1.87)	176.82 (0.52)	135.08(0.5)	1013
Total	32020(100%)	33690.48 (100%)	26745.16 (100%)	333

Note: The average rate is worked out based on the revenue realised.

Figures in brackets indicate the percentage of consumption of the category to total consumption

Source: KPTCL and Electricity Supply Companies

Figure 8.2 Pattern of Power Consumption in Karnataka: 2009-10



8.1.6 Rural Electrification

An important indicator of power consumption is its access to rural people, for both households and agricultural operations. Its progress is reflected in the number of irrigation pump sets electrified and number of villages which got electrification. There has been a steady increase in the number of irrigation pump sets and number of hamlets electrified (Table 8.5).

Table 8.5: Progress in Rural Electrification: Electrified IP Sets and Hamlets

Year	Irrigation Pump Sets Electrified	Hamlets Electrified
	Cumulative No. (Lakh)	Number of hamlets
2008-09	17.53	883
2009-10	17.91	189
2010-11 (upto Dec. 2010)	18.11	154

Source: KPTCL

8.1.7 Power Sector Reforms

Karnataka has been taking various initiatives for reforming its power sector. A major step taken in this direction was unbundling distribution of electricity from transmission, which has been handled by Karnataka Power Transmission Corporation Limited (KPTCL) whereas electricity generation plants are owned by Karnataka Power Corporation Limited

(KPCL). The distribution of electricity across the State is handled by the following companies:

1. Bangalore Electricity Supply Company (BESCOM)
2. Chamundeshwari Electricity Supply Company (CESCOM)
3. Mangalore Electricity Supply Company (MESCOM)
4. Hubli Electricity Supply Company (HESCOM)
5. Gulbarga Electricity Supply Company (GESCOM)

As per Electricity Act 2003, these electricity distribution companies have been entrusted with the task of purchasing power from various electricity generating companies.

Another major initiative taken with respect to the power sector is for its financial turnaround. Accordingly, a 10 year Financial Restructuring Plan (FRP) was announced with a commitment to extend financial support to the sector up to Rs.12141 crore over a period of 10 years. Power formed a major component of the revised Medium Term Fiscal Plan (MTFP) of the State for 2006-10. As per MTFP, financial support has been extended to the power sector. The details of financial subsidy released by the Government of Karnataka to the sector during 2007/08-2010/11 are given in **Table 8.6**.

Table 8.6: Financial Support for the Power Sector

Year	Subsidy released (Rs. Crore)
2007-08	1520.00
2008-09	1742.73
2009-10	2091.06
2010-11 (up to Dec 2010)	2201.06

Source: KPTCL

Another important development is the technical assistance received from the World Bank. The World Bank extended support through Government of India to undertake Karnataka Power Sector Reform and Restructuring Program under the “Technical Assistance (TA) Loan” for Economic Reforms for funding consultancy services. Accordingly, under this program steps have been taken to meter all un-metered consumers and to establish full scale energy audit. The targets and achievements for metering the un-metered consumers from 2004/05 to 2010/11 are presented in **Table 8.7**.

**Table 8.7: Metering of un-metered category of installations
(No. Lakhs)**

Year	Target	Achievement
2004-05	4.69	2.85
2005-06	6.00	1.78
2006-07	3.82	1.48
2007-08	4.50	2.95
2008-09	3.89	2.27
2009-10	1.94	3.14
2010-11 (up to Dec 2010)	1.52	1.06*

Source: KPTCL

* it includes the progress of metering achieved in the cases of both the existing and the newly serviced installations.

The government provides free power to an extent of 18 units per month to Bhagya Jyothi (BJ) and Kutira Jyothi (KJ) consumers. The amounts claimed by Electricity Supply Companies under these Schemes are released by the Government as subsidy. The government has made it mandatory to provide meters to all BJ/KJ installations, to avail the free power facility. The total number of BJ/KJ installations existing in the State at the end of December 2010 was 26.16 lakh, of which 23.20 lakh installations have been provided with meters (as on 31st December 2010).

8.1.8 Ongoing and New Projects to augment Power Supply

The Government of Karnataka has been taking several steps towards augmenting power supply for the development of the State. **Table 8.8** presents the ongoing projects. These projects are likely to be completed in the current or coming year.

Table 8.8: Ongoing Projects

Name of the project	Capacity
Bellary Thermal Power Station Unit-II	500 MW
Renovation, modernization & up-gradation works	Up-gradation of Nagjhari powerhouse units 5 & 6 from 135 MW to 150 MW
Solar Power Plants	KPCL to establish one Solar Photo Voltaic power plant each in Kolar, Raichur & Belagaum districts of 3 MW capacity.
Yeramarus Thermal Power Station	2 X 800 MW
Edlapur Thermal Power Station	800 MW
Bellary Thermal Power Station, Unit-3	100 MW

Source: KPCL

The Government has taken steps to undertake several new small, medium and large sized power projects, keeping in view the long-term demand of the State. All but one of the projects will be located outside the State. For the first time, Government has initiated measures to implement a thermal plant at Chhattisgarh. Land acquisition process and Environmental Impact Assessment studies are completed. Application is submitted to the Ministry of Environment and Forests, Government of India for obtaining environmental clearance for the project. The various contemplated new power projects are given in **Table 8.9**.

Table 8.9: New Power Projects for Implementation

Name of the project	Capacity
Tadadi Combined Cycle Power Plant	2100 MW
Thermal Plant at Chhattisgarh	1600 MW
Bidadi combined Cycle Power Plant	1400 MW
Wind Energy Project	500 MW
Gundia Hydel Scheme	400 MW
Shivanasamudra seasonal scheme	345 MW
Ghataprabha project	20 MW
Munirabad Hydel Power Station	10 MW

Source: KPCL

8.1.9 Non-Conventional Sources of Energy

While taking steps to generate power through conventional sources, the State is also making efforts to promote non-conventional sources of energy. The State is particularly making progress in terms of bio-gas plants (**Table 8.10**).

**Table 8.10: Promotion of Non-Conventional Sources of Energy:
No. of Bio-gas Plants**

Source of Energy	2008-09	2009-10	2010-11 (up to Nov 2010)
Bio-gas plants	6579	2331	5662

Source: Rural Energy Cell, RD & PR Department

8.1.10 Karnataka Renewable Energy Development Limited (KREDL)

KREDL was established as a Government of Karnataka enterprise in 1996 to promote the development of renewable energy sources in the State. Till the end of November 2010, 2985 MW of renewable energy has been generated in the State, which has been fed into the State grid. In addition, KREDL has electrified 44 un electrified hamlets and two un electrified villages through solar lights in different parts of the State.

8.2 Road, Transport and Communication

Karnataka state known for efficient public transport, as its services satisfies different income groups across state and in neighbouring states also. For efficient function and operational feasibility the State Government has bifurcated the Karnataka State Road Transport Corporation into four Corporations. The progress achieved in each corporation over the last year is presented in **Table 8.11**. Accordingly, there are number of new buses are added in all the four corporation, but number varies across corporations, the number of additions are more KSRTC and BMTC sectors, compared to the other sectors, this is due to increased demand in that operation area. With addition of new buses the over aged buses have been withdrawn in some extent in all the corporations. For instance, it can be observed from the table the percentage share of over aged buses has come down from 10.7 per cent to 5.8 per cent in KSRTC and in BMTC from 9.9 to 3.4 per cent, in other two corporations it is marginal.

Table 8.11: Passenger Fleet Strength and Utilisation By Different Corporations

Item	2009-10				2010-11 (Upto December 2010)			
	KSRTC	BMTC	NWKRTC	NEKRTC	KSRTC	BMTC	NWKRTC	NEKRTC
1. No. of Buses at the end of the year	6483	4869	4281	3048	7070	6092	4259	3395
2. Percentage of over-aged buses	10.70	9.97	22.10	26.03	5.80	3.43	18.60	18.40
3. Fleet utilisation (Percentage)	91.70	93.20	92.50	92.00	92.40	93.20	90.90	90.80

Source: State Transport Undertakings (STUs) / Transport Department.

Details of motor vehicles under different categories from 2007-08 to 2010-11 are presented in **Table 8.12**. Accordingly, all the registered vehicles have been categorised into 12. Over the years large number of vehicles added in the private sector, the type of vehicle is

two wheeler, followed by motor cars. The Auto rickshaws have increased on an average 10 thousand every year. The significant change observed in the current year is addition of 16 thousand passenger buses combining both public and private. Similarly, more than one hundred goods carriage vehicles were added. Thus, in last one year large number of vehicle are added for passenger as well as for goods carriage.

Table 8.12: Number Of Motor Vehicles By Categories ('000s)

Item	2007-08	2008-09	2009-10	2010-11 (upto Dec. 2010)
1. Motorcycles	5269	5914	6242	6665
2. Motorcars	774	910	973	1115
3. Jeeps	45	46	46	47
4. Auto rickshaws	249	276	288	293
5. Omnibuses	68	77	80	91
6. Motor cabs	58	62	72	69
7. KSRTC buses	19	18.2	18.7	20.8
8. Private buses	7	8	9	17
9. Goods carriages	254	302	310	418
10. Tractor	210	230	238	240
11. Trailers	200	216	221	226
12. Others	164	180	321	205
Total	7317	8239.2	8818.7	9406.8

Source: Transport Department

8.2.1 Adoption of Modern Technology

For efficient function and increase the profit, corporations have adopting available new technology, such as derating of the Fuel Injection Pump for speed control and fuel efficiency, improved hi-tech passenger seat, increased horse power, improved hi-tech driver seat and Internal and External design etc., are some of the adoptions of latest technology. The new technology adopted is serving both the purpose it bringing efficiency in the operation of vehicle and also making comfort for passenger.

Further Information and Communications Technology is adopted in its administrative and operational processes. The introduction of Hand Held Bus Ticketing Machines have assumed a priority in the implementation of Information Technology in bus services. The benefits derived are - substantial reduction in pilferage of traffic revenue, MIS reports to take effective decisions. Internet based Passenger Reservation System, subsequently providing the facility of e-booking through direct debit to Bank Account and enabling payment gateway for debit and credit cards.

To bring transparency in recruitment policy, the KSRTC has introduced web based recruitment system for staff recruitment. Through www.ksrtcjobs.com, candidates can apply online and the results are announced on the website. This has enabled Paperless e-based recruitment of all categories. Upgrading the skills of staff members various training programmes were imparted.

8.2.2 Increased Emphasis on Safety

To provide safety to the passengers the KSRTC has introduced unique scheme called Accident Relief Fund which entitles the dependents of the passengers for immediate compensation of Rs.2.50 lakh in case of accidental death, excluding the compensation awarded by MACT later. The year wise comparison of operational details is presented in the following table.

Table 8.13: Operational Performance Statistics KSRTC

Sl. No.	Particulars	2008-09	2009-10	2009-10 (upto sept.)	2010-11 (upto sept.)	% ach.
1	Routes operated at the end of the year (No.)	5264	5283	5045	5315	5.4
2	Route length at the end of the year.	4.87	4.88	4.84	5.10	5.4
3	Avg. Eff. Kms. operated /day (in lakh)	22.20	23.09	22.83	23.48	2.8
4	Avg. pass. carried/day (in lakh)	23.57	23.66	21.56	22.61	4.9
5	Avg. number of buses held	6799.0	7002.0	7017.0	7070.0	0.8
6	Avg. number of buses on road	6107.4	6330.8	6232.0	6490.0	4.1
7	% Fleet utilization	89.9	91.0	90.5	92.4	2.1
8	Avg. Vehicle utilization (in kms.)	364	365	366	364	-0.5
9	Total traffic receipts (Rs. in crore)	1429.53	1515.06	770.77	870.73	13.0
10	Avg. seating capacity.	53.0	52.0	52.6	52.5	-0.2
11	% Load factor	70.8	69.5	69.9	70.3	0.6
12	Bus staff ratio (on schedules)	5.17	5.16	5.49	5.18	-5.6
13	Total vehicles (including scrapped vehicles held)	7624	7585	7269	7358	1.2

Source: Karnataka State Road Transport Corporation.

After paying taxes and prior period adjustments, total profit of KSRTC in 2009-10 has reduced to Rs. 48.85 crore as against profit of Rs.57.71 crore. The financial statistics of KSRTC for the respective years is presented in **Table 8.14**.

Table 8.14: Financial Performance of the KSRTC (Rs. in Crore)

Sl. No.	Particulars	2008-09	2009-10	2009-10 (upto sept.)	2010-11 (upto sept.)
1	Total receipts	1639.36	1746.36	847.75	945.91
2	Total expenses (Ex. Taxes)				
	a) Operating expenses	1031.215	1074.65	530.22	607.99
	b) Non operating expenses	53.61	626.91	305.17	337.21
3	Profit before taxes	147.45	132.51	55.04	51.50

4	Total taxes a) Passenger tax b) Motor vehicle & other taxes	-- 89.74	-- 83.67	-- 42.68	-- 51.09
5	Total expenses	1581.65	1697.51	835.39	945.20
6	Net profit/loss	54.19	46.27	12.36	0.71
7	Prior period adjustment (profit/loss)	3.52	2.58	--	--
8	Total profit/loss	57.71	48.85	12.36	0.71

Source: Karnataka State Road Transport Corporation

The above table shows that out of total taxes paid by KSRTC, Rs.83.67 crore has been paid towards M.V.Tax during the year 2009-10. KSRTC is paying M.V.Tax as a fixed percentage of 5.5 on Traffic Receipts, where as private operators are paying M.V.Tax per seat on quarterly basis.

The operations of BMTC are broadly classified under two categories, namely City and Suburban services. Further BMTC is operating different types of services catering to the needs of different class of commuters under different brand names Vajra, Vayuvajra, Pushpak, BIG10 and Atal Sarige, etc. As on December 2010, BMTC operated 3798 scheduled by deploying fleet strength of 3451 vehicles, BMTC is operating over 11.87 lakh km. daily catring 12.67 lakh passengers from 35 depots with 47 bus stations. Details are provided in **Table 8.15**

Table 8.15: Operational Statistics of BMTC

Sl. No.	Particulars	2008-09	2009-10	Dec. 2010
1	Routes operated at the end of the year (No.)	3126	3369	3380
2	Route length (lakhs)	2.85	3.36	3.38
3	Avg. Eff. Kms. operated /day (in lakh)	9.03	11.4	11.87
4	Avg. pass. carried/day (in lakh)	9.89	12.54	12.65
5	Avg. number of buses held	2830	3716	3798
6	Avg. number of buses on road	2632.2	3431.3	3451.9
7	Average Fleet utilization (%)	93	92.3	90.9
8	Vehicle productivity (in kms)	343	348	344
9	Bus staff ratio (on schedules)	5.09	5.06	5.09

Source: Bangalore Metropolitan Transport Corporation.

The NWKRTC operating 4298 schedule covering daily 13.5 lakh kms and carrying 18 lakh passengers on an average per day and realizing revenue of more than Rs.2.80 crore every day. The details are provided in **Table 8.16**.

Table 8.16: Operational Statistics of NWKRTC

Sl. No.	Particulars	2008-09	2009-10	Sept 2010
1	Routes operated at the end of the year (No.)	6413	4890	4890
2	Route length at the end of the year.	6.16	4.35	4.35
3	Avg. Eff. Kms. operated /day (in lakh)	15.14	14.28	13.15
4	Avg. pass. carried/day (in lakh)	21.00	18.00	17.80
5	Avg. number of buses held	4791.50	4678.00	4298.20
6	Avg. number of buses on road	4430.10	4273.70	3895.60
7	Average Fleet utilization (%)	92.30	91.40	90.9
8	Vehicle productivity (in kms)	342.70	334.00	336.00
9	Bus staff ratio (on schedules)	5.64	5.36	5.56

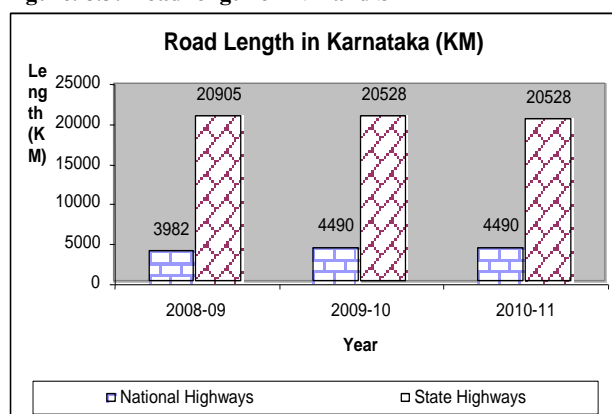
Source: North West Karnataka Transport Corporation.

8.2.3 Roads

Road network and efficient communication is vital to the economic development, trade and social integration. A high density and efficient network of connectivity is a pre requisite for overall economic growth and development.

The state's road network consists of National Highways, State Highways, Major District Roads, Municipal roads and other roads or village connectivity roads. The road development works in the State are carried out by multiple agencies, which include Public Works Department (PWD) of the State Government, local government such as Zilla Panchayat and its wings. In urban areas the City Corporations, City Municipal Corporations (CMC), etc. In the State road length per 100 sq. Km. area works out to 39.34 Kms (NH, SH & MDRs only). Mandya district has the highest road length of 70.36 Kms and Gulbarga district has the lowest road length of 24.58 Kms. per 100 sq. Km of area. Further, Chamarajanagar, Raichur, Bidar, CB Pura, Bagalkote, D.Kannada, Yadgir, Chickmagalur, Kodagu, Chitradurga, U.Kannada, Bellary, Shimoga, Kolar & Udupi district road lengths are less than the State average.

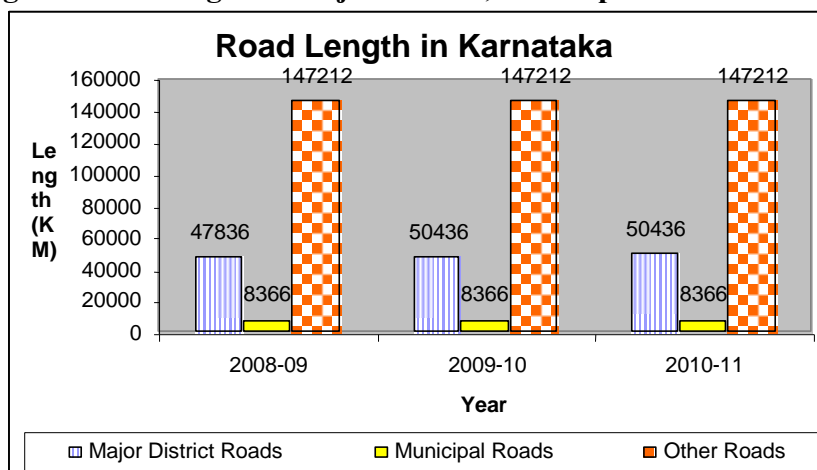
Over the year, the National Highways length has increased by 12 per cent and MDRs length by 5% whereas there is reduction in the length of State Highway due to upgradation to National Highway.

Figure. 8.3: Road length of NH and SH**Table 8.17: Road length in Karnataka (in Kms)**

Type of Road	Year		Per cent change
	2008-09	2009-10	
National Highways	3982	4490	12.7
State Highways	20905	20528	-1.8
Major District Roads	47836	50436	5.34
Municipal Roads	8366	8366	0
Other Roads	147212	147212	0
All Roads	228301	231032	1.20

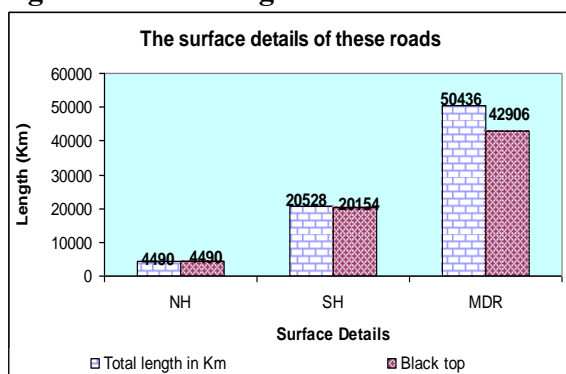
From the **Figure 8.3**, explains the changes in road length in last three years in National Highway and State Highway, the **Figure 8.4** presents the change taken place in the length of roads laid under category of district roads, municipal roads and other roads.

Figure 8.4: Changes in Major district, Municipal and other roads



The black top roads provide better transportation. All the National Highways and large extent States Highway are covered with black top; and 85 per cent of the Major District Roads are covered with black top (Fig 8.5).

Figure 8.5: The length of BT & CC surface.



PPP Initiatives through Karnataka Road Development Corporation Limited.

- Development of 204 Kms of SHs are taken up at an estimated amount of Rs. 470 crore. on VGF(Toll) basis.
- 43 Kms of SH is being developed under BOT-Annuity basis.
- Bids are invited to develop 73 Kms of road under EPC-Toll basis
- Improvement of 347.50 Kms of 5 SHs are under way on VGF-Toll basis.

The carriage width details of the roads show that the 19% of National Highways have four lane width followed by 61% two lane width and 17% intermediate lane width. The State Highways have 1% of four lane followed by 12% two lane, 42% intermediate lane and 45% single lane widths. Whereas 9% of Major District Roads have intermediate lane width followed by 89% single lane width.

Fig. 8.6: carriage width in NH

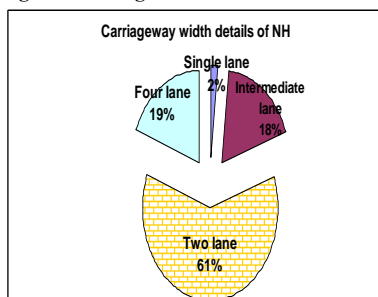


Fig 8.7: Carriage width SH

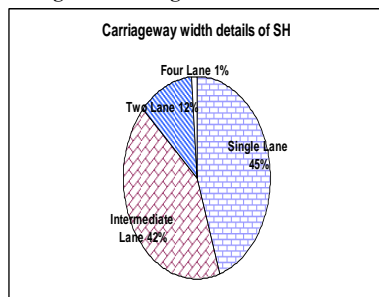
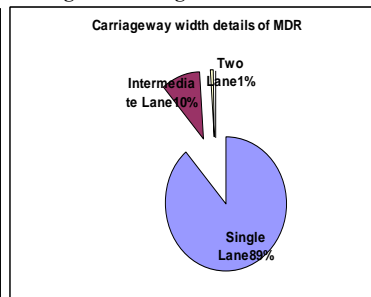


Fig 8.8: carriage width MDR



8.2.4 Karnataka State Highways Improvement Project (KSHIP)

Under KSHIP-I, 2414 Km of State Highways and Major District roads were taken up for development at an estimated amount of Rs. 2304.50 crore. Of this, a length of 2394 Kms has been developed with an expenditure of Rs.2,277 crore.

Under KSHIP-II Phase-I, it is proposed to develop 1576 Kms of roads with the assistance of World Bank and Asian Development Banks.

8.2.5 NABARD Assisted RIDF scheme

The improvement of rural roads and construction of bridges are being taken up through NABARD loan assisted Rural Infrastructure Development Fund. The works upto RIDF-X are completed and the works of RIDF-XI to XVI are in progress. The details of the progress achieved under these works as on December-2010 is furnished below:

Table 8.18: The Progress Made Under RIDF (Rs Crores)

Details	Works taken up	Length (Km)	Loan amount Sanctioned	Works Completed	Length Improved (Km)	Amount Spent up to Dec.2010
ROADS	4246	25786	2061.67	3683	23451	2130.67
BRIDGES	738	--	328.22	546	--	260.31
TOTAL	4984	25786	2389.89	4229	23451	2390.98

Source: Public Works, Ports and Inland Water Transport Department.

8.2.6 Karnataka Road Development Corporation Ltd (KRDCL):

The KRDCL has been created as a state owned enterprise for the development of Road Infrastructure facilities in the State. Under this agency, construction of 853 bridges are taken up under different phases, of which 613 bridges are already completed and the balance 171 bridge works are in progress and the 69 bridge works are yet to be started. Apart from the construction of the bridges, the Corporation has also taken up the development of various state highways, some of them are: 148.50 Km length of Mysore – Bantwal State Highway and 50 Kms of Belgaum-Chorla State Highway.

8.2.7. Pradhan Mantri Gram Sadak Yojana

The Pradhan Mantri Gram Sadak Yojana was launched in the State in December 2000 with the objective of providing road connectivity through all weather roads to all rural habitations with a population of 500 persons or more by the year 2007. The roads considered for this purpose will be surface roads. Under this programme, Rs.2924.04 crore have been spent and 12720.72 Kms of road length has been asphalted, up to November 2010. In order to implement the scheme more effectively the Karnataka Rural Road Development Agency, registered under Karnataka Societies Act-1960 has been formed during October-2005. The Agency will prepare detailed Project Reports in each stage, implement the works as approved by Government of India at the required standards, and release the grants as provided by Government of India with utmost responsibility. Still 1718 habitation have not connected any roads.

NEW POLICIES MEASURES

- ❑ Karnataka Road Policy has been brought out for the development of road infrastructure.
- ❑ Karnataka Toll Policy has been published for determination and collection of toll or user fee for SHs and MDRs to be developed under PPP.
- ❑ The Section 19-A of Karnataka Highways Act-1964 has been amended to enable collection of toll on the roads developed under VGF and other loan assistance.

Special schemes for SC/ST colonies and backward taluks.

- The internal roads of SC/ST colonies are being provided with concrete roads and box drains to provide improved living conditions under Special Component Plan & Tribal Sub Plan at an amount of Rs. 139 crore & Rs. 56 crore respectively.
- In addition to the improvement of roads under the regular schemes, additional grant of Rs. 205 crore during 2010-11 is earmarked for road development under Special Development Plan scheme in 140 most backward, more backward and backward taluks, so as to provide infrastructure on par with the developed taluks.

Development of road in Western Ghat area

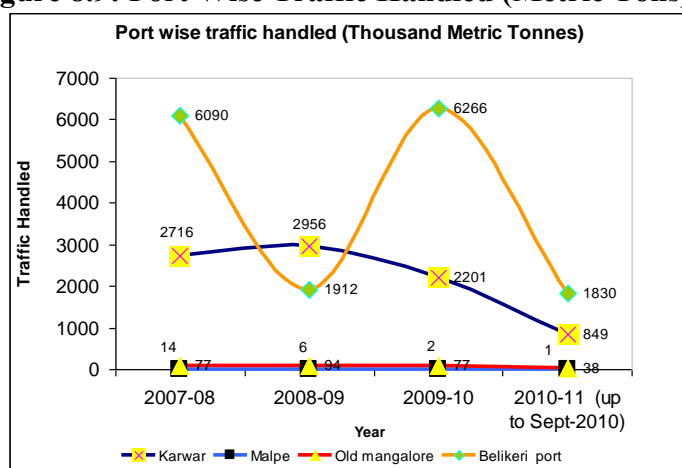
- ❖ The Western Ghat area of the State receives heavy rainfall every year thereby causing substantial damage to the asphalt roads.
- ❖ To overcome this perpetual problem, the Department has proposed to provide concrete surface to the roads in this region in phased manner.
- ❖ In the first phase, during 2010-11, an amount of Rs. 100.00 crore is earmarked for this purpose.

8.2.8. Ports Inland and Water Transport

The Karnataka State has a coastal line of 300 Kms consisting of one major port and 10 minor ports. Apart from the New Mangalore major port, which is under the control of the Government of India, the following 10 minor ports come under the control of the State Government. Among them, the Karwar, Belikeri, Malpe and old Mangalore have handled a significant cargo. However, the cargo handled is very fluctuating and the cargo handled by Belikeri port is increasing compared to other ports. To improve the ports an investment of Rs

2.83 crore is made in all the 10 minor ports by the end of September 2010. Further, anti sea erosion works and flood control works have been taken up and an expenditure of Rs 4.22 crore has been incurred.

Figure 8.9: Port Wise Traffic Handled (Metric Tons)



Source: Public Works, Ports and Inland Water Transport

8.2.9. Airways

The country's first Green Field International Airport has been developed at Devanahalli, Bangalore at a cost of Rs.2470 crore as a passenger and cargo Department hub under Public Private Partnership (PPP) model. This airport has considerable traffic movement domestic as well as international due to its location in the Bangalore, as the Bangalore known for the IT and BT.

The existing airport at Mysore has started its operational this year by landing king fisher airline during Dasar Festival. In Bellary, the Government is developing a new airport on PPP basis. Further, the existing Defence airport at Bidar and Karwar are also being developed for civil operations and the Government is pursuing the matter with Ministry of Defence for getting necessary clearances.

Minor Airport Projects

- Minor Airports at Shimoga, Gulbarga, Bijapur and Hassan are being developed on PPP basis through private promoters. In principal approval of Ministry of Civil Aviation, Government of India has been obtained on 13.6.2008.
- The existing airport at Hubli is being upgraded to International Standards and 650 acres of land required for the expansion Hubli airport is being acquired. A total sum of Rs.245.00 crores has been released so far for land acquisition.
- Acquiring and handing over of the additional land of 93 acres required for extension of Runway for Belgaum airport is under consideration.

Air Strips

- A decision has been taken to develop 11 airstrips in the State at locations where there is no airports. Deputy Commissioners, have submitted proposals for construction of airstrips at Davanagere, Raichur, Chikmagalur, Udupi, Madikeri –Kushalnagar, Gokarna (North Karnataka), Chitradurga, Bagalkot, Haveri, Gadag and Kollegal (Chamarajnagar District).

- Bengaluru International Airport located near Devanahalli is about 34 Kms away from Bangalore City. In order to provide a fast, hassle free connectivity to this airport, it is proposed to develop a High Speed Rail Link (HSRL) from Bangalore City (M.G. Road) upto the airport.

Table: 8.19: Air Traffic Passengers and Cargo

Year	Aircraft Movements (Numbers)			Passengers Handled (Numbers)			Cargo Handled (Tonns)		
	Bangalore HAL	Mangalore Bajpe	BAIL Devanahalli	Bangalore HAL	Mangalore Bajpe	BAIL Devanahalli	Bangalore HAL	Mangalore Bajpe	BAIL Devanahalli
2005-06	69680	3766		5654703	304824		138852	270	
2006-07	94426	5912		8137417	482668		163766	288	
2007-08	113598	9362		10120621	713667		178042	396	
2008-09		11120			692803			311	
2009-10			104653			9920969			174648
2010-11			55226			5637486			108852

8.2.10. Railways

The Indian Railways play a vital role in India's transportation system. In Karnataka state the railway route has two types of gauge system, viz., broader gauge and meter gauge. The total broad gauge is 2,761 Kms and the meter gauge is 410.65 Kms. The meter gauge still exists in the parts of Bombay Karnataka and Mysore region including Shimoga. The broad gauge conversion is being taken place for making a unique gauge system, which will help for the fast movement of the passenger as well as goods rails. Within Karnataka the Southern Karnataka has major track as well as maximum number of stations compared to the North Karnataka.

- The Kotturu – Harihar new railway line has been completed and pending clearance from railway safety Commissioner. This project is being executed under 2/3 & 1/3 sharing by State Government and MoR respectively. The State Government has already released Rs. 217.33 crores.
- Munirabad – Mehabubnagar new railway line (except the route passing through Gangavathi) land has already been acquired and handed over to the railway and work is under progress. This project is being executed by cost sharing of 50:50 between GoK and MoR. The State Government has so far released Rs. 30.00 crores.
- The Doubling of Bangalore – Ramanagara railway line has been completed and also commissioned for traffic. Ramanagara to Chennapatana (Bangalore Side), Mysore to Naganahalli (Mysore Side) has completed and railway safety commissioner cleared the line for traffic. This project has been executed under cost sharing programme between GoK and MoR the ratio of 2/3 and 1/3 respectively. The state Government so far released Rs. 196.99 crores, for this project. The remaining work is under progress.
- The land for Bidar – Gulbarga new railway line has been acquired and handed over to South Central Railway and work under progress. The expenditure for this project is being shared by GoK and Ministry of Railways 50:50 basis. The State Government has so far released Rs. 115.00 Crore for this project.

- The Gauge conversion for Shimoga – Talaguppa railway line has been completed up to Anandapuram and is open for traffic.
- The Tumkur – Rayadurga new railway line is being taken under cost sharing basis in the ratio of 50:50 between GoK & MoR. The land acquisition is under progress.
- The Government has moved railways for taking up the following projects on PPP- Hubli – Ankola, Talaguppa – Shahadabad, Bijapur – Shadabad, Dharwad – Belgaum.

Table 8.20: Railway Route Length (in Kms)

Districts	Broad Gauge	Meter Gauge	Total	Railway Stations (No)
Bangalore	148.32	0	148.32	18
Bangalore (R)	204.39	0	204.39	24
Ramanagara				
Chitradurga	165.27	0	165.27	18
Davanagere	59.13	0	59.13	8
Kolar	136.79	0	136.79	18
Chikkaballapura				
Shimoga	32.6	98.28	130.88	13
Tumkur	100.55	0	100.55	17
Chikmagalur	95	0	95	11
Dakshina kannada	227	0	227	8
Udupi	39	0	39	2
Hassan	160.88	0	160.88	15
Kodagu	0	0	0	0
Mandya	140.55	0	140.55	15
Mysore	59	43	102	20
Chamaraja Nagar	0	19.9	19.9	3
Southern Karnataka	1568.47	161.18	1729.65	190
Belgaum	225.56	0	225.56	23
Bijapur	67	63	130	20
Bagalkot	0	76	76	10
Dharwad	151	60.47	211.47	21
Gadag	62	50	112	12
Haveri	86	0	86	10
Uttara Kannada	179	0	179	16
Bellary	130.08	0	130.08	15
Bidar	79	0	79	9
Gulbarga	107	0	107	14
Raichur	51	0	51	7
Koppal	55	0	55	7
Northern Karnataka	1192.64	249.47	1442.11	164
State	2761.11	410.65	3171.76	354

Source: Karnataka at a Glance 2008-09

8.2.11. Telecommunication

Since implementation of liberalization, involvement of private sector and entry of global player's has changed the entire communication system. Presently the communication system comprises of posts, telegraphs, telephones, etc.

The telecommunication system in the state is operated by the both private and public undertakings. The postal services statistics shows that over the year the total number of post offices strength is declined. This may be due to merger in the urban areas. Across district the decline of post offices were observed in Bangalore and Belgaum district and across the regions the decline is northern Karnataka. The number of Post offices, Telephone exchanges and number of Telephones are presented in **Table 8.21**

The number of telephone exchanges has increased over the years. In last six years 72 new exchanges were added, on an average 6 to 7 exchanges per year. Though the exchanges are increased the number land line connections are declined. The decline in landline telephones may be due to increased private participants, along with Bharat Sanchar Nigam Ltd (BSNL) in the others such as Reliance are providing connections with net work facility.

Table 8.21: Number Of Post Offices, Exchanges And Telephones.

year	Post offices	Telephone exchange	Telephones
2003-04	9909	2706	2752060
2004-05	9884	2708	2785781
2005-06	9864	2710	2534402
2006-07	9835	2720	2381331
2007-08	9826	2727	2610353
2008-09	9862	2768	2326532
2009-10	9820	2778	2187802

Source: Karnataka at a Glance.

Apart BSNL, number of private companies are operating the cellular phones. Among the private operators the Vodafone is the major one. The Bharthi Air Tel has also provided large number of connectivity in the state. The connectivity show that all the companies are consistently increasing their connectivity in the state, this is constantly increase in its demand. The number of cellular phones in operation is presented in **Table 8.22**.

Table 8.22: Number Cellular Phones In Operation

Year	Karnataka Cellular Subscribers					
	Aircel Ltd.	BSNL	Bharthi Air Tel Ltd.	Bharthi Mobile Ltd.	Spice Communications Ltd.,	Vodafone Essar South Ltd.,
2004-05		709362		1240436	311345	559879
2005-06		1284887	2132204		432067	1088763
2006-07		1780654	4275556		816872	1697869
2007-08		1789660	6870678		1636551	2850346
2008-09	52831	2318535	10001037		1650609	3695522

Sources: CMIE, December 2009

8.3 BANKING AND FINANCE INCLUDING COOPERATIVES

8.3.1 Introduction

The Karnataka state known as pioneer for establishment of various commercial banks, similarly Canara Bank is the first bank to sponsor the Regional Rural Bank in the state. Presently there are 27 public sector commercial banks and 16 private commercial banks. In addition to it, 6 Regional Rural Banks are operating in the State. Of the total 27 public sector commercial banks, 7 of them play major role in the state, having more than 3/4th of business. The new generation banks such as IDBI Bank, Axis Bank, ICICI Bank, Indus Bank, Kotak Mahindra Bank, YES Bank etc., are also making a good contribution in expansion of banking net work in the state in general, particularly in urban areas.

Nevertheless, the disbursement of credit in rural area takes place through co-operatives, commercial banks and Regional Rural Banks. The credit for industry and service sector flow from the two major State run lending institutions, the Karnataka State Financial Corporation (KSFC), the Karnataka State Industrial Investment and Development Corporation (KSIIDC), which undertakes promotion and development of small, medium and large scale industries in the State and acts as a nodal agency to formulate proposals for implementation of infrastructure projects.

The National Bank for Agriculture and Rural Development (NABARD) as an apex level institution provided direction to rural sectors through Potential Linked Credit Plans (PLPs) with Annual Action Plans at district level. NABARD also brings out the State Focus Paper, which covers among other things agriculture and rural economy of the state, and includes the performance of rural credit delivery system and policy initiatives of Union and State Governments. NABARD is also vested with the power to review Service Area Monitoring and Information System (SAMIS), for which a working group is constituted with the representatives of RBI, NABARD, IBA and Commercial banks.

Considering the demand for institutional finance, the financial institutions are expanding their net work and credit flow from time to time. There were 755 bank branches at the time of nationalization in 1969. Since then 5035 bank branches have been added till the end of March 2010. The branch net work has increased over the years as detailed in **Table 8.23**. For instance in rural area around 57 branches have been added in span of three years, similarly in other areas also, however the increase is more in the metro areas (169), and largely due to new generation private banks. The population per branch is 8091 as on March 2010, which is lower to national average, thus the density of bank branches is high compared to national average. The branch expansion net work is providing better access to people in urban as well as in rural areas.

Table 8.23: Branch Net Work

Sl. No.	Branch Network	March 2008	March 2009	March 2010
1	Rural	2186	2207	2243
2	Semi-Urban	1118	1168	1206
3	Urban	988	1038	1184
4	Metro/PT	988	1091	1157
	Total Branches	5280	5504	5790

The Karnataka state stands relatively in better position. The population per branch is 8091, which is less to national average and also many states, even better than Gujarat and Maharashtra. In aggregate deposits and Gross credit the state holds 4th and 5th rank respectively. Thus, Karnataka state is moderate in its banking net work as well deposit mobilization and in gross credit flow.

Table 8.24: Aggregate Bank Deposits and Gross Credit Across Karnataka and Few Selected States (Rs. Crore)

State	Population per branch (000)	Aggregate deposits	Rank	Gross credit	Rank
Maharashtra	14	1224329	1	995343	1
Delhi	8	567099	2	425999	2
Uttar Pradesh	20	314778	3	134015	8
Karnataka	10	291655	4	224359	5
Tamil Nadu	11	285337	5	321418	3
West Bengal	17	276704	6	169698	6
Andhra Pradesh	12	249467	7	262286	4
Gujarat	13	216470	8	141316	7
Kerala	8	150619	9	95785	9
Punjab	8	133571	10	94980	10
All India	14	4601926		3345619	-

Source: Quarterly statistics issued by R.B. I. - March 2010

8.3.2 Deposits and Advances

The aggregate outstanding deposits of commercial Banks (including RRBs) stood at Rs.228935.89 crore as at the end of March 2010 as against Rs. 206376 crore recorded a year ago. Growth in deposits during the year was 10.93 per cent, up to the end of March 2010. As on March 2010, the total outstanding advances of commercial Banks including RRBs in the state stood at Rs.171807.52 crore as against the level of advances of Rs. 155409 crore recorded a year ago indicating a growth rate of 10.55 per cent.

The credit–deposit ratio (C-D ratio) of the state as on March 2010 is 75 per cent, last year also it was same, however during 2007-08, the C-D ratio was 80 per cent, the reduction C-D ratio last two year to slow down in credit flow among the regional rural banks (**Table 8.25**).

Table 8.25: Performance of Scheduled Commercial Banks (March End)

Sl. No	Indicator	Unit	2007-08	2008-09	2009-10
1	Branch network				
	a) Commercial Banks	No.	4127	4391	4589
	b) Regional Rural Banks	No.	1153	1180	1201
	Total	No.	5280	5571	5790
2	Deposits				
	A) Commercial Banks	Rs. Crore	156306.27	198969.51	216972.07
	B) Regional Rural Banks	Rs. Crore	7617.52	9428.86	11963.82
	Total	Rs. Crore	163923.79	208398.37	228935.89
3	Advances				
	A) Commercial Banks	Rs. Crore	124418.78	148580.82	161935.40
	B) Regional Rural Banks	Rs. Crore	7081.58	8178.07	9872.12
	Total	Rs. Crore	131500.35	156758.89	171807.52
4	Credit-Deposit Ratio				
	A) Commercial Banks	%age	76.88	74.68	74.63
	B) Regional Rural Banks	%age	92.96	86.73	82.52
	Total	%age	80.22	75.30	75.05

Source: State Level Banker's Committee, Karnataka

The performance of banking across districts is presented by using the composite index. Accordingly, the Udupi district gets first rank, high density of branch offices and high C-D ratio. The density of branch office is calculated across population, area and villages. After Udupi the Bangalore Urban comes as second rank in density of the bank branches as well as C-D ratio. Raichur followed by Gulbarga, Chamarajanagar comes in order of poor performance in descending order. These districts need special attention in expansion of branch net work;

Table 8.26: Ranks of the Districts Based on Density of Branch Offices and C-D Ratio

Sl. No	Name of the District	Rank with Composite Index			
		Population per Bank and CD Ratio	Area covered by Bank and CD Ratio	No. of Village per Bank and CD Ratio	All Four Component
1	Bagalkot	15	14	13	15
2	Bangalore (R)	9	6	9	9
3	Bangalore (U)	2	2	4	2
4	Belgaum	16	9	7	16
5	Bellary	13	20	21	13
6	Bidar	26	22	18	26
7	Bijapur	24	25	19	24
8	Chamarajanagar	27	26	25	27
9	Chikballapur	19	13	16	19
10	Chikmagalur	7	19	20	7
11	Chitradurga	18	24	15	18
12	DK	4	3	3	4
13	Davanagere	23	21	23	23
14	Dharwad	5	7	8	5
15	Gadag	14	16	11	14
16	Gulbarga	28	27	27	28
17	Hassan	12	17	24	12
18	Haveri	21	18	14	21
19	Kodagu	3	10	12	3
20	Kolar	25	11	17	25
21	Koppal	20	29	29	20
22	Mandya	17	15	22	17
23	Mysore	10	4	5	10
24	Ramanagar	8	5	6	8
25	Raichur	29	28	28	29
26	Shimoga	11	12	10	11
27	Tumkur	22	23	26	22
28	Udupi	1	1	2	1
29	Uttara Kannada	6	8	1	6

8.3.3 Priority Sector Advances

Domestic banks are required to provide 40 percent of their net bank credit to the Priority Sector. The Priority sector advances of all bank groups in the State amounted to Rs.76320 crore in March 2010 contributing to 44.42% in total advances made by them, thus exceeding the norms fixed by the RBI. Direct advances to agricultural sector by Scheduled Commercial Banks (SCBs) in March 2010 stood at Rs.35429 crore as against Rs.29196 crore recorded in March 2009 contributing to 20.62 per cent of total advances made by SCBs. Weaker section advances stood at Rs.19876 crore. The advances paid to Minority communities amounted to Rs.8088 crore, marking an increase of Rs.1599 crores against the advances paid during the last year as on March 2009. Credit disbursed by banks to MSME sectors in the state in March 2010 increased to Rs.27224 crore from Rs.16920 crore recorded in the previous year. Advances to SCs/STs accelerated to Rs.5779 crore in March 2010 as against Rs.5315 crore recorded in March 2009. Similarly, advances to women stood at Rs.14715 crore in March 2010 as against Rs.13466 crore made in the corresponding period of 2009 recording a good growth during the period. Details of advances to priority sectors by commercial banks in Karnataka from 2007-08 to 2009-10 are given in **Table 8.27**.

Table 8.27: Distribution of Priority Sector Advances (Rs. crore)

Sl. No.	Indicator	End of March		
		2008	2009	2010
1	Agriculture & allied activities	25817	29296	35429
2	Advances to MSME	13974	16920	27224
3	Total priority sector advances	58002	71810	76320
4	Outstandings under PSA:	5030	5315	5779
	i) weaker sections			
5	Percentage of priority sector advances to total advances	44.10	45.80	44.42
6	Percentage of weaker section advances to total advances	10.37	10.27	11.57

Source: State Level Bankers' Committee, Karnataka

8.3.4 Rural Infrastructure Development Fund (RIDF) Scheme

Govt. of India, in 1995 announced the scheme for setting up of Rural Infrastructure Development Fund (RIDF) within the apex institution, NABARD for financing rural infrastructure projects. Domestic Scheduled Commercial Banks, both in public and private sectors which are unable to meet their targets for priority sector / agricultural lending are required to deposit the shortfall amount in to the RIDF with NABARD such amounts as may be allocated to them by the Reserve Bank, depending upon the extent of their shortfall, subject to a ceiling of 1.5%. The initial corpus fund was Rs.2000 crore in 1995-96 and this fund has since been magnified with an additional corpus being announced every year in the Union Budget and has reached Rs.88,359 crore from tranches I to XV. Karnataka got the allocation of Rs. 781crore for implementing works under RIDF-XVI. The rate of interest on loans to State Governments is charged at 6.5% from RIDF tranche VIII and onwards.

Government utilized institutional finance from National Bank for Agriculture and Rural Development (NABARD) under Rural Infrastructure Development Fund Scheme for financing various developmental programmes in the State to supplement plan financing. In order to select and prioritise the works for loan assistance from NABARD a Cabinet Sub-Committee on RIDF has been constituted under the chairmanship of the Hon'ble Minister for Public Works. A High Power Committee (HPC) has also been constituted chaired by the Development Commissioner for reviewing the implementation of RIDF projects in the State. The progress in the implementation of the scheme is also being monitored by NABARD from time to time.

The benefits accrued from RIDF programme are unlocking of sunk investments already made by State Governments, creation of additional irrigation potential, generation of additional employment, all-weather connectivity/improved connectivity to villages and marketing centres and improvements in the quality of life through facilities in education health and drinking water supply.

Programme Status

In Karnataka, till 31-3-2010 an aggregate amount of Rs.5549.87 crore has been sanctioned by the National Bank for Agriculture and Rural Development (NABARD) under various tranches of RIDF. The completed projects include rural roads, rural bridges; minor

irrigation projects; medium irrigation projects; major irrigation project; rural godowns; rural markets; Anganwadi buildings, primary health centers and school class rooms. 15373 Projects have been completed as against 29198 projects sanctioned so far.

An amount of Rs.781 crore has been allocated to Karnataka by NABARD under RIDF-XVI and proposals regarding Construction of School and College buildings, Rural Roads and Bridges, Anganwadi buildings, Minor Irrigation works, SC/ST and BCM Hostels, Rural Godowns, Panchayat service centers, ITI Buildings etc. have been forwarded to NABARD for utilizing the same.

8.3.5 Swarnajayanthi Gram Swarozgar Yojana (SGSY)

Govt. of India has launched Swarna Jayanti Swarozgar Yojana (SGSY) from April 1, 1999 by restructuring several self-employment programmes such as IRDP, TRYSEM, DWCRA, SITRA, Ganga Kalyana Yojan and Million Wells.

SGSY is a holistic programme covering all aspects of self-employment like organization of the poor into self-help groups, skills upgradation, Credit linkage, Technology, Provision of Infrastructure and providing Marketing facilities. The programme is funded by the Centre and State in the ratio of 75:25. The main emphasis is on cluster approach and promotion of multiple credits services rather than a one-time credit injection.

For effective implementation of scheme many area of preferences have been identified, however the following important steps are initiated:

1. It is proposed to construct 3 Suvarna Marketing Complexes (Village Haats) per district.
2. In coordination with AEPC Apparel Training and Design Centres are established in 22 districts in Karnataka State.
3. RUDSETI / RSETIs have been established in 29 districts in Karnataka state to provide skill development training.

Physical & Financial Achievements for the year 2008-09, 2009-10 & 2010-11 (upto end of October-2010) is as follows.

Table 8.28: Distribution of Loan and Subsidy under SGSY Scheme (Rs.Crore)

Category	Year	Sanctions		Disbursements		Subsidy released	
		No.	Amount	No.	Amount	No.	Amount
Individuals	2007-08	1641	6.12	1549	5.78	1549	2.13
	2008-09	709	2.69	570	2.16	570	0.86
	2009-10	1607	4.58	1435	4.58	1435	1.73
	2010-11 (upto Oct.10)	459	2.97	294	1.87	294	1.04
Groups	2007-08	9107	154.06	8789	148.68	8789	64.91
	2008-09	6325	203.79	5774	186.08	5774	71.47
	2009-10	6131	213.53	5497	191.45	5497	76.25
	2010-11 (upto Oct.10)	1964	37.93	1393	26.9	1393	9.85
Total	2007-08	10748	160.18	10338	154.46	10338	67.04
	2008-09	7034	208.48	6344	188.24	6344	72.33
	2009-10	7738	218.11	6932	196.03	6932	77.98
	2010-11 (upto Oct.10)	2423	40.9	1687	28.77	1687	10.89

Source: Rural Development and Panchayat Raj Department

Table 8.29: Beneficiaries under Self Employment Schemes across years

Programme /Scheme	2007-08		2008-09		2009-10		2010-11 (upto Oct 2010)	
	Target	Acht.	Target	Acht.	Target	Acht.	Target	Acht.
SGSY	65032	82158	76834	88794	63216	91366	90420	26824

Table 8.30: Progress made under the SJSY programme

Indicator	2007-2008	2008-2009	2009-2010	2010-2011 (Anticipated)
Beneficiaries (in thousands)	82.15	88.79	91.37	90.42
Of which SC/STs (in thousands)	38.97	42.34	40.87	44.22
Loan Component (Rs.Cr.)	154.46	188.24	196.03	208.30
Grant in aid (Rs.Cr.)	67.04	72.33	77.97	75.86
Total (Rs.Cr.)	342.62	391.70	406.24	418.8

8.3.6 Micro Credit Delivery Innovations-Self Help Groups (SHGs)

The self help movement is deep-rooted in southern states of the country. Karnataka has been among the top three States in the country in SHG-Bank Linkage.

Women and Child Development Department (WCDD) – Government of Karnataka (GoK), NGOs, the DCCBs, PACS and RRBs continued to play a very significant role in the promotion of SHGs in the State. The **Table 8.31** presents the progress of the micro credit delivery innovations.

Table 8.31: Progress of the Micro Credit Programme

Sl. No.	Particulars	As on 31.3.09	During 2009-10	As on 31.3.10
1	No. of SHGs promoted	519,909	74,208	594,117
2	No. of SHGs credit linked (new Groups)	472,235	57,975	530,210
3	No. of SHGs financed (new and repeat groups)		115,566	
4	Amount of Bank loan availed	4,023.96	1233.55	5,257.51
5	No. of families covered under the programme (lakh)	72.79	8.05	80.84
6	Percentage of women SHGs			Over 90%
7	Average loan per SHG	70,797	108,571	108,571
8	No. of bank branches lending to SHGs (including PACS)			8,372
9	No. of NGOs participating in the programme directly/indirectly			350

Source: NABARD

Further, the NABARD has also launched the scheme for promotion of Joint Liability Groups (JLGs) to develop effective credit products for small/marginal/tenant farmers/oral lessees and sharecroppers as also entrepreneurs engaged in various NFS activities. Generally members of a JLG would engage in a similar type of activity in agriculture/Non farm sector. The JLG concept would ensure that the Joint Liability agreement and peer pressure in the group serves as security for loan repayment. Agency-wise number of SHG accounts and amount outstanding is presented in **Table 8.32**. The commercial banks are holding large number of accounts, followed by Cooperative and RRBs in descending order.

Table 8.32: Distribution of accounts Agency wise

Agency	No. A/cs	Percent	Amount (Rs. Crore)	Percent
Commercial Banks	252592	48.1	1733.42	51.0
RRBs	73508	14.0	499.84	14.7
Cooperatives	198542	37.8	1164.69	34.3
Total	524642	100	3397.95	100

Micro-finance

In addition to SHG and JLG model, various micro finance institutions are operating under various acts. Major MFIs operating in the state of Karnataka have formed an association under the name "Association of Karnataka Microfinance Institutions (AKMI)" in November 2007. This Association will help the microfinance sector to improve its functioning in the state; presently 25 institutions have become part of it. It is estimated that Micro-finance activities in the state of Karnataka reaches out to 37.40 lakh holders with a portfolio outstanding of Rs.2551.40 crore as on 31st March 2010 and this makes Karnataka State the second largest with 25.2 per cent of the total Micro-finance activities in India.

8.3.7 Kissan Credit Cards

For timely flow of credit to farmers the Kissan Credit Card Scheme (KCC) was introduced by the Government of India (GoI) during the period 1998-99. The scheme aims at providing adequate and timely credit for the requirements of farmers under a single window, with flexible and simplified procedure adopting whole farm approach including short term and term credit needs and reasonable component for consumption purpose. The scheme has also been tied up with Personal Accident Insurance Scheme (PAIS) wherein card holders are insured up to Rs.50,000/- at a nominal premium of Rs.15 for three years.

The scheme has made rapid progress with the banking system in the State. The banking system has been releasing crop loans through KCCs having recognised it as an accepted mechanism delivering of credit to farmers. The KCCs have been issued by all the banks, including Cooperatives. During 2009-10 a total number of 847156 Kissan Credit Cards have been issued involving a credit limit of Rs.5787.03 crore with outstanding balance of Rs.13605.97 crore as at March 2010.

In the current fiscal up to the end of September a total number of 376947 cards with a credit limit of Rs.2641.34 crore has been issued by Commercial Banks, Regional Rural Banks and co-operatives, bringing the outstanding to 3040560 cards with a credit limit of Rs.15934.77 crore.

8.3.8 Regional Rural Banks (RRBs)

The Regional Rural Banks (RRBs) have evolved into a major institution towards credit dispensation in rural area since their inception. These banks have been promoted to serve the rural areas with specific objectives. Owing to various reform measures, these banks have achieved considerable operational and financial stability in recent years. Considering operation feasibility these banks are amalgamated from 13 to 6.

In accordance with the policy decision taken by the Government of India, 4 RRBs sponsored by Canara Bank were amalgamated into one and renamed as Pragati Grameena Bank. Similarly, another 4 RRBs sponsored by Syndicate Bank were amalgamated and renamed as Karnataka Vikas Grameena Bank. The status position of other RRBs sponsored by the State Bank of Mysore, Corporation Bank, State Bank of India and Vijaya Bank remained unaltered. The State Government in accordance with the provisions of Section (6) of RRB Act 1976 has contributed 15% contribution towards equity share to the 6 RRBs in the state.

8.3.9 State Term Lending Institutions

In addition to the commercial banks, RRBs and Cooperative banking institutions, there are other financial institution, which provide term loans for various activities. Among them the Karnataka State Financial Corporation (KSFC) and the Karnataka State Industrial Investment & Development Corporation (KSIIDC) are the two major State term lending institutions engaged in the development of small/medium and large term industries and enterprises. While KSFC supports small scale industry and service sectors, the KSIIDC undertakes promotion and development of medium and large scale industries in the State and acts as a nodal agency to formulate proposals for the implementation of infrastructure projects. Keeping in pace with the changed economic scenario, the KSFC has diversified its

lending to newer areas such as construction activity, infrastructure development, Tourism, Health care, Textiles, Insurance, Food processing, Engineering etc.

As at the end of March 2010 the assistance rendered by KSFC aggregated to Rs.631.49 crore in sanctions and Rs.434.39 crore in disbursements as against Rs. 565.24 crore in sanctions and Rs. 383.92 crore in disbursements made in March 2009 registering a growth in sanctions and disbursements. The details of both the institutions are presented in **Table 8.33**.

Table 8.33: Assistance Rendered by State Term Lending Institutions (Rs.crore)

Institute	2008-09		2009-10		2010-11 upto 30-9-2010	
	Sanctions	Disbursements	Sanctions	Disbursements	Sanctions	Disbursements
KSFC	565.24	383.92	631.49	434.39	356.20	268.43
KSIIDC	6.25	7.53	4.90	3.25	0.00	4.15

Source: KSFC & KSIIDC

8.3.10 Non-Performing Assets (NPA) in Banks

The health of banking sector largely depends on Non-Performing Assets (NPA). In the State the NPAs have increased compared last year, for instance during March 2010 the NPA was Rs.6613.88 crore, by 2010 September it has increased to the Rs.7881.13 crore within six months the increase of NPA was Rs.1450 crores which is alarming. This increase may be due to excessive growth in credit expansion without adequate safeguards. Hence, balance has to be struck between credit quality and associated risks, while allowing bank lending to contribute to higher growth. In view of the rapid growth in bank credit, there may be a need for strict management techniques for prudent evaluation of investment proposals.

Table 8.34: NPA across the Type of Banks (Rs in lakh)

Sl. No.	Type of Banks	As on 31/3/2010		As on 30-9-2010		Increase in amt
		Accounts	Amount	Accounts	Amount	
1	Commercial	327750	640468	377011	764222	123754
2	RRBs	58521	20920	56177	23892	2972
3	Cooperatives	62021	68714	66757	105863	37149
Total		448292	730102	499945	893977	163875

8.3.11 Interest Subsidy Schemes

Government of Karnataka has sanctioned an interest subsidy scheme on crop loans to farmers. As per the scheme the farmers availing crop loans through Public Sector Banks and Regional Rural Banks in Karnataka upto Rs.50000/-on or after 1.4.09 and repaying the loans as per due date or earlier are eligible for interest subsidy of 4 per cent. Similarly, state has provided interest subsidy for the Weavers and Fisherman at the rate of 3 per cent, however the scheme is applicable to the loans availed by Weavers and Fishermen with effect from 1.4.2009 and 1.11.2009 respectively

8.3.12 Co-operative Credit

The Cooperative credit system in Karnataka has its own place in the credit delivery of rural and urban areas. Apart from urban cooperative banks, the major cooperative banks are operating in rural areas. Unlike in other states, in Karnataka two type of Cooperative credit institutions are functioning, one is looking after short term credit and another looking after credit needs of long term.

a. Short Term Credit Cooperative Credit Structure (STCCS)

The Karnataka state Cooperative Apex Bank through its affiliated District Central Cooperative Bank (DCCB) and Primary Agriculture Cooperative Societies (PACS) at the village level extends short term credit to the farmers and others. The total number of DCCBS is 21 with 596 branches. There are 4467 PACS functioning in the state. These institutions have prepared development Action plan (DAP) with a view to strengthen capital base of their financial and organization set up in accordance with guidelines of NABARD, an MoU is signed by NABARD, State Government and Apex Bank in June 1995, same has been extended from time to time.

As on 31-3-2009 the working capital of DCCBs was Rs.10174.03crore by the end of March 2010, it had grown to Rs.11207.47 indicating a growth of 10.16 per cent. The total amount of Deposit in DCCBs was Rs.5237.61crore, as on 31-3-2009. It had grown by 35.33 per cent to Rs. 7088.51crore as on 31-3-2010. During 2009-10 18 out of 21 DCCBs in the State have shown profits. 3 Banks have been loss making. These credit institutions at the grass root level deal directly with individual borrowers and provide short, medium and long term credit.

Table 8.35: Consolidated financial Status of DCCB (Rs. crore)

Particulars	2008-09	2009-10	2010-11
No. of DCCBs	21	21	21
Total share capital	302.11	378.99	378.99
States' share capital	19.09	19.27	19.27
Share of state share capital %	6.32	5.08	5.08
Deposits	5590.8	6867.8	6945.2
Borrowings	2665.34	2240.76	2546.37
Loans & Adv O/S	5788.34	2240.76	4628.9
Banks showing profit	21	18	18
Loss for the years (AMT) (₹)		2.75	21.72

b. Long Term Credit Cooperative Credit Structure (LTCCS)

Apex Bank, Karnataka state cooperative Agriculture and Rural development Bank (KASCARD) at the State level and Primary cooperative Agriculture and rural development bank at taluk level numbering 177 cater to the long term credit needs in the two tier credit delivery system. The National bank for Agriculture and Rural Development (NABARD) provides refinance to the KASCARD Bank.

As on 31-3-2010, the short term (ST), Medium term (MT) and Long term (LT) loans issued by the co-operative credit system in the state was Rs.3576.68 crore, 166.60 crore and 180.65 crore respectively as against Rs.3010.62, Rs.114.40 crore and Rs.171.89 crore issued a year ago indicating a marked improvement in the issue of all type of Agricultural loans. In the current fiscal up to the end of sep 2010, the cooperative credit system issued ST, MT and LT loans to the extent of Rs.2209.48, 106.79 and 31.66 crore respectively. The target for Long Term lending for 2010-11 has been fixed at Rs. 236.01 crores. Against this target banks have advanced Rs.31.66 crores by the end of September-2010. The medium and long term lending was taken place beyond targeted.

Table 8.35: Performance of Short Term, Medium Term and Long Term Credit (Rs. crore)

Year	Type of Loan	Target	Achievement	in per cent
2007-08	Short term	3031.23	2849.49	94.0
	Medium term	137.51	98.54	71.7
	Long term	106.1	210.43	198.3
2008-09	Short term	3422.22	3010.62	88.0
	Medium term	146	114.4	78.4
2009-10	Long term	218.17	171.89	78.8
	Short term	3617.56	3576.68	98.9
	Medium term	158.93	166.59	104.8
	Long term	279	180.65	64.7

c. Recovery of Loans

The Comparative position of recovery of Short, Medium and Long term loans under the Cooperative Credit System in the State for the years from 2007-08 to 2010-11 is presented vide **Table 8.36**. The recovery figures show that there is high overdue in long term loan compared to other term and short term loans, the recovery has fallen drastically in the current year.

Table 8.36: Recovery of Loans in Karnataka

Type of loan	2007-08 (%)	2008-09 (%)	2009-10 (%)	2010-11 (up to Sept) (%)
Short term	68.15	76.50	80.49	52.00
Medium term	42.28	65.95	72.17	36.45
Long term	38.65	43.50	39.43	18.54

d. Business Development Plans(BDP)for Primary Cooperative Agricultural Credit Societies:

Business Development Plans (BDP) are being implemented in primary credit cooperative societies from 1995-96. 4401 societies have been brought under this programme by the end of March 2010.

During 2009-10, 4401 societies achieved a business turnover of Rs.6126.53 crore as against the target of Rs.6354.08 crore. Government have sanctioned a sum of Rs.324.50 lakh as grant to 651 societies(including the integral cooperative Development Project) so far for the creation of basic infrastructure facilities such as opening of banking counters and cash chests. In addition to this,the Apex Bank and DCCBanks have sanctioned a sum of Rs.338.50 lakh to 676 societies and Rs.379.91 lakh to 823 societies respectively for the above purpose since 1995-96 till date.The deposits mobilised by the PCAS as at the end of the March 2010 was Rs.1174.57 crore.

The 4401 cooperative societies which have been implementing business development schemes had a consolidated working capital of Rs. 6354.08crores during 2009-10. The Target for 2010-11 has been Rs.7699.23. The credit and non-credit transactions of these cooperative societies have been Rs.3551.98 crore and Rs.583.36crore respectively during 2009-10.

Table 8.37: Improvement under the project of Business Development (Rs in crore)

Details	2008-09		2009-10		
	Target	credit and non-credit transaction achievement	Annual Target	Annual achievement	Percentage of achievement
Credit	3740.57	3773.99	4473.19	3551.98	79.40
Non-Credit	780.97	565.75	955.54	583.36	61.05
Total	5057.68	4339.73	5428.78	4507.52	83.03

e. Subsidised Loans to Farmers @ 4 percent and Waiver of Interest and Penal Interest

The state Government has implemented the scheme of lending agricultural loans to the farmers at 4% from 01.04.2006 through agricultural cooperative credit Institutions in the state.During 2006-07,agricultural loans amounting to Rs.2471.24 crore has been disbursed to 9.20 lakh farmers. The Government has reimbursed an amount of Rs.123.78 crores as difference of interest on behalf of the farmers. From 01.04.2008 the government has implementend the scheme of lending agricultural loans to farmers at 3 per cent. During the year 2007-08,agricultural loan amounting to Rs.3158.46 crore has been disbursed to farmers.Government has reimbursed an amount of Rs.155.93 crore as difference of interest on behalf of farmers.

Considering the continuous drought in Karnataka for a period from 2001-2004, which has caused severe and unprecedented distress and hardship to the farmers Government has formulated and implemented the scheme of waiver of interest and penal interest on short term, medium term and long term loans outstanding as on31.03.2004 to cooperative banks provided the farmers repaid the principal amount within the stipulated period from

01.03.2005 to 31.05.2006. The Government would reimburse the interest waiver amount to the Cooperative Institutions.

Under the above mentioned scheme the waiver of interest and penal interest amount is about Rs.797.95 crore. An amount of Rs.296.57 crore has been recovered from 222970 farmer members with respect to long term loans and the waiver of interest amount is about Rs.310.74 crore. Under the scheme, total number of 1200714 farmers have been benefited. The total agricultural loans recovered under this scheme is about Rs.1812.46 crore and the government has to reimburse the waiver of interest and penal interest amount which is about Rs.1123.92 crore out of which Government has released Rs.1121.02 crore in this regard.

f. Status of implementation of Revival Package for STCCS

Based on Task force committee (Vaidyanathan Committee) recommendation an agreement is signed between Government of India, NABARD and State Government for implementation of the revival package to STCCS.

Under the programme the financial assistance package will be available for wiping out accumulated losses, covering invoked but unpaid and un-invoked guarantees given by the State governments and other dues to the CCS from them, and increasing the capital to a specified minimum level. In order to ensure that the CCS continues on sound financial, managerial and governance norms, technical assistance will also be provided to upgrade institutional and human resources of the CCS.

Accumulated losses in the CCS cover losses on account of the following:

- i. non-repayment of loans for agricultural and other businesses given by the cooperatives;
- ii. non-repayment of loans to individuals for other purposes like consumer goods, housing, gold loans etc.;
- iii. losses on account of non-credit businesses like public distribution system (PDS), procurement of food grains on behalf of government, sale of fertilisers etc.;
- iv. non-repayment of loans issued under government guarantees where the State government has not yet paid to the cooperatives although guarantees have been invoked/ un-invoked;
- v. non-payment of dues from governments on account of waivers or subsidies announced by them; and
- vi. Losses due to fraud etc.

Steps taken by Karnataka Government

- Amendment to the Karnataka Co-operative Societies Act, 1959 has been issued on 30-3-2010. Rules to the Act also have been amended.
- Bye Laws of all PACS have been amended and the DCCBs/STCB are in the process of amending their Bye Laws.
- The Special Audit of 4474 Primary Agricultural Credit Societies (PACS) has been completed. Recapitalisation Assistance works out to Rs.769.87 crore.

- An amount of Rs.179.27 cr has been released to 1834 „A“ category PACS affiliated to 19 DCCBs. After adjusting the overdues to the DCCBs the remaining amount is to be utilized for business development by the PACS as per the Business Development Plans prepared by them.
- The Special Audit of DCCBs and the STCB is under progress.
- Capacity Building of PACS functionaries is under progress. As at the end of October 2010, around 13500 PACS functionaries have been trained.
- District Level Trainers have been trained on Business Development who will in turn impart training to PACS functionaries on Business Development Plans.
- It is envisaged that the uniform Common Accounting System and Management Information System shall be implemented from 1st April 2011 onwards after supply of required books and registers.
- Computerization of PACS- The process is proposed to be put in place after stabilization of CAS and MIS.

8.3.13 Life Insurance

As per the data published by IRDA premium of Life Insurance Industry increased by 60 percent to Rs.62,361.34 crore in the first six months of the current fiscal from Rs.39,046.59 crore in the same period last fiscal. The growth in total premium is due to increase in new business premium by 453 percent to Rs.9312.62 crore in H1 2010 from Rs.1683.46 crore in H1 2009. In fiscal 2010 Insurance contributed around 20 percent of the total Gross Saving in household sector. The above shift in the preferences towards insurance sector was mainly on account of the households preferring to invest in Unit Linked Insurance Products (ULIPs) of life insurers in the background of bullish stock market., as the returns of a part of ULIPs depend on the behavior of the stock market. Insurance in India has been viewed as a tax saving instrument and risk cover in life insurance was purely incidental. The mindset continues to be the same, although the unit-linked instruments are becoming popular. The emergence of pure risk products has thus taken a back seat.

9.1 EDUCATION:

9.1.1 Introduction:

It is universally recognized that education contributes to economic growth and social transformation. Investment in education is considered as the most valuable of all investments that yields high returns to both the individuals and the society. The positive externalities associated with education make education partly a public good and therefore, it needs to be supplied by the State as markets may not be able to provide it for the desired social optimum. The human development paradigm also recognizes the role of education in expansion of choices to lead a decent life. Therefore, Right to Education is recognized as one of the Fundamental human Rights and the drive towards universal Primary Education is to ensure it. Karnataka state is a fast growing economy and this growth is largely based on the Knowledge base of the Society. The growth is phenomenal in the secondary and tertiary sectors, where need for middle level skills are most significant. The state has embarked on significant reforms in the education sector with increased public investment to ensure access, equity and quality in education.

The State has achieved significant progress in literacy as evident from the growth of literacy in the State. The literacy rate is 66.64 per cent in 2001 as compared to 56.04 per cent in 1991. The literacy rates in rural and urban areas are 59.33 per cent and 80.58 per cent respectively (**Table 9.1**). Viewed from perspective of gender equity and regional party, it is pertinent to note that female & rural decadal rates are higher than male & urban rates. Directions are positive while differential speed needs attention.

Table 9.1: Literacy in Karnataka and India

Indicator	Karnataka		India		Differential Rates 1991 to 2001
	1991	2001	1991	2001	
Male Literacy	67.26	76.1	64.13	75.8	8.84
Female Literacy	44.34	56.9	39.29	54.2	12.56
Total Literacy	56.04	66.64	52.2	65.4	10.6
Male Female gap	22.92	19.2	24.84	21.6	-
Rural Literacy	47.69	59.3	44.69	58.7	11.61
Urban Literacy	74.2	80.6	73.08	79.9	6.4
Urban Rural Gap	26.51	21.3	28.39	21.2	-

Source: Census of India 1991, 2001

The literacy rates are marginally higher for Karnataka than the All India Average in all the categories. The literacy rates for male and female population are 76.10 per cent and 56.90 per cent respectively. The gender gap is 19.2 percent and the rural urban gap is 21.20 percent. There are also disparities in literacy attainments across regions and among Scheduled Castes and Scheduled Tribes. The literacy rate for Scheduled Castes is 52.87 percent and for Scheduled Tribe it is 48.27 percent. The literacy rate in Raichur District is

48.8 percent and in Gulbarga it is 50 percent. There are 15 districts in the State which are below State average.

In order to attain total literacy and to address the issues of educational disparities across different categories, the state has set the agenda of universalizing elementary education with a clear focus on access, enrolment and infrastructure in the initial phase and retention, quality and learning attainments in subsequent period.

9.1.2 School Education:

School education in Karnataka is imparted through Lower Primary Schools (class I to V), Higher Primary Schools (class I to VII/VIII) and High Schools (VIII to X). These schools fall under three categories by type of management. They are (i) the Government schools managed by the Department of Education, social welfare and local self-government, (ii) private aided schools and (iii) private unaided schools. There are also a few „other“ schools consisting of assorted categories. There are 26,254 Lower primary schools, 32,041 Upper Primary schools (2010-11) and 12,453 high schools (2009-10) in the state (**Table 9.2**).

The State participation in Primary education is significant as 78.3 per cent of the Primary schools are managed by Department of Education. But the participation is lower in high schools as only 33.5 per cent of the high Schools are managed by Government. The govt. Schools are mainly located in rural areas but the private schools are largely urban based. Further, it is significant to note that over 86 percent of SC / ST students and 87 percent of rural children study in government and government supported schools.

Table 9.2: Schools by Management in Karnataka - 2009-10

Details	LPS	HPS	Total Primary Schools	HS	Total (Pry+HS)
Total Schools	26254	32041	58295	12453	70,748
Schools of Education Dept	23370	22278	45648	4168	49816
			-78.30%	-33.50%	
Social Welfare +Local Body	Not available	460	640	336	976
Aided	258	2345	2603	3275	5878
Unaided	2437	6844	9281	4579	13860
Others	9	114	123	95	218

Source: Education in Karnataka 2009-10-An Analytical Report, SSA, GoK, Dept. of Public Instruction

9.1.3 Primary Education:

Karnataka State has made major strides towards achieving the goal of Universal Elementary Education (UEE), which requires the fulfillment of the following objectives for all children in the age group of 6-14 years.

- (i) universal access to primary schools for all children;
- (ii) universal enrolment;
- (iii) universal retention; and
- (iv) Universal achievement of minimum essential levels of learning.
- (v) Community management of schools.

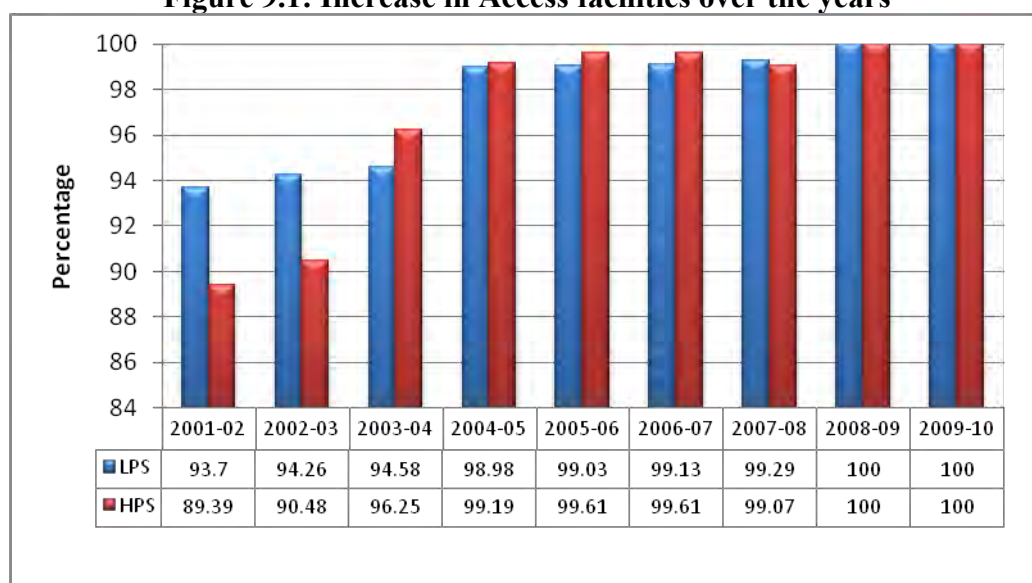
(vi) Social equity and regional parity in universalisation

With the declaration of the Right of Children to Free and Compulsory Education Act (2009) in India, the state has reaffirmed its commitment to provision of comparable quality of education for all children in the age group 6-14 years.

(I) Access:

Significant progress has been achieved in improving access to schools in terms of both population and habitation. All the habitations with a population of 100 and above have been provided with access to primary schools within a distance of one kilometer and the access ratio for even upper primary schools has been universalized. The state has a policy to start a new primary school within 1 Km in habitations where the population is more than 100 and child population of school going children is more than 10. In such habitations the school will be provided within 1 km. Feeder school will be started in small and sparsely populated habitations or transportation facility will be provided to nearby primary or upper primary schools. State's policy is that LPS is provided in area of 1 km radius, HPS within every 3 km radius and High schools in 5 Km radius. Up gradation of HPS by adding 8th Standard class is taken up wherever there are no High Schools within 3 km area. A total of 4146 out of a target figure of 5545 has been upgraded so far. The increase in Access facilities over the years are given in **Figure 9.1**.

Figure 9.1: Increase in Access facilities over the years



Under SSA The state has adopted five strategies for achieving 100.0 per cent access. These are: (i) Opening of new Schools; (ii) Upgrading EGS centres into schools; (iii) School grant for Government schools; (iv) Teaching-learning material; and (v) School grants to Aided primary schools. The achievement in access is evident from rapid growth of primary schools in the state.

(II) Enrolment:

The enrolment during 2010-11 in primary (class I to V) and in upper primary (class VI to VII) stage is estimated to be 53.27 lakhs and 19.87 lakhs respectively (**Table 9.3**). Over

the years the enrolment has decreased marginally in the primary stage due to decline in the growth rate of population and the subsequent decline in School going age group. However, the state is making continued efforts for successful completion of schooling at class V and increasing retention at upper primary stage. The enrolment ratio between boys and girls at primary and upper primary stages is 52:48. Both gender parity and gender equity are nearing unity in the State. The proportion of SC/ST children in class I to VII in the State is 27.22 percent and more than 75.0 per cent of these children are enrolled in schools run by the State. The Detailed enrollment statistics for gender and social group are given in **Appendix 9.1 and Appendix 9.2**

Table 9.3: Schools & Enrolment in Karnataka- 2007-08 to 2010-11

Schools/Enrolment	2008-09	2009-10	2010-11 (provisional)
Lower Primary Schools (in Number)	26644	26254	25889
Higher Primary Schools (in Number)	30876	32041	33000
Enrolment Class I-V - Total (in lakhs)	55.42	54.6	53.27
Boys (in Lakhs)	28.6	28.2	27.49
Girls (in lakhs)	26.82	26.4	25.78
Enrolment Class VI-VII- Total (in lakhs)	20.28	19.97	19.87
Boys (in lakhs)	10.48	10.33	10.27
Girls (in lakhs)	9.8	9.64	9.6

Gross Enrollment Ratio and Net Enrollment Ratio: GER & NER:

The gross enrolment ratios in the State for boys, girls and total at primary level and upper primary level are 106.11, 107.14 and 106.53 as well as 103.07, 103.08 and 103.09 percent respectively during 2009-10. These ratios compare well with similar ratios for 2008-09 at the State level (**Table 9.4**). However within the State and across the districts, variations are observed as there have been significant exchange of population because of torrential rains and floods in North Eastern region [Eg: of Gadag and Koppala district], migration for labour [Eg: of Dakshina Kannada and Kodagu]. The case of Bangalore city is distinct because of its urban structure and floating populations. Similar reasons hold good in regard to GER at upper primary level. It is noted that overall changes during the two years 2008-09 and 2009-10 are marginal.

It is noted that overall GER ratios have marginally declined both at primary and upper primary levels which is a positive sign. The net enrolment ratios in the State for boys, girls and all children at primary and upper primary levels during 2009-10, are 95.40, 94.79 and 95.21 as well as 96.07, 95.01 and 95.15 percent respectively. In some districts as Bangalore South city, the NER has crossed the figure of 100 percent as children enumerated elsewhere have migrated to the city and enrolled in the city schools.

Table 9.4: Improvement in GER & NER over the years

Year	Primary Level		Upper Primary Level	
	GER	NER	GER	NER
2004 - 05	109	97.81	117	98.11
2005 - 06	121.83	97.51	103.04	98.75
2006 - 07	108.28	98.43	107.25	98.52
2007 - 08	110.93	96.1	107.53	95.61
2008 - 09	107.15	97.33	107.48	98.09
2009 - 10	106.53	95.21	103.1	95.15

(III) Infrastructure:

Pancha Soulabhya:

Under the national flagship programme of Sarva Shiksha Abhiyan for universalizing elementary education, the state has accorded special significance for the provision of infrastructure facilities such as school buildings, additional classrooms, maintenance and repairs of school buildings. The state has made efforts to comply with the national norm for provision of 8 basic facilities for schools, identified by the MHRD, comprising of Common Toilets, Girls' Toilets, Electricity, Play Ground, Ramps, Library, Compound and Drinking water. The State government has identified 5 facilities on top priority as most essential for schools. These are drinking water, toilets, play grounds, compound wall and the school building (Pancha Soulabhya). The state has made significant progress in this regard as shown in the following **Table 9.5**. Compound walls without RCC were excluded from the count during 2009-10. Hence, there is a marginal fall in provision.

Table 9.5: Infrastructure Provision in Elementary Schools of the State

Year	Common Toilet	Girls' toilet	Electricity	Play ground	Ramps	Compound	Drinking Water	Library
2008-09	82.95	50.23	84.44	49	52.1	68.2	80.54	86.44
2009-10	88.01	64.66	87.55	52.05	64.62	59.59	88.12	86.97
% change in coverage	5.06	14.43	3.11	3.05	12.52	-8.61	7.58	0.53

Source: Education in Karnataka 2009-10-An Analytical Report, SSA, GoK, Dept. of Public Instruction

School Buildings and Classrooms:

45,648 out of a total of 58,295 elementary schools in the State belong to the Department of Education. About 98 percent of schools of the Department possess own buildings. The remaining 2.0 per cent include those operating in rent free or rented building and schools without any building facility. There are 1,94,838 classrooms in 45,648 elementary schools of the Department of Education. Number of classrooms at the elementary level of schools has increased from 188941 in 2008-09 to 194838 during 2009-10, indicating an increase of 5897 classrooms. 70.18 percent of classrooms are in good condition. 20.30 percent of classrooms need minor repairs, while 9.52 percent of classrooms require major repairs.

Teachers:

A total of 1,90,119 teachers out of the sanctioned 2,04,808 teachers (92.8 %) are working in the lower primary and upper primary schools of the department of education and other schools under the state government(2009-10). In addition, 16,521 teachers out of the sanctioned 20,401 are working in aided schools at the elementary stage. 48.5 per cent of the teachers in government schools at the elementary stage comprise of female teachers. Teacher-pupil ratio is in satisfactory state in government schools. The Average ratio is 1:22.85 at the elementary stage. However, variations are seen across district, block and school levels. The state has adopted a rational teacher deployment policy to correct such imbalances. The

teacher-pupil ratio in private aided and unaided schools is comparatively high with figures 1:42 and 1:28 respectively (Table 9.6).

Table 9.6: Teachers in Various Types of Schools - 2009-10

Details	Education Dept	S W+ LB	Aided	Unaided	Others	Total
No. of Teachers working (Pry level)	186840	3279	16521	74110	1979	282729
No. of Teachers working (High School)	34767	2392	26771	43837	1736	109503
TPR(Pry)	01:25.2		1:42	1:28		01:22.9

Source: Education in Karnataka 2009-10-An Analytical Report, SSA, GoK, Dept. of Public Instruction

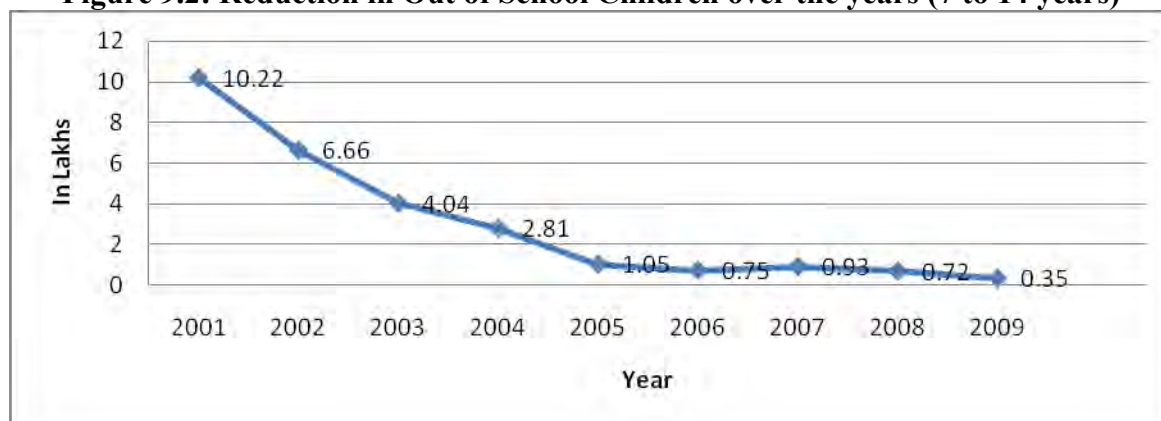
(IV) Out of School Children:

The major concern in primary education is out of school children(OOSC). These include the Drop outs and Never Enrolled children. The state conducted a comprehensive household child census survey in December 2008, which estimated a total of 66,26,413 children in the age group of 7 to 14 years. Out of these children, 35,637 children remained out of school, which included 25,958 drop outs and 9679 never enrolled. The number of OOSC as per the child census conducted since 2001 to 2008 shows a decreasing trend over the years. The percentage has declined from 10.22 percent to 0.54 percent between 2001-2009. The children of 6⁺ and below 7 years have been mainstreamed during the enrolment drive conducted in June, 2009.

It is noticed that 43.26 per cent of total OOSC in the State hail from SC and ST households. Addition of Minority children further hikes this proportion to nearly 60.0 percent. Thus three out of every five OOSC is an SC/ST or a Minority. The eight districts in the North Eastern Karnataka region account for 53.52 percent of the OOSC in the state. These children are mainstreamed through various Programmes like establishment of Feeder schools, Tent Schools, Summer Bridge Course, 12 months Bridge Course, enrolment drive etc.

The Incidence of child labour and out-of-school children under the age group of 5-14 across the states (in percentage) have worked out from the 61st round (2004-05) employment and unemployment survey. The detailed information is reported in Appendix 9.3

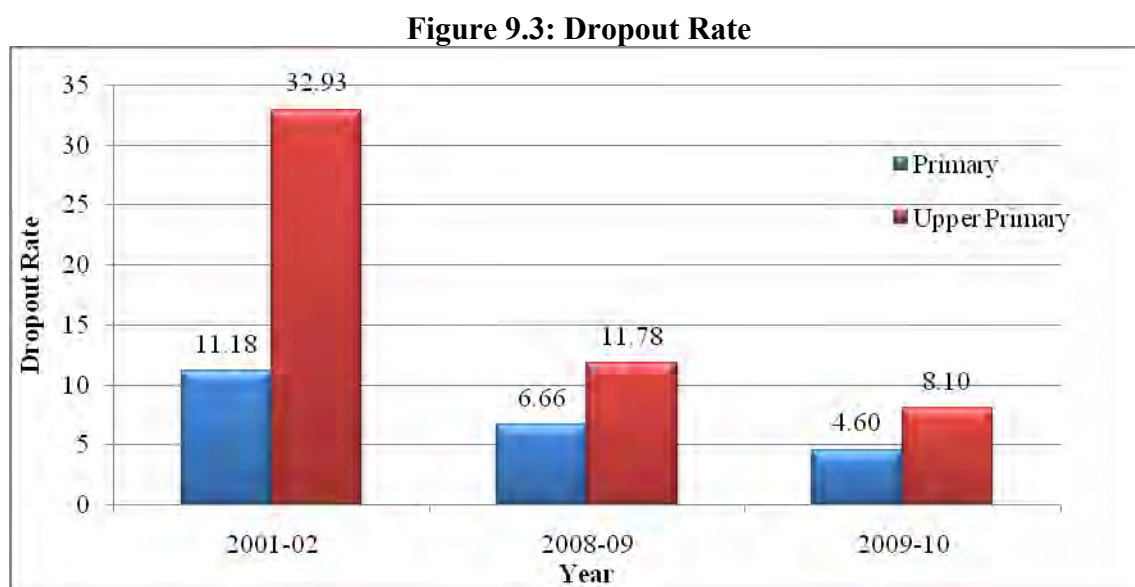
Figure 9.2: Reduction in Out of School Children over the years (7 to 14 years)



Note :

- Figures for 2001 to 2004 correspond to 6 to 14 years age-group
- Figures for 2005,2006,2007, 2008 January and 2008 December correspond to 7 to 14 years age-group.

Dropout rate has reduced from 11.18 to 4.6 in Lower primary schools and from 32.98 to 8.10 to Higher primary schools (**Figure 9.3**).



(V) Quality Improvement Initiatives:

The state recognizes that enhancing quality of school education has to be an integral component of universalisation of elementary education. The quantitative expansion in the initial phase is now strengthened with focus on quality. In this direction concerted efforts are being made to address all dimensions of school education that impact quality of education in schools.

Policy Planning Unit (PPU) :

The state has set up a policy planning unit in collaboration with the Azim Premji Foundation for the purpose of universalising quality education in the state. The PPU enables and facilitates quality initiatives driven by the state policy through advising and undertaking evidence based research. The major focus areas of the PPU include enhancing administrative and technical capabilities, social and community mobilization and academic and pedagogical capabilities. Some of the key programmes launched by the PPU are: Management Development Programme and Namma Shaale. It also coordinated the preparation of School Academic Plan.

Innovative Teaching Learning Practices:

1. Nali-Kali:

The state had initiated Child-centered and Activity-based Learning in Schools, also known as Nali-Kali (joyful learning) in 1995 under the District Primary Education Project on a pilot basis in order to enhance quality of learning in schools. This was later expanded on a large scale from 2008-09 for class I & II. During the year 2010-11, this methodology is being implemented in class I, II & III in all 45,476 government schools. Teachers undergo six days of Nali-Kali training during summer vacation. A minimum of 2 teachers and a Head Master of all the schools and additional teachers depending on the enrolment in Class 1 and 2 are trained for Nali-Kali methodology.

2. Computer Aided Learning Centre (CALC):

3180 Government Higher Primary Schools have been provided with computer and Multimedia package. Teachers are trained through Intel & EDC in the use of computer and multi-media teaching package to enhance quality of learning among children. Interactive content CDs developed by EDC and APF are being used in CALC.

3. Mobile Science Lab:

The state has launched Mobile Science Lab in co-ordination with NGO to improve quality of Science teaching and also to provide a joyful learning experience for rural children studying in government elementary schools.

4. Radio Lessons:

Radio lessons (Chinnara Chukki for Class I to III, Chukki Chinna for Classes IV and V, Keli-Kali for Class VI to VIII) are being broadcasted daily from 13 stations of All India Radio to all primary schools from I to VIII classes in the state. Teacher hand book is provided which gives the schedule and activities to be conducted by teachers before and after broadcasts.

5. Teacher Recruitment and Teacher Training:

Karnataka state is credited with the distinction of recruiting only qualified and trained teachers in government and aided schools who are selected through a state level Common Entrance Test. The state has been regularly recruiting teachers on priority basis, both for the posts created under SSA and also under state initiatives. 1165 elementary school teachers and 101 teachers for class 8 were recruited during 2008-09. 18733 Teachers are recruited till 2009-10 under Sarva Shikshana Abhiyan. One Science (PCMB) Trained Graduate Teachers is recruited for each of the upgraded 8th Std.

Professional development of Teachers is given highest priority under quality initiative programme of SSA. The DSERT designs all training modules and is imparted in cascade model at DIETs, BRCs and CRCs through face to face as well as through tele-mode. All newly recruited teachers undergo 30 days induction training soon after selection before reporting to their schools. As per the state policy and classroom need, teachers are exposed to

a wide range of in-service training programmes both in content and methodology besides sensitising them to positive attitudes for the teaching profession (Dhanathmaka Chintane).

(VI) Learning Attainment Levels in Primary Education- KSQAO:

Despite appreciable progress made with respect to various quantitative parameters, the state is still confronted with the challenge of poor learning attainment levels in government schools. This is reflected in the DISE data (Table 9.7). Therefore, in order to monitor school quality and learning attainments of children in government and government aided schools, the state set up an independent school assessment agency called as the Karnataka School Quality Assessment Organisation (KSQAO) in 2005-06. The KSQAO conducted large scale learning assessment survey of children of class 3, 5, 7 & 8 in different curricular subjects across schools in the state between 2005-06 and 2008-09. The results of KSQAO reveal that the overall learning achievement has been steadily increasing over the years (Table 9.8). However, across districts, social groups and curricular subjects, the state reveals differences in learning achievements. As many as 16 districts, mostly from the north east backward regions in the state reveal low performance.

According to the findings of the Annual Survey of Educational Report (ASER), the state shows an increasing trend in learning levels among children in primary schools from 36.8 per cent in 2005 to 60.6 in 2008 (Table 9.8). However, these attainment levels are much lower when compared with either KSQAO or DISE report. Further, the districts of Bagalkote, Belgaum, Dharwad, Haveri and Mysore which are at high levels of Attainment in KSQAO and DISE report are observed in lower attainment category in ASER report (Table 9.9).

The encouraging feature is that the learning levels seem to be gradually improving over the years thereby indicating that state's efforts are yielding positive benefits. Nevertheless, the low performance levels suggest that more intensive efforts are needed to bridge disparities in quality of education across space, social groups and curricular subjects.

Table 9.7: Learning Achievement as per DISE

DISE refer. Year	Class V		Class VII	
	Passed with >60%		Passed with >60%	
	% against enrolment	% against appeared	% against enrolment	% against appeared
2007-08	79.50	88.08	80.48	87.13
2008-09	61.60	63.42	61.68	62.63
2009-10	64.82	66.40	64.41	65.92

Source: DISE data

Table 9.8: Overall Learning Achievement (in %) as per KSQAO

Classes	2005-06	2006-07	2007-08	2008-09
2	67.00	-	-	-
3	-	73.60	-	-
5	47.00	59.60	70.95	77.74
7	48.00	62.70	71.47	80.26
8	-	-	-	56.85

Source: SSA Annual Report, 2008-09, p. 79.

Quality Initiatives --SSA:

The SSA has sponsored a variety of school / cluster / block / district / State level quality initiatives through the Department of Education. Cluster level monthly, children's magazine is being published in all 2700+ clusters of the State where in children's creativity; innovativeness, talents and potentials are regularly captured. Inter-school quiz competitions are organised at Hobli / block / district / State levels. There is participation of schools in this programme from all over the State.

Research studies using Multi-centric Design are sponsored by networking all the DIETs. Attainment levels and attendance pattern of Drop-outs and long absentees from the system at the time of exit was completed. It is noted that in over 90 percent of such cases the attainment levels were spread across C+ & C while attendance hovered around 30 percent. Weekly attendance monitoring is being pursued at present. Attainment surveys at 3,5 and 7 students are completed and analysis is in progress. A series of evaluations have been sponsored on programmes such as CWSN, NPEGEL, Nali-Kali and KGBV in the State.

Table 9.9: District-wise Performance of Learning Achievement in Elementary Stage

District	2007-08	2006-07	2005-06	2005-06	2006-07	2007-08
	Average Percentage of Marks			Rank Position		
Bagalkote	82.34	67.6	58.85	11	9	1
Uttara Kannada	80.91	77.8	64.35	3	1	2
Udupi	80.44	74.2	67.5	1	3	3
Dakshina Kannada	79.32	55.5	58.98	10	27	4
Gadag	79.02	62.5	58.19	12	16	5
Belgaum	77.16	75.5	63.95	4	2	6
Kodagu	77.04	55.7	54.7	16	26	7
Hassan	76.71	73.2	63.26	5	5	8
Chikkodi	75.59	70.1	62.55	7	7	9
Shimoga	75.58	64.7	47.97	26	12	10
Bangalore Rural	75.38	66.9	63.13	6	10	11
Dharwad	73.78	70.2	47.32	29	6	12
Bangalore South	73.34	52.1	52.15	20	28	13
Mysore	72.12	61.9	54.97	15	17	14
Haveri	71.76	73.6	64.7	2	4	15
Bangalore North	71.63	60	48.95	24	22	16
Kolar	71.17	52.7	53.41	17	15	17
Bijapur	71.09	61.5	48.2	22	23	28
Bellary	70.32	63.5	40.83	31	14	19
Mandya	69.12	57.3	53.38	18	24	20
Chamarajanagar	68.58	50.7	49.65	23	29	21
Chikkamagalur	68.56	60.5	58.08	13	21	22
Tumkur	68.29	69.8	62.23	8	8	23
Chikkaballapur	67.65	60.5	58.08	13	23	24
Raichur	66.68	66	52.23	19	11	25
Chitradurga	66.62	55.8	57.76	14	25	26
Davanagere	65.29	64	51.75	21	13	27
Koppala	62.57	59.2	50.73	22	23	28
Gulbarga	61.43	61.7	47.59	28	18	29
Bidar	59.57	55.8	46.12	30	25	30
Yadgiri	56.91	60.8	47.89	27	20	31
Madhugiri	55.77	56.9	61.85	9	10	32

Source: KSQAO 2007-08 :State Level Assessment Report, GoK, Dept. of Public Instruction, SSA

Table 9.10: Districts with Higher & Lower Learning Achievement Levels

KSQAO (2007-08)		ASER Lower Achievement Districts-2008
Higher Achievement Districts	Lower Achievement Districts	
Bagalkote	Kolar	Bidar
Uttara Kannada	Bijapur	Gulbarga
Udupi	Bellary	Koppal
Dakshina Kannada	Mandya	Dharwad
Gadag	Chamarajanagar	Bagalkote
Belgaum	Chikkamagalur	Raichur
Kodagu	Tumkur	Mysore
Hassan	Chikkaballapur	Bellary
Chikkodi	Raichur	Bijapur
Shimoga	Chitradurga	Tumkur
Bangalore Rural	Davanagere	Chamarajanagar
Dharwad	Koppala	Belgaum
Bangalore South	Gulbarga	Davanagere
Mysore	Bidar	Haveri
Haveri	Yadgir	
Bangalore North	Madhugiri	

Source: KSQAO 2007-08: State Level Assessment Report, GoK, Dept. of Public Instruction, SSA & AESR 2005-08

Table 9.11: Overall Learning Achievement (%) in Elementary Stage in Karnataka (2005-2008)

Year	State Average Performance	
	KSQAO	Pratham/ASER
2005-06	50	36.8
2006-07	63.8	41.5
2007-08	71.2	57.2
2008	71.74	60.6

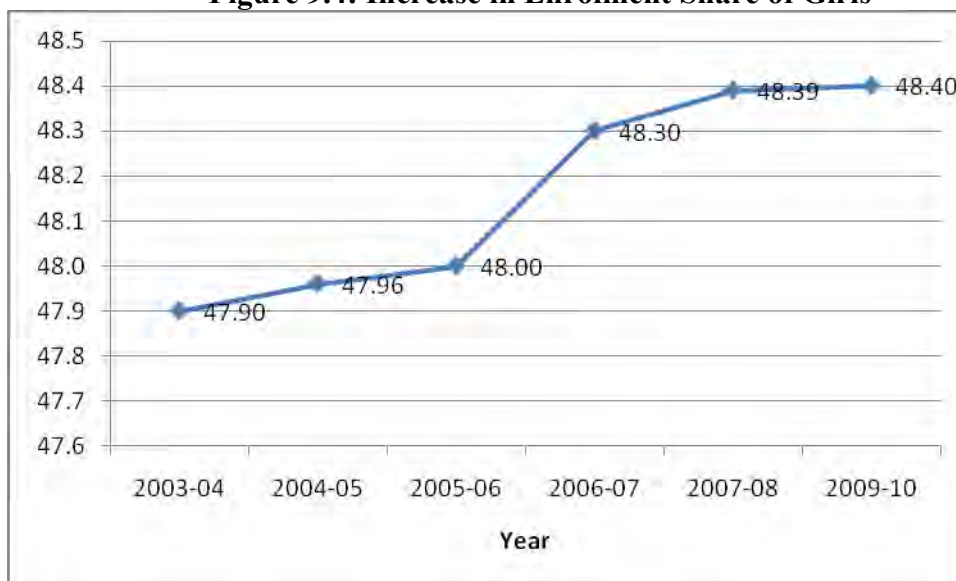
Source : SSA

(VII) Girls' Education:

Promotion of girls' education is identified as one of the priority agendas under the SSA programme. The persisting gender disparities and poor literacy attainments among women, particularly in rural areas and from marginalised segments however reflect gender biases of the school system. The female literacy levels in the 7 North Eastern districts of the State continue to occupy the last bottom positions. Raichur district in the state not only reveals lowest female literacy levels, but also records slight increase in the gender gap between 1991 & 2001. Therefore in order to address these issues, the state has launched various interventions under SSA. The state has 1,868 Upper Primary schools exclusively for girls. The State government is providing free education to all the categories of girls up to Class XII of Government and Aided institutions. In addition a wide range of incentives also

have been provided to enhance their retention and completion of school education. Mid day meals, free uniforms, fee exemption, free bicycles indeed have positively impacted girls' participation and achievement in schools. The enrolment share of girls has recorded an increase from 47.90 per cent in 2003-04 to 48.25 per cent in 2009-10 (**Figure 9.4**).

Figure 9.4: Increase in Enrolment Share of Girls



National Programme for Education of Girls at Elementary Level (NPEGEL):

The state launched the national programme for education of girls at elementary level (NPEGEL) in 2003-04 to reach the most vulnerable girls who are at risk to participate and continue education in schools. The programme has been implemented in 61 educationally backward blocks of 18 Districts. The scheme provides an excellent opportunity to develop context specific strategies to address learning needs of girls and to focus on community mobilisation and gender sensitization of teachers in an innovative and effective manner. The total number of clusters covered under NPEGEL during 2009-10 is 921 including 4 urban slums. Out of these, 108 Model cluster schools are being managed by Mahila Samakhya. Some of the innovative activities under this programme include vocational skill training, exposure visits and experience sharing, counselling centre for girls, Meena Programme, coaching for Navodaya entrance examination, community mobilization and empowerment of girls.

Kasturba Gandhi Balika Vidyalaya (KGBV):

Under this national flagship scheme, the state has set up 64 residential schools in 58 educationally backward blocks with boarding facilities at upper primary level for out of school girls belonging predominantly to the SC, ST, OBC and minorities in difficult areas. The objective is to ensure access and quality education to girls belonging to socially and economically disadvantaged groups of society. The scheme implemented under the SSA aims at promoting access and to facilitate retention of girls and to ensure greater participation of women and girl children in the field of education. It also promotes quality education for girls through various interventions which are relevant for their empowerment. All the KGBVs are operational with 100 intake capacity from the academic year 2010-11 under model III. Of the 64 KGBVs, 29 are managed by Mahila Samakhya. The KGBV school environment has

brought about a noticeable change in the lives and personality of girls from marginalized groups, who have developed greater self confidence, clean and hygienic habits and communication as well as social skills. Thus, KGBV is emerging as an important intervention of gender empowerment as many of the girls from the most disadvantaged sections of the society have been able to participate in public events without inhibition and achieve recognition for the excellent showcasing of their talents.

Innovative Activity for Girls' Education (Jagruthi Shibhira):

The state has been conducting a three day awareness camp –“ jagruthi shibira" for the adolescent girls under innovative activity for girls with the aim of preventing the adolescent girls from dropping out of education system as well as to provide orientation on health, hygiene and menstruation related problems and to boost their self esteem and confidence. During the year 2008-09, about 52,000 adolescent girls were trained under this program and Rs.159.5 lakh was spent. During 2009-10, about 53,000 girls trained with a budgetary expenditure of Rs.158.9 lakh. During the year 2010-11, a module named „Kishori“ has been developed for training the adolescent girls and a Manual „Kelu Kishori“ has also been developed. Besides, one teacher from each Higher Primary School is being trained on how to train or counsel adolescent girls on their health related and other issues.

Gender Parity Index:

The gender parity index in the state indicates a favourable ratio of 0.94, when the enrolments of boys in 1st to 5th standards is compared with that of girls. Likewise, this ratio works out to be 0.93 for 1st to 10th standards. It is clear that the index of gender parity is more than 0.90. This is a welcome development, as compared with national average. The state education department is on the right path in reducing sex-wise disparities in enrolments, however, still there is a need for intensifying the efforts in future

(VIII) Educational Development Index:

The Education Development Index is estimated by NUEPA based on a set of 23 indicators for primary education covering the factors-Access, Infrastructure, Teachers and Outcome indicators. During the year 2008-09, Karnataka obtained a score of 0.708 to occupy 12th position as compared to other states in the country in the Composite Primary and Upper Primary Educational Development Index (**Table 9.12** and **Table 9.13**). In fact the state has slipped to 12th rank from its previous 10th rank position in 2007-08. However, considering the primary level separately, the EDI rank of the state reveals an improvement over the years with the state securing 8th position in 2008-09 as against 11th rank in 2007-08. It is the Upper Primary stage which appears to pose problem to the state as the rank position has slipped from 8 in 2007-08 to 15 in 2008-09.

While the state needs to be commended for its improved rank position both in access and infrastructure at the upper primary stage, it is teacher index and outcome index of the EDI which show considerable decline at this stage. In lower Primary Education, the performance in access, infrastructure and Teacher is appreciable but the outcome is not satisfactory. This clearly suggests that the state needs to consolidate the gains of primary education with focus on quality to sustain improvements in upper primary education.

Table 9.12: Educational Development Index (EDI) for Karnataka 2008-09

EDI component	Rank	
	2007-08	2008-09
Composite Primary & Upper Primary	10	12
Primary	11	8
Primary –Access	14	14
Primary- Infrastructure	18	16
Primary- Teacher	15	12
Primary- Outcome	1	3
Upper Primary	8	15
Upper primary -Access	8	5
Upper primary- Infrastructure	19	15
Upper primary- Teacher	17	22
Upper primary - Outcome	2	10

Source: Flash Statistics DISE 2008-09; Elementary Education in India: Progress Towards UEE, NUEPA

Along the lines of EDI developed by the National University of Educational Planning and Administration (NUEPA), Karnataka state has also computed EDI for all the districts. As per this, Hassan district occupies first rank with a cumulative overall EDI of 0.715 and Yadgir occupies the lowest rank position with as low as a cumulative EDI score of 0.388 suggesting huge disparity (**Table 9.13**).

It is thus now established fact that there is a need to focus on development of education in North Karnataka especially in Hyderabad Karnataka Region as all the districts from this region occupy the bottom positions.

Table 9.13: District-wise overall EDI for 2009-10

Sl. No	Block Name	EDI Rank		Reverse Value of the index
		Index	Rank	
Weightage		3.49		
1	Hassan	0.72	1	0.39
2	Kodagu	0.71	2	0.44
3	Tumkur	0.70	3	0.46
4	Chikkamagalore	0.70	4	0.47
5	Bangalore Rural	0.69	5	0.49
6	Ramanagara	0.69	6	0.51
7	Udupi	0.68	7	0.52
8	Kolar	0.67	8	0.52
9	Chitradurga	0.66	9	0.52
10	Uttarakannada	0.66	10	0.54
11	Mysore	0.65	11	0.57
12	Mandya	0.64	12	0.57
13	Dakshinakannada	0.64	13	0.59
14	Bangalore North	0.64	14	0.60
15	Davanagere	0.64	15	0.60
16	Shimoga	0.60	16	0.64
17	Chikkaballapur	0.60	17	0.64
18	Dharwad	0.59	18	0.64
19	Chamaraja Nagar	0.57	19	0.64
20	Haveri	0.57	20	0.65
21	Belgaum	0.54	21	0.66
22	Bijapur	0.52	22	0.66
23	Gadag	0.52	23	0.67
24	Bellary	0.52	24	0.68
25	Bagalkot	0.51	25	0.69
26	Raichur	0.49	26	0.69
27	Bidar	0.47	27	0.70
28	koppal	0.46	28	0.70
29	Gulbarga	0.44	29	0.71
30	Yadgiri	0.39	30	0.72

Source: Education in Karnataka 2009-10-An Analytical Report, SSA, GoK, Dept. of Public Instruction

(IX) Major Programmes for Development of Primary Education

The significant achievements in the field of primary education during 2000-2010 are made possible through the effective implementation of a flagship programme Sarva Shikshana Abhiyana (SSA)

Sarva Shikshana Abhiyana (SSA):

Sarva Shiksh Abhiyana, a centrally sponsored flagship programme of Government of India is continued during the year with the fund sharing pattern of (centre) 65:35 (State). Being a time bound programme, it attempts to implement all programmes of Universalisation of Elementary Education with a major focus on equality, regional parity and quality. The funds allocated for SSA in the central and State has been steadily increasing (**Table 9.14**).

Table 9.14: Financial Progress under SSA (Rs.in lakh)

Year	AWP&B	Releases		Expenditure
		Central	State	
2005-06	44830.17	29887.95	13926.35	35461.99
2006-07	75868.75	54206.99	15741.07	53495.81
2007-05	69746.00	40604.79	24511.51	74339.94
2008-09	96042.74	51578.23	35381.30	86815.68
2009-10	96104.08	44220.60	23567.49	68822.19
2010-11 (up to Dec 2010)	128730.59	56903.00	31123.73	69034.79

SSA is getting strengthened from year to year and is being implemented in complete harmony with the Department of Education. It seeks to provide quality elementary education including life skills to all children with a special focus on socially deprived children, girls and children with special needs. SSA is an integrated Programme that includes development of all components of primary education such as Access, enrolment, retention, infrastructure, provision of teachers and their capacity building for quality education, special provision for Girls' education etc. The various programmes presented below strengthen these facts.

Education of SC/ST & Minority Children :

Every District is provided with Rs. 15 lakhs under innovative activity for SC&ST children. The same is utilised to execute educational Tour program within the district called Chinnara Zilla Darshana covering 86500 children in the year 2009-10. In the year 2010-11 the program is extended to cover the other left out children. A total of 90000 children benefited from the same. For addressing issues relating to education of minority children, the state has implemented awareness Programme for Religious and Community Leaders, parents of Muslim Minority children, seminar in Literary and Science for minority children and Urdu teachers, and field visits in all the 202 blocks. The success of this awareness programme was demonstrated, when 36 dropout girls from minority households were brought back to schools in Dharwad District. An assessment of trends in bridging the gaps in enrolment, retention and learning achievement of S.C/S.T and Minority children indicates that there has been slight improvement between 2008-09 and 2009-10. DSERT has prepared Bimbha I and Bimbha II gender training modules to sensitize teachers towards existing social and gender discrimination. 3025 teachers were given this training in the year 2009-10.

Urban Deprived Children:

The state has made provision for opening Transit Homes for 200 orphan children in Bangalore city with NGO intervention; Periodical survey for identifying OOSC; Incentives for urban deprived children @Rs.2000 per child per annum and for conducting adolescent camps for urban deprived girls.

Children with Special Needs (CWSN):

Within the framework of national policy of inclusive education, the state has undertaken initiatives under SSA for the education of children who are differently abled. NGOs are involved in planning, training, Home based education, medical rehabilitation and

in organizing awareness programmes. The state has so far identified 1,35,301 CWSN through medical camps, out of whom 1,21,153 are enrolled in regular schools and the remaining 14,148 have been provided home based education (HBE). 6540 HBE volunteers are appointed, who undergo 4 days of training. Awareness programmes and counseling services are imparted to parents of CWSN. 99,208 teachers have received 3 to 5 days training; 15230 children were provided assistive device. Ramps have been built in 27,302 schools (60.07%). 202 Resource Rooms are established for special training of teachers and CWSN children.

Free Text Books to Private Aided Schools:

The state government provides free text books to all the children of Class I to VIII. All the girls and SC/ST boys studying in Aided institution from class I to VIII have received free text books under SSA during 2009-10. The total number of children who have received free text books is 57.19 lakh.

Table 9.15: Free Text Books for Primary Schools –Physical & Financial

Sl.no	Details	2009-10		2010-11	
		Phy	Fin	Phy	Fin
1	Free text book for I-V std all children of aided schools	437537	350.029	472274	401.433
2	Free text book for VI-VIII std all children of aided schools	472852	614.708	490420	662.067
3	Work books for Nali Kali	0	0	1860346	1302.242
	Sub Total	910389	964.737	2823040	2365.742

Suvarna Arogya Health Programme:

The state has implemented a health-check up programme in co-ordination with the Health Department for regular monitoring and maintenance of health of children studying in schools.

E-Governance Unit:

The State Education Department has launched a new web site for school education. Less paper office (LPO) is implemented in State level offices as well as district level offices with the use of soft communication.

School Development and Monitoring Committee (SDMC):

The state has constituted School Development and Monitoring Committee at Gram Panchayat level in 2001 for developing and monitoring school activities. The SDMCs are the sub-committees of Civic Amenities committees (CAC), which are sub-committees of Grama Panchayat. SDMCs are constituted out of the parents' council of the school. They are accountable to Gram Panchayats. The funds relating to teacher grant, school grant, school maintenance grant (major repairs) civil works (basic infrastructure like class rooms, provision of drinking water and toilet facilities, compound wall) are sent directly to SDMCs. The SDMC and CAC members undergo regular training for monitoring school developmental activities. Three training modules, known as Spandana, Sankalpa and Samakshama have been prepared for SDMC-CAC training.

Mid Day Meal Programme – Akshara Dasoha:

A massive mid day meal programme known as Akshara Dasoha covering all children studying in Government and Aided primary schools in classes I to X is implemented in the State from 2007-08. The main objective of this scheme is to improve attendance, reduce drop out, improve the nutrition levels of children and enhance their learning attainments. A total of 64.263 lakhs of children in government and aided schools were the beneficiaries of the scheme during 2010-11 (Table 9.16)

Table 9.16: The Number of Schools covered under Midday Meals during 2010-11.

Schools	Government	Aided	Total
Primary	45476	2449	47925
High Schools	4063	2805	6868
AIE Centres			253
Madrasas			58
Total			55104

Table 9.17: Enrolment, Attendance and Beneficiaries (in numbers), 2010-11

Class	Enrolment	Attendance	Beneficiaries
1-5	3760503	3509107	3337902
6-8	2248347	2106406	1982454
9-10	1276541	1208555	1106160
Total	7285391	6824068	6426516

The Central Government and the State Government has released budget for Akshara Dasoha during 2010-11 as follows:

Table 9.18: Allocation and Release to Midday Meals Scheme 2010-11

Year	Allocation		Released Grants upto July 2010	
	Central	State	Central	State
2010-11	75495.93	43785.29	11662.76	21892.64

Mothers Committee have been formed and activated in all schools to create homely atmosphere while serving the food to children. They are supposed to give suitable suggestions regarding the quality of food supplied.

Suvarna Arogya Chaitanya Programme:

Suvarna Arogya Chaitanya Programme has been introduced during 2006-07. Under this programme all school going children of Government, aided and unaided schools from 1-10th standard are being medically examined. Health check-up camps are conducted. This programme has been completed during the month of August 2009-10. Health Cards have been printed and distributed to schools in the joint efforts of both SSA and NRHM. Rs. 50000/- per taluk for fuel expenses was given. Totally 96.10 lakhs have been invested under the head of account of Mid day Meals Scheme.

A committee has been constituted at the District level under the chairmanship of District Commissioner and the Chief Executive Officer of Zilla Panchayat is the deputy chairman. The members are District Health Office (DHO) and DDPI of the respective districts.

Totally 85,28,004 school children were medically examined and among them 1415 children underwent treatment for serious health problems in Yashaswini Network Hospitals, under the joint efforts of Health and Family Welfare Department. An amount of Rs. 740.39 lakhs expenditure was borne by NRHM.

Suvarna Arogya Chaitanya MASACHARANE was conducted from 01-08-09 to 30-08-09. Totally 6295371 students underwent medical check-up and 1040 number of serious problems among children have been identified and treated through its campaign. The complete expenditure of Rs. 400.44 lakhs was borne by NRHM.

(X) State Government Initiatives:

Free Uniforms, Text Books and School Bags:

All children studying in class I to X from government and aided schools are given text books free of cost. In addition, all children studying in government schools in classes I to VII and girl students studying in classes VIII to X are provided with free uniforms. This has been extended to all students of I to X std. from 2006-07(**Table 9.15**). During the year 2010-11, the number of children who had received free text books was 57.19 lakh in primary and 14.95 lakh in secondary schools. The number of students receiving free uniforms was 46.0 lakh in primary and 11.02 lakh in high schools during the same period. The number of students receiving free School Bags is 11.58 lakh in primary schools during 2010-11.

Free Bicycles to Students:

To commemorate the occasion of "Suvarna Karnataka" during 2005-06, the state government implemented the scheme of providing free bicycles to girl students from below poverty line households, who had enrolled for VIII class in the government and aided schools. The government extended this scheme to the boys students from 2006-07. The main objective of the scheme is to motivate girls to continue their schooling beyond elementary stage and to empower them, to improve children's attendance and learning in classrooms and to reduce drop-out rate and to enable them to continue education despite poor transportation facilities. During the year 2009-10, 2.66 lakh boys and 2.66 lakh girls had benefited from this scheme (**Table 9.19**).

Table 9.19: Incentives in Primary Schools & Secondary Schools (no. in lakhs)

	2008-09	2009-10	2010-11
Free Text Books to pupils in primary (I-VII)	58.89	55.51	57.19
Free Uniforms to pupils in primary (I-VII)	54.06	51.75	46
Free school bags to pupils in primary (I-VII)	12.15	12.05	11.58
Free bicycles to class VIII Boys	3.41	2.66	-
Free bicycles to class VIII Girls	3.25	2.66	-
No. of children provided with mid-day meal	68.95	66.73	66.76

Source: SSA

Fee Reimbursement:

With a motive of promoting universalisation of girl's education, the state government has made provision for fee reimbursement of non government fee for all girls students and SC/ST boys studying from class VI to VII in government schools. The coverage of beneficiaries under this scheme is given in **Table 9.20**.

Table 9.20: Fee Reimbursement to Pupils in Primary Schools

Details	2008-09	2009-10	2010-11
No. of Boys total	126821	87628	43814
SC	107746	74450	37225
ST	19075	13178	6589
No. of Girls total	133100	91969	45985
SC	114084	78828	39414
ST	19016	13141	6571

9.1.4 Secondary Education:

With attainment of significant gains in Primary education, the state has set in motion the planning process for universalisation of secondary education, to achieve the target of 65.0 per cent enrolment in 14 to 18 age group population in class 9 to 12 by 2012 as envisaged under the eleventh five year plan of the Government of India. The State is also committed to strengthen the knowledge base of the society to sustain higher rate of economic growth.

The state has a total of 12,453 secondary schools, out of which 4,504 schools are run by the department of Education, 3275 by Private Aided Management, 4579 by Private Unaided Management and 95 by others. 37 percent of the secondary schools are run by the private sector which indicates low access to higher education to the students from marginalized groups.

Total enrolment in these schools is 25.78 lakhs. A total of 109503 teachers are working in secondary schools (**Table 9.20**). The state has set the goal of making Secondary Education of good quality available, accessible and affordable to all children in the age group of 14 to 16 years.

Table 9.21: Schools, Teachers & Enrolment in High Schools, 2009-10

Particulars	Govt.	Aided	Unaided	Others	Total
No. of Schools	4504	3275	4579	95	12453
Enrolment of boys (VIII to X)	570540	431351	330241	9765	1341897
Enrolment of girls (VIII to X)	572828	394333	261138	7880	1236179
Total	1143368	825684	591379	17645	2578076
No. of Teachers Working	37159	26771	43837	1736	109503

46.33 percent of girls are enrolled in Govt. schools and only 21 percent of them study in private Schools whereas 25 percent of the boys study in these schools. The male female shares in enrolment are 52 and 48 percent indicating low gender gap.

Infrastructure:

The Government of India has recognized 8 basic facilities for schools, which comprises of Common Toilets, Girls' Toilets, Electricity, Play Ground, Ramps, Library, Compound and Drinking Water. In line with this national norm, the state government has made attempts to fulfill this norm. The state has accorded top priority for five facilities as Pancha Soulabhya which include Drinking Water, Common Toilets, Play Grounds, Compound Wall and School Buildings.

The state has made an assessment of provision of 8 basic facilities in 4142 high schools of the Education Department for the year 2009-10. Accordingly, 63.26 of the schools are found to perform satisfactorily in the overall provision. However, there is variation across the districts in the provision of the same. 65.91 per cent of the schools have common toilets; 66.12 schools have girls' toilets; 64.56 per cent schools have electricity; 74.42 per cent have play ground; 17.54 per cent have ramps; 87.52 per cent have library; 51.92 per cent have compound wall and 79.13 per cent have drinking water (Table 9.22).

Table 9.22: Provision of Basic Facilities in the High Schools-Education dept

Facility	% of Schools	Facility	% of Schools
Common Toilets	65.91	Ramps	17.54
Girls' Toilets	66.12	Library	87.52
Electricity	64.56	Compound Wall	51.92
Play Ground	73.42	Drinking Water	79.13

School Building and Classrooms:

The Department of Education runs 4168 high schools. Out of this, 83.18 per cent of schools possess their own building, while 1.01 percent of high schools are run in rented buildings. 9.05 percent of schools operate in rent free buildings. 191 (4.58%) schools in this category do not have a building of their own. The number of schools without own building increased from 170 in 2009-10 to 191 during 2009-10. There are 248 schools whose building construction is under progress.

There are 20258 classrooms in 4168 high schools of the Department of Education. 69.53 percent of classrooms are in good condition, 21.38 percent of classrooms need minor repairs while 9.09 percent of classrooms need major repairs. Number of classrooms in 4168 high schools of the State has increased from 10945 classrooms in 4142 high schools during 2008-09 to 20258 classrooms during 2009-10, an increase of 9313 classrooms. The average classrooms per school have increased from 2.64 to 4.86 during the last year accounting for 44.97 percent increase in a single year due to implementation of RMSA and flow of funds under NABARD schemes for improvement of High Schools.

Teachers:

There are altogether 1,09,503 teachers working in secondary schools. From out of this, number of teachers working in schools of Department of Education is 34,767. In addition 2392 teachers and 26771 teachers are working in schools managed by other departments of state government and private aided schools respectively. The state has a

Teacher-Pupil Ratio (TPR) of 25.22 for working teachers and 23.43 for sanctioned teacher for schools of the education department.

Enrolments:

The state has a total enrolment of 25.78 lakh pupils in high schools. Of this 44.35 per cent and 32.02 per cent of students are enrolled in government and aided schools respectively. The enrolment of S.C/S.T children constitute 24.52 per cent of the total enrolment in high schools.

Rashtriya Madhyamika Shikshana Abhiyan (RMSA):

RMSA project has been implemented in the state from 2009-10 with the following objectives.

- Access of secondary school within a radius of 5km in all habitations except those in special circumstances
- Up gradation of upper primary schools in to secondary schools with all infrastructure facilities by 2012
- Strengthening of existing secondary schools with all infrastructure facilities by 2014
- All schools will have space and facilities according to prescribed norms of minimum quality standards like
- One classroom for every 30 students;
- Laboratory and Library in all the Schools
- Easy Access to differently abled Children
- Separate Toilets for girls
- Computer and other ICT facilities in all secondary schools

Funding Pattern under RMSA:

RMSA will have sharing of funds both from Central and State governments. The central share during 11th five year plan would be 75% and state share would be 25% for RMSA and Model schools. After 11th five year plan the sharing would be 50:50. For girls hostels the share is 90:10 in the 11th five year plan and 100.0 per cent central share in incentives for girls for higher education.

Some of the activities taken up under RMSA include:

- Upgradation of Schools to improve the Access
- Strengthening of existing high schools to improve enrolment, Retention and achievement
- School grants to improve the quality of school infrastructure.
- Minor repair grants to make schools attractive and to create learning atmosphere
- In service teacher training for empowerment of teachers
- Management ,Monitoring, Research and Evaluation to improve the quality
- Incentives to 9th standard SC,ST girl children to improve enrolment, retention and achievement
- Model Schools & Girls Hostel

Secondary education has received focused attention of the Government in recent years. With significant gains in primary education, the present requirement is to strengthen Secondary education by providing access, infrastructure and quality education. There is a need to increase State participation in secondary education to improve access and attain equality. Incentives for children in primary schools and secondary schools are given in **Appendix 9.4**

RTE Act, August 2009:

The State Education Department / SSA has been engaged in drafting rules and regulations for enforcement of RTE provisions in the State. Estimates for provision of infrastructure and other facilities as per RTE have already been prepared and submitted to the GoI, as per stipulations, for 2011 to 2013.

9.1.5 Pre- University Education:

Pre University education is an important milestone in between school education and Higher education. It increases access of rural students to higher education and also determines the entry of the students in various fields of education mainly technical and professional education. Therefore, the nature of students entering in higher education depends on the quality of Pre University education. A separate Pre University Education Department is established to design, plan and implement the whole education programme.

Table 9.23: Enrollment in Pre University Education

Type of colleges	2009-10			
	Number of colleges	Enrolment		
		Boys	Girls	Total
Govt.	1200	145116	177913	323029
Aided	803	194700	173329	368029
Unaided	1627	150193	131026	281219
Others	13	1201	4011	5212

Source: Dept. of Pre University Education

The Government participation is more in pre university education. It is observed that the number of girl students is more in Govt. PU Colleges. This indicates the need for expansion of these colleges in future to promote Girls' education.

Financial assistance is provided under NABARD- RIDF and Special Development Plan to meet the infrastructure requirements of the PU colleges. Orientation programmes are organized by the Dept for the lecturers to upgrade their knowledge and improve the results. The focus is on those districts where the pass percentage of students is low.

9.1.6 Vocational Education:

Vocational education is considered essential to provide skills to lead a decent life and get knowledge about different skills which help to promote vertical mobility among the students and increases their employability. The Directorate of Vocational Education was started in Karnataka to design and implement courses in vocational education with stress on need and quality.

The basic objectives of Vocational Education are :

- To develop confidence among the students, provide them skills in rural professions and motivate them for self-employment.
- To cater to the requirements of Small and informal sector industries by providing skilled workers.
- To provide an alternate arrangement for those who rush to higher education without any particular aim and capacities.
- To identify potential skills in students and help them to achieve excellence in it.

There are 553 Institutions imparting Vocational training to the Students and more than 60 thousand students are enrolled in these institutions. The training is given in 29 courses.

Apart from this, the Directorate has conducted various training programmes to the Course teachers for upgradation of teaching skills, academic and administrative training programmes are also conducted for administrators. **An important landmark made during 2010-11 was conduct of Job Melas in 5 districts in which nearly 1000 students were placed in the jobs of their choice.** Such job melas in future may help to establish direct contact between Employers and job seekers and to bridge the information gaps in the job market. The department is now in the process of attaining another milestone by restructuring the Organizational set up and the courses to meet the dynamic requirements of globalised market.

Table 9.24: Course Details of Vocational Education in Karnataka

Vocational Education	2008-09	2009-10	2010-11 (as on Jan. 2011)
A) Number of Course sanctioned under			
1) Plan	738	738	738
2) Non-plan	424	424	424
B) Number of Student Admission			
1) First Year	32237	32239	-
2) Second Year	31633	31633	32239
3) Number of Vocational training conducted	29	29	29
4) Number of schools covered	565	553	553

Table 9.25: Selected Indicators of Vocational Education in Karnataka

Item/Unit	2008-09	2009-10	2010-11
1) Number of Institutions	553	553	553
2) Number of Courses	29	29	29
3) Number of enrolled			
I Year	32237	32239	-
II Year	31633	31882	32239
4) Expenditure (Rs. Lakhs)			
Plan (State)	1423.97	1150.01	1350
Non Plan	1039.5	1127.03	1124.36

9.1.7 College Education:

There has been rapid expansion of undergraduate education in the State to meet the growing demand and to increase the knowledge base of the society.

Table 9.26: University wise Institutions and Enrolment in College Education

Region	Government		Private- Aided		Private- Unaided		Total Colleges	Total strength	Average students per college
	No.	Students	No.	Students	No.	Students	No.	Students	
Bangalore	69	49169	61	58133	265	78478	395	185780	470
Mysore	67	34620	30	23479	38	8371	135	66470	492
Shimoga	48	26544	27	15792	47	3290	122	45626	374
Mangalore	31	13202	35	21265	97	7126	163	41593	255
Dharwad	81	24766	102	66497	117	27720	300	118983	396
Gulbarga	60	17150	41	21020	146	17010	247	57386	232
Total	356	165451	296	206186	710	141995	1362	515838	378

Source: Dept. of Collegiate Education

The number of private unaided colleges is more in Bangalore, Gulbarga and Dharwad region. The average students per college in general are more for private aided colleges. It is as high as 953 in Bangalore region and 782 in Mysore region. The average number of students in Govt. colleges is also high in Bangalore region i.e. 712 per College. The number of students per Government college is as less as 285 in Gulbarga region indicating underutilization of infrastructure. The average number of students per college is 378. It is highest in Mysore region (492). The number of private institutions is more in Gulbarga region next to Bangalore Region. This indicates low level of participation of Government in higher education in all the regions. Further the average number of students is lowest in Gulbarga region. This also indicates low enrolment in higher education in this region. There is a need to focus on increasing enrolment in higher education by providing access to colleges and financial assistance to take up higher education as poverty in the region denies the benefit of higher education to a large number of students.

The provision for development of infrastructure is made under NABARD- RIDF scheme and construction of 27 new college buildings is taken up. Provision is made to provide admissions to all the students by increasing the intake capacity and permitting opening up of new sections etc.

9.1.8 Technical Education:

The Directorate of Technical Education in the State ensures a planned development of technical education, consistent with the policies of the nation and the State and the manpower requirements of business, industry and Community.

To provide access to technical education and increase the enrolment in Higher education there has been rapid expansion of institutions imparting technical education in the State.

Table 9.27: Institutions and Enrolment in Technical Education

Year	Polytechnic Institutions					
	Govt.	Aided	Private	Total	Enrolment	Average enrolment
2008-09	59	43	123	225	51667	230
2009-10	81	43	149	273	58881	215
2010-11	81	43	165	289	57038	197
Engineering Institutions						
2008-09	12*	10*	123	145	53489	369
2009-10	14	11	149	174	55760	320
2010-11	14	11	162	187	56235	301

*Including University colleges and evening colleges

Source: Directorate of technical education

The expansion has taken place in private sector. It is clear that the participation of Government sector is less than 15 percent in engineering education. This raises the issues of access and equity. In this direction the Department is planning to open one Engineering college in every district and one Polytechnic in every Taluka. Further, though the number of colleges is increasing but the total enrolment has not increased significantly in the engineering colleges and shows a declining trend during 2010-11. In view of this there is a need to formulate proper Manpower Planning policy based on balance between demand and supply to plan for the future growth of technical institutions otherwise it may lead to underutilization and wastage of scarce resources.

Technical Education Quality Improvement Project (TEQIP) has been launched with the assistance of World Bank to improve the quality of technical education and to promote capacity building of existing institutions to become dynamic, demand driven and quality conscious. Fifteen institutions are participating in the project.

9.1.9 Higher Education:

Knowledge is now identified as an important source of economic growth in the present century. The differences in levels of development of different countries today are mainly attributed to differences in accumulation of human capital. Attainment of higher levels of education not only ensures higher returns to individuals but also leads to accumulation of human and social capital. It is also a powerful tool of empowerment and inclusive growth as higher education increases access to skilled and high paid jobs. But the transition to higher education is very slow in developing countries including India and Karnataka. Therefore, way to accumulate knowledge and establish a knowledge society is to increase the enrolment in higher education. The GER in higher education is 12.4 percent in India (2006-07) and 13.1 percent in Karnataka. It is targeted that the enrolment in higher education should be increased to 15 percent by the end of 11th Five Year Plan and to 21 percent by the end of 12th five year plan. The various strategies in his regard include:

- Access to institutions of Higher learning through their expansion and coverage.
- Efficiency in functioning of these institutions.
- Delivery of quality education to the students

- Retaining the talents in higher education
- Innovative ideas and ICT interventions
- Efficient Utilization of manpower produced in higher education.

If India has to reap the benefits of demographic dividend, then access, equity and quality emerge as vital issues in shaping the programmes and policies for expansion of higher education.

The focus of the state for a long time has been on expansion of primary education to attain universalization of primary education which is definitely essential to expand the base of higher education. However, in recent years, the State has made some major interventions in the field of higher education. These include establishment of new colleges and Universities, attracting and retaining talent in higher education by providing incentives and higher salaries, institutional reforms and ICT interventions, provision of more scholarships and education loans to the students etc. Innovative models of public private partnerships with stress on equity and excellence are also introduced to achieve desired goals. The Azim Premji foundation has established a private University to develop models of quality education.

The National Knowledge commission has recommended for rapid expansion of University education through establishment of more number of Universities. There is a move to establish one University in every district. The Government of Karnataka also has taken up initiatives to establish new universities in the State. There are now 18 Universities in the state including a Music University and Sanskrit University. All these universities are engaged in teaching and research programmes. In addition, post graduate courses are also introduced in Colleges to increase students' access to Post Graduate education.

9.1.10 Institutional Reforms in Higher Education:

To induce quality and dynamism in Higher Education institutional reforms are undertaken to design the structure and policy measures to achieve them.

(i) Karnataka Knowledge Commission:

Karnataka Jnana Ayoga (Karnataka Knowledge Commission) was established in 2008 with the mandate to transform Karnataka into a vibrant Knowledge Society. The Committee has adopted an integrated approach to develop human resource base for a knowledge society covering from School to Higher education and including health and cultural issues also. It has identified six areas for its focused operations. These includes school education, Higher education, Vocational education, Humanities, social sciences, law and management, Health and Knowledge networks. The commission has submitted 45 recommendations to the government to redesign educational structure and induce dynamism and quality into it. Among them 15 are considered as priority recommendations and are being implemented in collaboration with concerned departments. Some of the major projects that are in implementation are:

- **Arivu project** this project is being implemented in collaboration with primary and secondary education department. It aims at strengthening school libraries with books and audio video materials for enhancing the knowledge base of the students and teachers. It is in operation in 225 Govt. High schools across the State the concept of open library is being popularized with orientation to the teachers.

- Improving the quality of teacher education by revising D.Ed and B Ed. Curriculum. A base line study is taken up and issues are identified.
- Access to online availability of knowledge resources to the rural students through a mobile internet van. The project is being implemented as „Jnana Vahini“ in collaboration with Agasthya foundation.
- „Samarth“ project for capacity building of DSERT, DIET, BRCs and DRCs to function as decentralized lead resource institutions.
- Establishment of „Model Universities“- the Karnatak university Dharwad and Mysore University, Mysore are recommended for transformation as model universities.
- To bring uniformity in functioning of higher educational institutions a uniform calendar of events from admissions to declaration of results is in process.
- The project „Sahayog“ is being implemented to impart training in communication and life skills to the students is in progress in 112 Government colleges covering 7000 students.
- Creation of Wikipedia type of portal in Kannada that can serve the needs of different categories of people like farmers, students housewives as well as academicians. The Kannada portal „Kanaja“ is introduced in December 2009.
- In health sector, the „swasthya“ project is in the process of implementation in Bangalore, Sirsi and Bijapur districts and the „Dravya Kosha“ project in Shimoga and Tumkur to introduce good traditional health practices to enhance self reliance in public health care.

Along with these many other measures are in implementation process to strengthen the the higher educational system in Karnataka.

(ii) Karnataka State Council for Higher Education

Karnataka State Higher Education Council was established in 2009 on the recommendations of the Task Force on Higher Education set up by the State Government in 2002 under the chairmanship of Dr. M R Srinivasan – a renowned academician. (This has also been recommended by the National Education Policy 1986.) The Council is established as a collective body involving Government, Universities, Academicians and Experts to form an integrated framework for Higher education and bridge the gap between research, policy and implementation. The objectives of establishing the Council are:

- Attaining balance between academic excellence and social justice in higher education through appropriate policies and perspectives.
- Ensuring the autonomy, accountability and coordination among the institutions of higher learning in the State.
- Guiding the harmonious growth of higher education in accordance with the needs and requirements of the State.
- Introduce new dimensions in higher education with innovative activities and new ideas in curriculum development.

The Council consists of Minister for higher Education as Chairman and all the vice Chancellors of different Universities in the State, representatives of educational institutions, eminent academicians and educationists as members.

The members of the Committee have visited different universities to review their functioning and find out their problems. The Committee has also prepared and approved the Draft Higher Education Council Bill and has submitted it to the Government for further action.

Higher Education is receiving more attention these days due to the growing requirements of industry and business. The State is leading in Information Technology sharing 40 percent of the total exports of the Country in this sector. This has also been a source of rapid growth of the economy. These significant achievements are made possible by the expansion of higher and technical education in the State. However, there is a need to make it more dynamic and quality oriented to take the lead in global competition. State interventions and institutional reforms in Higher Education are oriented towards achieving these goals. But these are not enough to attain the desired outcomes. There is a need to undertake structural reforms in Higher education ensuring more autonomy and academic flexibility with focus on quality research.

9.1.11 Mass Education:

In a traditional agricultural economy, where family employment is dominant and skill requirement is low and poverty is a widespread phenomena it is possible that many people, especially women are likely to miss the opportunity of education. Further, in the past the efforts towards universal primary education have not yielded significant results. Therefore, 30 percent of population (more in rural areas) still continues to remain illiterate. To cover this segment of population and provide them access to knowledge and information, which is very vital in the present era, the Mass Education programme is introduced by the Government. All those in the age group of 15-35 who are either illiterate, left the school are to be made literate. The Literacy Programme in Karnataka dates back to Pre Independence period and was introduced in 1943. Now the department of mass education is implementing various programmes to bring every one in the education net.

In the past many programmes like Eradication of residual Illiteracy, Literacy through students, Vocational training, Continuing Education, EDUSAT, Radio Literacy Programme, Satellite based interaction Programme etc. were taken up to increase the literacy coverage. Now a massive effort is being made under Saakshar Bharath Programme initiated during August 2010. The project is being implemented in 18 districts (Gulbarga and Yadgir) included in II phase) and the project period is up to March 2012. The target is to cover 4.27 lakh non literates in these districts and the budget approved is Rs. 16.44 and is to be shared by the centre and the State. The state share is 33 percent.

During the first phase, the following activities are undertaken to implement the project effectively.

- The Karnataka State Literacy mission Authority and its General Body and Executive Committees are constituted. 18 District Loka Shikshana Samithis and 107 Block Loka Shikshana Samithis are constituted for mass participation in the programme.
- 3170 Adult Education Centres have been opened in 13 Districts.
- Base Line Survey is completed in 2416 gram Panchayats and 31.44 Lakh non Literates are identified.
- The Literacy Primer „Balige Belaku“ is prepared and distributed to the Centres and the Teaching Learning Materials are being collected.

- The human resource base is strengthened through the selection of 5 State Co-ordinators, 64 District and 97 Block Co-ordinators and 4988 Prerakas at GP Level. The Staff is trained for the implementation of the programme.
- Primer based four days training is given to 232 Resource persons and 2369 Master Trainers.
- Volunteer Teachers“ training is in progress in Gadag and Bidar Districts.

Thus all the preparations are completed to implement the project. An amount of rs. 375 lakhs is being released and likely to be utilized 100 percent as all the targeted activities are near completion. Much is expected from the Programme for attaining significant increase in literacy in the State.

9.2 HEALTH AND FAMILY WELFARE:

9.2.1 Health Indicators:

Better health is essential for overall development and human happiness in any society. Provision of good health care to the people is an essential component of development strategy adopted by the state to achieve overall socio-economic development. Karnataka has made significant progress in improving the health status of the people in the last few decades. However, despite the progress, the state has a long way to go in achieving the desired health goals. Karnataka, over the period, has made substantial progress in building credible health infrastructure at different levels. The state has a wide institutional network providing health services both in urban and rural areas. **Table 9.28** presents information in health infrastructure in the state. There are 17 district hospitals, 10 other hospitals and 29 Autonomous & Teaching Hospitals in the state. The primary health infrastructure in the rural areas has fulfilled the norms required under the “Minimum Needs Programme” at the aggregate level. There are 8143 sub-centres, 2193 primary health centres and 326 community health centres and taluka hospitals catering to the health needs of the rural population. However, the state has to address the disparity in the distribution of health facilities across districts (See **(Appendix 9.5)**). The Bangalore and Mysore division accounts for over 60 per cent of the total beds in the state and the rest 39 percent is shared by Belgaum and Gulbarga divisions.

Table 9.28: Infrastructure of Public Health Services of the State Government
(as on Dec 31, 2010)

Type of Institution		No.
District Hospitals		17
Other Hospitals under Health & FW		10
Autonomous & Teaching Hospitals		29
Community Health Centres	Taluk Headquarters	146
	Other than Taluk Headquarters	180
	Total	326
Primary Health Centres		2193
Urban PHCs		27
Health Centres under IPP		108
Mobile Health Clinics		19
Sub-Centres		8143

The main objectives of XI FYP (2007-12) in respect of health sector are to control population, to reduce infant and maternal mortality through strengthening health services and to remove intra-regional and regional disparities by improving health services. The progress of the health indicators has been encouraging in the state during the last few years. The death rate is already at a lower level and the birth rate is declining faster (**Figure 9.5**).

The state has performed relatively better in population control with total fertility rate and is likely to achieve the eleventh five year plan target of 1.8 for the year 2012. The infant mortality has declined faster during the last few years to the tune of around 9 per 1000 live births from around 50 in 2004 to 41 in 2009 (**Figure 9.5**). However, the infant mortality rate of around 41 in 2009 is far higher than the eleventh five year plan target of 24 set for the year 2012 (**Table 9.29**). The state has at the forefront of introducing several programmes to achieve the desired goals under the eleventh five year plan.

Figure 9.5: Birth and Death Rate in Karnataka 1971-2009

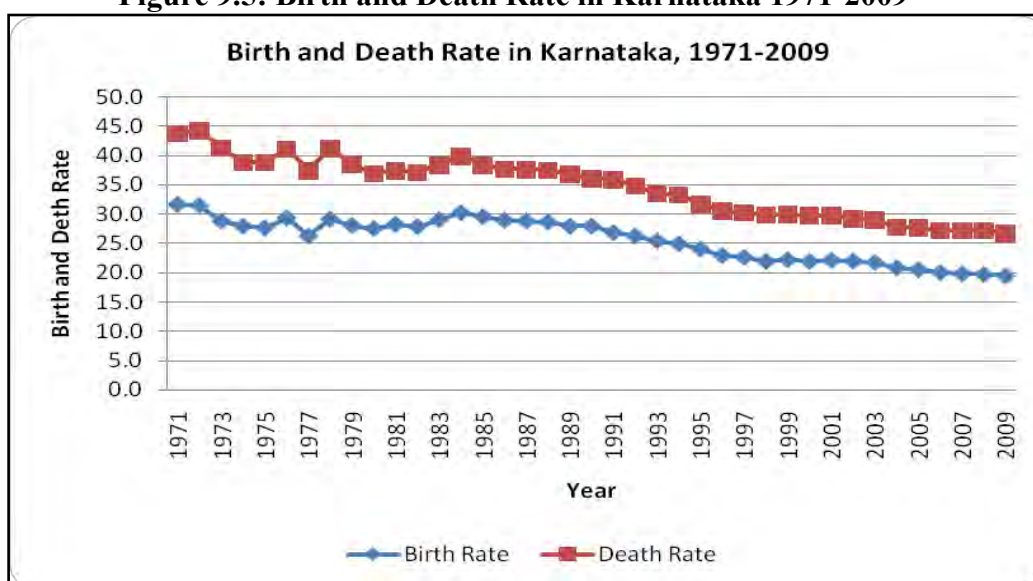


Figure 9.6: Infant Mortality Rate and Total Fertility Rate in Karnataka, 2003-08

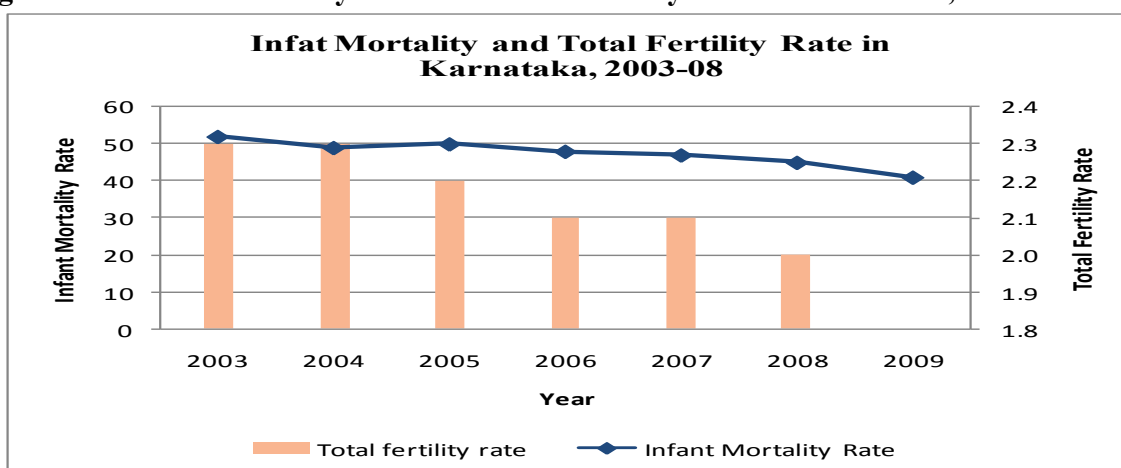


Table 9.29: The Achievement of the Family Welfare Programme Karnataka

Parameters	1981	1991	2009
Crude Birth Rate (per 1000 population)	28.3	26.9	19.5
Crude Death Rate (per 1000 population)	9.1	9	7.2
Total Fertility Rate	3.6	3.1	2
Maternal Mortality Ratio (per 100,000 live births)	NA	266	213
		SRS (1999-01) **	SRS (2004-06)**
Infant Mortality Rate (per 1000 live births)	69	77	41
Child Mortality Rate (0-4 yrs.) (per 1000 children)	NA	12.8	12.3
		-2004	
Expectation of life at birth in years			
-persons	60.6	62.1	65.3
-Male	-1983	61	63.6
-Female		63.2	67.1
		(1991-92)	(2002-06)

Source: 1. Office of Registrar General of India. All the above data are based on Sample Registration System, Office of the Registrar General of India.

**"Maternal Mortality in India 1997-2003: Trend, Causes and Risk Factors", 2006, Maternal Mortality in India, 2004-06, Office of the Registrar General of India.

NA – Not available

9.2.2 Family Welfare:

The state offers an excellent family welfare programme operating through the existing health infrastructure. The main objective of the programme is to provide better health services and to check the rapid growth of population. The **Table** below provides the achievements in sterilisation and IUD in the state during the last three years.

Though sterilization continues to be the main method of family planning, the spacing between the births of two children is also an equally emphasised recently. During 2009-10, around 2.7 lakhs IUD insertion was carried out in the state. The number of sterilisations stands at 3.9 lakhs (**Table** 9.30). The percentage of couples protected by modern contraception has steadily going up in the state and is stands at 71 per cent.

Table 9.30: Performance of Family Welfare Sterilization Programme

Year	Sterilization				IUD		% Couples Protected
	Target	Achievement			Target	Achievement	
		Vasectomy	Tubectomy	Total			
2008-09	432146	3276	365699	368975	311988	285588	67
2009-10	522296	3629	385330	388959	308250	274305	68
2010-11 (Upto Nov 2010)	528748	2345	68586	70931	279705	63902	71

9.2.3 National Rural Health Mission:

National Rural Health Mission (NRHM) was launched on 12th April, 2005 by the Government of India to improve medical facilities in all the rural area in the country. The NRHM seeks to provide accessible, affordable and quality health care to the rural population, especially the vulnerable sections.

At present the following Schemes come under the National Rural Health Mission:

A. National Disease Control Programmes:

- National Vector Borne Disease Control Programme (NVBDCP).
- Revised National Tuberculosis Control Programme (RNTCP).
- National Leprosy Control Programme (NLCP).
- National Trachoma & Blindness Control Programme.
- National Iodine Deficiency Disorder Control Programme (NIDDCP).
- Integrated Disease Surveillance Project (IDSP).

B. Reproductive and Child Health Programme: (RCH Flexipool)

C. Additionalities Under NRHM: (Mission Flexipool)

D. Operating Costs for Routine Immunisation & Injection safety.

E. Operating Cost for Pulse Polio Immunisation.

F. Others like: IEC, NGO, Deafness Control, etc.

The NRHM is being implemented in Karnataka through creation of a State Health Society at State Level and District Health Societies in each of the districts. Program implementation is done through its District Chief Medical Officer's office, Blocks, Community Health Centres (CHCs), Primary Health Centres (PHCs), Sub- Centres (SCs) and Village Health Sanitation Committees (VHSC's). Certain activities are managed at the State level such as drug procurement, IEC, civil works, training using specialized entities such as SIHFW, IEC Bureau, the Directorate of Health and municipal corporations for the urban health components. In addition funds are also released to NGOs and private entities under public private participation arrangements (eg. EMRI, Narayana Hrudayalaya, Yeshaswini Trust etc).

9.2.4 Other Major Health Programme Initiatives:

The Department of Health and Family Welfare Services implements various National and State Health programs of Public Health importance and also provides comprehensive Health Care Services to the people of the State through various types of Health and Medical Institutions. The progress of the health programmes are presented in **Table 9.31**

Janani Suraksh Yojana: The goals of JSY are reduction in maternal and infant mortality rate as well as to increase the institutional deliveries of BPL and SC/ST families. Under this Yojana, besides ensuring maternity services like 3 antenatal checkups and referral transport, cash assistance is provided for deliveries taking place both in health institutions and home. In the rural areas the cash assistance to the mother for institutional delivery is Rs. 700/- per case whereas in the urban areas the cash assistance to mother is Rs. 600/- for institutional delivery. The cash assistance is also available for women delivering at home, the amount given is Rs. 500/- per case. If in case of government run health Centers or hospitals, the specialists are not available, the institution can hire such specialists to manage complications or for Caesarean

section. Assistance up to Rs.1500/- per delivery could be utilized by the health institution for hiring services of specialists.

Thayibhagya: In order to reduce Infant Mortality Rate (IMR) and Maternal Mortality Rate (MMR) in the Backward Districts of Bidar, Gulbarga, Yadgir, Raichur, Koppal, Bagalkot and Chamarajanagar. Empanelled private hospitals are given an incentive of Rs. 3 Lakhs for every 100 deliveries conducted including surgeries, treatment being free to the patients. 3200 beneficiaries have availed at a cost of Rs..290.60 Lakhs.

Thayi Bhagya Plus: To achieve the goals of Maternal and Child Health targets, the state has introduced an incentive of Rs. 1000/- upon delivery in Private hospitals for eligible pregnant mothers belonging to below Poverty Line, and SC/ST. Till now 693 beneficiaries have availed the benefit @ a cost of Rs.45.21 Lakhs.

Arogya Kavacha: This programme provides free first aid and referral transport in case of medical, Police, and Fire emergencies. Till now 18749856 calls have been received of which 18519149 calls **have been** attended .Of the calls attended 42% are pregnancy related. 517 ambulances have been deployed under this programme.

Suvarna Arogya Chaitanya: This is a unique programme being implemented for the first time in the Country. In this programme about one crore school children (including both of private and Govt. sector) are medically Screened and children needing surgeries are provided surgical treatment free of cost in empanelled hospitals. Till now 8306868 children have been medically examined and 4626 surgeries have been done at a cost of Rs 36.88 crores.

Madilu: It is one of the schemes started by government to provide post natal care for the mother and the child. The objective of the scheme is to encourage poor pregnant women to deliver in health centres and hospitals in order to considerably reduce maternal and infant mortality in the state. Under this programme, a kit is provided to women belonging to below poverty line families delivering government hospitals. The benefit is limited to two live deliveries.

Prasooti Araike: This scheme was introduced in six „C“ Category districts of Gulbarga, Bidar, Raichur, Koppal, Bijapur and Bagalkote for the benefit of pregnant women belonging to below poverty line SC and ST families. This has now been extended to all below poverty line pregnant women of all the districts. The women of below poverty line will get Rs. 2000 (for first two deliveries) during her antenatal care to get nutritious food.

Bhagyalakshmi Scheme: 801639 Girl children across the State have been medically examined. This is to achieve the aim of gender parity. The scheme is being implemented in co-operation with Women and Child Department.

Table 9.31: Progress of Various Health Programmes (Unit in Numbers)

Programmes	2007-08	2008-09	2009-10	2010-11 (Up to Nov ,10)
Prasuti Aaraike	-	33717	236277	59768
Madilu	15188	195141	247372	174056
Thayi Bhagya	-	1464	28186	24308
Janani Suraksha Yojane	274266	400349	473145	278747
Suvarna Aarogya Chaitanya	-	1537	2072	1017
Arogya Kavacha	-	43298	351966	400816
Dialysis	-	36	6294	4717
Telemedicine	-	11159	12211	6592
Vajpayee Aarogya Sree	-	-	264	3915
Geriatric	-	1188	10689	8788
Burns Care Wards	-	205	622	383

ACHIEVEMENTS OF THE DEPARTMENT

1. IMR has been brought down from 47 to 41 per 1000 live births
2. MMR has been reduced from 228 to 213 for **100000** live births.
3. Total Fertility Rate has been reduced to replacement level (2 children per couple). The Govt. of India had set a target of total Fertility Rate of 2.1 to be achieved in 2012. This has already been achieved.
4. Institutional delivery increased from 65% to 86%.
5. Fully Immunized children from 76% to 78%.
6. In the year 2007, 50,000 Malaria cases have been reported along with 18 deaths due to malaria. The disease has been reduced to 36000 cases in the year 2009. During the year 2008-09 no malaria deaths have been reported.
7. The Department due to proactive steps saw no epidemic of cholera or Gastro-enteritis during the period of Floods in North Karnataka during 2009.

9.2.5 Karnataka Health Systems Development & Reforms Project (KHSDRP):

The Karnataka Health Systems Development & Reforms Project (KHSDRP) is a World Bank (IDA) assisted project being implemented at a cost of Rs. 897.77 crores (US\$ 206.48 Million). Project is to be implemented over a period of 5 years commencing from 11.1.2007 and expected to be completed by 31.3.2012. The main objective of the Project is to increase utilization of essential health services (curative, preventive and public health) particularly in underserved areas and among vulnerable group, to accelerate achievement of the health related Millennium Development Goals (MDGs). Project proposes to contribute to essential health outcomes by reducing maternal, child mortality and communicable diseases.

Project has two windows of financing viz., (1) **Project Finance Component** (Outlay of Rs. 419.49 crores ; US \$ 96.48 million – 90% IDA share & 10% GoK Share); (2) **Programme Finance Component** (Outlay of Rs. 478.28 Crores ; US \$ 110 million with

50% IDA share & 50 % GoK share). **Table 9.32** presents the outlays of project and programme finance.

Table 9.32: Total Outlays under the KHSDRP Project

Component	IDA Share		GoK Share		Total	
	US\$ Million	INR in Crores	US\$ Million	INR in Crores	US\$ Million	INR in Crores
Project Finance	86.83	377.54	9.65	41.95	96.48 (46.72%)	419.49
Programme Finance	55.00	239.14	55.00	239.14	110.00 (53.28%)	478.28
Total	141.83	617.59	64.65	280.18	206.48	897.77
Share	69%		31%		100%	

Under Project Finance the following activities are taken up for achieving the overall project objective:

- i. Organisational Development
- ii. Public Health Competitive Fund
- iii. Service Improvement Challenge Fund
- iv. Health Financing / Insurance
- v. Project Management & Evaluation

Programme Finance is in the nature of incentive funding to GoK for increased spending on H & FW programmes and thereby promote the cause of universal health and availability of health care to all particularly weaker & deprived sections of the society. IDA share of assistance is to be availed on the basis of incremental expenditure by the GoK on the ongoing H & FW schemes (essentially state sector schemes related to Primary Health Care) subject to achievement of agreed reform milestones.

Achievement under the KHSDRP (Till Dec 2010)

1. In Organisational Development

- 98 out of 400 Doctors in the department have been trained in development of embedding leadership in Doctors.
- In service personnel have been deputed for various workshops conducted by institutions such as ASCI, ESCI, IIHMR, AIIMS etc
- 81 Doctors trained in Master Facilitation Course in leadership & human resource development
- 56 Doctors/staff have been sponsored for IGNOU correspondence courses to acquire higher qualifications and knowledge
- „Attitudinal Change and Capacity Building workshop“ successfully conducted on pilot basis at Bellary District for paramedical staff of the department. Activity is scaled up to cover 50% of the staff of HFW (about 28,000 staff) and 11 batches have already started.

- 60 Officers have been exposed to better international practices by way of Hospital Management Course at Bangkok.
- Medical Manual for Medical Officers developed
- Draft Public Health Act prepared and is under consultation
- Fostering Knowledge Implementation links in field of Health taken up with IIMB
- Reorganisation of Health Department with developing a separate Public Health Cadre / wing initiated
- For capacity augmentation the Health Department Health Accounts Cell, IEC Cell, PPP cell, Quality Assurance Cell, Blood Bank Cell, Biomedical Waste Management Cell have been constituted and functioning.

2. Public Health Competitive Fund

- Training and Capacity Building to nearly 4.5 lakh Arogya Raksha Samithi members and Village Health and Sanitation Committee members initiated through appointment of 34 NGO's
- 44 NGO's appointed for creating health awareness and social mobilization on non curative services like Immunisation, TB, Public Health, Maternal Health etc

3. Service Improvement Challenge Fund

- Under this activity lot of Initiatives have been taken up under PPP mode
 - **95 Mobile Health Clinics** in most backward, more backward Talukas, hilly, tribal, remote and inaccessible areas operationalised. 67 Mobile Health Clinics under the project apart from 28 under NRHM
 - **37 Citizen Help Desks** started – 19 under the project apart from 18 under NRHM
- In order to improve Health Infrastructure construction of 267 facilities including 35 PHC's, 152 sub centres, 9 ANM training centres and 13 Drug Ware houses have been taken up and 240 facilities have already been completed

4. Health Financing/ Insurance

- KHS DRP has initiated and has been supporting implementation of Health Insurance pilot in Karnataka. A Suvarna Arogya Shree Trust has been registered and „Vajpayee Arogya Shree scheme“ being implemented in Gulbarga & Belgaum Divisions across 13 districts covering about 32 lakh BPL families
- Till end of December 2010, 5690 Pre-authorisation cases have been approved amounting to Rs. 33.49 crore. Payments settled in respect of 2976 cases amounting to Rs. 16.71crore.

5. Project Management & Evaluation

- **Health Management Information System (HMIS) developed**
 - A Web based Hospital HMIS Software developed and training completed for all Hospitals. PHC wise and Hospital data available online
 - Web based GIS developed and hosted
 - District Health Information made online and PHC wise information being fed monthly
 - Equipment Management System implemented in district hospitals, Taluk Hospitals and CHC's
- **Impact assessment and Evaluation of programmes taken up.** So far evaluation of Mobile Health Clinics has been completed. Evaluation of Citizen Help Desks, baseline survey for Thayibhaga program, Health Facility survey and Household Survey being taken up.

The overall disbursement position as at end of December 2010 under the project is presented in **Table 9.33**.

Table 9.33: Total Disbursement under KHSDRP Project till December 2010

Component	Project Cost		Progress till Dec 2010	Disbursable Component	Disbursed till December 2010
	US \$ (million)	In INR (Rs Crore)	In INR (Rs Crore)	IDA Share	IDA Share
				US \$ (million)	US \$ (million)
Project Finance	96.48	419.49	157.17	86.83	50.72*
Program Finance	110	478.28	478.28	55	45
Total	206.48	897.77	635.45	141.83	95.72

*including advance of 25 million dollars

Out of the total project cost of Rs. 897.77 crore, the financial progress achieved till end of December 2010 is Rs. 635.45 crore a progress of 70.78%. In terms of disbursements out of the IDA share of 141.83 million \$, the disbursement achieved till end of December 2010 is 95.72 million\$, an achievement of 67%.

9.2.6 KfW Assisted „Upgrading Secondary Level Health Care Facilities in Karnataka Project:

With the assistance of KfW Germany, upgradation of Secondary Level Health Care Facilities has been taken up in the three districts of Gulbarga, Bellary & Koppal. This is Phase-II of the project and is undertaking construction, extension and rehabilitation of 13 hospitals consisting of 2 District Hospitals, 4 General Hospitals and 7 Community Health Centres. The total project cost is 17.9 Million Euro of which 14.3 Million Euro comes from KfW in the form of Grant. Sharing pattern of KfW:GoK is the ratio of 80:20 respectively. The Project will end on 31st March 2011. As at end of December 2010, the entire kfw share of 14.3 Million Euro has been drawn of which 12.94 Million Euro has been utilized a progress of 90%. Project is in a position to utilise the remaining grant by 31st March 2011.

9.2.7 National Aids Control Programme:

Karnataka State AIDS Prevention Society is implementing National AIDS Control Program Phase III funded by National AIDS Control Organization, Delhi. Karnataka is one of four large southern India states with a relatively advanced HIV epidemic, with the adult HIV prevalence in several districts exceeding 1% for the past 9 years. Karnataka has been conducting the HIV Sentinel Surveillance since 1998. Surveillance is carried out annually by testing for HIV at designated sentinel sites. The prevalence among antenatal clinics (ANC) attendees in 2007 is 0.86%. This is close to the NFHS-3 estimate of 0.69% in 2006. HIV prevalence among the ANC attendees indicates a decline in adult HIV prevalence in the state, from 1.5% in 2003 and 2004 to less than 1% (0.9%) in 2008. HIV prevalence among sexually transmitted disease (STD) clinic attendees, female sex workers (FSW) and men who have sex with men (MSM) is 10.97 %, 14.19% and 12.62 % respectively. **Table 9.34** progress made by the state in AIDS control over the last few years.

Table 9.34: Number of HIV tests and Identified Positive Cases during the Last few years

Indicator	2007	2008	2009	2010(upto November)
Tested	398877	887869	1388999	1443397
Positive	30132	44915	51228	43725
Positivity Rate	7.55%	5.06%	3.69%	3.03%
AIDS Cases	6026	9446	17233	12731
Deaths	1614	2583	4161	4343

Response from Karnataka State AIDS Prevention Society (KSAPS) has been to saturate targeted interventions (TIs) with female sex workers and Men having Sex with Men and Transgender (MSM T) in the urban areas. This saturation currently covers around 79000 FSWs under targeted interventions and 26000 MSM T through NACO/KSAPS and donor funded TIs. There are no coverage gaps in both FSW and MSM T. KSAPS has initiated two IDU programmes covering 801 IDUs in the city of Bangalore. It also covers 32,000 migrants through 6 TIs. Three truckers TIs supported by NACO/KSAPS and donor funded covering a population of 15,000 and 20,000 long distance male truckers respectively are being implemented covering all required Transshipment Locations. During 2009-‘10, 745671 Non-ANCs were counseled and tested with a prevalence rate of 7 % and 797449 ANCs were counseled and tested with a prevalence rate of 0.44% in ICTCs.

During 2009-‘10, 33 ART centers and 30 Link ART Centres have been functioning. The cumulative number of HIV cases registered at ART Centres is 124354, out of which, 41515 cases are alive and on ART (38500 adults and 3015 children). Community Care Centres (CCCs) which primarily focuses on ART adherence and psycho-social support of PLHIVs and their families. Presently 33 CCCs are functioning. KSAPS undertakes various Mass and Mid media campaigns through radio and television programmes, by setting up of hoardings and bus and auto rickshaw panels, through folk troupe and door to door campaigning at high and vulnerable HIV prevalent talukas in the state. 590 Red Ribbon Clubs have been set up at colleges across Karnataka.

9.2.8 Pregnant women who tested positive in antenatal clinics for HIV district wise: The district wise position of pregnant women who tested positive for HIV has at antenatal for the year 2005 shows a decline from 1.34% to 0.89% in Karnataka in 2008. Among the districts Belgaum, shows high prevalence of among testing positive of HIV at antenatal clinic in 2005 followed by Bagalkot and Koppal district 2.88% each, Bijapur 2.13%, Districts including Udupi, Shimoga, Mangalore, Kodagu, Kolar, Chikamagalur, Chitradurga and Bangalore have below the state average. By 2008 position of districts has considerably changed. Kodagu has shown highest prevalence rate of 2.63% among the districts followed by Bagalkot 2.13%, Gulbarga and Chikkaballapur 1.25% each. Districts of Udupi, Raichur, Mangalore, Bangalore, Bijapur and Chikmagalur are among the major districts with below the state average of 0.89% in 2008. **(Appendix 9.6)**

9.2.9 State Blood Transfusion Council: State Blood Council was established in the state during 1998-99 to provide adequate & safe blood and blood products at reasonable rates. At present there are 171 registered blood banks in the state of which 65 are supported by NACO. Out of total 171 blood banks, 40 are in the Government sector, 25 are in the voluntary /

charitable sector and 106 in private / sector. There are 36 blood storage centers and 9 blood transportation and distribution in Karnataka.

9.2.10 School Health Programme: The School Health Programme is a major initiative specifically focused on school age children. Its focus is to address holistically the health and nutrition needs of children in a manner which fulfils the needs of today's lifestyle School. Health Program is envisaged as an important tool for the provision of preventive, promotive and curative health services to the population. The programme at the national level has been developed to provide guidance to States who are already implementing or plan to implement their own versions of programme and to give guidance. The progress achieved under the school health programme of the state is presented in **Table 9.35**. The achievement under this programme has been below the target in the previous two years. However, in the year 2010-11 the progress under this scheme up to October itself comes closer to the target.

Table 9.35: Achievement under School Health Programme

Year	No. of Students Examined (in Lakhs)		No. of Students treated (Minor ailment) (in Lakhs)	No. of Major operations performed (Nos.)
	Target	Achievement		
2008-09	91.77	85.76	12.46	1537
2009-10	89.29	82.45	17.97	2072
2010-11 (Up to Oct.,10)	92.23	83.46	17.14	1193

9.2.11 Universal Immunization:

Universal immunization programme was started to achieve 100 per cent immunization and to reduce the mortality and morbidity among infants and young children due to vaccine preventable diseases such as Tuberculosis (T.B.), diphtheria, whooping cough, tetanus, polio and measles. It is clear that coverage of different vaccination is increasing but it has yet to reach the cent per cent target. **Table 9.36** presents information on the achievement of different vaccination in the state. The full immunisation is going up and is around 78 per cent.

Table 9.36: Performance of Universal Immunisation Programme

Vaccine Name	No. of Beneficiaries (in Lakhs)		
	2008-09	2009-10	2010-11 (Up to Nov 2010)
BCG	1098931	1085556	392237
DPT (3rd)	1044946	1070125	374545
Polio (3rd)	1074087	1068705	369874
Hib			319858
Measles	1028859	1018121	355189
DPT (Booster)			271281
Polio (Booster)			269723
DT			398890
TT (10 Years)			466730
TT (16 Years)			380538
TT (Mothers)	1133230	1190192	397142
Fully Immunised Children	76 %	78 %	

9.2.12 Department of Ayush:

This department provide health services, focused on primary health care in the Govt. and as well as private and also not for profit sector. There are several Clinics, Hospitals, Nursing Homes for inpatient care and specialized therapists like Panchakarma, the kit interventions etc. The strategies in the 11th Five Year Plan include training for AYUSH personnel mainstreaming the system of AYUSH in National Health Care delivery system, strengthening regulatory mechanism for ensuring quality control, research and development and processing technology involving accredited laboratories of the Govt. and Non-Govt. sectors. There are 76 Ayurvedic Hospitals, 569 Dispensaries, 11 Unani Hospitals 50 Unani Dispensaries, 10 Homoeopathy Hospitals 43 Dispensaries, 6 Nature Cure and Yoga Hosp. 5 Dispensaries in the state. The details of bed strength, patients, statistics is given in **Table 9.37**

Table 9.37: Number Of Health Science Colleges/Institutions In The State For The Year 2010-11

Faculty	Government		Govt. Aided		Unaided		Total	
	Institutions	Admitted Students	Institutions	Admitted Students	Institutions	Admitted Students	Institutions	Admitted Students
Ayurveda :								
Graduates	3	150	5	310	50	2310	58	2770
Post-Graduates	3	59	5	77	11	183	19	319
Unani :								
Graduates	1	50	-	-	3	120	4	170
Post-Graduates	-	-	-	-	-	-	-	-
Homoeopathy:								
Graduates	1	40	-	-	10	765	11	805
Post-Graduates	-	-	-	-	5	83	5	83
Yoga & Nature cure								
Graduates	1	25	-	-	2	120	3	145
Post-Graduates	-	-	-	-	-	-	-	-
Total	9	324	10	387	81	3581	100	4292

9.2.13 Medical Education under Ayush: There are 3 Govt, 5 Govt. aided and 50 un-aided Ayurvedic Colleges, 1 Govt. 3 Un-aided Unani Colleges, 1 Govt., 10 Pvt. Un-aided Homoeopathy Colleges and 1 Govt. 2 Un-aided Nature Cure Colleges are working in the State. The details of UG and PG students intake in Govt., Govt. Aided and Pvt. Colleges is given in **Appendix 9.7, 9.8 and 9.9**. There are no Pharmaceutical and Paramedical colleges in the State.

9.2.14 District Level Household and Facility Survey: The District Level Household and Facility Survey (DLHS-3) was carried out in 2007-08. Earlier DLHS surveys were carried out during 1998-99 (DLHS-1) and 2002-04 (DLHS-2). DLHS-3 provides information on maternal and child health, family planning and other reproductive health services. Important information on key indicators and their trend for the State are given in **Table 9.38**

Table 9.38: Health Indicators as per DLHS-2 (2002-04) and DLHS-3 (2007-08)

Indicators	DLHS-2 (2002-04)	DLHS-3 (2007-08)
Mean age at marriage for girls (Marriages that occurred during the reference period).	19.1	19.8
Currently married women of age 20-24 years who were married before 18 years of age (%).	N.A	50.2
Women of age 20-24 years reporting birth of order 2 & above (%).	59.4	59.8
Women with two children wanting no more children (%).	45.6	50.9
Institutional deliveries (%).	58%	65.10%
Mothers who had full antenatal check up (%).	78.60%	81.60%
Mothers who received post-natal care within two weeks of delivery (%).	N.A.	69.10%
Mothers who received financial assistance for delivery under JSY (%).	-	2.83 Lakh Women
Children of age 12-23 months fully immunized (%).	71.30%	76.70%
Use of modern contraceptive (%)	57.70%	60.80%

9.2.15 Causes of Death:

For the effective control of maternal and infant mortality, it is important to understand the causes of such mortality. **Tables 9.39 and 9.40** present information on top five causes of mortality for infants and females in the age group 15-49 respectively. The major causes of infant deaths are due to prematurity or low birth weight. Pneumonia & Bronchitis and Birth Asphyxia also account for another major proportion of deaths. Among females in the age group 15-49 post partum hemorrhage is the leading causes of death. This is followed by pre Eclamsic Toxiema and sepsis.

Table 9.39: Top Five Causes of Infant Mortality

Cause of Death	% of total deaths during 2009
Pre maturity & low birth weight	35
Pneumonia & Bronchitis	24
Intrauterine hypoxia & Birth Asphyxia	23
Congenital Malformation	6
Diarrhoeal diseases	2
Others	10
Total	100

Table 9.40: Top five Causes of Death for Female of Age Group 15-49

Cause of Death	Death during 2009-10
Post partum hemorrhage	298
Pre Eclamsic Toxiema	105
Sepsis	94
Anaemia	64
Ante partum hemorrhage	35
Obstruct Labour	14
Others	567
Total	1227

9.2.16 Expenditure on Health:

The plan and non-plan outlay for the health sector during the last three years is given in Table 9.41. The budgetary provision for the health sector has substantially increased during 2010-11. The details of the central assistance and its disbursement are also provided in Table 9.42

Table 9.41: Plan & Non-plan Expenditure on Health & Family Welfare (in Rs. Lakhs)

Year	Plan	Non-Plan	Total
2008-09 (A/C)	100548.69	107174.63	207723.32
2009-10 (BE)	117162.73	120200.28	237363.01
2009-10 (RE)	107440.86	120126.48	227567.34
2010-11 (BE)	138817.16	136898.25	275715.41

Table 9.42: Funds received from Government of India and Utilization (Rs in Lakhs)

Financial Year	GOI releases thro' State Health Society	GOK releases thro' State Health Society	Opening Balance (Unspent Balance)	Total Fund (2+3+4)	Expenditure of State Health Society	Expenditure as Percentage on GOI releases
2005-06	5131.4	0	0	5131.4	1503.57	29%
2006-07	16560.02	0	3508.83	20068.85	5848.9	35%
2007-08	15883.04	0	15252.51	31135.55	14440.65	91%
2008-09	31341.73	7273.51	16690.1	55305.34	31666.46	98%
2009-10	31199.17	12210.1	25195.37	68604.64	48256.91	156%
2010-11 (Nov 10)	33128.77	6610.00	17201.00	56939.77	30856.43	94%
Total	100970.56	19483.51	-	-	101878.70	

9.3 LABOUR AND EMPLOYMENT:**9.3.1 Key Employment Indicators:**

The need to ensure adequate growth in employment opportunities for providing productive employment for the continually growing labour force is widely regarded as one of the most important challenges of the state. The expansion of productive employment is also crucial for sustained poverty reduction, as labour is the main asset for a majority of the poor. Karnataka is basically an agrarian economy where a majority of the population depends on the primary sector, employment is largely unorganized, rural and non-industrial in nature.

Karnataka and Andhra Pradesh have one of the highest Rural Labour Force Participation Rates (RLFPR) amongst the comparable states (**Table 9.43**). The state-wise distribution of population and labour force in 2004-05 along with the LFPR is given in **Appendix 9.10**. Karnataka improved its position in labour force with third highest Labour Force Participation Rate (LFPR) in the country. However, the Urban Labour Force Participation Rates (ULFPR) for the state, although higher than the national rate, ranks as one of the lowest amongst the comparable states. The Work Participation Rate (WPR) follows a similar trend with the Rural Work Participation Rates (RWPR) being significantly higher than the Urban Work Participation Rate (UWPR).

Table 9.43: Comparison of Employment Indicators Across Select States

States	Number of persons in the labour force per 1000 persons (LFPR) (ps+ss)		Number of persons usually employed per 1000 (WPR) (ps+ss)		Working Children per 1000 children in age group of 10-14	
	Rural	Urban	Rural	Urban	Rural	Urban
Karnataka	546	397	542	386	111	20
Maharashtra	527	399	521	384	90	17
Tamil Nadu	534	434	528	418	28	29
Kerala	448	440	400	371	3	6
Andhra Pradesh	548	406	544	392	146	58
Gujarat	516	387	513	377	55	33
India	446	382	439	365	71	41

Source: NSSO 61st round Report no.515: Employment and Unemployment situation in India 2004-05

Note: ps=principal status workers; ss=subsidiary status workers

Table 9.44: Comparison of Employment Indicators Across Select States (contd.)

Indicator		India	Karnataka	Maharashtra	Tamil Nadu	Kerala	Andhra Pradesh	Gujarat
Per 1000 distribution of usually working persons in agriculture (ps+ss)	Rural	727	810	800	654	420	718	773
	Urban	88	82	68	83	157	100	62
Average daily wages in Rs for casual workers of age 15-59 years engaged in works other than public works (activity status code 51)	Rural Male	55	48.3	47.3	70.4	134.8	50.3	52.8
	Rural Female	34.9	30.7	28.1	36.5	65.7	30.8	43.1
	Urban Male	75.1	80.8	79.5	83.1	137	64.7	83.4
	Urban Female	43.8	46.3	39.1	47.5	66.9	36.2	46.3
Unemployment rates per 1000 according to current weekly status	Rural	39	19	44	30	156	38	15
	Urban	60	36	64	49	180	52	37
Current weekly status unemployment rates for the educated persons of age 15 years and above	Rural	82	58	63	80	268	82	27
	Urban	104	58	70	79	250	104	47
Number of employed persons according to ps of age 15 years and above who did not work more or less regularly throughout the year per 1000 employed persons	Rural	118	75	153	127	140	138	112
	Urban	67	32	89	63	103	49	61

Source: NSSO 61st round Report no.515: Employment and Unemployment situation in India 2004-05

The number of working children per 1000 children in the age group of 10-14 years in Rural Karnataka is significantly higher than the national average as well as that in other states. This indicates higher incidence of child labour in the rural areas of the state.

Across rural and urban areas, the average daily wage for casual workers engaged in works other than public works is significantly lower for female workers. This gender based wage differential exists across all states. The detail information on average regular and casual daily wages for male, female and persons in rural and urban areas in different states is given in **Appendix 9.11**.

The agriculture sector employs the largest proportion of the working population (81%) in Rural Karnataka. However, this sector has the lowest levels of output per worker

and this has a negative impact on the overall productivity and income levels of areas which are heavily dependent on agriculture.

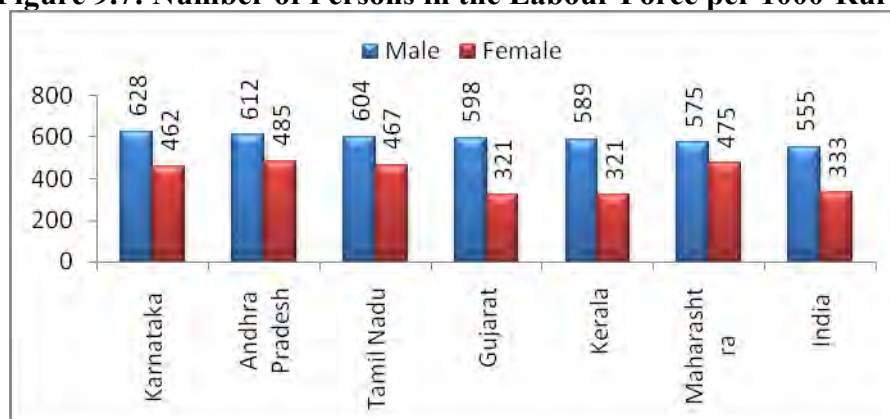
The unemployment rate for both Rural and Urban Karnataka is the lowest amongst comparable states. However there exists a significant gap between the rural and urban areas within Karnataka itself. The incidence of unemployment in Urban Karnataka is almost double that of Rural Karnataka. This observation in the context of the rapid pace of urbanisation is a cause of concern.

Underemployment measured as the number of employed persons of age 15 years and above who did not work more or less regularly but are willing to work throughout the year is lower than the national average and the lowest amongst all the comparable states for both rural and urban areas. However under employment is more significant in Rural Karnataka, rather than in Urban Karnataka. This implies that while unemployment is lower in Rural Karnataka, a significant portion of the rural employed finds only seasonal employment.

9.3.2 Labour Force in Karnataka:

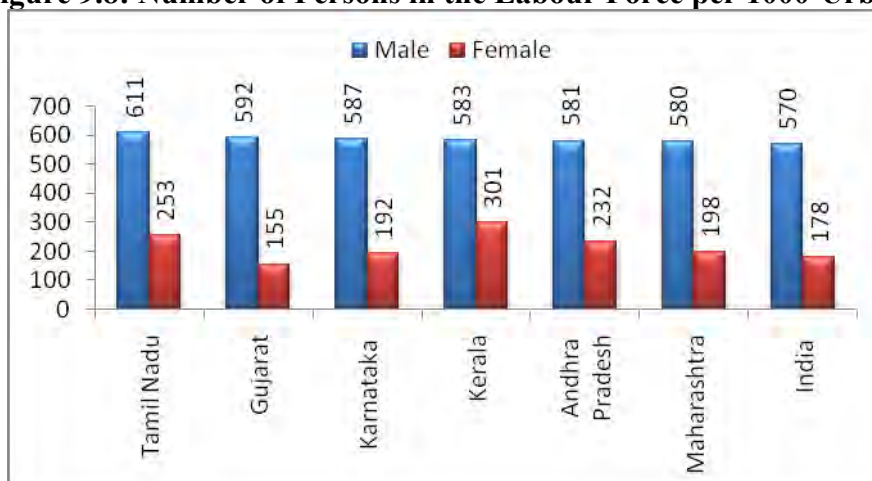
63% of the Karnataka's total population is in the working age group of 15-59 years, which is higher than the All-India average of 59%. According to the usual status (ps+ss), about 63% of rural males and 46% of rural females belonged to the labour force. For urban areas the corresponding figures are 59% and 19% respectively (61st Round of NSSO Survey, 2004-05). Although the numbers are broadly comparable, Karnataka has the relatively high proportion of labour force. The labour force participation rate for females in Rural and Urban Karnataka are higher than comparable figures in India (**Figure 9.7 and 9.8**).

Figure 9.7: Number of Persons in the Labour Force per 1000-Rural



Source: NSSO Employment Survey, 61st Round

Figure 9.8: Number of Persons in the Labour Force per 1000-Urban



Source: NSSO Employment Survey, 61st Round

The composition of labour force by location and sex in 2004-05 is given in **Table 9.45** and the percentage distribution is given in **Table 9.46**. Rural males constituted about 47.6 percent of the total labour force at the all India level, where as it is 41.6 percent in Karnataka. The share of rural females at the all India level was 26.8 percent whereas Karnataka had significantly high percentage of rural females in labour force (30.0%). Urban Females constituted only 5.5% of the total labour force in the country whereas it was as high as 6.5 percent in Karnataka. In the case of Scheduled Caste and Schedule Tribes (STs), Karnataka had the highest LFPR of 52.1 and 55.1 percent respectively compared to all India average of 43.75percent (SC) and 50.49 percent (ST) respectively. The above and below state average figure over the period of time is given in **Tables 9.47 and 9.48**

Table 9.45: Distribution of Labour Force (million) by Location & Sex 2004-05				Table 9.46: Percentage Distribution of Labour Force by Location & Sex, 2004-05			
Location	Gender	Karnataka	All India	Location	Gender	Karnataka	All India
Rural	Males	11.38	221.98	Rural	Male	41.79	47.56
Rural	Females	8.18	125.09	Rural	Female	30.02	26.8
Rural	Persons	19.56	347.07	Urban	Male	21.67	20.13
Urban	Males	5.9	93.96	Urban	Female	6.51	5.52
Urban	Females	1.77	25.75	All	Male	63.46	67.69
Urban	Persons	7.67	119.71	All	Female	36.54	32.31
All	Males	17.28	315.94	Total	Person	100	100
All	Females	9.95	150.83				
Total	Persons	27.23	466.78				

Source: NCEUS 2009

Table.9.47: Classification of States by Level & Change in LFPR: Scheduled Castes (Total)

Level of LFPR	Change in LFPR between 1983 and 2004-05	
	Positive	Negative
Higher than national average in 2004-05	Gujarat, Himachal Pradesh, Jammu & Kashmir, Karnataka, Kerala, Orissa	Andhra Pradesh, Madhya Pradesh, Maharashtra, Tamil Nadu
Lower than national average in 2004-05	Assam, Haryana, West Bengal	Bihar, Punjab, Rajasthan, Uttar Pradesh

Source: NCEUS 2009

Table 9.48: Classification of States by Level & Change in LFPR Scheduled Tribes (Total)

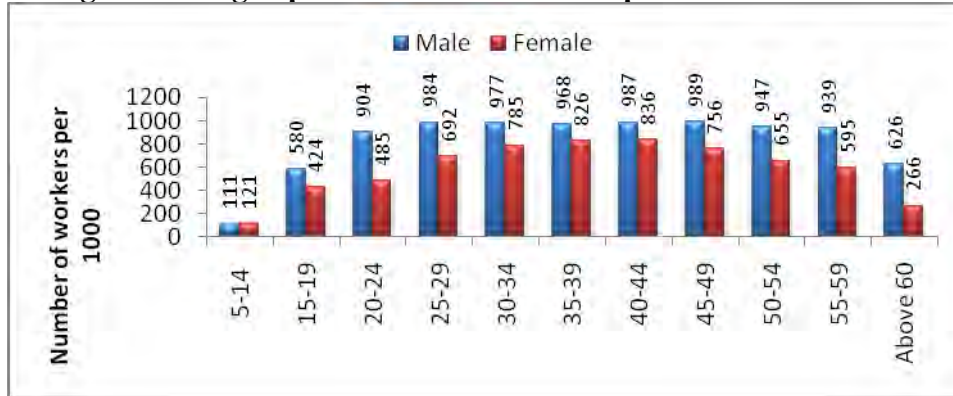
Level of LFPR	Change in LFPR between 1983 and 2004-05	
	Positive	Negative
Higher than national average in 2004-05	Gujarat, Karnataka, Kerala, Orissa	Andhra Pradesh, Himachal Pradesh, Madhya Pradesh, Maharashtra, Tamil Nadu
Lower than national average in 2004-05	Assam, Haryana, Jammu & Kashmir, Uttar Pradesh	Bihar, Punjab, Rajasthan, West Bengal

Source: NCEUS 2009

9.3.3 Age Composition of the Usually Employed:

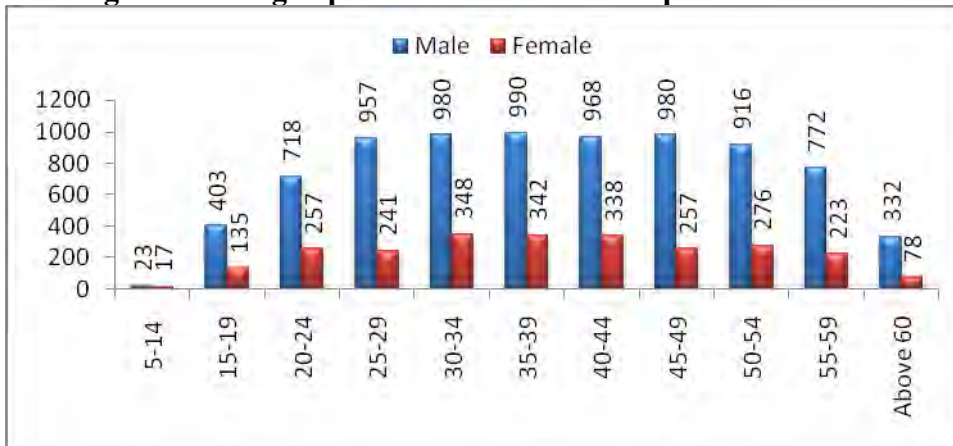
More than two-thirds of the Usually Employed in the state is in the age group of 25 to 50. Both rural and urban employment trends follow a similar trend in the different age categories (Figures 9.9 and 9.10). However, the usual worker population ratio in the urban sector with an average of 386 is significantly lower than it is in the rural sector with an average of 542 and across all age categories. There is also gender gap in employment, though the number of rural families (average = 459) is much higher than the urban females (average=181). The gap between rural males (average = 623) and urban males (average = 576) is much closer. It must also be noted that the rural male working age extends to the 55-59 age groups before dropping. However, this ratio starts dropping much earlier in urban areas, pointing to higher levels of deprivation in rural areas forcing extended working age.

Figure 9.9: Age Specific Usual Worker Population Ratio: Rural



Source: NSSO Employment Survey, 61st Round

Figure 9.10: Age Specific Usual Worker Population Ratio: Urban



Source: NSSO Employment Survey, 61st Round

9.3.4 Labour Force by Education:

There is no doubt that the problem of illiteracy among the labour force is fairly generalized for the country as a whole. But, the problem needs to be viewed as one of low education indicating a level of education that is adequate for absorption of information, acquisition of some level of formal training and maintaining one's own accounts with respect to wages and other transactions. Accordingly, education up to primary level has been defined to constitute the category of the least educated. Near about 62 percent of the workers falls into least educated category (**Table 9.49 and Table 9.50**). If acquisition of at least a middle level education (8 years) is taken as a dividing line, then close to two thirds of the labour force is inadequately educated. If a more strict dividing line, say, secondary level (10 years) and above is taken, then 78 percent or more than three-quarters of the labour force is inadequately educated to cope with the challenges of a technologically fast growing global economy where acquisition of basic educational skills is a *sin qua non* for a knowledge-based economy.

Table 9.49: Distribution of Labour Force by Education (million)			Table 9.50: Distribution of Labour Force by Education (in percentage)		
Educational Level	Karnataka	All India	Educational Level	Karnataka	All-India
Illiterate	10.83	177.08	Illiterate	39.78	37.94
Primary & Below	6.15	115.12	Primary & Below	22.58	24.66
Least Educated	16.98	292.19	Least Educated	62.36	62.6
Middle	4.48	72.28	Middle	16.45	15.49
Secondary & Hs	4.17	71.72	Secondary & Hs	15.33	15.36
Graduate and above	1.59	30.58	Graduate and above	5.86	6.55
Total	27.23	466.78	Total	100	100

Source: National Commission for Enterprises in the Unorganised Sector (NCEUS), 2009

According to NSS evidence, between 1983 and 2004-05, the reduction in the percentage of illiterates among rural labour force was 16.1 percentage and 15 percent in urban areas in Karnataka (Table 9.51)

Table 9.51: Percentage Distribution of Labour Force-Illiterates (1983 – 2004-05)

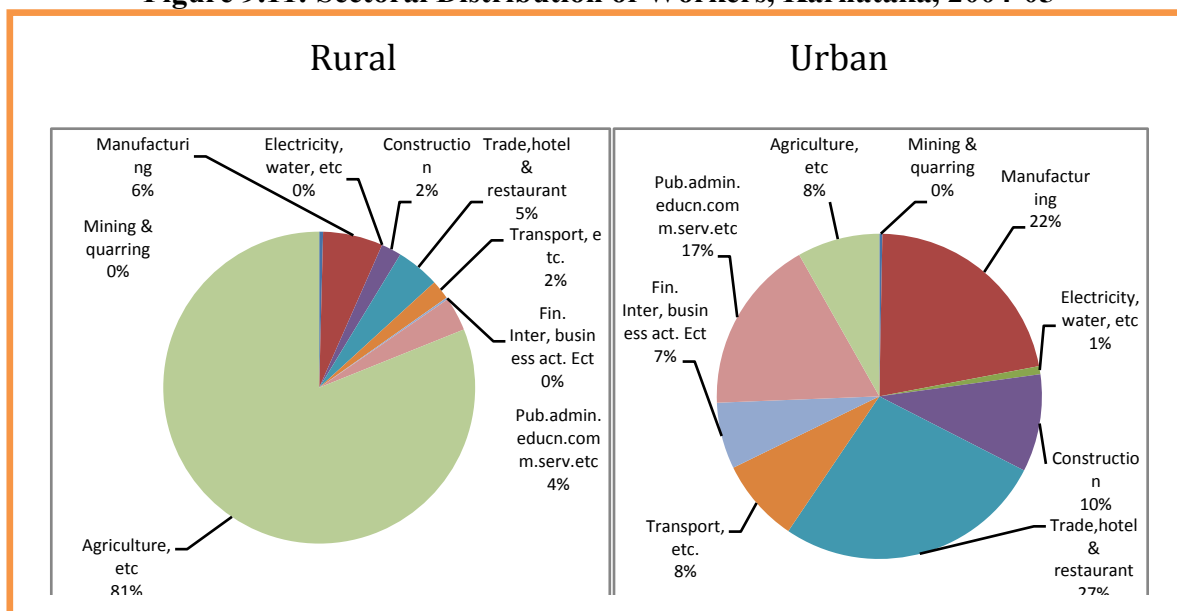
		Karnataka	All India
RURAL			
Males	1983	54.17	52.35
	1993-94	47.28	43.81
	2004-05	38.28	33.67
Females	1983	82.66	84.16
	1993-94	75.56	77.8
	2004-05	64.45	65.11
Persons	1983	65.3	64.05
	1993-94	58.84	55.86
	2004-05	49.22	45
URBAN			
Male	1983	22.96	22.17
	1993-94	20.57	18.07
	2004-05	10.14	12.84
Female	1983	55.15	56.22
	1993-94	48.91	45.68
	2004-05	34.31	34.3
Persons	1983	31.35	29.14
	1993-94	27.44	23.94
	2004-05	15.73	17.45

Source: NCEUS, 2009.

9.3.5 Sectoral Distribution of Workers:

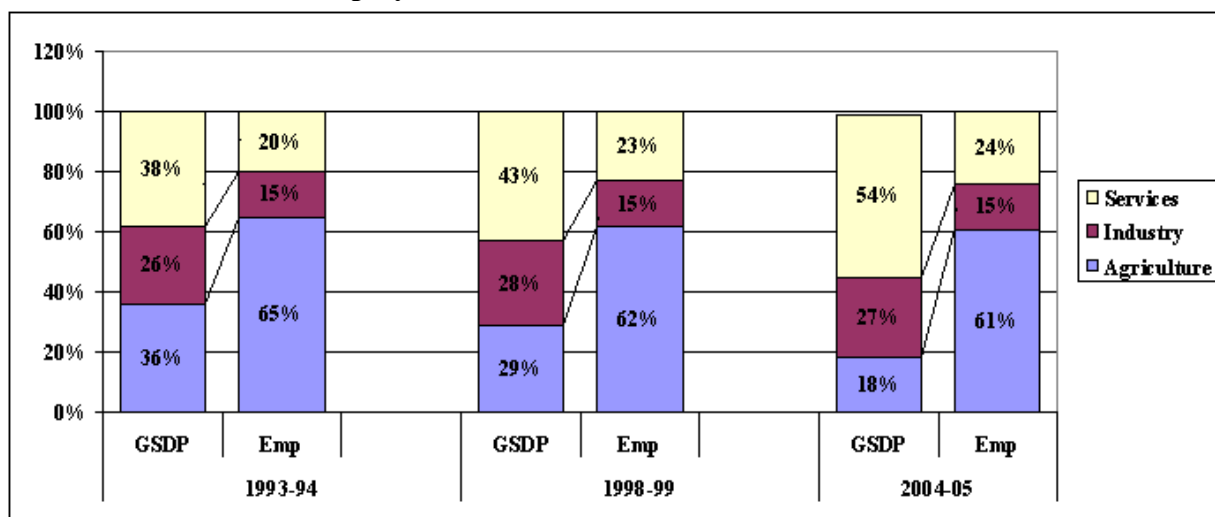
The distribution of workers across industry suggests that agriculture is the most important sector wherein 81 per cent of workers in the age-group of 15 years and above are engaged for their livelihoods (**Figure 9.11**) in rural Karnataka. In urban Karnataka, 27 percent of workers in Trade, Hotels and restaurant and 22 percent of workers in Manufacturing and 17 percent of workers in Public administration, etc are engaged according to NSS data 2004-05.

Figure 9.11: Sectoral Distribution of Workers, Karnataka, 2004-05



Source: 61st Round Employment and Unemployment Round, National Sample Survey, 2004-05

Figure 9.12: Shift in Sectoral Composition of Karnataka's GSDP and Sectoral Share of Employment between 1993-94 and 2004-05



Source: CSO for GSDP, NSSO 50th and 61st round

The shift in sectoral composition of Karnataka's GSDP and sectoral share of employment between 1993-94 and 2004-05 (**Figure 9.12**) points to the problems inherent in the model of development that Karnataka has been pursuing in the past few decades. Although the state's GSDP growth figures compare well with other states of the country, this cannot be said about its track record in terms of poverty reduction, which is desperately in need of more concrete efforts. This is the reason the State has implemented many poverty alleviation schemes.

The existing situation in the state requires focused efforts at enhancing individual capabilities, in line with the human development approach, which has become increasingly relevant in national and international development landscape. While aggregate economic growth continues to be significant, it is but one of the many complementary policy clusters required to ensure that people enjoy a good quality of life. Moreover, if people employed in traditional occupation are to move out of poverty, adequate transition mechanism has been created through easier availability of appropriate education and skill development training opportunities in the State.

9.3.6 Employment Status:

The following **Figure 9.13** shows usually employed by category of employment for rural and urban males and females in Karnataka (per 1000 persons). The figures indicate a stark difference in the composition of employment in rural and urban areas. While in case of rural population, there are just about 50 out of 1000 persons in regular employment (in usual status) as compared to approximately 386 regular employees in the urban population. On the other hand, there are about 457 out of 1000 persons working as casual labourers (in usual status) as compared to approximately 193 casual labourers in the urban population which is also much higher than the comparable figures for rural India (328). **Figure 9.13** below shows that from 1999-2000 to 2004-05, the number of self-employed persons and regular employees has actually declined for rural males, while the proportion of casual labour has increased. This is in contrast to the trend observed in urban areas where the proportion of casual labour is on the decline. These observations indicate that casualisation of labour in rural areas is a serious issue to be dealt with in the state.

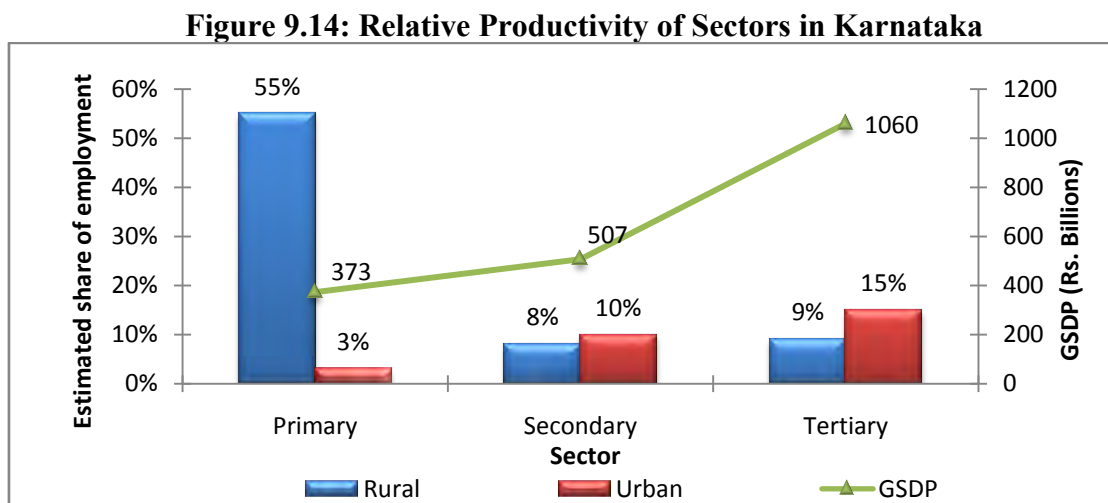
Figure 9.13: Employment Status in Rural and Urban areas in Karnataka



Source: NSSO 61st Round Employment and Unemployment Situation in India, 2004-05

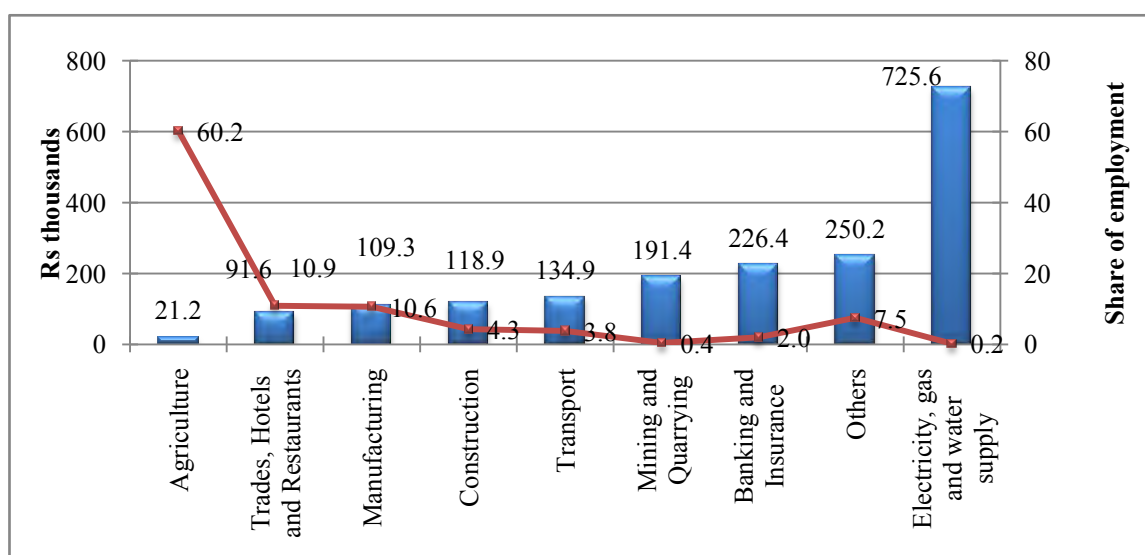
9.3.7 Relative Productivity of Sectors:

The movement of labour out of agriculture characterizes an economy in transition. During transition, the rate of labour transfer is slower than the relative decrease in contribution by agriculture, which creates wide gaps in output per worker across sectors. The **Figure 9.14** depicts that; the output per worker in services is 6.7 times more than that of a worker in agriculture.



The **Figure 9.15** depicts the output per worker across various sub-sectors in 2004-05. Agriculture employs 60.2% of the workers in the state, and each worker is producing only Rs.21,200 in terms of output. This low output is a major problem considering that agriculture is the livelihood of most workers (families) of the state. On the other hand, the output to worker ratio is higher in capital-intensive sectors such as in electricity, gas and water supply and is estimated at Rs. 7,25,600.

Figure 9.15: Output/Worker and Share of Employment Across Sub sectors



9.3.8 Fifth Economic Census: A Snap Shot:

Fifth Economic Census 2005 data shows that the number of total establishments comprising of Agricultural and Non-Agricultural activities increased from 19.12 lakh in 1998 (Fourth Economic Census) to 25.39 lakh in 2005 or by 32.81%. Correspondingly, the total number of persons usually working in establishments registered an increase of 20.79% from 52.53 lakh persons to 63.46 lakh persons. During the same period, the number of Own Account Establishments increased by 35.67% and the Establishments with at least one hired worker by 28.07%.

The Agricultural employment increased from 7.22 lakh persons to 8.13 lakh persons or by 12.57% during the period 1998-2005. Corresponding increase in the Non-Agricultural employment was 22.10% i.e., from 45.31 lakh to 55.32 lakh persons. The population of hired workers increased by 28.86% in Non-Agricultural Establishments with at least one hired worker over a period of seven years from 1998 and it decreased by -9.11% in the case of Agricultural Establishments with at least one hired worker. The average number of workers per establishments (other than crop production and plantation) was 3 during 1998 and 2005.

With regard to total female employment increased by 30.96% between the period 1998 and 2005. In respect of female employment, in Agricultural Establishments the increase was 13.55%, whereas the increase in Non-Agricultural female employment is 35.63%. The share of female employment to the total employment increased from 24.63% to 26.70% between the period 1998 and 2005. In respect of children working in Establishments, there was a steep shortfall in employment between 1998 and 2005 by as much as 59.53% in Agricultural Establishments and 67.18% in Non-Agricultural Establishments. Overall there is a decline in child labour by 65.54% in seven years (between 1998 and 2005).

Among the districts, Bangalore Urban District has provided maximum number of employment viz. 12.48 lakh to an extent of 19.66% of the total, 5.37 lakh persons have been provided employment in Mysore district (8.46%), followed by Belgaum 4.42 lakh (6.97%) and Dakshina Kannada with 3.52 lakh (5.55%) persons.

The number of employed persons in other districts is as follows. Bellary 2.11 lakh, Shimoga 2.10 lakh, Tumkur 2.90 lakh, Kolar 3.48 lakh, Bangalore Rural 2.96 lakh, Mandya 2.22 lakh, Hassan 2.01 lakh, Koppal 0.90 lakh, Gadag 0.99 lakh, Kodagu 0.43 lakh and Chamarajanagar 0.81 lakh.

So far, as distribution of hired workers by districts is concerned, it is seen that again Bangalore Urban (27.49%), Mysore (8.37%), Belgaum (6.02%), Kolar (4.59%) and Dakshina Kannada (4.28%) are the major contributory districts of the State. Other six districts viz., Dharwad (1.04 lakh), Bellary (1.05 lakh), Shimoga 1.12 (lakh), Tumkur (1.24 lakh), Bangalore Rural (1.36 lakh), Hassan (1.03) lakh each have contributed employment to more than a lakh persons. In the remaining 16 districts, contribution to employment is less than one lakh-hired workers each. Hired workers in Agricultural Establishments with atleast one hired worker are maximum in Mysore district (0.53 lakh). Hired workers in Non-Agricultural Establishments with atleast one hired worker is high in the districts of Bangalore Urban (9.41 lakh), Mysore (2.35 lakh) and Belgaum (2.01 lakh). Comparison of Economic Census 1998 & 2005 is in **Appendix 9.12 and 9.13**

9.3.9 Employment in the Organised Sector:

a. Employment in Public and Private Sector:

Organised sector employment in the state has increased by 0.25% from 22.85 lakh at the end of March 2010 to 22.91 lakh at the end of September 2010 adding 0.06 lakh additional jobs. Public sector employment accounts for 10.62 lakh (46.34 per cent) and private sector for 12.29 lakh (53.66 per cent), while the former has decreased slightly by 0.40 per cent, where as the latter has increased by 6 per cent between April and September 2010.

Branch wise comparison shows that employment in the State Government and local bodies has increased from 5.71 to 5.75 lakh and 0.68 to 0.69 and respectively from March 2010 to September 2010. Central Government, Central Government (quasi) and State Government (Quasi) employment has decreased from 0.97 lakh to 0.95 lakh, 1.65 to 1.63 lakh and 1.61 lakh to 1.60 respectively from March 2010 to September 2010. Employment in public sector has increased from 10.62 lakh in March 2010 to 10.66 lakh in September 2010. **Table 9.52** gives branch wise details of the organised sector employment at the end of September 2009.

Table 9.52: Employment in Public and Private Sector

(in ,,000)

Branch	Employment as on			Percentage Variation Sept - 10/ March - 10
	March - 09	March - 10	Sept - 10	
1. Central government	95.2	97.4	95.1	-2.36
2. State government	571.3	570.9	574.9	0.7
3. Central government (Quasi)	159.5	164.5	163.3	-0.73
4. State government (Quasi)	159.6	160.8	159.7	0.68
5. Local bodies	66.9	68.3	68.5	0.29
6. Private sector - Act	1115.9	1157.5	1163.5	0.52
7. Private sector - Non-Act	66.1	65.9	65.9	0
Public sector	1052.5	1061.9	1061.5	-0.04
Private sector	1182	1223.4	1229.4	0.49
Total	2234.5	2285.3	2290.9	0.25

b. Employment in Public and Private Sectors (Industry group wise):

An analysis of the organized sector employment by industry group reveals an increase in the employment in Public Administration & Defence, Compulsory Social Security from 2.807 lakh in March 2010 to 2.825 lakh in September 2010, an addition of about 1800 workers employed. In Health & Social work the increase was from 1.435 lakh in March 2010 to 1.452 lakh in September 2010, an addition of about 1700 workers employed. In Education sector employment had increased from 3.339 lakh in March 2010 to 3.352 lakh in September 2010. In Wholesale & Retail Trade sector sector employment had increased from 0.311 lakh

in March 2010 to 0.321 lakh in September 2010. Hotels and Restaurants, Construction, Mining & Quarrying, Electricity, Gas and Water, and Manufacturing sector employment had slightly increased. Organisation sector employment has remained constant in Fishing, Other Community and Social & Personal Services, sector Private Households with Employed persons. In Agriculture & Forestry, Transport, Storage and Communication, Finance & Insurance and Real Estate & Business activities employment had decreased from March 2010 to September 2010. Details are given in **Table 9.53**

Table 9.53: Employment in Public and Private Sectors (Industry group wise)
(in lakh)

Industry	Employed as on 31-03-2009			Employed as on 31-03-2010			Employed as on 30-09-2010		
	Public	Private	Total	Public	Private	Total	Public	Private	Total
1.Agriculture &Forestry	0.281	0.132	0.413	0.277	0.133	0.41	0.276	0.128	0.404
2.Fishing	0.009	0.001	0.01	0.009	0.001	0.1	0.009	0.001	0.01
3.Mining & Quarrying	0.077	0.074	0.151	0.072	0.074	0.146	0.072	0.076	0.148
4.Manufacturing	0.567	5.963	6.53	0.61	6.125	6.735	0.583	6.157	6.74
5.Electricity, Gas and Water	0.4	0.011	0.411	0.403	0.012	0.415	0.404	0.012	0.416
6.Construction	0.316	0.015	0.331	0.296	0.015	0.311	0.3	0.257	0.321
7.Wholesale & Retail Trade	0.066	0.235	0.301	0.064	0.247	0.311	0.064	0.251	0.315
8.Hotels and Restaurants	0.002	0.227	0.229	0.002	0.231	0.233	0.002	0.24	0.242
9.Transport,Storage & Communications	1.588	0.195	1.783	1.607	0.195	1.802	1.596	0.202	1.798
10.Finance & Insurance	0.786	0.245	1.031	0.808	0.253	1.061	0.804	0.251	1.055
11.Real Estate, Renting & Business activities	0.255	3.284	3.539	0.26	0.453	3.713	0.259	3.447	3.706
12.Public Administration & Defence, Compulsory Social Security	2.794	0.002	2.796	2.805	0.002	2.807	2.823	0.002	2.825
13.Education	2.154	1.139	3.293	2.167	1.172	3.339	2.172	1.18	3.352
14.Health& Social Work	1.159	0.244	1.403	1.167	0.268	1.435	1.179	0.273	1.452
15.Other Community, Social & Personal Services	0.071	0.053	0.124	0.072	0.053	0.125	0.072	0.053	0.125
16.Private Households with Employed Persons	0	0	0	0	0	0	0	0	0
Total	10.525	11.82	22.345	10.619	12.234	22.853	10.615	12.294	22.909

A district wise comparison of organised sector employment at the end of September 2010 shows that Bangalore district has the highest and Chamarajnar district has the least employment among the districts.

9.3.10 Predominance of Unorganised Sector:

The size of unorganised sector is 92.3 percent in Rural and 71.5 percent in urban Karnataka. As per the definition of National Commission for Enterprises in the Unorganised Sector (NCEUS), about 87 per cent of the workers work in the unorganized sector in Karnataka (the size of unorganised sector workers in India is 91.83 percent). Most of the unorganised workers are illiterate and low skilled and primarily engaged in low quality and low productive jobs with poor working conditions and absence of any social security provisions. Therefore, skill development and enhancement of productivity and levels of income of the unorganised workers is a tremendous challenge for the State. In view of the large size of workers in unorganized, the state has set up the social security board based on the Social Security Act, 2008, construction welfare board, Beedi welfare, skill development commission. The details are discussed in the ensuing section. The organized sector with secured job and provision of social security employs only 13.5 per cent of the total workforce. This picture is better than all India average of 8.17 percentage share of organised sector workers (Table 9.54).

Table 9.54: Distribution of Workers across Unorganised and Organized Sector in Karnataka, 2004/05

Item	Numbers (in Millions)			% distribution		
	Unorganised	Organised	Total	Unorganised	Organized	Total
Gender						
Male	14.44	2.65	17.09	84.5	15.5	100
Female	8.8	0.98	9.79	90	10	100
Location						
Rural	17.91	1.5	19.41	92.3	7.7	100
Urban	5.33	2.13	7.46	71.5	28.5	100
Total	23.25	3.63	26.87	86.5	13.5	100

Source: Calculated from the unit level records of the EUS of the NSSO of the respective rounds

The gender break-up of workforce indicates that a higher proportion of both male and female workers work in the unorganised sector. However, the proportion of female workers dependent on unorganized sector for their livelihood is relatively higher than their male counterparts, which in turn suggests that dependency of female workers on unorganised sector for livelihood is higher than their male counterparts. Across rural-urban locations, it is observed that the unorganised sector is deep rooted in both rural and urban areas; however the relative size of unorganized sector is high in rural areas whereas in urban areas the same is true for organized sector.

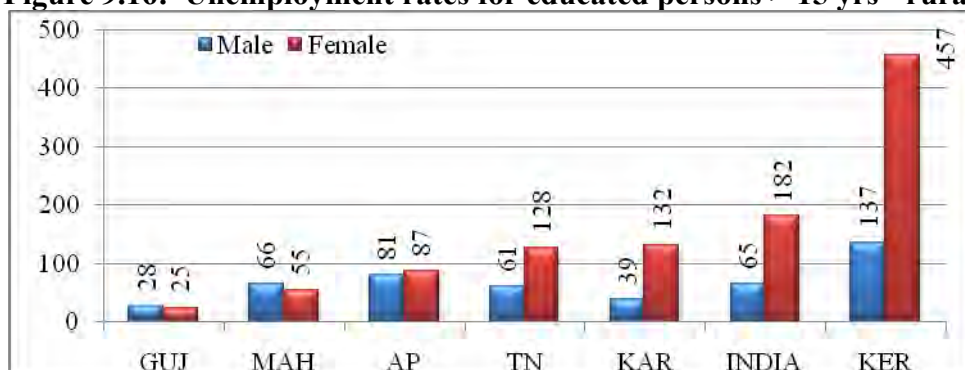
9.3.11 Unemployment:

According to NSS data 2004-05, (i) overall unemployment rates of Karnataka are not high compared to all India Level during 2004-05; (ii) the urban rates are higher than the rural rates; (iii) the unemployment rates for females are higher than those for males, and highest

among urban females. (iv) The unemployment rate was much higher among the youth (15-29) as compared to that in the overall population. The detail Tables are given in **Appendices 9.5 and 9.6.**

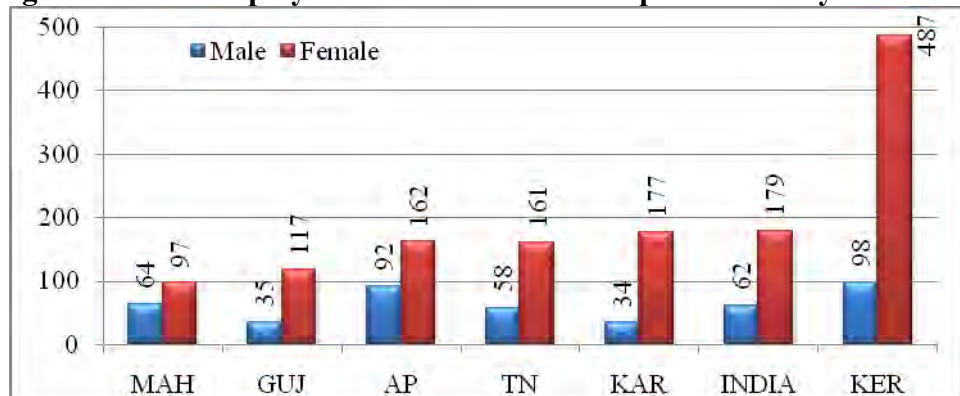
The **Figures 9.16 and 9.17** compare the current weekly status unemployment rates for the educated persons of age 15 years in rural and urban areas of select states and India. They indicate that unemployment females per 1000 persons is 132 in rural and 177 in urban. Karnataka fares poorly at 5th out of the 6 states compared to both rural and urban females, and are close to the country average. In terms of rural and urban educated employed males. The State fares much better with values of 39 and 34, coming 2nd and 1st respectively. This shows that the solution in removing unemployment among the educated possibly lies in providing better employment opportunities for educated women of the state.

Figure 9.16: Unemployment rates for educated persons > 15 yrs - rural



Source: NSSO 61st Round Employment & Unemployment Situation in India, 2004-05

Figure 9.17: Unemployment rates for educated persons > 15 yrs – urban



Source: NSSO 61st Round Employment & Unemployment Situation in India, 2004-05

Employment Exchange Statistics:

The number of job seekers as per the live register figures of employment exchanges was 5.11 lakh in December 2010 compared to 5.64 lakh at the end of March 2010, a decrease of 9.41 per cent. During the corresponding period in the previous year the number of job seekers had decreased by 10.64 per cent. As compared to previous year there is increase in post-Graduates and ITI Apprenticeship, Other Certificate holders. There is slightly increase in Diploma Holders. There has been 13.23 percent decline in the registrants of Matriculations and stenographers followed by Below Matriculation (10.40 percent) and Graduates (8.70

percent). Registrants on the live registers of Employment exchanges in Karnataka are given in **Table 9.55**.

Table 9.55 Registrants on the live registers of Employment exchanges in Karnataka

Registrants	At the end of			Variation (Dec-10/Mar-10) %	Net registrants as at the end of Dec.-10
	Mar-09	Mar-10	Dec-10		
1.Post-Graduates	4417	4334	4779	10.27	3124
2.Graduates	63220	57935	52894	-8.7	27558
3.Diploma Holders	22720	21082	21761	3.22	12678
4.I.T.I. Apprenticeship, Other Certificate holders	53978	53233	57720	8.43	30315
5.Matriculates and Stenographers	393183	325235	282210	-13.23	125583
6.Below Matriculation	114186	102118	91494	-10.4	40138
Total	651712	563937	510858	-9.41	239396

Source: Department of Employment and Training.

9.3.12 Placements and Vacancies:

Between April 2010 and December 2010, only 4789 placements were made (532 on an average every month). During the corresponding period of the previous year this number was about 1337 (149 on an average per month). The number of placements was 0.94 per cent of the total registrations at the end of December 2010. During the year 2009-10, 2990 placements were made (249 on an average every month).

6528 vacancies have been notified during the current year up to December 2010 (725 on an average every month) compared to 5659 during the corresponding period of the previous year (629 on an average every month). The number of vacancies notified has increased to 1.08 per cent of registrations at the end of December 2010. During the year 2009-10, 6761 vacancies have been notified (563 on an average every month).

9.3.13 Additional Employment:

Employment generation has been estimated based on three factors viz., income, employment elasticity over a period of years and anticipated estimates of gross state domestic product for the 2010-11. During 2010-11, it is 283.72 lakh person-days compared to 278.22 lakh person-days in the previous year.

9.3.14 Child Labour:

Karnataka's child workforce has been witnessing decline in the last two decades, both in terms of magnitude and workforce participation rates. According to National Sample

Survey (NSS), the number of child labour in Karnataka was 12.71 lakhs in 1993-94, 8.31 lakhs in 1999-2000 and 5.71 lakhs in 2004-05. NSS sources show that Karnataka's child workforce has been witnessing a decline over the last two decades, both in terms of magnitude and workforce participation rates (see Tables 9.56 and 9.57).

Both Census and NSS sources show that there has been a decline in the magnitude of child labour in Karnataka. However, it is important to note that the child marginal workers are increasing over a period of time according to census. Child workforce in the age category of 5-9 has recorded a sharp decline as against the 10-14 age group according to NSS evidence (Table 9.58).

Table 9.56: Child labour in Karnataka (in Number)-Census Evidence

State	1991		2001	
	Main	Marginal	Main	Marginal
Karnataka	8,18,159	1,58,088	4,84,003	3,36,391

Table 9.57: Estimates of Child Workers in Karnataka (in Number), 1993-94 to 2004-05

Age Group	TOTAL			RURAL			URBAN		
	Male	Female	All	Male	Female	All	Male	Female	All
1993-1994									
5 - 9	81724	78108	159820	69452	76059	145418	13212	925	13457
10 - 14	599045	538804	1138791	497471	484413	981839	95525	38190	136866
5 - 14	673929	596631	1271018	554505	549162	1103569	111129	36008	147104
1999-2000									
5 - 9	24337	30003	54461	21786	25853	47755	0	1111	1107
10 - 14	420947	379409	800252	339138	311088	649821	69073	39831	110968
5 - 14	435356	396075	831178	346035	325647	671481	71984	39835	113088
2004-2005									
5 - 9	10856	0	11355	10642	0	11025	0	0	0
10 - 14	268225	291693	559779	231329	262121	493063	25112	17221	42265
5 - 14	274038	297872	570977	242033	269143	510305	23421	17364	40924

Source: Derived from Respective Unit Level Records of NSS

**Table 9.58: Child Workforce Participation Rates in India, 1993-94 to 2004-05- NSSO
Estimates (in per cent)**

Year	Male			Female			All		
	5 - 9	10 - 14	5 - 14	5 - 9	10 - 14	5 - 14	5 - 9	10 - 14	5 - 14
Combined									
1993-94	0.99	12.08	6.35	1.21	11.64	6.12	1.09	11.88	6.24
1999-00	0.52	7.9	4.14	0.55	7.67	4.01	0.54	7.79	4.08
2004-05	0.25	6.35	3.33	0.28	6.42	3.32	0.26	6.38	3.33
Rural									
1993-94	1.16	13.85	7.2	1.43	14.1	7.26	1.29	13.96	7.23
1999-00	0.59	8.85	4.58	0.65	9.05	4.66	0.62	8.94	4.61
2004-05	0.26	6.8	3.54	0.27	7.42	3.73	0.27	7.09	3.63
Urban									
1993-94	0.47	6.63	3.58	0.48	4.51	2.52	0.48	5.63	3.08
1999-00	0.28	4.88	2.65	0.21	3.4	1.85	0.25	4.18	2.27
2004-05	0.21	4.78	2.59	0.3	3.28	1.89	0.25	4.05	2.25

Source: Derived from Respective Unit Level Records of NSS

New Initiatives: Action Plan for the Elimination of Child Labour in Karnataka: 2010-2017:

First State Action Plan for the Elimination of Child Labour in Karnataka was developed and launched in the year 2001. With the coordinated efforts of the various Government departments, NGO's and CBOs, national and international agencies like UNICEF, ILO, Media etc; the plan is being implemented to continue its efforts to eradicate child labour in the state.

Considering the shortfalls observed in the earlier action plan and need for a comprehensive approach to combat increasing incidence of child labour, The Department of Labour, Government of Karnataka has endeavoured to revise the action plan. The revision has been taken up by constituting an **Advisory Committee** formulated vide **GO No KaEe 90 CLC 2009 dated 11th Jan 2010** comprising dignitaries from different developmental institutions such as Government departments, voluntary organizations (NGOs), media, trade unions, employers associations, Karnataka State Commission for Protection of Child Rights, socio-economic institutions and international agencies like UNICEF and ILO.

The revised action plan was proposed for the period of SEVEN years from 2010-11. The prime focus is on supply side of the labour market with intensive awareness and capacity building measures in a manner that the incidence of child labour is prevented. The enforcement also been considered with key focus area. Thrust of the plan is also to ensure skill development, income generation and livelihood opportunities for the child labour affected families for facilitating augmentation of family income especially for mothers, elder siblings and released child laborers in adolescent age group.

A State Resource Centre on Child Labour has been established under the Department of labour which is functioning as “Nodal Agency” in implementing the revised action plan. The absence of dedicated state level agency was the major shortfall observed during the implementation of earlier action plan.

9.3.15 Wage Employment Programmes:

a. Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS):

The main objective of the programme is to provide for the enhancement of livelihood security of the households in the rural areas of the country by providing at least one hundred days of guaranteed wage employment in every financial year to every household whose adult members volunteer to do unskilled manual work. This is a demand driven programme and not a target-oriented programme. Mahatma Gandhi Rural Employment Guarantee Scheme (Phase I) has been launched in 5 districts of Karnataka viz., Bidar, Chitradurga, Davanagere, Gulbarga and Raichur. The Scheme has been extended to 6 more districts namely Belgaum, Bellary, Chickmagalore, Hassan, Kodagu and Shimoga in the second phase in 2007-08 and the scheme has been extended to all the remaining districts of the State from 1-04-2008.

The fund available for 2010-11 is Rs.4781.34 crore; Rs.894.01 crore is spent upto December 2010 and 277.53 lakh mandays were generated by providing employment to 49.08 lakh labourers. The detailed Table for district wise information are given in **Appendix 9.14**

Table 9.59 Progress Achieved from 2006-07 to 2010-11(upto Dec.10)

Year	Available funds (Rs. Lakh)	Expenditure	No. of lakh person days	Employment provided (Households)	Works		
					Under taken	Completed	Under progress
2006-07 (5 districts)	34133.36	25189	222.05	545185	18642	11004	7638
2007-08 (11 districts)	41925.46	23650.8	197.77	549994	26180	18040	8140
2008-09 (29 districts)	54745.44	35787.47	287.64	896212	96598	8446	88152
2009-10 (30 districts)	302629.19	256920.37	1793.23	3310995	519471	27919	491552
2010-11 (30 districts) (upto end of Dec.2010)	181472.56	89400.86	277.53	763372	479669	34077	445592

b. Wage Employment Generation under Major Programmes:

Wage employment generated under various state government programmes was 3.90 crore mandays between April and Sept. 2010. During the corresponding period of the

preceding year 7.91 crore mandays were generated. The breakup is – MGNREGS 0.98 crore mandays (25.22 percent of total employment generated), followed by Major, medium irrigation and Flood control generated 0.88 crore mandays, (22.57 percent), Roads and Bridges 0.82 crore mandays (20.97 percent), Watershed development 0.69 crore mandays (17.67 per cent), Minor Irrigation 0.47 crore mandays (12.15 percent), Buildings 0.5 crore mandays (1.29 percent), and CADA 0.05 crore mandays (0.13 percent). The wage employment generated as a proportion of the annual target was the highest in respect of Roads and Bridges 2.61 crore mandays (26.90 per cent) followed by Major and Medium Irrigation 1.16 crore mandays (11.93 per cent), Watershed development 1.00 crore mandays (10.33 percent), Building 0.43 crore mandays (4.45 per cent), Minor Irrigation 0.38 crore mandays (3.90 per cent), CADA 0.22 crore mandays (0.26 per cent). During the corresponding period of the previous year 33.76 per cent of the annual target was achieved in Major Medium and flood control followed by Watershed development (30.91 per cent) and Roads and Bridges (30.21 percent). Details are given in **Table 9.60**.

**Table 9.60: Wage Employment Generation under Major Programmes
(2009-10, 2010-11)**

(lakh mandays)

Programmes	Annual target		Target for 2009-10 (Sept.2009)	Achievement	
	2009-10	2010-11		2009-10 (upto Sept.09)	2010-11 (upto Sept. 10)
1.Major and Medium Irrigation & Flood Control	343.06	401.88	161.59	115.82 (33.76)	87.98 (21.89)
2.Minor Irrigation	142.53	150.48	47.18	37.87 (26.57)	47.37 (31.48)
3.CADA	10.05	15.36	4.96	2.18 (24.68)	0.52 (3.39)
4.Watershed Development	324.62	248.29	99.3	100.34 (30.91)	68.88 (27.74)
5.Roads & Bridges	864.84	436.82	131.37	261.25 (30.21)	81.75 (18.71)
6.Buildings	197.97	49.28	15.22	43.18 (21.81)	5.01 (10.17)
Total Programmes (Targeted)	1883.07	1302.11	459.82	560.94 (29.79)	291.51 (22.39)
N.R.E.G.S	*	*	*	410.11	98.32
Total Programmes	1883.07		753.84	971.05	389.83

Figures in brackets indicate percentage to annual target.

* Demand driven programme - no target

About 19.28 crore mandays of wage employment was generated in 2009-10 compared to 21.86 crore in 2008-09. Details are in **Table 9.61**

**Table 9.61 Wage Employment Generation under Major Programmes
2008-09 and 2009-10**

(lakh mandays)

Programmes	2008-09			2009-10		
	Target	Achievement	Percentage	Target	Achievement	Percentage
1.Major & Medium Irrigation & Flood Control	295.72	234.42	79.27	343.06	323.36	94.26
2.Minor Irrigation	107	124.81	116.64	142.53	150.28	105.44
3.CADA	102.97	115.41	112.08	10.05	44.35	441.29
4.Roads & Bridges	576.33	701.86	121.78	864.84	1064.75	121.78
5.Watershed Development	392.68	285.16	72.62	324.82	194.52	123.12
6.Buildings	212.71	178.42	83.88	197.97	163.56	59.89
Total	1687.41	1640.08	97.2	1883.27	1940.82	82.62
1.MGNREGS*	-	187.64	-	-	1793.23	-
Grand Total	1687.41	1927.72	114.24		3734.05	

* Demand driven programme – No target.

c. Assistance to Artisans:

To assist artisans by providing subsidy, margin money, raw material, marketing and other infrastructure facilities state undertakings like- Karnataka State Handicraft Development Corporation, Karnataka Handloom Development Corporation, Karnataka Leather Industries Development Corporation, Karnataka State Khadi & Village Industries Board have been implementing programmes.

d. Self Employment Programmes:

Swarna Jayanthi Grama Swarozgar Yojana:

Government of India has launched Swarna Jayanthi Grama Swarozgar Yojana (SGSY) by restructuring several self-employment programmes like IRDP, DWCRA, TRYSEM, SITRA, Ganga Kalyana Yojana and Million Wells Scheme from 01-04-1999. SGSY is a holistic programme covering all aspects of self-employment like organization of the poor into self-help groups, Training in skills, Credit linkage, Technology, Provision of Infrastructure and Marketing facilities. SGSY is funded by the Centre and State in the ratio

of 75:25. The main emphasis is on cluster approach. Quality is the hallmark of SGSY. SGSY will help to promote multiple credits rather than a one-time credit injection. Selected Swarozgaris will be trained in marketing, yojana norms etc before providing loan.

For effective implementation of scheme, many area of preferences have been identified & stress is being laid on those areas. Some of the important identified areas are:

1. It is proposed to construct 3 Suvarna Marketing Complexes (Village Hatts) per district.
2. In co-ordination with AEPC Apparel Training and Design Centres are established in 22 districts in Karnataka State.
3. RUDSETI/RSETIs have been established in 29 districts in Karnataka State to provide skill development training.

Physical & Financial Achievement for the year 2008-09, 2009-10 & 2010-11 (upto end of September 2010) is given in **Table 9.62** The beneficiaries under SGSY and advance disbursement through the SGSY programme are given in **Tables 9.63** and **9.64** The State Government is also providing benefits through various programmes which are given in **Table 9.65**

Table 9.62 Swarna Jayanthi Grama Swarojgar Yojana: Physical and Financial Achievements

Category	Year	Sanctions		Disbursements		Subsidy	
		No.	Amount (Crores)	No.	Amount (crores)	No.	Amount (Crores)
Individuals	2006-07	2773	6.58	2695	6.58	2695	2.54
	2007-08	1641	6.12	1549	5.78	1549	2.13
	2008-09	709	2.69	570	2.16	570	0.86
	2009-10	1607	4.58	1435	4.58	1435	1.73
	2010-11 (30-09-2010)	459	2.97	294	1.87	294	1.04
Groups	2006-07	3543	78.42	3298	78.42	3298	36.67
	2007-08	9107	154.06	8789	148.68	8789	64.91
	2008-09	6325	203.79	5774	186.08	5774	71.47
	2009-10	6131	213.53	5497	191.45	5497	76.25
	2010-11 (30-09-2010)	1964	37.93	1393	26.9	1393	9.85
Total	2006-07	6316	85	5993	85	5993	39.21
	2007-08	10748	160.18	10338	154.46	10338	67.04
	2008-09	7034	206.48	6344	188.24	6344	72.33
	2009-10	7738	218.11	6932	196.03	6932	77.98
	2010-11 (30-09-2010)	2423	40.9	1687	28.77	1687	10.89

Table 9.63: Beneficiaries (SGSY) under Self Employment Schemes for the Period 2007-08 to 2010-11

2006-07		2007-08		2008-09		2009-10		2010-11	
Target	Acht.	Target	Acht.	Target	Acht.	Target	Acht.	Target	Acht. (Upto Oct-10)
37603	46407	65032	82158	76834	88794	63216	91366	90420	26824

Table 9.64: Advances under Swarna Jayanthi Gram Swarojgar Yojana (SGSY) Disbursement

Indicator	2006-07	2007-08	2008-09	2009-10	2010-11 (Anticipated)
1. Beneficiaries (in thousands)	46.41	82.15	88.79	91.37	90.42
2. Of which SCs/STs (in thousands)	31.32	38.97	42.34	40.87	44.22
3. Loan Component (Rs.in crores)	84.83	154.46	188.24	196.03	208.3
4. Grant in Aid (Rs.in crores)	39.21	67.04	72.33	77.97	75.86

Table 9.65: Beneficiaries under Self Employment Schemes 2008-09 to 2010-11

Programme/Scheme	Unit	Achievement		Target	Achievement
		2008-09	2009-10	2010-11	(upto Sept/ Dec.-09)
Karnataka State Finance Corporation					
a) Single Window	Nos	256	261	-	153
	Rs lakh	4193.33	4890.67	-	3473.3
b) Hospitals/Nursing Homes	Nos	20	17	-	17
	Rs lakh	993.9	1756.75	-	781.45
c) Assistance to SCs and STs	Nos	139	139	-	136
	Rs lakh	3143.17	3143.17	-	3144.04
d) Minority Community	Nos	129	138	-	111
	Rs lakh	3038.3	4348.75	-	4749.6
e) Women Entrepreneurs	Nos	367	339	-	252
	Rs lakh	16012.22	16566.18	-	14329.16
f) Credit Linked Capital Subsidy	Nos	43	23	-	36
	Rs lakh	1701.2	1188.25	-	1104.5
g) Privileged Enterprenurs	Nos	124	201	-	249
	Rs lakh	2141.4	4331.75	-	8502.4

Dr. Devaraj Urs Backward Classes Development Corp.Ltd					
i. Chaitanya Subsidies Cum Margin Money Scheme	No. of beneficiary	16133	14014	27000	4059
	Rs lakh	1739.29	1608.59	3500	525.81
ii. Nomadic Tribes	No. of beneficiary	1943	1947	865	165
	Rs lakh	331.9	304.29	200	26.75
iii. Shramashakthi	No. of beneficiary	3915	3024	-	-
	Rs lakh	568.79	500.36	-	-
iv. Ganga Kalyana	No. of beneficiary	1942	2250	4471	2415
	Rs lakh	1844	2584.48	6000	1252.67
v. Job Oriented Training	No. of beneficiary	1410	2300	-	-
	Rs lakh	51	121.84	-	-
vi. Micro Credit	No. of beneficiary	7766	10000	-	-
	Rs lakh	387.93	500	-	-
vii. Special scheme to Savitha Samaja	No. of beneficiary	5537	7092	-	-
	Rs lakh	228	200	-	-
viii. Special scheme to Uppara Samaja	No. of beneficiary	1418	1643	-	-
	Rs lakh	287.52	254.96	-	-
ix. NBCFDC Schemes	No. of beneficiary	14468	15652	31800	7132
	Rs lakh	2085.98	2119.74	3400	851.2
x. Traditional artisans	No. of beneficiary	-	3001	17075	5926
	Rs lakh	-	150.05	4500	501.86
xi. Other Communities	No. of beneficiary	-	2978	-	-
	Rs lakh	-	547.2	-	-
xii. Higher education in foreign Country	No. of beneficiary	-	-	8	3
	Rs lakh	-	-	30	10.79
KSIIDC					
a) Loan	Nos.				
	Rs. crore	-	-	-	-
b) Equity	Nos.	-	-	-	-
	Rs. crore	-	-	-	-
Disbursements					
a) Loans	(Rs.crore)	-	-	-	-
b) Equity	“-“	7.53			
c) Recovery	“-“	109.93			

Stree Shakti Programme					
a) No.of Groups taken loans from Bank	No. Cum	29153	17026	17255	1901
b) Loan amount	Rs. crore	229.89	238.05	-	40.29
b) Revolving Fund Released by Govt.	Rs. Lakh	199.15	-	-	-
Dr.B.R.Ambedkar Development Corporation Ltd. Self Employment Programme					
- SC	No.	7582	10692	12125	5004
- ST	No.	-	-	-	-
P.M.R.Y					
a) Projects	Projects	619	751	836	567
b) Persons trained	No.	-	-	-	-
c) Total amount spent out of Budget	Rs. Lakh	-	-	-	-
Vishwa Programme					
a) Persons Provided with Continuous Productive Employment	Nos	75	20	-	30
b) Total amount Spent out of State budget	Rs.lakh	1.74	0.42	-	0.93

Training for Self Employment

Training is provided by different organisations to help the unemployed to start their own units. Assistance is also given to law graduates to set up practice. Details of the training are given under some programmes are shown in **Table 9.66**.

Table 9.66: Number of persons trained for self employment 2008-09 to 2010-11
(Nos.)

Programme/Scheme	Achievement		Target	Achievement (upto Sept/Dec-2010)
	2008-09	2009-10	2010-11	
1.SCs and STs				
a) Assistance to Law Graduates (Stipend)	1000			
b) Training to Law Graduates	876			
2.Entrepreneurship Development Programmes Sponsored by CEDOK				
a) Persons Trained	14976	8940	7265	7772
b) Programmes	253	191	215	108
3. Entrepreneurship Development Programme (SISI)				
i. Entrepreneurship Skill development programmes				
a) Persons Trained	2092	2662	-	1263
b) Programme conducted	88	93	108	49

ii.Entrepreneurship development programmes				
a) Persons Trained	220	352	--	141
b) Programme conducted	10	19	18	6
iii.Management development programmes				
a) Persons Trained	229	457	-	236
b) Programme conducted	10	19	22	11
iv.Business Skill development programmes				
a) Persons Trained	190	222	-	28
b) Programme conducted	6	8	6	1

9.3.16 Social Security Schemes:

(a) Construction Workers Welfare Board:

Under the provisions of the Building and other construction workers" (Regulation of Employment and Conditions of service) Act 1996, The Construction Welfare Board has been set up to provide social security benefits to the construction workers. The following benefits are available to the beneficiaries immediately after registration:

- Assistance of Rs.4000/- to meet the funeral expenses of a registered construction worker and Rs.15000/- exgratia.
- Medical assistance of Rs.400/- to Rs. 2000/- to the beneficiaries who are hospitalized in Government and Government recognized private hospitals.
- Assistance of Rs.1,00,000/- to a beneficiary in case of accident resulting in death or permanent disablement (incapacitation) including the accident on the way from workplace to residence and return.
- Assistance of Rs. 50,000/- as medical expenses for treatment of major ailments viz. Cancer, Kidney transplantation and Heart operation for a registered construction worker.
- In respect of Unregistered workers dying in accident due to building collapse under construction Rs.50,000/- to the family and Rs.10,000 to Rs.20,000/- to the grievously injured worker.

The following benefits can be availed to the beneficiaries on completion of one year of membership:

- Assistance of Rs.6,000/- for delivery of a child for a registered woman construction worker.
- Assistance for the education of the son or daughter of a registered construction worker at the rate of Rs.3,000/- if they pass SSLC examination, Rs.3,000/- if they pass PUC examination, Rs. 3,600/- if they are studying in ITI/Diploma, Rs.3,000/- for studying general degree course, Rs.5000/- if they are studying in professional course, Rs. 10,000/- if they are studying in Medical and Engineering Courses.
- Assistance of Rs.5000/- for the first marriage of the registered construction worker or his two dependent children.

The following benefit can be availed to the beneficiaries on completion of two years of membership:

- Loan assistance of Rs. 5,000/- for purchase of tools.

The following benefit can be availed to the beneficiaries on completion of five years of membership:

- Pension benefit of Rs. 300/- per month to a female construction worker who has completed 50 years of age and male construction worker who has completed 55 years.
- Loan assistance of Rs.50,000/- for purchase or construction of a house.
- Disability pension of Rs.300/- per month. Such workers will also be eligible for ex-gratia payment of not more than Rs.5000/- depending on the percentage of disability.

So far 735 number of establishments have been registered and 596 number of inspections have been conducted under Section 7 of the main act. The number of construction workers registered with construction welfare board, welfare benefits distributed by the board and cess collected so far is given in **Tables 9.67, 9.68 and 9.69**

Table 9.67: Number of Construction Workers Registered with Construction Welfare Board

Registration fee	Monthly Subscription	Total number of registered workers		
		Male	Female	Total
Rs.25/-	Rs. 10/-	92,543	26,378	1,18,921

Source: Construction Workers Welfare Board

Table 9.68: Welfare Benefits Distributed

Sl. No.	Name of The Scheme	Amount (in Rs.)		Total no. of beneficiary	Total amount paid in Rs.
		Earlier	Current		
1	Funeral Expenses	2000	4000	302	11,61,000
2	Medical Assistance	2000 (max)	2000(max)	182	1,79,000
3	Accidental Death/ Permanent Disability	1,00,000	1,00,000	49	40,05,000
4	Assistance for treatment of Major Ailments	10,000	50,000	16	7,20,000
5	Marriage Assistance	5000	5000	448	22,40,000
6	Maternity Assistance	4000	6000	78	4,46,000
7	Educational Assistance			726	23,30,950
	Total			1799	1,10,81,950

Source: Construction Workers Welfare Board

Table 9.69: Cess Collection As on 01-01-2011

Year	Cess Amount (Rs in Crores.)
2007-08	44.57
2008-09	156.03
2009-10	222.5
2010-11	224.4
Total	647.5

Source: Construction Workers Welfare Board

Initiatives by the Construction Welfare Board:

District wise meetings were conducted in the office of the Deputy Commissioners of each district wherein the representatives of the Development departments like PWD, Irrigation, Z.P., City Corporations, and Local Bodies were invited. They have been appraised of the obligation to collect cess on the cost of the building and other construction workers undertaken by them and to collect cess from the permission seekers for construction of building. This has facilitated a great deal in augmenting the cess collection. With the help of Legal Services Authorities in various districts meetings with construction workers are being held to educate them regarding registration as beneficiary and the welfare benefits available to them. Doordarshan/Akashwani Programmes has been conducted to create awareness about the Board's activities.

(b) Social Security Board:

Karnataka State Unorganised Workers Social Security Board has been setup as per the Social Security Act, 2008 by the Department of Labour. It intends to extend contributory pension scheme called the New Pension Scheme Lite (NPS Lite) administered by Pension Fund Regulatory and Development Authority (PFRDA) to unorganised sector workers, namely (1) Tailors (2) Washermen (3) Hamals (4) Auto, Taxi Drivers, Private Bus and Lorry Drivers and Conductors (5) Hotel Workers and (6) Workers of automobile Workshops.

New Pension Scheme Lite has been exclusively designed to benefit the weaker and economically disadvantaged sections of the society. This group with their limited investment potential can now avail NPS for securing their old age income security needs. Karnataka and Haryana are the only States to have introduced this scheme presently.

The Features of the New Pension Scheme (NPS) are as under:

- This scheme is introduced and regularised by Pension Fund Regulatory & Development Authority, New Delhi (PFRDA).
- Age limit 18 to 60 years.
- Is applicable for each NPS account opened in the year 2010-11.

- To augment the pensionary benefits of Unorganised workers the Government of India Ministry of Finance has introduced “Swavalamban Scheme”.
- A subscriber investing a minimum of Rs. 100.00 per month into the NPS for at least ten months will receive a contribution of Rs. 1000.00 per year from the Swavalamban Scheme.
- The subscriber who contributes Rs.1200/-, per annum will receive a matching contribution of Rs.1200/- per annum from the State Government.
- The State Govt. has allocated Rs. 20 crores for the year 2010-2011 to cover the unorganized sector workers under NPS.
- The scheme is presently available for three years.
- The subscriber has to continue to remit the subscription for the remaining 7 years. That means, if an unorganised worker starts contributing to this scheme at the age of 40 years for a period of 10 years i.e. upto the age of 50 years, then from the age of 60 years onwards he will receive approximately Rs. 544 pension per month for life time.
- The accumulated amount is invested in bonds and shares and then the pension is determined based on the income.
- Cost of Rs.70 will be deducted for maintaining the account which can be deducted from the Government of India contribution.
- It is proposed to implement the said scheme through Karnataka State Unorganised Workers’ Social Security Board.

(c) Rashtriya Swasthya Bima Yojana:

Rashtriya Swasthya Bima Yojana, a health insurance scheme for the unorganized sector workers is implemented during 2009-10 in Bangalore Rural, Dakshina Kannada, Belgaum, Mysore and Shimoga Districts of Karnataka. The Government of India contributes 75% and the State Government has to contribute 25%. The scheme will cover the BPL families of unorganized sector workers surveyed during 2002 by Sarva Kutumba Sameeksha. A family unit of five (head of family, wife and three dependents including children) will have the following benefits:

- A total sum insured is Rs.30000 per family per annum
- Transportation cost of maximum of Rs.1000 @ Rs.100 per visit per annum is paid
- The beneficiaries will have a choice to obtain inpatient treatment identified by the Insurance Company either in a Government Hospital or a network private hospital.

Smartcards have been issued to benefit unorganized workers. The details are given in the **Table 9.70**. Treatment given to the beneficiaries and expenditure incurred as on 15-12-2010 is reported in **Table 9.71** The contribution of State Government towards RSBY expenditure is 25% and year wise releases details are given in **Table 9.72** It is proposed to extend RSBY to the remaining 25 districts and to cover 19,19,014 BPL families of Rural and 10,92,870 BPL families of urban areas.

Table 9.70: Smart Cards Issued to the Unorganised workers through RSBY

District	Smartcard issued
Bangalore Rural	12645
Belgaum	52995
Shimoga	19019
Dakshina Kannada	25144
Mysore	51313
Total	161116

Table 9.71: Treatment Given and Expenditure Details of RSBY

District	Number of claims made	Expenditure (Rs.)
Bangalore Rural	263	995790
Belgaum	275	1039600
Shimoga	142	601281
Dakshina Kannada	673	4298840
Mysore	346	1590450
Total	1699	8525961

Table 9.72: Contribution of State Government towards RSBY expenditure

Year	Expenditure (Rs.in Lakhs)
2008-09	10
2009-10	551
2010-11	750

(d) Social Security and Pension:

The Directorate of Social Security and Pension, Revenue Department of the Government is also providing social security benefits to the old, widows and physically challenged. Under old age pension scheme any person aged above 65 years and belonging to BPL household is eligible to avail the pension of Rs. 400 per month. Widows aged between 40 to 65 years belonging to BPL households are eligible to avail pension under Destitute Widow pension scheme. Under State's non-Plan a pension amount of Rs. 400 per month is given as pension for Disabled person having disability above 40% and below 75% and Rs.1000 per month for those having disability above 75%. Shandya Suraksha Yojane is the recent programme initiated by the government to provide social security benefits to small and marginal farmers, agricultural labourers, weavers, fisher men and other labourers from unorganized sector excluding construction workers. Under this programme workers in the age group of 65 years and above having income Rs.20,000 per annum are eligible and they are

paid Rs.400 per month. The information about number of beneficiaries and expenditure details of these programmes are given in the **Table 9.73**

Table 9.73: Progress of Social Security Schemes

Year	Old age pension		Financial assistance to physically handicapped		Pension to destitute widows	
	Exp. (Rs. lakhs)	Beneficiaries (000's)	Exp. (Rs. lakhs)	Beneficiaries (000's)	Exp. (Rs. lakhs)	Beneficiaries (000's)
1991-92	3617	552	1490	266	2300	469
1992-93	3637	509	1212	276	2631	482
1993-94	3530	503	1531	280	2336	485
1994-95	3503	496	1913	289	2237	495
1995-96	3979	496	2614	300	4181	508
1996-97	3753	492	2421	304	4040	523
1997-98	3635	493	2431	311	4190	528
1998-99	4946	491	3486	318	5876	546
1999-00	4666	487	3687	319	6085	545
2000-01	4830	420	3938	301	6448	531
2001-02	5154	436	4049	314	6856	567
2002-03	5657	437	4716	318	6747	578
2003-04	5517	458	5481	345	7688	604
2004-05	6070	469	5790	352	8365	613
2005-06	6570	495	6619	373	8237	634
2006-07	12777	550	9817	407	16504	690
2007-08	27841	686	22491	464	32874	771
2008-09	26253	791	17802	530	38674	865
2009-10	41758	818	35261	636	45408	1023
2010-11 *	31141	794	35525	683	44496	1114

***Upto Dec. 2010**

Source: Directorate of Treasuries.

(e) ESI Scheme in Karnataka:

The Employees State Insurance Corporation is the nodal department to provide benefits to the workers of organized sector through ESI scheme. The Scheme being contributory in nature, all the employees in the factories or establishments to which the Act applies shall be insured in a manner provided by the Act. The contribution payable to the Corporation in respect of an employee shall comprise of employer's contribution and employee's contribution at a specified rate. The rates are revised from time to time. Currently, the employee's contribution rate (w.e.f. 1.1.97) is 1.75% of the wages and that of employer's is 4.75% of the wages paid/payable in respect of the employees in every wage period. Employees in receipt of a daily average wage upto Rs.70/- are exempted from payment of contribution. Employers will however contribute their own share in respect of these employees. Section 46 of the Act envisages following six social security benefits:

(a) Medical Benefit (b) Sickness Benefit(SB): (i)Extended Sickness Benefit(ESB) (ii) Enhanced Sickness Benefit, (c) Maternity Benefit(MB), (d) Disablement Benefit: (i)Temporary Disablement Benefit(TDB), (ii) Permanent Disablement Benefit (PDB), (e) Dependents' Benefit(DB) , (f) Funeral Expenses

An amount of Rs. 5000/- is payable to the dependents or to the person who performs last rites. Rajiv Gandhi Shramik Kalyan Yojana - This scheme of Unemployment allowance was introduced w.e.f. 01-04-2005. An Insured Person who become unemployed after being insured three or more years, due to closure of factory/establishment, retrenchment or permanent invalidity are entitled to :-

- Unemployment allowance equal to 50% of wage for a maximum period of upto one year.
- Medical care for self and family from ESI Hospitals/Dispensaries during the period receives unemployment allowance.
- Vocational training provided for upgrading skills : Expenditure on fee/travelling allowance is borne by ESIC.

An interesting feature of the ESI Scheme is that the contributions are related to the paying capacity as a fixed percentage of the workers wages, whereas, they are provided social security benefits according to individual needs without distinction. Cash benefits are disbursed by the Corporation through its Local Offices LOs/ Mini Local Offices (MLOs)/Sub Local Offices SLOs/pay offices, subject to certain contributory conditions. In addition, the scheme also provides some other need based benefits to insured workers. These includes Rehabilitation allowance and Vocational Rehabilitation. The details of ESI Scheme coverage in Karnataka is given in **Table 9.74**

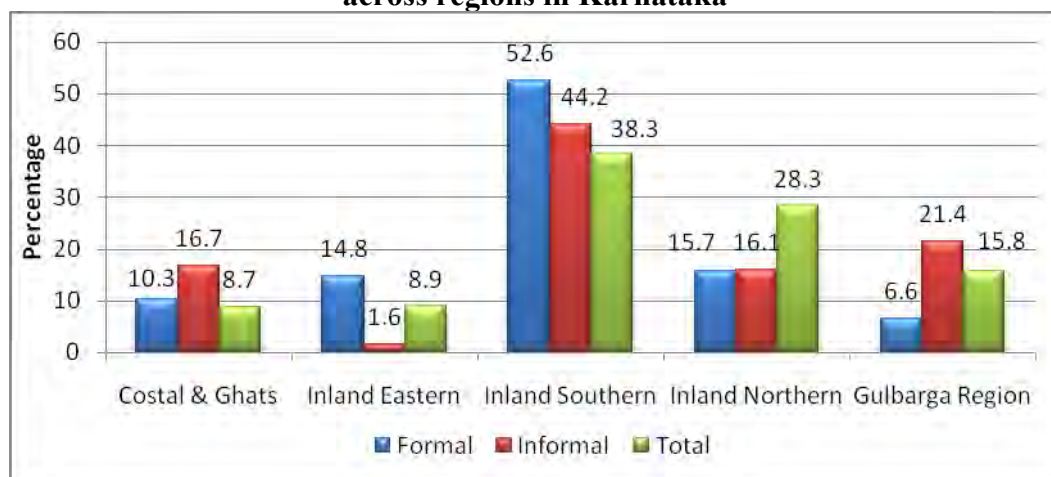
Table 9.74: ESI Scheme in Karnataka (Social Security Scheme)

Coverage	
No. of Districts covered	26
Newly Implemented Centres (2009-10)	33
No. of Insured Persons covered due to enhancement of wage ceiling	14348
No. of Insured Person as on 31.03.2009	15,58,000
Infrastructure	
No. of ESI Hospitals	8
No. of tie-up Hospitals	65
No. of Branch Offices	40
Upgradation of ESI Hospitals	3 (Hubli, Davanagere, Mysore)
IT Roll Out	
Smart Cards enrolled	261119

9.3.17 Skill Development:

The distribution of youth across skill levels in various NSS regions of Karnataka is given in **Figure 9.18**, which suggests that across 5 regions in Karnataka, the pattern of skill acquisition varies significantly. It is quite evident from the figures that a very high share of both formal and informal trained youth in Karnataka is concentrated in the seven Inland Southern districts, which accounts for 52 per cent of all formally trained youth and 44 per cent of all informal trained youth. The primary reason attributed to this high share is the fact that these districts are industrially very advanced and have large education and training infrastructure.

Figure 9.18: Percentage distribution of Youth with Skill in the Age-group of 15-29 across regions in Karnataka



In view of the above, the State Government of Karnataka has taken up the Skill Development as a major development policy since 2008-09. The State Government has also initiated many new initiatives in achieving the targeted goals and objectives of ensuring adequate availability of qualitative skilled man power with social and regional justice. Some of them are discussed below:-

Karnataka has established its own State Skill Commission with representatives from the trade & industry. Secretaries of relevant departments & experts in the field are on the Commission as the members. The Commission is fully functional and has already deliberated six times and drawn several useful ideas and guidelines.

The State has adopted its own Skill Development policy on the lines of National Skill Policy. Ensuring adequate availability of Skilled man power, equitable access to all, matching supply of & demand for Skill, meeting the challenges of emerging technologies, promoting a strong and symbiotic Public Private Partnership are major objectives of the policy.

A State level Corporation is established on 12th Sep 2008 as a special purpose vehicle to implement the recommendations of the Skill Commission and State Government in achieving the objectives of the Skill Development Policy. The Corporation is given a target of imparting Skills and getting employment for 10 lakh persons during the next 5 years.

The Corporation has taken measures like establishing Helpline, organizing Skill N Job Fairs, Skill Training programmes under MES in convergence with other line departments and technical institutes, establishing HRD centers in Employment exchanges, studies in Skill Mapping among other such activities.

Helpline is established at KVTSDC office which helps the youth to register with all the relevant particulars. The data available are shared with employers and other agencies for training as well as for the purpose of employment. So KVTSDC helpline number is 080 – 23441212/1717 and KVTSDC Web Portal is established www.koushalyasiri.in

Skill and Job Fairs:

With a view to enhance the employability of unemployed/un-trained professionals through proper Skill Training and providing Job opportunities through creating common platform for Employers & Job Seekers, Skill N Job Fairs are organized in a larger scale at State level and also such mini fairs at district level since Oct 2008. Registration, Assessment, Training & Placement of applicants are under taken at these Skill N Job fairs. Also other institutions are effectively used in creating Jobs and trained skilled manpower. The achievements are given in **Table 9.75**

Table 9.75: Achievements of State Skill Commission

Skill and Job Fairs	17
Sector Specific Job fair	3
Skill and Job fair for Physically Challenged	1
District level Mini Job fairs	147
Employers participated	2254
Job Seekers participated	294770
Total Employment Provided	189510
Total Skill Training provided	281868

Source: State Skill Commission

Establishing HRD Centers in Employment Exchanges:

A program of establishing HRD centers in each of the Employment Exchanges is developed to provide all the necessary solutions in matching the Skill demand & supply forces in each district on a regular ongoing basis. With the assistance of a Private partner namely viz., Team Lease a cell is created to register, assess, counsel, train, place the unemployed against proper jobs. Three centers at Mangalore, Gulbarga & Bijapur are taken up on experimental basis. HRD center, Mangalore and Bijapur Employment Exchange have already started functioning. HRD Web Portal is also established www.hrdkarnataka.in.

Training under MES:

Directorate of Employment & Training & KVTSDC have taken active measures to spread the benefits of the Scheme. The MES program is also used in bringing social & regional equality through the following steps:-

- Established E-learning labs in 18 districts 39 SC / ST post-matric hostels in association with NIIT & Social Welfare Department.
- Starting Skill Training Programmes in most backward taluks, identified by the high power committee to study regional imbalances under the Chairmanship of Dr.D.M.Nanjundappa. 21550 candidates were trained in 13 districts in 17 sectors .
- Skill Development Training programmes is provided for 2929 candidates belonging to Minority communities in association Minority Development Corporation.
- Providing Training programme for beneficiaries of Rural Development & Panchayat Raj Department in Apparel Training and Jobs to them.
- Roping in the Engineering Colleges in providing Skill Training programmes to school drop-outs and un-employed youth.
- In association with the Department of Collegiate Education, Skill improvement Training Programme for under-graduate students has been taken up. All districts have been covered in the SAHAYOG programme and in 117 colleges 8661 candidates are trained.
- To bridge demand & Supply in the job market **Central Placement Centre (CPC)** is established in association with KEA. Registration of candidates-registration of employers-job mapping & matching through web technology with the support of www.jobraiser.com is done.
- The Government of Karnataka & Team Lease has launched India's first Public-Private Employment Centre in Bangalore in the name of Karnataka Employment Centre (KEC).
- Career Guidance Centres in 228 Schools in 114 backward talukas through **MARGADARSHI** project have been established.
- Special Skill Training & Employment Drive in was taken up Naxal affected areas in the name of "**PARISHRAMA**" at Tumkur District Pavagada Taluk in co-ordination with Tumkur Zilla Panchayat and 3192 candidates participated in this drive.

Table 9.76: Target and Progress achieved during 2009-10 and 2010-11

Year	Target	Achievement	
2009-10	1,50,000	MES (Skill Development) Training Through ITI's	21127
		Skill Development Training Through Training Partners	35088
		Apprentice Training (State & Central)	26642
		Apprentice Training (Diploma & Engineering)	3584
		Skill Training Through Hostels	1600
		Skill Development Training through other line Department	25660
		Total – Skill Training	113701
		Total Employment Provided	79039
		Total Training and employment provided	192740
2010-11 (Up to Sept 10)	4,00,000	Apprentice (Skill Development)Training Through ITI's	28000
		Skill Development Training Through Training Partners	
		Apparel Training, Skill Development Training in More and most backward talukas as per Dr.Nanjundappa Report	27727
		Skill training through E-learning labs in association with Social welfare department and NIIT	12000
		Training through Sahayog Program in association with Department of Collegiate Education and Karnataka Knowledge Commission	8661
		Apprentice DET	28000
		Training through HRD Center	882
		Training through Karnataka Employment Center	550
		Training through ITI-PPP – DET	3000
		Training through Urban Development Department	4100
		Training Through SDP centers	1686
		Total – Skill Training	91606
		Total Employment provided	68480
Total Employment and Training	160086		

9.3.18 Labour Laws in Karnataka:

A major issue in the area of labour reforms is how to ensure minimum conditions of decent work and livelihood in the unorganised or informal sector of the economy. The limited applicability of important laws and the application of number filters have led to the emergence of a dual labour market with the attendant implication of the overwhelmingly larger sections of the unorganised/ informal sector labour being deprived of protection from laws in many spheres.

Labour is a concurrent subject in the Constitution of India, on which both the Centre and the states can legislate in their respective spheres. Labour regulations can be broadly grouped into four broad areas based on the aspects of employment covered by them: conditions of work, wages and remuneration, employment security and industrial

relations and social security and welfare of workers. This section looks specifically at the applicability and coverage of the following 10 important labour regulations in the industry.

1. On Conditions of Work

- a. Factories Act, 1948
- b. The Contract Labour (Regulation & Abolition) Act, 1970
- c. Shops and Commercial Establishments Act (State Act), 1961

2. On Wages and Remuneration

- a. The Minimum Wages Act, 1948
- b. Payment of Wages Act, 1936

3. On Social Security

- a. Employees' Provident Fund Act, 1952
- b. Workmen's Compensation Act, 1923
- c. Employees State Insurance Act, 1948

4. On Employment Security and Industrial Relations

- a. The Industrial Disputes Act, 1947
- b. Industrial Employment (Standing Orders) Act, 1946.

The statistics regarding the progress of Labour laws enacted in Karnataka State is provided in **Tables 9.77 and 9.78**. The Table illustrates the remarkable achievements in the matter of enforcement of various Acts in terms of prosecution and imposition of fine by the Department.

Table 9.77: Progress of Various labour laws enacted in Karnataka

SL No.	Name of the Acts	2009				2010			
		No. of Cases inspected	No. of Cases filed against petitions	No. of punishable cases	Total Penalty Amount	No. of Cases inspected	No. of Cases filed against petitions	No. of punishable cases	Total Penalty Amount
1	The Shops and Establishments Act, 1961	2971	878	527	647500	17357	3120	3320	6205840
2	The Maternity Benefit Act, 1961	456	25	3	3250	105	5	10	6000
3	The Minimum Wages Act, 1948	1757	744	365	225000	11205	2036	1866	3157681
4	The Payment of Wages Act, 1936	600	176	34	-	5578	844	683	1431050
5	The Plantation Labour Act, 1951	148	-	-	-	440	6	1	0
6	The Motor Transport Workers Act, 1961	54	24	4	6000	102	45	28	29600

7	The Karnataka Industrial Establishments (National And Festival Holidays) Act, 1963	540	35	7	500	128	13	9	2350
8	Labour Welfare Fund Act, 1965	272	1	1	750	461	0	2	0
9	The Payment of Gratuity Act, 1972	630	1	-	-	1202	7	0	0
10	The Payment of Bonus Act, 1965	627	12	-	-	177	14	26	6000
11	The Beedi & Cigar Workers (Conditions of Employment) Act, 1966	42	5	-	-	100	9	5	0
12	The Equal Remuneration Act, 1976	257	2	9	5600	1978	42	17	83000
13	The Child Labour (Prohibition & Regulation) Act, 1986	1641	38	92	920000	5117	854	482	704000
14	Agriculture Minimum Wage	1454	-	-	-	-	-	-	-
15	The Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979	18	19	1	2500	21	7	14	87250
16	The Contract Labour (Regulation & Abolition) Act, 1970	230	66	51	25500	487	178	159	947200
17	The Industrial Employment (Standing Orders) Act, 1946	23	-	-	-	18	0	0	0
18	The Trade Unions Act, 1926	19	-	-	-	4	0	0	0
19	The Shops and Establishments Act, 1961 {Sec.24}	1898	781	330	31250	514	82	135	142850
20	Agriculture	-	-	-	-	4601	67	136	185220
21	Other than Agriculture	-	-	-	-	1727	265	284	384100
22	The Shops and Establishments Act, 1961 {Sec.24a}	-	-	-	-	174	91	19	30000
23	The Building Construction Act	-	-	-	-	28	6	5	34206
	TOTAL	13637	2807	1424	1867850	51524	7691	7201	13436347

Table 9.78: Progress under Industrial Disputes Act

Particulars	2009	2010
No. of Pending Cases at the beginning of the year	809	586
No. of Cases received	1015	597
Total no. of cases	1824	1183
No. of cases compromised	93	215
No. of failed cases	1082	514
No. of cases withdrawn	63	146
No. of cases disposed	1238	875
No. of Pending Cases at the end of the year	586	308

9.3.19 Industrial Relations:

The number of strikes and lockouts indicate the level of industrial peace in a State. Karnataka is by and large, a peaceful State as far as industrial environment is concerned. The number of strikes, lockouts and layoffs and the consequent man days lost in 2008-09, 2009-10 and 2010-11 (up to November 2010) are shown in **Table 9.79**. There were two strikes and just a single lockout and a single layoff incident in the current year (up to November 2010). The number of workers involved and man days lost due to strikes and layoffs were so far less in the current year compared to the previous two years. However unlike the current year in which the State has experienced one lockout, there was not a single incident of lockout in the previous two years.

Table 9.79: Industrial Relations in Karnataka

Details	2008-09	2009-10	2010-11
			(April to November)
I Strikes			
a) Strikes	2	1	2
b) Workers involved	580	583	469
c) Man days lost	13560	1426	7191
II Lockouts			
a) Lockouts	-	-	1
b) Workers involved	-	-	212
c) Man days lost	-	-	7420
III Layoffs :			
a) Layoffs	1	4	1
b) Workers involved	85	243	48
c) Man days lost	1950	18358	1488

Source: Department of Labour, Bangalore

Absenteeism: In the first seven months of 2010-11 (up to October 2010), the proportion of absenteeism of industrial workers was 28.10 percent which was 23.23 percent in

the previous year. Absenteeism of plantation labour was 22.15 percent, which was 0.59 percent in the previous year. Details are given in **Table 9.80**

**Table 9.80: Labour Absenteeism in Karnataka 2008-09 to 2010-11
(April to October 2010)**

Details	Unit	2008-09	2009-10	April to October	
				2009	2010
Industrial Workers:					
Mandays Scheduled to work	000s	4164	168955	37117	437801
Mandays Absent	000s	763	30116	8624	123394
Proportion of absenteeism	Percent	18.3	17.82	23.23	28.1
Plantation Labour					
Mandays Scheduled to work	000s	24	11687	853.65	88824
Mandays Absent	000s	0.5	2439	5.08	19680
Proportion of absenteeism	Percent	21.38	20.86	0.59	22.15

Source: Department of Labour

9.4 WATER SUPPLY AND SANITATION

9.4.1 Rural Water Supply

Access to safe drinking water and adequate sanitation are immediate prerequisites for realising improved human health and welfare. As per 2001 census, 3.48 crore people live in rural areas of the state spread over 59203 habitations. All the habitations are provided with water supply. Out of 59203 habitations in the Karnataka, 32,236 habitations are fully covered (FC) and 26,967 are partially covered (PC) as at the end of March 2010. As per the present National Rural Drinking Water Programme (NRDWP), the concepts of fully covered and partially covered have been modified from conventional lpcd name to percentage of population covered by water supply schemes. Accordingly there are 358 habitations with \geq than zero and to \leq 25% population coverage, 2724 habitations with \geq to 25 to \leq to 50% population coverage, 9925 habitations with \geq to 50 to \leq 75% population coverage, 13960 habitations with \geq to 75 to $<$ 100% population coverage and 32236 habitations with 100% of population coverage. The district wise details are furnished in **Table 9.81**.

Table 9.81 Drinking water status in number of habitations with population coverage as on 31st March 2010 (percentage)

Sl. No	District Name	0 Coverage	> 0 and < 25	>= 25 and < 50	>= 50 and < 75	>=75 and < 100	100% Coverage
1	Bagalkot	0	1	2	18	150	796
2	Bangalore rural	0	1	8	174	346	742
3	Bangalore urban	0	7	139	189	93	568
4	Belgaum	0	4	123	462	375	686
5	Bellary	0	2	50	236	211	513
6	Bidar	0	24	114	238	129	376
7	Bijapur	0	23	69	137	155	666
8	Chamarajanagar	0	0	0	20	47	763
9	Chik ballapur	0	11	71	346	397	1096
10	Chikmagalur	0	4	97	567	611	2198
11	Chitradurga	0	81	634	239	219	460
12	Dakshina Kannada	0	54	69	565	866	1968
13	Davangere	0	0	13	113	343	680
14	Dharwad	0	0	9	20	84	275
15	Gadag	0	1	27	80	49	187
16	Gulbarga	0	2	57	295	291	624
17	Hassan	0	18	159	499	937	2201
18	Haveri	0	0	2	69	220	420
19	Kodagu	0	3	28	53	46	402
20	Kolar	0	4	41	337	504	1071
21	Koppal	0	42	126	91	25	450
22	Mandya	0	11	85	349	469	1093
23	Mysore	0	3	100	178	305	1417
24	Raichur	0	3	178	205	170	907
25	Ramanagaram	0	2	25	230	477	1378
26	Shimoga	0	5	130	949	2374	1175
27	Tumkur	0	9	81	1555	1891	1776
28	Udupi	0	0	80	784	1503	1051
29	Uttar kannada	0	43	163	745	529	5922
30	Yadgir	0	0	44	182	144	375
	Total	0	358	2724	9925	13960	32236

The drinking water schemes of the state consist of 213725 hand pumps and bore wells, 24182 piped water supply schemes and 34073 mini water supply schemes. Of the 59203 rural habitations covered under the above scheme, about 22610 (38 per cent) habitations receive above 55 lpcd of water, remaining 62 per cent of habitations receive less than 55 lpcd of water. The details are shown in the following table 9.82.

Table 9.82 Rural Water Scenario

Service levels of water (lpcd)	No. of habitations	Percentage
Less than 55	36,593	62.00
Above 55	22,610	38.00
Total	59,203	100

Norm for Rural Area 55 lpcd

The distribution of households by source of drinking water in the state as per 2001 census are given below in **Table 9.83**.

Table 9.83: Distribution of households by source of drinking water in the state (2001)
(,000s)

Source of Water	Rural	Percent	Urban	Percent	Total	Percent
Tap	3236	48.5	2790	78.4	6025	58.9
Hand Pump	1530	22.9	220	6.2	1750	17.1
Tube Well	609	9.1	267	7.5	876	8.6
Well	1038	15.6	230	6.5	1269	12.4
Tank, Pond and Lake	101	1.5	10	0.3	111	1.1
River and Canal	105	1.6	7	0.2	112	1.1
Spring	28	0.4	2	0.1	31	0.3
Any Other	28	0.4	31	0.9	58	0.6

Source: Karnataka Human Resource Development Report-2005

The State has initiated many programmes to improve water supply and sanitation in both rural and urban areas. The important schemes are given below:

1. Bharat Nirman/ NRDWP:

In order to meet adequate and safe drinking water supply requirement in rural areas particularly which have short supply of water coverage of 55 lpcd and those villages affected by water quality problems due to excessive dependence on ground water based water supply schemes, Bharat Nirman, a unique central government programme for building infrastructure and basic amenities in rural areas was launched in 2005. Phase-I of the Programme was implemented in the period 2005-06 to 2008-09. Phase-II is being implemented from 2009-10 to 2011-12. During this programme period, 5618 P.C. and 6036 Slipped Back habitations were to be covered with provision of drinking water facility. Further, about 21008 quality-affected habitations were brought under provision of safe drinking water by the end of March 2010 (Table 9.84).

Table 9.84 Water Supply Coverage under Bharat Nirman Programme

Year	Coverage of Habitations (Percentage)					
	Total	0-25	25-50	50-75	75-100	Above 100
2008-09	1078	-	-	-	-	-
2009-10	7668	-	-	-	-	-
2010-11*	2521	22	329	431	623	1116

*Up to 12-2010

The target fixed and achievement made during 2008 and 2011 has been given in the following Table 9.85.

Table 9.85: Financial Progress under Schemes (Rs. in Crore)

Year	Target	Achievement
2008-09	1013.66	827.74
2009-10	858.94	568.77
2010-11*	856.67	255.04

*Up to 12-2010

2. Action Plan 2010-11:

During the year 2010-11 as per NRWDP guidelines under the changed perception of NC-PC-FC concept, action plan was prepared to cover habitations coming under 0-25 & 25-50% category, to bring these habitations to 100% coverage category by providing 40 LPCD of drinking water. In addition to this, spill over works of 2009-10 falling under more than 25-50% category was also incorporated. Further, it is proposed to bring about 8791 habitations affected by water quality under this coverage. In realising above said target, a provision of Rs. 1042.83 crore is earmarked for rural water supply programme under the Annual Action Plan 2010-11 (Table 9.86).

Table 9.86: Target and Achievements Action Plan-2010-11

Sl. No.	Category (Percentage)	No. of habitations proposed for Coverage	Achievement*	Expenditure* (Rs in Crore)
1	0 – 25	341	22	255.04
2	25 – 50	2635	329	
3	50 – 75	2054	431	
4	75 – 100	2922	623	
5	> 100	5973	1116	

*Up to 12-2010

1. Source Sustainability Measures:

The main source of water supply for drinking water needs is ground water in the State. In view of over exploitation of ground water for various uses, conservation of water by conventional and non-conventional measures for improving drinking water sources was taken by the State. About 1162 pits and trenches, 2150 check dams, 806 percolation tanks, 1060 dug wells, and 389 roof top harvesting structures were constructed (**Table 9.87**) for ground water point recharge during 2010-11 Action Plan. The state also made available 20 % of central government grant for this programme and the estimated amount of schemes was Rs. 325.65 crore.

Table 9.87: Ground water Conservation Measures

Type of structure	Pits & Trenches	Check Dam	Percolation Tanks	Point Recharge System	Dug Wells/ Injection Wells	Others	Ooranies / Village Ponds / Traditional Water Bodies	Roof Top Harvesting
No	1162	2150	806	3	1060	1160	221	389

2. Rain Water Harvesting(RWH)

By knowing impending water scarcity in the state, state government has given main thrust to Rain Water Harvesting. RWH technique is encouraged as the best method of conserving water especially in public buildings such as schools and colleges, offices etc. In this direction the state has build 28 Rain Water Harvesting structures at the end of December

2010. Further, in order to involve people's participation a community participating Pilot project is under implementation in 3 taluks through BAIF, wherein Roof Top & Surface Rain Water Harvesting is being taken up with a scientific approach.

3. Jalamani Programme:

Jalamani programme a prestigious programme of the Central Government is launched in the state to provide safe drinking water to the students studying in Rural Schools (**Table 9.88**). About Rs 625 lakhs has been spent during 2008-2010 under this scheme and 3867 schools were benefited with provision of drinking water facilities.

Table 9.88: Jalamani Rural schools water supply scheme

Sl. No.	District	Covered during 2009-10	Proposed for 2010-11
1	Bangalore ®	61	119
2	Bangalore (U)	104	181
3	Ramanagara	75	237
4	Kolar	239	433
5	Chickballapur	72	356
6	Tumkur	404	747
7	Mysore	101	397
8	Mandya	101	483
9	Chamarajanagar	119	255
10	Hassan	357	447
11	Mangalore	70	164
12	Udupi	36	91
13	Chickmagalur	84	255
14	Kodagu	23	73
15	Davanagere	78	284
16	Chitradurga	88	465
17	Shimoga	106	292
18	Dharwad	111	128
19	Gadag	74	209
20	Haveri	64	282
21	Karwar	266	266
22	Belgaum	130	711
23	Bijapur	97	360
24	Bagalkot	102	255
25	Gulbarga	120	438
26	Yadagiri	75	273
27	Bidar	128	182
28	Bellary	69	292
29	Raichur	335	438
30	Koppal	178	365
	Total	3867	9478

4. Water Quality and Surveillance:

State government has established 30 district level laboratories to check the quality of ground water for meeting drinking water standards. About Rs. 134.28 lakhs worth of Field Water Testing Kits have been procured for distribution to all the 5628 Gram Panchayats during 2008-09. These kits are used to test all the ground water sources both in pre-monsoon and post- monsoon seasons. If the water sample parameters are beyond the permissible limits the values are confirmed at the District Level Laboratory by sending the affected water sample. Training is also given to V.W.S.C. for testing water quality using Field Water Testing Kits.

5. Submission Programme to Tackle Water Quality Problem:

The state is facing with water quality problems and about 21008 water quality affected habitations are identified in the State as per 2000-01 survey. Out of these 7930 habitations are covered and 4999 habitations were covered by the end of March 2010. The remaining 8079 habitations have to be covered in the next two to three years time. It is estimated that about 1600 crore is required to cover these habitations afflicted with water quality problems.

6. World Bank Assisted Jal Nirmal Project:

The World Bank assisted second Karnataka rural water supply and sanitation project “Jal Nirmal Project” and World Bank assisted Jal Nirmal Additional Financing Project are being implemented in the State for providing safe drinking water and sanitation facilities for the rural population. The World Bank approved the second Karnataka rural water supply and sanitation project “Jal Nirmal Project” on 18th December 2001. Karnataka rural water supply and sanitation Agency has launched this project on 11th Feb 2002. The project agreement was signed on 8th March 2002 and credit for the project has become effective from 19th April 2002. The project has been completed during June 2010.

World Bank assisted Jal Nirmal Project is a demand responsive project implemented in 11 districts (i.e., Bagalkote, Belgaum, Bidar, Bijapur, Dharwad, Gadag, Gulbarga, Haveri, Koppal, Raichur and Uttar Kannada) of Northern Karnataka. Under this project water supply project has been taken up in 744 GPS having 3061 villages/habitations and roads and Drain schemes were taken up in 1523 villages/ habitations at an estimated cost of Rs. 997 crore. About 51 lakh rural population has been benefitted by this project.

Under World Bank assisted Jal Nirmal Project, since inception Rs. 94310.39 lakhs has been utilized and Rs. 71643.37 lakhs has been claimed as reimbursement and Rs. 71417.83 lakhs has been reimbursed from the World Bank. Under this project, 2907 water supply schemes and 1429 roads and drain schemes have been implemented. The details are furnished in the following table 9.89

Table 9.89 Details of Schemes Completed under the Jal Nirmal Project

Sl No.	Districts	Target				Achievement	
		No. of GPs	No. of villages/habitations	No. of water supply schemes targeted	No. of roads/drains targeted	No. of water supply schemes completed	No. of roads/drains completed
1	Bagalkote	60	221	221	96	221	96
2	Belgaum	124	468	455	112	428	112
3	Bidar	77	308	308	200	308	200
4	Bijapur	84	350	352	217	349	129
5	Dharwad	45	99	99	72	99	71
6	Gadag	50	140	135	86	135	86
7	Gulbarga	79	473	469	262	468	260
8	Haveri	95	297	306	145	212	145
9	Koppal	47	172	164	121	160	120
10	Raichur	37	116	116	72	111	70
11	Uttar Kannada	46	417	417	140	416	140
	Total	744	3061	3042	1523	2907	1429

7. World Bank Assisted Jal Nirmal Additional Financing Project:

1552 water supply schemes and rural internal road and drain works are taken up for implementation from July 2010, at an estimated cost of Rs. 816.18 crore for a period of 3 years in the existing 11 districts of Northern Karnataka and water quality affected habitations in few other districts under World Bank Assisted Jal Nirmal Additional Financing Project.

As at the end of Sept 2010, 76 water supply schemes have been tendered and 28 water supply schemes are awarded under this project. Grants have been allocated for implementation of this project by the State Government from the prescribed budget for 2010-11. As at the end of Sept 2010, an expenditure of R. 281.27 lakh has been incurred. World Bank has released sum of Rs.3128.00 lakh

9.4.2 Urban Water Supply:

The Karnataka Urban Water Supply and Drainage Board is responsible for providing drinking water and underground drainage facilities in urban areas of Karnataka in 213 cities/towns excluding Bruhath Bangalore Mahanagara Palike. Urban water supply schemes cover a population of nearly 117 lakhs as per 2001 census. The board has commissioned 476 water supply and 49 underground drainage scheme since up to December 2010. Drinking water supply is better in case of urban areas with 78.4 per cent of households having access to tap water whereas, in rural areas only 48 per cent of households have access to this source (Table 9.90).

Table 9.90 Urban Water Supply Scenario

Urban Population	No. of Cities/Towns	Minimum Supply LPCD	No. of towns having adequate bulk supply	Towns needing improvement
More than 1 lakh	22	135	11	11
20001 to 1 lakh	128	100	72	56
Less than 20000	58	70	29	29
Total	208 (100%)	-	112 (54%)	96 (46%)

The Board has implemented assured safe drinking water to 179 urban areas. Further, the board is implementing 22 schemes for shifting the source of water from ground water to assured surface source of water. All these schemes are expected to be completed by the year 2013. By the year 2013 only 12 urban areas will be left with sub-surface water as source. Most of the urban areas are provided with surface water as source. At present 49 urban areas are provided with UGD facilities. In most of the urban areas the sewerage system is covered in core areas. The newly developed areas are not provided with Sewerage system. The Board has prepared a plan amounting to Rs.16921.00 crore for providing UGD scheme to all the urban areas in Karnataka. The Board aims to provide UGD facilities to all urban areas in phased manner depending upon the availability of funds. The Board is executing water supply and sewerage works under the following categories:

1. Piped Water Supply Schemes:

Urban areas with population less than 20,000 as per 1991 census come under this category. For this scheme, 100% of the estimate cost is provided by the Government as Grant-in-aid. About 282 schemes were commissioned since inception of the Board up to March 2010 During the year 2010-11. There are 14 on-going schemes and 10 New schemes proposed for sanction with budget allocation of Rs.92.08 crore. It is proposed to commission 7 schemes and 2 schemes are commissioned and remaining schemes are in progress (**Table 9.91**).

Table 9.91 Financial and Physical Achievements under Piped Water Supply Schemes:

Sl. No.	Year	Financial (Rs crore)		Physical	
		Target	Achievement	Target	Achievement
1	2005-06	55.47	39.95	8	8
2	2006-07	79.80	54.40	5	5
3	2007-08	70.29	44.97	12	6
4	2008-09	69.64	34.05	9	6
5	2009-10	19.12	36.20	7	4
6	2010-11*	15.79	18.00	6	2

*Up to 12-2010

2. Urban Water Supply Schemes:

Urban Water Supply Scheme applies only to areas with a population of more than 20,000. The schemes are taken up as per the funding pattern shown below (**Table 9.92**) Board has commissioned 171 schemes upto March 2010, there are 29 on-going schemes during the year 2010-11 and 17 New schemes are proposed for sanction. The total budget

allocation is Rs.378.18 crore. It is proposed to commission 13 schemes during the year. As at the end of December 2010. 1 scheme was commissioned and others are in progress.

Table 9.92 Urban Water Supply Scheme Target and Achievements:

Sl. No.	Year	Financial (Rs. crore)		Physical	
		Target	Achievement	Target	Achievement
1	2005-06	108.51	85.96	10	7
2	2006-07	119.24	65.13	10	2
3	2007-08	205.10	103.71	14	4
4	2008-09	235.00	122.85	17	13
5	2009-10	295.95	163.21	10	3
6	2010-11*	121.60	85.23	9	1

*Up to 12-2010

3. Under Ground Drainage Schemes:

All urban areas irrespective of population come under this scheme and it aims at providing the underground drainage system in urban areas. About 48 schemes were commissioned up to March 2010, during the year 2010-11. There are 31 on-going schemes and 15 new schemes proposed for sanction with budget outlay of Rs.245.39 crore. Among on-going schemes it is propose to commission 8 schemes during the year 2010-11, one scheme is commissioned and other schemes are in progress (Table 9.93).

Table 9.93: Status of Under Ground Drainage Schemes

Sl. No.	Year	Financial (Rs. in Crore)		Physical	
		Target	Achievement	Target	Achievement
1	2005-06	45.91	23.91	6	8
2	2006-07	33.05	15.98	6	1
3	2007-08	104.45	30.67	5	4
4	2008-09	117.45	39.02	4	--
5	2009-10	139.93	63.49	6	1
6	2010-11*	55.30	47.34	1	1

*Up to 12-2010

Table 9.94: Schemes Commissioned (Cumulative) by Karnataka Urban Water Supply and Drainage Board

Sl No	Year	Piped Water Supply Schemes	Urban Water Supply Schemes	Board Water Supply Schemes	Under Ground Drainage Schemes
1	2005-06	261	149	20	41
2	2006-07	266	151	20	42
3	2007-08	272	155	20	46
4	2008-09	278	168	20	46
5	2009-10	282	171	20	48
6	2010-11	284	172	20	49

*Up to 12-2010

The Board has proposed to implement 24/7 continuous water supply in the following selected 16 urban areas of Karnataka at an estimated cost of Rs.1100.00 crore under Kannada Ganga programme.

Table 9.95 Kannada Ganga Programme

SI No.	Town / City	District
1.	Humnabad	Bidar
2.	Chittaguppa	
3.	Sedam	Gulbarga
4.	Hukkeri	Belgaum
5.	Sankeshwar	
6.	Bijapur	Bijapur
7.	Mandya	Mandya
8.	Srirangapattana	
9.	Kadur	Chickmagalur
10.	Birur	
11.	Kushalnagar	Kodagu
12.	Tumkur	Tumkur
13.	Tiptur	
14.	Shimoga	Shimoga
15.	Therthahalli	
16.	Malur	Kolar

The following reforms are taken to increase in urban water supply efficiency.

1. Management Information System is implemented in the Board.
2. ISO 9001-2008 certification has been awarded to the Board.
3. e-tendering is in place
4. e-payment is in practice
5. Water & waste water center is being setting at Yelahanka, Bangalore to train Board employees, Local Body authorities and public.
6. Third Party inspection of works and materials is in place to ensure quality.

Bangalore Water Supply and Sewerage Board (BWSSB):

The BWSSB is responsible for providing water supply, sewerage system and sewage disposal in the Bangalore Metropolitan area. The BWSSB has implemented and commissioned the Cauvery Water Supply Scheme Stages I, II, III and IV Phase I with a designed potential of 810 MLD of treated water which is being supplied through 5,22,000 connections. The population of Bangalore Metropolitan area consists of core area and surrounding 7 CMC and 1 TMC and other areas is expected to grow from present 6 million to 7.3 million by 2011 as per the revised comprehensive development plan of BDA. To cater to the water demand, the Board has taken up the work of Cauvery Water Supply Scheme Stage IV Phase II to augment an additional 500 MLD of water to the city with financial assistance from Japan Bank for International Co-operation (JBIC) through Ministry of Urban Development, Government of India. Total estimated cost of the above scheme is Rs.3383.70 Crore.

JNNURM Projects (EAP-B):

To avoid wastewater flowing in SWDs and to prevent pollution of the existing lakes, the Board has taken up the rehabilitation and replacement of existing sewerage system in a phased manner. In addition to the above mentioned EAP-A scheme, the Board has taken up the Environment Action Plan – B (EAP-B) for replacement and rehabilitation of existing 80

Kms of sewer lines at a cost of Rs.176.754 crore. This scheme has been taken up with financial assistance of 35% from JNNURM, Government of India and 15% from Government of Karnataka. The balance 50% will be funded by JICA. This scheme is taken up in 8 packages viz.

- Replacement and rehabilitation of existing sewerage system in Hebbal Valley
- Replacement and rehabilitation of existing sewerage system in Challaghatta Valley.
- Replacement and rehabilitation of existing sewerage system in Vrishabhavathi Valley
- Replacement and rehabilitation of existing sewerage system from Koramangala Sports Complex to K & C Valley STP
- Replacement and rehabilitation of existing sewerage system in Koramangala Valley
- Replacement and rehabilitation of existing sewerage system in Arkavathi, Kathriguppe and Tavarekere Valley.
- Laying of sewers by trenchless technology in Hebbal, Challaghatta, Koramangala, Vrishabhavathi and Kethamaranahalli and Arkavathi Valleys
- Procurement of High Pressure Sewer Jetting cum Suction Machines

Karnataka Municipal Reform Project

The Board has taken up the project of providing underground drainage facilities to the erstwhile 8 Urban Local Bodies (ULBs) under Greater Bangalore at a total cost of Rs.1400.00 crore under World Bank and JNNURM. This project is targeted for completion by December 2013.

9.4.3 Sanitation:

1 Total Sanitation Campaign (TSC)

Individual Health and hygiene is dependent largely on adequate availability of drinking water and proper sanitation. Therefore there is a direct relationship between water, sanitation and health. Consumption of unsafe water, improper disposal of human excreta, high infant mortality rate are attributed largely to poor sanitation. The concept of sanitation was earlier limited to disposal of human excreta to cuss pool, open ditches, pit latrines, bucket system etc. The revised approach in programme emphasizes more on information Education and communication (IEC), Human Resource Development, Capacity development activities to increase awareness and demand generation for sanitary facilities. This will enhance people's capacity to choose appropriate options through alternative delivery mechanism with beneficiary participation.

The main objectives of TSC are:

- Bring about an improvement in the general quality of life in the rural areas
- Accelerate sanitation coverage in rural areas
- Generate felt demand for sanitation facilities through awareness creation and health education
- Cover schools in rural areas with sanitation facilities and promote sanitary habits among the students
- Encourage cost effective and appropriate technologies in sanitation
- Endeavor to reduce the incidence of water and sanitation related diseases.

Total Sanitation Campaign is under implementation in all the 30 districts of the state since 2005. Grama Panchayat is the implementing unit at village level. Achieving Open Defecation Free environment, along with other components like School and Anganwadi sanitation, solid and liquid waste management in all the villages of the Grama Panchayats is the ultimate goal of the campaign. Nirmal Gram Puraskar is the final incentive to the Grama Panchayats for their holistic approach and achievement.

In 2009-10 the campaign has given more emphasis to achieve Nirmal Gram Puraskars by covering more and more Gram panchayaths in the state. The IEC and Capacity building activities were taken up in large scale to make the campaign more participatory and need based. The implementation strategies were made focusing Gram panchayath as centre.

The challenge before the Campaign is to achieve 100 percent target with the involvement of all the people in a stipulated time frame. We can claim to have implemented TSC in total if it has achieved the following in all its villages.

- Total ban on open defecation
- All the Households have access to toilets. Wherever there is space constraint group toilets or community toilets are to be ensured.
- All the Anganwadis and Schools to have sanitation facilities. Schools are to be ensured with sufficient number of toilets based on the number of children and separate toilets for girl students to be ensured.
- All children are given awareness on hygiene education.
- Waste water from kitchen, bathroom, cowshed are to be disposed safely
- Proper solid waste management system to be in place with a emphasis on reduction, reuse and recycle
- Community must be sensitized on Safe handling of drinking water sources.
- Basic personal hygiene habits like bathing, brushing teeth, washing hands, trimming nails, safe handling of drinking water, etc., be practiced by all individuals

- Every one to practice personal, home and village hygiene habits and make them a way of life.

Project outlay and Progress

At the launch of campaign financial outlay was pegged at Rs.325.03 crore. With the revision of guidelines and change of norms for various components financial outlay has been enhanced to Rs.977.24 crore (Including beneficiary share). Amount is released to districts in installments based on the approved PIP. Families belonging to BPL only will be given an incentive amount of Rs.3000/- for construction and usage of toilets. Of which GOI share is Rs.1500/- & GOK share is Rs.1500/-.

Table 9.96 Details of Physical Performance Total Sanitation Campaign

Category	Unit	Progress
Individual Household Latrines - BPL	Lakh no	28.89
Individual Household Latrines – APL	Lakh no	29.82
Sanitary Complexes	Nos	1305
School Toilets	Nos	39267
Anganawadi Toilets	Nos	26353
Rural Sanitary Marts	Nos	212

Nirmal Gram Puraskar

By adopting area specific strategies to make villages open defecation free zone 845 Gram panchayaths and 4 block panchayaths have received Nirmal Gram Puraskar.

State Reward Scheme Nairmalya

The State Government has also instituted Nairmalya awards in order to accelerate the sanitation in the Gram Panchayats which have not received NGP awards so far and to maintain the sustainability in the Gram Panchayats which have bagged NGP awards. The award consists of cash award with citations at different levels. Nairmalya awards at Taluka level, Rajatha Nairmalya at District Level, Swarna Nairmalya at Division level and Nairmalya Ratna at State level comprising of about Rs.6 crores as cash awards. Apart from this schools and anganwadis are also awarded cash prizes at Taluka and District levels. Even the best NGO and individual will get appreciation certificates.

9.5 HUMAN DEVELOPMENT:

The central objective of any planning and policy is to advance human development. The creation of Human Development Index (HDI) is a tacit acceptance that the development should be viewed broadly than through a single indicator like per-capita income. Human development represents the process of expanding people's choices to live long, healthy, and creative lives. It is argued that the long-term patterns of economic growth do not necessarily correlate with progress in human development. Therefore, development needs has to be seen

broadly as enlarging people’s choices and reinforcing human capabilities and fostering access to meaningful opportunities for exercising choice. The human development definition of poverty is much broader than the conventional definition measuring poverty using only a single indicator.

The Human Development Index (HDI) or the Human Poverty Index (HPI) rely on a composite index of the different dimensions of human life, with a focus on quantifiable elements such as longevity, knowledge, and a decent living standard. The recently developed Multidimensional Poverty Index (MPI) also identifies deprivations across health, education and living standards, and shows the number of people who are multidimensionally poor.

9.5.1 Demographic profile of Karnataka:

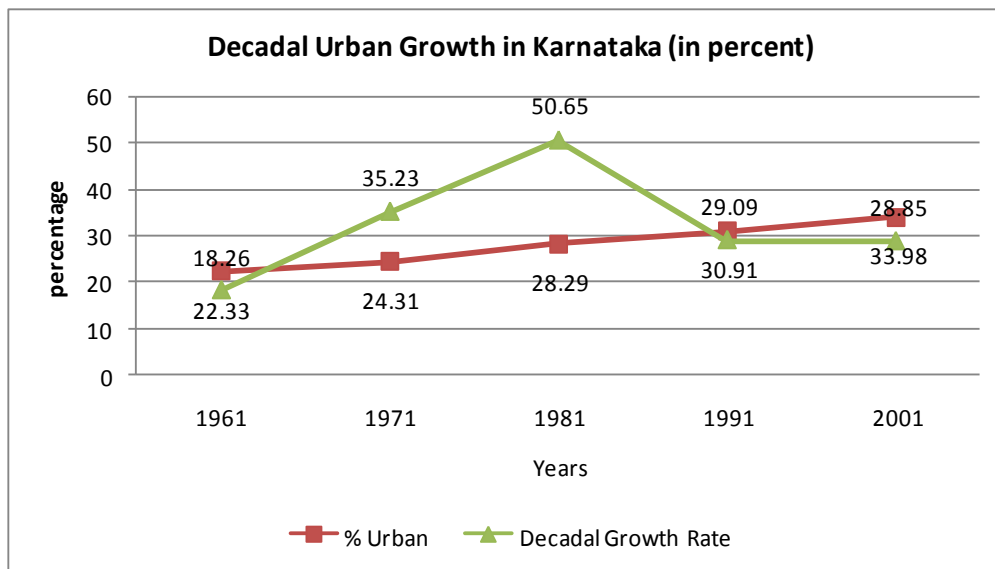
The census of India has published the population data on Karnataka for the year 2001 projecting the same up to 2026. Karnataka is projected to have a population of around 59419 thousand in 2011 with a growth rate of around 12 percent during 2001-11 decade. This is against the recorded growth rate of 17.5 percent in the previous decade. The population projection includes age group distribution of population in the age group of 0-14, 15-59 and 60 years and above. The Table shows that while population of the state will go down in the age group 0-14 years from 32% in 2001 to 20 % in 2026, the population in the age group 15-59 years will go up from from 60.8% to 65.2% during the same period. However, in the 60 years and above age group, the proportion of Karnataka’s population has almost doubled from 7.3% in 2001 to 14.5% in 2026. **Table 9.97** presents the details on projected population in Karnataka.

Table 9.97: Population pattern of Karnataka (Projected)

Year	Population (in thousands)	Average Annual Growth Rate (%)	Proportion (percent)		
			0-14	15-59	60+
			(years)	(years)	(years)
2001	52851	-	31.9	60.8	7.3
2006	56258	1.25	28.2	63.7	8.1
2011	59419	1.09	25.4	65.4	9.2
2016	62374	0.97	23.4	65.9	10.7
2021	64848	0.78	21.9	65.7	12.5
2026	66933	0.63	20.4	65.2	14.5

The growth of urban population in the State is rapid. The urban population of the State is around 34 per cent as compared to 28 per cent for all India according to 2001 census. The growth of urban population remained nearly at the same level since 1981 (**Figure 9.19**).

Figure 9.19: Decadal Urban Growth in Karnataka (in percent)



Sex Ratio: Census of India has published data relating to sex ratio for all states and India for every decade. Karnataka has a better position in sex ratio (females per 1000 males) (965) as compared to the national average (933) according to the 2001 census. The recorded sex ratio in 2001 has been 5 points higher than recorded in 1991. However, the child sex ratio has recorded significant decline during 1991-2001 from 960 to 946 females per 1000 males.

The following (Table 9.98) shows the trends in sex ratio in India and southern states including Karnataka since 1971.

Table 9.98: Trends in Sex ratio in India, Karnataka and Southern States

Year	1971	1981	1991	2001
INDIA	930	934	927	933
Karnataka	957	963	960	964
Andhra Pradesh	977	975	972	978
Kerala	1016	1032	1036	1058
Tamil Nadu	978	977	974	986

Source: Census of India data.

Karnataka though having a sex ratio higher than all India throughout the period, it is far below other neighboring states.

Migration in India and Southern States: National Sample Survey has published a report on Migration in India for the period 2007-08 for different states in India. Table 9.99 shows Migration in India per 1000 persons and southern states. Karnataka state has female migration of 474 per 1000 persons similar to all India but much higher than Kerala and Tamil Nadu States. Contrary to this the migration value of urban Karnataka is 383 per 1000 persons which is less compared to all India (456), Andhra Pradesh (467) and Kerala(428). However female migration in Urban Karnataka is higher than Tamil Nadu. The overall migration rate

in the state is (rural and urban combined) is slightly higher than all India (285) but lower than Andhra Pradesh (314) and Kerala (337).

Table 9.99: Migration Rate (per 1000 persons) for Southern States

State./all-India	rural		urban		rural + urban	
	Female	Female+ male	Female	Female+ male	Female	Female+ male
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Andhra Pradesh	473	282	467	400	471	314
Karnataka	474	273	383	324	443	289
Kerala	459	333	428	348	452	337
Tamil Nadu	354	220	316	247	338	232
All-India	477	261	456	354	472	285

Source: NSS Report No. 533: Migration in India: July, 2007-June, 2008 , Page 39, 40 and 41, Statement 4.1.1

9.5.2 Macro dimensions of human development:

1. New Poverty Ratio:

Poverty ratio in Karnataka as per the proposed the new poverty line (2004-05) (based on the new methodology proposed by Prof. S D Tendulkar committee “Report of the expert group to review the methodology for estimate of poverty” and brought out by Planning commission) is 33.4%, one of the highest among the neighboring states. However, as compared to all India (37.2%) Karnataka’s poverty ratio is slightly lower (33.4%) (Table 9.100).

The following Table 9.100 gives the details of poverty line and poverty headcount ratio with rural and urban breakup for important states including southern states for 2004-05 based on new poverty norm.

Table 9.100: Percentage of Population below Poverty Line by States 2004-05 [Combined (Rural + Urban)]

States	Poverty Line (Rs. Per capita per month)		Poverty Headcount Ratio (%)		
	Rural	Urban	Rural	Urban	Total
Andhra Pradesh	433.43	563.16	32.3	23.4	29.9
Karnataka	417.84	588.06	37.5	25.9	33.4
Kerala	537.31	584.7	20.2	18.4	19.7
Maharashtra	484.89	631.85	47.9	25.6	38.1
Tamil Nadu	441.69	559.77	37.5	19.7	28.9
All India	446.68	578.8	41.8	25.7	37.2

Source: Planning Commission & NSSO Data, 61st Round

2. Multidimensional Poverty Index:

The 2010 Human Development Report of United Nations Development Programme (UNDP) introduced a new Multidimensional Poverty Index (MPI). This new international measure of poverty complements income-based poverty measures by reflecting the multiple

deprivations that people face at the same time. The multiple factors considered included basic living standards, access to school, clean water and health care.

The following **Table 9.101** provides data on multidimensional poverty index across 28 Indian states. According to the Table it may be seen that 81% of the people are multi-dimensionally poor in Bihar, which is more than in any other states – on the other hand multidimensional poverty is lowest in Kerala. Karnataka fares better than all India with 46% people having multi-dimensional poverty.

Table 9.101: Multidimensional Poverty Index for different states in India

MPI Rank	States	Population 2007	MPI	Proportion of poor (%)
		(in millions)		
1	Kerala	35	0.065	15.9
2	Goa	1.6	0.094	21.7
3	Punjab	27.1	0.12	26.2
4	Himachal Pradesh	6.7	0.131	31
5	Tamil Nadu	68	0.141	32.4
6	Uttaranchal	9.6	0.189	40.3
7	Maharashtra	108.7	0.193	40.1
8	Haryana	24.1	0.199	41.6
9	Gujarat	57.3	0.205	41.5
10	Jammu And Kashmir	12.2	0.209	43.8
11	Andhra Pradesh	83.9	0.211	44.7
12	Karnataka	58.6	0.223	46.1
13	Eastern Indian States ⁴	44.2	0.303	57.6
14	West Bengal	89.5	0.317	58.3
15	Orissa	40.7	0.345	64
16	Rajasthan	65.4	0.351	64.2
17	Uttar Pradesh	192.6	0.386	69.9
18	Chhattisgarh	23.9	0.387	71.9
19	Madhya Pradesh	70	0.389	69.5
20	Jharkhand	30.5	0.463	77
21	Bihar	95	0.499	81.4
	India	1,164.70	0.296	55.4

Source: UNDP HDI Report-2010 (OPHI Country Briefing 2010).

Eastern Indian states include Assam, Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim, and Tripura.

3. Global Hunger Index – India and States:

International Food and Policy Research Institute (IFPRI) has worked out the hunger index for 122 countries including India for the year 2010 with the focus on mal-nutrition among the children as an important yardstick in computing of Global Hunger Index. Computation of global hunger index is done on an annual basis. Out of 122 developing countries and countries in transition, 84 countries have been ranked and India with a value of 24.1, ranks 67 among 84 countries in terms of Global Hunger Index. However, state wise position in terms of hunger index is not available for the year 2010. The previous year's report on hunger index compute India's hunger index for the year 2008 based on National Family Health Survey 2005 (NFHS) and National Sample Survey Results for 2004-05.

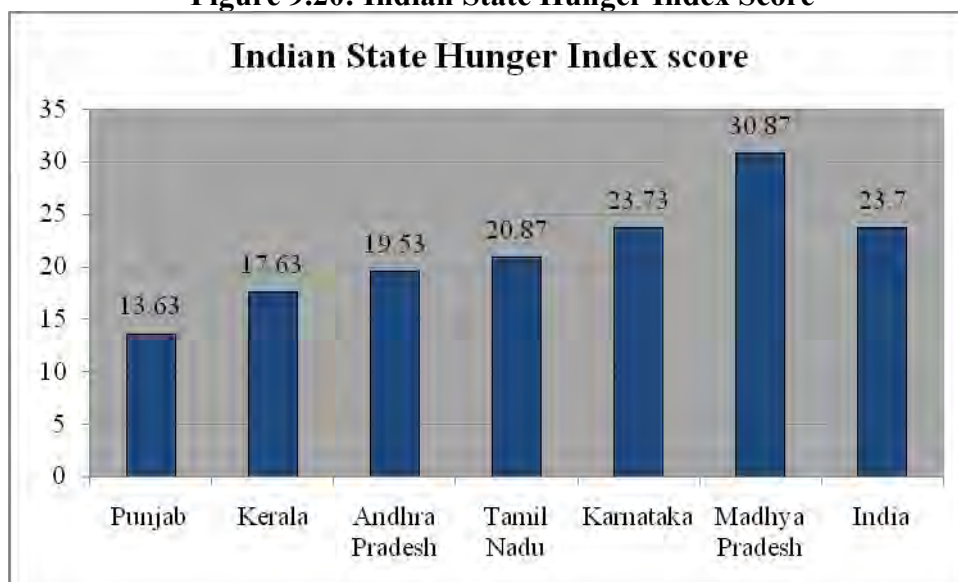
The (Table 9.102) gives the inter-state ranks within the country and global hunger index ranks across the countries for major state in India including all India and south Indian states.

Table 9.102: State Hunger Index

State	Indian State Hunger	Indian State Hunger	GHI Rank
	Index score	Index rank	
1	2	3	4
Punjab	13.63	1	33
Kerala	17.63	2	46
Andhra Pradesh	19.53	3	54
Tamil Nadu	20.87	6	60
Karnataka	23.73	11	66
Madhya Pradesh	30.87	17	81
India	23.7		66

Source: IFPRI-report on India State Hunger Index-2008, Published in February-2009, Table-2, page 15.

Figure 9.20: Indian State Hunger Index Score



Karnataka has a hunger index value of 23.73 which is more or less similar to all India ranking 11th in the country and 66th rank in the global scenario. It may also be seen that all the southern states have better rankings than Karnataka. Among different states Punjab stands 1st in the country in terms of its hunger index and Madhya Pradesh stands 17th among the states in the country (**Figure 9.20**).

4. Household amenities – All India and southern states:

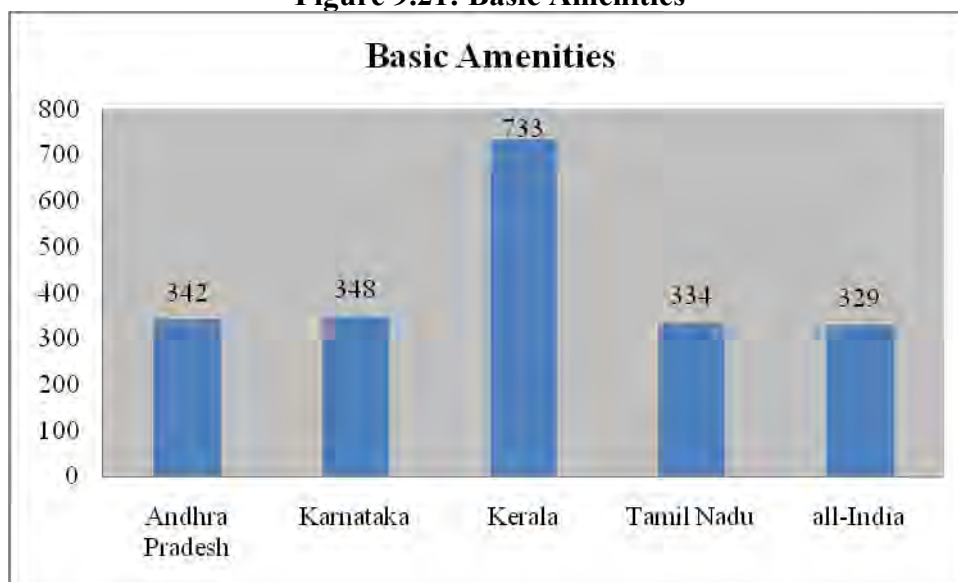
National sample survey report (No.535) provides state wise details on housing condition and amenities with rural and urban breakup and combined position. The amenities mainly include drinking water available within premises, electricity for domestic use and latrine facilities for rural and urban areas for all India and Southern states including Karnataka as given below (**Table 9.103**).

Table 9.103: Proportion (per 1000) of households with drinking water within premises, electricity for domestic use and latrine for Southern states

State/all-India	Rural		Urban		Rural + Urban	
	All three facilities	none of these facilities	All three facilities	none of these facilities	All three facilities	none of these facilities
1	2	3	4	5	6	7
Andhra Pradesh	197	61	668	20	342	48
Karnataka	155	48	674	14	348	35
Kerala	709	20	798	2	733	15
Tamil Nadu	113	63	585	17	334	42
All-India	184	195	675	18	329	142

Source: NSS Report No. 535: Housing Condition and Amenities in India: July, 2008-June, 2009, Page 56, Statement 3.15.1

Figure 9.21: Basic Amenities



The above Table shows that out of every 1000 household's 48 households in Karnataka have none of these facilities available which is far less compared to all India figures 195, Andhra Pradesh 61 and Tamil Nadu 63. In urban Karnataka, only 14 households per 1000 have none of these facilities as compared to all India 18, Andhra Pradesh 20 and Tamil Nadu 17. Altogether (rural and urban combined) 35 out of 1000 households in Karnataka have none of these facilities as compared to all India 142, Andhra Pradesh 48, Kerala 15 and Tamil Nadu 42.

9.5.3 District Human Development Reports:

Karnataka State successfully implemented the project of Strengthening State Plans for Human Development (SSPHD) upto the end of 2009. As part of the project activity, four pilot districts (Bijapur, Gulbarga, Mysore and Udupi) were taken up for preparation of District Human Development Reports in the first phase on a pilot basis, which were released in the year 2010. In the second phase five more districts namely Bidar, Raichur, Davanagere, Chitradurga and Chamarajnagar are included, the cost of which were met out of state funds. In the third phase eleven more districts are included for the preparation of District Human Development Reports. The remaining districts will be covered by the end of XI plan period. Karnataka state in collaboration with the Institute for Social and Economic Change is also bringing out a manual to standardize the District Human Development Reports.

The Main Findings of the District Human Development Reports of the pilot districts are as below:

a. Bijapur DHDR:

Bijapur district and its five taluks are suffering from backwardness both in terms of income and human development. The report calls for a concerted effort by the State and Central Governments and other bodies like Planning Board, Planning Commission, to play crucial role in initiating and accelerating process of development. There is a need to make the district more gender sensitive. Gender disparities and gender discrimination are more

pronounced in the district than at the state level. The district is facing more serious issue of „problem of deceleration“ which needs to be tackled effectively. Work participation in the district has shown a decline from 41 percent in 1991 to 39 percent in 2001. Work participation rate among women has declined from 32 percent in 1991 to 28 percent 2001. Literacy gap between the literacy rate of SCs and total population in the district is low compared to state average. Agricultural laboures form the major chunk in the total labour force among the Scheduled Castes and Scheduled Tribe.

b. Gulbarga DHDR:

Gulbarga District is at the bottom of human development ranking 26th among district in Karnataka and 9 out of 10 taluks are in most backward category and remaining one taluka is in backward category as per Dr. D.M. Nanjundappa Report. Literacy is a gray area that needs urgent attention. Literacy has to be increased through enhancing enrollment, retention and provision of quality education. Health services should be adequately improved and percentage of safe deliveries should reach to 100 percent. Immunization coverage needs to be increased. The programmes like NREGA are being implemented successfully to provide secured livelihood. The watershed programmes to be implemented on a larger scale. Promotion of self help groups, user associations and civil society organizations may be needed to promote empowerment of the poor and marginalized groups.

c. Mysore DHDR:

The report deals with human development and related indices of Mysore district and its seven taluks. It is stated in the report that Mysore district having 7th rank in income scale, slides down to the 14th place in human development in Karnataka during 2001. The district has not been able to transform its increased income into better life of people. The gender inequalities in development are more pronounced at in the taluka levels, therefore it is necessary to look in to these gaps in the district. This report serves as a hand book for the preparation of the district development plans and also provides a strong data base at the taluka level for the preparation of taluka development plans.

d. Udupi DHDR:

The Udupi District Human Development Report has attempted to construct and analyze the composite human development indices for the district, taluks and Grama Panchayats. As per the 2001 census data Udupi district has a literacy rate of 81 percent as against state average of 66 percent. The district performs exceptionally well in the field of education due to the efforts of private initiative. However, rural schools need to be given required infrastructure. The report covers important issues like environmental concerns, good governance, volunteerism, culture, etc apart from covering conventional areas such as education, health, income, poverty, employment, housing, etc.

Table 9.104: Comparison of HDI and its component indices of First Phase 4 DHDR districts namely Bijapur, Gulbarga, Mysore and Udupi districts.

Districts	KHDR-1999				KHDR-2005				DHDR-2008			
	1991				2001				2006			
	HDI	Health Index	Education Index	Income Index	HDI	Health Index	Education Index	Income Index	HDI	Health Index	Education Index	Income Index
Bijapur	0.504 (21)	0.57 -25	0.561 -19	0.381 -17	0.589 -23	0.627 -24	0.642 -21	0.499 -23	0.63	0.669	0.702	0.52
Gulbarga	0.453 (25)	0.575 -23	0.432 -25	0.352 -24	0.564 -26	0.632 -20	0.572 -25	0.49 -25	0.59	0.656	0.576	0.538
Mysore	0.524 (14)	0.632 -9	0.55 -20	0.389 -12	0.631 -14	0.663 -11	0.669 -19	0.561 -7	0.681	0.737	0.713	0.593
Udupi	0.659 (2)	0.685 -1	0.83 -1	0.463 -3	0.714 -3	0.713 -1	0.842 -2	0.588 -5	0.762	0.798	0.88	0.608
State	0.541	0.618	0.602	0.402	0.65	0.68	0.712	0.559	***	***	***	***

Source: KHDR-1999, KHDR-2005 and Karnataka DHDRs-2008.

Table 9.104 shows that Human Development Index which is a combination of three indices namely Health, Education and Income which fall in the range of 0-1, is highest in Udupi with 0.762 value followed by Mysore 0.681, Bijapur 0.630 and Gulbarga 0.590.

9.5.4 Educational Development in the Districts:

1. Education Development Index 2009-10: Sarva Shikshana Abhiyana (SSA) has published Education Development Index for 2009-10 published in the year 2010-11. Education Development Index is a combination of four indices namely Access Index, Infrastructure Index, Teachers Index and Outcome Index. **Table 9.105** presents the district wise position. Hassan district with the value of 0.715 ranks 1st followed by Kodagu, Tumkur, Chikkamagalore and Bangalore rural districts. On the other hand Yadgir with the value of 0.389 ranks 31st among the districts followed by Gulbarga Koppal, Bidar and Raichur districts on Education Development Index (EDI).

Table 9.105: Comparison of Education Development Index for different districts 2009-10

Sl.No.	Block Name	EDI		Sl. No.	Block Name	EDI	
		Index	Rank			Index	Rank
Weightage		3.486					
1	Hassan	0.715	1	16	Bangalore South	0.619	16
2	Kodagu	0.708	2	17	Shimoga	0.603	17
3	Tumkur	0.704	3	18	Chikkaballapur	0.598	18
4	Chikkamagalore	0.697	4	19	Dharwad	0.59	19
5	Bangalore Rural	0.688	5	20	Chamaraja Nagar	0.573	20
6	Ramanagara	0.688	6	21	Haveri	0.565	21
7	Udupi	0.676	7	22	Belgaum	0.539	22
8	Kolar	0.671	8	23	Bijapur	0.523	23
9	Chitradurga	0.662	9	24	Gadag	0.52	24
10	Uttarakannada	0.656	10	25	Bellary	0.518	25
11	Mysore	0.647	11	26	Bagalkot	0.51	26
12	Mandya	0.643	12	27	Raichur	0.488	27
13	Dakshinakannada	0.639	13	28	Bidar	0.469	28
14	Bangalore North	0.639	14	29	Koppal	0.463	29
15	Davanagere	0.638	15	30	Gulbarga	0.437	30
				31	Yadgiri	0.389	31

Source: Sarva Shikshana Abhiyana, Karnataka

2. All India Survey on Education Research (ASER): All India Survey on Education Research (ASER) reports for 2006 to 2009 give the district wise details of out of school children among girls in rural Karnataka in the age group of 06-14. The following Table (Table 9.106) shows the above district wise details of out of school children.

The below Table shows that Udupi with no out of school children in the age group of 06-14 years as per the report for the year 2009 ranks 1st among the districts followed by Uttara Kannada, Hassan and Dakshina Kannada districts. On the other hand Raichur has 27th rank is the least among all the districts in Karnataka followed by districts of Bellary, Gulbarga, Koppal and Bijapur.

**Table 9.106: Performance Trends of Children (Age: 6-14) Out of School in Karnataka Districts
Karnataka- Rural (ASER Reports)**

Districts	Percentage of Children (Age: 6-14) out of school				Rank for 2009	Rank for 2006
	2006	2007	2008	2009		
1	2	3	4	5	6	8
Bagalkot	7.1	1.7	5.2	2.3	18	22
Bangalore	2	0.9	1.1	1.4	9	11
Bangalore Rural	2.6	0.4	0.2	1.3	7	14
Belgaum	3.1	2.7	2.1	1.5	12	19
Bellary	6.9	7	14.1	12.3	26	21
Bidar	2.2	4.6	3.7	1.6	13	12
Bijapur	8.6	1.9	4.5	4	23	24
Chamaraja Nagar	1.3	2.6	2.1	2	14	6
Chikmagalur	2.8	3.3	0.4	2	14	17
Chitradurga	2.6	1.7	1.3	1.4	9	14
Dakshin Kannada	0.9	0.9	0.8	0.9	4	2
Davanagere	4.1	3.8	2.3	2.9	20	20
Dharwad	2.6	2	1.7	2.7	19	14
Gadag	7.7	2.7	2.6	3.1	21	23
Gulbarga	18	9.5	13.6	8	25	27
Hassan	1.7	2.4	0.5	0.1	2	9
Haveri*	2.8	3.8	2.3	3.4	22	17
Kodagu	1.4	1	1.7	1.3	7	7
Kolar	1	1.9	0.7	1.4	9	4
Koppal	9.8	5	3.4	5.4	24	25
Mandya	1.2	0.1	0.4	2	14	5
Mysore	1.4	2.9	3.9	2	14	7
Raichur	15.5	18.7	12.4	15.8	27	26
Shimoga	2.2	2	1.1	1.2	6	12
Tumkur	0.9	0.6	1.3	1.1	5	2
Udupi	0.5	1	0.7	0	1	1
Uttar Kannada	1.8	0.3	0.7	0.1	2	10
Total	4.9	3.5	3.6	3.2		

Source: ASER Reports 2006, 2007, 2008 and 2009.

9.5.5 Social Service Expenditure as proportion of total budgetary Expenditure:

Social Service Expenditure as proportion of total budgetary Expenditure for major states for the period 2001-2009 has been prepared using the RBI report namely the state finance: It provides information to compare across states and find out the position of Karnataka compared to all India and other neighbouring states. Based on the comparison the following points have emerged, as could be seen from the Table below (Table 9.107).

1. An on average Karnataka State has spent about 31 percentages of its total budgetary expenditure on Social Services annually during the period 2001-09.
2. Expenditure on Social Services as proportion of total budgetary expenditure has increased from 32.1 percent in 2001-02 to 35.6 percent in 2008-09 in Karnataka.
3. Social Services Expenditure as proportion of total budgetary expenditure in Karnataka has been higher than all India in 2008-09.

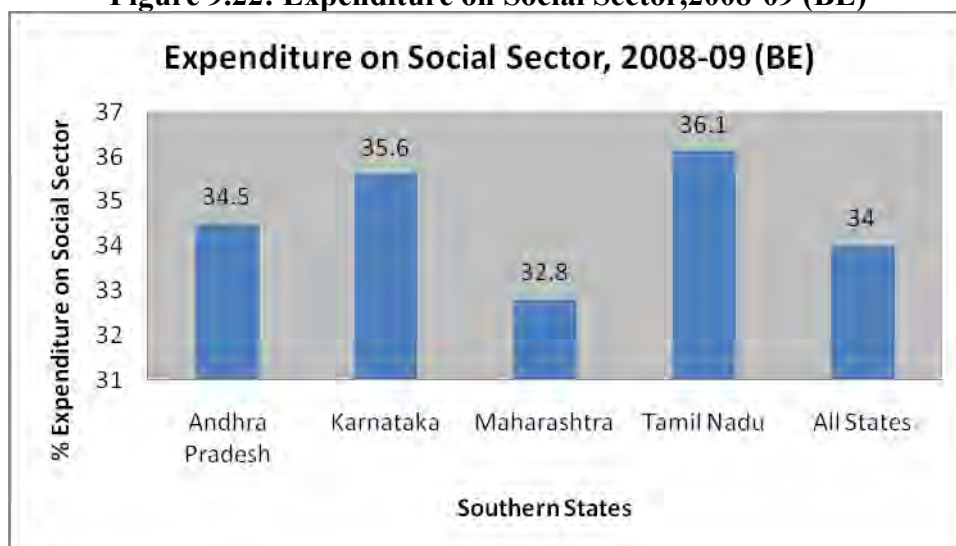
Table 9.107: Expenditure on Social Services as proportion to total budgetary expenditure 2001-02 to 2008-09

State	Expenditure on Social Services as % of total Expenditure							
	(Revenue+ Capital)							
	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08 (RE)	2008-09 (BE)
Andhra Pradesh	31.3	31.6	31.9	42.5	28.9	30.3	31.5	34.5
Karnataka	32.1	30.4	30.4	27.7	29.5	29.1	33.6	35.6
Maharashtra	34.6	32.6	32	30.3	33.9	33.5	36.2	32.8
Tamil Nadu	35.8	31.4	35	35.9	34.5	32	34.5	36.1
All States	32.7	32	30.1	30.7	31.6	31.8	33.2	34

Source: 1.State Finances A study of Budget of 2003-04, 2004-05, 2005-06, 2006-07, 2007-08 & 2008-09
RBI publications

Note: Total Budgetary Expenditure includes Revenue Expenditure+ Total Capital outlay.
(Development+ Non Developmental General Services)

Figure 9.22: Expenditure on Social Sector, 2008-09 (BE)



9.5.6 Important state initiatives in human development:

Following is the list of important schemes/programmes implemented in the current year, which have implication on Human Development.

1. Aasare Scheme:

Karnataka state experienced one of the worst forms of environmental disaster in the month of September/October 2009 in the form of wide spread floods particularly in the northern region of Karnataka. To facilitate the flood affected families the state Government commenced an extensive housing programme called Aasare Scheme under which 60,774 houses to be constructed of which so far about 45,621 has been started. Of these 20,643 are at the foundation stage, 8,453 at the lintel level, 7,406 houses at the roof level and 9,119 houses have been completed. Government agencies like in Karnataka Land Army is constructing 15,106 houses and Housing Department is constructing 18,958 houses.

2. Food Security:

One of the important programmes in Karnataka is to alleviate poverty thereby giving subsidized food grains under public distribution at the poor fixed rate throughout the year. The availability of the food grains to the reasonable rates to the poor is the responsibility of the Government.

The identification of beneficiary families and allotment of food grains to them is the responsibility of the State Government while the public distribution system is the responsibility of both Central and State Governments. The Central Government gives food grain allotment to the state for 31.29 families which includes Anthyodaya Anna Yojana (AAY) and below poverty line (BPL) families and remaining food grains are purchased by the State from the Central pool in the above poverty line (APL) rates and distributes it in the BPL rates to ration card holders who have been identified by the State Government above the Central Government figures. The main commodities, under PDS are Rice, Wheat, Sugar and Kerosene. The number of card holder both BPL and APL are presented in **Table 9.108**

Table 9.108 Number of Cardholders in Karnataka during the last three years

Annual Income	Card type	No. of card holders		
		2008-09	2009-10	2010-11
Upto Rs. 12,000 in rural area and Rs. 17,000 in urban area	Anthyodaya Anna Yojana	1199700	1199700	1128912
	Below Poverty Line	9413430	8643323	8504993
More than Rs. 12,000 in rural area and Rs. 17,000 in urban area	Above Poverty Line	5297772	5297772	3996511

3. GIRL Child Tracking System:

An effective Child Tracking System which tracks the girl child from birth to 18 years of age has major implication for the well being of significant number of children. It ensures that the girl children are supported in continued education, prevention of child marriage and

follow up of the growth and development of children. However, it necessitates quick access to data. Tracking of children from the grass root level has become the need of the hour. This system has been developed with the assistance of NIC. The software so developed will enable the viewer to know the status of the beneficiaries with regard to health, education, migration from one place to another. It will also provide other benefits availing from other departments through different schemes. Since, all eligible girl children are registered under the scheme at birth and monitored till they attain 18 years, all relevant information will be maintained in the software and will be available online all designated officials and for Women and Child Development Department and other specific departments entrusted with Bhagyalakshmi scheme.

In the light of the above the total number of beneficiary data entered in the portal is 600806 as on 18.12.2010. Presently for the year 2010-11 the online entry is in progress. The data entry process is in progress for the beneficiaries who have received bonds for the year 2006-07, 2007-08 and 2008-09.

4. Bhagyalakshmi:

The State Government has launched one of its vital scheme bhagyalakshmi during 2006. The main motive of the scheme is the empowerment of the girl child in the society by way of financial assistance. The scheme was partially modified during August 2008. The scheme envisages the girl child born on or after 01-08-2008 will be eligible for a fixed payment which will be Rs. 1.00 lakh on maturity on attaining 18 years of age. And also the scheme is restricted to 2 girl children belonging to BPL families with a condition that either of the parents should have undergone permanent family planning and number of children in the family should not exceed 3.

An amount of Rs. 19,300/- will be deposited in the name of the first girl child and Rs. 18350/- for the second girl child as an initial deposit in the financial institution. On completion of 18 years the first girl child will be eligible for Rs. 1,00,097/- and the second girl child will get Rs. 1,00,052/-.

On completion of SSLC and have attained 15 years of age, the beneficiaries were desirous to continued higher education are eligible to pledge the bond and avail loan up to a maximum of Rs. 50,000/- from recognized banks. If the father / mother /guardian / of the beneficiary belonging to land less rural family is eligible to avail benefit under Janashree Bima Yojana. If the beneficiary dies before 18 years, the benefit will be forfeited. Scholarship and Medical insurance coverage is dropped.

5. Yashasvini:

Its main aim is to ensure good health for farmer co-operatives of Karnataka, which is a unique co-operative health care scheme launched for the first time in the world. It is meant for farmers and their families or members of co-operative societies.

A farmer co-operative with a meager sum of Rs 140/- and service charge of Rs 10/- sum up to Rs 150/- per year can face any complex health related charges, get top class treatment and have access to expensive medical procedures covered on 01-06-2003. Under this scheme:-

- Upper age limit to avail the benefits of the scheme is 75 years.
- Members can avail free surgery costing upto Rs 1.00 lakh and Rs 2.00 lakhs for multiple surgeries in one year.
- 1,600 types of surgeries have been included in the Yashasvini Scheme.
- Drowning dog bite, snakebite, bullgore injury, burns, electric shock, accident from agricultural implements.
- Normal delivery
- Neonatal care

For the period 2009-10, 163240 co-operative members have been benefited under this Scheme 49238 beneficiaries have under gone surgeries and 114002 have been treated as out patients. The Government has sanctioned Rs 30.00 crores and released Rs 30.00 crores for the year 2009-10 under this scheme.

The registration of societies under the Karnataka society's act of 1960 by the Revenue Department was transferred to Co-operative department on 07-05-2008, 122726 societies are registered under this act. During the year Rs 1.47 crores of revenue has been collected as registration fee, filling fee etc.

6. Santhwana:

The scheme of Santhwana was launched during the year 2000-01. The main objective of the scheme is to provide legal assistance, financial relief, temporary shelter and protection to victims of atrocities. This scheme was initiated for women. Women who are victims of various atrocities such as dowry, rape, sexual harassment, domestic violence etc will come under the schme. This scheme helps them to be self-reliant, the scheme is being implemented through NGOs in all the districts Head Quarters and Taluks. In total 141 santhwana centers are functioning in the State. During the year 2010-11 budget allocation of Rs.655.00 lakhs has been made for the scheme out of which Rs.327.50 lakhs have been released and an expenditure of Rs.102.47 lakhs has been incurred up to the end of October 2010. Sanctions for santhwana centers for given preferably based on Dr. Nanjundappa Reports.

7. Balavikas Academy:

The State Government has setup the Balavikas Academy during 2008-09 in order to enhance the status of the children in the State and also to resolve the issue related to child health, protection, education etc., to focus on the overall development of the child. Especially the academy aims to tap the hidden talents of the children in particular those from rural areas by providing in opportunity and atmosphere for creativity in children.

8. Streeshakthi:

The main objective of the scheme is to empower rural women economically and socially. The project was launched throughout the State on 2nd October 2000. Under this scheme about 1,40,000 SHGs have been constituted so far. As on today Rs. 21.00 lakh women have enrolled in SHGs of Rs. 875.00 crores have been saved.

To encourage income generating activities to SHGs and to provide marketing facilities for the produce, in 28 districts marketing out lets have been provided and also funds have been provided for construction of Streeshakthi Bhavans in 120 Taluks.

About 1,25,926 groups have been provided loans worth Rs.1103.00 crores and internal loan of Rs. 1906.00 crores. They are engaged in different types of IG activities.

9. Karnataka Mahila Abhivrudhi Yojane (KMAY):

Karnataka Mahila Abhivrudhi Yojane which aims at ensuring general equality and integration of women in the main stream of development aims at earmarking one third of resources for women in individual beneficiary oriented schemes and labour intensive schemes of various departments of the Government. During the year 2009-10 (up to end of 2009) 25 departments have identifies 239 schemes under Mahila Abhivrudhi Yojane programme. Out of total outlay of Rs. 4245.08 crores, Rs. 2083.10 crores was earmarked for these women oriented schemes of which Rs. 284.80 crore was spent by end of December 2009.

10. Aarogya Kavacha (Emergency Management Research Institute (EMRI)):

This scheme is aimed at providing vehicle equipped Emergency Medical facilities to villages. 150 Vehicles have been inducted in the 1st phase from 1st November 2008. An amount of Rs. 2000.00 lakhs has been paid to Emergency Management Research Institute which manages the programme.

11. Saakshar Bharath Programme:

Saakshar Bharath programme has been sanctioned to 16 districts of Karnataka including new districts, Ramanagar and Chikballapur, in the first phase. The project period is up to March 2012. The target is Rs. 36.64 lakhs non-literates. The approved budget is Rs. 161.00 crores, of which Central Government share Rs. 120.75 crores and State Government share is Rs. 40.25 crores. Central Government share of Rs. 18.44 crores and state share of Rs. 6.28 crores is released as first installment.

Saakshar Bharath Programme has been sanctioned to 2 districts namely Gulbarga and Yadgir in the second phase. The target to be covered is 4.27 lakh non-literates. The approved budget Rs. 16.44 crores. The Central Government share of Rs. 2.47 crores is released as first installment. The State Government share of Rs. 0.82 crores yet to be released.

10.1 Poverty in Karnataka:

The UN Summit on the Millennium Development Goals 2010 mapped out what needs to be done in order to achieve the eight anti-poverty goals by the target date of 2015. As is well known, the emphasis is on poverty reduction from a multi-dimensional perspective. Of the eight goals, MDG 1 aims to eradicate poverty and hunger while MDG 2 aims to achieve universal primary education.

This section focuses on MDG 1 and MDG2. It reviews issues related to deprivation and inequality in consumption and education in rural and urban Karnataka. It examines, inter alia, Karnataka's performance in reducing consumption deprivation in the rural and urban sectors and then argues that the issue of poverty reduction cannot be addressed without addressing the issue of education, skills and employability. It concludes by examining the relevant economic and social covariates and their implications for policy.

10.1.1 Consumption Deprivation: A Macro Profile

Ranked in terms of its per capita income generated, Karnataka emerges as an average state across India. The same applies to her growth performance too. Still her achievement in terms of reduction in deprivation, particularly in the rural sector, is better than the national average. Some factual details on poverty are as follows.

Rural poverty has declined since 1972-73; percentage point reduction in incidence of rural poverty between 1973-74 and 2004-05 was higher in Karnataka (34) than at the all-India level (28). The number of poor has also declined between these two years. The decline was more pronounced in rural Karnataka (42 per cent) than in rural India as a whole (15 per cent). Rural poverty for the year 2004-05 was 21 per cent in Karnataka as against the all-India estimate of 28 per cent.¹ The extent of deprivation as measured by the headcount ratio estimate has always been less in rural Karnataka than the corresponding estimate for the country as a whole.

¹ The estimates of poverty correspond to the poverty line of Rs 324.17 for rural and Rs 599.66 for urban Karnataka for the year 2004-05 (vide GoI, 2007)

Table 10.1: Incidence of Poverty: Karnataka vs. All-India

KARNATAKA						
Year	Rural sector		Urban sector		Combined	
	Percentage Poor	No of poor (million)	Percentage poor	Number of poor (million)	Percentage poor	Number of poor
1973-74	55.14	12.84	52.01	4.19	54.34	17.03
1977-78	48.18	12.04	52.88	5.02	49.47	17.06
1983	36.33	10.03	43.37	5.23	38.47	15.26
1987-88	32.82	9.40	49.06	6.84	38.14	16.24
1993-94	29.88	9.60	40.14	6.05	33.16	15.65
1999-'00	17.38	5.99	25.25	4.45	20.04	10.44
2004-05	20.80	7.51	32.60	6.38	25.0	13.89
ALL-INDIA						
	Rural sector		Urban sector		Combined	
	Percentage Poor	No of poor (million)	Percentage poor	Number of poor (million)	Percentage poor	Number of poor
1973-74	56.44	261.29	49.23	60.31	54.93	321.60
1977-78	53.07	264.25	47.40	67.74	51.81	331.98
1983	45.61	251.72	42.15	75.29	44.76	327.00
1987-88	39.06	229.41	40.12	83.35	39.34	312.75
1993-94	37.27	244.03	32.36	76.34	35.97	320.37
1999-'00	27.09	193.24	23.82	67.01	26.10	260.25
2004-05	28.30	220.92	25.70	80.80	27.50	301.72

These estimates are based on estimates based on the central sample of the National Sample Survey for the corresponding rounds. *Source:* GoI (1993, 2001a & 2007)

Deprivation in the urban sector too declined but to a lesser extent in Karnataka (19-percentage point) than in India as a whole (24-percentage point) between 1973-74 and 2004-05. However, the decline in poverty ratios was not sufficient to neutralize the growth in urban population; hence, the number of the poor has increased in urban Karnataka and urban India as a whole. The increase in the percentage number of urban poor was more in Karnataka (52 per cent) than in all-India (34) (**Table 10.1**). Incidence of urban poverty is much higher in Karnataka (33 percent) than in India as a whole (26 per cent).

10.1.2 Levels of Living: A Regional Profile

This section provides regional profiles of inequalities and deprivation in levels of living, as measured household consumer expenditure, by rural and urban sectors for Karnataka for the years 1993-94 and 2004-05. The profiles are presented only for these two years since unit record data on NSS estimates of consumer expenditure are not available for all NSS rounds corresponding to the years listed in **Table 10.2**.

This section is based on information from the central sample of the NSS for the 55th (1993-94) and 61st (2004-05) rounds. There are four NSS regions in Karnataka², viz. Coastal & Ghats, Inland Eastern, Inland Southern, and Inland Northern. The salient features are as follows:

(i) Rural Karnataka:

² Coastal & Ghats: Uttara Kannada, Dakshina Kannada and Udupi

Inland Eastern: Shimoga, Hassan, Chikmagalur, Kodagu

Inland Southern: Tumkur, Kolar, Bangalore, Bangalore (Rural), Mandya, Mysore, Chamarajanagar

Inland Northern: Belgaum, Bagalkot, Bijapur, Gulbarga, Bidar, Raichur, Koppal, Gadag, Dharwad, Haveri, Bellary, Chitradurga, Davanagere

- 1) Coastal & Ghats, and Inland Eastern regions stand out with levels of consumption higher than the state average and incidence of poverty lower than the state average in the year 1993-94. By 2004-05, Inland South also caught up with the mainstream as shown by both the mean-based and order-based averages exceeding the corresponding estimates for the state as a whole (Table 10.2).
- 2) Inequality in nominal consumption distribution declined marginally in rural Karnataka as a whole. Inequality declined in all the regions except coastal Karnataka where it increased quite perceptibly. The extent of inequality (Lorenz ratio) in consumption distribution in rural Karnataka was 27 per cent in the year 2004-05.
- 3) Policy emphasis today is on inclusive growth, which may be measured, inter alia, by the proportion of bottom half of population in the neighbourhood of the average.³ In other words, it provides a measure of extent of participation of the relatively poor in the mainstream growth process. Extent of inclusion of the poor in the mainstream has declined in Coastal Karnataka and increased in the remaining regions and the state as a whole. The extent of inclusion is the highest in Inland Eastern region. The extent of inclusion in rural Karnataka as a whole was 0.911 in 2004-05. In other words 91.10 per cent of the bottom half of the rural population fell in the neighborhood, as given by the range of 0.6 times the median and the median itself, that is, in the interval between Rs 255 and Rs 426.
- 4) Inclusion *per se* would be meaningless unless the welfare distribution across persons is broad based. Extent of broad-based welfare distribution may be measured by the proportion of the population as a whole falling in an interval around the average.⁴ It has increased in all the regions except the Coast. It is the highest in Inland North, which, given the low levels of median consumption, would only imply broad based backwardness rather than growth. For rural Karnataka as a whole, 76 per cent of the population was within the absolute range of 0.4 times the median from the same average, that is, in the interval between Rs 255 and Rs 596.

³ Inclusive Co-efficient (IC) is defined as $\psi = 1 - 2 \int_0^{\delta \xi_{50}} f(x) dx$ where $f(x)$ is the density function of the variable concerned, $0 < \delta < 1$ and ξ_{50} is the median and $0 < \psi < 1$. In this study, we assign 0.6 as the value for δ (Suryanarayana, 2008).

⁴ Coefficient of broad based income generation and distribution γ with reference to median income/consumption for welfare evaluations is given by $\gamma = \int_{\delta \xi_{50}}^{(2-\delta)\xi_{50}} f(x) dx$ where $f(x)$ is the income/consumption density function and γ lies in the interval (0,1) (Suryanarayana, 2008).

Table 10.2: Consumption Distribution in Rural Karnataka: Broad Based & Inclusive Measures

1993-94									
Region	Mean	Median	99 th percentile	Head count Ratio (%)	Poverty Gap (%)	Squared Poverty Gap (%)	Gini Ratio (%)	Inclusion Coefficient	Gamma coefficient
1	368.9	300.65	1255.20	8.96	1.31	0.30	28.03	0.844	0.68
2	299.21	259.28	852.55	14.55	2.59	0.89	23.89	0.872	0.725
3	264.45	229.72	797.88	29.59	5.79	1.79	25.66	0.823	0.678
4	247.12	212.8	782.39	37.88	8.31	2.71	26.58	0.79	0.669
Total	269.38	232.88	826.26	30.11	6.27	2.01	26.99	0.78	0.665
2004-05									
1	695.39	501.575	2487.70	20.26	3.04	0.75	38.37	0.739	0.613
2	569.36	482.2275	1623.50	5.1	0.55	0.07	23.19	0.96	0.759
3	534.68	447.4	2513.00	15.15	1.72	0.35	25.43	0.935	0.767
4	444.71	384.625	1227.71	27.35	4.00	0.90	22.97	0.933	0.796
Total	508.46	425.55	1666.13	20.67	2.86	0.64	26.64	0.911	0.76

(ii) Urban Karnataka:

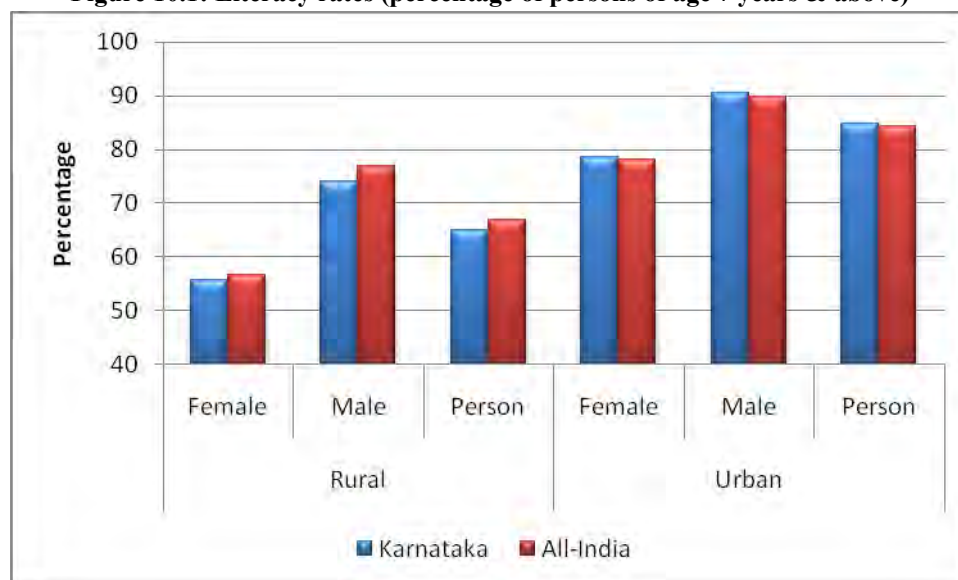
- 1) The economic profile of different NSS regions in urban Karnataka is slightly different from that for rural Karnataka. Coastal region stands out as the most prosperous region in terms of both mean and order-based averages in 1993-94. By the year 2004-05, Inland South excels Coastal Karnataka in terms of both mean-based and order-based averages. Inland North fares badly with reference to the urban sector also in terms of average consumption and extent of deprivation, which afflicts more than half of the urban population (**Table 10.3**).
- 2) Inequality has increased in all the regions except the Inland East. The extent of inequality (Lorenz ratio) in consumption distribution in urban Karnataka was 36.85 per cent in the year 2004-05.
- 3) As with the rural scenario, extent of inclusion in the urban sector too registered an improvement in all the regions except the Coastal one. The extent of inclusion in urban Karnataka as a whole was 0.667 in 2004-05. In other words, in contrast with the rural scenario, just 66.70 per cent of the bottom half of the urban population fell in the neighborhood of the median, that is, in the interval between Rs 458 and Rs 764.
- 4) However, the broad based measure declined in the Coastal and Inland Southern regions. Broad based measure is the highest in the Inland Eastern. For urban Karnataka as a whole, just about 52 per cent of the population was within the absolute range of 0.4 times the median from the same average, that is, in the interval between Rs 458 and Rs 1070.

Table 10.3: Consumption Distribution in Urban Karnataka: Broad Based & Inclusive Measures

1993-94									
Region	Mean	Median	99 th percentile	Head count Ratio (%)	Poverty gap (%)	Squared poverty Gap (%)	Gini ratio (%)	Inclusion Coefficient	Gamma coefficient
1	571.93	500.33	2204.83	15.51	2.99	0.94	30.11	0.689	0.622
2	418.34	366.53	1208.17	37.14	9.31	3.16	27.84	0.639	0.565
3	476.88	409.43	1475.5	28.79	6.64	2.1	29.44	0.66	0.564
4	336.53	267.88	1266.62	57.46	18.65	7.81	31.87	0.711	0.566
Total	423.14	351.22	1451.09	39.9	11.36	4.37	31.89	0.653	0.543
2004-05									
1	1141.46	702.5	3980.375	42.87	12.02	4.07	45.62	0.505	0.403
2	934.6439	816.7	2607.667	28.96	5.34	0.3	27.47	0.751	0.635
3	1274.86	1004.75	4914.167	14.07	2.71	0.84	33.35	0.717	0.542
4	697.9577	541.25	2313.5	57.04	17.01	6.71	32.4	0.8	0.624
Total	1033.202	763.675	4062	32.61	8.73	3.25	36.85	0.667	0.518

10.1.3 Educational Attainment: Regional Profile

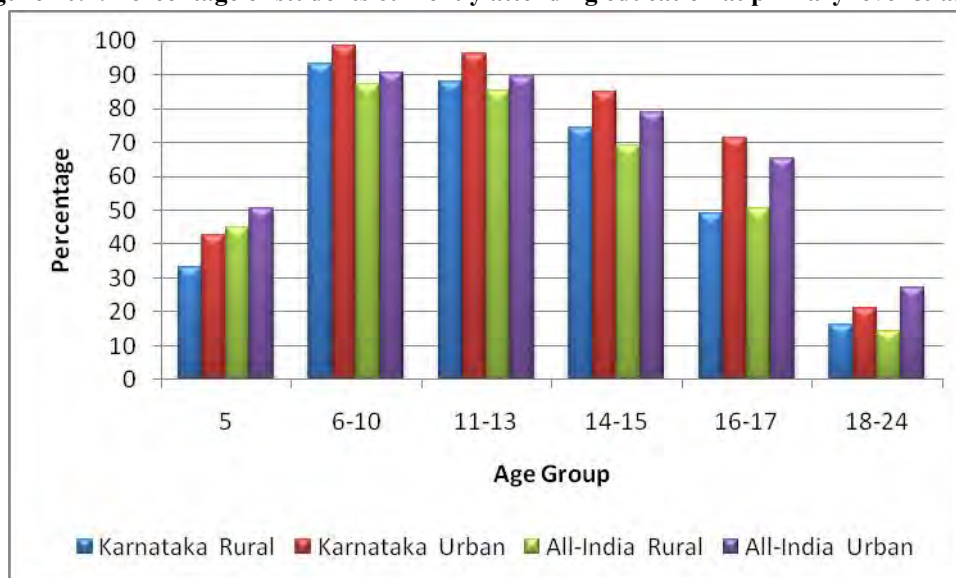
The issue of poverty reduction cannot be tackled without addressing the issue of education. After all, educational attainment reflects employability of the individual. The literacy rate in Karnataka is comparable to the national average (Figure 10. 1).

Figure 10.1: Literacy rates (percentage of persons of age 7 years & above)

Source: NSS Report No. 532: Education in India, 2007-08: Participation and Expenditure

However, it lags behind that of Kerala and Tamil Nadu and is marginally better than that of Andhra Pradesh (See NSS Report No. 532). Gender disparities are evident with the female literacy rate being lower than the male literacy rate. The literacy rate however only conveys part of the story. The growth prospects of the state are determined by the level of human capital of the children and the youth. From Figure 10.2 it appears that on the average, children in Karnataka start school later than the age of five. The percentage of students currently attending an educational institution increases with age and then begins to drop. The situation in Karnataka is comparable to the all India average.

Figure 10.2: Percentage of students currently attending education at primary level & above



Source: NSS Report No. 532: Education in India, 2007-08: Participation and Expenditure

A single indicator that captures the extent of educational attainment is the school life expectancy, the expected number of years of schooling. In order to calculate this, the focus is on those aged 6 – 18 years of age and examine their educational attainment.

The average school life expectancy in rural and urban Karnataka is 9.3 years and 10.4 years respectively. There are differences in school life expectancy across the four NSS regions of the state. The school life expectancy in the four regions, viz. Coastal & Ghats, Inland Eastern, Inland Southern and Inland Northern are 10.4, 10.5, 10.3, and 9.1 years respectively (**Table 10.4**). The message from Figure 2 and Table 4 is that the government needs to focus on those aged 14 and above in order to increase the level of educational attainment.

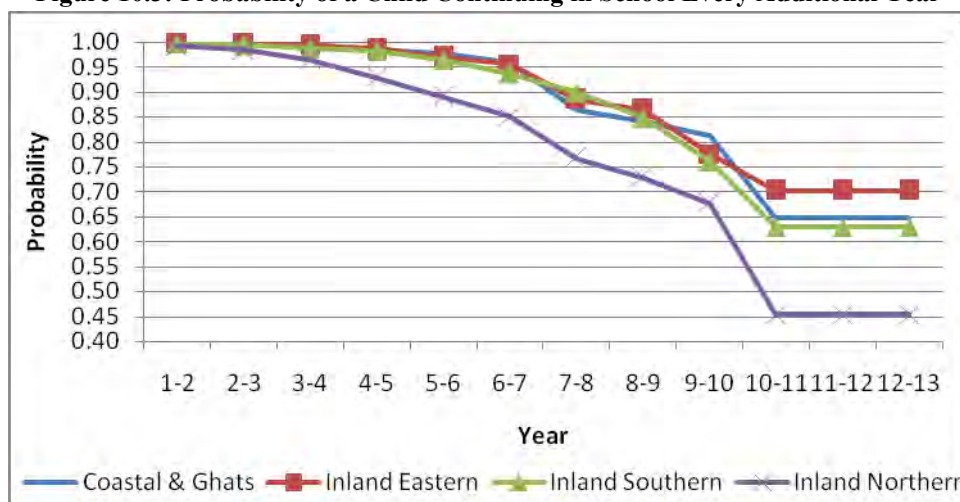
Table 10.4: School Life Expectancy (Years) in Karnataka

	Male	Female	All
Coastal & Ghats	10.1	10.7	10.4
Inland Eastern	10.6	10.4	10.5
Inland Southern	10.2	10.3	10.3
Inland Northern	9.4	8.8	9.1
All	9.9	9.6	9.8

Source: Calculated from Unit Level Data of NSSO 64th Round (July 2007-June 2008) Survey on Participation and Expenditure in Education

School life expectancy is the lowest in Inland Northern region and this is true for boys and girls. However, there is no apparent difference in the average number of years of schooling between boys and girls across all the four regions and for Karnataka as a whole. Rural and urban school life expectancy for each of the NSS regions is not reported because of sample size limitations. The lower the dropout rate in a region, the higher the school life expectancy and this becomes apparent when we plot the probability of a person continuing in school every additional year (Figure 10.3). On the x-axis is the transition from one year to the next year while the probability is depicted on the y-axis.

Figure 10.3: Probability of a Child Continuing in School Every Additional Year



Source: Calculated from Unit Level Data of NSSO 64th Round (July 2007-June 2008) Survey on Participation and Expenditure in Education

Notice that probability of being in school every additional year drops sharply for those in the Inland Northern region. For the other three regions the curves overlap each other for the first 10 years of schooling.

Based on the discussion that the head count ratio of poverty is the highest in the Inland Northern region it is not surprising that school life expectancy is lower by 1.4 years as compared to Inland Eastern region. Children from poorer households are less likely to go to school is a fairly established fact in the literature.

Furthermore, children from poorer households are likely to enroll later. This is evident in Inland Northern region. The average age at time of enrolment is higher at 5.8 years in Inland Northern region compared to 5 years in Inland Eastern region.

In terms of policies and interventions, data from the NSSO 64th Round (July 2007-June 2008) Survey on Participation and Expenditure in Education suggests that the government is indeed focusing on the Inland Northern region. In this region 75 percent of the students aged 6 – 18 years report getting free education. This is higher than the average for the state, which is at 65 percent. Over five percent of students report getting scholarship or stipend compared to the state average of seven percent. Similarly, 63 percent of those in the Inland Northern Region report receiving textbooks compared to the state average of 55 percent.

10.1.4 Way Ahead:

Regional disparities along the consumption dimension in Karnataka cannot be addressed without a sizable improvement in educational attainment. Higher level of educational attainment is the first step towards facilitating acquisition of job oriented skills and improving the chances of becoming employable and getting higher wages. In view of the above, Line departments of Karnataka Government has introduced plethora of poverty alleviation programmes which is discussed in the ensuing section of this chapter.

10.2.1 Women and Child Development:

In Karnataka as per 2001 Census, women constitute 49.1 % and children constitute 12.9 % to the total population. The overall development of women is to be achieved by treating them as individuals with a right to human dignity. They act as significant players in the State's socio-economic development. Hence, the Department of Women and Child Development has changed its focus from welfare to development and empowerment. The department has taken up various programmes with a view to ensure protection of women and children against negligence, abuse and exploitation and to guarantee their basic human rights, including survival, development and full participation in social, cultural, educational and other endeavours necessary for their individual advancement and well-being.

a) Stree Shakthi Programme: The Stree Shakthi Programme launched in 2000-01, aiming at empowering rural women through the formation of self help groups (SHGs). Anganwadi workers are actively involved in organizing rural women in SHGs. The benefit of schemes from various departments such as Backward Classes Development Corporation, SC and ST Development Corporation, Animal Husbandry, Rajiv Gandhi Rural Housing Corporation etc., are also extended to these groups.

The SHGs, thus formed are provided with a revolving fund of Rs.5000 from Government after 6 months of formation. Since the inception of the programme 76,952 groups have taken up income generating activities like sheep rearing, poultry rearing, readymade garments, papad preparation etc., with an investment of Rs.821.81 crores. So far 1.40 lakh groups have been formed with 20.73 lakh women members. Out of which, 3.83 lakhs are SC members, 1.52 lakhs are ST members and 1.42 lakhs belong to minority communities. These groups have so far mobilized savings of Rs. 877.68 crore. 1,19,897 groups have been credit linked and are provided with a financial assistance of Rs.1188.66 crore. 1, 22,955 groups have been trained in credit management, 1,22,212 groups in book keeping and 1,17,798 groups have been trained in social issues. During 2010-11, an amount of Rs.1000.00 lakhs has been allocated for Stree Shakthi programme and Rs. 540.00 lakhs has been allocated for Taluk Marketing Complex. Up to December 2010, Rs.450.95 lakhs under Stree Shakthi programme and Rs.30.00 lakhs for Taluk Marketing Complex has been released.

Table 10.5: Progress of Stree Shakthi Programme in Karnataka

Year	Bank Linkage (No. of groups)	Loan Amount (Rs. in crore)
2008-09	7201	229.89
2009-10	7076	238.05
2010-11*	2458	91.72

Note: * up to December 2010

Outcome of the Stree Shakthi Scheme:

- ✓ Since the entire scheme rests on group dynamics, the individual savings of the members is the basic strength and the members have developed the habit of savings.
- ✓ Women have sailed out of their impoverished conditions and achieved self-reliance as the groups are linked to financial institutions to ensure women access to various types of credit.
- ✓ A revolutionary growth in the organization of rural women is made possible as the concept of SHG provides self-confidence which ensures gaining control on their own resources.
- ✓ Through these organized women, the delivery mechanisms could be strengthened to achieve poverty alleviation at the village level.
- ✓ A suitable and powerful forum is prepared for rural women to solve their social and economic problems by themselves.
- ✓ As rural poor women become economically independent and the groups get acquainted with financial institutions, members have availed loan facility to take up different activities to become economically self-reliant.
- ✓ Since the whole concept is based on group dynamics, the SHGs are also considered agents of social change in the society to root out social evils.

b) Santhwana: Women, who are victims of various atrocities such as dowry, rape, sexual harassment, domestic violence, etc., are subjected to physical and mental torture besides having to face social & financial problems. With a view to console these women and rehabilitate them, the scheme of “Santhwana” was launched during the year 2000-01. The scheme not only aims at providing legal assistance, financial relief, temporary shelter, and protection to victims of atrocities, but also helps them to be self-reliant by providing training in order to empower these women to lead a life like other women in the society.

Besides shelter and counselling, the victims are also provided with assistance for pursuing education and vocational training for self-sustenance. In extreme cases of atrocities involving the death of the victim, financial relief in the form of deposit is given to her kin, which can be encashed by her/ him on attaining majority. The scheme is being implemented through NGOs in all the district head quarters and taluks. In the state, so far, 144 Santhwana centres have been sanctioned by giving priority to the most backward taluks identified by the High Power Committee for Redressal of Regional Imbalances headed by Dr. D.M.Nanjundappa. During the year 2010-11, a budget allocation of Rs.655.00 lakhs has been earmarked for the scheme. Out of which an amount of Rs.280.96 lakhs has been spent up to the end of December 2010.

Table10.6: Progress of Santhwana Scheme in Karnataka

Years	Expenditure (Rs in lakhs)	Physical Achievement
2008-09	126.28	109
2009-10	148.13	125
2010-11*	280.96	144

Note: * up to December 2010

c) Bhagyalakshmi: The bias against the girl child reflected in the fall of child sex ratio (0-6 years) which has declined from 960 in 1991 to 949 in 2001. To correct this adverse sex ratio and give moral courage to BPL families and also to eradicate social evils such as child labour, female foeticide, child marriage, child trafficking and to promote the overall development of the girl child in the fields of health, education, nutrition, care etc., a programme called Bhagyalakshmi was launched during the year 2006-07. This is an umbrella programme for child development for providing financial assistance of Rs.10,000 which will be deposited with the selected financial partner in the name of the girl child born in the BPL family and the maturity value will be given at the age of 18 years along with accrued interest.

The scheme was partially modified during August 2008. The revised scheme is applicable to all children born on or after 01/08/2008. The features of modified scheme are (i) An amount of Rs.19,300 in the name of the first beneficiary of family and an amount of Rs.18,350 in the name of the second beneficiary of the same family will be deposited . On attaining 18 years of age an amount of Rs.1,00,097 and Rs.1,00,052 together with interest accrued will be made available to the first and second beneficiary respectively. (ii) The beneficiary who attains 15 years of age and willing to continue further studies after passing SSLC the bond issued by the selected partner financial institution will be mortgaged in recognized banks to provide loan upto Rs.50,000. The benefit under the scheme is limited to two girls in each BPL family. Benefits will be given to about 2.00 lakh girl children every year.

During 2010-11 an amount of Rs.358.00 crore have been provided, out of which Rs. 320.04 crore has been released for this programme. 1,61,708 beneficiaries have been covered up to the end of December 2010. In addition sarees have been distributed to mothers of Bhagyalakshmi beneficiaries and a sum of Rs. 20.00 crores has been released to the Karnataka Handloom Development Corporation (KHDC) towards purchase of sarees and Rs 10.27 crores to all the 30 districts towards organizational expenses of conducting the programme.

Table10.7: Progress of Bhagyalakshmi scheme in Karnataka

Years	Expenditure (Rs in lakhs)	No. of beneficiaries
2008-09	31665	297764
2009-10	22989	144999
2010-11*	31538	161708

Note: * up to December 2010

Child Tracking System under Bhagyalakshmi Scheme:

Since all eligible girl children are registered under the scheme at birth and monitored till they attain 18 years, all relevant information has to be maintained by selected partner financial institution at centre as well as Taluk level and make it available online as a web-enabled mode to all designated officials and for Women & Child Development Department and other specified departments entrusted with responsibilities under the Bhagyalakshmi Scheme. 5 Lakh data entry has been done till date. As on 1.4.2010 Online sanction process has been started across the state.

Child Tracking System has been developed with the assistance of NIC. The software so developed will enable the viewer to know the status of the beneficiaries with regard to health, education, migration from one place to another and other benefits availed from other departments in different schemes. Also the status of payouts to the beneficiaries from time to time and will be downloadable from the centre and taluk level database by authorized personnel of Department of Women & Child Development and other concerned departments. During the year 2006-07, an amount of Rs. 175.58 crore was spent and 1,66,728 beneficiaries were covered. For the year 2009-10, nearly 1,44,999 beneficiaries were covered with the expenditure of Rs. 229.89 crore.

Table 10.8: Progress of Bhagyalakshmi Scheme in Karnataka

	Physical		Financial (Rs. In crore)		Percentage of achievement	
	Target	Achievement	Target	Achievement	Physical	Financial
2006-07	200000	166728	166.00	175.58	83.36	105.77
2007-08	150000	123789	150.00	132.43	82.53	88.29
2008-09	200000	299764	266.65	316.65	148.91	118.75
2009-10	200000	144999	229.89	229.89	72.50	100.00
2010-11	185493	161708	358.00	315.38	87.17	88.09

10.2.2 Karnataka State Women's Development Corporation:

Government of Karnataka established the Karnataka State Women's Development Corporation (KSWDC) in 1987 for the social and economic upliftment of women. The following are the schemes implemented by KSWDC.

1) Udyogini: Under this scheme, the loans from banks and subsidy from Corporation are provided to women to take up income generating activities. For special category women, a subsidy of 30% of the project cost subject to a maximum of Rs. 10,000 and for general category women, a subsidy of 20% of the project cost subject to a maximum of Rs. 7500 is provided. During 2010-11, Rs. 1000.00 lakhs have been provided, out of which an amount of Rs. 500 lakh has been spent covering 6600 beneficiaries out of 10,900 beneficiaries under the programme by the end of December 2010.

This scheme is evaluated by the Institute for Social and Economic Change to identify the strengths and weaknesses of the scheme, whether so far they are sustainable and is resulting in improvement of women's status in long run and also to evaluate the constraints

and challenges in meeting the goals of empowerment of women. The evaluation report reveals that “ On the whole it is found that scheme was highly useful to women across different castes, classes, regions and demographic background. It is particularly true of women who were deserted by their husbands or for widows and physically handicapped women, by providing them a source of independent livelihood.”

2) Women Training Programme: Under this scheme, various job oriented /skilled training programmes are provided to women belonging to lower income groups, widows, destitute and physically handicapped women to take up self employment / employment. It includes EDP & EAP concepts covering women empowerment, gender issues, women rights, women’s law, health aspects, government programmes, and market assistance. Women who are in the age group of 18-45 years having annual family income not exceeding Rs. 40,000 are eligible for this scheme. There is no income limit for widows, physically handicapped and destitute women. During 2010-11, Rs. 350.00 lakhs have been provided in the budget, out of which Rs. 52.44 lakh have been spent covering 1385 beneficiaries up to December 2010. It is proposed to cover 9510 beneficiaries totally under this scheme.

3) Devadasis Rehabilitation Programme: The Women Development Corporation rehabilitates the ex-devadasis women by encouraging them to take up income generating activities. This scheme is being implemented in 10 districts of North Karnataka. Ex-devadasis women are provided with financial assistance by way of 50% subsidy for the corporation and 50% loan from the banks with the unit cost of Rs. 20,000. In addition awareness campaign against this evil system, formation of self-help groups providing micro credit to the groups at 6% interest rate and Health camps are being implemented.

During 2010-11, Rs. 250.00 lakhs have been provided in the budget, against which a sum of Rs. 200 lakhs has been spent covering 861 beneficiaries out of 2282 beneficiaries upto December 2010. Under the pension schemes meant for the Ex-devadasis women, a pension of Rs.400 per month with the expenditure of Rs. 700.00 lakhs will be provided to the 15,603 Ex-devadasis women crossing 45 years and those who have been listed in the survey of 1993-94. Under the Housing scheme to the Ex-devadasis women, Government has sanctioned under Special Development Programme to construct houses to Ex-devadasis of the 10 districts who were having sites and does not have houses. These houses are constructed through the Rajeev Gandhi Rural Housing Corporation. An amount of Rs. 2000.00 lakhs has been provided in the budget for the construction of 5000 houses during 2010-11.

4) Marketing Assistance Scheme: This scheme is implemented by the Women Development Corporation. It provides a marketing platform to sell the products which are produced by the women entrepreneurs and Stree Shakthi Groups. A state level exhibition is being organised by the Women Development Corporation in connection with the International Women’s Day Celebration on March 8th every year. During 2010-11, Rs. 35.00 lakhs have been earmarked to cover 1220 women out of which a sum of Rs. 26 lakhs has been spent covering 905 beneficiaries up to December 2010.

5) State Resource Centre: Under this scheme, the Women Development Corporation has established 15 women Self-Employment Counselling Centres at Bangalore Urban & Rural, Belgaum, Mangalore, Chitradurga, Davangere, Dharwad, Gulbarga, Mysore, Mandya, Bellary, Tumkur, Chikkamagalore, Shimoga and Raichur to provide information/counselling about self -employment, training, market assistance, economic activities etc., to the women. During 2010-11, an amount of Rs. 56.00 lakhs has been provided in the budget, covering

6960 women against which Rs. 40 lakhs have been spent covering 4721 beneficiaries up to December 2010. The overall progress achieved under the schemes implemented by the KSWDC for the year 2008-09, 2009-10 and 2010-11 (up to December 2010) is given in the below table.

Table 10.9: Physical Progress of KSWDC

Name of the Scheme	2008-09		2009-10		2010-11 (up to Dec.2010)	
	Target	Achvt	Target	Achvt	Target	Achvt
Udyogini	5002	5002	5563	5530	10900	6600
Women Training Programme	3250	2960	4680	4395	9510	1385
Devadasis Rehabilitation Programme	1500	1495	2500	2323	1216	861
Pension Programme for Ex-Devadasis	15730	15730	16666	15603	15603	15603
Housing Programme for Ex-Devadasis	0	0	2500	2308	5000	2520
Marketing Programme	0	70	1055	911	1220	905
State Resource Centre	4800	3998	4260	3780	6960	4121

Source: KSWDC

Table 10.10: Financial Progress of KSWDC (Rs in lakhs)

Name of the Scheme	2008-09		2009-10		2010-11 (up to Dec.2010)	
	Target	Achvt	Target	Achvt	Target	Achvt
Udyogini	490.00	490.00	495.00	460.50	1000	500.00
Women Training Programme	235.00	225.00	255.00	235.00	350	52.44
Devadasis Rehabilitation Programme	300.00	291.66	500.00	442.56	250	200.00
Pension Programme for Ex-Devadasis	620.50	620.50	600.00	584.00	700	400.00
Housing Programme for Ex-Devadasis	0.00	0.00	1000.00	9124.00	2000	900.00
Marketing Programme	35.00	19.95	35.00	29.81	35	26.00
State Resource Centre	35.00	28.36	56.00	56.00	56	40.00

Source: KSWDC

10.2.3 Integrated Child Development Services:

The Integrated Child Development Services Scheme was started in Karnataka on 2nd October 1975 with a pilot project at T.Narasipura in Mysore District with 100 Anganwadi Centres. Since then, the programme has been expanded to all the revenue taluks in the state. The welfare of pregnant women, nursing mothers, adolescent girls and children below 6 years has acquired a prime place in the programme. It was expanded thrice from 2005-06 to 2008-09 to cover the uncovered places across the state under universalization. This has taken the total number of Anganwadi centres to 60046 and 3331 mini anganwadi centres covering 175 taluks (166 rural projects, 10 urban projects and 9 tribal projects) and 48.32 lakh beneficiaries have been availed the benefit of the scheme during 2010-11.

Supplementary nutrition is given for 300 days in a year at a cost of Rs. 4.00 per beneficiary per day for normal children and Rs. 5.00 per beneficiary per day for pregnant/nursing mothers/adolescent girls and Rs. 6.00 to severely malnourished children. Supplementary nutrition is provided to the beneficiaries under the ICDS programme

with revised feeding norms of 500 calories of energy and 12-15 gms of protein to 0-6 years children, 600 calories of energy and 18-20 gms of protein to pregnant women/lactating mothers/ adolescents girls, 800 calories of energy and 20-25 gms of protein to severely malnourished children as a supplement to their normal intake, as envisaged in the schematic guidelines. Under the supplementary Nutrition Programme, in the year 2010-11, an amount of Rs.32619.62 lakhs of expenditure has been incurred, benefitting around 4624652 beneficiaries.

Table 10.11: Progress of ICDS – Supplementary Nutrition Programme in Karnataka

Year	Expenditure (Rs in lakhs)	No. of beneficiaries
2008-09	24644.9	4245671
2009-10	45473.9	4491148
2010-11*	32619.62	4624652

Note: * Upto December 2010

Anganwadi workers, though grass-root level workers are the most visible workers at the village level. In recognition of their services to the community, the state government is paying additional honorarium of Rs 1000 to the worker and Rs 500 to the helper out of state funds along with the Central contribution of Rs. 1500 per month to Anganwadi Workers and Rs. 750 per month to Anganwadi Helpers.

SABLA – a new scheme of the Central Government will be implemented in 9 districts of the state on a pilot basis. Kishori Shakti Yojana (KSY) is being implemented in rest of the ICDS projects where SABLA is not being implemented. Under KSY, 180 adolescent girls in each project are given 5-days residential training every year from funds released exclusively for the scheme and Supplementary Nutrition is being provided to 2 adolescent girls in each Anganwadi centre.

Balasanjeevini, a new scheme initiated from the year 2010-11 for treatment and rehabilitation of severely malnourished children requiring tertiary care and Rs. 750 is provided to severely malnourished children to meet the therapeutic and medical expenses. Children requiring tertiary care are provided with a maximum amount of Rs.35,000 and neonatal are given Rs.50,000 towards treatment.

10.2.4 Social Security Programme for Children: Child protection is integrally linked to every other right of the child. Failure to ensure children's right to protection adversely affects all other rights of the child. The Millennium Development Goals (MDGs) cannot be achieved unless child protection is an integral part of programmes, strategies and plans for their achievement. Failure to protect children from issues such as violence in schools, child labour, harmful traditional practices, child marriage, child abuse, the absence of parental care and commercial sexual exploitation among others, means failure in fulfilling both the Constitutional and international commitments towards children.

There are 44 children homes, which are, intended for total care and protection of children. In each Children Home, 60 to 120 children are provided care, protection and education. There are 41 Fit institutions which are run by NGOs, intended for care and protection of children sent by the Child Welfare Committee for rehabilitation. There are 16 observation homes, which are, intended for care and protection of children who are in conflict

with law. There are 4 units of Shishugurha run by the Department which is involved in the work of adoption of children. 32 NGOs are recognized by the Government as Specialised Adoption agencies which take up adoption in the state.

Sponsorship support will be provided to a family to enable a child to continue to remain in the family, continue his/her education. This is an effort towards preventing children from becoming destitute/vulnerable, running away, forced into the child marriage, child work etc. The District Child Protection Unit (DCPU) with the help its social workers, outreach workers, volunteers as well as the Village Child Protection Committees shall identify vulnerable families or children for sponsorship support. The Juvenile Justice Act provides for an After Care Programme for children without family or other support who leave institutional care. The objective of this after care programme is to enable such children to adapt to the society and to encourage them to move away from an institution based life.

10.2.5 Women Institutions: There are 7 state homes, which are meant for women discharged from Reception centers, Institutions and women who are unable to protect themselves. The protective home provides shelter for girls/women admitted by the court. They are provided with free shelter, food, clothing, medical care and necessary training in skill and trades and is located at Bangalore only. There are 4 Reception centers which, provides rehabilitation programmes like reintegration into families, education, job placement, skill up gradation, etc.

10.2.6 Karnataka Mahila Abhivrudhi Yojane: Karnataka has been the first state in the country to introduce a scheme of inter-sectoral allocations for women. The scheme is to earmark 1/3rd of resources for women in individual beneficiary oriented schemes and labour intensive schemes of the various departments of the Government. The Department of Women and Child Development launched Karnataka Mahila Abhivrudhi Yojane during 1995-96 to ensure gender equality and to integrate women in the mainstream of development. It was a land-mark Government Order as it was for the first time that a conscious and positive attempt was made by Government to address gender issue. Since 1995-96, 26 departments have been earmarking 1/3rd of their physical and financial allocations under the beneficiary oriented schemes for women.

The Department of Women and Child Development functions as a Nodal department to monitor Karnataka Mahila Abhivrudhi Yojane (KMAY). Karnataka Mahila Abhivrudhi Yojane cell was created in the year 2003 to function as a Nodal department to monitor Karnataka Mahila Abhivrudhi Yojane. 25 departments have identified 238 schemes in Central, State and District Sector.

Table 10.12: Progress of the Different Schemes Implemented by the Women and Child Development Department during 2009-10 and 2010-11 (Plan)

Schemes	2009-10				2010-11(upto Dec 2010)			
	Physical (in No.)		Financial (Rs. Lakhs)		Physical (in No.)		Financial (Rs. Lakhs)	
	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement
I. State Sector Schemes (Centrally Sponsored Schemes)								
Integrated Child Development Services (Share 90:10)	30	30	300.06	293.48	30	26	1006.48	78.57
Training for Anganavadi workers (Share 90:10)	16895	16214	600	383.05	11077	11540	600	201.62
A Programme for Juvenile Justice (Share 50:50)	61	61	520.52	373.21	61	61	520.52	260.21
Total			1420.58	1049.74			2127	540.4
II. District Sector Schemes (Centrally Sponsored Schemes)								
Integrated Child Development Services (Share 90:10), Administrative Expenses	112824	110548	33407.9	30764.78	127322	120261	35938.79	16409.6
Integrated Child Development Services (District Units) Administrative Expenses	346	202	619.5	619.5	251	202	730.34	392.84
Total			34027.4	31384.28			36669.13	16802.44
III. State Sector Schemes								
Directorate of Women and Child Development (Administrative Expenses)	0	0	245.03	87.46	0	0	100	51.94
Financial Assistance to Recipients of Bravery Awards and Conduct of Children's Day Celebrations and International Women's Day Celebrations - Bal Bhavan Scheme	20	14	143.72	112.37	0	0	255.72	85.05
Scheme for Combating Trafficking of Women and Children	555	555	15	14.99	555	0	30	8.69
Bhagyalakshmi	183752	144749	35464	22963.93	185493	161708	35800	31537.73
Hoysala and Keladi Chennamma Prashasthi	256	186	25	19.05	256	0	25	13.24
Medical Expenses to Malnourished Children	8666	8083	65	60.64	1428	2722	550	20.59
Children Helpline	5	5	50	31.55	5	0	50	12.5
Special care Centre for Children	0	0	100	0	0	0	100	0.48
Financial Assistance for Women Law Graduates	565	560	68.65	48.57	560	541	68.65	30.89
Scheme of Protection against Domestic Violence	214	214	292.34	180.7	215	214	723.22	136.11

Schemes	2009-10				2010-11(upto Dec 2010)			
	Physical (in No.)		Financial (Rs. Lakhs)		Physical (in No.)		Financial (Rs. Lakhs)	
	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement
Hostels for girls	52	43	342	311.25	43	43	258.49	123.74
Santwana	130	125	325.05	144.74	140	144	655	280.96
Anganwadi Workers & Helpers Death Relief Fund	194	307	25	41.5	600	146	40	20
Stree Shakthi Scheme	169376	84387	950	832.93	130980	65858	900	337.39
Pilot Project of providing food grains to pregnant, lactating women and adolescent girls	215906	215906	1293	189.56	350270	0	703	0
Skill Development Scheme for Stree Shakthi Groups	114	0	1000	16.36	114	114	200	55.15
Empowerment of Stree-shakthi clusters & block societies	4	0	200	0	70968	15465	330	73.77
Pension to destitute Women	0	0	100	0	0	0	0	0
Correctional Services - Buildings	0	16	100	99.88	0	3	200	46.51
Sponsorship Programmes for placing children in the care of families	1175	1078	36.1	22.77	1175	400	36.1	4.77
Skill up gradation for inmates of Correctional Institutions	0	336	20	15.47	0	0	10	0.43
Construction of buildings	0	8	400	277.46	0	1	350	41.21
Construction of Anganwadi Buildings (NABARD Assistance)	292	280	980	945.55	2133	0	8000	0
Construction of Marketing Outlets for Stree Shakti Products at Taluka Level	80	50	750	442.5	54	3	540	30
Anganwadi Buildings Construction	1082	538	4000	1995.6	935	0	3500	0
New Programmes in 2010-11								
Printing of handbook on Health and nutritious food					60000	0	70	0
Integrated Child protection scheme					215	215	4693.64	34
Working Women's Hostel					40	0	1000	4.76
Additional honorarium to anganwadi workers and helpers					0	0	1000	0
Total			46989.89	28854.83			60188.82	32949.91
IV. District Sector Schemes								
Women and Child Welfare Department	2	2	13.08	1.71	0	0	0	0

Schemes	2009-10				2010-11(upto Dec 2010)			
	Physical (in No.)		Financial (Rs. Lakhs)		Physical (in No.)		Financial (Rs. Lakhs)	
	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement
Additional honorarium to anganwadi workers and helpers	108925	116924	10572.53	9977	123423	117601	7997.82	5511.74
Creches for Children of Working Women.	117	117	26.99	9.54	93	32	28.47	2.22
Construction of Anganwadi Buildings	937	514	469.7	426.73	932	52	466.39	43.09
Attendance Scholarships for 5-10 class students	24,751	24657	89.05	46.3	0	3613	88.81	14.29
Financial Assistance for the Remarriage of Destitute Widows and Marriages of Devadasis	7	0	0.71	0	0	0	0	0
Scheme to provide food for Pre metric school children	2133974	2136330	29671.08	24422.04	2298742	2199834	27934.85	14474.9
Total			40843.14	34883.32			36516.34	20046.24
Grand Total (I,II,III &IV)			123281	96172.17			135501.3	70338.99
V. Progress of Department's other institutions								
Constitution of Karnataka State Commission for Protection of Child Rights.	1	1	170	27.14	1	1	150	26.19
Bala Vikas Academy	1	1	100	50	1	0	150	75.00
Suraksha – Scheme of Assistance for Victims of Acid Attack(Women’s Commission)	0	0	75	56.25	0	0	5	0
State Commission for Women	1	1	150	62.14	1	1	150	0105.49
Total			495	195.53			455	206.68
Grand Total (including I, II, III, IV & V)			123776	96367.7			135956.3	70545.67

Table 10.13: Progress of the Different Schemes Implemented by the Women and Child Development Department during 2009-10 and 2010-11 (Non-Plan)

Schemes	2009-10				2010-11(upto Dec 2010)			
	Physical (in No.)		Financial (Rs. Lakhs)		Physical (in No.)		Financial (Rs. Lakhs)	
	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement
I. State Sector Schemes								
Directorate of Women and Child Development	0	0	389.39	378.46	0	0	415.01	336.92
Financial Assistance to Recipients of Bravery Awards and Conduct of Children's Day Celebrations and International Women's Day Celebrations - Bal Bhavan Scheme	0	0	185.00	184.90	0	0	210.00	86.50
Working Women's Hostel	0	0	15.60	5.42	0	0	15.60	0.65
State Homes for Women and Reception Centres	14	14	375.92	329.44	14	14	303.58	245.89
Children's Homes and Observation Homes	44	44	1156.24	1056.15	44	44	1292.99	821.24
Total			2122.15	1954.37			2237.18	1491.20
II. District Sector Schemes								
Mukhya Sevika and Grama Sevika	0	0	24.30	11.16	0.00	0.00	29.03	8.17
Women and Child Welfare Department	30	30	549.39	523.47	30.00	0.00	631.58	440.45
Reimbursement of Medical Expenses	0	0	1.00	0.00	0.00	0.00	0.00	0.00
Protection and Care to destitute children	262	262	343.20	260.64	262.00	0.00	356.95	65.00
Creches for Children of Working Women.	282	282	46.00	36.70	282.00	0.00	47.84	3.97
Scheme to provide food for pre metric school children	2279728	2321221	31400.00	32219.89	2533840	2424818	33000.00	18138.90
Total (II)			32363.89	33051.86			34065.40	18656.49
Grand Total (including I & II)			34486.04	35006.23			36302.58	20147.69

10.3.1 Food Security through PDS:

One of the important aspects of poverty alleviation program in Karnataka is to give subsidized food grains under public distribution system to the poor in a fixed rate through out the year. The availability of food grains on a reasonable price to the poor is the responsibility of the government and it was envisaged in pre independent days. In the 1940s, the colonial government introduced distribution of food grains to people in the cities, and these areas were called informal rationing areas. Subsequently, this program was expanded and continued even to its rural areas in the independent India.

Public Distribution system (PDS) is the responsibility of the both Central and State governments. While food is procured and provided to the states by the Central government its distribution among the poor is the responsibility of the state. The state government identifies the beneficiary families and allocate food grains to them. The issue rates of BPL card holders are also fixed by the state government. The Central government allots food grains to the state for 31.29 lakh families which includes Anthyodaya Anna Yojana (AAY) and Below Poverty Line (BPL) families. The remaining food grains are purchased by the state from the Central Pool at the Above Poverty Line (APL) rates and distributes it at the BPL rates to the ration card holders who have been identified by the state government above the Central government figures. The main commodities covered under PDS are Rice, Wheat, Sugar and Kerosene.

Table 10.14: BPL Food Grain Prices

(Rs per Qtl)				
Sl. No.	Commodities	Central Issue Price	State Issue Price	Difference (Subsidy borne by the state government)
BPL issue prices				
1	Rice	565-00	300-00	265-00
2	Wheat	415-00	300-00	115-00
3	Sugar	1767-75	1350-00	GOI bears the difference
APL issue prices (This quantity is for the Extra BPL families identified by the state over and above the central government figures)				
1	Rice	830-00	300-00	530-00
2	Wheat	610-00	300-00	310-00

10.3.2 Fair Price Shop:

The state government has made a policy to have FPS at every Revenue village. These fair price shops are opened taking into consideration the topography of the area and number of card holders in the area. There were 20459 FPS working in the state. In the hilly areas of Dakshina Kannada, Madakeri, Raichur, Mysore and Chamarajanagara, 9 mobile FPS are working and they are operated by the Karnataka Food And Civil Supplies Corporation. List of FPS in the state is given in **Appendix 10.6**.

10.3.3 Targeted Public Distribution System (TPDS):

The Public Distribution System was made Targeted in June 1997 by the Central Government with focus on vulnerable and poor sections of the society. Under TPDS it is the responsibility of the state government to identify the poor beneficiary and formulate and implement arrangements for the delivery of food grain in a transparent and accountable manner at the FPS level. The Government of India identified 31.29 lakh beneficiary families as BPL families based on the 2001 State Census. The state government has accepted the AAY family figures but disagreed with BPL family figures and the state government conducted new survey in 2005, on the basis of its own criteria and Computerised Cards with Bio-metric and photographs were issued on the basis of the annual income of the family.

10.3.4 Anthyodaya Anna Yojana (AAY):

Anthyodaya Anna Yojana (AAY) was launched in December 2000 with the objective of targeting the poorest segment of BPL population such as landless agriculture labourers, household headed by the widows, terminally ill persons, and elderly persons with no income or family. These beneficiaries are identified by the Panchayats through thier Gram Sabhas. Under this scheme, 1199700 families will be covered in the state. So far 1128912 families have been identified and are getting 29 kg of rice at Rs 3/- per kg. and 6 kg of wheat at Rs 2/- per kg. The remaining families will be identified from BPL families. **Table 10.15** provides details of number of card holders in different categories.

Table 10.15: Number of Card holders in the state

Annual income	Card type	No of Card holders		
		2008-09	2009-10	2010-11
Upto Rs 12,000 in rural area and Rs 17,000 in urban area	AAY	1199700	1199700	1128912
	BPL	9413430	8643323	8504993
More than Rs 12,000 in rural area and Rs 17,000 in urban area	APL	5297772	5297772	3996511

10.3.5 Allotment and Off-take of Food Grains:

The Food Corporation of India (FCI) is responsible for procurement of food grain and its allotment to the state for distribution under PDS. The state government has identified agencies for lifting and distribution from FCI wholesale godowns to the taluk godowns in the state. The state government has two agencies, Karnataka Food and Civil Supplies Corporation (KFCSC) which is a government organization; and Taluk Agricultural Produce Cooperative Marketing Societies (TAPCMS). Under PDS, food grains are lifted from FCI godowns and stored in state owned or hired godowns. The total capacity of state owned godowns and hired godowns are given in Appendix 10.3.2. The percentage of allotment and off take of food grains during the last three years are given in **Table 10.16**.

Table 10.16: Allotment and Off take of foodgrains for different categories
(in Tonnes)

Year	Rice			Wheat		
	Allotment	Off take	Percentage	Allotment	Off take	Percentage
AAY						
2008-09	416508	415778.81	99	87384	87509.54	100
2009-10	416508	416342.73	99	87384	87363.25	99
2010-11	208254	208266.73	100	43692	43692	100
BPL (Excluding AAY)						
2008-09	669840	669588	99	129024	129024	100
2009-10	669840	669558	99	140544	140544	100
2010-11	334920	334920	100	70272	70272	100
APL						
2008-09	666102.47	627387.03	94	78263	71702.59	92
2009-10	914170	857698.75	94	119507	93142.12	78
2010-11	396178	391734.93	99	45382	41689.02	92

10.3.6 Sugar and Superior Kerosene Oil (SKO):

Government of India levy sugar from sugar mills under its sugar directorate. Levy sugar thus collected is supplied to the AAY and BPL families through PDS at the rate of Rs 13-50 per kg. Each card holder is allotted one kg per card. There are 61 sugar mills working in Karnataka and sugar is lifted from these factories. In 2008-09 total allotment of sugar was 108714.00 MTs whereas off take was 73389.41 MTs. In 2009-10 the total allotment of sugar to the state was 118659.00 MTs whereas off take was 81301 MTs. In 2010- 11 till October 2010, the total allotment was 91980.20 MTs whereas off take was only 77034.29 MTs.

About the kerosene oil, state was receiving monthly allocation of 46,900 kl of SKO since April 2010. Earlier GOI used to allot 49916 kls. SKO is distributed to FPDs through whole sale distributors appointed and allotment to these wholesalers are fixed by the oil companies. For SKO allotment, ration cards are divided as Gas and Non-Gas cards. The quota of SKO is fixed according to number of gas connections. LPG cards do not get SKO allotment. The retail price of SKO in the state differs from taluk to taluk, and from urban area to rural areas because the retail end price is based on the terminal point distance. The retail price is between Rs 12-30 to Rs 13-70. There are 25729 SKO retail licenses in the state and there are 344 SKO wholesalers of different oil companies in the state. District wise, list of SKO dealers is given in Appendix 10.3.3. In order to avoid misuse, the colour of PDS SKO has been made blue and is distributed only to ration card holders. SKO is also given for fishing purposes through permits issued by the Deputy Commissioners in coastal districts of Dakshina Kannada, Udupi and Uttar Kannada. Each permit holder gets 200 lts of SKO on a monthly basis in the fishing season.

10.3.7 Levy on Rice Millers:

The Karnataka Rice Millers (Levy) Order 1999 is issued under Essential Commodities Act 1955. And as per this order all the working Rice Millers are required to deposit 33 percent of the rice milled by them in the form of levy to the Central Government through FCI. The levy

period starts in October /November. In the years 2008-09, levy collected from Rice Millers was 96.9 thousand mts and in 2009-10 levy collected from the Rice Millers was 75.5 thousand mts.

10.3.8 Food Subsidy and Transportation:

The subsidy provided for supply of food grains through PDS, the cost of maintaining the stock and the difference between procurement prices and issue prices borne by the state government is collectively called as “food subsidy”. The state is bearing the cost of transportation to the FPS through its transporters appointed every year. The total amount of food subsidy and transportation cost spent is given in **Table 10.17**.

Table 10.17: Food Subsidy and Transportation

Year	2008-09	2009-10	(in Lakhs)
			2010-11 (till October)
Food Subsidy	65,142.00	1,07,499.00	67,049.00
Transportation (includes BPL and AAY category)	7,784.00	9,187.00	7,420.00
Total	72,926.00	1,16,687.00	74,469.00

10.4 HOUSING:

Shelter is one of the basic needs of humans. Housing has evolved as a prime component over the period of time not only in providing shelter but also providing employment opportunities and in development of locations. Addressing housing shortage is thus an important strategy of poverty alleviation. To meet the growing demand of housing, the State Government has been pro-active in its housing programmes and is likely to bring out the draft „Karnataka Housing and Habitat Policy“. To provide an affordable shelter to the needy people, the State Government has set up Rajiv Gandhi Rural Housing Corporation Limited (RGRHCL), Karnataka Housing Board (KHB) and Karnataka Slum Development Board (KSDB), The Government is also successfully implementing Rural Ashraya, Rural Ambedkar, Indira Awaas Yojana (IAY), and Urban Ashraya with a view to provide quality houses to the families living Below Poverty Line (BPL) and for weaker sections in the rural areas.

10.4.1 Rajiv Gandhi Rural Housing Corporation Limited (RGRHCL):

Rajiv Gandhi Rural Housing Corporation Limited was established in 2000, to implement all housing programmes of Government of Karnataka for economically weaker section and for special occupational categories both in rural and urban areas. The Corporation facilitates introduction of new technologies in house construction and deliver the funds to the end beneficiary at a very short period of time through its Internet banking system. The Corporation monitors the physical and financial progress through its website. Since inception, upto end of December 2010, the Corporation has built 20,72,044 houses, and 1,69,446 sites have been

distributed (**Appendix 10.9**) Details of houses constructed under various programmes and house sites distributed are furnished in **Table 10.18** and **Table 10.19**.

Table 10.18: Details of Houses Constructed through RGRHCL

Financial year	Rural Ashraya		Rural Ambedkar		IAY		Urban Ashraya		Total	
	Tar	Comp	Tar	Comp	Tar	Comp	Tar	Comp	Tar	Comp
2007-08	400000	227858	20000	11628	75000	39656	50000	1452	545000	280594
2008-09	335263	192858	26204	13430	164986	85459	30096	2317	556549	294064
2009-10	175000	157217	15000	15876	125000	155744	10000	4135	325000	332972
2010-11*	100000	33551	12000	2234	85000	45056	6500	628	203500	81469

* upto December 2010 Tar- Target, Comp-completed

Table 10.19: Details of Sites Distributed through RGRHCL

Financial year	Rural House Site		Urban House Site		Total	
	Target	Achievement	Target	Achievement	Target	Achievement
2007-08	50000	1191	50000	2066	100000	3257
2008-09	10000	1007	10000	1173	20000	2180
2009-10	10000	34765	10000	2519	20000	37284
2010-11 *	200000	1384	50000	345	250000	1729

* upto December 2010

10.4.2 Housing Programmes in Karnataka:

a. Rural Ashraya Scheme: This is a State Government sponsored housing scheme for the houseless rural poor. The annual household income limit fixed for the selection of beneficiaries under this scheme is Rs.11,800. The beneficiaries are selected by Grama Panchayats through Grama Sabhas. The Grama Panchayats select the beneficiaries from the list of houseless persons identified in Grama Sabhas. The Unit cost of houses under Ashraya was Rs. 20,000 in 2000-01 which has been increased to Rs. 63,500 during 2010-11. 33,551 houses have been constructed under this scheme upto the end of December 2010.

b. Ambedkar Rural Housing Scheme: This is a State Government sponsored housing scheme for the rural SC/ST population. The annual income limit for the beneficiaries of this scheme is Rs.11,800. The beneficiaries are selected by Grama Panchayats through Grama Sabhas. The Grama Panchayats select the beneficiaries from the list of houseless persons identified in Grama Sabhas. The scheme is presently under implementation mainly in the rural areas only. During 2008-09, The financial assistance given under this program was increased from Rs.30,000 to Rs. 40,000. This entire amount is provided as grant. During 2009-10, 15,876 houses have been constructed, further, in the year 2010-11 (till December 2010) 2234 houses have been constructed.

c. Indira Awaas Yojana: It is a centrally sponsored scheme, for rural BPL houseless family, introduced in the year 1989-90 and it became an independent scheme from 1st January 1996. As per the scheme guidelines 60% of the target is earmarked for SCs/STs, 15% is for minorities and remaining is for General category. The Government of India has enhanced the unit cost from 35,000 to 45,000 from 2010-11, in which 75% is Central share and 25% is state share. In addition to the state share, the state Government is providing additional subsidy component of 5,000 to each beneficiary to avoid anomalies in the unit cost in state sponsored and central sponsored schemes. From the year 1996 to 2004-05 this scheme was implemented by the RDPR Department. In the year 2004-05 it has been transferred to RGRHCL. From 2000-01 to 2010-11 (till December 2010) 4,59,137 houses have been constructed. In the year 2010-11 (till December 2010) 45056 houses have been constructed.

d. Urban Housing: Urban Ashraya Scheme: This is a State Government sponsored housing scheme for the houseless urban poor. The annual income limit for the beneficiaries of this scheme is Rs.11,800. The beneficiaries are selected by Ashraya Committees comprising both official and non-official members appointed by the Government. The Committees select the beneficiaries from the list of houseless persons identified by the urban local bodies. In the year 2010-11 (till December 2010) 628 houses have been constructed.

e. House Site: Under this scheme free sites are distributed to poor site-less families both in urban and rural areas. This scheme was introduced in the year 1992-93 for families whose annual income was less than Rs.11,800. During 2000-01 to 2010-11 (till December 2010) 1,69,446 sites have been distributed (113815 sites in rural areas and 55,631sites in urban areas). For the year 2010-11 it is targeted to distribute 2.5 lakh sites (2 lakh in rural and 0.50 lakh in urban areas). Out of the target, 1,729 sites have been distributed (1384 in rural area and 345 in urban) till December 2010.

Unit Cost of the House: The Government has constantly increased the unit cost of each house constantly over period of time. The details of unit cost increased by the Government are given in **Table 10.20**.

Table 10.20: Details of Change of Unit Cost of the House Construction in Different Programmes (in Rs.)

Year	Rural Ashraya	Rural Ambedkar	IAY	Urban Ashraya
2000-01 to 2003-04	20,000	20,000	20,000	25,000
2005-06	25,000	-	25,000	-
2006-07	30,000	-	-	-
2007-08	-	30,000	35,000	-
2008-09	40,000	40,000	-	-
2009-10	-	-	40,000	-
2010-11	63,500	63,500	63,500	1,30,000

10.4.3 Public Expenditure on Housing for Economically Weaker Section (EWS):

The total expenditure on EWS housing schemes has increased significantly from 2000-01 to 2010-11. The Government has spent a total amount of Rs. 5599.24 crore, of which Rs. 1723.61 crore (30.8 %) is from centrally sponsored schemes and Rs. 3875.63 crore (69.2 %) from the state Government sponsored housing schemes for economically weaker section. The details are given in **Table 10.21**.

Table 10.21: Expenditure Incurred by RGRHCL on Housing Schemes in Karnataka from 2000-01 to 2010-11

(Rs. in Crore)

Year	Housing Schemes in Rural and Urban Areas				
	Rural Ashraya	Rural Ambedkar	Indira Awaas Yojana	Urban Ashraya	Total
2000-01	143.59	35.24	The scheme was not implemented by RGRHCL	77.75	256.58
2001-02	273.77	52.98		91.80	418.55
2002-03	230.53	36.83		53.50	320.86
2003-04	217.49	32.55		38.17	288.21
2004-05	174.76	18.11	68.21	30.46	291.54
2005-06	156.01	13.01	128.35	22.64	320.01
2006-07	255.90	13.47	119.45	14.08	402.90
2007-08	617.15	23.26	99.14	3.63	743.18
2008-09	558.69	36.34	325.46	5.79	926.28
2009-10	373.04	38.11	545.10	7.53	963.78
2010-11*	210.40	13.88	437.90	5.17	667.35
Total	3211.33	313.78	1723.61	350.52	5599.24

** upto December 2010

Since 2000-01 to 2010-11 (upto Dec. 2010) the Corporation has constructed 2072044 houses under various housing schemes and 169446 sites have been distributed. For the year 2010-11 it targeted to complete 203500 houses of which, 81469 houses have already been completed till December 2010.

10.4.4 New Schemes:

1. Basava Vasathi Yojane: During 2010-11, the Government of Karnataka has introduced this scheme. Under this scheme, priority has been given to hut-dwellers to make the hut-less state. The financial assistance is Rs. 63,500, in which Rs. 50,000 is subsidy from Government, Rs. 10,000 is loan from banks and Rs. 3,500 is contribution by the beneficiary. For the year 2010-11, 2000 houses for each MLA constituency has been fixed. The beneficiaries are selected by the Gram Panchayaths through Gram Sabhas and money will be released directly to the beneficiary account based on GPS (Global Positioning System) verification.

2. Vajpayee Urban Housing Scheme (Replacement of Urban Ashraya): This is a state Government sponsored scheme for urban houseless poor. The beneficiaries are selected by Ashraya Committees comprising both official and non-official members appointed by the Government. The unit cost per house is Rs. 1,30,000 (in case of black cotton soil it is Rs. 1,35,000), in which Rs. 50,000 is subsidy from Government, Rs. 50,000 as bank loan and Rs. 30,000 contribution by beneficiary.

3. Nanna Mane (Affordable Housing for Low income groups): During 2010-11, the Government of Karnataka has introduced another new scheme for Above Poverty Line (APL) people to provide affordable houses to the low income group families (LIG) (the targeted beneficiaries are Auto drivers, Film Industry workers, Unorganised sector workers, Beedi workers, Hamals, Street Vendors etc). The annual income of the beneficiary is limited to Rs. 1.00 lakh per annum. During 2010-11, the Government intends to build 20,000 houses under G+2 concepts. The unit cost of the flat is Rs.3.90 lakh, 4.25lakh and 5.20 lakh.

10.4.6 Karnataka Housing Board (KHB): Karnataka Housing Board was established under Karnataka Housing Board Act 1962 as a successor to Mysore Housing Board, which was constituted in the year 1956. The primary objective of KHB is „to make such schemes and to carry out such works as are necessary for the purpose of dealing with and satisfying the need of housing accommodation“. With this directive KHB endeavours to provide Housing to people of Karnataka at affordable cost and therefore, is the most important agency as a vehicle of development throughout Karnataka.

The Major Works Done by KHB:

- Over 1048 housing schemes have been developed
- Around 1,13,795 houses and 29517 sites have been provided
- Taken up composition work on housing, site and services schemes
- Satellite townships have been developed at Yelahanka, Kengeri and Hootagalli
- At present 100 housing projects, 50 housing projects under Suvarna Karnataka Housing Programme are under implementation. 225 housing projects for the year 2010-11 have been approved by the Government.

100 Housing Projects: Out of 100 Housing Projects implemented during 2002;

- 75 schemes have been completed at a cost of Rs.508.20 crore. Through this scheme 4020 houses and 20254 sites have been developed/constructed
- 22 schemes at the cost of Rs. 470.63 crore under implementation to develop 6617 sites and construct 2737 houses.
- 3 schemes are under formulation.

Suvarna Karnataka Programme: Out of 50 Housing Projects implemented under Suvarana Karnataka Programme during 2007, 39 schemes at a cost of Rs.1071.35 crore are under implementation to develop 20310 sites and construct 1278 houses. 11 schemes are under formulation.

225 Housing Schemes for the year 2010-11: Government has approved for 225 housing schemes to be taken during the year 2010-11 to develop 305786 sites and construct 131051 houses. Out of this, 7 schemes at a project cost of Rs.587.42 crore are under progress to construct 472 houses and develop 8311 sites. 2 schemes are under the approval of the Government to construct 932 houses and develop 1860 sites. 15 schemes are under formulation.

Houses for Flood Affected Families: Board has taken up the responsibility of the construction of houses for flood affected families in Bijapura and Bagalkot districts. A house of approximately 300 sq. ft. is being constructed at an estimated cost of Rs. 1.30 lakh. 2753 houses have been sanctioned for 13 villages in Bagalkote district, out of which, construction of 2700 houses is under progress. Similarly, out of 1299 houses sanctioned for 8 villages in Bijapur district, construction of 1181 houses are under progress (**Table 10.22**).

Table 10.22: Details of houses and sites allotted by KHB

Groups	2008-09		2009-10		2010 up to Dec.	
	Sites	Houses	Sites	Houses	Sites	Houses
EWS	4	21	6	54	849	1
LIG	2318	291	1373	328	2534	150
MIG	2114	483	981	216	2478	144
HIG	1016	67	685	8	1893	50
Expenditure Rs. in Crore	93.69		141.24		174.08	

EWS – Economically Weaker Section LIG – Low Income Group
MIG – Middle Income Group HIG – High Income Group

Land Details: Karnataka Housing Board has land bank of 111.22 acres of land. The Board is planning to acquire 69.35 acres of land by direct purchase and 2,660 acres by acquisition.

Financial Status of Karnataka Housing Board:

Since inception KHB was borrowing loans from HUDCO and other financial institutions for its housing programmes and schemes. As on 1.1.2010 the total loan component of the Board to be repaid was Rs.157.27 crore, and the same has been cleared by 18.05.2010. Now there is no debt on the part of Karnataka Housing Board, and the surplus with the Board right now is about Rs.88.50 crore.

Deposit Contribution Works: Karnataka Housing Board has also under taken deposit contribution works entrusted by the Government. The details have been given in **Table 10.23**.

Table 10.23: Details of expenditure incurred with different deposit contribution works

Name of the work	No. of Units	Expenditure (Rs.)
Revenue department		
DOC Complex	10	11818.89
Mini Vidhanasoudha	52	8082.67
Sub-Registrar Office	8	148.69
Kandaya Bhavan	1	3144.28
DC and CEO Quarters	7	1338.02
Shimoga Works	3	238.93
Rajiv Gandhi Houses		411
Total	81	25182.48
Other departments		
BKDB & Sannati	8	1131.24
Total	8	1131.24
Other Deposit Works		
Indoor Stadium Udupi	1	216.78
Jog Falls	1	497.26
BCC @ Belgaum	1	545.6
UGD Shikaripura	1	1602.06
Complex Shiral koppa	1	276.17
Yathrinivas Karkala	1	108.74
Suvarna Ranga Mandir	8	107.3
Davangere University	1	91.51
Total	15	3353.9
Development of Air Strips		
Airstrips	11	34.89
ATI Building and First grade College Building		
ATI Building	4	574.55
First Gr. College -13	10	511.67
First Gr. College-14	9	222.82
First Gr. College-15	21	131.05
FGC-State Sector	11	324.19
Govt. Polytechnic	6	634.51
Engineering Colleges	2	777.75
Total	63	3176.53
Asare Housing Scheme-Work		
Bagalkot and Bijapur District	26	2369.79
Cement Purchase-Bagalkot		385.38
Cement Purchase-Bijapur		219.60
Total	26	2974.77
Grand Total	204	35853.82

10.4.5 Karnataka Slum Development Board:

The Karnataka Slum Development Board is implementing schemes for improving the environmental conditions of slums and provides basic amenities like drinking water, toilets, drains, roads, streetlights, etc. The Board has identified 2722 slums having a population of 40.50 lakh covering 6.18 lakh households.

The Board is implementing the centrally sponsored scheme – Basic Services to the Urban Poor (BSUP) in both Bangalore and Mysore cities to construct houses for slum dwellers. Integrated Housing and Slum Development Programme (I.H.S.D.P) has also been implemented with the intention to provide housing to slum dwellers and also improve the environmental conditions of the slums. The Board is implementing the following schemes, viz.

- Slum Improvement Programme
- Jawaharlal Nehru National Urban Renewal Mission (JnNURM) - Basic Services to Urban Poor (BSUP)
- Integrated Housing and Slum Development Programme (IHSDP).

a. Slum Improvement Programme:

The Slum Improvement programme is being implemented since 2002-03. In the 1st Phase 260 slums in 21 Class-I cities and in the 2nd Phase 265 slums of 17 Class-I cities of the state have been taken up to provide basic amenities viz., drinking water, street light, community latrines, community bathroom, drains, roads, storm water drain to the slum dwellers in the declared slums. During 2009-10, an amount of Rs.1100.00 lakh has been fully utilized for improvement of slums. In the current year, out of the budgeted outlay of Rs. 50.00 lakh, an amount of Rs. 37.50 lakh has been utilized up to end of December 2010.

b. Jawaharlal Nehru National Urban Renewal Mission (JnNURM): The Government of India has launched JNNURM on 3rd December 2005 for 7 years in a Mission Mode to link urban reforms with infrastructure development and housing programmes. This Mission has two main components viz, Basic Services to the Urban Poor (BSUP) programme and Integrated Housing & Slum Development Programme (IHSDP). This has provided an opportunity for integrated development of the cities & towns of the State to cater to the present and future needs of the urban areas for growth and better living. The thrust areas of the Mission are Sewerage, Water Supply, Electricity and Housing for urban poor.

c. Basic Services to the Urban Poor: This programme was launched to assist cities & towns in taking up housing and infrastructural facilities for the urban poor. Among 65 cities in the country, Bangalore and Mysore cities from Karnataka State have been selected under this programme. For BSUP programme, Karnataka Urban Infrastructure Development & Finance Corporation (KUIDFC) has been made as the nodal agency for monitoring of the scheme and Karnataka Slum Development Board (KSDB) as the implementing agency in the state. The main objective of this programme is to provide basic services to urban poor including security of

tenure at affordable prices, improved housing, water supply, sanitation and ensuring delivery of other already existing universal services of the Government for education, health and social security.

The Central Sanctioning and Monitoring Committee (CSMC) of Ministry of Housing and Urban Poverty Alleviation (MoHUPA) has sanctioned to construct 18180 houses including infrastructure in 3 phases in the selected slums of Bangalore city with an estimated cost of Rs. 522.23 crore and 6328 houses in Mysore city with an estimated cost of Rs.203.97 crore. The funding pattern between GOI and GOK for Bangalore city is 50:50. The state share includes beneficiary contribution of 10% for SC/ST and for others it is 12%. For Mysore city GOI share is 80% and the remaining 20% will be borne by GOK. The beneficiary contribution will be same as that of Bangalore city.

For the first time in the country, Karnataka Slum Development Board has adopted Cost effective and Fast Track Construction Technology called “Foam Technology” for ground floor houses and for G+3 houses Monolithic Shear wall Technology on pilot basis for construction of Dwelling Units with infrastructure works under JNNURM-BSUP. Since the inception of BSUP programme against the target of 24508 houses, 7383 houses have been completed and 10848 houses are at various stages of construction as at the end of December 2010. The phase wise details of the project and the expenditure incurred are given in **Table 10.24**

Table 10.24: Houses sanctioned, cost of the project including Central & State share under Jn-NURM

(Rs. crore)

Phases	Name of City	No. of Houses Sanctioned	Total Project Cost (Revised)	Amount Released	Expenditure	No. of houses completed
PHASE- I	Bangalore	11603	261.17	109.63	117.56	4019
	Mysore	2788	65.27	20.28	45.51	2122
PHASE-II	Bangalore	3151	124.27	50.57	28.24	496
	Mysore	2500	90.93	38.70	27.05	746
PHASE-III	Bangalore	3426	136.79	28.61	11.74	-
	Mysore	1040	47.76	10.11	-	-

d. Integrated Housing & Slum Development Programme (IHSDP): For taking up Housing and Slum up gradation programme in Non-BSUP cities, Integrated Housing & Slum Development Programme (IHSDP) was launched along with BSUP in December 2005. This programme combines the existing schemes of Valmiki Ambedkar Awaas Yojana (VAMBAY) & National Development Programme (NSDP), with an objective of integrated approach in ameliorating the conditions of the slum dwellers who do not possess adequate shelter and basic facilities, to strive for slum less cities with a healthy living and good environment and enhance public and private investment in housing and infrastructure development in urban areas.

The Central Sanctioning and Monitoring Committee (CSMC) of Ministry of Housing and Urban Poverty Alleviation (MoHUPA) has sanctioned 34 projects for Karnataka in 2 phases with a revised cost of Rs. 410.80 crore for constructing 17237 houses of which the central share is 80% and State share 20%. Out of the state share, beneficiary contribution is 10%. A total of 7378 houses are completed up to end of December 2010 since inception of the programme and the remaining houses are at various stages of construction. The details of Progress achieved under IHSDP is given in **Table 10.25**.

Table 10.25: Details of Integrated Housing and Slum Development Programme (IHSDP)
(Rs. in crore)

No. of City/Town	No. of Houses sanctioned	Total Revised Project Cost	Amount Released	Expenditure	No. of houses completed
25 City/ towns	13053	277.90	151.01	151.01	7084
8 City/ Towns	4184	132.90	52.30	52.30	294

e. Future Projects: Government of India has introduced a new scheme called “Rajiv Awaas Yojana” (RAY) on the lines of Indira Awaas Yojana during 2009-10 to make the country slum free by providing infrastructure facilities to the slum dwellers. Under this programme Karnataka has been selected to make slum free State by 2017. The Objectives of the Programme are;

- Conducting socio-economic survey and GIS mapping
- Creating conditions of living that are dignified, healthy and productive for all
- Seriously addressing the target of affordable housing for all in urban areas
- Adopting sustainable strategies that durably redress the shortage of urban land, amenities and shelter that lead to the creation of slums
- Providing housing on Public Private Partnership
- Conducting the IEC activities to create awareness for health, education, sanitation, training, capacity building and environmental to slum dwellers.

The State has prepared an action plan to take necessary steps for implementation of the Rajiv Awaas Yojana. Commissioner, Directorate of Municipal Administration has been nominated as State Nodal Officer for co-ordinating and monitoring all the activities under Rajiv Awaas Yojana.

In the first step Slum Household and Livelihood survey has been taken up in all the slums coming in 214 Urban local bodies including Bruhat Bengaluru Mahanagara Palike (BBMP). The work of slum survey has already been completed. As per the survey, the total number of slums identified in the State of Karnataka is 3568.

In the first phase of Slum Free City Planning, 10 cities namely, Mysore, Gulbarga, Hubli-Dharwad, Mangalore, Belgaum, Bellary, Davanagere, Tumkur, Bangalore and Shimoga have been identified. Slums in these cities have to be redeveloped or rehabilitated for which the work of Socio-economic analysis as well as Infrastructure gap analysis has already been started.

10.5. WELFARE PROGRAMMES FOR SCs, STs, BCs, MINORITIES, DISABLED AND SENIOR CITIZENS:

Economic growth with equity and social justice has always been the main focus of development agenda since the inception of planning period in the state. In the context of inclusive and more broad-based faster economic growth, building human capabilities and productive endowments among the weaker sections of the society has become the centrality of state-managed development programmes. Earlier in the past, a significant proportion of Scheduled Castes (SCs) and Scheduled Tribes (STs) population was economically disadvantaged, socially marginalized, lacking in productive resources, and their access to education, health care facilities, housing, employment and other income earning opportunities was awfully limited. Similarly, the socio-economic wellbeing of the Backward Castes (BCs) population, Minorities, disabled and senior citizens is also far from the satisfactory in the state. The State Government, therefore, has been implementing several programmes for socio-economic advancement of under privileged, down trodden, backward and vulnerable sections of the society and thereby placing them on mainstream development. The multi-pronged and multifaceted programmes have been implemented for welfare of SCs, STs, BCs, Minorities, disabled and senior citizens in the state. Some of the important ameliorative programmes are summarized as follows.

10.5.1. Welfare Programmes for SCs:

In Karnataka, the population of SCs was estimated at 8.56 million, accounting for 16.21 per cent of the state population in 2001. The share of SC population to the total population of India was 16.26 per cent, marginally higher than that of the state during the same period. As the members of SC households had been historically deprived of access to education, health, housing and other civic amenities, the Department of Social Welfare and the Development Corporation (Dr. B.R. Ambedkar Development Corporation, Bangalore) are implementing various schemes for their welfare, thereby placing them on mainstream development.

A. Department of Social Welfare:

1. Admission of Meritorious Students in Prestigious Schools:

The objective of scheme is to provide quality education through the admission of meritorious SC students studying from 5th to 10th class in reputed institutions in the state. The entire annual expenditure is borne by the Department. During 2008-09, an amount of Rs.370.78 lakhs was spent as against the budgetary allocation of Rs. 470.00 lakh, benefiting 1607 students. For the year 2009-10, the proposed outlay of Rs.600.00 lakhs was spent covering 2497 students in the state. For the financial year 2010-11, out of the budgetary provision of Rs. 800.00 lakhs, an amount of Rs.600.00 lakhs have been spent covering 3100 students.

2. Pre-matric Scholarships:

(a) Pre-matric scholarship of Rs.75 per annum is being sanctioned to the SC students studying from 1st to 7th class, and Rs. 100 per annum is being sanctioned to the SC students studying from 8th to 10th class. The progress of the scheme during the last three years is as follows (Table 10.26).

Table 10.26: Progress of Pre-matric Scholarships (Rs. in lakhs)

Year	Budget allocation	Expenditure	No. of beneficiaries
2008-09	1365.63	1243.75	13,26,345
2009-10	1615.30	1458.53	15,14,327
2010-11*	1689.28	972.09	10,67,259

Note: *Upto December 2010.

(b) In addition to the Pre-matric scholarships, an Incentive Scholarship of Rs. 250 for girl students studying in Middle School and Rs. 500 studying in High School will be provided annually. Under this scheme, while the budgetary allocation increased from Rs. 1226.99 lakhs during 2008-09 to Rs.1495.22 lakh during 2009-10, the expenditure also went up from Rs.1155.19 lakh to Rs.1331.70 lakh during the same period. During 2010-11, out of the budgetary provision of Rs.1579.05 lakh, an amount of Rs.918.38 has been spent till the end of December 2010.

3. Post-matric Scholarships:

Post-matric scholarship is sanctioned to the students whose household annual income is less than Rs. 1.00 lakh. Under this programme maintenance allowance of Day Scholars and Hostellers will be credited directly to the bank account of students and the concerned hostel Wardens, respectively. The course fee fixed by the competent authority will be credited to the college Principal Account. The progress made under the scheme is provided in Table 10.27.

Table 10.27: Progress of Post-matric Scholarships (Rs. in lakhs)

Year	Budget allocation	Expenditure	No. of beneficiaries
2008-09	13685.94	16524.20	2,26,970
2009-10	20803.94	23701.44	2,72,810
2010-11*	22904.74	9707.83	1,36,838

Note: *Upto December 2010.

4. Prize Money to Meritorious Students:

The basic aim of the scheme is to recognize meritorious SC students and encourage them for continuation of their education in terms of warding prize money. Under this scheme, prize money will be awarded for meritorious SC students after the annual examination of different degrees. The components and salient features of prize money scheme are illustrated in Box 10.1.

Under the above scheme, an amount of Rs. 1003.16 lakh was earmarked under the regular budget of the scheme during 2009-10, and the budgetary amount of which was raised to Rs.1590.00 lakhs during 2010-11. The details of expenditure and number of beneficiaries by type of prize money are depicted in **Table 10.28**.

Box 10.1: Components of Prize Money to Meritorious Students Scheme	
➤	Prize Money to SSLC Students. Prize money was awarded to SSLC students who had secured the first five places in each district during 2008-09 and thereafter it is changed. As per the new guidelines, prize money of Rs. 5000 and Rs.10,000 will be awarded to the students who secure more than 60% and 75% in the SSLC examination, respectively.
➤	Prize Money to College Students. Prize money of Rs. 10,000 will be awarded for 5 students of each district who secure more than 60% in the PUC examination.
➤	Prize Money to Rank Holders. Prize money of Rs.5000 will be awarded for the rank holders in Degree and Post-graduate education.
➤	One-Time Financial Assistance. One-time-financial assistance of Rs. 50,000 will be awarded for the students securing admission in prestigious institutions such as IIT/IIM and IISC. A financial assistance of Rs. 8000 and Rs.10,000 will be awarded for the students pursuing their M. Phil. and Ph. D. courses.
➤	Study in Foreign University. Financial assistance of Rs.10 lakhs for entire course will be provided for the students who offer higher education in foreign universities.

Table 10.28: Progress of Prize Money to Meritorious Students (Rs. in lakhs)

Type of prize money	Expenditure			No. of beneficiaries		
	2008/09	2009/10*	2010/11	2008/09	2009/10	2010/11
Prize Money to SSLC Students	7.25	1579	1149.5	145	26097	18608
Prize Money to PUC Students	14.5	14.5	15	145	145	150
Prize Money to Rank Holders	1.05	1.2	0.25	21	24	5
One-Time Financial Assistants: to students who admitted in IIT/ IIM& IISC Institutions	3.5	17.84	2.5	7	36	5
One-Time Financial Assistants: to M. Phil & Ph. D students	0.7	2.88	0	14	44	0
Study in Foreign University	19.665	13.57	4	6	6	2
Total	46.665	1628.99	1171.25	338	26352	18770

Note: *Money spent towards the Prize Money to SSLC students during 2009-10 was from the SCSP pooled funds.

5. Pre-matric Hostels:

Boarding and lodging facilities are provided for the pre-matric hostel students studying from 5th to 10th class. The annual expenditure under the scheme increased from Rs.11,375.18 lakhs, out of budgetary provision of Rs.10,557.78, during 2008-09 to Rs.11, 455.44 lakhs, out of budgetary provision of Rs.11, 375.18 lakhs, during 2009-10, benefiting the sanctioned strength of 87370 students. During 2010-11, an amount of Rs. 12897.99 lakhs has been earmarked, out of which Rs.8046.13 lakhs have been spent for the sanctioned strength of 98526 students upto the end of December 2010.

6. Post-matric Hostels:

In order to encourage the SC students for continuation of their college education, boarding and lodging facilities are provided for the Government post-matric college hostel students. The budgetary allocation as well as the expenditure has gone up significantly, benefiting the sanctioned strength of a large number of students during the last two years. The details of the progress made under the scheme are shown in **Table 10.29**.

Table 10.29: Progress of Post-matric Hostels (Rs.in lakhs)

Year	Budget allocation	Expenditure	No. of beneficiaries (Sanctioned strength)
2008-09	2430.89	2549.20	42155
2009-10	3539.52	3278.87	62168
2010-11*	3373.17	1896.51	62168

Note: *Upto December 2010.

7. Construction of Hostel Buildings:

Under the scheme, pre-matric and post-matric hostel buildings are constructed to provide infrastructure facilities to the SC students. During 2008-09, the budgetary amount of Rs.2191 lakhs was spent for construction of 71 hostels. During 2009-10, the proposed outlay of Rs. 2876 lakhs was spent under the regular budget provision for construction of 51 hostels, and under the SCSP fund, a sum of Rs.7200 was earmarked, out of which Rs.3986.50 lakhs were spent for construction of 83 hostels. During 2010-11, an outlay of Rs.1800 lakhs under the regular budget and Rs.7100 lakhs under the SCSP fund was proposed, out of which Rs.625 lakhs for construction of 7 hostels and Rs.6075 lakhs for construction of 68 lakhs have been spent, respectively till the end of December 2010.

8. Assistance to Grant-in-aid Hostels:

Voluntary Organizations also play a vital role in providing hostel facilities for the SC students. Therefore, financial assistance is being provided to Voluntary Organisations in the state. For the year 2010-11, an amount of Rs.656.23 lakhs has been proposed, out of which Rs. 160.67 have been spent for the benefit of 14925 SC students by the end of December 2010. The details of the scheme are presented in **Table 10.30**.

9. (a). Residential Schools:

The Department of Social Welfare is running 90 Residential Schools for the children studying from 1st to 5th standard by providing the basic needs such as food, books, uniforms, beds, oil, soap, medical facility, etc.

Table 10.30: Progress of Grant-in-aid Hostels (Rs. in lakhs)

Year	Budget Allocation	Expenditure	% of expenditure	No of Voluntary organizations	No. of Students
2008-09	606.37	544.59	89.81	249	14456
2009-10	760.67	593.09	77.97	249	14456
2010-11*	656.23	160.67	24.48	255	14925

Note: *Upto December 2010.

(b). Morarji Desai Residential Schools:

The Department of Social Welfare is also running 152 Morarji Desai Residential Schools for the children studying from 5th to 10th standard by providing the basic requirements such as food, books, uniforms, beds, oil, soap, medical facility, etc. During the last two years, the budgetary allocation and expenditure was reported to be progressive. The details of the scheme for residential schools including Morarji Desai Residential Schools are provided in **Table 10.31**.

Table 10.31: Progress of the Scheme for Residential Schools (Rs.in lakhs)

Year	Budget Allocation	Expenditure	% of expenditure	No. of Beneficiaries
2008-09	5262.35	4638.00	88.14	35407
2009-10	7134.57	6689.49	93.76	34455
2010-11*	7207.65	4076.46	56.56	43804

Note: *Upto December 2010.

10. Ambedkar Housing Schemes under SCSP:

This scheme has been implemented by the Rajiv Gandhi Housing Development Corporation under the SCSP (Scheduled Caste Sub-Plan) to provide constructed houses for the SC families who are below poverty line. The budgetary amount of Rs.4848.52 lakhs was spent during 2008-09, and out of the budgetary amount of Rs.2500.00 lakhs, an amount of Rs.625.00 lakhs was spent for construction of the houses during 2009-10. For the financial year 2010-11, a sum of Rs.750.00 lakhs was spent as against the budgetary allocation of Rs.3000.00 lakhs till the end of December 2010.

11. Compensation to SC/ST Victims:

The cases of atrocities are registered under the Prevention of Atrocity Act 1989, wherever atrocity occurs against the SC/ST members by the non-SC/ST members. Under this scheme the district administrator initiates measures for the immediate relief under rehabilitation of victims of atrocity apart from giving them security under law and order. Sufficient funds are kept in the personal deposit account of deputy commissioners for paying compensation to the victims of atrocity and other rehabilitation measures, besides providing TA & DA to the victims, their dependents and witness to appear for the court proceedings. 50% of funds are from the Government of India as the central share. The progress made under the scheme is presented in **Table 10.32**.

Table 10.32: Progress of Compensation to SC/ST Victims (Rs. in lakhs)

Year	Budget allocation	Expenditure	% of expenditure	No. of beneficiaries
2008-09	704.00	677.23	96.20	1860
2009-10	704.00	704.00	100.00	1466
2010-11*	704.00	704.00	100.00	==

Note: *Upto the end of December 2010.

12. Scheduled Caste Sub-Plan (SCSP):

A specific strategy has been adopted to promote overall development of SC category through the Scheduled Caste Sub-Plan (SCSP), being implemented through various sectoral Departments in the state. The basic objective of the programme is to channelize the flow of funds and benefits from the all sectors of development in the state plans exclusively in favour of SCs in proportion to their population. Accordingly, the State Government has been making specific budgetary provision in all sectors of the state annual plans for socio-economic development of SC category. The progress of the plan is provided in **Table 10.33**.

Table 10.33: Status of Scheduled Caste Sub-Plan (Rs. in lakhs)

Sector	Allocation			Expenditure			% of expenditure		
	2008-09	2009-10	2010-11	2008-09	2009-10	2010-11*	2008-09	2009-10	2010-11*
State	275006.00	241311.32	274158.47	203969.60	192841.26	103980.31	74.17	79.91	37.93
District	48237.76	50347.90	52644.25	53598.64	52905.29	17673.34	111.11	105.08	33.57
All	323243.77	291659.22	326802.72	257568.20	245746.55	121653.65	79.68	84.26	37.23

Note: * Upto October 2010.

13. SCSP Pooled Funds

For socio-economic upliftment of SC category, the pooling of funds under SCSP allocation has been adopted in Karnataka. The funds are pooled from the Department which fails to submit their action plan under the SCSP and is unable to formulate scheme/programmes which are directly benefiting the SC community. Such pooled amounts are utilized for the development of priority sector such as education, housing, irrigation and development of SC colony, etc., which are directly benefiting the SC community. The progress made under the SCSP pooled funds is shown in **Table 10.34**.

Table 10.34: Progress of SCSP Pooled Funds Scheme (Rs. in lakhs)

Year	Pooled fund allocation	Release and expenditure	% of expenditure
2007-08	130.61	130.61	100.00
2008-09	151.21	151.21	100.00
2009-10	478.54	348.54	72.34
2010-11*	617.20	462.90	75.00

Note: Upto December 2010.

B. Development Corporation:

(Dr. B.R. Ambedkar Development Corporation Ltd., Bangalore)

For economic upliftment of SC community in the state, the Development Corporation (Dr. B.R. Ambedkar Development Corporation Ltd., Bangalore) is implementing various programmes with the budgetary support from the State Government, Term Loan from the National Scheduled Castes Finance and Development Corporation (NSCFDC) and the National Safai Karmachari Finance and Development Corporation (NSKFDC), New Delhi. The progress of important programmes implemented by the Development Corporation is summarised as follows.

1. Self-employment Programme:

The basic aim of the programme is to enable unemployed, underemployed SC persons to take up gainful economic activities and thereby improving their economic status in the society. The Corporation provides financial assistance through banks and financial institutions for setting up of self-employment activities. The important features of the scheme are illustrated in Box 10.2

Box 10.2: Salient Features of Self-employment Programme

- For the project cost upto Rs.50,000, the Corporation sanctions a maximum subsidy of Rs.10,000 and the remaining amount as loan from financial institutions.
- For the project cost from Rs.50,000 to Rs.1,00,000, the Corporation sanctions a maximum subsidy of Rs.10,000 and the remaining amount as loan from financial institutions.
- For the project cost above Rs.1,00,000, the Corporation sanctions 20% as margin money (Maximum of Rs.1.00 lakh), 75% as loan from Banks/financial institutions and remaining 5% as beneficiary contribution.
- For a few selected schemes, Direct Loan is sanctioned by the Corporation after availing loan from the NSCFDC, 5% beneficiary contribution, 20% margin money from the Development Corporation (Dr. B. R. Ambedkar Development Corporation, Bangalore) (Rs.1.00 lakh maximum) and the remaining 75% is loan from the NSCFDC.

Investment (Share Capital): Share capital will be shared between the State and the Centre in the ratio of 51:49. The share capital will be utilized for margin money loan under the Self-employment Programme and Safai Karmachari Rehabilitation Programme.

Under the programme, the total expenditure including subsidy, margin money and term loan increased by 45% from Rs. 1702.61 lakhs to Rs. 2471.17 lakh and the total number of beneficiaries increased from 7864 persons to 11608 persons during 2008-09 to 2009-10. For the year 2010-11, a sum of Rs.1865.77 lakh has been spent for the benefit of 7915 unemployed and/or underemployed person in the state till the end of December 2010. The details of the programme are provided in **Table 10.35**.

Table 10.35: Details of Self-employment Programme (Rs. in lakh)

Year	Budget allocation	Funds released	Expenditure				No. of beneficiaries
			Subsidy (State)	Margin money	Term loan (NSCFDC)	Total	
2008-09	1000.00	650.00	648.70	423.28	630.63	1702.61	7864
2009-10	1700.00	700.00	848.61	675.38	947.18	2471.17	11608
2010-11*	1300.00	600.00	651.63	452.58	761.56	1865.77	7915

Note: *Upto December 2010; Margin Money spent out of Share Capital funds.

2. Land Purchase Scheme:

The scheme has been launched during 1990-91 to provide land to the landless agricultural labourers by purchasing lands from non-SC/ST land holders. Under this scheme, 2 acres of dryland or 1 acre of wetland will be purchased and distributed to the beneficiaries. Under this scheme, 50% will be treated as subsidy and 50% as term loan with 6% interest rate. The purchased lands will be registered in the name of housewife. The detailed progress of the programmes is illustrated in **Table 10.36**.

Table 10.36: Details of Land Purchase Scheme (Rs.in lakhs)

Year	Budget allocation	Funds released (Subsidy)	Expenditure			No. of beneficiaries	Land purchased (acres)
			Subsidy (State)	Term loan (NSCFDC)	Total		
2008-09	1000.00	350.00	357.52	357.52	715.04	869	1515.34
2009-10	1200.00	737.00	421.44	421.44	842.88	936	1539.55
2010-11*	700.00	400.00	406.18	406.18	812.36	681	1250.55

Note: *Upto December 2010.

3. Ganga Kalyana Kcheme:

Community Irrigation/Lift Irrigation Scheme: Under this scheme, a group of 8 to 15 acres of land belonging to the SC landholders will be provided irrigation facility at free of cost by lifting water from the perennial rivers, streams, etc. The unit cost fixed for the provision of irrigation for 8 acres and 15 acres of land is Rs.2.53 lakhs and Rs.3.59 lakhs, respectively. During 2008-09, Rs.260.31 lakhs were spent for completion of 49 irrigation projects covering 309 SC farmers, and a sum of Rs.256.06 lakhs was spent for completion of 47 irrigation projects benefitting 198 SC farmers during 2009-10. For the year 2010-11, an amount of Rs.2.69 lakhs has been spent for meeting the expenses towards pipeline and such expenditure of the earlier works, and the measures are also undertaken to take up 108 irrigation projects covering 589 beneficiaries till the end of December 2010.

Individual Irrigation Borewell Scheme: Individual Irrigation borewells along with the pumpsets will be provided to the small and marginal SC farmers. The revised unit cost of the scheme is Rs.1.5 lakhs, out of which Rs.1.00 lakh will be subsidy and remaining Rs.50,000 will be sanctioned as the term loan from NSCFDC. The details of the scheme are provided in **Table 10.37**.

Table 10.37: Progress of Individual Irrigation Borewell Scheme (Rs. in lakhs)

Year	Budget allocation	Funds released (Subsidy)	Expenditure			No. of beneficiaries
			Subsidy (State)	Term loan (NSCFDC)	Total	
2008-09	7129.95	5714.95	6537.40	350.00	6887.40	5169
2009-10	7330.00	5080.00	5237.36	566.47	5803.83	5543
2010-11*	6090.00	3045.00	3226.78	276.67	3503.45	4344

Note: * Upto December 2010; Budget allocation and released amount include pooled funds.

Energisation of Irrigation Borewells: In addition, as per the recommendations the High Power Committee for Redressal of Regional Imbalances headed by the late Dr. D.M. Nanjundappa, financial assistance will also be provided under the SCSP pooled funds to ESCOMS for energisation of irrigation borewells in the backward taluks (as indentified by the High Power Committee). The status of the scheme is provided in **Table 10.38**.

Table 10.38: Status of Energisation of Irrigation Borewells (Rs. in lakhs)

Year	Budget allocated	Funds Released	Expenditure	No. of wells energized
2008-09	300.00	3000.00	4587.00	7884
2009-10	300.00	1800.00	1800.00	5692
2010-11*	500.00	2500.00	2500.00	3212

Note:* Upto December 2010.

4. Micro Credit Finance Scheme (Small Loan):

Under this scheme, skilled and unskilled SC person belonging to semi- urban and urban areas will be assisted to start their own petty business activities. The unit cost is Rs.5000 per beneficiary, out of which Rs.2500 as subsidy and Rs.2500 as loan will be sanctioned. While the proposed outlay has been on the rise, the annual expenditure is estimated to be declining. The details of budget allocation, expenditure and number of beneficiaries covered are provided in **Table 10.39**.

Table 10.39: Progress of Micro Credit Finance Scheme (Rs. in lakhs)

Year	Budget Allocation	Funds Released	Expenditure	% of Expenditure	No of Beneficiaries
2008-09	300	247.00	259.94	86.65	5199
2009-10	360	280.00	203.24	56.46	4065
2010-11*	500	250.00	250.00	50.00	5017

Note:* Upto December 2010.

5. Micro Credit Scheme (NSCFDC):

Under this scheme, loan along with subsidy will be provided to better performing Self-Help Groups and groups constituted under the Sthree Shakthi Scheme. The unit cost is Rs.25000, out of which Rs.15000 is term loan from the NSCFDC and the remaining amount of Rs.10000 will be sanctioned as subsidy received from Zilla Panchayath, Urban Development Department, Social Welfare Department and other departments. 5% interest rate is charged on the term loan. The NSCFDC granted term loan to the extent of Rs.423.55 lakhs for 2008-09 and Rs.758.68 lakhs for 2009-10; out of which Rs.435.60 lakh and Rs.283.03 lakh were spent for the benefits of 2922 and 3553 persons, respectively. For the year 2010-11, till the end of December 2010, an amount of Rs.391.02 lakhs has been spent, covering 5623 persons, out of the backlog funds from the NSCFDC.

6. Safai Karmachari Rehabilitation Programme:

This is a national scheme. Under this scheme, loan along with subsidy will be provided to Safai Karmacharis for taking up alternative occupations. For the project cost upto Rs.1 lakh, 50% is subsidy subject to a maximum limit of Rs.10,000 and the remaining amount is NSKFDC/Bank loan. For the project cost above Rs.1 lakh, 90% is loan from NSKFDC, 5% is margin money from BRADCL and 5% is promoter's contribution. For the loan upto Rs.25,000 and above Rs.25000, the rate of interest is 5% and 6%, respectively. The details of the programme are provided in **Table 10.40**.

Table 10.40: Progress of Safai Karmachari Rehabilitation Programme (Rs. in lakhs)

Year	Term loan from NSKFDC	Expenditure				No. of beneficiaries
		Subsidy	Margin money	Term loan (NSKFDC)	Total	
2008-09	1319.30	277.22	34.52	215.88	527.62	2307
2009-10	1207.10	219.46	12.04	422.34	653.84	2287
2010-11*	1312.21	149.10	3.31	328.69	481.10	1638

Note: * Upto December 2010; Margin money spent out of Share Capital funds. Subsidy spent out of Government of India funds.

10.5.2. Welfare Programmes for STs:

According to the Census of India 2001, the population of STs was estimated at 34, 63,986 accounting for 6.55% of the total population in the State. There are 50 STs in the State, among which two communities are identified as Particularly Vulnerable Tribal Group/Primitive Tribal Groups (PTGs) that is Jenu Kuruba and Koraga. It is established fact that the members of STs had been geographically segregated and hence deprived of access to education, health care services, housing in addition to input markets of their livelihood such as credit, markets and land. With view to improve endowments and exchange entitlements for the members of ST households, the State Government has been implementing various development programmes, and thereby bring them on mainstream development has been attempted through its two important institutions, namely A) the Department of Scheduled Tribes Welfare and B) the Karnataka Scheduled Tribes Development Corporation Limited (KSTDC). The progress of some important programmes is summarized as follows.

A. Department of Scheduled Tribes Welfare:

1. Admission of Meritorious Students in Prestigious Schools:

The meritorious ST students studying at 5th standard and above are being admitted to the reputed residential or non-residential schools like Ramakrishna Ashrama at Mysore, Janasheva Vidyakendra Channenahalli, etc., of the concerned district for their provision of quality education. All fees and maintenance charges are borne by the Department. The progress of the scheme is provided in **Table 10.41**.

Table 10.41: Progress of Admission of Meritorious Students in Prestigious Schools
(Rs. in lakhs)

Year	Targets		Amount released	Achievements		% of achievements	
	Financial	Physical		Financial	Physical	Financial	Physical
2008-09	150.00	900	150.00	150.00	725	100.00	80.56
2009-10	225.00	1200	225.00	225.00	1198	100.00	99.83
2010-11	300.00	1707	225.00	225.00	1707	75.00	100.00

Note: * Upto December 2010.

2. Pre-matric Scholarships:

With a view to encourage the students belonging to ST category for their educational advancement and to mitigate the dropouts from the schools, a pre-matric scholarship of Rs.75 for the students studying from 1st to 7th class and Rs.100 for the students studying from 8th to 10th class will be provided annually. The progress of the scheme is provided in **Table 10.42**.

Table 10.42: Progress of Pre-matric Scholarships (Rs. in lakhs):

Year	Targets		Amount released	Achievements		% of achievements	
	Financial	Physical		Financial	Physical	Financial	Physical
2008-09	500.72	572251	496.54	496.54	567474	99.17	99.17
2009-10	548.85	627251	545.81	545.81	623782	99.45	99.45
2010-11	589.70	673942	352.17	352.17	383305	59.72	56.88

Note: *Upto December 2010.

3. Post-matric Scholarships:

To pursue post-matric education including professional courses, financial assistance will be provided to the ST students whose family income is less than Rs.1.45 lakhs per annum. This is a central sector scheme (CSS) meant to encourage the ST students going for college education in the state. The detailed progress of the scheme is presented in **Table 10.43**.

Table 10.43: Progress of Post-matric Scholarships Scheme (Rs. in lakhs)

Year	Targets		Amount released	Achievements		% of achievements	
	Financial	Physical		Financial	Physical	Financial	Physical
2008-09	1856.33	42651	1045.99	1045.99	28944	56.35	67.86
2009-10	2181.13	50384	1839.46	1501.31	43796	68.83	86.92
2010-11*	2695.06	64168	932.00	932.00	11650	34.58	18.16

Note: *Upto December 2010.

4. Provision of Cash Incentives:

Under the scheme, a cash incentive of Rs.5,000 will be provided to the ST students who secure more than 60% and Rs.10,000 will be awarded to those who secure more than 75% in the SSLC examination. This is an important financial incentive for the ST students for continuation of their college education. This scheme has been implemented since 2009-10. The budgetary amount of Rs.699.80 lakhs was spent for the targeted number of 9252 ST students during 2009-10, attaining 100 per cent achievements. For the year 2010-11, a sum of Rs.374.20 lakhs has been spent covering 6066 ST students till the end of December 2010.

5. Incentive Scholarship to ST Meritorious Students:

Under this scheme, an incentive scholarship of Rs.10,000 per student is awarded to the first 5 meritorious ST students in each district who have passed II PUC annual examination in the first attempt itself. The detailed progress of the scheme is provided in **Table 10.44**.

Table 10.44: Progress of Incentive Scholarship Scheme (Rs. in lakhs)

Year	Targets		Amount released	Achievements		% of achievements	
	Financial	Physical		Financial	Physical	Fin.	Phy.
2008-09	14.50	145	14.50	14.50	145	100	100
2009-10	14.50	145	14.50	14.50	145	100	100
2010-11*	15.00	150	15.00	15.00	150	100	100

Note: * Upto December 2010.

6. Construction of Residential Schools Buildings:

To provide good residential hostels and other infrastructure facilities to the ST students, financial assistance will be provided for construction of Morarji Desai Residential School and Kittur Rani Chennamma Residential School buildings, thereby encouraging the students of ST community for educational development. The progress of the scheme is illustrated in **Table 10.45**.

Table 10.45: Progress of Construction of Residential School Buildings (Rs.in lakhs)

Year	Targets		Amount released	Achievements		% of achievements	
	Financial	Physical		Financial	Physical	Fin.	Phy.
2008-09	538.00	9	538.00	538.00	7	100.00	77.78
2009-10	215.00	7	215.00	215.00	7	100.00	100.00
2010-11*	259.20	10	172.80	172.80	10	66.67	100.00

Note: Upto December 2010.

The Department is also running 33 Morarji Desai Residential Schools for the children studying from 5th to 10th standard by providing the basic requirements and maintenance.

7. Construction of Hostels and Residential Schools (Ashrama Schools):

In order to encourage students belonging to the ST category for their educational development by providing basic amenities to the inmates of the hostels and Ashrama Schools, buildings are being constructed for the institutions which are housed in rented buildings. This has been implemented by the Department financially assisted by the Central Government under the central sector scheme (CSS). The same scheme for construction of Hostels and Residential Schools (Ashrama Schools) has also been implemented by the Department. The progress of the scheme is provided in **Table 10.46**.

Table 10.46: Progress of the Scheme for Construction of Hostels and Residential Schools (Rs. in lakhs)

Year	Targets		Amount Released	Achievements		% of achievements	
	Financial	Physical		Financial	Physical	Fin.	Phy.
2008-09	600.00	10	491.09	491.09	10	81.85	100.00
2009-10	600.00	12	581.80	581.80	12	96.97	100.00
2010-11*	600.00	11	418.17	418.17	15	69.70	136.36

Note: Upto December 2010.

8. Maintenance of Morarji Desai Residential Schools:

For educational advancement of students belonging to the ST community, Morarji Desai Residential Schools have been sanctioned which provide basic school facilities. To meet the expenditure towards maintenance during the first year of their establishment, financial assistance will be provided. The detailed progress of the scheme during the last three years is provided in **Table 10.47**.

Table 10.47: Progress of the Scheme for Maintenance of Morarji Desai Residential Schools

(Rs.in lakhs)

Year	Targets		Amount Released	Achievements		% of achievements	
	Financial	Physical		Financial	Physical	Fin.	Phy.
2008-09	100.00	05	100.00	100.00	04	100.00	80.00
2009-10	100.00	04	25.00	25.00	03	25.00	75.00
2010-11*	100.00	05	75.00	75.00	05	75.00	100.00

Note: Upto December 2010.

9. Starting of New Hostels:

A scheme to open up new hostels has been implemented with a view to provide hostel facilities for the ST students studying in pre-matric and post-matric courses. The progress of the scheme is presented in **Table 10.48**.

Table 10.48: Progress of the Scheme for Starting New Hostels (Rs.in lakhs)

Year	Targets		Amount released	Achievements		% of achievements	
	Financial	Physical		Financial	Physical	Fin.	Phy.
2008-09	50.00	10	50.00	50.00	15	100.00	150.00
2009-10	50.00	15	50.00	50.00	14	100.00	93.33
2010-11*	50.00	15	37.50	37.50	-	75.00	-

Note: Upto December 2010; This year no new hostels were opened up. The earmarked fund is being utilized for maintenance of existing 29 hostels towards enhancement of food charges.

10. Book Banks Scheme:

In order to access expensive books of professional courses, the book banks are established in professional colleges like Medical, Engineering, Agriculture, veterinary, Law colleges, etc., for the benefits of the ST students who cannot afford to purchase expensive books prescribed for their courses. It is implemented by the Zilla Panchayat at the district level. The progress of the scheme is provided in **Table 10.49**.

Table 10.49: Progress of Books Banks Scheme (Rs.in lakhs)

Year	Targets		Amount released	Achievements		% of achievements	
	Financial	Physical		Financial	Physical	Fin.	Phy.
2008-09	45.43	750	40.00	40.00	750	88.05	100.00
2009-10	48.34	750	45.43	45.43	673	93.98	89.73
2010-11	58.14	900	0.00	0.00	0	0	0

Note: 1) *Upto the end of December 2010. 2) The funds for the year 2010-11 are not released and hence there is no expenditure under the programme.

11. Construction of Valmiki Bhavan:

In the budget speech of 2007-08 and 2008-09, it was decided to construct Valmiki Bhavan at the cost of Rs.1.00 crore each. Two Bhavan were sanctioned during 2007-08, six Bhavans during 2008-09 and another 10 Bhavans during 2010-11, and in total 18 Valmiki Bhavans were sanctioned and taken up for construction through the Deputy Commissioner of the concerned district; of which 6 Valmiki Bhavans have been constructed till the date and the remaining 12 are under construction. During 2008-09, an amount of Rs.225.00 lakhs including Rs.25.00 lakhs of additional funds, was spent. During 2009-10, an amount of Rs.575.00 lakhs were sanctioned under the TSP pooled funds, out of which Rs.375.00 lakhs were spent. For the year 2010-11, for construction of 10 Bhavans, out of Rs.1000.00 lakhs, a sum of Rs 750.00 lakhs was proposed and Rs.650.00 lakhs have been spent for construction of on-going 10 Bhavans till the end of December 2010.

12. Free Housing for ST Families:

The basic objective of the scheme is to provide free houses for the houseless ST families living below poverty line. Under the scheme, a constructed house with unit cost of Rs.50,000 will be provided to the ST BPL households through the Rajiv Gandhi Housing Corporation. The detailed progress of the scheme is provided in **Table 10.50**.

Table 10.50: Details of Free Housing for ST Families (Rs. in lakhs)

Year	Targets		Amount released	Achievements		% of achievements	
	Financial	Physical		Financial	Physical	Fin.	Phy.
2008-09	1500.00	3750	1500.00	1500.00	3750	100.00	100.00
2009-10	1500.00	3750	1000.00	1000.00	2500	66.67	66.67
2010-11	1500.00	3000	500.00	500.00	3000	33.33	100.00

Note: *Upto December 2010.

13. Rationalization of Several Schemes (ZP Sector Plan):

Under this scheme, the following various activities are implemented by the Zilla Panchayat at the district level:

- Maintenance of New Hostels and the repairs and improvements of the existing hostel buildings.
- To arrest the dropout rates among the school going ST girl students and encourage them for continuation of their education, an incentive scholarship of Rs.100 for the students studying from 5th to 7th class and Rs.500 for the students studying from 8th to 10th class per annum is sanctioned in addition to the pre-matric scholarship.
- Financial Assistance is being sanctioned to the ST students doing research in various subjects. The fellowship is being sanctioned for collection of materials for research work. For the M. Phil course the fellowship amount is Rs.8000 and for Ph. D. course, it is Rs.10,000 for the entire course.

- Apart from this, students who are studying in prestigious institutions like IIT, IIM, IISC, NIT, a sum of Rs.50,000 is sanctioned for entire course as one time grant.
- ST unemployed Law graduates are imparted training for the period of 4 years in administration of justice. During the period of training, a stipend of Rs.1000 per month is sanctioned.

The amount is spent for the above schemes under a single Head of Account. The details of the scheme are provided in **Table 10.51**.

Table 10.51: Progress of Rationalization of Several Schemes (Rs. in lakhs)

Year	Targets		Amount released	Achievements		% of achievements	
	Financial	Physical		Financial	Physical	Fin.	Phy.
2008-09	743.17	111500	685.64	685.64	95519	92.26	85.67
2009-10	812.48	130000	752.41	752.41	91278	92.61	70.21
2010-11*	883.60	135000	497.93	497.93	71022	56.35	52.61

Note: * Upto December 2010.

14. Schemes for Primitive Tribal Groups (Particularly Vulnerable Tribal Groups):

Among the ST community, Jenu Kuruba and Koraga Tribal communities are considered to be the primitive tribal groups whose socio-economic status is awfully not satisfactory. These communities constitute the most vulnerable section among the tribes and inhabit in isolated, remote and inaccessible difficult areas which are small and scattered hamlets or habitats. Therefore, several programmes have been implemented by the Department for their social and economic advancement in holistic manner by adopting habitat development approach so that the quality of life of PTGs is improved and visible impact is made. The following are the important comprehensive development programmes:

- Providing Nutritional Food
- Providing houses to all the houseless PTG families.
- Infrastructure facilities (Road, streetlight, drinking water and supply of mobile health units).
- Houses are being provided.

These programmes are directly implemented by the Deputy Commissioner of the Five Districts viz. Mysore, Chamarajanagar, Kodagu, Dakshina Kannada and Udupi where there is a large number of PTGs population. The progress of the scheme is provided in **Table 10.52**.

Table 10.52: Status of Schemes for PTGs (Rs. in lakhs)

Year	Budget allocation	Amount released	Expenditure
2008-09	3227.00	3227.00	552.00
2009-10*	2320.25	2320.25	-
2010-11*	1474.50	1474.50	-

Note: * Not yet released.

Financial Incentives to PTG Students:

With a view to encourage the students belonging to the PTGs in passing 7th and 10th examinations in the first attempt, a financial assistance of Rs.2500 and Rs.5000 is being sanctioned respectively. The amount is utilized under the TSP pooled funds. Under the scheme, during 2008-09, out of Rs.15.00 lakhs, an amount of Rs.10.10 lakhs was spent for 511 PTG students, and an amount of Rs.19.40 lakhs out of the budgetary allocation of Rs.15.00 lakhs and backlog of Rs.4.90 lakhs was spent covering 709 PTG students during 2009-10. For the year 2010-11, the budgetary amount of Rs.15.00 lakhs has been utilized for 610 PTG students till the end of December 2010.

Janashree Bhima Yojana:

Janashree Bhima Yojana, an insurance scheme is implemented for the members of PTGs in the age group of 18 to 60 years. Under this scheme, the insurance coverage is made at a premium rate of Rs.100 per beneficiary for 5 years and Rs.100 is met out from the Social Security Fund of the Government of India for 5 years. In case of natural death, an amount of Rs.30,000 and in case of accidental death an amount of Rs.75,000 will be given to the nominee. In case of total and permanent disability due to accident, the amount of insurance varies from Rs.37,500 to Rs.75,000 per beneficiary.

15. Tribal Sub-Plan:

The Tribal Sub-Plan (TSP) is a significant step in the direction of all round development of STs in the state, implemented from 1976-77. Under the plan, the due share of funds and benefits from the all sectors of development in the state annual plans are channelized exclusively for welfare of ST community in proportion to their population. The State Government has been making specific budgetary allocation in all sectors of the state annual plans for implementing various activities for their upliftment on socio-economic front. Five ITDP (Integrated Tribal Development Projects) are implemented in the districts of Mysore, Chickmaglore, Kodagu, Dakshina Kannada and Udupi. From the year 1992, the TSP is extended to all the districts in the State. The Grant-in-aid under Article 275(1) is also being provided to take up such Special Development programmes which are otherwise not included in the plan programmes. The progress of TSP is presented in **Table 10.53**.

Table 10.53: Progress of Scheduled Tribal-Sub Plan (Rs. in lakhs)

Sector	Allocation			Expenditure			% of Expenditure		
	2008-09	2009-10	2010-11*	2008-09	2009-10	2010-11*	2008-09	2009-10	2010-11*
State	126389.08	114405.08	134267.51	98876.10	91615.96	58933.43	78.23	80.08	43.89
District	814.12	832.24	833.34	700.23	814.91	230.11	86.01	97.92	27.61
All	127203.20	115237.32	135100.85	99576.330	92430.87	59163.54	78.28	80.21	43.79

Note: *Upto December 2010.

B. Development Corporation:

(Karnataka Scheduled Tribes Development Corporation Ltd., Bangalore)

The Government of Karnataka (vide order no SWD 65 SDC 04 Dated: 27.05.2006) has established the Karnataka Scheduled Tribes Development Corporation Ltd.,(KSTDC) in 2006, implementing various schemes for upliftment of ST community on economic front and to bring them on mainstream of the society. Accordingly, the Corporation with the authorised share capital of Rs.500.00 lakhs has been functioning independently since 2007. The achievements of important programmes are summarized as follows.

1. Self-Employment Schemes:

a. Self-Employment Scheme for Unemployed ST Youth:

Under this scheme, financial assistance will be provided to the unemployed ST youths to take up some self-employment activities such as petty shop, cycle shop, dairy etc., with the unit cost not exceeding Rs.50000. This scheme is implemented through banks. 50% of unit cost subject to a maximum of Rs.10000 will be released as subsidy and the remaining portion of the unit cost will be the bank loan.

b. Industries Service and Business Scheme:

In order to enable the unemployed ST youths to take up non-farm activities like small-scale industries, passenger stroke goods, transport vehicle, tractor etc., financial assistance will be provided with the unit cost ranging from Rs.50000 to Rs.10.00 lakhs, being implemented through the banks. Under this scheme, 20% of the unit cost subject to a maximum of Rs.1.00 lakh as margin money will be released by the Corporation and the remaining portion of the unit cost will be the bank loan.

c. Direct Loan:

This scheme is implemented in collaboration with National Scheduled Tribe Finance and Development Corporation (NSTFDC), New Delhi. The Financial assistance under this scheme ranges from Rs.35000 to Rs.10.00 lakhs. In the cases where the unit cost is less than Rs.1.00 lakh, subsidy of Rs.10000 will be released. In all the cases, 20% of the unit cost subject to a maximum Rs.1.00 lakh will be released by the Corporation as margin money, 5% of the unit cost will be borne by the beneficiary concerned and the remaining 75% of the unit cost will be released as Term Loan by NSTFDC.

d. Micro Credit Small Loan Scheme:

In order to enable the unemployed ST women beneficiaries in Urban and Rural areas to undertake self-employment activities in a small scale, financial assistance of Rs.5000 per beneficiary will be extended through SHGs. Under this scheme, Rs.2500 will be sanctioned as subsidy and Rs.2500 will be sanctioned as margin money with the interest rate of 4% per annum.

The detailed progress of these self-employment schemes described above is provided in **Table 10.54**.

Table 10.54: Progress of Self-employment Schemes (Rs. in lakhs)

Year	Targets		Amount released (State)	Achievement		% of achievements	
	Budget	Physical		Expenditure (Subsidy & margin money)	Physical	Fin.	Phy.
2008-09	690.00	5470	558.75	489.57	4563	70.95	83.42
2009-10	715.00	4033	568.34	497.40	4017	69.57	99.60
2010-11*	350.00	3500	262.50	353.34	2385	100.95	68.14

Note: * Upto December 2010.

2. Land Purchase Scheme:

Under the scheme, one acre of wet/garden land or two acres of dry land will be purchased on behalf of the landless women agricultural labourers, limiting the unit cost at Rs.2.50 lakhs in each case. The unit cost comprises of 50% subsidy and remaining 50% will be the term loan from NSTFDC New Delhi with 6% interest rate per annum. **Table 10.55** presents the progress of the scheme.

Table 10.55: Progress of Land Purchase Scheme (Rs. in lakhs)

Year	Targets		Achievements			% of achievements	
	Budget Allocation	Physical	Amount released	Expenditure\$	Physical	Fin.	Phy.
2008-09	210.00	420	157.50	58.39	165	27.80	39.29
2009-10	200.00	293	146.66	99.00	199	49.50	67.92
2010-11*	150.00	300	112.50	57.88	98	38.59	32.67

Note: * Upto December 2010; \$ Expenditure includes subsidy and margin money and Term loan is not included.

3. Ganga Kalyana Scheme:

a. Lift Irrigation Scheme:

Lift irrigation facility will be provided to the lands of the scheduled tribes utilizing the nearby natural water resources. Under the scheme irrigation facilities will be provided by drawing pipe line, erecting pumpset and energizing the units at a cost of Rs.2.53 lakhs in respect of 8 acres of land and Rs.3.59 lakhs in respect of 15 acres of land.

b. Individual Irrigation Borewells Scheme:

The unit cost under the scheme is limited to Rs.1.00 lakh out of which Rs.86000 will be the subsidy and remaining Rs.14000 will be the NSTFDC Term Loan. Under the scheme borewells will be drilled in the lands of small and marginal ST farmers and pumpset will be erected and energized. As per the High Power Committee for Redressal of Regional Imbalances

headed by the late Dr. D. M. Nanjundappa, funds are being released to ESCOMS for energizing the borewells drilled in the backward taluks, utilizing the funds released by the State Government out of pooled funds. The detailed progress of the scheme is illustrated in **Table 10.56**.

Table 10.56: Progress of Ganga Kalyan Yojana (Rs in lakhs)

Year	Targets		Achievements			% of achievements	
	Budget allocation\$	Physical	Amount released	Expenditure	Physical	Fin.	Phy.
2008-09	3870.00	4378	3402.50	4562.54	4040	117.90	92.28
2009-10	2735.00	3227	2735.00	2515.23	2492	91.96	77.22
2010-11*	3100.00	3562	1550.00	2475.06	2385	79.84	66.96

Note: * Upto December 2010; \$ Budget expenditure includes subsidy and margin money and Term loan is not included.

In order to improve the productive assets and generate sustained employment and income for the ST community, the Corporation has been implementing the Land Purchase Scheme, Ganga Kalyan Yojana and Special Development Programmes as innovative and challenging schemes as they raise income of the ST community in a sustained manner and their economic status in the society. The Special Development Programmes (as per the High Power Committee for Redressal of Regional Imbalances headed by the late Dr. D. M. Nanjundappa) has been implemented by the Development Corporation for faster development of the backward taluks on par with the relatively developed ones in the state and thereby reducing regional imbalances.

4. Special Development Programme:

In order to develop the backward areas on par with the developed ones and thereby reducing regional disparity, the Special Development Programme (SDP) has been initiated by the Corporation. Under the scheme, there are two important components, namely drilling and energization of the borewells mainly implemented in the backward taluks as identified by the High Power Committee for Redressal of Regional Disparity headed by the late Dr. D. M. Nanjundappa.

As per the scheme, the funds are released to ESCOMS for energizing the energize borewells drilled in the backward taluks utilizing the funds released by the Government out of pooled funds. The funds are mainly released through the Corporation out of the pooled funds. **Table 10.57** presents the progress of borewell drilling under SDP during the last three years.

Table 10.57: Progress of Borewell Drilling under SDP (Rs in lakhs)

Year	Targets		Amount released	Achievements		% of achievements	
	Budget allocation	Physical		Expenditure	Physical	Fin.	Phy.
2008-09	800.00	930	800.00	272.62	317	34.08	34.09
2009-10	1000.00	697	600.00	600.00	697	60.00	100.00
20010-11*	700.00	814	500.00	294.28	687	42.04	84.40

Note: * Upto December 2010.

As a corollary to the above programme, an effort has also been made to energize the drilled borewells by ESCOMS. For the year 2010-11, an outlay of Rs.2000 lakhs has been proposed, against which Rs.560 lakhs have been spent for energization of borewells drilled under the special development programme in the backward taluks by the end of November 2010. The detailed progress of the scheme is shown in **Table 10.58**.

Table 10.58: Progress of Energization of Borewells Drilled under SDP (Rs. in lakhs)

Year	Budget allocation	Expenditure	% of expenditure
2008-09	1376.88	3121.12	226.68
2009-10	1390.00	1040.00	74.82
2010-11*	2000.00	650.00	32.50

Note: * Upto December 2010

10.4.3. Welfare Programmes for Backward Classes:

The Backward Classes (BCs) constitute major a chunk of population who are also deprived of educational and economic advancement in the state. Therefore, the Department of Backward Classes Welfare and the D. Devaraj Urs Backward Classes Development Corporation (DBCDC) have been implementing various development programmes for socio-economic welfare of the Backward Classes in the state. Some of them are summarised as follows.

A. Department of Backward Classes Welfare:

1. Pre-matric and Post- matric Scholarships:

Pre-matric and post-matric scholarships are being sanctioned to the backward class students whose family annual income is not more than Rs.15,000 for pursuing pre-and post-matric education. A scholarship of Rs.75 and Rs.100 per annum will be granted for the backward class students studying from 5th to 7th class and 8th to 10th class, respectively. Similarly, a sum of Rs.300 for the students studying in PUC and degree education, Rs.400 studying in post-graduate courses and Rs.500 studying in technical and professional courses will sanctioned annually. The progress of the scheme is presented in **Table 10.59**.

Table 10.59: Progress of Pre-matric and Post- matric Scholarships (Rs. in lakhs)

Year	Targets		Amount Released	Achievements		% of achievements	
	Financial	Physical		Financial	Physical	Fin.	Phy.
2008-09	1169.34	567270	1099.63	1085.10	542685	92.80	95.67
2009-10	2490.12	643729	2485.38	2447.18	648348	98.28	100.72
2010-11*	2009.83	399341	1474.12	1295.96	408559	64.48	102.31

Note: *Upto December 2010.

2. Maintenance of Morarji Desai Residential Schools:

In order to encourage the students of backward classes (with annual household income limit of Rs.15,000) for pursuing their education, the merited students are admitted in Morarji Desai Residential Schools for provision of free higher primary and secondary education along with the hostel facilities. The progress of the scheme is illustrated in **Table 10.60**.

Table 10.60: Progress of Maintenance of Morarji Desai Residential Schools

Year	Targets		Amount released	Achievements		% of achievements	
	Financial	Physical		Financial	Physical	Fin.	Phy.
2008-09	3443.47	16273	3406.42	3207.78	15840	93.16	97.34
2009-10	5081.79	22873	4830.16	4482.13	21823	88.20	95.41
2010-11*	5139.56	28270	3873.55	3284.23	29901	63.90	105.77

Note: *Upto December 2010.

3. Ashram Schools:

In order to encourage the students of backward classes and more so in respect of category-I studying from 1st to 4th class, Ashram Schools have been set up by the Department of Backward Classes Welfare in the state. Under the scheme, the children belonging to backward classes and Cat-I are provided admission for 1st to 4th class in Ashram Schools and provided free boarding lodging and other school facilities. The progress of the scheme during the last three years is provided in **Table 10.61**.

Table 10.61: Progress of Ashram Schools (Rs.in lakhs)

Year	Targets		Amount released	Achievements		% of achievements	
	Financial	Physical		Financial	Physical	Fin.	Phy.
2008-09	421.60	2672	397.24	364.71	2478	86.51	92.74
2009-10	396.27	2924	396.22	386.58	2702	97.55	92.41
2010-11	516.60	2910	392.60	305.74	2567	59.18	88.21

Note: *Upto December 2010.

4. Maintenance of Pre-and Post-matric Hostels:

Under the scheme, student of backward classes (with annual household income not more than Rs.15,000) studying in pre-matric and post-matric courses are provided with free boarding, lodging and academic facilities in the hostels run by the Department of Backward Classes Welfare. The progress of the scheme during the last three years is provided in **Table 10.62**.

Table 10.62: Progress of Pre-and Post-matric Hostels Scheme (Rs. in lakhs)

Year	Targets		Amount released	Achievements		% of achievements	
	Financial	Physical		Financial	Physical	Fin.	Phy.
2008-09	15926.42	121010	14722.39	14272.81	111480	89.62	92.12
2009-10	16289.43	125571	16336.99	15997.87	121762	98.21	96.97
2010-11*	20237.35	127633	14336.39	12311.24	121892	60.83	95.50

Note: *Upto December 2010.

5. Grants-in-aid to Private Hostels:

With a view to encourage the backward classes students (with annual household income not more than Rs.15,000) for pursuing their education, students of pre-matric and post-matric hostels run by the voluntary/private organizations are granted boarding charges of Rs.500 and Rs.600 per month per boarder for a period of 10 months, respectively. The detailed progress of the scheme is shown in **Table 10.63**.

Table 10.63: Progress of the Grants- in-aid to Private Hostels (Rs.in lakhs)

Year	Targets		Amount released	Achievements		% of achievements	
	Financial	Physical		Financial	Physical	Fin.	Phy.
2008-09	248.77	6039	248.27	219.39	5433	88.19	89.97
2009-10	324.90	6824	324.87	247.06	5185	76.04	75.98
2010-11*	320.10	5874	234.18	100.47	5621	31.39	95.69

Note: *Upto December 2010.

6. Fee Concession:

In order to reduce the burden of educational expenditure on their parents, fee concession to the students of backward classes is sanctioned, whose family income is not more than Rs.11,000 per annum irrespective of caste. **Table 10.64** provides the detailed progress of the scheme.

Table 10.64: Progress of the Scheme for Fee Concession (Rs. in lakhs)

Year	Targets		Amount released	Achievements		% of achievements	
	Financial	Physical		Financial	Physical	Fin.	Phy.
2008-09	4106.54	358492	4091.68	4090.74	401229	99.62	111.92
2009-10	4500.00	281072	4500.00	4428.84	400028	98.42	142.32
2010-11*	2500.00	75000	1819.23	1518.38	103664	60.74	138.22

Note: *Upto December 2010.

7. Reimbursement of Extra Boarding and Lodging Charges:

Under the scheme, students of backward classes pursuing in post-matric courses are provided with the extra boarding and lodging charges by the Department of Backward Classes

Welfare, who are not getting hostel facilities in the Government or Government aided hostels. **Table 10.65** presents the detailed progress of the scheme during the last three years.

Table 10.65: Details of Reimbursement of Extra Boarding and Lodging Charges
(Rs. in lakhs)

Year	Target		Amount released	Achievements		% of achievements	
	Financial	Physical		Financial	Physical	Fin.	Phy.
2008-09	254.80	17609	253.04	239.68	18433	94.07	104.68
2009-10	281.74	21070	280.64	247.70	19258	87.92	91.40
2010-11*	294.34	14070	207.49	91.53	9484	31.10	67.41

Note: *Upto December 2010.

8. Financial Assistance to Foreign Studies:

In order to encourage the students of backward classes (with annual household income limit of Rs.1,44,000) for studying in foreign universities, a scheme to provide financial assistance has been implemented. Under the scheme, students of backward classes are provided with interest free loan for higher studies like Post-doctoral, Ph. D. and Master Degrees in Foreign universities at a maximum allowance of Rs.3.50 lakhs per annum or maximum of Rs. 10.00 lakhs for entire course. The progress of the scheme during the last three years is shown in **Table 10.66**.

Table 10.66: Progress of Financial Assistance to Foreign Studies (Rs. in lakhs)

Year	Target		Amount released	Achievements		% of achievements	
	Financial	Physical		Financial	Physical	Fin.	Phy.
2008-09	50.00	17	50.00	44.50	17	89.00	100.00
2009-10	50.00	15	37.50	37.50	13	75.00	86.67
2010-11	30.00	9	22.50	15.00	6	50.00	66.67

Note: *Upto December 2010.

9. Stipend to Law Graduates:

Under the scheme, unemployed law graduates (with annual household income limit of Rs.15,000) are provided with monthly stipend of Rs.1000 till their 4 years training under a Senior Advocate/Government Pleader. The progress of the scheme is shown in **Table 10.67**.

Table 10.67: Progress of the Scheme for Stipend to Law Graduates (Rs.in lakhs)

Year	Target		Amount released	Achievements		% of achievements	
	Finance	Physical		Finance	Physical	Finance	Physical
2008-09	95.69	873	95.69	82.38	844	86.09	96.68
2009-10	111.81	1036	111.81	97.50	1001	87.20	96.62
2010-11*	125.01	1076	95.47	70.48	945	56.38	87.83

Note: *Upto December 2010.

10. Koushalya (Skill) Training Programme:

The basic objective of the programme is to enable them to get employment or to become self-employed (with annual household income limit of Rs. 22,000). Under the scheme, therefore, unemployed women of backward classes are imparted training in various Computer Courses and in Plastic Processing Technology. The progress of the scheme is presented in **Table 10.68**.

Table 10.68: Progress of Skill Training Programme (Rs. in lakhs)

Year	Target		Amount released	Achievements		% of achievements	
	Finance	Physical		Finance	Physical	Finance	Physical
2008-09	400	3000	400	399.83	2748	99.96	91.60
2009-10	550	5000	550	549.63	6338	99.93	126.76
2010-11*	450	4500	225	--	3412	--	75.82

Note: *Upto December 2010.

11. Tailoring Training Centres:

Under this scheme, unemployed women of backward classes (with annual household income limit of Rs.15,000) are provided with tailoring training in the training centres run by the Department and paid stipendiary of Rs.300 for 12 months for each trainee. They are also given sewing machine at the end of their successful training programme. The detailed progress of the scheme is illustrated in **Table 10.69**.

Table 10.69: Financial and Physical Progress of Tailoring Training Centres

(Rs.in lakhs)

Year	Target		Achievements			% of achievements	
	Finance	Physical	Release	Finance	Physical	Finance	Physical
2008-09	117.03	1168	115.59	104.45	1118	89.25	95.72
2009-10	138.00	1160	137.79	121.38	1160	87.96	100.00
2010-11	158.57	1130	105.94	65.49	989	41.30	87.52

Note: *Upto December 2010.

12. Nursing Training:

Under the scheme, candidates of backward classes (with annual household income limit of Rs.1.00 lakh) pursuing B.Sc. Nursing and GNM courses are provided with stipend plus maintenance charges of Rs.19,000 per candidate. The detailed progress of the scheme is shown in **Table 10.70**.

Table 10.70: Financial and Physical Progress of Nursing Training (Rs. in lakhs)

Year	Target		Amount released	Achievements		% of achievements	
	Financial	Physical		Financial	Physical	Financial	Physical
2008-09	50.00	333	50.00	49.89	383	99.78	115.02
2009-10	150.00	1000	112.50	112.50	677	75.00	67.70
2010-11*	200.00	1333	150.00	107.00	1354	53.50	101.58

Note: *Upto December 2010.

13. Schemes for Nomadic and Non-nomadic Tribes:

With a view to improve the socio-economic life of the nomadic and non-nomadic tribes such as Gondali, Bhavaji, Budabudake, Halev, Halakki, Kudubi, etc., various programmes have been implemented by the Department of Backward Classes Welfare in the state. The important programmes include: Assistance for Ganga Kalyana irrigational scheme; Self employment loan facility; Procurement and distribution of land to the landless persons; Providing Houses through Rajiv Gandhi Rural Housing Society; Incentive Scholarships to Students from 5th to 10th Standard; Sanction of merit scholarships; Opening of Ashram Schools; Sponsoring Students to reputed institutions for providing education up to matric level; and Development of Gollarahatti. The detailed progress of the schemes during the last three years is shown in **Table 10.71**.

Table 10.71: Progress of Schemes for Nomadic and Non-nomadic Tribes

(Rs. in lakhs)

Year	Targets		Amount released	Achievements		% of achievements	
	Financial	Physical		Financial	Physical	Financial	Physical
2008-09	750.50	2999	650.50	650.50	2984	86.68	99.50
2009-10	770.00	6622	770.00	750.21	5634	97.43	85.08
2010-11*	970.00	2898	724.00	490.75	2192	50.59	75.64

Note: *Upto December 2010.

B. Development Corporation:

(D. Devaraj Urs Backward Classes Development Corporation, Bangalore)

With a view to promote economic advancement of the poorer sections of backward classes by improving their productive assets, the D. Devaraj Urs Backward Classes Development Corporation (DBCDC) has been established in 1977. Since then the Corporation has been functioning for economic wellbeing of the poorer sections of back classes by implementing various programmes sponsored by the State Government and the National Backward Classes Finance and Development Corporation (NBCFDC). For the best performance in improving the living standard of backward class people in the state, DBCDC has been bestowed with the “Best Performance Award” and the “Chief Minister’s Rathna Award” (see, Box 10.3).

Box 10.3: Achievements of DBCDC**Best Performance Award**

The Corporation receives sufficient credit support from NBCFDC to finance several programmes implemented for the benefits of backward class people in the state. For its excellent intervention with adequate credit support, training and income generating activities for their welfare, the Corporation has got the “Best Performance Award” in 2004-05, 2005-06 and 2006-07 in the country and stood 1st Rank for the Corporation’s outstanding performance for 2007-08.

Chief Minister’s Rathna Award

The Government of Karnataka has adjudged the “D. Devaraj Urs Backward Classes Development Corporation”, as the Best Performing State Public Sector Enterprise and has awarded the “Chief Minister’s Rathna Award” for the year 2009-10.

The Corporation implements the following important schemes for upliftment of backward class people in the state. There are two broad categories of scheme, namely A) State Government Schemes and B) NBCFDC Schemes. The progress of some important schemes is summarized as follows.

State Government Schemes:**1. Chaitanya Subsidy-cum Soft Loan Scheme:**

The basic objective of the scheme is to provide subsidy-cum soft loan for those households whose annual income is not more than Rs. 22,000. Under this scheme, the Corporation provides loans to backward classes upto Rs. 1.00 lakh unit cost to engage in trade, tiny industry, agriculture, agro-based and service related activities. The Corporation releases 50% or a maximum of Rs.5,000 subsidy for the project cost upto Rs.25,000 and for the project cost of Rs.25,001 to Rs.1.00 lakh, the Corporation releases 20% margin money at the rate of 4% interest and subsidy of Rs.5,000 for each beneficiary. The remaining amount of the project cost will be released by the banks as loan at the lending rates.

It has been found that during the last two years, the financial achievements were more than the targets (**Table 10.72**). During 2010-11, a sum of Rs 1200 lakhs have been proposed to benefit 5000 persons, against which Rs. 827.69 lakhs have been spent covering 3626 persons till the end of December 2010.

Table 10.72: Progress of Chaitanya Subsidy-cum Soft Loan Scheme (Rs. in lakhs)

Year	Targets		Achievements		% of achievements	
	Financial	Physical	Financial	Physical	Financial	Physical
2008-09	525	5000	1473.24	11212	280.62	224.24
2009-10	700	10000	877.22	9126	125.32	91.26
2010-11*	1200	5000	827.69	3626	68.97	72.52

Note: * Upto December 2010.

2. Special Scheme to Landless Agriculture Labourers & Labourers in Unorganized Sector:

For landless labourers and labourers working in the unorganized sector, the Corporation provides financial assistance to the tune of Rs.15,000 with Rs.5000 subsidy to take up self-employment ventures in agriculture and allied activities, service and business sectors. During 2010-11, an amount of Rs. 750 lakhs with the target of 5000 persons to be covered has been proposed, out of which Rs 498.18 lakhs have been spent for the benefit of 3321 persons till the end of December 2010. The detailed progress of the scheme is shown in **Table 10.4.48**.

Table 10.73: Progress of Special Scheme to Landless Agriculture Labourers & Labourers in Unorganized Sector (Rs in lakhs)

Year	Targets		Achievements		% of achievements	
	Financial	Physical	Financial	Physical	Financial	Physical
2008-09	750	5000	246.05	4921	32.81	98.42
2009-10	750	5000	731.37	4888	97.52	97.76
2010-11*	750	5000	498.18	3321	66.42	66.42

Note: * Upto December 2010.

3. Micro Credit Scheme:

Under the scheme, micro credit will be provided for skilled/unskilled persons belonging to backward classes in rural, semi-urban and urban areas to start/develop petty business activities. The Corporation provides financial assistance to the tune of Rs.5000 through SHGs. The amount comprises of 50% subsidy and remaining 50% is loan component with 4% interest per beneficiary. For the year 2010-11, upto December 2010, 6717 persons were benefitted with the expenditure of Rs.335.85 lakhs out of the proposed amount of Rs.500 lakhs to benefit 1000 persons. The progress of the scheme is presented in **Table 10.74**.

Table 10.74: Progress of Micro Credit Scheme (Rs.in lakhs)

Year	Targets		Achievements		% of achievements	
	Financial	Physical	Financial	Physical	Financial	Physical
2008-09	400	8000	387.93	7766	96.98	97.08
2009-10	500	10000	500	10000	100.00	100.00
2010-11*	500	10000	335.85	6717	67.17	67.17

Note: * Upto December 2010.

4. Assistance in Most Backward Taluks Based on Dr. D.M. Nanjundappa Committee Report:

With a view to reduce regional disparity in the state, special financial assistance is provided to the backward taluks (as indentified by the Dr. D.M. Nanjundappa Committee Report) with effect from 2010-11. The financial assistance to the tune of Rs. 20,000 with Rs.5000 subsidy will be provided to the backward class persons to take up agricultural and non-agricultural pursuits. During, 2010-11, Rs. 600 lakhs have been earmarked to benefit 4000 persons, out of which an amount of Rs.193.10 lakhs has been spent covering 1196 persons till the end of December 2010.

5. Assistance to Most Backward Classes Category-1 & 2A:

With a view to ensure economic advancement of most backward classes category- 1 and 2A, a scheme to provide special assistance has been implemented since 2010-11. Under the scheme, a special assistance of Rs.20,000 with Rs.5000 subsidy is being provided to them to take up self-employment ventures in agriculture and allied activities, service and business sectors and non-agricultural sectors. During 2010-11, an amount of Rs. 450 lakhs has been earmarked to benefit 3000 persons, out of which Rs.124.26 lakhs have been spent covering 1491 beneficiaries till the end of December 2010.

6. Ganga Kalyana Scheme:

Under the scheme, individual irrigation facility will be provided for small and marginal farmers among category 1 and 2A of the backward classes. The unit cost fixed for individual irrigation is Rs.1.50 lakhs, of which Rs.1.00 lakh is subsidy and the remaining amount is loan. The Corporation is also provides community irrigation facility under which the unit cost is Rs.3.56 lakhs to irrigate 8.15 acres of land and Rs. 2.53 lakhs to irrigate 15 and above acres of land. Lift irrigation is also provided wherever perennial sources of water are available. It has been found that, during the last two years, the progress of the scheme both in terms of financial and physical achievements was scaled up. For the year 2010-11, an outlay of Rs 6000 lakhs has been proposed to benefit 4472 farmers, against which Rs. 2924 lakhs have been spent benefiting 3359 small and marginal farmers. The detailed progress of the scheme is presented in **Table 10.75**.

Table 10.75: Progress of Ganga Kalyana Scheme (Rs in lakhs)

Year	Targets		Achievements		% of achievements	
	Financial	Physical	Financial	Physical	Financial	Physical
2008-09	1840	2850	1844.00	1942	100.22	68.14
2009-10	2000	2386	2584.48	2250	129.22	94.30
2010-11*	6000	4472	2924.00	3359	48.73	75.11

Note: * Upto December 2010.

7. Assistance to Traditional Artisans and Occupational Groups:

The programme was introduced during 2009-10 and the Shrama Shakti scheme was merged with it from the year 2010-11. The main objective of the scheme (including Shrama Shakti scheme) is to upgrade the professional skills and technology of the traditional artisans and occupation groups belonging to backward classes and provide them with a financial assistance of Rs.35,000, of which Rs 30,000 is loan with a simple rate of interest and Rs.5,000 is subsidy per artisan. For the year 201-11, an amount of Rs.4500 lakhs has been proposed to benefit 16275 persons, against which Rs.2314.37 lakhs have been spent to cover 14329 persons, reaching about 51 % financial and 88% physical achievements by the end of December 2010.

8. Special Scheme for Nomadic and Semi-nomadic Tribes:

Under the scheme, financial assistance will be provided to the Nomadic and Semi-nomadic tribes belonging to Gondali, Budabudike, Jogi, Helava, Bailpattara, etc., who are economically, socially, educationally and culturally very backward, to enable them to take up one or the other economic activities, and thereby avoiding nomadic life in search of their bread and butter from one place to another.

In addition, the Corporation will also provide financial assistance to purchase 2 acres of dry land or 1 acre of wet land with the unit cost of Rs 2.5 lakhs. The unit cost includes 50% subsidy and 50% loan with 4% interest per annum. The special scheme for socio-economic upliftment of nomadic and semi-nomadic tribes has become more prominent in terms utilizing the funds to take up agricultural and non-agricultural occupations and purchase of land (Table 10.76). A sum of Rs. 200 lakhs have been earmarked to benefits 1865 tribes during 2010-11, against which Rs 98.08 lakhs have been spent for the benefit of 601 tribes (Table 10.76).

Table 10.76: Progress of Special Scheme for Nomadic and Semi-nomadic Tribes

(Rs. in lakhs)

Year	Targets		Achievements		% of achievements	
	Financial	Physical	Financial	Physical	Financial	Physical
2008-09	337.75	1950	331.90	1943	98.27	99.64
2009-10	346.92	1870	304.29	1947	87.71	104.12
2010-11*	200.00	1865	96.08	601	48.04	32.23

Note: * Upto December 2010.

9. NBCFDC Schemes (National Backward Classes Finance & Development Corporation)

The Corporation (NBCFDC) with the financial assistance from NBCFDC has been implementing several schemes among which the Term Loans Scheme, New Swarnima Scheme and Punashchetana scheme by providing subsidy cum loan to the backward classes to take up self-employment activities.

1. Term Loan Scheme:

The basic objective of the scheme is to enable the Backward Class people to take up some activities in the areas of agriculture and allied activities, transport, service sector, general stores, dhobi business, saloon shop, black smithy, carpentry, tailoring, hotel business, etc. Under the scheme, a maximum loan of Rs.5.lakhs with annual interest rate of 6% and 3-7 years repayment period is being granted to the Backward Class members whose annual households income is less than Rs.40,000 in rural and Rs.55,000 in urban areas, by the Corporation with the financial assistance from NBCFDC.

2. New Swarnima:

Under the scheme, a maximum loan of Rs.3 lakhs with annual interest rate of 4% and no beneficiary contribution is being provided to the Backward Class woman being a member of any women SHGs and whose family annual income is less than Rs.20,000 in rural and Rs.27,500 in urban areas. The important activities that are financed under the scheme include dairy farming, doll making, soap oil making, incense stick manufacturing, readymade garments.

3. Punashchetana:

Under this scheme, a financial assistance with varying amount of unit cost for different activities such as dairy, small business, transport and mahila samrudhi will be provided to the unemployed backward class persons who are affected due to ban of manufacture and sale of arrack.

The progress of all these schemes assisted by NBCFDC is presented in **Table 10.77**. The performance of these schemes in terms of expenditure and number of persons availing benefits of it was reported to be more than the targets fixed. For the year 2010-11, an amount of Rs 2500 lakhs to benefit 20875 Backward Class persons has been earmarked, out of which, Rs 1389.03 lakhs have been spent for the benefits of 11882 persons till the end of December 2010.

Table 10.77: Progress of NBCFDC Schemes (Rs. in lakhs)

Year	Targets		Achievements		% of achievements	
	Financial	Physical	Financial	Physical	Financial	Physical
2008-09	2000	13806	2085.98	14468	104.30	104.80
2009-10	2000	13436	2119.74	15652	105.99	116.49
2010-11	2500	20875	1389.03	11882	55.56	56.92

Note: * Upto December 2010.

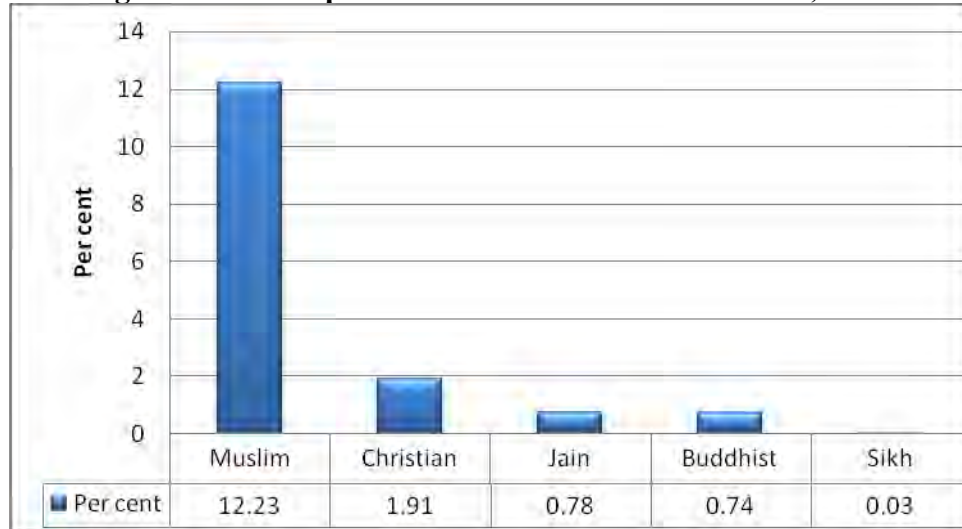
Box 10.4: New Initiatives and Vistas of DBCDC

- Providing jobs to unemployed youths of special area. DBCDC imparting training through ATDC in Fashion designing and also placement given in readymade garments.
- Priority for the activities that generate sustained income and the schemes that promote social and economic empowerment of backward class people
- Providing skill development training that enables backward classes to embark upon self-employment ventures
- Priority to 39 most backward taluks and border taluks as identified by the Dr. Nanjundappa Committee Report
- Priority to physically handicapped persons and women particularly widows or destitute.
- Conducting “SAMVADA” to popularize the schemes of DBCDC and to understand shortcomings and hurdles of the present schemes at levels of planning and development (ZP,TP and GP).
- Dissemination of information on the schemes of DBCDC through Radio, TV, News Papers, Posters or Periodicals to the backward class people.
- Checking miss-utilization of assets.
- Manthana: Training is being imparted on rain water harvesting, extension of Drip irrigation, Economic utilization of water, adoption of new cropping pattern, effective land use etc.,
- Management Development Programme: “Samarthya Vardhana” workshop to officers / employees of the corporation. Training to Backward Class Farmers

10.4.4. Welfare Programmes for Minorities:

According to the Census of India 2001, the population of minorities in the state was 82,93,576, accounting for 15.69% with varying proportion across different groups (Figure 10.4). Welfare of religious minorities such as Muslims, Christians, Sikhs, Parsis, Jains and Buddhists has always been an integral part of the planning and development of the state. With a view to empower the members of minorities socially and economically and bring them on mainstream development, the Department of Minorities Welfare and the Karnataka Minorities Development Corporation Ltd., (KMDC) Bangalore has been implementing various programmes in the state.

Figure 10.4: Composition of Minorities in Karnataka, 2001



Source: Census of India (2001)

A. Department of Minorities Welfare:

1. Incentive Schemes for Minority Students:

In order to encourage the meritorious students (with annual household income limit of Rs.2.00 lakhs) for continuation of their education, financial incentives will be provided by the Department for those children whose household annual income is not more than Rs 2 lakhs. Under the scheme, a sum of Rs 3000, Rs. 4000 and Rs 5000 will be provided per annum as incentives to the meritorious minority students studying in SSLC, PUC and Degree, respectively. During 2010-11, an amount of Rs.600 lakhs has been earmarked for this purpose, out of which Rs.300 lakhs have been spent benefiting 7500 students till the end of December 2010. The detailed progress of the scheme is shown in **Table 10.78**.

Table 10.78: Progress of Incentives Scheme for Minority Students (Rs.in Lakhs)

Year	Targets		Achievements		% of achievement	
	Budget	Physical	Expenditure	Physical	Financial	Physical
2008-09	300	7500	220.25	5506	73.42	73.41
2009-10	500	12500	495.47	12502	99.09	100.02
2010-11*	600	15000	300.00	7500	50.00	50.00

Note: *Upto December 2010.

2. Skill Development Scheme:

The basic objective of the scheme is to improve economic conditions of the minority communities by enabling them to take up self-employment activities. For this, the department has introduced schemes for the unemployed boys/girls of minorities, viz., nursing training and

also imparting different training programmes through the Central Institute of Plastic Engineering Technology, Mysore. Further, various computer training is also provided by KEONICS and Electronic Corporation of India Limited and job oriented trainings by the M.T. Educate Apparel Training and Designing Centre in various apparel and designing. During 2010-11, a sum of Rs. 1000 lakhs has been proposed, against which, an amount of Rs. 322.87 lakhs has been spent benefiting 4580 minority candidates till the end of December 2010. **Table 10.79** presents the detailed progress of the scheme.

Table 10.79: Skill Development Scheme (Rs. in lakhs)

Year	Targets		Achievements		% of achievements	
	Budget	Physical	Expenditure	Physical	Financial	Physical
2008-09	370.04	5000	365.50	6000	98.77	120.00
2009-10	470.04	6000	468.24	5864	99.62	97.73
2010-11*	1000.00	10000	322.87	4580	32.29	45.80

Note: *Upto December 2010

3. Shadimahhal/Community Hall:

A scheme to construct Shadimahhal/Community Hall has been implemented in the state since 2000-01 for promoting the social and cultural activities and performance of marriages of minority communities. During 2010-11, a sum of Rs. 1000 lakhs was provided, out of which Rs. 526 lakhs have been spent for the benefit of 62 institutions for construction of Shadimahhal/Community Hall till the end of December 2010. The detailed progress of the scheme during the last three years is shown in **Table 10.80**.

Table 10.80: Shadimahhal/Community Hall (Rs. in lakhs)

Year	Targets		Achievements		% of achievements	
	Budget	Physical	Expenditure	Physical	Financial	Physical
2008-09	1500	120	1099.50	102	73.30	85.00
2009-10	1500	80	999.10	109	66.61	136.25
2010-11*	1000	80	526.00	62	50.00	77.50

Note: *Upto December 2010.

B. Development Corporation:

(The Karnataka Minorities Development Corporation Ltd., Banaglore)

The KMDC (The Karnataka Minorities Development Corporation Ltd., Banaglore) was established in 1986 by the Government of Karnataka for the upliftment of religious minorities in socio-economic front. In this regard, the Corporation has been implementing the following schemes out of the share capital and grants given by the State Government and also the schemes of the National Minorities Development and Finance Corporation, Delhi (NMDFC) in the state. The progress of some important schemes is described as follows.

1. Swavalambana Margin Money Loan Scheme:

Under the scheme, margin money loan facilities are provided through various Nationalized Banks/Financial Institutions for business, services, industries and agriculture based activities for a maximum project cost upto Rs.1,00,000, of which 20 % of the project cost will be sanctioned by the Corporation as margin Money loan with 6% interest rate. The balance is provided by the Banks/Financial Institutions. A subsidy upto Rs.5,000 is also provided by the Corporation as explained below.

2. Subsidy Scheme:

This scheme is linked with the Swavalambana Margin Money Loan Scheme. Under this scheme, a subsidy element of 50% of the unit cost or maximum amount of Rs.5,000 will be released to the beneficiaries of the religious minorities. Those who wish to avail loan for unit cost upto Rs.25,000, a subsidy of Rs.5,000 (maximum) will be released and for unit cost above Rs.25,000 to Rs.1.00 lakh, subsidy and margin money will be released jointly. The financial and physical progress of the margin money and subsidy scheme is depicted in **Table 10.81**.

Table 10.81: Progress of Swavalambana Margin Money Loan with Subsidy
(Rs. in lakhs)

Year	Targets		Achievement		% of achievements	
	Financial	Physical	Financial	Physical	Financial	Physical
2008-09	1120	8400	800.59	6347	71.48	75.56
2009-10	600	4000	461.99	2799	77.00	69.98
2010-11*	600	7200	154.94	1702	25.82	23.64

Note: *Upto December 2010.

3. Arivu (Education Loan) Scheme:

The Government of Karnataka has introduced “Arivu” (Education loan) to help the minority students with financial assistance of Rs.50,000 per year till the completion of professional courses like Medical, Engineering, Dental, Master Degree Courses, Diploma Courses, Nursing, B. Ed, D.Ed. ITI. Under the scheme financial assistance is also provided to the employment attached training programmes. The loan has to be repaid after completion of the course with 2% interest rate. The financial and physical progress of the scheme is presented in **Table 10.82**.

Table 10.82: Arivu (Education Loan) Scheme (Rs. in lakhs)

Year	Targets		Achievement		% of achievements	
	Financial	Physical	Financial	Physical	Financial	Physical
2008-09	900	5800	1488.12	9721	165.35	167.60
2009-10	1400	9300	1310.92	8796	93.64	94.58
2010-11*	1600	10600	1142.13	6348	71.38	59.89

Note: *Upto December 2010.

4. Ganga Kalyana Scheme:

Community Irrigation Scheme:

This scheme is applicable for only small and marginal farmers with 8 acres of land consisting of 3 beneficiaries who are eligible to get 2 borewells and with 15 acres of land consisting of 5 beneficiaries who are eligible to get 3 borewells (the unit cost of per borewell increased from Rs.86,000 to Rs.1.00 lakh from 2010-11 onwards), and each beneficiary should have 2 to 3 acres of land. Borewells are drilled underground, submersible pumpsets will be installed and energisation for the borewells will be done by the Corporation. This scheme is entirely a subsidy scheme.

Individual Borewell or Open Well:

On selection by the Competent Authority, under individual borewell scheme, for the beneficiary with 2 to 5 acres of land, one borewell will be drilled and pumpset will be supplied. The total expenditure is Rs.1.lakh (of which grant of Rs.86,000 and loan of Rs.14,000). This also includes energisation charges. Open wells are dug and provided along with pumpsets in the areas where drilling of individual borewells is difficult. The total expenditure upto Rs.86,000 will be extended as grant which includes energisation.

During 2008-09, the budgetary amount of Rs.1027 lakh was spent for 1211 farmers. For the year 2010-11, an amount of Rs. 1128.00 lakhs has been earmarked covering 1310 farmers. Most of the projects for drilling of borewells and energisation of them are in progress.

5. Shramashakthi Scheme:

Under this scheme, the artisans belonging to religious minorities will be trained to upgrade their artistic and technical skills, and also a maximum loan of Rs.25,000 will be provided with 4% interest rate per annum to improve and setup their business. Out of the unit cost, 75% as loan and 25% will be considered as back-end subsidy. The detailed progress of the scheme is shown in **Table 10.83**.

Table 4.83: Progress of Shramashakthi Scheme (Rs. in lakhs)

Year	Targets		Achievement		% of achievements	
	Financial	Physical	Financial	Physical	Financial	Physical
2008-09	1000	6720	749.92	5036	74.99	74.94
2009-10	720	4800	755.39	5426	104.92	113.04
2010-11*	1100	7333	470.65	3532	42.79	48.17

Note: *Upto December 2010.

6. Land Purchase Scheme (New Scheme):

The basic objective of the scheme is to improve the productive assets like land among the landless minority farmers. Under this scheme, the landless farmers belonging to the religious minority are eligible for purchase of 2 acres of dry land or 1 acre of wet land in rural areas. The

unit cost is limited to Rs. 2.50 lakhs including the registration expenses, of which 50% is treated as loan with 6% interest rate and 50% as subsidy. The land is mortgaged with the Corporation till the recovery of loan.

7. Micro Loan Scheme:

In order to improve the existing petty business and earn regular income for their livelihood in city and rural areas, the religious minorities will be provided with a micro loan of Rs.10,000 to Rs.25,000 with 5% interest rate per annum and Rs.2,500 subsidy. The financial and physical progress of the scheme is presented in **Table 10.84**.

Table 10.84: Progress of Micro Loan Scheme (Rs. in lakhs)

Year	Targets		Achievement		% of achievements	
	Financial	Physical	Financial	Physical	Financial	Physical
2008-09	900	9000	639.85	7613	71.09	84.59
2009-10	1200	12000	732.93	9002	61.08	75.02
2010-11*	1400	14000	592.22	6834	42.30	48.81

Note: * Upto Decemebr 2010.

8. NMDFC's Term Loan Schemes:

With a view to uplift the poor religious minorities in the country by providing term loans to take up self-employment pursuits, the NMDFC (National Minorities Development and Finance Corporation) was setup at the national level in 1994. The term loan is provided through the State Channelising Agency of KMDC for the benefits of religious minorities in the state. The Corporation is releasing 85% of the project cost as NMDFC share, 10% share of the project cost will be released from KMDC and balance 5% of the project cost has to be borne by the beneficiary, and 6% interest rate per annum is being charged by the Corporation for the loan released. There are different schemes implemented by the Corporation. In the case of micro loan for self-employment, the unit cost is Rs. 10, 000 to Rs.25, 000, of which 90 % is from NMDFC and 10 % is from KMDC and there is no beneficiary contribution. During 2009-10, as the total loan amount was used to provide micro loans to take up self-employment, there was no beneficiary contribution. The detailed progress of the schemes is provided in **Table 10.85**.

Table 10.85: Progress of NMDFC's Term Loan Schemes (Rs. in lakhs)

Year	Amount Received from NMDFC	Total loan sanctioned and spent under NMDFC schemes				No of Beneficiaries
		Beneficiary amount	KMDC amounts	NMDC Amounts	Total	
2007-08	525.00	22.91	69.68	524.64	617.23	1182
2008-09	450.00	13.81	36.22	462.24	512.26	2227
2009-10	350.00	0.00	26.64	239.74	266.38	1522

10.4.5 Welfare of Programmes for Persons with Disabilities and Senior Citizens:

As per 2001 census, Karnataka has a disabled population of 9,40,643 accounting for 1.8% of the State population; out of which 6,61,139 persons live in villages and 2,79,904 in urban areas. Welfare of disabled and Senior Citizens is also an integral part of the State-managed development programmes. Disability is often described as lack of normal functioning of physical, mental or psychological process due to which they are socio-economically backward and hence their participation in development is limited. Most of the families with disabled persons are below poverty line. Unemployment remain a major challenge and inactiveness results in multiple disability and depression among the disabled persons. It is necessary to provide opportunities for them to study, to get trained in skill sets and get jobs to work. It should be kept in mind to provide barrier free environment at the place of education, training and place of working.

In order to improve their socio-economic conditions, the Government of Karnataka has taken various steps. In this regard, the State Government has established a separate Department for the Welfare of the Disabled in 1988 and added the Welfare of the Senior Citizens in 2003 to launch various programmes for welfare of persons with disabilities and senior citizens in the state. Since then, the Department of Welfare of disabled and Senior Citizens has been implementing several programmes for welfare of these sections of the society. The Salient features of these welfare programme and progress achieved in implementation shall be consolidated as follows:

A. Department of Welfare of Disabled and Senior Citizens

I. Welfare Programmes for persons with disabilities

1. Maintenance Allowance to the Disabled:

Monthly maintenance allowance of Rs.400/- is given to persons with disabilities who are having disability range of 40 to 75%. As per Government order dated 29-08-2008 the persons with 75% and above who are severely disabled eligible to get an allowance of Rs.1000/- per month. During 2010-11 an amount of Rs.37500.00 lakhs has been earmarked to benefit 675000 disabled person against which 35525.20 lakhs been spent till the end December 2010. The Detail progress of the Scheme is highlighted in **Table 10.86**.

Table 10.86: Progress of the Scheme for Maintenance allowance to the Disabled Persons
(Rs.in Lakhs,)

Year	Targets		Achievements		% of Achievements	
	Financial	Physical	Financial	Physical	Financial	Physical
2008-09	19200.00	450000	19200.00	450000	100.00	100.00
2009-10	38500.00	675000	35261.15	675000	91.58	100.00
2010-11	37500.00	675000	35525.20	675000	94.73	100.00

2. Aids and Appliances to the Disabled:

Various Aids & Appliances are provided to the persons with disabilities at free of cost up to a maximum of Rs.6000/- worth, those who are having 40% of disability. Towards provision of Motorized Tricycle 50% of the cost of Tricycle is subsidized. During 2010-11 an amount of Rs.50.00lakhs has been earmarked for the purpose. The detailed progress of the Scheme is highlighted in **Table 10.87**.

Table 10.87: Progress of the Scheme for Aids & Appliances to the Disabled.

(Rs.in Lakhs,)

Year	Targets		Achievements		% of Achievements	
	Financial	Physical	Financial	Physical	Financial	Physical
2008-09	400.00	20000	399.97	19172	99.99	95.86
2009-10	410.00	20855	371.57	20543	90.63	98.50
2010-11*	50.00	260	1.70	08	3.40	3.07

* up to Dec-2010.

3. Medical Relief Fund:

Under the scheme, financial assistance is provided to persons with disabilities to undergo corrective surgery up to maximum cost of Rs.35000/- or actual expenditure incurred whichever is less. Persons who are disabled are eligible to avail the budget. During 2010-11 an amount of Rs.15.00 lakhs is earmarked to benefit 45 disabled persons out of which Rs.0.76 Lakhs have been spent for 4 beneficiaries till the end of December 2010. The detailed progress of the Scheme is illustrated in **Table 10.88**.

Table 10.88: Progress of the Scheme for Medical Relief Fund to the Disabled.

(Rs.in Lakhs,)

Year	Targets		Achievements		% of Achievements	
	Financial	Physical	Financial	Physical	Financial	Physical
2008-09	10.00	30	9.18	30	91.80	100.00
2009-10	10.00	30	4.63	26	46.30	86.67
2010-11*	15.00	45	0.76	04	5.06	8.88

* up to Dec-2010.

4. Financial Assistance to NGO's to run the Special School:

Under District sector scheme NGO's are given grants on the basis of regular salary and perks to the teaching and non teaching staffs as well as Rs.600.00 per month to the child as maintenance charges, to run special schools and vocational Training Centers. The financial and Physical Progress is presented in **Table 10.89**.

Table 10.89: Progress of the Scheme for Financial Assistances to NGOs

(Rs.in Lakhs,)

Year	Targets		Achievements		% of Achievements	
	Financial	Physical	Financial	Physical	Financial	Physical
2008-09	399.33	3100	399.33	3100	100.00	100.00
2009-10	451.22	3600	451.22	3600	100.00	100.00
2010-11*	483.71	3600	460.21	3600	95.14	100.00

* up to Dec-2010.

5. Sadhane and Prathibe:

Under the scheme, persons with disabilities are given financial assistance for Sports and Cultural activities maximum up to Rs. 30000/- or actual expenditure incurred whichever is less. During 2010-11 an amount of Rs.10.00 lakhs has been earmarked for benefiting 50 disabled persons out of which a sum of Rs.4.43 lakhs as been spent towards 35 beneficiaries up to the end of December 2010. The detailed progress of the Scheme during the last 3 years is highlighted in **Table 10.90**.

Table 10.90: Progress of Sadhane and Prathibe Scheme

(Rs.in Lakhs,)

Year	Targets		Achievements		% of Achievements	
	Financial	Physical	Financial	Physical	Financial	Physical
2008-09	9.00	30	1.98	29	22.00	96.67
2009-10	10.00	110	9.43	107	94.30	97.27
2010-11*	10.00	110	4.43	35	44.30	31.82

* up to Dec-2010.

6. Scholarship and incentives to the disabled

In order to encourage disabled students for continuation of their Education, a Scholarship scheme is implemented for disabled students studying from 1st Std., to Post Graduate Courses by providing a monthly Scholarship of Rs.50 to 300. The Financial and Physical progress of the scheme is shown in **Table 10.91**.

Table 10.91: Progress of the scheme for Scholarship and incentive to the Disabled Persons

(Rs.in Lakhs,)

Year	Targets		Achievements		% of Achievements	
	Financial	Physical	Financial	Physical	Financial	Physical
2008-09	214.69	23800	207.74	22840	96.76	95.96
2009-10	222.48	24700	213.28	23465	95.86	95.00
2010-11*	230.58	25100	58.62	6275	25.42	25.00

* up to Dec-2010.

7. Grameena Punarvasathi Yojane:

For rehabilitating persons with disabilities, Grameena Punarvasathi Yojane is implemented to provide services like rehabilitation, awareness, Social Security, Educational,

Training and Employment and other Government schemes reserved for disabled in various department at the door step of persons with disabilities. Where one disabled person at the Grama panchayat level as Village Rehabilitation Worker(VRW) at the rate of Rs.750 per month and one disabled person at Block level as Multipurpose rehabilitation worker (MRW) at the rate of Rs.2000/- per month are engaged on honorarium basis to provide services. The detailed progress of the Scheme is provided in **Table 10.92**.

Table 10.92: Progress of Grameena Punervasathi Yojane

Year	Targets		Achievements		% of Achievements	
	Financial	Physical	Financial	Physical	Financial	Physical
2008-09	225.00	5803	283.20	4370	125.87	75.31
2009-10	419.99	5803	403.58	4477	96.09	77.15
2010-11*	330.00	5803	136.68	4455	41.42	76.77

* up to Dec-2010.

8. Self Employment Scheme for the Disabled(ADHARA):

Under the scheme a Kiosk of Rs.15000/- will be provided at free of cost and Rs.20000/- interest free loan as working capital to undertake self employment programme such as Petty Shop or any other such business. During 2008-09 an amount of Rs.100.00 lakhs is spent for 285 disabled persons, out of which Rs.99.75Lakhs were spent covering 285 beneficiaries. For the year 2010-11, an amount of Rs.100.00laksh has been earmarked out of which Rs.49.70 lakhs has been released to district offices wherein tender process is to procure Kiosk and identification of beneficiaries is underway.

II. Senior Citizens Welfare Programmes

1. Financial Assistance to NGO's to run the Old Age Home:

For the Welfare of Senior Citizens Old Age Homes are established in 27 districts through NGOs at the unit cost of Rs.1.96 Lakhs each for 25 beneficiaries. Where they are availing the benefit of food and shelter. The detailed progress of the scheme is shown in **Table 10.93**.

Table 10.93: Progress of the scheme for Financial Assistance to NGOs to run the Old Age Home

Year	Targets		Achievements		% of Achievements	
	Financial	Physical	Financial	Physical	Financial	Physical
2008-09	67.21	675	67.21	675	100.00	100.00
2009-10	68.33	675	67.58	661	98.90	97.92
2010-11*	68.98	675	48.67	470	70.55	69.62

* up to Dec-2010.

2. Financial Assistance to NGO's to run the Day Care Center and helpline :

For the welfare of senior citizens 15 help lines are established in Bangalore Urban, Gulbarga, South Canara, Belgaum, Dharwad, Mysore, Raichur, Kolar, Bellary, Davangere, Shimoga, Bagalkot, Bijapur and Tumkur districts through NGOs in coordination with District Police Commissioner /Superintendent of the police of the District at the rate of Rs.3.60 lakhs

each as well as 4 day care center are established in, Belgaum, Gulbarga, Hubli-Dharwad and Bangalore through NGOs at the rate of Rs.4.15 Lakhs each. During 2010-11 an amount of Rs.75.00 lakhs is earmarked and Rs.22.14 is incurred till December 2010 end and 10800 senior citizens availed the benefit. The Detailed progress of the Scheme is illustrated in **Table 10.94**.

Table 10.94: Progress of the scheme for the Help line and Day Care Centers for Senior Citizens

Year	Targets		Achievements		% of Achievements	
	Financial	Physical	Financial	Physical	Financial	Physical
2008-09	70.00	10800	65.03	10800	92.90	100.00
2009-10	74.95	10800	64.91	10800	86.60	100.00
2010-11*	75.00	10800	22.14	10800	29.52	100.00

* up to Dec-2010.

11.1 Recommendations and Implementation of Nanjundappa Committee

Karnataka state has been experiencing high growth rates in recent decades in the GSDP. But it is noticed that the high growth rates in the past and the present have not been inclusive as 25 percent of population of the State is living below the poverty line and there is also a sharp North- South divide in the State. The problems related to uneven spread of development emerged in the State on the eve of the reorganization of the State in 1956. The new areas that joined the State from erstwhile Hyderabad State and Bombay State were relatively less developed compared to the Old Mysore State. For historical reasons, these areas have remained on the periphery of development. These areas formed the Northern part of the State. The districts of Bidar, Gulbarga and Raichur (including Koppal), which joined from Hyderabad State were at the bottom of development. In the past, though some special efforts were made to promote development in this area, the impact was not very significant.

In recent years, the State has speeded up the process of closing this gap following the recommendations of the High Power Committee constituted by the Govt. of Karnataka to look into the problem of regional imbalances in the state. The High Power Committee on Redressal of Regional Imbalances, popularly known as Nanjundappa Committee, submitted its report in June 2002. The committee, on the basis of 35 socio-economic indicators assessed the level of development of 175 taluks in the state. These indicators are spread over various sectors like agriculture, industry, economic infrastructure, social infrastructure, and financial and technical infrastructure. Taking the State average of development of these indicators as the benchmark equal to one, the Committee prepared a Comprehensive Composite Development Index (CCDI) with appropriate weights and identified 114 taluks as backward taluks. These taluks were further classified into three groups viz., most backward, more backward and backward based on the value of the Comprehensive Composite Development Index (CCDI). These groups were formed on the values of CCDI viz., those with the values ranging from 0.52 to 0.79 as most backward, those with 0.80 to 0.88 as more backward and those with 0.89 to 1.00 as backward. The distribution of the taluks under these various groups is given in **Table 11.1**.

Table 11.1: Distribution of Most Backward, More Backward and Backward taluks by Administrative Divisions

Division	Total No. Taluks	Relatively Developed	Backward	More Backward	Most Backward	No. of Backward Taluks
Bangalore	51	18	09	13	11	33
Mysore	44	22	10	10	02	22
Belgaum	49	18	14	12	05	31
Gulbarga (HK Region)	31	03	02	05	21	28
North Karnataka Region	80	21	16	17	26	59
South Karnataka Region	95	40	19	23	13	55
Total (State)	175	61	35	40	39	114

Source: HPCRRRI, 2002

Among the 114 backward taluks, 59 are in North Karnataka and 55 in South Karnataka. But what is significant is that out of 39 the most backward taluks 26 are in North Karnataka as against only 13 in the South. Out of the 31 taluks in Hyderabad Karnataka (HK) Region 28 (90%) are backward of which 21 are most backward. There are only three taluks which are in the Relatively Developed group and these are Bidar, Bellary and Hospet. The incidence of backwardness is, therefore, significantly high in Hyderabad Karnataka Region consisting of Bidar, Gulbarga, Yadgir, Raichur, Koppal and Bellary. Comparatively speaking, Bangalore Division with 51 taluks has only 65% backward taluks. Similarly, Mysore Division has 44 taluks of which 50% of taluks are backward. And Belgaum Division, which has 49 taluks has 65% backward taluks. This indicates the urgency of development and the enormous requirement of the effort in this direction in North Karnataka especially in the Hyderabad Karnataka region i.e. Gulbarga Division. Among the top ten taluks only one taluka is from north Karnataka; whereas all the bottom ten taluks are from North Karnataka region. The Composite Index of Development of the districts (see **Appendix 11.1**) and the extent of human development deprivation in the districts (see **Appendix 11.2**) vouchsafe to the higher level of development deprivation of the North Karnataka Region.

11.1.1 Recommendations of the Committee – Special Development Plan

The problems of regional disparities and backwardness may be addressed in different ways. The more important strategies are -1) additional resource transfer 2) Special Development Programmes and employment generation programmes 3) promotion of private investment through fiscal and financial measures and 4) development of services and infrastructure facilities to the level in other regions. The Nanjundappa Committee framed a mix of these strategies and has made several recommendations with regard to development of social and economic infrastructure and institutional set up to speed up the development process in backward pockets of Karnataka.

Some of the specific recommendations of the Committee have been implemented: A Central University is started at Gulbarga, a High Court Bench is established at Hubli and Circuit Bench at Gulbarga, Women's University is established at Bijapur, action plans are being prepared to establish IT parks in Gulbarga, Hubli and Bagalkot. A Food Park and Textile park is in the process of being established at Gulbarga.

To implement the various recommendations across different sectors, the Nanjundappa Committee has recommended a Special Development Plan based on the resource requirement of the backward taluks. The plan is to be implemented over a period of eight years covering the major programmes in various sectors based on development requirement. The implementation of the programmes should involve the people, voluntary organizations and Self help Groups which are service oriented and are capable of mobilizing mass participation. Decentralized planning set up is thus very essential to find a long term solution to the problems of regional development.

Objectives of Special Development Plan

- To accelerate the growth in the backward taluks through the stimulus of additional investment in various sectors and areas.
- To build infrastructure to make good the identified sector backlog in backward taluks.
- To establish the needed institutions/organizations to redress the imbalances in the concerned sectors in backward taluks.

- To provide location specific sectoral schemes in backward taluks in order to raise the level of services in that sector to the State Level Average.
- To help the planning authority in preparing Action Plans with three priorities: First priority is for most backward taluks which are to be covered in the first two years. More backward taluks shall have the second priority for the allocation of funds during the next two years. Backward Taluks shall have their allocation for the terminal period of the Eight Year Plan.
- And to give a thrust to the development programmes in the 114 backward taluks to move towards a more balanced development in the State as a whole.

The Committee has estimated that to bring up the level of development of the backward 114 taluks to the state average, an investment of Rs. 31,000 crore at 2002-03 prices is required. The investment was to be spread over eight year period till 2010. Out of this amount, Rs. 15,000 crore was expected to flow into these taluks in the normal course from the annual budgets. The balance of Rs. 16000 crore was estimated as an additional investment in various sectors to fill the gaps in development. The Committee also stated that the amount allocated every year should be escalated by a factor of the extent of rise in prices during each year. **Table 11.2** gives the sectoral allocation of the Special Development Plan as suggested by the Committee.

Table 11.2: Sectoral Allocation of Special Development Plan as Recommended by HPCRRI

Sl. No	Sectors	Amount (Rs. In crore)	Percentage
1	Agriculture and Allied	2340	07.61
2	Rural Development	7100	23.10
3	Irrigation	8000	26.00
4	Energy	3000	09.76
5	Industry and Minerals	400	1.3
6	Transport	1650	5.37
7	Science and Technology	200	0.65
8	Economic Services	10	0.03
9	Social Services	8025	26.11
Total		30725	100.00
Normal Flow		15000	
Net Additional outlay		16000	

Source: HPCRRI, 2002

The focus of the Special Development Plan (SDP) is on Irrigation, Rural Development and Social Services. Sectors like energy and agriculture are also allocated more financial assistance for development as these sectors play a crucial role in the development of the economy. The allocation to education health and other social services is Rs. 8025 crore. The allocation to Irrigation is Rs. 8000 crore and to Rural Development i.e. Rs. 7100 crore is higher compared to other sectors. As the Committee felt that some of the taluks among 114 backward taluks are rural in character and are dependent on agriculture they require more attention.

The allocations in SDP across the divisions were based on the Cumulative Deprivation Index (CDI). This is estimated on the basis of the distance of the CCDI Value

from the state average (CDI=1-CCDI). The allocations within the Division and among the Districts and taluks are again based on the respective CDI values. The pattern of allocation of resources across the regions is indicated in **Table 11.3**.

Table 11.3: Division wise allocation of SDP outlay as recommended by HPCRRI

Division	CDI Value	% resource allocation	Amount (Rs. in crore)
Gulbarga	8.06	40	6400
Belgaum	4.12	20	3200
North Karnataka	12.18	60	9600
Bangalore	5.32	25	4000
Mysore	2.76	15	2400
South Karnataka	8.08	40	6400
Total	20.26	100	16000

Source: HPCRRI, 2002

Thus in the total additional investment of Rs. 16000 crore, the share of Gulbarga division is maximum at Rs. 6400 crore and the share of North Karnataka is 60 % of the total allocation. This is because the extent of development deprivation is more in Gulbarga Division i.e. 8.06 ($8.06/20.26 = 40\%$), which is just equal to the total deprivation of South Karnataka.

11.1.2 Taluk wise allocations under Special Development Plan

The Committee also suggested allocations at the taluk level based on the CDI values at this level. The Committee insisted on planning, formulation and implementation at the taluk level. The allocation ratio across the taluks are indicated in **Table 11.4**.

Table 11.4: Taluk wise Resource Allocation pattern as recommended by HPCRRI

Category of Taluks	CDI class intervals	Max. -Min CDI distance	Resource allocation (%)
Most Backward	0.52-0.79	0.48	60
More Backward	0.79-0.88	0.21	24
Backward	0.88-1.00	0.12	16
Total		0.81	100

Source: HPCRRI, 2002

Thus out of the total allocation within a District/sector, the share of most backward taluks is 60 percent, the more backward taluks is 24 percent of the total allocation and the backward taluks is 16 percent of the allocation. The Committee has recommended updation of CDI values over time and must be taken as basis for allocation within the Division/Districts across the taluks in future.

11.2 Major Achievements in Reduction of Regional Disparities

11.2.1 Implementation of Special Development Plan

The Special Development Plan is being implemented from 2007-08. It is envisaged that the 8 years SDP will be implemented within the time frame of 2007-08 to 2014-15. It was proposed to allocate the funds in the ratio of 10%, 20%, 15%, 15%, 15 %, 10%, 10%, and 5% respectively. As per the recommendations, Comprehensive District Development Plans and Comprehensive Agricultural Development Plans have been prepared during XI plan period in most of the districts to identify development gaps and requirements. The remaining report for rest of the districts is being prepared.

The Government of Karnataka appointed a High Power Committee under the Chairmanship of Hon'ble Shashil Namoshi (now Hon'ble Shri Sunil Vallyapur) during October 2008 to implement the Nanjundappa Committee Recommendations. This Committee is also to look after the planning and monitoring of the implementation of Special Development Plan (SDP) in consultation with the various Government Departments. The Nanjundappa Committee in its various meetings held at the State level has given guidelines for preparing Action Plans and for implementation of various schemes in the 114 backward taluks. During 2007-08, all the investment made in the backward taluks is estimated under SDP, which are now being made more realistic. Meetings are also held at the District and Taluk levels to discuss with the officials and People's representatives about the requirements for development of the region. Some of the works undertaken in different districts are inspected by the Committee and suggestions are given for further improvement.

The Nanjundappa Committee recommended a decentralized set up with plans being prepared at Taluka level for identifying the programmes and policies for development under SDP. The Departments are given directions to prepare the action plans in consultation with the officials at Taluka and District level.

The progress of the works under SDP is reviewed at State and the District level in KDP meetings every month and a Management Information System (MIS) is developed by National Informatic Centre (NIC) for providing online information about the programmes undertaken under SDP and the physical and financial progress achieved. A Special Head of Account with the object code 133 is allotted for schemes under SDP. A Special Cell is established in the Planning Department to coordinate and monitor the implementation process.

11.2.2 Progress achieved under SDP

The implementation of the Special Development plan is effectively taken up after the establishment of the High Power Committee for Implementation of Nanjundappa Committee Report in October 2008. The allocations for various development programmes under SDP are presented in **Table 11.5**.

Table 11.5: Progress achieved under Special Development Plan as recommended by HPCRRI

Year	Allocation (Rs.Crores)	Release (Rs.Crores)	Expenditure (Rs.Crores)	Exp. % to allocation	Exp. % to release
2007-08	1571.50	951.44	945.99	60.20	99.43
2008-09	2547.34	1710.42	1739.41*	68.28	101.69
2009-10	2578.83	2033.29	1919.94	74.45	94.42
2010-11 (Dec. 2010)	2464.00	1170.59	968.80	39.32	82.76
Total	9161.67	5865.74	5574.14	60.84	95.03

*Expenditure is more than the amount released due to additional amount spent by energy supply companies from their own sources.

Source: Special Cell, Planning Department

The amount provided for various programmes under SDP has been increasing. To begin with an amount of Rs. 1571.50 crore was provided in the financial year 2007-08 across various sectors of development. The amount released was Rs. 951.44 crore against which an expenditure of Rs. 945.99 crores was made. Similarly, in the year 2008-09 the allocation was Rs. 2547.34 crore and the expenditure was Rs. 1739.41 crore. For the year 2009-10 and 2010-11 the allocation is Rs. 2578.83 crore and Rs. 2464 crore respectively; releases being Rs. 2033.29 crore and Rs. 1170.59 crore respectively. The total allocation from 2007-08 to December 2010 works out to Rs. 9161.67 crore and Rs. 5574.14 crore has been spent. The release of funds and their utilization across various sectors is indicated in **Table 11.6**.

Table 11.6: Distribution of Outlay and Expenditure among various sectors, 2007-11 (Rs.Crores)

Sl. No.	Sectors	Total outlay	Amount Released	Expenditure	% release to allocation	%exp. to release
		2007-2011	2007-11	2007-11		
1	Agriculture and allied sectors (including forest)	788.56	472.82	418.37	59.96	88.48
2	PWD	560	388.9	357.22	69.45	91.85
3	Rural Development	1841.79	1030.21	829.63	55.94	80.53
4	Housing	1146.77	858.59	856.67	74.87	99.78
5	Irrigation(Major& Minor)	1413.83	1100.95	1084.08	77.87	98.47
6	Power	650	407.22	630.77	62.65	154.90
7	Industries	95.7	22.89	13.92	23.92	60.81
8	Infrastructure	443	316.58	316.58	71.46	100.00
9	Transport	350	244.14	237.62	69.75	97.33
10	Home	58.2	31.81	11.09	54.66	34.86
11	Social Sectors (health & education)	823.4	427.82	350.03	51.96	81.82
12	Labour & Social Welfare	710.61	462.56	398.62	65.09	86.18
13	Women and child development	131.8	65.64	33.93	49.80	51.69
14	Tourism Development	40	29.75	29.75	74.38	100.00
15	Urban Development	108	5.86	5.86	5.43	100.00
Total		9161.67	5865.74	5574.14	64.02	95.03

Source: Special Cell, Planning Department

The sectors like Rural Development (20.19%), Irrigation (15.43%), Housing (12.52%), Social Welfare (7.76%) Health and Education (8.99%) have a major share in total outlay. The allocations are less than the recommended ones due to inclusion of more departments and activities under SDP. The Committee has also left it to the Departments to identify the programmes and prepare the action plans.

11.2.3 Major Programmes implemented under SDP

While the development programmes have been taken up covering all the major sectors, the focus is on Education, Health, Housing and Rural Development as well as infrastructure development such as rural roads, irrigation and agriculture. This is largely in accordance with the pattern suggested under the Special Development Plan. A brief account of the programmes across the major sectors taken up under SDP are presented below.

a. Agriculture and allied sectors

The major programmes being implemented under this sector include:

- Rashtriya Krishi Vikas Yojane (Central Sector Scheme),
- Enrichment of soil fertility (State Sector), and
- Raita Sampark Kendras (State Sector)

Rashtriya Krishi Vikas Yojane (Central Sector Scheme)

Under RKVY mechanization of agriculture is promoted through supply of various agricultural implements at subsidized rates in 114 backward taluks. This is essential to overcome the growing labour costs and labour shortages and complete the agricultural operations on time. These implements include supply of power tillers (50% subsidy - max. Rs. 50,000), High Tech Agricultural Implements (50% subsidy - max Rs. 70,000), distribution of Diesel Pump Sets (50% subsidy - max. Rs. 20,000), and Agro Processing Units (Subsidy 50 % Max. Rs. 65000). The total amount allocated during 2010-11 is Rs. 30 Crore under this scheme.

Enrichment of soil fertility (State Sector)

In order to maintain the ecological balance, organic farming which is an age old farming method, is to be aggressively promoted. Organic farming is promoted under two major categories: a) Vermicompost production and use, and b) promotion of organic farming. The Integrated Farming System is being popularized through demonstrations and supply of inputs like Gypsum, micro nutrients, bio fertilizers etc. The total allocation under this scheme during 2010-11 is Rs. 11.22 crore.

Raita Sampark Kendras (State Sector)

Construction of Raita Sampark Kendras under Raita Mitra Scheme. This is a part of Agriculture Extension Programme. These centres are established as information centres for the farmers, and are meant to supply agricultural inputs and testing of soil quality, fertility etc. In 2010-11 an amount of Rs. 25 lakh per Raita Sampark Kendra is earmarked for establishment of 69 Raita Sampark Kendras in the backward taluks.

b. Watershed Development Programme

Watershed development is adopted as a major strategy for development of agriculture in the dry region of backward taluks. Watershed training centres are established in the backward regions. The rejuvenation of dried up open wells is taken up under this programme and Integrated Watershed Management Programme is promoted with people's participation.

In addition funds are allocated for strengthening of University of Agricultural Sciences at Raichur. The allocation for agriculture during 2007-11 is Rs. 417.13 Crore. The Nanjundappa Committee had recommended development of Horticulture and Animal Husbandry for stabilization of incomes of the farmers. It recommended establishment of cold storage facilities in each district, setting up of export outlets and training centres. Under Horticulture, a Horticulture College and Horticulture University at Bagalkot are provided with additional funds for development. The focus is on providing additional funds for the ongoing schemes for their expanded coverage in backward areas.

Under Animal Husbandry, the Committee had recommended provision of adequate and timely veterinary services and assured supply of fodder. As part of this, a Dairy Science college is being established at Gulbarga. Milk unions are being strengthened at Gulbarga and Bidar, fodder development programmes are undertaken, AI centres are being established and opening and upgradation of PVCs and opening of veterinary hospitals are being taken up in backward taluks.

c. Rural Development

Rural development was given special importance by Nanjundappa Committee. The additional allocation is provided under the following schemes:

- Road works in Backward Taluks
- Rural Communication
- Block Grants (CMGSY- District Sector)
- Gram Swaraj
- Special Works in Backward Taluks (RIDF-NABARD)
- Rural Water Supply

Works like Rural Water Supply, Rural Roads, Gramswaraj and Rural Communications are taken up in various backward taluks. The Rural Development and Panchayat Raj (RDPR) Department has identified villages with less than 40 LPCD water supply and villages with water problems. It is proposed to cover these villages in backward taluks under SDP. The Gram Swaraj Yojane is an ongoing scheme of RDPR under World Bank assistance. This is being implemented in 39 most backward taluks since 2007-08. Construction of Samarthya Soudha at Gram Panchayat levels, capacity building for Panchayats are undertaken in the most backward taluks. Plans are being prepared to provide all weather connectivity to villages in backward taluks. Restoration and rejuvenation of ZP tanks is also taken up under rural development.

The total allocation for rural development during 2007-11 is Rs. 1841.79 crore. The amount released is Rs. 1030.21 crore and the expenditure is Rs.829.63 crore. The allocation during 2010-11 is Rs. 432.21 crore.

d. Irrigation

Assistance is provided for development of major and minor irrigation in backward taluks. The Nanjundappa Committee had recommended development of irrigation as a major strategy for increasing agricultural production and productivity in backward taluks. Assistance is provided under the following programmes.

- KNNL capital works as per Nanjundappa Committee recommendation
- KBJNL Capital works as per Nanjundappa Committee recommendation

Additional funds are provided for early completion of major irrigation schemes to KBJNL and KNNL and CNNL. Works like promotion and modernization of tanks, rejuvenation of tanks, lift irrigation and construction of barrages are taken up in most backward and more backward taluks. Allocation to irrigation is around 20.1 percent. Assistance is given to complete the existing schemes at an early date so that benefits are reached to the farmers in time. This may thus help to expand the irrigation facilities and increase the agricultural output. Allocation to major irrigation is Rs. 328.58 crore and to minor irrigation it is Rs. 50 crore during 2010-11.

e. Industry

The Committee had also recommended establishment of one advanced centre for IT and Biotechnology in every division, and a separate State Financial Corporation exclusively for North Karnataka to serve the credit needs of the industry in North Karnataka.

The schemes under industrial development in backward area are:

- Modernization/ Technology Training-Kaigarika Vikas
- Employment in garment sector
- Establishment of New Industrial clusters

The total allocation for these schemes was Rs. 95.70 crore during 2007-2011 and is Rs 10 crore during the current year.

f. Infrastructure Development

SDP intends to fill up the gaps in infrastructure in the backward taluks and speed up the development process in these taluks. Under energy sector, the focus is on provision of electricity to villages, Hamlets and Tandas. The schemes Nirantar Jyothi and Rural Load Management System (RLMS) are in progress. The Minor air ports at Bidar, Gulbarga, Bijapur, Belgaum and Hubli are provided with additional funds for completion.

The Committee had identified 90 taluks (61 in North Karnataka and 29 in south Karnataka) out of 175 taluks which have road length less than the State average. Under SDP the road development programme is undertaken in rural areas under the following schemes.

- Rural Roads
- NABARD assisted Roads
- Suvarna Raste Vikas Yojane

- Karnataka State Road Development Corporation

The Programmes are implemented by PWD. The total allocation over a four year period is Rs. 560 crore and the expenditure is Rs. 388.90 crore. The allocation during 2010-11 is Rs.205 crore. Under road transport sector, assistance is given to different KSRTC divisions for construction of new depots, up gradation of existing bus stands, provision of toilet facilities, asphaltting within bus stands and construction of waiting rooms etc. The allocation for road transport is Rs. 75 crore and for railway and airport projects is Rs. 142.50 crores during 2010-11.

g. Housing

Rural housing is one of the major sectors under SDP. The following programmes are being implemented in the backward taluks under SDP.

- Rural Housing – District Sector
- Ashraya Loan and subsidy -State Sector (SS)
- House sites for landless – (SS)
- Housing for Weaker Sections- SS
- Indira Awaas Yojane- State share

The allocation for these schemes during the period 2007-11 is Rs. 1146.77 crores, which is 12.52 percent of the total allocation. The allocation during 2010-11 is Rs. 328.58 crore.

h. Education

Human resource development is given high priority by the Nanjundappa Committee and therefore it has recommended establishment of top level educational institutions and health infrastructure in North Karnataka.

Under education, the additional programmes introduced are to strengthen the infrastructure in most backward and backward taluks. Cluster Complex is being established in 39 most backward taluks, with a view to providing teachers' quarters in backward taluks/regions. Opening of residential schools on KGBV model are also taken up in these taluks as female literacy rate is very low. Women's University is also established at Bijapur to promote Women's Higher Education and a Central University is established at Gulbarga.

Many of the schools that do not have compounds, playgrounds and drinking water and sanitation facilities are being provided with these on a priority basis in 39 most backward taluks with additional funds under Pancha Soulabhya programme listed under Sarva Shikshana Abhiyan (SSA). Funds are also allocated to start Model High Schools in these backward taluks. Construction and improvement of high school buildings is taken up with assistance from NABARD.

i. Health

The important programmes included here are up-gradation of PHCs and CHCs and general hospitals and opening up of Burns and Dialysis wards in hospitals in Bidar and Gulbarga and other backward areas. Opening up of new medical colleges is also initiated.

Improvement of District Hospitals in Gulbarga and Chamrajnagar districts, purchase of equipments for upgraded PHCs in 39 most backward taluks are the other important programmes taken up in the Health Sector. The focus is on building up infrastructure and modernization to provide quality service to the rural masses. The total allocation under health during 2007-11 is Rs. 296.48 crore and the allocation during the current year is Rs. 100 crore.

j. Labour and Social Welfare

Skill development is also given importance to generate human resources in the backward regions. New Industrial Training Institutes for Women and for all are established in these taluks. Funds are also earmarked under SDP for skill development of women and Minorities. Training under Modular Employable Skills is being taken up with the assistance of Skill Development Corporation. The total allocation for these programmes during 2007-11 is Rs. 103.31 crore and during the current year it is Rs. 40 crore. Such training is useful to the youths as it increases their employability. The Social Welfare Department has taken up energisation of Ganga Kalyan Wells for the benefit SC and ST people. The allocation for this programme during 2010-11 is Rs. 250 crore.

k. Women and child Development

Many programmes are taken up by Women and Child Development Department for empowerment of women in backward taluks. Skill development for Stree Shakti groups is taken up. Anganwadi buildings are constructed, Training Centres for SHG groups are to be established at division level to promote training facilities. Construction of houses for devadasis is also taken up in the backward taluks.

l. Tourism Development

The Nanjundappa Committee had recommended development of tourism industry. There are many historical places in the backward taluks which have remained less attractive due to lack of infrastructure facilities. Therefore, investment in development of infrastructure and other living facilities for tourists is included under the Special Development Plan. The total amount allocated for this purpose is Rs. 40 crore and the expenditure undertaken so far is Rs. 29.75 crore.

The implementation of recommendations of Nanjundappa Committee still remains as an ongoing agenda. The implementation process has gathered speed in recent years. But the development gap is also increasing over the years. The Eleventh Five Year Plan focuses on inclusive growth, which implies that people in all the regions of the country should gain access to development. Therefore, speedy implementation of the Special Development Plan is very essential. The facilities created in the most backward and more backward taluks should be effectively utilized to promote human development as well as economic development. The government of Karnataka has been endeavouring to achieve these goals to the best of its ability.

11.3 Role of Decentralised Governance and Civil Society

11.3.1 Background

Karnataka has been a pioneer State in decentralised governance, more specifically in nurturing Panchayat Raj Institutions (PRIs). The 73rd and 74th Amendments to the Constitution, a watershed in Indian Democratic Republic saw the dawn of powerful local governments all over the country. Karnataka was the first state in the country to enact the Panchayat Raj Act, during 1993 incorporating the features of the 73rd Amendment. Elections are being successively held to the three-tiers of PRIs. Politically, there is a broad consensus and sincere commitment in favour of decentralisation that finds a place in the ideologies of all political parties in the State. The Panchayat Raj System in the state has been stabilized with the conduct of four elections. An outstanding feature of the Panchayat Raj System in Karnataka is the determined effort to empower the voiceless section of society by providing for specific reservation not only in its membership but also to the post of Chairpersons of the Institutions. It is a matter of great pride that women have been provided with 50 per cent reservation both in membership and authority positions. More significantly, in order to promote participatory governance the Karnataka Panchayat Raj Act, 1993 has been further amended for enhancing the quality of people's participation through greater empowerment of Gram Sabhas and Ward Sabhas thereby bringing in transparency and accountability in the functioning of PRIs;

11.3.2 Decentralised Planning as the Strategy

The objectives of accelerating rural development and reaching benefits of development equitably call for the evolution of an appropriate rural development planning strategy- a strategy that strengthens the various indicators of rural development as also brings a qualitative change in their reach to all sections of the society. In order to achieve this objective, the Government of India opted for a strategy of decentralized planning and entrusted that the responsibility of planning and implementing rural development programs to the decentralized government bodies like PRIs in rural areas and urban local bodies in urban areas.

With the passing of the 73rd Constitutional (Amendment) Act, 1992 the Panchayati Raj Institutions (PRIs) have acquired a statutory status, become integral part of our polity and, more importantly, they have been recognized as 'institutions of self-government'. They have been given the important responsibilities of plan preparation and plan implementation in order to ensure economic development in rural areas and to ensure social justice in the distribution of benefits of such development process (Article 243 G). Consequently, decentralised governance and planning have emerged as strategies for initiating socio-economic transformation in rural areas with the prime objective of developing rural infrastructure and improving the living conditions of the rural people, especially the weaker sections.

11.3.3 Decentralised Planning in Karnataka

It is to be noted that, after effecting the 73rd Amendment to the Constitution, Karnataka was the first State to pass a new legislation in 1993, namely, The Karnataka Panchayat Raj Act, 1993. The new Act provides for a three-tier structure of Panchayati Raj with Zilla Panchayats (at the district level) Taluk Panchayats (at the Taluk level) and Gram Panchayats (at the village level). The Bill for constituting panchayats, which was introduced on 1st April 1993, came into

force from May 18, 1993. In conformity with the Eleventh Schedule of the Constitution, the 1993 Act has entrusted a wide range of functions (Schedule I, II and III) to panchayats. To carry out these functions, the Gram Panchayat receives Rs. six lakh annual grant and has powers to levy tax on buildings and lands, levy water rate, tax on entertainment, vehicles, advertisement and hoarding and collect market fee, fee on bus stands and on grazing cattle. Both the Taluk Panchayat and the Zilla Panchayat are allowed to charge fee on their property used by others and they do not have powers to levy taxes. In addition, both the Grama Panchayats and the Taluk Panchayats get proceeds from cess on land revenue, surcharge on stamp duty levied by the State Government. Except for these, the panchayats have to depend solely on the resources transferred from the Government.

The powers and functions of the Grama Panchayats, Taluk Panchayats and Zilla Panchayats have been listed in sections 58, 145 and 184. As per the three schedules (I,II,III) the panchayats are authorised to carry out functions such as preparation of annual plans, annual budgets and sectoral schemes for promotion of agriculture, animal husbandry, rural housing, drinking water, roads and bridges, rural electrification, education, rural sanitation, public health, women and child development, social welfare, public distribution system, maintenance of community assets, cooperative activities and promotion of libraries. Section 309 of 1993 Act provides for the preparation of development plan by the grama panchayats, taluk panchayats and zilla panchayats. Furthermore, Section 310 of the Act makes it mandatory for the state to constitute District Planning Committees (DPCs) in each district which are required to consolidate the plans prepared by the panchayats and municipal bodies and to prepare the draft district development plan of the district by taking into consideration the needs of the spatial planning, physical and natural resources and the level of infrastructure development. Dr. D M Nanjundappa's Report also recommended that DPCs in each district should do the planning keeping 'taluk' as the primary unit in the planning process.

11.3.4 Recent Policy Initiatives to strengthen Decentralised Planning Process

Karnataka comprises 5,627 Gram Panchayats, 176 Taluk Panchayats and 30 Zilla Panchayats. The State has to its credit entrusting major responsibilities and devolving all the 29 functions (a first State to do so in the country as a whole) to the panchayats as enlisted under the Eleventh Schedule of the Constitution. In recent years, the Karnataka Government has been taking a proactive stance to strengthen the decentralised governance and planning process and to that effect has introduced many administrative innovations like the following: (i) The responsibility of plan formulation and implementation have been devolved to the panchayats by transferring functions, functionaries and finances. (ii) Introduction of social auditing in the form of Jamabandhi to ensure transparency in the system; Grama Panchayats are empowered to call for tenders for all works with an estimated cost of Rs. 10,000 and above and for procuring materials worth Rs. 5000 and above. (iii) Computerisation of Grama Panchayats, Taluk Panchayats and Zilla Panchayats. (iv) Grama Panchayat Secretaries draw their salaries from the Grama Panchayat's account, thereby are more accountable to their Panchayats, and (v) the State has launched capacity building programmes such as- certificate course for panchayat members, imparting functional literacy to illiterate Grama Panchayat members, training through satellite networks to elected panchayats functionaries at ANSSIRD, Mysore.

11.3.5 Activity Mapping

In addition to this, the Government of Karnataka, based on the recommendations of the Working Group, constituted in the year 2001, has evolved a detailed range of 'Activity Mapping' for all the three panchayats. Complying with these recommendations, the Cabinet Subcommittee had cleared an 'Activity Mapping Framework' in August 2003. Broadly, the activity mapping visualises both Zilla Panchayats and Taluk Panchayats as planners, facilitators and owners of common executive machinery, Grama Panchayats as the cutting edge of local service provision, and Grama Sabha and Ward Sabhas as instruments of downward accountability. The new activity mapping framework devolving functions has to be accompanied by adequate devolution of finances and functionaries. To translate this into reality, the department of Rural Development and Panchayat Raj in coordination with other departments has devolved certain functions, functionaries and finances to PRIs.

11.3.6 Simplification and Rationalisation of Schemes

Another step in the above direction is the simplification and rationalisation of schemes. Accordingly, the number of schemes in the Panchayat Sector of the Budget is now reduced from 658 to about 407(254 plan and 153 non-plan schemes) thus simplifying the District Sector fund transfer mechanism. Minor schemes have been merged into larger ones, giving greater flexibility to panchayats to address their priorities. Most of the State Sector Schemes and funds dealing with functions devolved to panchayats are now transferred to the District Sector, with effect from the 2005-06 budget onwards.

11.3.7 Decentralized Planning Process: Allocation of Funds to District Sector

The decentralised planning process as described in the plan documents, begins with the determination of annual plan size at the state level, and allocation of funds to the district sector. Then district sector allocation for various programmes is done in consultation with the Chief Executive Officer of each Zilla Panchayat, District level Sectoral officers and State level Department officers. After this, the data is supplied to Finance Department to integrate the district sector data with the State and also to print budget Link Documents. The Budget Link Documents are placed before the Legislature as a part of State Budget. Once the budget is passed, the Link Documents are made available to the Zilla Panchayath for the preparation of Action Plans at ZP, TP and GP level. These PRIs prepare the action plans as per the allocations, discuss them in the various Standing Committees and place them in the general body meetings and seek approval from the District Planning Committees after which the implementing officers start executing the plans/programmes. In the preparation of plans the ward sabhas and grama sabhas play a crucial role and their recommendations and suggestions do figure in such action plans emphasising the fact that the plans so prepared are the by-product of people's wishes and demands. Thus, the entire planning process can be termed as 'participatory planning process'. **Table 11.7** and the chart that follow provide information pertaining to allocations made and growth rates in the annual plans covering the period from 2008-09 to 2010-11.

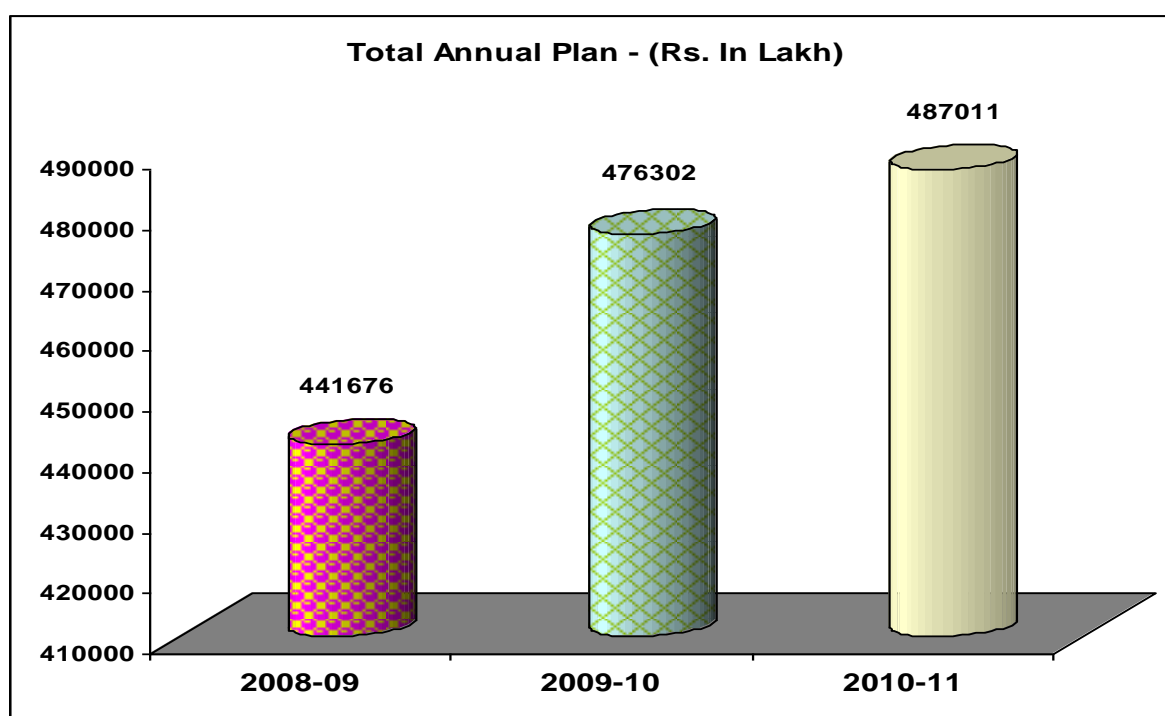
Table 11.7: Sector-wise Allocation of the District Sector State Plan Funds during the years from 2008-09 to 2010-11 (Rs. lakh)

Sl. No.	Sector	2008-09	2009-10	2010-11
1	Education	64651	86064	86720
2	Sports & Youth Services	782	782	1935
3	Art, Culture & Library	1288	1369	70
4	Medical & Public Health	9757	10264	10423
5	Family Welfare	22603	23832	26677
6	Rural Water Supply	11381	11331	5809
7	Rural Housing	44109	36427	36340
8	Welfare of SCs & STs	30416	33800	35251
9	Welfare of BCM/BCs	8026	11243	11618
10	Welfare Minorities	0	0	2082
11	Employment & training	52		51
12	Welfare of Women & Children	29845	42428	45250
13	Welfare of Disabled	328	418	434
14	Nutrition	11408	22923	27935
15	Agriculture	6960	6486	6574
16	Soil & Water Conservation	30070	24341	19580
17	Horticulture	2243	2087	1992
18	Animal Husbandry	6780	7353	8102
19	Fisheries	694	685	796
20	Forest	2243	2243	2212
21	Cooperation	2492	441	468
22	Agricultural Marketing	82	82	96
23	Special Programmes for RD	11234	12737	13207
24	Rural Energy	929	1118	1463
25	Rural Employment	77599	77599	84099
26	Grants to PRIs Including ZP office buildings	41249	40865	40790
27	Minor Irrigation	88	88	85
28	Village & SS Industries	385	385	460
29	Sericulture	399	399	432
30	Roads & Bridges	22655	15323	15324
31	District Planning Unit	211	211	295
32	Handloom & Textiles	502	224	237
33	Science & Technology	123	123	136
34	Labour	92	127	68
	Total	441676	473798	487011

Source: Department of Planning, Programme Monitoring and Statistics, Government of Karnataka

As may be seen from **Table 11.7** sectors like education, rural employment, welfare of women and children, welfare of Scheduled Castes and Scheduled Tribes, rural housing have been the priority sectors of panchayats having been receiving better allocation compared to other sectors. It can also be seen that there is a perceptible increase in the allocation made to these sectors across the plan years.

Figure: 11.1: Total Annual Plan (Rs. lakh)



11.3.8 Comprehensive District Development Plan (CDDP):

The 73rd and 74th Amendments to the Constitution mandate local planning at grama, taluk and zilla panchayat level and as well as at urban areas. Article 243 ZD of the 74th Amendment provides for setting up of DPCs at the district level to consolidate the plans of both urban and rural bodies, and to formulate a draft district plan for the district as a whole, having regard to matters of common interest between the panchayats and the municipalities including spatial planning, sharing of water and other resources, whether financial or otherwise. In order to perform this task efficiently, the DPC will have to determine a strategy for the district as a whole and accordingly provide guidelines to the PRIs and municipalities for formulating their plans. Set in this backdrop, the objectives of the comprehensive district development plan (CDDP) are:

- To design an integrated and participatory action plan for the development of local area in general and development sectors in particular.
- To prepare a Comprehensive District Development Plan through participatory process and consultative process involving various organisations and stakeholders. To enable optimum utilisation of scarce natural, physical and financial resources.
- To assess and plan for the infrastructure required to support the development sectors
- To establish linkages with the required institutional support services like credit, technology transfer, research etc.
- To evolve an action plan for achieving sustainable growth and development in all the development sectors as enlisted in the Eleventh Schedule of the Constitution.

With these objectives in view, the Department of Planning, Government of Karnataka, has embarked upon the task of preparing CDDPs for the Eleventh Plan period (2007-12) and

accordingly, necessary guidelines have been issued to PRIs and municipal bodies to prepare their plans. For this purpose these bodies have been advised to take the help of Technical Support Institutions (TSIs) like ISEC, AFRO, MYRADA and Universities. These TSIs have been working as handholding institutions to PRIs and municipal bodies in organising workshops, collection of data and preparation of draft plans. These plans have been prepared and presented before the DPCs. So far, CDDPs have been prepared for districts such as Dakshina Kannada, Bagalkote, Ramanagar, Udupi, Uttara Kannada, Chitradurga, Tumkur, Hassan, Shimoga, Dharwad, Kodagu, Davanagere, Bangalore Rural, Kolar, Haveri, Belgaum, Gulbarga, Chickamangalore, Chamrajnagar, Bijapur and in the remaining districts the work is in progress.

11.3.9 Role of Civil Society Organisations in Decentralised Planning Process:

Civil society originally referred to social groups organised for emancipating themselves from the oppressive rule of feudal lords and tyrant rulers. But today the term connotes a wider meaning and embraces a plethora of institutions outside the State. The civil society is a voluntary organisational structure intended to promote the well being of its members by self-management of their own affairs with little or no interference from political regime. In recent years, civil society has come to assume a greater role in the life of people because of the following reasons: First, in the modern day world, the needs and aspirations of people have multiplied beyond imagination such that the State alone cannot fulfill all these needs. Secondly, the State by its very nature is less responsive to people's needs on account of the bureaucratic structure it has built. Thirdly, interventions by the State are not cost effective as it operates with huge administrative machinery. On the other hand, civil society, being people's organisation, can be more responsive to the needs of the people and, being participative in its approach, it can also be cost effective. In view of these merits, civil society has obviously assumed a greater role today.

The series of rural development programs initiated from the sixties, especially with the adoption of the target group approach emphasising on targeting growth to weaker sections and backward sub-regions, gave primacy to decentralised planning. The latter emphasised on participation of people, their organisations and NGOs in the planning and implementation process which in turn provided some space to civil society. The latter in its new *avtar* was to play the role not only of assisting the panchayats by giving to them technical inputs on the basis of their own analysis of the prevailing socio-economic situation but also to motivate people to participate in the development process including monitoring of, and taking up development projects for, the benefit of the weaker sections and backward regions. In other words, the civil society is expected to play the role of capacity building among panchayat functionaries. The NGOs, as an important component of the modern civil society, are looked upon as change initiators in the rural society and input providers to rural governments. Because of their vast experience of working at the grass root level and the committed and trained cadres they have with them, the country reposes great faith in their ability to build capacities among local governments.

11.3.10 Civil Society Organisations in Karnataka:

In Karnataka, initiatives have been taken to enunciate people's participation and involvement of NGOs (almost 500 in the State) in implementing several schemes of the Central and State Governments. Continuous efforts have been made to create awareness among the public through these organisations in rural and backward areas and urban slums about

government programmes and their implementation. Voluntary organisations such as Karuna Trust, JSS, Mysore, MYRADA, AFRO have been actively involved in organising skill upgrading and capacity building programmes, training of panchayat members and in creating awareness in the fields of women and child development, social welfare, health, education, watershed development programme etc. **Table 11.8** provides information about participation of voluntary organisations in the government initiated programmes.

Table 11.8: Involvement and Participation Civil Society Organisations (CSO) in Implementing Government programmes

Sl. No.	Sector/ Programmes	Involvement of Voluntary organisations
1.	Health and Family Welfare	
	National Rural Health Mission	<ul style="list-style-type: none"> • Running PHCs in remote areas • Capacity building of Accredited Social Health Activists (ASHAs) and members of Village Health and Sanitation Committees • Involvement in National Leprosy Eradication and blindness Programmes • Preparation of annual district reports on people's health • Play a major role in prevention and control of AIDS by providing pre- test, post-test, counseling and HIV testing for diagnosis and surveillance • Motivating women under 'Parent to Child Transmission programme' to attend antenatal OPDs, counseling on health education, family planning, safe sex practices, infant feeding, immunisation and nutrition.
2.	Education	
	Akshara Dasoha	<ul style="list-style-type: none"> • Associated with the implementation of mid-day meal programme • 100 NGOs are involved in providing hot cooked meal to 10.98 lakh children in 5577 government and government aided schools
3.	Women and Child Development	
	Santhwana	<ul style="list-style-type: none"> • Involved in implementing this programme in 141 Santhwana centres • Involved in counseling women, victims of various atrocities, providing vocational training for self-sustenance.
	Integrated Street Children Programme	<ul style="list-style-type: none"> • Involved in providing 24 hours shelter to street children • To help the children to enroll in schools and provide vocational training • Protection against abuse and exploitation of destitute and neglected children
	Training of Anganawadi Workers/Helpers	<ul style="list-style-type: none"> • Involved in orientation training of ICDS functionaries, anganawadi workers and helpers • To empower ICDS functionaries with sufficient Knowledge about health, nutrition and childhood education
4.	Welfare of Backward Classes	
	Pre-metric and Post-metric hostels	<ul style="list-style-type: none"> • Running hostels for the educational advancement of the students belonging to backward classes • Running 240 pre-metric and 18 post-metric hostels • Imparting training for improving the quality of manpower among the backward classes
	Welfare of Minorities	<ul style="list-style-type: none"> • Students of minority community studying in middle and high schools are provided with hostel facilities to curtail dropouts. • Orphanages for poor children studying in 1st standard to 10th standard are run by the minority self-help organisations

	Welfare of Scheduled Castes	<ul style="list-style-type: none"> Maintaining pre-metric and post-metric hostels for Scheduled Caste students in their education
5.	Rural Development	
	Jal Nirmal Project	<ul style="list-style-type: none"> Involved as a partner in the overall implementation of the project Organising capacity building programmes for Grama Panchayats and village level user groups Providing community development support to Panchayats Imparting skill based training to members of Village Water Supply and Sanitation Committees
	Suvarna Gramodaya	<ul style="list-style-type: none"> Preparation of detailed village development plans Preparation of socio-economic profile of the villages
	Swarnajayanthi Gram Swarozgar Yojana (SGSY)	<ul style="list-style-type: none"> To work as facilitators for forming groups To impart training to group members In initiating and sustaining the group activities Forming and nurturing of SHGs and their monitoring
	Total Sanitation Campaign	<ul style="list-style-type: none"> Promotion of information, education and communication (IEC) activities. To create awareness among rural people about the importance of sanitation and also ensure that they use the services NGOs may also open and operate production centres and rural sanitary mitras to set up a delivery system
6.	Comprehensive District Development Plan	<ul style="list-style-type: none"> To work as technical support and hand-holding institutions to prepare district development plan Preparation, integration and finalisation of district development plans which includes both plans prepared for PRIs and Municipalities.

A close look at the above table indicates the multiple roles that the CSOs have been playing in promoting decentralised planning and development process by extending their support to PRIs and other development departments in the State. Notwithstanding this, the CSOs role, with financial support from the government, can largely be seen as being complementary to the government in assisting the latter in implementing the development programmes.

In this section, the roles of both panchayats and NGOs in response to the needs of decentralised governance and planning have been sketched. These institutions, with a considerable degree of autonomy, have been making efforts to take necessary decisions relating to formulation and implementation of rural development programs. Notwithstanding their roles and status, there is a growing need for 'networking' among these institutions as this has been perceived as a better strategy for strengthening rural infrastructure and improving the living standards of the rural people and thereby ensuring participatory planning and development process.

**ECONOMIC SURVEY OF
KARNATAKA 2010-11**

STATISTICAL APPENDIX

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APPENDIX 1.1
Selected Socio- Economic Indicators of States in India

State	Geographical Area (in Lakh Sq. Km.)*	Population (in lakh) *	Density of Population (per Sq Km)*	% of Urban Population to total Population*	% of State Population to all India Population*	Decennial growth rate of Population %*	Sex Ratio*
Reference Year	2001 Census	2001 Census	2001 Census	2001 Census	2001 Census	1991-2001	2001 Census
1	2	3	4	5	6	7	8
Andhra Pradesh	2.75	762.10	275	27.30	7.41	14.59	978
Arunachal Pradesh	0.84	10.98	13	20.75	0.11	27.00	901
Assam	0.78	266.55	340	12.90	2.59	18.92	932
Bihar	0.94	829.98	880	10.46	8.07	28.62	921
Jharkhand	0.80	269.45	338	22.24	2.62	23.36	941
Delhi	0.01	138.50	9294	93.18	1.35	47.02	821
Goa	0.04	13.48	363	49.76	0.13	15.21	960
Gujarat	1.96	506.71	258	37.36	4.93	22.66	921
Haryana	0.44	211.44	477	28.92	2.06	28.43	861
Himachal Pradesh	0.56	60.78	109	9.80	0.59	17.54	970
Jammu & Kashmir	2.22	101.44	99	24.81	0.98	29.43	900
Karnataka	1.92	528.51	276	33.99	5.14	17.51	965
Kerala	0.39	318.41	819	25.96	3.09	9.43	1058
Madhya Pradesh	3.08	603.48	196	26.46	5.87	24.26	920
Chattisgarh	1.35	208.33	154	20.09	2.03	18.27	990
Maharashtra	3.08	968.78	314	42.43	9.42	22.73	922
Manipur	0.22	22.94	107	25.11	0.21	24.86	978
Meghalaya	0.22	23.19	103	19.58	0.23	30.65	975
Mizoram	0.21	8.88	42	49.63	0.09	28.82	938
Nagaland	0.17	19.90	120	17.23	0.19	64.53	909
Orissa	1.56	368.05	236	14.99	3.58	16.25	972
Punjab	0.50	243.59	482	33.92	2.37	20.10	874

* excludes Union Territories

APPENDIX 1.1
Selected Socio- Economic Indicators of States in India

State	Geographical Area(in Lakh Sq. Km.) *	Population (in lakh) *	Density of Population(per Sq Km)	% of Urban Population to total Population *	% of State Population to all India Population *	Decennial growth rate of Population % *	Sex Ratio *
Reference Year	2001 Census	2001 Census	2001 Census	2001 Census	2001 Census	1991-2001	2001 Census
1	2	3	4	5	6	7	8
Rajasthan	3.42	565.07	165	23.39	5.49	28.41	922
Sikkim	0.07	5.41	76	11.07	0.05	33.06	875
Tamil Nadu	1.30	624.06	478	44.04	6.06	11.72	986
Tripura	0.10	31.99	304	17.06	0.31	16.03	938
Uttar Pradesh	2.41	1661.98	689	20.78	16.15	25.85	898
Uttarakhand	0.53	84.89	159	25.67	0.83	20.41	964
West Bengal	0.89	801.76	904	27.97	7.79	17.77	934
India	32.87	10287.37	324	27.81	100.00	21.11	933

* excludes Union Territories

APPENDIX 1.1
Selected Socio- Economic Indicators of States in India

State	Percentage of SC & ST Population to total population *	Percentage of main workers to total population *	Percentage of Agricultural workers to total workers *	Female workers participation rate *	Literacy Percentage			Life expectancy at Birth	
					Male *	Female *	Total *	Male *	Female *
Reference Year	2001 Census	2001 Census	2001 Census	2001 Census	2001 Census	2001 Census	2001 Census	2001-2006	2001-2006
1	9	10	11	12	13	14	15	16	17
Andhra Pradesh	22.8	38.11	62.30	37.92	70.85	51.17	61.11	62.79	65.00
Arunachal Pradesh	64.8	37.80	62.30	39.20	64.67	44.24	54.74	N.A	N.A
Assam	19.3	26.69	52.65	27.97	71.93	56.03	64.28	58.96	60.87
Bihar	16.6	25.37	77.35	26.78	60.32	33.57	47.53	65.66	64.79
Jharkhand	38.1	23.92	66.85	34.12	67.94	39.38	54.13	65.66	64.79
Delhi	16.9	31.17	1.11	12.87	87.37	75.00	81.82	N.A	N.A
Goa	1.8	31.56	16.61	28.24	88.88	75.51	82.32	N.A	N.A
Gujarat	21.9	33.60	52.04	31.89	80.50	58.60	69.97	63.12	64.10
Haryana	19.3	29.52	51.56	31.78	79.25	56.31	68.59	64.64	69.30
Himachal Pradesh	28.7	32.31	68.65	43.64	86.02	68.08	77.13	N.A	N.A
Jammu & Kashmir	18.5	25.72	50.10	28.61	65.75	41.82	54.46	N.A	N.A
Karnataka	22.8	36.64	55.89	35.26	76.29	57.45	67.04	62.43	66.44
Kerala	10.9	25.87	23.26	24.49	94.20	87.86	90.92	71.67	75.00
Madhya Pradesh	35.5	31.65	71.59	37.22	76.80	50.28	64.11	59.19	58.01
Chattisgarh	43.4	33.86	76.46	42.85	77.86	52.40	65.18	59.19	58.01
Maharashtra	19.1	35.87	55.41	34.78	86.27	67.51	77.27	66.75	69.76
Manipur	37.0	30.43	57.38	44.22	77.87	59.70	68.87	N.A	N.A
Meghalaya	86.4	32.65	65.89	41.40	66.14	60.41	63.31	N.A	N.A
Mizoram	94.5	40.79	59.77	43.70	90.69	86.13	88.49	N.A	N.A
Nagaland	89.1	35.38	68.03	42.32	71.77	61.92	67.11	N.A	N.A
Orissa	38.6	26.05	64.73	31.34	75.95	50.97	63.61	60.05	59.71

* excludes Union Territories

APPENDIX 1.1
Selected Socio- Economic Indicators of States in India

State	Percentage of SC & ST Population to total population *	Percentage of main workers to total population *	Percentage of Agricultural workers to total workers *	Female workers participation rate *	Literacy Percentage			Life expectancy at Birth	
					Male *	Female *	Total *	Male *	Female *
Reference Year/Date	2001	2001	2001	2001	2001	2001	2001	2001-2006	2001-2006
1	9	10	11	12	13	14	15	16	17
Punjab	28.9	32.17	39.36	23.74	75.63	63.55	69.65	69.78	72.00
Rajasthan	29.8	30.86	66.00	38.17	76.46	44.34	61.03	62.17	62.80
Sikkim	25.6	39.36	56.34	37.00	76.73	61.46	69.68	N.A	N.A
Tamil Nadu	20.0	38.07	49.55	35.07	82.33	64.55	73.47	67.00	69.75
Tripura	48.5	28.52	50.92	28.31	81.47	65.41	73.66	N.A	N.A
Uttar Pradesh	21.2	23.67	66.03	24.09	70.23	42.98	57.36	63.54	64.09
Uttarakhand	20.9	27.36	58.03	36.31	84.01	60.26	72.28	63.54	64.09
West Bengal	28.5	28.72	43.94	24.06	77.58	60.22	69.22	66.08	69.34
India	24.40	30.42	58.40	31.63	75.96	54.28	65.49	63.87	66.91

* excludes Union Territories

APPENDIX 1.1
Selected Socio- Economic Indicators of States in India

State	Birth Rate	Death Rate	Infant Mortality Rate	Per capita Income at Current Prices (Rs)*	No. of Students in Primary and Secondary Schools per 000' Population (I - VIII)	Average Yield (qntls/Ha)	
						Total Cereals	Total Pulses
Reference Year/ Date	2008	2008	2008	2008-09	2007-08	2006-07	2006-07
1	18	19	20	21	22	23	24
Andhra Pradesh	18.4	7.5	52	40902	144	28.1	6.8
Arunachal Pradesh	21.8	5.2	32	33302	248	12.2	10.8
Assam	23.9	8.6	64	23993	197	13.2	5.6
Bihar	28.9	7.3	56	13663	189	17.5	7.2
Jharkhand	25.8	7.1	46	21465	253	17.1	6.9
Delhi	18.4	4.8	35	88421	190	34.2	17.5
Goa	13.6	6.6	10	NA	139	24.6	13.6
Gujarat	22.6	6.9	50	49251	183	16.6	5.9
Haryana	23.0	6.9	54	68914	161	35.0	8.2
Himachal Pradesh	17.7	7.4	44	44538	182	17.5	9.3
Jammu & Kashmir	18.8	5.8	49	NA	159	17.7	5.1
Karnataka	19.8	7.4	45	41513	163	17.2	3.8
Kerala	14.6	6.6	12	49316	128	23.9	8.6
Madhya Pradesh	28.0	8.6	70	21648	277	13.8	7.8
Chattisgarh	26.1	8.1	57	34483	222	12.8	5.4
Maharashtra	17.9	6.6	33	54867	163	10.8	6.0
Manipur	15.8	5.0	14	21062	226	23.3	5.2
Meghalaya	25.2	7.9	58	33674	321	18.3	7.4
Mizoram	17.8	5.1	37	30292	234	8.0	11.6
Nagaland	17.5	4.6	26	NA	156	15.2	12.0
Orissa	21.4	9.0	69	29464	177	15.2	4.5

*1999-2000 Series.

N A: Not available

APPENDIX 1.1
Selected Socio- Economic Indicators of States in India

State	Birth Rate	Death Rate	Infant Mortality Rate	Per capita Income at Current Prices (Rs)*	No. of Students in Primary and Secondary Schools per 000' Population (I - VIII)	Average Yield (qntls/Ha)	
						Total Cereals	Total Pulses
Reference Year/Date	2008	2008	2008	2008-09	2007-08	2006-07	2006-07
	18	19	20	21	22	23	24
Punjab	17.3	7.2	41	52879	138	40.3	8.5
Rajasthan	27.5	6.8	63	27001	227	13.4	4.6
Sikkim	18.4	5.2	33	37553	211	14.0	9.0
Tamil Nadu	16.0	7.4	31	45058	156	30.3	5.4
Tripura	15.4	5.9	34	NA	216	24.6	6.5
Uttar Pradesh	29.1	8.4	67	18710	212	22.7	7.3
Uttarakhand	20.1	6.4	44	36675	209	18.2	6.4
West Bengal	17.5	6.2	35	36322	166	25.8	7.0
India	22.8	7.4	53	37490	187	20.2	6.1

*1999–2000 Series.

N A: Not available

APPENDIX 1.1
Selected Socio- Economic Indicators of States in India

State	Average Yield (qntls/ha)			Per capita Food grains production (Kgs)	Consumption of fertilizers per ha. of cropped area (Kg. per ha.)	Percentage of Net Area irrigated to total cropped area	Net area sown per cultivator	Factory employment per lakh popn.
	Total Food Grains	Cotton	Sugar-cane					
Reference Year/Date	2006-07	2006-07	2006-07	2006-07	2008-09	2005-06(p)	2005-06(p)	2006-07
1	25	26	27	28	29	30	31	32
Andhra Pradesh	22.3	3.8	821.7	213	239.71	32.87	1.5	1306
Arunachal Pradesh	12.2	-	168.0	225	2.95	16.48	0.9	0
Assam	12.9	1.0	390.7	115	62.09	3.75	1.0	510
Bihar	16.6	-	459.5	134	178.98	40.97	0.8	78
Jharkhand	15.5	-	355.	137	55.72	7.75	0.7	543
Delhi	34.1	-	-	9	14.88	54.55	0.9	925
Goa	22.5	-	527.3	109	42.27	14.12	4.6	3083
Gujarat	14.2	6.3	730.4	128	140.71	29.97	2.1	1929
Haryana	33.9	5.8	684.3	698	201.62	45.14	1.6	2009
Himachal Pradesh	17.1	1.7	196.7	227	60.58	11.17	0.5	1112
Jammu & Kashmir	17.3	-	40.0	155	93.34	28.53	0.8	469
Karnataka	13.0	2.8	879.4	182	147.28	22.80	1.7	1343
Kerala	23.3	1.7	880.0	20	89.41	13.43	3.6	1076
Madhya Pradesh	11.7	2.2	436.4	228	70.77	28.97	1.7	391
Chattisgarh	11.5	3.4	26.0	279	80.74	21.72	1.4	662
Maharashtra	9.4	2.5	749.0	131	113.69	14.61	1.7	1440
Manipur	22.4	-	328.6	174	57.46	22.87	0.8	92
Meghalaya	18.0	1.8	20.0	100	13.92	22.48	0.6	247
Mizoram	8.2	44.2	32.9	63	47.28	16.49	0.5	0
Nagaland	14.8	1.7	487.3	219	2.24	17.31	0.7	179
Orissa	13.6	3.6	634.0	200	61.64	21.18	1.7	439
Punjab	40.2	7.5	608.1	1039	221.42	49.94	2.2	2054
Rajasthan	11.2	3.6	577.7	251	48.85	29.01	1.8	536
Sikkim	13.5	-	-	183	0.00	4.88	1.1	0
Tamil Nadu	26.1	3.7	1051.2	132	216.54	48.40	1.1	3021

APPENDIX 1.1
Selected Socio- Economic Indicators of States in India

State	Average Yield (qntls/ha)			Per capita Food grains production (Kgs)	Consumption of fertilizers per ha. of cropped area (Kg. per ha.)	Percentage of gross irrigated area to gross cropped area	Net area sown per cultivator	Factory employment per lakh popn.
	Total Food Grains	Cotton	Sugar-Cane					
Reference Year	2006-07	2006-07	2006-07	2006-07	2008-09	2005-06(p)	2005-06(p)	2006-07
1	25	26	27	28	29	30	31	32
Tripura	24.0	2.3	471.1	197	47.18	20.40	1.1	652
Uttar Pradesh	20.6	2.4	596.3	248	156.31	52.48	0.9	415
Uttarakhand	17.6	-	504.1	204	123.31	27.25	0.7	1118
West Bengal	25.1	4.4	763.1	199	157.69	32.89	1.2	634
India	17.6	4.2	690.2	211	128.58	31.22	1.4	997

APPENDIX 1.1
Selected Socio- Economic Indicators of States in India

State	Percapita gross Output in Industries (Rs.in lakhs)	Percapita value added in industries (Rs.in lakhs)	Motor Vehicles per lakh of Population	Total Road Length per 100 Sq. Km. of Area	No.of Banking Offices per lakh of Population	Percapita Deposits (Rs.)	Percapita Bank Credit (Rs.)
Reference Year/Date	2006-07	2006-07	2006 (P)	2008	31.03.2009	31.03.2009	31.03.2009
1	33	34	35	36	37	38	39
Andhra Pradesh	1067.38	182.72	9471	125.44	8.45	26134	25500
Arunachal Pradesh	0	0	2005	19.70	7.01	24744	6142
Assam	1680.05	200.77	3429	293.65	5.14	13259	5083
Bihar	1350.46	22.42	1725	127.57	4.61	7398	2017
Jharkhand	3212.01	738.66	5585	21.99	6.33	NA	NA
Delhi	785.91	101.44	32397	1993.19	15.48	276432	189451
Goa	3766.58	722.50	39272	285.49	29.60	121370	32197
Gujarat	2675.62	344.36	17016	74.80	8.45	34391	21721
Haryana	2356.17	352.05	14600	67.24	10.14	38237	23510
Himachal Pradesh	2575.70	847.14	5495	65.20	15.58	30019	11571
Jammu & Kashmir	1925.85	293.89	5166	10.04	9.42	25532	11817
Karnataka	2140.83	411.67	11769	133.19	10.82	44027	33738
Kerala	996.64	70.13	11177	526.87	12.61	38495	23242
Madhya Pradesh	2131.90	368.76	7637	53.77	6.46	10816	6208
Chattisgarh	2618.05	701.94	7397	55.06	5.71	NA	NA
Maharashtra	2637.40	527.70	11319	72.57	7.63	99891	90693
Manipur	52.09	11.26	5405	73.91	3.49	7572	2929
Meghalaya	1727.91	600.47	4485	43.87	8.62	20360	5628
Mizoram	0	0	5856	29.21	10.47	14672	8613
Nagaland	128.55	40.90	9246	134.53	4.17	16351	5014
Orissa	2003.37	493.31	5249	138.34	7.25	18167	9223

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Selected Socio- Economic Indicators of States in India

State	Percapita gross output in Industries	Percapita value added in industries	Motor Vehicles per lakh of Population	Total Road Length per 100 Sq. Km. of Area	No.of Banking Offices per lakh of Population	Percapita Deposits (Rs.)	Percapita Bank Credit (Rs.)
Reference Year/Date	2006-07	2006-07	2006 (P)	2008	31.03.2009	31.03.2009	31.03.2009
1	33	34	35	36	37	38	39
Punjab	851.82	114.64	16565	89.71	13.26	46107	30210
Rajasthan	1117.20	206.33	8413	50.11	6.91	14572	11681
Sikkim	0	0	4067	26.40	13.12	36215	15338
Tamil Nadu	1154.80	169.78	16111	139.33	9.36	37084	40383
Tripura	249.2	43.58	3314	302.62	6.63	13607	4054
Uttar Pradesh	1600.20	220.22	4807	532.27	5.77	12753	5363
Uttarakhand	1891.28	435.61	7575	17.03	12.75	NA	NA
West Bengal	1702.60	198.89	3582	238.61	6.26	25760	15656
India	1737.56	285.48	8711	128.87	7.68	34371	24945

Appendix 2.1

GROSS STATE DOMESTIC PRODUCT AT FACTOR COST BY INDUSTRY OF ORIGIN - AT CURRENT PRICES

Rs. Crore

Sl. No.	Industry	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10 Q.E.	2010-11 A.E.	GROWTH RATES OF GSDP - AT CURRENT PRICES					
									2005-06 over 2004-05	2006-07 over 2007-08	2007-08 over 2008-09	2008-09 over 2007-08	2009-10 over 2008-09	2010-11 over 2009-10
1	Agriculture, Forestry and Fishing	31171	38270	39452	46099	48717	60253	69098	22.8	3.1	16.8	5.7	23.7	14.7
1.1	Agriculture	26436	32537	33276	38903	39930	50235	57991	23.1	2.3	16.9	2.6	25.8	15.4
1.2	Forestry and Logging	4104	4899	5234	6284	7291	8394	9435	19.4	6.8	20.1	16.0	15.1	12.4
1.3	Fishing	630	833	942	911	1496	1624	1672	32.3	13.0	-3.2	64.2	8.6	3.0
2	Mining and Quarrying	1926	2316	2937	5366	5410	4543	4717	20.3	26.8	82.7	0.8	-16.0	3.8
3	Manufacturing	30596	33389	43692	48483	52398	58506	67055	9.1	30.9	11.0	8.1	11.7	14.6
3.1	Registered	23778	25769	34878	38359	41777	46149	53082	8.4	35.3	10.0	8.9	10.5	15.0
3.2	Un-registered	6818	7620	8814	10124	10621	12357	13973	11.8	15.7	14.9	4.9	16.4	13.1
4	Construction	13865	17518	21142	26485	28335	30243	32033	26.3	20.7	25.3	7.0	6.7	5.9
5	Electricity, Gas and Water supply	3704	4459	4795	5349	3837	6097	6388	20.4	7.5	11.6	-28.3	58.9	4.8
6	Transport, Storage and Communication	11591	13175	14735	16675	19688	23414	26893	13.7	11.8	13.2	18.1	18.9	14.9
6.1	Railways	1003	1085	1309	1586	1750	2217	2666	8.2	20.7	21.1	10.3	26.7	20.3
6.2	Transport by other means	7356	8590	9794	11228	13562	15822	17680	16.8	14.0	14.6	20.8	16.7	11.7
6.3	Storage	30	36	46	48	50	53	55	20.6	28.9	3.3	4.7	5.2	4.5
6.4	Communication	3203	3465	3585	3813	4326	5322	6492	8.2	3.5	6.4	13.4	23.0	22.0
7	Trade, Hotels and Restaurants	23137	28654	32701	39979	43885	48231	56592	23.8	14.1	22.3	9.8	9.9	17.3
8	Banking and Insurance	10212	11004	12856	15112	18189	20141	23874	7.8	16.8	17.5	20.4	10.7	18.5
9	Real estate, Ownership of Dwellings & Business Services	21595	26562	32406	39572	47255	52269	63174	23.0	22.0	22.1	19.4	10.6	20.9
10	Public Administration	6670	7389	8370	10111	12414	13071	16293	10.8	13.3	20.8	22.8	5.3	24.7
11	Other services	11914	13036	14770	18016	22019	26243	31820	9.4	13.3	22.0	22.2	19.2	21.3
	Total GSDP	166380	195772	227854	271246	302146	343010	397938	17.7	16.4	19.0	11.4	13.5	16.0
	Population ('00)	591700	559920	566470	572920	579270	585520	591700						
	Per Capita GSDP (Rs.)	30072	34964	40224	47344	52160	58582	67253	16.3	15.0	17.7	10.2	12.3	14.8
	Primary Sector	33096	40586	42389	51465	54127	64797	73816	22.6	4.4	21.4	5.2	19.7	13.9
	Secondary Sector	48166	55366	69628	80317	84570	94846	105476	14.9	25.8	15.4	5.3	12.2	11.2
	Tertiary Sector	85118	99821	115838	139464	163450	183368	218647	17.3	16.0	20.4	17.2	12.2	19.2
	Total GSDP at Factor Cost	166380	195772	227854	271246	302146	343010	397938	17.7	16.4	19.0	11.4	13.5	16.0
	I. Agriculture	31171	38270	39452	46099	48717	60253	69098	22.8	3.1	16.8	5.7	23.7	14.7
	II. Industry	50091	57682	72565	85683	89980	99389	110193	15.2	25.8	18.1	5.0	10.5	10.9
	III. Services	85118	99821	115838	139464	163450	183368	218647	17.3	16.0	20.4	17.2	12.2	19.2

Source : Directorate of Economics and Statistics, GOK

Appendix 2.2

GROSS STATE DOMESTIC PRODUCT AT FACTOR COST BY INDUSTRY OF ORIGIN - AT CONSTANT (2004-05) PRICES

Rs. Crore

Sl. No.	Industry	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10 Q.E.	2010-11 A.E.	GROWTH RATES OF GSDP - AT CONSTANT(2004-05) PRICES					
									2005-06 over 2004-05	2006-07 over 2007-08	2007-08 over 2008-09	2008-09 over 2007-08	2009-10 over 2008-09	2010-11 over 2009-10
1	Agriculture, Forestry and Fishing	31171	34287	33410	37383	37585	39206	41509	10.0	-2.6	11.9	0.5	4.3	5.9
1.1	Agriculture	26436	29358	28403	32204	31962	33285	35354	11.1	-3.3	13.4	-0.8	4.1	6.2
1.2	Forestry and Logging	4104	4200	4341	4486	4755	4973	5220	2.3	3.4	3.4	6.0	4.6	5.0
1.3	Fishing	630	730	667	692	868	948	934	15.9	-8.6	3.8	25.4	9.2	-1.5
2	Mining and Quarrying	1926	1882	1977	2812	2807	2511	2596	-2.3	5.1	42.2	-0.2	-10.5	3.4
3	Manufacturing	30596	31703	39308	41868	42623	46525	50846	3.6	24.0	6.5	1.8	9.2	9.3
3.1	Registered	23778	24410	31250	32984	33927	36941	40563	2.7	28.0	5.6	2.9	8.9	9.8
3.2	Un-registered	6818	7294	8059	8884	8696	9585	10283	7.0	10.5	10.2	-2.1	10.2	7.3
4	Construction	13865	16542	18775	21965	21089	21978	22763	19.3	13.5	17.0	-4.0	4.2	3.6
5	Electricity, Gas and Watersupply	3704	4295	3951	4169	2803	4218	4206	15.9	-8.0	5.5	-32.8	50.5	-0.3
6	Transport, Storage and Communication	11591	13125	14369	15977	17498	19652	21152	13.2	9.5	11.2	9.5	12.3	7.6
6.1	Railways	1003	1103	1216	1388	1507	1649	1839	10.0	10.3	14.1	8.6	9.4	11.5
6.2	Transport by other means	7356	8208	8633	9395	10183	10733	11186	11.6	5.2	8.8	8.4	5.4	4.2
6.3	Storage	30	32	40	38	38	39	42	6.6	27.5	-6.7	0.9	1.8	8.8
6.4	Communication	3203	3783	4479	5155	5770	7231	8085	18.1	18.4	15.1	11.9	25.3	11.8
7	Trade, Hotels and Restaurants	23137	28232	30289	34851	35136	35774	39078	22.0	7.3	15.1	0.8	1.8	9.2
8	Banking and Insurance	10212	11853	14212	16876	19393	21582	23326	16.1	19.9	18.8	14.9	11.3	8.1
9	Real estate, Ownership of Dwellings & Business Services	21595	24145	27230	31138	34002	33295	36266	11.8	12.8	14.4	9.2	-2.1	8.9
10	Public Administration	6670	7042	7507	8509	9590	9296	11188	5.6	6.6	13.3	12.7	-3.1	20.3
11	Other services	11914	12406	13149	14937	16374	17231	19027	4.1	6.0	13.6	9.6	5.2	10.4
	Total GSDP	166380	185512	204179	230484	238899	251268	271956	11.5	10.1	12.9	3.7	5.2	8.2
	Population('00)	553270	559920	566470	572920	579270	585520	591700						
	Per Capita GSDP(Rs.)	30072	33132	36044	40230	41241	42914	45962	10.2	8.8	11.6	2.5	4.1	7.1
	Primary Sector	33096	36169	35387	40195	40392	41718	44104	9.3	-2.2	13.6	0.5	3.3	5.7
	Secondary Sector	48166	52540	62035	68003	66514	72721	77815	9.1	18.1	9.6	-2.2	9.3	7.0
	Tertiary Sector	85118	96803	106756	122287	131993	136829	150037	13.7	10.3	14.5	7.9	3.7	9.7
	GSDP at Factor Cost	166380	185512	204179	230484	238899	251268	271956	11.5	10.1	12.9	3.7	5.2	8.2
	I. Agriculture	31171	34287	33410	37383	37585	39206	41509	10.0	-2.6	11.9	0.5	4.3	5.9
	II. Industry	50091	54422	64013	70814	69321	75233	80411	8.6	17.6	10.6	-2.1	8.5	6.9
	III. Services	85118	96803	106756	122287	131993	136829	150037	13.7	10.3	14.5	7.9	3.7	9.7

Source : Directorate of Economics and Statistics, GOK

Appendix 2.3

NET STATE DOMESTIC PRODUCT AT FACTOR COST BY INDUSTRY OF ORIGIN - AT CURRENT PRICES

Rs. Crore

Sl. No.	Industry	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10 Q.E.	2010-11 A.E.	GROWTH RATES OF GSDP - AT CURRENT PRICES					
									2005-06 over 2004-05	2006-07 over 2007-08	2007-08 over 2008-09	2008-09 over 2007-08	2009-10 over 2008-09	2010-11 over 2009-10
1	Agriculture, Forestry and Fishing	28426	35101	35949	42485	45605	56345	64617	23.5	2.4	18.2	7.3	23.5	14.7
1.1	Agriculture	23827	29532	29954	35482	37137	46662	53865	23.9	1.4	18.5	4.7	25.6	15.4
1.2	Forestry and Logging	4051	4839	5170	6205	7186	8268	9294	19.5	6.8	20.0	15.8	15.1	12.4
1.3	Fishing	549	730	825	798	1282	1415	1457	33.0	13.0	-3.3	60.7	10.4	3.0
2	Mining and Quarrying	1606	1902	2402	4434	4297	3374	3503	18.5	26.3	84.6	-3.1	-21.5	3.8
3	Manufacturing	23931	25386	35179	38453	39552	43799	51644	6.1	38.6	9.3	2.9	10.7	17.9
3.1	Registered	18296	19113	27894	29987	30215	32914	39213	4.5	45.9	7.5	0.8	8.9	19.1
3.2	Un-registered	5635	6273	7285	8466	9337	10884	12431	11.3	16.1	16.2	10.3	16.6	14.2
4	Construction	13325	16822	20257	25314	26899	28636	30333	26.2	20.4	25.0	6.3	6.5	5.9
5	Electricity, Gas and Water supply	1668	1921	1864	1936	1761	2611	2736	15.1	-2.9	3.8	-9.0	48.3	4.8
6	Transport, Storage and Communication	10067	11507	12918	14752	17338	20618	23529	14.3	12.3	14.2	17.5	18.9	14.1
6.1	Railways	654	725	925	1169	1341	1798	2163	10.9	27.5	26.4	14.7	34.0	20.3
6.2	Transport by other means	6695	7862	8979	10334	12390	14420	16008	17.4	14.2	15.1	19.9	16.4	11.0
6.3	Storage	28	34	44	45	46	49	51	19.9	28.7	2.7	2.7	5.1	4.5
6.4	Communication	2689	2886	2970	3204	3560	4351	5307	7.3	2.9	7.9	11.1	22.2	22.0
7	Trade, Hotels and Restaurants	22583	27961	31882	39002	42540	46735	54896	23.8	14.0	22.3	9.1	9.9	17.5
8	Banking and Insurance	10012	10786	12619	14847	17902	19822	23496	7.7	17.0	17.7	20.6	10.7	18.5
9	Real estate, Ownership of Dwellings & Business Services	19668	24332	29849	36554	41423	46271	56476	23.7	22.7	22.5	13.3	11.7	22.1
10	Public Administration	5362	5926	6703	8082	10316	10901	14052	10.5	13.1	20.6	27.6	5.7	28.9
11	Other services	11398	12438	14068	17161	20483	24526	29738	9.1	13.1	22.0	19.4	19.7	21.3
	Total NSDP	148047	174080	203690	243019	268118	303638	355019	17.6	17.0	19.3	10.3	13.2	16.9
	Population('00)	553270	559920	566470	572920	579270	585520	591700						
	Per Capita NSDP(Rs.)	26758	31090	35958	42418	46285	51858	60000	16.2	15.7	18.0	9.1	12.0	15.7
	Primary Sector	30032	37003	38351	46918	49903	59719	68120	23.2	3.6	22.3	6.4	19.7	14.1
	Secondary Sector	38924	44129	57301	65703	68212	75046	84712	13.4	29.8	14.7	3.8	10.0	12.9
	Tertiary Sector	79090	92949	108039	130398	150003	168873	202187	17.5	16.2	20.7	15.0	12.6	19.7
	Total NSDP at Factor Cost	148047	174080	203690	243019	268118	303638	355019	17.6	17.0	19.3	10.3	13.2	16.9
	I. Agriculture	28426	35101	35949	42485	45605	56345	64617	23.5	2.4	18.2	7.3	23.5	14.7
	II. Industry	40530	46031	59702	70137	72510	78420	88215	13.6	29.7	17.5	3.4	8.2	12.5
	III. Services	79090	92949	108039	130398	150003	168873	202187	17.5	16.2	20.7	15.0	12.6	19.7

Source : Directorate of Economics and Statistics, GOK

Appendix 2.4

NET STATE DOMESTIC PRODUCT AT FACTOR COST BY INDUSTRY OF ORIGIN - AT CONSTANT (2004-05) PRICES

Rs. Crore

Sl. No.	Industry	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10 Q.E.	2010-11 A.E.	GROWTH RATES OF GSDP - AT CONSTANT(2004-05) PRICES					
									2005-06 over 2004-05	2006-07 over 2007-08	2007-08 over 2008-09	2008-09 over 2007-08	2009-10 over 2008-09	2010-11 over 2009-10
1	Agriculture, Forestry and Fishing	28426	31252	30257	34310	34832	36024	38142	9.9	-3.2	13.4	1.5	3.4	5.9
1.1	Agriculture	23827	26481	25420	29310	29409	30334	32220	11.1	-4.0	15.3	0.3	3.1	6.2
1.2	Forestry and Logging	4051	4142	4283	4419	4687	4896	5139	2.3	3.4	3.2	6.1	4.5	5.0
1.3	Fishing	549	629	553	581	735	795	783	14.7	-12.1	4.9	26.6	8.1	-1.5
2	Mining and Quarrying	1606	1490	1492	2001	2121	1851	1913	-7.2	0.1	34.1	6.0	-12.7	3.3
3	Manufacturing	23931	24078	31438	32886	31251	33935	37694	0.6	30.6	4.6	-5.0	8.6	11.1
3.1	Registered	18296	18046	24753	25435	23618	25559	28672	-1.4	37.2	2.8	-7.1	8.2	12.2
3.2	Un-registered	5635	6032	6685	7451	7632	8376	9022	7.1	10.8	11.5	2.4	9.7	7.7
4	Construction	13325	15875	17951	20907	19834	20622	21360	19.1	13.1	16.5	-5.1	4.0	3.6
5	Electricity, Gas and Water supply	1668	1885	1316	1271	1523	2209	2202	13.0	-30.2	-3.4	19.8	45.0	-0.3
6	Transport, Storage and Communication	10067	11539	12692	14272	15850	17839	19212	14.6	10.0	12.4	11.1	12.6	7.7
6.1	Railways	654	765	863	1030	1185	1292	1441	17.0	12.7	19.4	15.1	9.0	11.5
6.2	Transport by other means	6695	7507	7866	8578	9228	9690	10104	12.1	4.8	9.1	7.6	5.0	4.3
6.3	Storage	28	30	38	35	35	36	39	5.5	27.6	-7.4	-0.2	1.7	8.8
6.4	Communication	2689	3237	3926	4628	5401	6821	7628	20.4	21.3	17.9	16.7	26.3	11.8
7	Trade, Hotels and Restaurants	22583	27571	29541	34005	34021	34593	37815	22.1	7.1	15.1	0.0	1.7	9.3
8	Banking and Insurance	10012	11645	13993	16640	19146	21308	23031	16.3	20.2	18.9	15.1	11.3	8.1
9	Real estate, Ownership of Dwellings & Business Services	19668	22037	24950	28639	29491	28687	31626	12.0	13.2	14.8	3.0	-2.7	10.2
10	Public Administration	5362	5646	5993	6753	7776	7422	9253	5.3	6.1	12.7	15.2	-4.6	24.7
11	Other services	11398	11836	12505	14185	15135	15928	17588	3.8	5.7	13.4	6.7	5.2	10.4
	Total NSDP	148047	164853	182128	205868	210979	220418	239835	11.4	10.5	13.0	2.5	4.5	8.8
	Population('00)	553270	559920	566470	572920	579270	585520	591700						
	Per Capita NSDP(Rs.)	26758	29442	32151	35933	36421	37645	40533	10.0	9.2	11.8	1.4	3.4	7.7
	Primary Sector	30032	32742	31749	36311	36953	37875	40054	9.0	-3.0	14.4	1.8	2.5	5.8
	Secondary Sector	38924	41838	50704	55064	52607	56766	61256	7.5	21.2	8.6	-4.5	7.9	7.9
	Tertiary Sector	79090	90273	99674	114493	121419	125777	138525	14.1	10.4	14.9	6.0	3.6	10.1
	Total NSDP at Factor Cost	148047	164853	182128	205868	210979	220418	239835	11.4	10.5	13.0	2.5	4.5	8.8
	I. Agriculture	28426	31252	30257	34310	34832	36024	38142	9.9	-3.2	13.4	1.5	3.4	5.9
	II. Industry	40530	43328	52196	57065	54728	58617	63169	6.9	20.5	9.3	-4.1	7.1	7.8
	III. Services	79090	90273	99674	114493	121419	125777	138525	14.1	10.4	14.9	6.0	3.6	10.1

Source : Directorate of Economics and Statistics, GOK

Appendix 2.5
SECTORAL COMPOSITION OF GSDP - AT CURRENT PRICES

(percentage)

Sl. No.	Industry	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10 Q.E.	2010-11 A.E.
1	Agriculture, Forestry and Fishing	18.73	19.55	17.31	17.00	16.12	17.57	17.36
1.1	Agriculture	15.89	16.62	14.60	14.34	13.22	14.65	14.57
1.2	Forestry and Logging	2.47	2.50	2.30	2.32	2.41	2.45	2.37
1.3	Fishing	0.38	0.43	0.41	0.34	0.50	0.47	0.42
2	Mining and Quarrying	1.16	1.18	1.29	1.98	1.79	1.32	1.19
3	Manufacturing	18.39	17.06	19.18	17.87	17.34	17.06	16.85
3.1	Registered	14.29	13.16	15.31	14.14	13.83	13.45	13.34
3.2	Un-registered	4.10	3.89	3.87	3.73	3.52	3.60	3.51
4	Construction	8.33	8.95	9.28	9.76	9.38	8.82	8.05
5	Electricity, Gas and Watersupply	2.23	2.28	2.10	1.97	1.27	1.78	1.61
6	Transport, Storage and Communication	6.97	6.73	6.47	6.15	6.52	6.83	6.76
6.1	Railways	0.60	0.55	0.57	0.58	0.58	0.65	0.67
6.2	Transport by other means	4.42	4.39	4.30	4.14	4.49	4.61	4.44
6.3	Storage	0.02	0.02	0.02	0.02	0.02	0.02	0.01
6.4	Communication	1.93	1.77	1.57	1.41	1.43	1.55	1.63
7	Trade, Hotels and Restaurants	13.91	14.64	14.35	14.74	14.52	14.06	14.22
8	Banking and Insurance	6.14	5.62	5.64	5.57	6.02	5.87	6.00
9	Real estate, Ownership of Dwellings & Business Services	12.98	13.57	14.22	14.59	15.64	15.24	15.88
10	Public Administration	4.01	3.77	3.67	3.73	4.11	3.81	4.09
11	Other services	7.16	6.66	6.48	6.64	7.29	7.65	8.00
	Total GSDP	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	Primary Sector	19.89	20.73	18.60	18.97	17.91	18.89	18.55
	Secondary Sector	28.95	28.28	30.56	29.61	27.99	27.65	26.51
	Tertiary Sector	51.16	50.99	50.84	51.42	54.10	53.46	54.94
	Total GSDP	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	I. Agriculture	18.73	19.55	17.31	17.00	16.12	17.57	17.36
	II. Industry	30.11	29.46	31.85	31.59	29.78	28.98	27.69
	III. Services	51.16	50.99	50.84	51.42	54.10	53.46	54.94

Source : Directorate of Economics and Statistics, GOK

Appendix 2.6

SECTORAL COMPOSITION OF GSDP - AT CONSTANT (2004-05) PRICES

(percentage)

Sl. No.	Industry	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10 Q.E.	2010-11 A.E.
1	Agriculture, Forestry and Fishing	18.73	18.48	16.36	16.22	15.73	15.60	15.26
1.1	Agriculture	15.89	15.83	13.91	13.97	13.38	13.25	13.00
1.2	Forestry and Logging	2.47	2.26	2.13	1.95	1.99	1.98	1.92
1.3	Fishing	0.38	0.39	0.33	0.30	0.36	0.38	0.34
2	Mining and Quarrying	1.16	1.01	0.97	1.22	1.17	1.00	0.95
3	Manufacturing	18.39	17.09	19.25	18.17	17.84	18.52	18.70
3.1	Registered	14.29	13.16	15.31	14.31	14.20	14.70	14.92
3.2	Un-registered	4.10	3.93	3.95	3.85	3.64	3.81	3.78
4	Construction	8.33	8.92	9.20	9.53	8.83	8.75	8.37
5	Electricity, Gas and Water supply	2.23	2.32	1.94	1.81	1.17	1.68	1.55
6	Transport, Storage and Communication	6.97	7.08	7.04	6.93	7.32	7.82	7.78
6.1	Railways	0.60	0.59	0.60	0.60	0.63	0.66	0.68
6.2	Transport by other means	4.42	4.42	4.23	4.08	4.26	4.27	4.11
6.3	Storage	0.02	0.02	0.02	0.02	0.02	0.02	0.02
6.4	Communication	1.93	2.04	2.19	2.24	2.42	2.88	2.97
7	Trade, Hotels and Restaurants	13.91	15.22	14.83	15.12	14.71	14.24	14.37
8	Banking and Insurance	6.14	6.39	6.96	7.32	8.12	8.59	8.58
9	Real estate, Ownership of Dwellings & Business Services	12.98	13.02	13.34	13.51	14.23	13.25	13.34
10	Public Administration	4.01	3.80	3.68	3.69	4.01	3.70	4.11
11	Other services	7.16	6.69	6.44	6.48	6.85	6.86	7.00
	Total GSDP	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	Primary Sector	19.89	19.50	17.33	17.44	16.91	16.60	16.22
	Secondary Sector	28.95	28.32	30.38	29.50	27.84	28.94	28.61
	Tertiary Sector	51.16	52.18	52.29	53.06	55.25	54.46	55.17
	Total GSDP	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	I. Agriculture	18.73	18.48	16.36	16.22	15.73	15.60	15.26
	II. Industry	30.11	29.34	31.35	30.72	29.02	29.94	29.57
	III. Services	51.16	52.18	52.29	53.06	55.25	54.46	55.17

Source : Directorate of Economics and Statistics, GOK

Appendix 2.7
SECTORAL COMPOSITION OF NSDP - AT CURRENT PRICES

(percentage)

Sl. No.	Industry	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10 Q.E.	2010-11 A.E.
1	Agriculture, Forestry and Fishing	19.20	20.16	17.65	17.48	17.01	18.56	18.20
1.1	Agriculture	16.09	16.96	14.71	14.60	13.85	15.37	15.17
1.2	Forestry and Logging	2.74	2.78	2.54	2.55	2.68	2.72	2.62
1.3	Fishing	0.37	0.42	0.40	0.33	0.48	0.47	0.41
2	Mining and Quarrying	1.08	1.09	1.18	1.82	1.60	1.11	0.99
3	Manufacturing	16.16	14.58	17.27	15.82	14.75	14.42	14.55
3.1	Registered	12.36	10.98	13.69	12.34	11.27	10.84	11.05
3.2	Un-registered	3.81	3.60	3.58	3.48	3.48	3.58	3.50
4	Construction	9.00	9.66	9.95	10.42	10.03	9.43	8.54
5	Electricity, Gas and Watersupply	1.13	1.10	0.92	0.80	0.66	0.86	0.77
6	Transport, Storage and Communication	6.80	6.61	6.34	6.07	6.47	6.79	6.63
6.1	Railways	0.44	0.42	0.45	0.48	0.50	0.59	0.61
6.2	Transport by other means	4.52	4.52	4.41	4.25	4.62	4.75	4.51
6.3	Storage	0.02	0.02	0.02	0.02	0.02	0.02	0.01
6.4	Communication	1.82	1.66	1.46	1.32	1.33	1.43	1.49
7	Trade, Hotels and Restaurants	15.25	16.06	15.65	16.05	15.87	15.39	15.46
8	Banking and Insurance	6.76	6.20	6.20	6.11	6.68	6.53	6.62
9	Real estate, Ownership of Dwellings & Business Services	13.29	13.98	14.65	15.04	15.45	15.24	15.91
10	Public Administration	3.62	3.40	3.29	3.33	3.85	3.59	3.96
11	Other services	7.70	7.15	6.91	7.06	7.64	8.08	8.38
	Total GSDP	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	Primary Sector	20.29	21.26	18.83	19.31	18.61	19.67	19.19
	Secondary Sector	26.29	25.35	28.13	27.04	25.44	24.72	23.86
	Tertiary Sector	53.42	53.39	53.04	53.66	55.95	55.62	56.95
	Total GSDP	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	I. Agriculture	19.20	20.16	17.65	17.48	17.01	18.56	18.20
	II. Industry	27.38	26.44	29.31	28.86	27.04	25.83	24.85
	III. Services	53.42	53.39	53.04	53.66	55.95	55.62	56.95

Source : Directorate of Economics and Statistics, GOK

Appendix 2.8
SECTORAL COMPOSITION OF NSDP - AT CONSTANT (2004-05) PRICES
(Percentage)

Sl. No.	Industry	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10 Q.E.	2010-11 A.E.
1	Agriculture, Forestry and Fishing	19.20	18.96	16.61	16.67	16.51	16.34	15.90
1.1	Agriculture	16.09	16.06	13.96	14.24	13.94	13.76	13.43
1.2	Forestry and Logging	2.74	2.51	2.35	2.15	2.22	2.22	2.14
1.3	Fishing	0.37	0.38	0.30	0.28	0.35	0.36	0.33
2	Mining and Quarrying	1.08	0.90	0.82	0.97	1.01	0.84	0.80
3	Manufacturing	16.16	14.61	17.26	15.97	14.81	15.40	15.72
3.1	Registered	12.36	10.95	13.59	12.35	11.19	11.60	11.95
3.2	Un-registered	3.81	3.66	3.67	3.62	3.62	3.80	3.76
4	Construction	9.00	9.63	9.86	10.16	9.40	9.36	8.91
5	Electricity, Gas and Watersupply	1.13	1.14	0.72	0.62	0.72	1.00	0.92
6	Transport, Storage and Communication	6.80	7.00	6.97	6.93	7.51	8.09	8.01
6.1	Railways	0.44	0.46	0.47	0.50	0.56	0.59	0.60
6.2	Transport by other means	4.52	4.55	4.32	4.17	4.37	4.40	4.21
6.3	Storage	0.02	0.02	0.02	0.02	0.02	0.02	0.02
6.4	Communication	1.82	1.96	2.16	2.25	2.56	3.09	3.18
7	Trade, Hotels and Restaurants	15.25	16.72	16.22	16.52	16.13	15.69	15.77
8	Banking and Insurance	6.76	7.06	7.68	8.08	9.08	9.67	9.60
9	Real estate, Ownership of Dwellings & Business Services	13.29	13.37	13.70	13.91	13.98	13.01	13.19
10	Public Administration	3.62	3.42	3.29	3.28	3.69	3.37	3.86
11	Other services	7.70	7.18	6.87	6.89	7.17	7.23	7.33
	Total GSDP	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	Primary Sector	20.29	19.86	17.43	17.64	17.51	17.18	16.70
	Secondary Sector	26.29	25.38	27.84	26.75	24.93	25.75	25.54
	Tertiary Sector	53.42	54.76	54.73	55.61	57.55	57.06	57.76
	Total GSDP	100.00	100.00	100.00	100.00	100.00	100.00	100.00
	I. Agriculture	19.20	18.96	16.61	16.67	16.51	16.34	15.90
	II. Industry	27.38	26.28	28.66	27.72	25.94	26.59	26.34
	III. Services	53.42	54.76	54.73	55.61	57.55	57.06	57.76

Source : Directorate of Economics and Statistics, GOK

Appendix 2.9
GDP AND GNP AT FACTOR COST -CURRENT PRICES AND CONSTANT (2004-05) PRICES

	Industry	At Current Prices						At Constant (2004-05) Prices					
		2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
1	2	3	4	5	6	7	8	9	10	11	12	13	14
1	Agriculture	476634	536822	604672	716276	799517	939922	476634	502996	523745	556956	553454	553010
2	Forestry and Logging	61640	69251	83130	81311	86158	90484	61640	62742	64795	65697	67103	68750
3	Fishing	27152	31699	35182	38931	43268	58891	27152	28749	30650	32427	33561	35215
4	Agriculture and Allied Activities (1+2+3)	565426	637772	722984	836518	928943	1089297	565426	594487	619190	655080	654118	656975
5	Mining and Quarrying	85028	94462	106787	124812	138649	154269	85028	86141	92578	95997	97244	103999
6	Primary Sector	650454	732234	829771	961330	1067592	1243566	650454	680628	711768	751077	751362	760974
	(Sub-Total-4+5)	21.9	21.6	21.0	21.0	20.2	20.3	21.9	20.9	20.0	19.3	18.1	16.9
7	Registered Manufacturing	292344	345443	427075	492758	557910	616348	292344	327731	379355	417509	439522	480809
8	Un-registered Manufacturing	160881	176226	207753	239962	258307	288876	160881	171280	191081	211543	216253	232619
9	Construction	228855	268634	322429	388914	451414	501706	228855	258124	284798	315389	332557	355918
10	Electricity, Gas and Watersupply	62675	69107	76153	83830	84164	92671	62675	67121	73358	79425	83344	88654
11	Secondary Sector	744755	859410	1033410	1205464	1351795	1499601	744755	824256	928592	1023866	1071676	1158000
	(Sub-Total- 7 to 10)	25.1	25.4	26.1	26.3	25.6	24.5	25.1	25.3	26.0	26.3	25.7	25.8
12	Industry (5+11)	829783	953872	1140197	1330276	1490444	1653870	829783	910397	1021170	1119863	1168920	1261999
13	Railways	29162	30771	37429	43608	47478	60144	29162	31339	34831	38236	41161	45035
14	Transport by other means and storage	171975	194743	226641	256959	291234	325423	171975	187814	204664	222353	234145	250564
15	Communication	49280	54035	58694	66069	75430	91442	49280	61855	77273	96925	121911	161055
16	Trade, Hotels and Restaurants	477303	566175	674580	782738	894498	1000447	477303	535688	594785	654298	690358	736628
17	Banking and Insurance	171098	184118	217196	251195	298931	331010	171098	198231	239073	278939	318039	353937
18	Real estate, Ownership of Dwellings & Business Services	266076	308984	369399	440269	550262	696148	266076	294247	322305	349436	388673	417826
19	Public Administration	174638	189827	206081	234992	307528	388894	174638	181945	185540	199688	240007	271153
20	Other services	236723	269324	299040	338798	397284	496555	236723	258213	267180	284140	305177	338571
21	Tertiary Sector /Services	1576255	1797977	2089060	2414628	2862645	3390063	1576255	1749332	1925651	2124015	2339471	2574769
	Sub-Total – 13 to 20)	53.0	53.0	52.9	52.7	54.2	55.3	53.0	53.8	54.0	54.5	56.2	57.3
22	Gross Domestic Product	2971464	3389621	3952241	4581422	5282032	6133230	2971464	3254216	3566011	3898958	4162509	4493743
	Grand Total (6+11+21)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
23	Net factor income	-22375	-26116	-33234	-20512	-32869	-38000	-22375	-24920	-29515	-17179	-25384	-28889
24	Gross National Income	2949089	3363505	3919007	4560910	5249163	6095230	2949089	3229296	3536496	3881779	4137125	4464854

Source : Central Statistical Office, GOI

Appendix 2.10

NDP AND NNP AT FACTOR COST -CURRENT PRICES AND CONSTANT (2004-05) PRICES

Rs. Crore

1	Industry	At Current Prices						At Constant (2004-05) Prices					
		2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
1	2	3	4	5	6	7	8	9	10	11	12	13	14
1	Agriculture	442741	499536	562434	667985	743600	873055	442741	467207	485634	515735	509258	505374
2	Forestry and Logging	60813	68332	82134	80216	84921	89131	60813	61859	63899	64771	66142	67814
3	Fishing	23735	27819	30770	33750	37079	51323	23735	24990	26489	27781	28412	29152
4	Agriculture and Allied Activities (1+2+3)	527289	595687	675338	781951	865600	1013509	527289	554056	576022	608287	603812	602340
5	Mining and Quarrying	70464	77066	86519	100945	110135	115477	70464	69436	73984	74943	73484	73235
6	Primary Sector	597753	672753	761857	882896	975735	1128986	597753	623492	650006	683230	677296	675575
	(Sub-Total-4+5)	22.5	22.2	21.6	21.6	20.7	20.6	22.5	21.5	20.4	19.7	18.3	17.0
7	Registered Manufacturing	205844	246015	311504	357738	403507	439596	205844	231528	271112	294717	305978	332746
8	Un-registered Manufacturing	140651	153513	181987	212403	227079	254442	140651	149513	167474	187175	189806	204410
9	Construction	218511	256313	307229	370005	428534	475053	218511	246203	270550	298165	312764	333804
10	Electricity, Gas and Watersupply	33789	36651	39371	42211	38634	39691	33789	36011	39742	42762	45276	47200
11	Secondary Sector	598795	692492	840091	982357	1097754	1208782	598795	663255	748878	822819	853824	918160
	(Sub-Total- 7 to 10)	22.6	22.9	23.8	24.0	23.3	22.1	22.6	22.8	23.5	23.7	23.1	23.1
12	Industry (5+11)	669259	769558	926610	1083302	1207889	1324259	669259	73269	822862	897762	927308	991395
13	Railways	21696	22915	28529	34144	36398	48778	21696	23643	26542	30021	32370	35734
14	Transport by other means and storage	156663	177579	207417	235490	266100	296629	156663	171135	186488	202630	212258	226348
15	Communication	41226	45152	49713	55408	62080	74755	41226	53346	69045	87494	110651	147847
16	Trade, Hotels and Restaurants	464750	551114	656224	760650	867087	969444	464750	521125	578015	635244	668458	712649
17	Banking and Insurance	168112	180846	213444	247017	294226	325768	168112	195075	235580	275166	313998	349604
18	Real estate, Ownership of Dwellings & Business Services	229767	267990	321856	384229	482332	617097	229767	254572	279612	302975	337083	360319
19	Public Administration	149020	161435	174298	198884	267507	343259	149020	154616	156447	168090	207241	236649
20	Other services	223791	253632	280201	315789	369577	464059	223791	243071	249806	263774	282095	312544
21	Tertiary Sector /Services	1455025	1660663	1931682	2231611	2645307	3139789	1455025	1616583	1781535	1965394	2164154	2381694
	Sub-Total – 13 to 20)	54.9	54.9	54.7	54.5	56.1	57.3	54.9	55.7	56.0	56.6	58.6	59.9
22	Net Domestic Product	2651573	3025908	3533630	4096864	4718796	5477557	2651573	2903330	3180419	3471443	3695274	3975429
	Grand Total (6+11+21)	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
23	Net factor income from abroad	-22375	-26116	-33234	-20512	-32923	-38000	-22375	-24920	-29515	-17179	-25384	-28889
24	Net National Income	2629198	2999792	3500396	4076352	4685873	5439557	2629198	2878410	3150904	3454264	3669890	3946540
	Per Capita National Income(Rs.)	24143	27123	31198	35820	40605	46492	24143	26025	28083	30354	31801	33731

Source : Central Statistical Office, GOI

Appendix 2.11
Gross/Net District Domestic Product and Per Capita Net District Income

Sl. No.	District	At Current Prices (Rs. In crore)				At Constant (2004-05) Prices (Rs. In crore)				Per Capita Net District Domestic Product (Rs.)	
		GDDP		NDDP		GDDP		NDDP		At Current Prices (Rs.)	
		2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09	2007-08	2008-09
1		3	4	5	6	7	8	9	10	11	12
1	BANGALORE	90753	102183	81026	88800	78223	81684	69671	70464	114339	123935
2	BANGALORE RURAL	5739	6332	5023	5477	4922	5048	4294	4322	54499	58719
3	CHICKBALLAPUR	3744	4135	3366	3735	3293	3381	2954	3038	27022	29654
4	CHIGRADURGA	5137	5654	4572	5019	4050	4181	3577	3709	27782	30169
5	DAVANAGERE	6627	7372	5920	6597	5673	5881	5061	5247	30490	33609
6	KOLAR	5471	5974	4838	5292	5033	5123	4452	4531	32174	34808
7	RAMNAGARA	4479	4930	4057	4458	3962	4047	3576	3633	36316	39472
8	SHIMOGA	7340	8130	6574	7288	6156	6359	5501	5678	36923	40481
9	TUMKUR	8772	9682	7800	8637	7667	7857	6795	6989	27839	30489
I	I. BANGALORE DIVISION	138062	154393	123176	135303	118979	123561	105881	107611	52822	53097
10	CHAMARAJANAGAR	2778	3040.9	2512	2768	2495	2543	2251	2306	24003	26161
11	CHICKMAGALUR	4709	5219	4268	4759	3855	4005	3487	3639	34510	38060
12	DAKSHINA KANNADA	12390	14012	11238	12656	10949	11471	9940	10372	54625	60845
13	HASSAN	5634	6276	5049	5641	4948	5130	4428	4604	27053	29891
14	KODAGU	3898	4276	3584	3948	2976	3076	2729	2826	60252	65655
15	MANDYA	5322	5829	4803	5284	4607	4708	4133	4246	25119	27334
16	MYSORE	10784	11974	9754	10764	9402	9698	8491	8695	34068	37184
17	UDUPI	6374	7276	5773	6560	5443	5708	4926	5136	47918	53817
II	II. MYSORE DIVISION	51889	57902	46981	52380	44675	46339	40385	41824	31595	32362
18	BAGALKOTE	5903	6521	5288	5875	4945	5085	4416	4567	29529	32447
19	BELLARY	12350	13317	10857	11591	8732	8951	7498	7770	49404	52168
20	BIDAR	3829	4288	3452	3864	3129	3245	2810	2905	21193	23465
21	BIJAPUR	5721	6348	5212	5804	4519	4655	4105	4240	26608	29307
22	GULBARGA	9269	10249	8357	9255	7444	7671	6683	6887	24623	26970
23	KOPPAL	3679	4037	3289	3623	3018	3083	2684	2748	25356	27636
24	RAICHUR	4950	5454	4469	4938	4045	4161	3626	3738	24689	26982
III	III. GULBARGA DIVISION	45701	50215	40924	44950	35832	36851	31822	32855	22607	23084
25	BELGAUM	14704	16205	13135	14446	12795	13158	11409	11681	28745	31274
26	DHARWAD	8364	9383	7542	8409	7355	7678	6630	6871	43355	47822
27	GADAG	3314	3725	2949	3322	2803	2933	2491	2602	27992	31188
28	HAVERI	4202	4641	3763	4168	3607	3723	3225	3330	24124	26428
29	UTTARA KANNADA	5010	5683	4549	5138	4438	4655	4025	4206	31001	34632
IV	IV. BELGAUM DIVISION	35594	39637	31938	35483	30998	32147	27780	28690	26741	27314
STATE TOTAL		271246	302147	243019	268116	230484	238898	205868	210980	42418	46285

Source : Directorate of Economics and Statistics, GOK

Appendix 2.12

Net District income in Karnataka at current and constant (2004-05) prices - 2008-09

(Provisional)

Sl. No.	District	At Current Prices (Rs. lakhs)				At Constant Prices (Rs. lakhs)			
		Primary	Secondary	Tertiary	Total	Primary	Secondary	Tertiary	Total
1	Bagalkot	176805	109806	300902	587513	141268	84237	231159	456664
2	Bangalore	114541	2857551	5907867	8879959	76162	2216209	4754075	7046446
3	Bangalore Rural	75228	186816	285626	547669	57440	146142	228624	432206
4	Belgaum	364355	372692	707601	1444647	293869	287147	587054	1168070
5	Bellary	473299	185207	500562	1159068	256903	142253	377855	777011
6	Bidar	100686	75041	210672	386400	70936	56965	162583	290483
7	Bijapur	176411	103961	300062	580434	123886	78366	221741	423993
8	Chamarajanagar	116160	39594	121084	276838	106589	30520	93532	230642
9	Chikballapur	128823	71170	173463	373456	110442	54237	139115	303795
10	Chikmagalur	187469	61956	226520	475945	127577	47388	188975	363940
11	Chitradurga	169456	92501	239957	501914	113172	70595	187118	370885
12	D.Kannada	172331	357018	736237	1265586	123991	275443	637756	1037189
13	Davanagere	179835	131440	348462	659737	134751	100819	289089	524660
14	Dharwad	101586	219978	519343	840907	75329	168957	442809	687094
15	Gadag	72957	69907	189320	332184	51571	53440	155188	260200
16	Gulbarga	271989	202889	450635	925513	177754	153866	357071	688690
17	Hassan	157656	106987	299427	564070	128356	82109	249916	460381
18	Haveri	148169	75429	193249	416847	114377	57862	160796	333035
19	Kodagu	180493	36938	177353	394784	112862	28307	141444	282613
20	Kolar	166481	131913	230795	529189	160781	102150	190177	453108
21	Koppal	112738	78443	171130	362311	82997	60356	131404	274757
22	Mandya	189970	105126	233293	528388	158795	79971	185798	424564
23	Mysore	170516	296837	609025	1076378	138973	227650	502844	869467
24	Raichur	173104	88304	232422	493830	123788	67148	182884	373820
25	Ramanagara	112597	84630	248614	445841	106382	65767	191119	363269
26	Shimoga	201126	175773	351886	728785	140765	135823	291251	567839
27	Tumkur	256872	198074	408799	863745	219013	152919	326921	698853
28	Udupi	145648	170191	340188	656027	96327	131237	286017	513582
29	U.Kannada	92975	135061	285770	513806	70198	102834	247578	420610
	STATE	4990276	6821232	15000264	26811772	3695255	5260717	12141892	21097866

Source : Directorate of Economics and Statistics, GOK

Appendix -2.13
Index Numbers of Wholesale Prices in India

(Base Year : 2004-05=100)

Item group	Weight	2008		2009		2010		Percentage change in December over April		
		April	December	April	December	April	December *	2008	2009	2010
I. Primary Articles	20.12	132.1	137.5	140.8	162.2	171.0	188.9	4.09	15.20	10.47
II. Fuel & power	14.91	130.2	129.1	124.2	135.0	141.1	150.1	-0.84	8.70	6.38
III. Manufacture products	64.97	119.2	119.1	119.7	123.4	127.4	128.9	-0.08	3.09	1.18
All commodities	100	123.5	124.3	124.6	132.9	138.3	144.1	0.65	6.66	4.19

Source: Office of the Economic Adviser, Ministry of Commerce and Industry, GOI.

* Provisional

Appendix - 2.14
All - India Wholesale Prices Index Numbers

Year	Primary articles	All-Commodities	Percentage change over previous year/month	
			Primary articles	All commodities
New Base year: 1993-94=100				
2000-01	162.5	155.7	2.85	7.16
2001-02	168.4	161.3	3.63	3.60
2002-03	174.0	166.8	3.33	3.41
2003-04	181.5	175.9	4.31	5.46
2004-05	188.1	187.3	3.64	6.48
New Base year: 2004-05=100				
2005-06	104.3	104.4	-	-
2006-07	114.3	111.2	9.59	6.51
2007-08	123.9	116.5	8.40	4.77
2008-09	137.5	125.9	10.98	8.07
2009-10	154.9	130.4	12.65	3.57
(April 2010 to December 2010)				
April 2010	171.0	138.3	3.07	1.84
May 2010	172.6	138.8	0.94	0.36
June 2010	176.0	139.4	1.97	0.43
July 2010	177.8	140.6	1.02	0.86
August 2010	177.3	140.7	-0.28	0.07
September 2010	180.8	141.5	1.97	0.57
October 2010	183.4	142.4	1.44	0.64
November 2010	182.6	142.3	-0.44	-0.07
December 2010	188.9	144.1	3.45	1.26

Source: Office of the Economic Adviser, Ministry of Commerce and Industry, GOI.

Appendix - 2.15
Wholesale Price Index Numbers of Agricultural
Commodities in Karnataka

(Base year : 1981-82=100)

Year	Index	Percentage change over previous year/month
2000-01	402	-6.29
2001-02	387	-3.73
2002-03	397	2.58
2003-04	428	7.81
2004-05	439	2.57
2005-06	461	5.01
2006-07	501	8.68
2007-08	546	8.98
2008-09	671	22.89
2009-10	754	12.37
(April 2010 to December 2010)		
April 2010	768	0.39
May 2010	770	0.26
June 2010	780	1.30
July 2010	783	0.38
August 2010	778	-0.64
September 2010	779	0.13
October 2010	774	-0.64
November 2010	779	0.65
December 2010	807	3.59

Source : Directorate of Economics and Statistics, GOK.

Appendix -2.16
Groupwise Index Numbers of Wholesale Prices of Agricultural Commodities in Karnataka

(Base Year: 1981-82 = 100)

Sl. No	Commodity group	Weight	2008		2009		2010		Percentage variation December over April		
			April	December	April	December	April	December	2008	2009	2010
1	Cereals	29.89	613	748	861	915	924	858	22.02	6.27	-7.14
2	Pulses	4.92	674	723	797	1250	1070	850	7.27	56.84	-20.56
3	Oilseeds	17.31	677	693	635	682	645	695	2.36	7.40	7.75
4	Gur and sugar	14.56	348	418	484	621	572	565	20.11	28.31	-1.22
5	Fibres	9.64	479	703	505	586	585	623	46.76	16.04	6.50
6	Condiments and spices	2.27	471	668	678	669	623	640	41.83	-1.33	2.73
7	Miscellaneous *	21.41	739	818	762	869	809	1083	10.69	14.04	33.87
All commodities		100	600	697	704	801	768	807	16.17	13.78	5.08

* Miscellaneous items include coffee, onion, potato, tobacco, tamarind, coconut and areca nut.

Source: Directorate of Economics and Statistics, GOK.

Appendix - 2.17
Consumer Price Index Numbers for Industrial Workers at
All India and Karnataka

Month	All India			Karnataka*		
	Base: 2001=100			Base: 1987-88=100		
	2008-09	2009-10	2010-11	2008-09	2009-10	2010-11
April	138	150	170	401	446	496
May	139	151	172	401	453	503
June	140	153	174	405	457	505
July	143	160	178	414	468	508
August	145	162	178	422	472	505
September	146	163	179	432	475	511
October	148	165	181	438	482	511
November	148	168	182	444	488	511
December	147	169	185	438	492	520
January	148	172		443	495	
February	148	170		444	490	
March	148	170		444	489	

Note : * Average of 16 centres (11 State series + 5 Central series)

Source :- 1) Labour Bureau, GOI.

2) Directorate of Economics and Statistics, GOK.

Appendix- 2.18
Consumer Price Index Numbers for Industrial Workers in Karnataka

Sl. No.	Centres	2008		2009		2010		Percentage change in December over April		
		April	December	April	December	April	December	2008	2009	2010
Central Series (Base year: 2001=100)										
1	Bangalore	145	158	161	176	179	186	8.97	9.32	3.91
2	Belgaum	140	150	153	174	173	192	7.14	13.73	10.98
3	Hubli-Dharwad	143	153	156	178	179	190	6.99	14.10	6.15
4	Madikere	131	142	144	170	169	182	8.40	18.06	7.69
5	Mysore	137	150	155	169	170	181	9.49	9.03	6.47
State Series (Base year:1987-88=100)										
6	Bellary	360	398	401	449	445	465	10.56	11.97	4.49
7	Bhadravathi	358	401	413	451	442	456	12.01	9.20	3.17
8	Davanagere	372	414	424	484	483	503	11.29	14.15	4.14
9	Dandeli	383	419	427	462	459	480	9.40	8.20	4.58
10	Gulbarga	348	385	364	419	410	432	10.63	15.11	5.37
11	Harihar	340	370	365	401	399	411	8.82	9.86	3.01
12	Hassan	335	389	395	429	431	463	16.12	8.61	7.42
13	Mandya	367	403	408	450	459	489	9.81	10.29	6.54
14	Mangalore	348	384	383	426	426	453	10.34	11.23	6.34
15	Raichur	389	443	452	498	500	516	13.88	10.18	3.20
16	Tumkur	310	344	350	387	383	404	10.97	10.57	5.48

Source: 1. Labour Bureau, GOI.
2. Directorate of Economics & Statistics, GOK.

Appendix - 2.19

a) CONSUMER PRICE INDEX NUMBERS FOR INDUSTRIAL WORKERS AT SELECTED CENTRES IN KARNATAKA

Central Series (Base year - 2001=100)

Year/ Month	BANGALORE		BELAGUM		HUBLI-DHARWAD		MADIKERI		MYSORE	
	Food	General	Food	General	Food	General	Food	General	Food	General
Weight	45.53	100.00	51.76	100.00	49.51	100.00	55.41	100.00	48.05	100.00
2006-07	128	128	126	127	126	125	118	116	125	125
2007-08	140	138	140	135	138	135	128	122	135	132
2008-09	163	154	156	147	159	151	153	139	156	146
2009-10	185	171	183	167	181	169	176	160	180	165
(April 2010 to December 2010)										
April 2010	193	179	188	173	187	179	184	169	183	170
May 2010	198	182	190	176	190	180	187	172	189	172
June 2010	198	182	192	177	191	181	188	172	192	175
July 2010	197	183	195	181	192	183	188	172	192	177
August 2010	194	182	192	179	188	182	186	171	189	175
September 2010	199	185	199	183	191	183	184	169	193	178
October 2010	197	184	199	183	193	183	187	175	193	178
November 2010	195	183	202	185	195	184	190	177	190	177
December 2010	202	186	215	192	204	190	199	182	198	181

Source: Labour Bureau, GOI.

Appendix -2.19
b) CONSUMER PRICE INDEX NUMBERS FOR INDUSTRIAL WORKERS AT SELECTED CENTRES
IN KARNATAKA

State Series (Base Year-1987-88=100)

Year/ Month	BELLARY		BADRAVATHI		DAVANAGERE		DANDELI		GULBARGA		HARIHARA	
	Food	General	Food	General	Food	General	Food	General	Food	General	Food	General
Weight	54.73	100.00	48.53	100.00	52.53	100.00	49.22	100.00	49.23	100.00	49.58	100.00
2006-07	340	315	382	330	390	328	381	354	337	308	304	387
2007-08	381	341	406	349	434	355	415	371	390	330	328	439
2008-09	452	387	464	388	498	405	475	408	452	373	362	491
2009-10	530	429	547	436	574	461	538	449	485	398	388	388
(April 2010 to December 2010)												
April 2010	545	445	552	442	597	483	554	459	500	410	511	399
May 2010	553	449	561	446	604	486	562	462	506	413	512	402
June 2010	555	450	557	446	611	490	569	466	515	417	515	403
July 2010	555	451	547	444	600	485	573	469	519	419	515	399
August 2010	546	450	543	443	598	484	572	469	517	421	508	396
September 2010	553	454	543	444	604	488	570	470	521	422	515	399
October 2010	558	457	542	447	610	492	574	472	525	425	520	400
November 2010	563	460	554	452	618	497	581	475	530	427	528	405
December 2010	573	465	562	456	628	503	591	480	540	432	534	411

Source: Directorate of Economics & Statistics, GOK.

Appendix -2.19 (Contd....)

**b) CONSUMER PRICE INDEX NUMBERS FOR INDUSTRIAL WORKERS AT SELECTED CENTRES
IN KARNATAKA**

State Series (Base Year-1987-88=100)

Year/ Month	HASSAN		MANDYA		MANGALORE		RAICHUR		TUMKUR	
	Food	General	Food	General	Food	General	Food	General	Food	General
Weight	56.02	100.00	53.48	100.00	58.11	100.00	52.71	100.00	41.29	100.00
2006-07	342	315	363	328	348	312	335	339	349	279
2007-08	366	328	405	351	375	332	384	371	393	300
2008-09	419	368	473	393	444	373	457	423	456	335
2009-10	490	415	543	438	494	408	550	482	527	373
(April 2010 to December 2010)										
April 2010	517	431	563	459	522	426	572	500	551	383
May 2010	525	438	572	463	528	430	576	501	566	389
June 2010	531	442	584	470	534	433	575	503	569	393
July 2010	528	444	576	475	538	435	579	506	559	391
August 2010	529	448	569	473	539	438	565	504	547	387
September 2010	531	450	576	478	543	441	567	506	551	389
October 2010	533	452	583	480	546	444	569	508	556	392
November 2010	538	455	586	483	551	447	573	511	564	397
December 2010	553	463	593	489	560	453	583	516	582	404

Source: Directorate of Economics & Statistics, GOK.

Appendix - 2.20
Consumer Price Index Numbers for Agricultural Labourers at All India and Karnataka

(Base Year: 1986-87=100)

Item		2008		2009		2010		Percentage change in December over April		
		April	December	April	December	April	December	2008	2009	2010
Karnataka										
i)	Food	416	468	469	575	563	619	12.50	22.60	9.95
ii)	General	418	460	464	546	541	595	10.05	17.67	9.98
All-India										
i)	Food	429	460	468	553	545	590	7.23	18.16	8.26
ii)	General	429	459	468	538	538	581	6.99	14.96	7.99

Source: Labour Bureau, GOI.

Appendix - 2.21
Consumer Price Index Numbers for Agricultural Labourers
at All India and Karnataka

Year/Month	All India		Karnataka	
	Food	General	Food	General
Base Year: 1986-87=100				
2000-01	303	305	311	306
2001-02	302	309	303	306
2002-03	312	319	319	320
2003-04	325	331	340	338
2004-05	333	340	343	343
2005-06	345	353	332	339
2006-07	376	380	349	358
2007-08	406	409	394	397
2008-09	452	450	451	445
2009-10	522	513	536	517
(April 2010 to December 2010)				
April 2010	545	538	563	541
May 2010	547	540	561	543
June 2010	555	547	566	547
July 2010	563	554	573	554
August 2010	564	557	584	564
September 2010	571	562	588	568
October 2010	574	566	595	575
November 2010	578	570	599	579
December 2010	590	581	619	595

Source : Labour Bureau, GOI.

Appendix - 2.22
Rural Retail Price Index Numbers in Karnataka

(Base year : 1970=100)

Year	Index	Percentage change over previous year/month
2000-01	1395	1.53
2001-02	1445	3.58
2002-03	1458	0.90
2003-04	1528	4.80
2004-05	1606	5.10
2005-06	1669	3.92
2006-07	1825	9.35
2007-08	1922	5.32
2008-09	2171	12.96
2009-10	2641	21.65
(April 2010 to December 2010)		
April 2010	2741	-0.69
May 2010	2755	0.51
June 2010	2774	0.69
July 2010	2804	1.08
August 2010	2827	0.82
September 2010	2845	0.64
October 2010	2898	1.86
November 2010	2968	2.42
December 2010	3028	2.02

Source : Directorate of Economics and Statistics, GOK.

Appendix - 2.23
Urban Retail Price Index Numbers in
Karnataka

(Base year : 1970=100)

Year	Index	Percentage change over previous year/month
2000-01	1012	-5.33
2001-02	1045	3.26
2002-03	1087	4.02
2003-04	1193	9.75
2004-05	1257	5.36
2005-06	1296	3.10
2006-07	1347	3.94
2007-08	1425	5.79
2008-09	1589	11.51
2009-10	1878	18.19
(April 2010 to December 2010)		
April 2010	1858	-1.54
May 2010	1831	-1.45
June 2010	1843	0.66
July 2010	1851	0.43
August 2010	1847	-0.22
September 2010	1890	2.33
October 2010	1953	3.33
November 2010	2017	3.28
December 2010	2177	7.93

Source: Directorate of Economics and Statistics, GOK.

Appendix 3.1
Allocation of Plan Outlay to Panchayat Raj Institutions
1990-91 to 2010-11

(Rs. crore)

Year	State Plan Outlay			Allocation of Plan Outlay to Panchayat Raj Institutions			% of PRI Plan Outlay to State Plan Outlays		
	State	Centre	Total	State	Centre	Total	State	Centre	Total
1990-91	1145	221	1136	293	252	545	25	114	40
1991-92	1558	379	1937	357	318	675	23	84	35
1992-93	2159	466	26925	374	296	670	17	63	25
1993-94	3025	596	3621	471	322	793	15	54	22
1994-95	3383	792	4175	538	435	973	16	55	23
1995-96	3758	890	4648	620	480	1100	16	54	24
1996-97	4360	951	5311	732	541	1273	17	57	24
1997-98	4545	1090	5635	732	688	1420	16	63	25
1998-99	5353	1160	6513	732	715	1447	14	65	22
1999-00	5888	1199	7087	792	736	1528	13	61	22
2000-01	7274	1232	8506	962	735	1697	13	60	20
2001-02	8588	1017	9605	1083	751	1834	13	74	20
2002-03	8611	911	9522	617	624	1241	7	69	13
2003-04	9780	890	10670	688	614	1302	7	69	12
2004-05	12323	988	13311	1013	655	1668	8	66	13
2005-06	13555	1054	14609	1992	877	2869	15	83	20
2006-07	16166	1640	17806	2176	1256	3432	13	77	19
2007-08	17783	2749	20532	2241	1330	3571	13	48	17
2008-09	25953	2246	28199	2632	1785	4417	10	79	16
2009-10	29500	2931*	32431	2880	1857	4737	10	63	15
2010-11	31000	2764*	33764	3010	1860	4870	10	67	14

* Include Centre's share of allocation under Mahatma Gandhi National Rural Employment Guarantee Scheme, Swarna Jayanti Grama Swarozgar Yojana, District Rural Development Agency, Integrated Waste Land Development Programme, Drought Prone Area Programme and Desert Development Programme as per the budget link document.

Appendix 3.2

Trends in revenue and capital receipts in Karnataka

(Rs. Crores)

Year	<i>State's Own Tax Revenues.</i>	<i>Share in Central Taxes</i>	<i>Total Tax Receipts</i>	<i>Total Non-Tax Receipts</i>	<i>Total Revenue Receipts</i>	<i>Total Capital Receipts</i>	<i>Aggregate Receipts</i>
1990-91	2332.12	660.35	2992.47	517.2	3892.18	1117.92	5010.1
1991-92	2900.2	782.07	3682.27	621.28	4775.46	1432.21	6207.67
1992-93	3097.81	931.97	4029.78	802.54	5421.66	1961.96	7383.62
1993-94	3812.34	1017.4	4829.75	733.57	6324.65	3265.5	9590.15
1994-95	4289.31	1135.93	5425.24	847.67	6968.39	3433.37	10401.76
1995-96	5273.92	1444.67	6718.59	1235.42	8543.44	2060.55	10603.99
1996-97	5767.83	1729.8	7497.63	1342.31	9622.18	3424.86	13047.04
1997-98	6411.87	2176.33	8588.2	1264.4	10613.39	2011.05	12624.44
1998-99	6943.04	1923.92	8866.96	1469.92	11230.44	3522.34	14752.78
1999-00	7744.36	2132.78	9877.14	1611.29	12906.45	4851.15	17757.6
2000-01	9042.68	2573.83	11616.51	1659.97	14822.72	4807.6	19630.32
2001-02	9853.27	2623.38	12476.65	1093.42	15321.26	6558.03	21879.29
2002-03	10439.71	27826.2	13225.91	1277.67	16168.75	7878.3	24047.05
2003-04	12570.12	3244.81	15814.94	2958.38	20759.87	8273.16	29033.04
2004-05	16072.32	3878.44	19950.76	4472.33	26569.65	7503.8	34073.45
2005-06	18631.55	4213.42	22844.97	3874.71	30352.05	4401.54	34753.59
2006-07	23301.03	5374.33	28675.36	4098.41	37586.94	6444.85	44031.79
2007-08	25986.76	6779.23	32765.99	3357.66	41151.14	6275.47	47426.61
2008-09	27645.66	7153.77	34799.43	3158.99	43290.68	9466.32	52757.00
2009-10 (R.E.)	29338.72	7000.00	36338.72	2494.81	46406.03	12912.22	59318.25
2010-11 (B.E.)	36228.32	9060.09	45288.41	2819.90	53638.78	14154.21	67792.99

R.E. = Revised Estimates, B.E. = Budget Estimates

Appendix 3.3
Trends in developmental and non-developmental
expenditure in Karnataka

(Rs. Crores)

<i>Year</i>	<i>Develop- mental Expenditure</i>	<i>Develop- mental Expenditure as % of Total Expenditure</i>	<i>Non-Deve- lopmental Expenditure</i>	<i>Non-Devel- opmental Expenditure as % of Total Expenditure</i>	<i>Aggregate Expenditure</i>
1990-91	3533.08	70.96	1445.64	29.04	4978.72
1991-92	4504.64	72.09	1743.57	27.91	6248.21
1992-93	5017.04	70.85	2064.63	29.15	7081.67
1993-94	5804.37	71.98	2259.66	28.02	8064.03
1994-95	6192.89	69.91	2666.05	30.09	8858.94
1995-96	7350.02	70.85	3024.73	29.15	10374.75
1996-97	8398.94	70.11	3581.32	29.89	11980.26
1997-98	8394.21	66.77	4178.29	33.23	12572.50
1998-99	9980.29	67.00	4905.01	32.93	14885.30
1999-00	11517.53	64.93	6222.18	35.07	17739.31
2000-01	12921.21	65.06	6742.44	34.94	19663.65
2001-02	14351.59	65.67	7500.27	34.33	21851.86
2002-03	14551.24	60.70	9421.93	39.30	23973.17
2003-04	15483.22	53.22	13607.47	46.78	29090.69
2004-05	19321.24	56.72	14742.56	43.28	34063.80
2005-06	22733.77	65.47	11990.24	34.53	34724.01
2006-07.	29952.24	68.30	13899.82	31.70	43852.06
2007-08	33642.14	70.72	13926.45	29.28	47568.59
2008-09	37133.30	69.79	16072.05	30.21	53205.35
2009-10 (RE.)	41396.98	70.16	17507.62	29.67	59004.60
2010-11 (B.E.)	46723.42	68.97	21018.15	31.03	67741.57

R.E. = Revised Estimates, B.E. = Budget Estimates

Appendix 3.4

Developmental and non-developmental expenditure, Karnataka 2008-09 to 2010-11 : revenue, capital and loans

(Rs. Crores)

<i>Category of Expenditure</i>		2008-09 (Accounts)			
		<i>Revenue</i>	<i>Capital</i>	<i>Loan</i>	<i>Total</i>
I.	Developmental Expenditure :	27009.63	9394.92	728.75	37133.30
A.	Economic Services of which	11136.64	6839.76	555.41	18531.81
1	Agriculture & Allied Services	3338.42	174.19	35.24	3547.85
2	Rural Development	941.43			941.43
3	General Economic Services	2471.37	234.88		2706.25
4	Irrigation & Power Development	2214.3	3922.51	500.01	6636.82
5	Industry & Minerals	457.46	261.43	20.16	739.05
6	Transport & Communication	1461.72	2246.75		3708.47
7	Special Area Programmes	229.92			229.92
8	Science and Technology	22.00			22.00
B.	Social Services of which	15872.99	2555.16	173.34	18601.49
7	Education, Sports, Art & Culture	8492.38	199.32		8691.70
8	Medical and Public Health, Family Welfare, Water Supply and Sanitation	1985.80	1471.89	67.68	3525.37
9	Social Security & Welfare including SCs, STs & OBCs	3281.83	276.17		3558.00
10	Housing and Urban Development	1171.24	600.89	105.66	1877.79
11	Information and Publicity	54.24	1.49		55.73
12	Labour & Employment	182.34			182.34
	Nutrition	255.51			255.51
	Natural calamities	321.84			321.84

(Contd..)

Appendix 3.4 (Contd..)

Developmental and non-developmental expenditure, Karnataka 2008-09 to 2010-11 : revenue, capital and loans

(Rs. Crores)

<i>Category of Expenditure</i>		2008-09 (R.E.)			
		<i>Revenue</i>	Capital	Loan	Total
Other Social Services		112.06	5.40		117.46
Sec. Social Services		15.77			15.77
Developmental Expenditure : Total : (A + B)		27009.63	9394.92	728.75	37133.30
I.	Developmental Expenditure :	30047.1	10510.06	939.82	41496.98
A.	Economic Services of which	10397.60	7695.73	139.59	18232.92
1	Agriculture & Allied Services	4061.20	200.16	34.53	4295.89
2	Rural Development	1112.31			1112.31
3	General Economic Services	855.65	326.96		1182.61
4	Irrigation & Power Development	2312.30	5211.07	9.00	7532.37
5	Industry & Minerals	430.39	98.69	54.05	583.13
6	Transport & Communication	1111.83	1758.85	42.00	2912.68
	Special Area Programmes	484.79			484.79
	Science & Technology	29.12			29.12
B.	Social Services of which	19649.49	2814.33	800.23	23264.05
7	Education, Sports, Art & Culture	8678.96	256.25		8935.21
8	Medical and Public Health, Family Welfare, Water Supply and Sanitation	2173.7	1636.17	522.23	4332.10
9	Social Security & Welfare including SCs, STs & OBCs	4086.26	338.29		4424.55
10	Housing and Urban Development	1535.18	566.72	278.00	2379.90
11	Information and Publicity	39.04	6.00		45.04
	Labour & Employment	251.58			251.58
	Nutrition	563.37			563.37
	Natural calamities	2202.79			2202.79
	Other Social Services	104.12	10.90		115.02
	Sec. Social Services	14.50			14.50
Developmental Expenditure : Total : (A + B)		30047.09	10510.06	939.82	41496.97

(Contd..)

Appendix 3.4 (Contd..)

Developmental and non-developmental expenditure, Karnataka 2008-09 to 2010-11 :revenue, capital and loans

(Rs. Crores)

<i>Category of Expenditure</i>		2010-11 (B.E.)			
		<i>Revenue</i>	<i>Capital</i>	<i>Loan</i>	<i>Total</i>
I.	Developmental Expenditure :	34178.61	11230.45	1314.37	46723.43
A.	Economic Services of which	12226.15	8659.11	179.37	21064.63
1	Agriculture & Allied Services	4621.63	298.18	21.07	4940.88
2	Rural Development	1624.26			1624.26
3	General Economic Services	965.80	762.78		1728.58
4	Irrigation & Power Development	3256.55	5388.36	125.00	8769.91
5	Industry & Minerals	563.54	96.92	33.30	693.76
6	Transport & Communication	1074.16	2112.87		3187.03
7	Special Area Programmes	81.22			81.22
8	Science & Technology	38.99			38.99
B.	Social Services of which	21952.46	2571.34	1135.00	25658.80
7	Education, Sports, Art & Culture	10382.37	328.45		10710.82
8	Medical and Public Health, Family Welfare, Water Supply and Sanitation	2542.12	1334.38	833.00	4709.50
9	Social Security & Welfare including SCs, STs & OBCs	5309.32	430.03	2.00	5741.35
10	Housing and Urban Development	2358.86	453.72	300.00	3112.58
11	Information and Publicity	57.09	8.00		65.09
12	Labour & Employment	377.96			377.96
13	Nutrition	609.35			609.35
14	Natural calamities	160.96			160.96
15	Other Social Services	136.30	16.75		153.05
16	Sec. Social Services	18.13			18.13
	Developmental Expenditure : Total : (A + B)	34178.61	11230.45	1314.37	46723.43

(Contd..)

Appendix 3.4 (Contd..)

Developmental and non-developmental expenditure, Karnataka 2008-09 to 2010-11 : revenue, capital and loans

(Rs. Crores)

<i>Category of Expenditure</i>		2008-09			
		<i>Revenue</i>	<i>Capital</i>	<i>Loan</i>	<i>Total</i>
II.	Non-Developmental Expenditure	14649.66	475.36	947.03	16072.05
a.	Revenue Expenditure under General Services	12275.58			12275.58
	i) Organs of the State	454.90			454.90
	ii) Fiscal Services	444.39			444.39
	iii) Interest Payment & Servicing of Debts	4532.03			4532.03
	iv) Administrative Services	2705.01			2705.01
	v) Pension & Miscellaneous General Services	4139.25			4139.25
b.	Devolution to ULBs	2374.09			2374.09
c.	Capital Expenditure		475.36	947.03	1422.39
	i) General Services		475.36		475.36
	ii) Discharge of Internal Debt (Net)			483.00	483
	iii) Repayment of loans to Government of India			461.43	461.43
	iv) Loans and Advance to Govt. Servant & Miscellaneous loans			2.60	2.60
	v) Market borrowings and ways & means advances from RBI				
	Non-Developmental Expenditures : Total (a + b + c)	14649.67	475.36	947.03	16072.06
	Aggregate Expenditure : (I + II)	41659.30	9870.28	1675.78	53205.36

Source : 1. Annual Financial Statement (Budget) 2010-11, Government of Karnataka

2. Detailed Estimates of Expenditure of (Volume - II), Government of Karnataka

Appendix 3.4 (Contd..)

Developmental and non-developmental expenditure, Karnataka 2008-09 to 2010-11 : revenue, capital and loans

(Rs. Crores)

<i>Category of Expenditure</i>		2009-10 (R.E.)			
		<i>Revenue</i>	Capital	Loan	Total
II.	Non-Developmental Expenditure	15820.74	410.76	1276.13	17507.63
a.	Revenue Expenditure under General Services	13451.05			13451.05
	i) Organs of the State	561.40			561.40
	ii) Fiscal Services	538.21			538.21
	iii) Interest Payment & Servicing of Debts	5250.00			5250.00
	iv) Administrative Services	3574.81			3574.81
	v) Pension & Miscellaneous General Services	3526.63			3526.63
b.	Devolution to ULBs	2369.68			2369.68
c.	Capital Expenditure		410.76	1276.13	1686.89
	i) General Services		410.76		410.76
	ii) Discharge of Internal Debt (Net)			793.92	793.92
	iii) Repayment of loans to Government of India			469.64	469.64
	iv) Loans and Advance to Govt. Servant & Miscellaneous loans			12.57	12.57
	Non-Developmental Expenditure :				
	v) Market borrowings and ways & means advances from RBI				
	Total (a + b + c)	15820.73	410.76	1276.13	17507.62
	Aggregate Expenditure : (I + II)	45867.83	10920.82	2215.95	59004.60

Appendix 3.4(Concl..)

Developmental and non-developmental expenditure, Karnataka 2008-09 to 2010-11 : revenue, capital and loans

(Rs. Crores)

Category of Expenditure		2009-10 (B.E.)			
		Revenue	Capital	Loan	Total
II.	Non-Developmental Expenditure	18959.68	547.32	1511.15	21018.15
a.	Revenue Expenditure under General Services	16074.55			16074.55
	i) Organs of the State	548.34			548.34
	ii) Fiscal Services	599.27			599.27
	iii) Interest Payment & Servicing of Debts	6316.00			6316.00
	iv) Administrative Services	4087.04			4087.04
	v) Pension & Miscellaneous General Services	4523.90			4523.90
b.	Devolution of ULBs	2885.14			2885.14
c.	Capital Expenditure		547.32	1511.15	2058.47
	i) General Services		547.32		547.32
	ii) Discharge of Internal Debt (Net)			941.11	941.11
	iii) Repayment of loans to Government of India			549.97	549.97
	iv) Loans and Advance to Govt. Servant & Miscellaneous loans			20.07	20.07
	Non-Developmental Expenditure :				
	v) Market borrowings and ways & means advances from RBI				
	Total (a + b + c)	18959.69	547.32	1511.15	21018.16
	Aggregate Expenditure : (I + II)	53138.29	11777.77	2825.52	67741.58

Appendix 3.5
Plan expenditure, outlays by minor sectors and programmes

(Rs.
Crores)

Head of Developments		Tenth Plan (Approved Outlay) (2002-07)	Annual Plan 2004-05 (Accounts)	Annual Plan 2005-06 (Accounts)	Annual Plan 2006-07 (Accounts)	Annual Plan 2007-08 (Accounts)	Annual Plan 2008-09 (Accounts)	Annual Plan 2009-10 (R.E)	Annual Plan 2010-11 (B.E)
1	2	3	4	5	6	7	8	9	10
A.	Economic Services								
I.	Agriculture & Allied Services								
1	Crop Husbandary	361.89	296.26	127.92	338.07	402.26	713.02	771.92	1052.25
2	Soil & Water Conservation	702.41	124.91	130.23	88.96	166.38	74.59	78.42	146.86
3	Animal Husbandry	127.21	25.98	38.96	79.59	110.08	124.74	192.65	259.28
4	Dairy Development	15.41	0.02	7.01		26.5	114.80	217.40	234.95
5	Fisheries	67.64	12.36	11.21	34.67	18.98	35.06	85.12	107.35
6	Forestry & Wild Life	733.95	71.37	71.66	127.29	136.6	194.07	222.43	161.52
7	Food, Storage & Warehousing	40.26	4.44	0.1	0.1	9.67	15.76	18.00	18.00

(Contd..)

Appendix 3.5 (Contd.)
Plan expenditure, outlays by minor sectors and programmes

(Rs. Crores)

1	2	3	4	5	6	7	8	9	10
8	Agricultural Research & Education	143.9	30.79	44	62	131.05	69.13	104.75	126.80
9	Investment in Agricultural Financial Institutions	14.04	3.16	5.65	5.93	8.33	8.79	7.00	3.00
10	Marketing & Quality Control	59.96	10.49	7	10.7	11.2	10.00	2.00	6.55
11	Co-operation	80.26	61.58	96.16	110.83	530.6	181.44	214.35	240.43
	Total (1 to 11)	2346.93	641.36	539.9	863.45	1551.65	1541.40	1914.04	2356.99
II.	Rural Development								
12	Special Programmes for Rural Development			42.68	148.61	442.16	613.54	1150.74	856.35
(a)	I.R.D.P. & Allied Programmes								
(b)	DPAP (Including State DPAP)	37.92	8.12						
(c)	Int. Rural Energy Programmes	29.36	2.28						
13	National Rural Employment Programme(Includes REGS & RLEGP) Jawahar Rojgar Yojana (JRY)			84.38		123.96			
14	Land Reforms	24.84	0.89	0.95	147.68	0.76	195.76	231.61	201.50
15	Other Programmes of Rural Development (Anthyodhaya, 100 Walls & CRT &			75			134.07	90.0	78.54
16	Community Development (Includes Grants to ZPs) + others	33.4	1.64	318.64	355.12	468.6	379.05	300.13	369.24

Appendix 3.5 (Contd..)
Plan expenditure, outlays by minor sectors and programmes

(Rs. Crores)

1	2	3	4	5	6	7	8	9	10
	Others		535.53						
	Total (12 to 16)	125.52	548.46	446.66	826.63	1035.48	1322.42	1772.48	1505.63
III.	Special Area Programmes								
17	Hyderabad Karnataka Development Programmes (Including MADB & BADP)	640.74	42.09	169.26	115.37	73.85	88.06	144.98	137.82
	Total (17)	640.74	42.09	169.26	115.37	73.85	88.06	144.98	137.82
IV.	Irrigation & Flood Control								
18	Major & Medium Irrigation Projects	13277.33	3531.25	3579.39	3951.75	2058.41	2043.16	3163.42	3480.47
19	Minor Irrigation	719.35	205.73	197.26	357.54	361.95	457.13	598.58	828.15
20	Command Area Development (CADA)	137.05	9.5	31.21	54.56	64.68	47.82	97.00	104.00
21	Flood Control Projects (including Anti-Sea Erosion, etc.)	42.83	7.5	9.27	20.69	19.37	33.29	16.70	16.30
	Total : IV (18 to 21)	14176.56	3753.98	3817.13	4384.54	2504.41	2581.40	3875.70	4428.92
V.	Energy								
22	Power	2206.99	1481.15	1372.76	2259.77	2047.78	3597.47	3542.19	3352.38

(Contd..)

Appendix 3.5 (Contd..)
Plan expenditure, outlays by minor sectors and programmes

(Rs. Crores)

1	2	3	4	5	6	7	8	9	10
23	Generation (KPC)								
24	Transmission & Distribution (KPTCL) Non-conventional Sources of Energy	59.96	3.9	1.91	1.37	2.94	3.23	5.63	6.86
	Total : V (22 TO 24)	2266.95	1485.05	1374.67	2261.14	2050.72	3600.70	3547.82	3359.24
VI.	Industry & Minerals								
25	Village & Small Scale Industry	290.38	66.89	106.21	163.77	195.05	163.25	139.83	196.82
25a.	Major & Medium Industry (Other than SSI) (including KSBPE)	1140.21	94.41	99.6	89.7	308.02	316.22	184.25	712.71
26	Mining:Mineral Exploration	22.28	2.12	2.03	3.7	5.21	3.20	4.30	4.00
	Total : VI (25 to 26)	1452.87	163.42	207.84	257.17	508.28	482.67	328.38	913.53
VII.	Transport								
27	Ports and Lighthouses	47.96	5.34	5.71	6.95	6.49	-6.49	6.50	48.00
28	Roads and Bridges	3949.46	1259.34	1464.77	2339.93	1952.9	2852.28	2102.49	2131.37
29	Road Transport	855.29	305.81	417.9	759.87	714.78	934.54	937.39	916.57
a)	Pollution Control (MV Dept.)	1.72	0.28	0.48	0.29	0.61	0.75	1.01	1.00
b)	Inland Water Transport								
	Total : VII (27 to 29)	4854.43	1570.77	1888.86	3107.03	2674.78	3781.08	3047.39	3096.94

Appendix 3.5 (Contd.)
Plan expenditure, outlays by minor sectors and programmes

(Rs. Crores)

1	2	3	4	5	6	7	8	9	10
VIII.	Science, Tech & Environment								
30	Scientific Research (Incl. S & T)	12.92	2.43	9.37	4.63	19.35	13.66	22.17	28.36
31	Ecology & Environment	12.86	2.05	3.13	6.89	6.5	7.15	8.11	10.00
	Information Technology		22.43			20.24	51.70	85.87	84.50
	Total : VIII (30 to 31)	25.78	26.91	12.5	11.52	46.09	72.51	116.15	122.86
IX.	General Economic Services								
32	Secretariat Economic Services	3.8	0.77	0.84	0.91	0.12	2.30	2.91	3.95
33	Tourism	64.24	10.14	20.23	43.33	90.82	114.41	174.80	196.29
34	Survey & Statistics	7.37	0.7	0.89	0.86	0.14	0.81	0.41	0.45
35	Other General Economic Services					383.09	17.34	118.81	79.81
a)	Legal Metrology	1.97	1.09						
b)	Other-District Level Sub-Plan	1.97							
c)	Modernization of Administration	4.79							
d)	Civil Supplies								
e)	Transfer of cess to the infrastructure initiative fund		492.86						
f)	Block Grants / Market Research								
g)	Technical Assistance for VAT								
h)	Infrastructure Development		102.29				527.76	421.14	689.30
i)	One time ACA								
J	NABARD assisted improvement								
	Total : IX (32 to 35)	895.63	607.85	117.72	1308.39	474.17	662.62	718.07	969.80
B.	Social Services								
X.	Social Services Education, Sports, Art & Culture								
36	General Education	1687	848.32	932.61	1147.6	1240.78	1773.78	1788.12	2239.68
37	Technical Education	32	27.78	99.27	93.95	105.38	68.51	84.01	119.40

(Contd..)

Appendix 3.5 (Contd.)
Plan expenditure, outlays by minor sectors and programmes

(Rs. Crores)

1	2	3	4	5	6	7	8	9	10
38	Art & Culture	228	11.32	25.36	81.58	94.62	101.72	141.05	202.67
39	Sports & Youth Services	260	5	22.22	17.16	26.1	55.36	97.4	72.46
	Total : X (36 to 39)	2207	892.42	1079.46	1340.3	1466.88	1999.37	2110.58	2634.21
XI.	Health								
40	Medical & Public Health	1530.52	160.85	266.03	395.39	617.07	763.13	808.95	1086.76
	Total : XI (40)	1530.52	160.85	266.03	395.39	617.07	763.13	808.95	1086.76
XII.	Water Supply, Housing & Urban								
41	Water Supply	3057.19	513.31	769.9	548.27	546.98	704.27	1326.07	1674.72
42	Housing (incl. Police Housing & Sainik Welfare Infrastructure)	2583.3	423.53	749.75	570.13	633.66	604.80	669.22	876.60
43	Urban Development	3229.39	515.98	473.21	981.24	1263.61	2049.66	3115.74	4248.80
	Total : XII (41 to 43)	8869.88	1992.86	2099.64	2555.2	2444.24	3358.73	5111.03	6800.12
XIII.	Information & Publicity								
44	Information & Publicity	51.4	3.08	4.17	5.29	8.06	18.88	14.35	27.70
	Total : XIII (44)	51.4	3.08	4.17	5.29	8.06	18.88	14.35	27.7

(Contd..)

Appendix 3.5(Contd.)
Plan expenditure, outlays by minor sectors and programmes

(Rs. Crores)

1	2	3	4	5	6	7	8	9	10
XIV.	Welfare of SC, ST & OBCs								
45	Welfare of SCs, STs, Backward Classes and BCMS	1169.95	285.9	374.57	634.08	856.51	930.71	626.4	1031.59
	Total : XIV (45)	1169.95	285.9	374.57	634.08	856.51	930.71	626.4	1031.59
XV.	Labour & Labour Welfare								
46	Labour and Labour Welfare	72.81	27.23	26.32	44.08	95.7	124.84	161.40	315.68
	Total : XV (46)	72.81	27.23	26.32	44.08	95.7	124.84	161.40	315.68
XVI.	Social Welfare & Nutrition								
47	Social Security & Welfare	411.34	77.56	176.38	291.45	325.96	615.10	846.35	1048.14
a)	Nutrition	226.06	61.59	85.65	82.24	112.3	115.91	258.37	279.35
b)	Consumer Protection		1.5						
	Total: XVI (47)	637.4	140.65	262.03	373.7	438.26	731.01	1104.72	1327.49
C.	General Services								
48	Fire Protection	9.42	0.55	2	0.99	5	1.00	0.50	6.00
49	Stationery & Printing	14.56	0.44	0.66	0.93	0.83	20.24	10.00	10.00
50	Public Works –Administrative	1.71	85.78	94.56	213.56	350.15	352.14	354.09	568.75
	Buildings								
51	Training - ATI, Mysore	29.12	0.29	0.33	0.38	0.44	0.59	0.57	0.40
52	Administration of Justice			0.2	6.29	24.32	18.16	25.05	29.09

Appendix 3.5 (Concld..)
Plan expenditure, outlays by minor sectors and programmes
(Rs. Crores)

1	2	3	4	5	6	7	8	9	10
53	Jail Buildings	7.7					125.06	174.32	270.50
	Total C: General Services (48 to 53)	62.51	87.06	98.31	280.96	380.74	517.19	564.53	884.74
	Total – State Plan Outlay (A+B+C)	43558.22	11888.72	12678.29	18308.69	17226.91	22576.72	25966.97	31000.02
D.	Irrigation projects pending approval		7.83	3.44	3.55	928.51	317.30	585.47	755.65
E.	CSS/CPS		766.32	941.53	1122.53	1487.05	1829.19	1977.09	1858.05
F.	Western Ghats Development		16.5	13.81	14.89	23.01	31.49	26.32	26.32
	Grand Total	43558.22	12679.37	13637.07	19449.66	19665.48	24723.21	28529.53	33613.72

Source :

- 1) Details of Provisions for Plan Schemes 2004-05 to 2010-11, Government of Karnataka
- 2) Economic Survey 2009-10
- 3) Tenth Plan Document Volume II

Appendix 3.6

Expenditure on annual plans, centrally sponsored & central plan schemes : irrigation projects pending approval and western ghats development for 1991-92 to 2010-11

(Rs. Crores)

Year	State Plan	Centrally Sponsored & Central Plan Schemes (GOI) Share	Irrigation Projects Pending Approval	Western Ghats Development	Outlay	Total Per Capita Outlay (Rs.)
1991-92	1774.53	277.96	131.13	9.53	2193.15	483.01
1992-93	2032.95	390.48	192.68	7.91	2624.02	564.31
1993-94	2796.95	457.15	209.62	9.65	3473.37	771.94
1994-95	2973.34	495.11	218.1	9.5	3696.06	751.38
1995-96	3390.84	397.09	238.86	10.49	4037.28	842.86
1996-97	3972.57	491.02	288.73	10.28	4762.6	979.96
1997-98	4424.48	503.93	296.23	9	5233.64	1063.75
1998-99	5649.04	572.57	288.7	12.18	6522.49	1309.74
1999-00	5231.35	1198.71	268.44	12.07	6710.57	1280.64
2000-01	7353.95	677.41	235	10.98	8277.34	1573.64
2001-02	8347.55	818.96	205.93	8.16	9380.5	1634
2002-03	8163.91	806.49	200.02	14.96	9185.38	1681.44
2003-04	8619.45	737.56	82.02	15.43	9454.46	1732.27
2004-05	11888.72	766.32	7.83	16.5	12679.37	2296.99
2005-06	12678.29	941.53	3.44	13.81	13637.07	2413.64
2006-07	18308.69	1122.53	3.55	14.89	19449.66	3406.25
2007-08	17226.91	1487.05	928.51	23.01	19665.48	3402.33
2008-09	22576.74	1829.19	317.30	31.49	24754.72	4238.82
2009-10 (R.E)	25967.00	1977.09	585.47	26.32	28555.88	4848.20
2010-11 (B.E)	31000.00	1858.05	755.65	26.32	33640.02	5653.78

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

1. Details of Provisions for Plan Schemes Finance Dept., Govt. of Karnataka.

Appendix 3.7

Expenditure in Karnataka by economic classification of the budget 1991-92 to 2010-11

(Rs. Crores)

Year	Final Outlays				Transfers Payments			Financial Investments	Total
	Govt's Consumption	Gross Capital	Acquisition	Total	Current	Capital	Total	and Loans to the Rest	Expenditure
	Expenditure	Formation	of Fixed Assets		Transfers	Transfers		of the Economy	
1991-92	1285.89	574.21	2.34	1862.44	3080.1	47.23	3127.33	659.43	5649.2
1992-93	1393.7	750.5	6.01	2150.21	3430.85	151.15	3582	666.45	6398.66
1993-94	1530	997	1	2528	3656	208	3864	801	7193
1994-95	1750	1059	4	2813	4500	137	4637	503	7953
1995-96	2086.19	1140.77	10.31	3237.27	5216.21	147.83	5364.04	731.1	9332.41
1996-97	2271.56	1259.77	9.81	3541.14	6483.17	197.65	6680.82	578.68	10800.64
1997-98	2574.07	1150.1	55.8	3779.97	6863.5	105.32	6968.82	479.4	11228.19
1998-99	3069.89	1603.16	79.53	4752.58	7741.99	110.28	7852.27	704.37	13309.22
1999-2000	4174.61	1541.97	35.66	5752.24	9145.06	348.52	9493.58	817.28	16063.1

Appendix 3.7 (Concld..)

Expenditure in Karnataka by economic classification of the budget 1991-92 to 2010-11

(Rs. Crores)

Year	Final Outlays				Transfers Payments			Financial Investments	Total
	Govt's Consumption	Gross Capital	Acquisition	Total	Current	Capital	Total	and Loans to the Rest	Expenditure
	Expenditure	Formation	of Fixed Assets		Transfers	Transfers		of the Economy	
2000-01	4125.62	1586.92	15.97	5728.51	10444.79	259.78	10704.57	1204.78	17637.86
2001-02	4685.29	1970.86	12.34	6667.79	12227.09	418.17	12645.26	1176.46	20489.51
2002-03	4509.36	1964.41	51.2	6524.97	12741.45	196.05	12937.5	1846.75	21309.22
2003-04	5818.99	2107.48	1.28	7927.75	13302.34	164.49	13466.83	2713.95	24108.53
2004-05	5512.64	3380.89	-0.06	8893.47	15320.36	146.71	15467.07	3258.99	27619.53
2005-06	6724.23	3815.51	-0.12	10539.62	18208.83	33.53	18242.36	3414.12	32196.1
2006-07	8499.05	5822.44	-0.21	14321.28	20923.85	234.3	21158.15	5364.81	40844.24
2007-08	7676.82	6400.08	-244.41	13832.49	25374.63	654.42	26029.05	4176.83	44038.37
2008-209	9714.64	8441.81	-180.56	17975.89	22760.72	475.35	28236.07	4196.17	50408.13
2009-10	11144.62								
(R.E)		9800.4	-38.15	20906.87	30715.03	517.03	31232.06	4842.98	56981.91
2010-11									
(B.E)	13453.81	11199.16	-2795.09	21857.88	34329.09	423.87	34752.96	5517.26	62128.1

R.E. - Revised Estimates, B.E. - Budget Estimates

Source : An Economic-cum-Purpose Classification of the Karnataka Government Budget - Earlier Issues and 2010-11
Directorate of Economics and Statistics

Appendix 3.8
Capital formation by the Government, Karnataka 1991-92 to 2010-11

(Rs. Crores)

Year	Value of Assets Created		Total	Changes In Stock	Gross Capital Formation
	By Departmental Commercial Undertakings	By Government Administration			
1991-92	398.91	158.92	557.83	16.38	574.21
1992-93	547.35	187.42	734.77	15.73	750.5
1993-94	738	249	987	10	997
1994-95	768.6	275.69	1044.29	14.43	1058.72
1995-96	760.28	307.43	1067.71	73.06	1140.77
1996-97	817.75	408.02	1225.77	34	1259.77
1997-98	685.75	470.83	1156.58	-6.48	1150.1
1998-99	784.99	810.49	1595.48	7.68	1603.16
1999-00	794.98	742.72	1537.7	4.27	1541.97
2000-01	746.49	834.73	1581.22	5	1586.22
2001-02	1069.69	890.86	1970.55	-0.39	1970.16
2002-03	1054.43	907.85	1962.28	2.13	1964.41
2003-04	1641.49	445.99	2107.48	1.4	2108.83
2004-05	835.3	2545.19	3380.49	-2.8	3377.69
2005-06	889.69	2959.23	3851.46	2.54	3851.46
2006-07	922.8	5133.73	6056.53	16.22	6072.75
2007-08	1012.93	5797.16	6810.09	-4.45	6805.64
2008-09	1318.61	7417.99	8736.6	-8.09	8728.51
2009-10 (R.E)	2194.94	8084.34	10279.28		10279.28
2010-11 (B.E)	2433.77	6394.17	8827.94		8827.94

R.E. = Revised Estimates, B.E. = Budget Estimates

Source : Reports on An Economic-cum-Purpose Classification of the Karnataka Government Budget - 2010-11 and earlier issues, Directorate of Economics and Statistics.

Appendix 4.1

Statement showing the Taluk Headquarters Rainfall for Districtwise, Monthwise, Normal and Actual for the year 2010 (Taluk Head Quarters Only)

Districts	JAN		FEB		MAR		APR		MAY		PRE MONSOON		JUN		JUL		AUG		SEP		S.W. MONSOON		OCT		NOV		DEC		N.E. MONSOON		ANNUAL	
	N	A	N	A	N	A	N	A	N	A	N	A	N	A	N	A	N	A	N	A	N	A	N	A	N	A	N	A	N	A	N	A
Bangalore	3	7	7	2	10	2	36	72	111	139	168	221	69	69	101	100	116	121	174	108	460	397	159	109	61	152	19	4	239	265	867	882
Bangalore ®	2	0	5	0	8	19	34	56	94	112	142	186	62	141	93	136	111	151	160	111	426	540	154	83	54	142	14	10	222	235	790	961
Chitradurga	2	5	3	0	5	2	30	111	79	154	118	271	48	44	62	120	64	180	108	86	283	431	119	97	39	261	11	0	169	358	570	1060
Davanagere	2	18	1	0	4	7	39	49	84	64	130	137	68	74	98	131	79	201	114	137	360	544	119	144	40	206	7	0	166	350	657	1031
Kolar	4	1	6	1	11	0	29	79	84	146	133	227	54	149	76	132	87	72	145	101	362	455	144	40	60	198	24	15	228	253	723	936
Shimoga	1	21	1	0	7	1	45	61	94	77	149	160	331	291	648	576	366	416	138	293	1483	1576	135	146	44	166	8	0	187	312	1819	2049
Tumkur	2	6	3	1	9	10	33	78	98	115	145	210	61	89	75	138	81	166	145	120	362	514	149	147	51	180	12	0	212	327	719	1051
Ramanagara	2	17	5	0	12	7	45	76	127	111	191	210	63	53	83	86	102	107	178	110	425	356	168	116	53	172	15	0	236	288	853	854
Chikkaballapura	2	2	4	0	8	3	26	56	74	86	114	147	59	112	92	120	107	129	154	88	412	450	147	71	54	210	16	7	217	288	744	884
Chamarajanagara	3	1	7	6	15	12	68	89	146	94	240	201	52	45	59	46	70	83	134	78	315	252	168	109	68	242	26	5	262	356	816	809
Chikkamagalur	2	8	3	0	12	18	57	106	105	102	179	233	314	240	620	493	405	407	167	303	1506	1443	151	189	54	235	14	3	219	427	1904	2103
D.Kannada	4	18	1	0	10	4	48	79	171	118	234	219	942	808	1217	1257	856	720	323	482	3338	3266	233	375	86	286	20	3	339	664	3911	4149
Hassan	3	17	4	0	11	7	58	99	107	127	182	250	118	100	219	182	134	177	112	189	583	648	154	184	55	206	13	3	222	393	987	1291
Kodagu	4	1	4	0	18	7	71	79	151	85	247	172	585	320	742	646	600	420	202	273	2129	1659	183	218	65	221	18	4	266	443	2642	2274
Mandya	2	8	6	0	10	11	50	83	123	88	192	190	48	97	52	115	62	116	133	99	295	426	164	109	54	166	18	1	236	276	722	893
Mysore	3	5	5	2	13	7	65	146	135	125	220	285	66	82	97	87	70	125	102	70	335	364	145	155	52	221	15	4	212	380	766	1029
Udupi	2	22	1	0	4	0	30	93	170	113	207	228	1064	934	1278	1479	905	862	423	613	3670	3888	212	494	79	204	15	33	306	731	4182	4848
Bellary	2	18	2	1	3	0	27	39	71	73	104	130	73	60	84	87	93	304	137	64	387	515	104	97	31	130	11	1	146	228	636	872
Bidar	5	2	7	17	11	1	20	18	31	14	74	52	132	108	191	380	196	339	187	140	705	967	81	74	19	59	7	0	107	133	885	1153
Gulbarga	3	4	4	7	8	1	19	11	37	29	71	52	122	114	159	245	168	270	200	144	649	773	97	92	20	45	5	1	122	138	842	963
Yadgir	4	23	4	0	6	0	20	11	35	30	68	64	115	129	156	255	157	255	191	120	620	760	116	93	23	45	5	7	144	145	832	968
Koppala	1	24	1	0	2	0	21	25	50	123	75	172	69	58	77	106	87	233	149	74	383	470	94	53	24	78	7	0	125	131	583	774
Raichur	1	20	2	0	5	0	19	0	39	27	66	47	84	95	114	155	117	234	164	105	479	589	107	43	23	28	6	4	136	75	681	712
Bagalkote	1	16	2	1	5	0	24	10	57	57	88	84	72	115	75	89	69	154	144	67	361	426	102	69	28	68	7	0	137	137	586	647
Belgaum	2	5	1	1	7	0	29	24	76	14	115	44	117	158	206	226	124	144	114	112	561	641	108	109	34	99	6	1	148	209	823	893
Bijapur	2	13	3	6	6	0	18	8	44	26	72	52	89	72	87	83	86	155	167	83	428	393	100	80	24	36	7	3	131	119	631	565
Dharwad	2	8	4	0	8	1	46	42	88	80	148	131	107	87	149	146	101	145	121	105	478	483	112	107	41	121	7	0	160	228	786	842
Gadag	1	8	1	0	4	0	33	23	76	81	115	112	80	68	72	97	73	181	140	73	365	418	111	80	31	143	7	0	149	223	630	754
Haveri	1	9	1	0	5	7	43	47	84	76	133	140	105	117	173	169	108	150	98	126	484	562	112	112	41	177	7	1	160	290	777	992
Uttra Kannada	1	16	0	0	3	0	25	45	119	73	148	133	698	613	988	1135	598	470	253	445	2537	2664	140	239	50	195	10	6	200	440	2885	3237
State Average	2	11	3	1	8	4	37	58	91	84	141	158	189	180	272	301	199	243	159	165	820	890	135	134	45	159	11	3	191	296	1151	1343

Appendix 4.2
Production of Principal Crops in Karnataka State

(Lakh tones)

Crops	Kharif		Rabi		Summer		Annual	
	2009-10 Fin Adv Est	2010- 11 * tentative	2009-10 Fin Adv Est	2010- 11* tentative	2009-10 Fin Adv Est	2010- 11* tentative	2009-10 Fin Adv Est	2010- 11* tentative
Rice	25.84	28.35	0.86	0.6	10.22	9.38	36.92	38.32
Jowar	2.62	3.5	11.36	12.12	0.08	0.14	14.06	15.76
Ragi	12.54	13.23	0.44	0.58	0.14	0.16	13.12	13.97
Maize	26.76	34.5	2.61	3	0.77	0.6	30.14	38.1
Wheat			2.51	2.39			2.51	2.39
Bajra	1.52	2.4			0.01	0	1.53	2.4
Minor Millets	0.11	0.15					0.11	0.15
Total Cereals	69.39	82.13	17.78	18.69	11.22	10.28	98.39	111.09
Tur	2.82	5.98					2.82	5.98
Bengalgram (gram)			5.25	5.74		5.74	5.25	
Horsegram	0.56	0.4	0.55	0.5			1.11	0.9
Blackgram	0.1	0.42	0.03	0.02	0.01	0.006	0.13	0.44
Greengram	0.44	1.33	0.02	0.01	0.01	0.01	0.46	1.34
Avare	0.49	0.32	0.02	0.04			0.52	0.35
Cowpea & Other pulses	0.31	0.37	0.08	0.03		0.02	0.38	0.43
Total Pulses	4.72	8.82	6.44	5.85	0.02	0.04	11.16	14.69
Total Foodgrains	74.11	90.95	24.22	24.54	11.24	10.32	109.55	125.78
Groundnut	3.44	5.95			1.68	2.29	5.11	8.23
Sesamum	0.31	0.47					0.31	0.47
Sunflower	1.33	0.79	1.46	0.98	0.24	0.21	3.03	1.97
Castor	0.12	0.21					0.12	0.21
Nigerseed	0.08	0.06					0.08	0.06
Mustard	0.02	0.01					0.02	0.01
Soyabean	0.82	1.72					0.82	1.72
Safflower			0.5	0.51			0.5	0.51
Linseed			0.03	0.06			0.03	0.06
Total Oilseeds	6.12	9.21	1.99	1.55	1.92	2.5	10.02	13.24
Cotton* (prod.170 kg lakh bales)	-	-	-	-	-	-	7.54	10.36
Sugarcane (Harvested)	-	-	-	-	-	-	304.43	324.61
Sugarcane (Planted)	-	-	-	-	-	-		
Tobaco	-	-	-	-	-	-	0.91	1

*Estimates as per Agriculture department.

Appendix 4.3
Area of Principal Crops in Karnataka State

(Lakh hectares)

Crops	Kharif		Rabi		Summer		Annual	
	2009-10 Fin Adv Est	2010 -11 * tentative	2009-10 Fin Adv Est	2010- 11 * tentative	2009-10 Fin Adv Est	2010- 11 * tentative	2009-10 Fin Adv Est	2010- 11 * tentative
Rice	11.02	11.03	0.38	0.33	3.47	3	14.87	14.36
Jowar	2.46	2.03	11.17	10.19	0.06	0.07	13.69	12.29
Ragi	7.29	7.67	0.28	0.28	0.08	0.08	7.64	8.03
Maize	11.08	11.67	1.04	1.08	0.28	0.2	12.4	12.95
Wheat			2.83	2.6			2.83	2.6
Bajra	3.04	3.11			0.01	0	3.05	3.11
Minor Millets	0.27	0.28		0.005			0.27	0.28
Total Cereals	35.16	35.79	15.7	14.48	3.9	3.35	54.75	53.62
Tur	6.04	8.83					6.04	8.83
Bengalgram (Gram)			9.72	10.3			9.72	10.3
Horsegram	1.15	1.06	1.13	1.2			2.28	2.26
Blackgram	1.09	1.19	0.07	0.07	0.02	0.03	1.18	1.29
Greengram	3.7	3.82	0.07	0.03	0.02	0.05	3.79	3.9
Avare	0.67	0.83	0.09	0.08			0.76	0.91
Cowpea & Other pulses	0.76	0.98	0.26	0.16	0	0.12	1.02	1.26
Total Pulses	13.41	16.71	11.34	11.83	0.04	0.2	24.79	28.75
Total Foodgrains	48.57	52.5	27.04	26.31	3.94	3.55	79.54	82.37
Groundnut	6.09	6.68			2.09	2.1	8.18	8.78
Sesamum	0.76	0.86					0.76	0.86
Sunflower	3.89	1.83	3.76	2.07	0.29	0.3	7.94	4.2
Castor	0.18	0.22					0.18	0.22
Nigerseed	0.26	0.23		0.03			0.26	0.26
Mustard	0.05	0.05					0.05	0.05
Soyabean	1.84	1.81					1.84	1.81
Safflower			0.68	0.61			0.68	0.61
Linseed			0.12	0.13			0.12	0.13
Total Oilseeds	13.07	11.68	4.56	2.86	2.38	2.4	20.01	16.92
Cotton* (prod.170 kg lakh bales)	3.09	4.16	1.46	1.16	0.02	0.01	4.57	5.33
Sugarcane (Harvested)	3.26	4.41	0.04	0.43	0.07	0.3	3.37	5.14
Sugarcane (Planted)	0.7		0.49	-	0.41	-	1.6	
Tobaco	1.16	1.18	0.02	0.04	-	-	1.18	1.22

*Estimates as per Agriculture department.

Appendix 4.4
Index Numbers of Area, Production and Yield of Agricultural Commodities
 Base Triennium ending 1981-82 = 100

Year	Area	Production	Yield
1970-71	103.4	115.0	94.7
1980-81	99.4	131.6	120.7
1990-91	100.8	158.5	118.2
2000-01	105.2	189.9	127.8
2001-02	98.3	160.7	112.3
2002-03	94.2	130.4	100.5
2003-04	89.7	112.0	96.1
2004-05	100.6	157.3	117.1
2005-06	101.3	170.9	116.9
2006-07	96.8	167.6	111.8
2007-08	103.6	181.8	119.8

Source: Directorate of Economics and Statistics

Appendix 4.5
Area under Principal Crops in Karnataka

(lakh hectares)

Crop	1980-81	1990-91	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10(P)
Rice	11.14	11.73	14.83	14.18	11.55	10.74	13.08	14.85	13.96	14.16	15.14	14.87
Ragi	10.57	10.55	10.23	9.53	7.67	9.98	8.93	9.39	6.06	8.33	8.41	7.64
Jowar	19.90	21.55	17.82	17.91	17.86	16.98	16.63	15.20	14.19	13.82	13.82	13.69
Bajra	5.64	4.25	4.62	2.10	3.05	3.19	4.45	4.31	3.88	4.32	2.66	3.05
Maize	1.57	2.50	6.69	5.80	6.50	6.18	8.50	9.36	9.60	11.13	10.68	12.40
Wheat	3.22	1.98	2.66	2.60	2.47	2.32	2.42	2.53	2.69	2.75	2.69	2.83
Minor millets	3.68	1.59	0.71	0.70	0.54	0.68	0.58	0.52	0.40	0.36	0.33	0.27
Total cereals and Minor Millets	55.73	54.15	57.57	52.82	49.64	50.07	54.59	56.16	50.78	54.87	53.73	54.76
Tur	3.36	4.63	5.83	4.82	5.14	5.32	5.62	6.00	5.96	6.81	5.97	6.04
Total pulses	15.31	16.21	20.47	18.93	20.61	18.74	21.08	19.81	23.16	23.86	20.88	24.79
Total foodgrains	71.04	70.36	78.04	71.75	70.25	68.82	75.67	75.97	73.94	78.73	74.61	79.55
Groundnut	7.90	12.12	10.63	8.55	8.44	8.17	9.69	10.40	7.64	9.08	8.50	8.18
Total oilseeds	12.51	25.51	18.94	17.37	20.05	22.67	26.73	28.63	23.55	22.76	21.78	20.01
Sugarcane*	1.54	2.72	4.17	4.07	3.83	2.43	1.79	2.21	2.69	3.07	2.81	3.37
Cotton	10.12	5.96	5.52	6.08	3.93	3.17	5.22	4.13	3.76	4.03	4.09	4.57
Arecanut	0.54	0.64	1.19	1.36	1.44	1.49	1.53	1.61	1.68	1.74	1.84	1.85
Coconut	1.71	2.32	3.36	3.70	3.75	3.76	3.83	3.96	4.04	4.05	4.18	4.19
Dry chillies	1.54	1.29	1.73	1.93	1.55	0.70	1.52	1.26	1.33	1.37	1.22	1.39
Tobacco	0.52	0.46	0.71	0.72	0.82	0.98	0.91	1.01	1.04	1.13	1.08	1.18
Pepper	0.03	0.03	0.07	0.10	0.10	0.11	0.12	0.15	0.14	0.16	0.17	0.17
Cardamom	0.28	0.26	0.20	0.20	0.19	0.19	0.19	0.20	0.24	0.21	0.20	0.20

Appendix 4.6
Production of Principal Crops in Karnataka

(Lakh tones)

Crop	1980-81	1990-91	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10(P)
Rice	22.58	24.28	38.47	32.34	23.90	25.50	37.06	39.99	36.46	38.69	40.31	36.92
Ragi	10.64	9.76	18.35	15.39	7.14	11.25	16.14	16.56	6.65	13.68	12.33	13.12
Jowar	15.06	12.82	15.47	13.72	12.25	7.81	13.59	14.79	11.30	16.70	14.84	14.06
Bajra	1.92	2.03	3.42	1.12	1.20	1.91	2.66	3.91	1.63	3.35	1.81	1.53
Maize	3.81	6.30	21.36	14.52	13.43	12.10	25.09	28.07	26.41	32.76	29.56	30.14
Wheat	1.74	1.23	2.50	1.99	1.48	0.96	2.06	2.26	2.24	2.80	2.57	2.51
Minor millets	1.39	0.63	0.47	0.37	0.31	0.39	0.31	0.27	0.21	0.17	0.15	0.11
Total cereals and Minor Millets	57.14	57.05	100.04	79.45	59.71	59.92	96.91	105.85	84.90	108.15	101.58	98.39
Tur	1.25	1.75	2.64	1.47	2.41	2.00	2.91	4.08	2.63	4.51	3.14	2.82
Total pulses	4.88	5.39	9.56	7.52	6.94	5.69	8.00	9.51	8.39	12.33	9.73	11.16
Total foodgrains	62.02	62.44	109.60	86.97	66.65	65.61	104.91	115.36	93.29	120.48	111.31	109.55
Groundnut	4.75	8.16	10.81	5.86	5.39	4.33	6.84	5.96	3.27	6.92	3.99	5.11
Total oilseeds	6.50	13.39	15.45	10.20	10.74	9.34	14.46	15.27	9.44	14.19	9.69	10.02
Sugarcane	121.27	207.50	429.24	330.17	324.85	160.15	139.93	196.48	236.42	260.28	242.66	304.43
Cotton(1)	5.97	6.40	8.55	6.12	3.31	2.65	6.25	5.85	5.36	7.05	8.25	7.54
Arecanut (processed)	0.78	0.93	1.63	1.83	1.93	1.99	2.04	2.15	2.24	2.32	2.44	2.56
Coconut(2)	887.00	1199.26	1762.40	1503.64	1525.29	1529.14	1551.73	1606.89	1635.84	2063.85	2140.76	2182.95
Dry Chillies	0.48	0.37	1.51	1.26	1.53	0.95	1.05	1.07	1.30	1.42	1.35	1.44
Tobacco	0.34	0.33	0.52	0.59	0.59	0.55	0.68	0.64	0.46	0.48	0.55	0.91
Pepper (3)	0.08	0.07	0.18	0.22	0.23	0.24	0.28	0.32	0.29	0.51	0.54	0.54
Cardamom	0.02	0.02	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.02	0.02	0.02

(1) Lakh bales of 170 Kgs, each in lint form. (2) Thousand nuts (3) Intems of quintals P: Provisional

Appendix 4.7
Average Yield of Selected Crops - India and Karnataka

Crops	2000-2001		2001-2002		2002-2003		2003-2004		2004-2005		2005-2006		2006-2007		2007-2008		2008-2009 (P)		2009-2010 (P)	
	India	Kar	India	Kar	India	Kar	India	Kar	India	Kar	India	Kar	India	Kar	India	Kar	India	Kar	India**	Kar
Rice	1901	2730	2079	2401	1744	2179	2077	2500	1984	2982	2102	2834	2331	2750	2203	2875	2186	2644	2130	2614
Ragi	NA	1889	NA	1699	NA	980	NA	1186	NA	1903	NA	1858	NA	1156	NA	1729	NA	1744	NA	1807
Jowar	764	914	771	806	754	722	716	484	797	860	880	1024	844	838	1021	1272	952	1241	911	1081
Wheat	2708	988	2762	803	2610	630	2713	436	2602	897	2619	943	2708	874	2802	1071	2891	969	2830	933
Maize	1822	3361	2000	2634	1681	2176	2041	2060	1907	3106	1938	3157	1912	2895	2335	3099	2355	2985	2002	2557
Bajra	688	778	869	564	610	415	1141	632	859	630	802	954	886	443	1042	816	1011	739	728	528
Tur	618	476	679	322	651	493	670	395	667	545	765	716	650	464	826	697	678	556	723	491
Groundnut	977	1070	1127	721	694	672	1357	558	1020	743	1187	603	866	451	1459	802	1180	621	NA	658
Cotton(lint)	190	277	186	180	191	151	307	149	318	214	362	253	421	255	467	313	419	379	NA	295
Sugarcane*	69	108	67	85	64	89	59	69	65	82	67	93	69	92	69	89	62	87	NA	95

* Tonnes per hectare

P: provisional N.A: Not Available

** Source: Ministry of Agriculture & Co operation, G O I ,based on 4th Advance Estimates as on 19.07.2010.

Appendix 4.8
Area Irrigated by Various Sources in the State

Year	Area irrigated		Net	Gross	Intensity of irrigated cropping	No of irrigation wells*('000)	Net area irrigated per well (ha.)	Gross cropped area	Percentage of gross irrigated area to gross cropped area
	Wells*	Other sources							
1960-61	NA	NA	NA	NA	NA	NA	NA	NA	NA
1970-71	259	878	1137	1355	119.2	302	0.9	10887	12.4
1980-81	365	997	1362	1676	123.1	361	1.0	10660	15.7
1985-86	481	1195	1676	2012	120.0	432	1.1	11146	18.1
1990-91	713	1399	2112	2598	123.0	537	1.3	11759	22.1
1994-95	813	1512	2325	2923	125.7	674	1.2	12013	24.3
1995-96	799	1502	2301	2845	123.6	703	1.1	11958	23.8
1996-97	833	1491	2324	2881	124.0	718	1.2	12353	23.3
1997-98	861	1501	2362	2912	123.3	732	1.2	11698	24.9
1998-99	929	1563	2492	3118	125.1	756	1.2	12312	25.3
1999-00	959	1588	2547	3162	124.1	771	1.2	12097	26.1
2000-01	1018	1625	2643	3271	123.8	810	1.3	12284	26.6
2001-02	1054	1510	2564	3089	120.5	839	1.3	11670	26.5
2002-03	1185	1266	2451	2841	115.9	922	1.3	11532	24.6
2003-04	1165	1218	2383	2702	113.4	979	1.2	11450	23.6
2004-05	1309	1512	2821	3328	118.0	1001	1.3	12807	26.0
2005-06	1351	1619	2970	3632	122.3	1011	1.3	13027	27.9
2006-07	1327	1619	2946	3603	122.3	1021	1.3	12438	29.0
2007-08	1513	1619	3132	3789	121.0	1075	1.4	12893	29.4
2008-09	1546	1691	3237	3942	121.8	1114	1.4	12368	31.9

Note:* including borewells
NA:Not available

Appendix 4.9 (a)
Land use Classification in Karnataka

Area in '000hectares

Year	Geographical Area	Forest	Land put to non agriculture use	Barren & Uncultivable land	Cultivable waste land	Permanent pasteurs and other grazing land	Miscellaneous tree crops ,groves not included under Net Area Sown	Current fallow	Other fallow	Net area sown	Area sown more than once	Gross Cropped Area	Cropping Intensity
1986-87	19050	3061	1162	801	461	1156	350	1108	417	10533	1288	11821	112.23
1987-88	19050	3061	1174	801	458	1135	326	942	417	10736	1510	12246	114.06
1988-89	19050	3071	1182	800	448	1103	319	1221	405	10501	1318	11819	112.55
1989-90	19050	3074	1183	799	447	1100	317	1019	403	10708	1407	12115	113.14
1990-91	19050	3074	1189	799	446	1098	317	1290	457	10381	1378	11759	113.27
1991-92	19050	3075	1192	801	445	1097	316	984	431	10709	1683	12393	115.73
1992-93	19050	3075	1204	801	443	1094	317	1085	416	10615	1605	12220	115.12
1993-94	19050	3076	1217	800	444	899	316	1112	396	10790	1643	12432	115.22
1994-95	19050	3076	1230	801	444	1048	326	1284	422	10420	1594	12013	115.29
1995-96	19050	3062	1257	800	442	1028	320	1278	444	10419	1538	11958	114.77
1996-97	19050	3062	1269	799	441	1017	317	1138	396	10609	1744	12353	116.44
1997-98	19050	3063	1284	802	439	1005	313	1671	399	10075	1621	11696	116.09
1998-99	19050	3063	1295	799	435	987	312	1266	401	10489	1822	12312	117.38
1999-00	19050	3063	1301	796	433	979	305	1489	426	10259	1839	12097	117.92
2000-01	19050	3068	1312	794	427	959	303	1367	409	10410	1874	12284	118.00
2001-02	19050	3070	1325	788	423	956	302	1728	426	10031	1638	11670	116.34
2002-03	19050	3070	1332	788	421	952	305	1832	513	9838	1694	11532	117.22
2003-04	19050	3071	1336	788	419	947	301	1854	487	9847	1604	11450	116.28
2004-05	19050	3070	1340	788	420	945	297	1247	443	10499	2308	12807	121.98
2005-06	19050	3072	1349	788	419	936	292	1233	452	10509	2517	13027	123.96
2006-07	19050	3072	1363	788	416	934	292	1565	515	10105	2333	12438	123.09
2007-08	19050	3072	1369	788	415	930	290	1262	505	10419	2474	12893	123.75
2008-09	19050	3072	1375	788	413	923	290	1500	516	10174	2195	12368	121.56
2009-10(P)	19050	3072	1401	788	440	930	226	1427	513	10253	2443	12696	123.83

Note:P=Provisional

Source: DE&S, Bangalore.

Appendix 4.9 (b)
Land Utilisation Statistics
(lakh hectares)

Classification	1960-61	1970-71	1980-81	1990-91	2000-01	2006-07	2007-08	2008-09
Total Geographical Area	187.80	189.43	190.50	190.50	190.50	190.50	190.50	190.50
Forest	27.09	28.90	30.33	30.74	30.68	30.72	30.72	30.72
<i>Not available for cultivation:</i>								
a) Land put to non-agri.uses	8.12	9.37	10.66	11.89	13.12	13.63	13.69	13.75
b) Barren & uncultivable land	9.22	8.39	8.44	7.99	7.94	7.88	7.88	7.88
Cultivable waste	6.56	6.15	5.02	4.46	4.27	4.16	4.15	4.13
<i>Uncultivated land excluding fallow land:</i>								
a) Permanent pastures & other grazing land	17.39	16.19	13.46	10.98	9.59	9.34	9.30	9.23
b) Misc. Tree crops, Groves	3.66	3.11	3.42	3.16	3.03	2.92	2.90	2.90
<i>Fallow Land</i>								
a) Current fallow	8.35	8.11	14.59	12.90	13.67	15.65	12.62	15.00
b) Other fallow land	5.13	6.72	5.58	4.57	4.08	5.15	5.05	5.16
Net Area Sown	102.28	102.48	98.99	103.81	104.10	101.05	104.19	101.74
Total Cropped Area	105.88	108.87	106.60	117.59	122.84	124.38	128.93	123.68
Area sown more than once	3.60	6.39	7.61	13.78	18.74	23.33	24.74	21.95
Cropping Intensity - %	103.52	106.24	107.69	113.27	118.00	123.09	123.74	121.57

Source: Annual Season & Crop Reports of DE&S, Bangalore.

Appendix 4.10
Cropping Pattern in Karnataka

(lakh hectares)

Crops	Year					
	1960-61	1970-71	1980-81	1990-91	2000-01	2010-11 *
Rice	10.28	11.70	11.14	11.73	14.84	14.36
Jowar	29.69	22.24	19.91	21.55	17.82	12.29
Ragi	9.96	10.65	10.57	10.56	10.23	8.03
Maize	0.11	0.63	1.57	2.50	6.69	12.95
Bajra	5.00	5.62	5.64	4.25	4.62	3.11
Wheat	3.27	3.43	3.22	1.98	2.66	2.60
M.Millets	4.44	5.43	3.68	1.59	0.71	0.28
Total Cereals:	62.73	59.71	55.73	54.16	57.57	53.62
Tur	2.96	3.04	3.36	4.63	5.83	8.83
Bengalgram	1.58	1.63	1.40	2.29	3.69	10.30
Horsegram		6.19	7.09	3.53	2.95	2.26
Blackgram	} 8.52	0.94	0.57	0.96	1.46	1.29
Greengram		1.20	1.53	2.91	4.51	3.90
Cowpea & other Pulses		0.87	0.78	1.14	1.15	1.26
Avare		0.56	0.59	0.75	0.88	0.91
Total Pulses:	13.06	14.44	15.31	16.21	20.47	28.75
Total Foodgrains:	78.80	74.15	71.04	70.37	78.04	82.37
Groundnut	9.15	10.27	7.90	12.12	10.63	8.78
Sesamum	0.64	0.87	1.18	1.43	0.98	0.86
Sunflower	-	-	0.38	8.96	4.78	4.20
Castor	0.42	0.38	0.26	0.22	0.30	0.22
Niger	0.25	0.21	0.55	0.53	0.44	0.26
Mustard	0.09	0.04	0.03	0.05	0.08	0.05
Soyabean	-	-	-	0.24	0.63	1.81
Safflower	1.44	1.59	1.58	1.68	0.93	0.61
Linseed	0.48	0.63	0.63	0.28	0.17	0.13
Total Oilseeds:	12.47	13.98	12.51	25.51	18.94	16.92
<u>Annual Crops:</u>						
Cotton	9.84	11.42	10.12	5.96	5.52	5.33
Sugarcane	0.72	1.04	1.54	2.72	4.17	5.14
Tobacco	0.39	0.38	0.52	0.46	0.71	1.22
Total of above	102.22	100.97	95.73	105.02	107.38	110.98

*Provisional Estimates of Agri Dept. Source: FRE of DE&S.

Appendix 4.11
Fertilizer Consumption and HYV Coverage in Karnataka

Season/Year	Area Under HYV (lakh hectares)	Fertiliser Consumption (lakh tonnes)			
		Nitrogen	Phosphorous	Potash	Total (N+P+K)
1970-71	5.30	0.92	0.37	0.24	1.53
1980-81	24.00	1.93	0.81	0.70	3.44
1990-91	31.56	4.12	2.56	1.65	8.33
2000-01	41.28	7.03	3.60	2.31	12.94
2001-02	39.34	6.71	3.60	2.18	12.49
2002-03	38.41	6.01	3.03	1.95	10.99
2003-04	38.74	4.93	2.40	1.86	9.19
2004-05	45.45	6.55	3.63	2.73	12.91
2005-06	47.99	9.85	4.96	3.25	18.06
2006-07	47.50	7.56	4.38	2.91	14.86
2007-08	47.76	7.92	3.93	3.43	15.28
2008-09	47.37	8.64	5.59	4.09	18.32
2009-10	48.38	9.63	6.30	4.66	20.59
2010-11 (A)	47.81	10.08	6.86	4.42	21.36

A: Anticipated

Source: Department of Agriculture

Appendix 4.12
Progress made under NAIS since Inception of the Scheme till 2009-10

Season / Year	No. of farmers Enrolled (lakh)	Premium collected (Rs in lakh)	Area covered (lakh Hectares)	Sum insured (Rs in lakh)	No. of farmers Benefitted (lakh)	Claims settled (Rs in lakh)
2000-01	3.67	1118.76	7.16	42808.44	0.24	326.95
2001-02	6.76	1575.72	10.85	58152.12	3.52	13612.78
2002-03	10.30	4191.79	14.98	126618.23	5.99	30390.81
2003-04	18.64	4405.56	29.73	155415.15	12.42	50908.29
2004-05	9.63	3989.44	14.06	111289.16	1.52	3050.42
2005-06	9.71	4852.81	16.79	128245.24	1.32	4536.59
2006-07	13.39	4735.67	27.12	153367.94	6.15	20667.70
2007-08	6.37	3698.42	16.05	109926.90	0.67	2871.99
2008-09	13.42	4569.15	20.96	154767.44	3.52	14964.42
Kharif 2009-10	9.83	3852.76	13.76	131798.43	4.67	16715.54
Rabi 2009-10	1.12	247.40	2.07	12629.46	-	-
Summer 2009-10	0.08	82.68	0.17	4134.00	-	-
Total 2009-10	11.03	4182.84	16.00	148561.89	4.67	16715.54
Grand Total	102.95	37320.16	157.65	1189152.51	40.01	158045.49

Appendix 4.13
MSP announced by GOI for the year 2010-11

MINIMUM SUPPORT PRICES			
(According to Crop Year) (As on 10.06.2010)			
(Rs per quintal)			
Sl.No.	Commodity	Variety	2010-11
KHARIFCROPS			
1	Paddy	Common	1000
		Grade 'A'	1030
2	Jowar	Hybrid	880
		Maldandi	900
3	Bajra		880
4	Maize		880
5	Ragi		965
6	Arhar (Tur)		3000
7	Moong		3170
8	Urad		2900
9	Cotton	F-414/H-777/J34	2500*
		H-4	3000**
10	Groundnut in shell		2300
11	Sunflower seed		2350
12	Soybean	Black	1400
		Yellow	1440
13	Sesamum		2900
14	Niger seed		2450
RABI CROPS (2009-10 crop to be sold in 2010-11)			
15	Wheat		1100
16	Barley		750
17	Gram		1760
18	Masur (Lentil)		1870
19	Rapeseed (Mustard)		1830
20	Safflower		1680
21	Toria		
OTHER CROPS			
22	Copra Milling	Milling	4450
		Ball	4700
23	Dehusked coconut		1200
24	Jute		
23	Sugarcane		107.76
26	Tobacco	Black soil (F2 grade)	
	(Rs per kg.)	Light soil (L2grade)	
* Medium Staple			
** Long Staple			

Appendix 4.14
Progress under National Horticulture Mission
(Rs.in lakh)

Year	Amount Released	Achievement
2005-06	4455.17	56.48
2006-07	8448.25	4385.07
2007-08	10070.94	17369.56
2008-09	13536.88	11017.28
2009-10	9500.67	13321.33
2010-11 (upto December 2010)	10298.79	7339.18
Total	56310.70	53488.90

Appendix 4.15
Year wise Livestock Population

(in number)

Year	Cattle	Buffalo	Sheep	Goat	Pig	Others	Total Livestock	Poultry
1951	8815269	2565959	4192078	2676408	161889	134580	18546183	5705132
1956	8965693	2668713	4059473	2583995	185493	102851	18566218	7667845
1961	9673001	3025890	4764972	2894355	206513	103456	20668187	8840927
1966	9685581	2946027	4747964	2813682	207078	115160	20485462	8276797
1972	10018717	3036873	4662420	3726016	261125	82211	21965362	10163177
1977	10221960	3278128	4536481	3388139	296368	79128	21800204	9696012
1983	11300223	3647967	4791650	4546928	318862	1542755	26148385	12096535
1990	10175501	4037193	4727238	3888799	303969	1835301	24968021	15693580
1997	10831134	4367184	8003078	4874759	405444	2206468	30688067	21398756
2003	9595930	4023832	7272241	4491473	320433	2654625	28358534	24450809
2007 (Provisional)	10502520	4326980	9558434	6152968	280690	2324263	32865165	42067822
% of Variation over the previous Year 2003	9.45	7.53	31.44	36.99	-12.4	-12.44	15.89	72.05

Appendix 4.16
Target and Estimate of Milk, Egg, Wool and Meat Production
For 11th Five Year Plan from 2007-2008 to 2011-2012

Sl. No	Year	Milk (in 000' tonnes)		% of Achievement	Egg (in Lakhs)		% of Achievement
		Target	Production		Target	Production	
1	2007-08	4279	4313	100.79	18616	20385	109.50
2	2008-09	4407	4538	102.97	18925	23745	125.47
3	2009-10	4539	4821	106.21	19239	29083	151.17
4	2010-11						
5	2011-12						
	Total	13225	13672	103.38	56780	73213	128.94
Sl. No.	Year	Wool (in tonnes)		% of Achievement	Meat (in tonnes)		% of Achievement
		Target	Production		Target	Production	
1	2007-08	5820	5631	96.86	107337	109953	102.44
2	2008-09	5936	7137	120.23	110458	114519	103.68
3	2009-10	6055	7165	118.33	113653	119247	104.92
4	2010-11						
5	2011-12						
	Total	17811	19933	111.91	331448	343719	103.70

Appendix 4.17
Area and production of selected fruit crops

(Area in hectares, Production in metric tonnes)

Crops	1980-81		1990-91		2000-01		2007-08		2008-09		2009-10(P)		2010-11(E)	
	Area	Prod.	Area	Prod.	Area	Prod.	Area	Prod.	Area	Prod.	Area	Prod.	Area	Prod.
Mango	45478	254677	76955	657973	119172	1098547	134567	1223258	140490	1607595	142572	1687975	154898	1772374
Banana	37405	960125	38280	1132804	53377	1217169	70472	1793284	75892	1890785	81205	2023140	86890	2164760
Citrus Fruits	30630	294048	33195	299009	15524	326324	13513	295680	15651	274249	16398	285254	17182	300889
Gauva	6931	66538	11299	141212	9087	157102	6871	134783	6882	132699	7020	135353	7160	138060
Sapota	7670	135759	13267	243989	20216	193737	26199	283590	27541	309740	28918	325227	30364	341488
Grapes	5008	100160	5972	131176	8509	150334	14310	258814	15461	278560	16111	289326	16791	300863
Pineapple	2255	78925	2965	103530	4873	272475	2877	177431	2909	180515	3054	189541	3207	199018
Pomogranate	1418	6806	4438	13145	10803	112241	13858	134109	14996	140682	15446	144902	15909	149249
Jack	7266	174384	10527	247258	7855	236524	6166	244409	5995	235144	6175	242198	6360	249464
Papaya	5761	230440	1221	178497	4889	332858	5214	389540	5117	419951	6003	440949	6303	462996
Ber	907	5442	2239	17013	1023	26580	408	13077	621	13713	627	13850	633	13989
Fig	36	360	123	158	352	2868	1389	13262	1498	13643	1543	14052	1589	14474
Rose Apple	149	894	357	1651	0	0	0	0						
Lichi	9	95	13	27	0	0	0	0						
Annonaceous Fruit	1614	16140	3406	29192	2031	15975	1913	14839	1899	14405	1956	14837	2015	15282
Butter Fruit	87	131	110	106	0	0	0	0						
Others	3372	33720	6895	62113	3022	21878	2136	24495	2641	22526	7045	25202	2158	23898
Total	155996	2358644	211262	3258853	260733	4164612	299893	5000571	317593	5534207	334073	5831806	351459	6146804

P: Provisional E: Estimated

Source: Horticulture Dept

Appendix 4.18
Public Investment in Irrigation in Karnataka

(Rupees crore)

Year	Major and Medium projects*	Minor Irrigation works**	Total
1995-96	920.13	61.76	981.89
1996-97	1361.12	71.57	1432.69
1997-98	1604.52	67.89	1672.41
1998-99	1719.80	89.17	1808.97
1999-00	2027.27	107.92	2135.19
2000-01	2595.09	121.18	2716.27
2001-02	2547.17	103.16	2650.33
2002-03	2689.96	110.55	2800.54
2003-04	2308.08	129.88	2437.96
2004-05	3531.24	203.96	3735.20
2005-06	3579.39	194.19	3773.58
2006-07	3951.75	354.70	4306.45
2007-08	2058.41	359.50	2417.91
2008-09	2020.85	586.60	2607.45
2009-10(RE)	3163.41	594.08	3757.49
2010-11(A)	3480.47	823.84	4304.31

A: Anticipated RE: Revised Estimates

* : Includes outlay on irrigation projects pending approval

** : Surface water only

Source: 1. Details of Provisions for Plan Expenditure 2010-11

Appendix 4.19
Trends in Irrigation in Karnataka
Cumulative Potential Created

(Lakh hectares)

End of Plan/year	Major and Medium projects	Minor irrigation (surface)	Total
VII Plan (1985-1990)			
1985-86	12.27	8.59	20.86
1986-87	12.75	8.65	21.40
1987-88	12.87	8.71	21.58
1988-89	12.97	8.82	21.79
1989-90	13.09	8.92	22.01
Annual plan			
1990-91	13.36	8.95	22.31
1991-92	13.80	9.00	22.80
VIII Plan			
1992-93	14.25	9.06	23.30
1993-94	14.94	9.13	24.07
1994-95	15.28	9.18	24.46
1995-96	15.77	9.25	25.02
1996-97	16.13	9.30	25.43
IX Plan			
1997-98	16.58	9.35	25.93
1998-99	16.93	9.38	26.31
1999-00	17.41	9.43	26.84
2000-01	18.12	9.51	27.63
2001-02	19.05	9.58	28.63
X Plan			
2002-03	19.70	9.65	29.35
2003-04	20.38	9.71	30.09
2004-05	21.17	9.75	30.92
2005-06	21.97	9.82	31.79
2006-07	23.21	9.61	32.82
XI Plan			
2007-08	23.64	9.69	33.33
2008-09	24.28	9.81	34.09
2009-10	24.56	9.87	34.43
2010-11(A)	25.15	9.97	35.12

A: Anticipated

Source: Water Resources Department, Government of Karnataka

Appendix 4.20
Cumulative Year - wise Potential created under selected
Major and Medium Irrigation Projects
(2007-08 to 2010-2011)

Project	2007-08	2008-09	2009-10	2010-11 (A)
1. Upper Krishna stage-I & II	588354	599738	602473	619973
2. Ghataprabha Stage - III	160394	160394	160783	163054
3. Malaprabha	208750	211361	213537	213686
4. Karanja	27594	27594	27594	30412
5. Harangi	51614	53393	53510	53510
6. Hemavathy	235029	241742	243653	244463

* Anticipated
Source: Water Resources Department, Government of
Karnataka

Appendix 6.1: Sector-wise Growth in Index of Industrial Production (IIP): 2001-02 to 2009-10

Base year - 1999-2000=1000

Sector	Weight	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	CARG*
Mining	41.36	131.15	144.92	180.20	187.33	192.45	190.65	224.60	241.22	332.76	13.94
		(21.40)	(10.50)	(24.35)	(3.96)	(2.73)	(-0.94)	(17.81)	(7.40)	(37.95)	
Manufacturing	785.71	107.19	114.33	120.19	128.98	136.58	147.27	158.71	167.45	181.63	6.18
		(3.30)	(6.66)	(5.13)	(7.31)	(5.89)	(7.83)	(7.76)	(5.51)	(8.47)	
Electricity	172.93	118.93	115.15	119.63	115.83	121.54	137.11	146.22	146.33	169.43	6.48
		(5.54)	(-3.32)	(3.75)	(-3.28)	(4.70)	(11.36)	(6.23)	(0.08)	(15.78)	
General	1000.0	108.60	114.98	121.31	129.06	136.45	147.30	158.98	166.85	185.77	8.87
		(3.74)	(5.55)	(5.21)	(6.00)	(5.42)	(7.36)	(7.35)	(4.72)	(11.47)	

*CARG = Compound Average Rate of Growth

Note: 1. Figures in brackets are percentage growth compared to the previous year.

2. Indices from 2004-05 to 2009-10 are provisional.

Source: Directorate of Economics and Statistics.

Appendix 6.2: Annual Indices of Industrial Production in Karnataka Manufacturing Division by Groups

Base Year: 1999-2000=1000

Sl. No.	NIC Code	Name of the Industry Group	Weight within the dvn.	2001-02	2002-03	2003-04	2004-05*	2005-06*	2006-07*	2007-08*	2008-09*	2009-10*
1.	15	Food products	114.2302	110.39	114.86	119.68	135.36	141.30	155.71	170.09	206.29	245.90
2.	16	Beverages, tobacco & tobacco products	88.8659	106.82	122.46	130.71	135.68	154.85	137.69	148.35	121.79	253.37
3.	17	Cotton textiles	33.3693	108.43	112.90	117.90	122.49	125.74	126.41	130.43	152.29	153.09
4.	18	Wool, silk & man-made fibre textiles	56.9767	102.76	108.32	108.62	111.74	119.98	140.33	148.81	129.94	189.43
5.	19	Textile products	3.4481	101.22	95.41	97.34	97.53	98.74	109.58	117.40	168.46	165.73
6.	20	Wood and wood products, furniture & fixtures	6.3571	118.80	119.81	125.14	122.77	122.92	126.00	130.10	136.53	131..82
7.	21	Paper and paper products	18.2818	116.39	124.59	134.48	145.22	145.89	154.78	166.50	207.28	213..93
8.	22	Leather & leather products	8.1189	117.64	122.11	129.62	133.56	133.95	139.83	147.59	286.29	317..96
9.	23	Chemicals & chemical products	5.1339	98.23	116.32	114.93	124.43	128.98	146.30	155.61	195.79	190.63
10.	24	Rubber, plastic, petroleum & coal products	72.7980	113.05	124.61	135.94	146.10	151.60	166.95	180.51	143.67	135.73
11.	25	Non-metallic mineral products	22.4338	105.59	120.44	125.36	135.19	140.21	156.56	167.97	234.32	229.20
12.	26	Basic metal & alloy industries	54.1271	104.08	119.81	127.75	139.84	151.84	189.97	217.31	195.68	185.22
13.	27	Metal products & parts	51.1849	106.01	121.10	129.64	141.90	161.01	186.92	213.10	213.63	215.77
14.	28	Machinery and equipment, other than transport	29.4362	105.68	112.08	118.22	121.88	122.13	133.35	138.91	163.06	159..99
15.	29	Transport equipment & machinery & parts	59.6110	105.30	106.05	114.45	121.54	129.25	139.63	149.20	148.90	144.70
16.	30	Other manufacturing industries	1.3149	105.59	120.44	125.36	135.19	140.21	156.56	167.97	232.42	227.68
17.	31	All groups	55.3691	109.31	122.52	130.63	140.63	145.88	161.74	174.22	158.63	163.61
18.	32	Television & Communication equipments	23.6595	108.41	122.13	131.70	142.86	151.72	178.85	199.53	196.26	198.25
19.	33	Medical, Optical Instruments & Watches	16.8933	105.05	120.46	128.69	140.87	156.41	188.45	215.21	167.03	172.06
20.	34	Motor Vehicles, Trailers and Semi-Trailers	57.5095	107.86	121.72	126.95	134.14	144.61	131.84	133.88	137.18	144.11
21.	35	Other Transport Equipment	4.3227	106.76	121.09	126.18	134.65	142.47	143.85	150.45	79.91	60.41
22.	36	Furniture	2.2665	105.78	106.52	107.87	108.88	122.62	118.31	125.82	183.60	174.37
		Manufacturing Index	785.7083	107.19 (3.30)	114.33 (6.66)	120.19 (5.13)	128.98 (7.31)	136.58 (5.89)	147.27 (7.83)	158.71 (7.76)	167.45 (5.51)	191.79 (14.54)

* Provisional figures

Note : Figures in brackets indicate percentage change over the previous year.

Source : Directorate of Economics & Statistics.

Appendix 6.3: Index of industrial production in the manufacturing sector in Karnataka by use-based groups

Base: 1999-2000=1000

Sl.No.	Industry Group	Weight	2001-02	2002-03	2003-04	2004-05*	2005-06*	2006-07*	2007-08*	2008-09*	2009-10*	Avg. annual growth
1	Basic goods	136.2317	104.75 (2.00)	118.80 (13.41)	126.13 (6.17)	137.13 (8.72)	152.76 (11.40)	182.31 (19.34)	207.05 (13.58)	212.00 (2.39)	204.65 (-3.47)	7.62
2	Capital goods	145.1053	108.77 (2.84)	109.86 (1.00)	121.39 (10.49)	130.73 (7.70)	141.82 (8.48)	148.09 (4.42)	157.86 (6.60)	148.63 (-5.85)	168.31 (13.24)	5.47
3	Intermediate goods	95.9852	108.56 (3.58)	120.22 (10.75)	127.24 (5.83)	132.18 (3.89)	138.58 (4.84)	140.19 (1.16)	146.80 (4.72)	152.42 (3.83)	173.51 (13.83)	5.72
4	Consumer goods	408.3859	105.91 (3.15)	112.65 (6.36)	116.53 (3.45)	127.21 (9.16)	133.79 (5.18)	144.32 (7.87)	155.69 (7.88)	167.22 (7.40)	184.16 (10.13)	6.33
	a) Consumer durables	38.0612	104.42 (2.74)	107.07 (2.54)	111.73 (4.35)	122.00 (9.19)	126.46 (3.66)	135.89 (7.45)	146.28 (7.64)	174.91 (19.58)	132.38 (-24.32)	3.45
	b) Consumer non-durables	370.3247	107.14 (3.30)	115.39 (7.71)	119.03 (3.15)	129.91 (9.14)	137.31 (5.69)	148.31 (8.01)	160.11 (7.96)	165.49 (3.36)	188.95 (14.18)	6.62
	General Index	785.7081	107.19 (3.30)	114.33 (6.66)	129.19 (5.13)	128.98 (7.31)	136.58 (5.89)	147.27 (7.83)	158.71 (7.76)	167.45 (5.51)	181.91 (8.64)	6.18

Note: 1) Figures in the brackets indicate percentage change over the previous year.

2) * Provisional figures.

Source: Directorate of Economics and Statistics.

Appendix 6.4: Two Digit Level (NIC-2004) Industrial Composition based on ASI 2007-08

Sl. No.	Industrial Group (NIC-2004)	Value of Output (Rs. lakh)	Percentage
1.	Agriculture and related activities (01)	22044	0.12
2.	Food products & Beverages (15)	1735037	9.42
3.	Tobacco Products (16)	270211	1.47
4.	Textiles (17)	317624	1.72
5.	Wearing apparel (18)	863155	4.68
6.	Tanning and dressing of Leather (19)	18871	0.10
7.	Wood & Wood Products (20)	48582	0.26
8.	Paper & Paper Products (21)	199625	1.08
9.	Publishing, Printing & reproduction (22)	247019	1.34
10.	Coke, refined petroleum products & nuclear fuel (23)	3344059	18.15
11.	Chemical & Chemical Products (24)	897443	4.87
12.	Rubber & Plastic Products (25)	582058	3.16
13.	Other non metallic mineral products (26)	531296	2.88
14.	Basic Metals (27)	2237756	12.14
15.	Machinery and equipments n.e.c. (29)	1134375	6.16
16.	Office, accounting and computing machinery (30)	17156	0.09
17.	Electrical machinery & apparatus n.e.c. (31)	995617	5.40
18.	Radio, television & communication equipment (32)	693683	3.76
19.	Medical instruments, watches & clocks(33)	381708	2.07
20.	Motor vehicles, trailers & semi-trailers (34)	1089107	5.91
21.	Other Transport equipment (35)	162251	0.88
22.	Furniture, Manufacture n.e.c. (36)	980058	5.32
	Others	1199422	6.51
	State Total	18425765	100.00

Source : Central Statistical Organisation

Appendix 6.5: Financial Performance of Food Parks - I

(Rupees in Lacs)

Particulars	M/s. Innova Agri Bio-Park Limited, Malur		M/s. Green Food Park Ltd., Bagalkot		M/s. Akshay Food Park Ltd., Hiriyur		M/s. Jewargi Agro Food Park Ltd., Jewargi	
	Project cost as per Appraisal	Incurred as on 20-04-2010 (As per CA Certificate)	Project cost as per KSFC's appraisal done during January 2009	Incurred as on 02-12-2009 (As per CA Certificate)	Project cost as per Appraisal	Incurred as on 09-09-2010 (As per CA Certificate)	Project cost as per Appraisal	Incurred as on 27-02-2010 (As per CA Certificate)
Land cost	259.00	265.74	119.00	119.76	364.39	429.09	116.03	111.10
Land development	360.00	195.00	10.00	280.57			430.14	198.72
Water supply systems	--	--	--	--	98.24	73.09	87.65	26.37
Telecommunication	--	--	--	--	5.81	--	--	--
Power supply	--	--	--	--	132.00	39.20	81.52	6.51
Building & Civil works	392.00	427.37	1044.00	383.40	368.60	477.49	339.21	66.23
Plant & Machinery	649.00	441.89	503.00	--	451.95	202.28	457.60	--
Misc. Fixed Assets	--	--	--	--	--	--	12.52	2.61
Other assets	--	--	--	13.61	--	--	--	--
Deposits	--	--	20.00	0.65	--	--	--	--
Prel & Pre-Optv. Expenses	90.00	262.50	78.00	} 97.56	148.00	414.30	152.47	157.20
Interest during implementation	--	--	75.00	} --	--	--	--	--
Contingency	50.00	--	--	--	70.00	--	115.11	--
Working capital requirement	--	--	10.00	--	--	--	--	--
Cash & Bank balance	--	--	--	18.19	--	10.44	--	51.71
Loans and advances	--	--	--	--	--	150.28	--	150.55
Other current assets	--	--	--	--	--	18.49	--	--
Total	1800.00	1592.50	1859.00	913.74	1639.00	1814.66	1792.25	771.02

Source : Food Karnataka Ltd.

Appendix 6.6: Financial Performance of Food Parks - II

(Rupees in Lacs)

Particulars	M/s. Innova Agri Bio-Park Limited, Malur			M/s. Green Food Park Ltd., Bagalkot			M/s. Akshay Food Park Ltd., Hiriyur			M/s. Jewargi Agro Food Park Ltd., Jewargi		
	Revised Means of Finance	Mobilized as on 20-04-2010 as per the CA Certificate*	%	Means of Finance as appraised by KSFC	Mobilized as on 02-12-2009 as per the CA Certificate	%	Revised Means of Finance	Mobilized as on 09-09-2010 as per the CA Certificate	%	Revised Means of Finance	Mobilized as on 27-02-2010 as per the CA Certificate	%
Grant from Govt. of India	400.00	200.00	50.00	400.00	100.00	25.00	400.00	300.00	75.00	400.00	100.00	25.00
Grant from Govt. of Karnataka	400.00	400.00	100.00	400.00	100.00	25.00	399.00	399.00	100.00	400.00	100.00	25.00
Equity contribution from the Implementing Agency	325.00	392.50	120.76	421.00	421.00	100.00	303.00	314.71	103.86	332.25	220.10	66.24
Equity from FKL	--	--	--	--	--	--	1.00	1.00	100.00	--	--	--
Term Loan from KSFC	--	--	--	638.00	282.90	44.34	--	--	--	--	--	--
Term loan from State Bank of India	600.00	600.00	100.00	--	--	--	--	--	--	--	--	--
Term loan from Bank of India (includes accumulated interest)	--	--	--	--	--	--	536.00	614.51	114.64	--	--	--
Term Loan from UCO Bank	--	--	--	--	--	--	--	--	--	660.00	350.00	53.03
Unsecured Loans from Small Farmers Agri-business Consortium	75.00	--	--	--	--	--	--	--	--	--	--	--
Unsecured Loans from the promoters	--	--	--	--	--	--	--	142.19	--	--	--	--
Sundry creditors	---	---	---	--	9.84	--	--	--	--	--	--	--
Current liabilities	--	--	--	--	--	--	--	43.25	--	--	0.92	--
Total	1800.00	1592.50	88.47	1859.00	913.74	49.15	1639.00	1814.66	110.71	1792.25	771.02	43.01

Source: Food Karnataka Ltd.

Appendix 6.7: Registration of small-scale industrial units in Karnataka

(Cumulative)

Item	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
No of SSI Units set up	269155	286119	298148	310368	321606	334386	346966	361950	377655	394850
Investment (Rs. in lakh)	527654	575538	616374	653428	691969	735616	782158	894817	996434	1119250
Employment ('000s)	1593	1666	1723	1780	1830	1888	1946	2069	107103	108214

Source: Directorate of Industries & Commerce.

Appendix 6.8: Industrial Approvals in Karnataka

Item	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
1.Letter of Intent Issued	21	5	4	3	-	-	9	10	12	-
2.Industrial Licences issued	7	2	3	4	-	-	-	-	-	-

Source: Technical Consultancy Services Organisation of Karnataka (TECSOK).

**Appendix 6.9: Assistance Sanctioned and Disbursed by
Karnataka State Financial Corporation**

Rs. in lakh

Item		Sanction	Disbursements
2000-01	No. of cases	1309	-
	Amount	1309	-
2001-2002	No. of cases	1625	-
	Amount	30371	29242
2002-2003	No. of cases	1325	-
	Amount	34067	26828
2003-04	No. of cases	1309	-
	Amount	302.77	24880
2004-05	No. of cases	1244	-
	Amount	24287	24034
2005-06	No. of cases	1161	--
	Amount	31620	19986
2006-07	No. of cases	1326	--
	Amount	42453	2139
2007-08	No. of cases	1195	-
	Amount	36815	30313
2008-09	No. of cases	1420	-
	Amount	56524	38392
2009-10	No. of cases	1461	-
	Amount	63149	43439

Source: Karnataka State Financial Corporation.

Appendix 6.10: Industrial relations in Karnataka

Item	Unit	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
1. Strikes											
a) Strikes		30	21	9	7	5	15	3	3	2	1
b) Workers involved	000s	11.65	20.59	2.13	2.29	10.28	6.6	0.4	2.00	0.58	0.58
c) Mandays lost	"	234.95	308.56	97.31	45.87	25.36	160.17	11.46	35.60	13.56	14.26
2. Lock-outs											
a) Lockouts		7	8	4	5	6	6	--	--	--	-
b) Workers involved	000s	4.51	2.38	0.40	1.80	1.80	1.02	--	--	--	-
c) Mandays lost	"	181.02	60.99	19.81	109.78	358.02	27.73	--	--	--	-
3. Lay-offs											
a) Layoffs		14	17	11	8	8	2	1	--	1	4
b) Workers involved	000s	2.6	1.2	0.6	0.3	4.7	0.3	001	0.65	0.09	0.24
c) Mandays lost	"	106.1	33.96	87.33	82.93	67.32	3.5	018	--	1.95	18.36

* Actuals

Source: Department of Labour

Appendix 7.1: Export Performance of Karnataka State: 2001-02 to 2009-10

(Value Rs in Crores)

Sl. No	Commodity	2001-02	2002-03	2003-04	2004-05 (Prov)	2005-06	2006-07	2007-08	2008- 2009	2009-2010
1	Electronics, Computer Software & BT	11533.06	15899.77	20522.28	31488.73	42180.81	56478.16	69517.50	82153.00	90734.57
2	Reaymade Garments	2820.00	4000.00	4038.00	4500.00	4980.00	6773.00	4125.00	5395.00	5125.00
3	Petroleum& Petroleum Products	NA	1915.00	4472.15	6186.00	11912.00	11602.25	11232.00	11642.00	11041.41
4	Engineering Products**	1048.07	1650.11	1899.49	3021.35	3052.00	5461.00	8301.00	6185.99	4386.57
5	Iron Ore & Minerals (incl Granite)	691.56	1524.10	2093.43	4480.00	5920.10	8791.32	10197.00	7274.77	4692.97
6	Silk Products	672.24	746.09	967.99	898.80	1050.68	1273.94	912.12	896.87	701.56
7	Coffee Products	881.42	730.65	757.57	705.65	1103.94	1476.65	1307.60	1579.05	1423.10
8	Basic Chemicals, Pharmaceuticals and Cosmetics	320.24	413.33	649.22	746.03	1018.63	1839.05	2069.76	2530.64	2760.91
9	Agriculture and Processed Food Products	349.51	366.99	361.25	362.41	384.11	398.36	415.51	712.34	662.57
10	Gem and Jewellery	281.05	295.85	2631.00	4644.00	5725.00	7799.11	9749.00	10892.66	17409.31
11	Cashew and Cashew Kernals	163.54	279.83	265.72	518.35	521.81	552.78	527.05	638.48	644.18
12	Handicrafts	48.59	260.58	324.28	330.15	360.01	389.01	428.36	428.93	257.27
13	Leather Products	237.64	221.58	276.51	186.75	214.59	218.05	201.28	213.90	193.97
14	Chemicals and Allied Products	201.22	215.36	338.62	705.52	732.00	745.12	399.28	456.87	311.25
15	Marine Products	85.76	96.91	81.58	91.65	98.22	136.13	153.46	236.21	412.27
16	Plastic Goods	83.07	96.84	749.07	2779.10	1850.70	552.15	215.25	265.77	327.09
17	Spices	69.12	91.65	99.58	109.54	169.98	219.72	245.15	479.25	381.73
18	Wool & Woollen Products	44.46	76.80	89.25	109.40	124.86	140.03	147.59	153.25	144.39
19	Miscellaneous and Others	615.03	1016.55	1053.25	775.13	880.16	2529.76	2559.52	2120.39	1261.29
	Total	20145.58	29897.99	41670.24	62638.56	82279.60	107375.59	122703.43	134255.37	142871. 41
	Karnataka's share in all India exports	8.21	9.99	11.92	14.54	15.06	15.13	15.00	12.77	13.33

Appendix 8.1

Generation, Imports, T&D Losses and Consumption of Power in Karnataka

Year	Power Generation Installed Capacity (mws)	Electricity Generation (million units)	Imports (million units)	Transmission & Distribution losses (%)	Power Consumption (million units)
1996-97	3549.96	12948	6507	18.48	15194
1997-98	3637.40	17145	5239	18.40	17586
1998-99	4052.25	17245	6389	29.94	15906
1999-00	4423.87	21092	6056	38.00	16151
2000-01	4525.14	21119	6621	35.50	17867
2001-02	4411.54	19214	7609	35.86	18639
2002-03	4699.03	18105	9043	31.95	19888
2003-04	4713.90	18032	13178	30.88	21526
2004-05	5836.00	22677	14375	29.44	23173
2005-06	6278.71	24070	11453	29.38	24463
2006-07	6563.08	30719	11174	29.68	28454
2007-08	7278.94	30344	11634	25.16	29988
2008-09(RE)	8146.06	27580	11600	24.03	32020
2009-10 (P)	8616.26	29161	10495	21.96	33971
2010-11(A)	5993.91	23165	9702.55	20.59	32450

A: Anticipated, RE: Revised Estimates, P: Provisional

Source: 1. KPTCL

2. KPCL

3. Karnataka Renewable Energy Development Limited.

Appendix 8.2
Road length in Karnataka (in Kms)

Year	National Highways	State Highways	Major District Roads	Other District Roads	Municipal Roads	Other Roads	All Roads (2 to 7)
1	2	3	4	5	6	7	8
1996-97	1997	11395	28311	2090	8366	85361	137520
1997-98	2355	11037	28361	1644	8366	91038	142801
1998-99	3524	10021	28247	1634	8366	93054	144846
1999-00	3728	9829	28247	1644	8366	96775	148589
2000-01	3728	9829	28247		8366	104034	154204
2001-02	3728	9829	28247		8366	104034	154204
2002-03	3728	9829	28247		8366	104034	154204
2003-04	3967	9590	38247		8366*	94034	154164
2004-05	3973	17228	30760		8366*	115574	175901
2005-06	3958	17405	32572		8366*	146713	209014
2006-07	3958	18642	37671		8366*	147212 \$	215849
2007-08	3958	20739	47763		8366*	147212\$	228038
2008-09	3982	20905	47836		8366*	147212 \$	228301
2009-10	4491	20905	47836		8366*	147212 \$	228810
2010-11	4490	20528	50436		8366*	147212 \$	231032

Note : Reduction in road length under some categories is due to upgradation of roads to higher categories

Source: Public Works Department and RDPR Department

* road length of 1998-99, \$ includes ODR and village roads

Appendix 8.3
Accessibility of villages by road (in Kms)

Year	All weather Roads	Good Roads	Earthen Roads	Villages not connected by Road
1997-98	15800	6551	4612	103
1998-99	16305	6419	4255	87
1999-00	16857	6099	4045	65
2000-01	17442	5764	3819	41
2001-02	17802	5462	3769	33
2002-03	17802	5649	3582	33
2003-04	18295	5860	3501	27
2004-05	20934	6065	3473	20
2005-06	22454	6146	3422	20
2006-07	23801	6232	3407	17
2007-08	24710	6540	3376	17
2008-09	64116	27630	55458	1718*
2009-10	65904	26450	54858	2235
2010-11	66791	25863	54558	2235

* Habitations Source: RDPR Department

Appendix 8.4
District-Wise Reporting Offices, Aggregate Deposits And Gross Bank Credit of
Scheduled Commercial Banks Including RRBs

Sl No	Name of the District	March-2010		
		Offices	Deposits	Credit
1	Bagalkot	148	2761	2586
2	Bangalore (R)	102	2648	1498
3	Bangalore (U)	1409	187516	149180
4	Belgaum	374	8885	5907
5	Bellary	196	6494	6750
6	Bidar	103	1430	1045
7	Bijapur	138	2402	2291
8	Chamarajanagar	64	747	694
9	Chikballapur	90	1089	805
10	Chikmagalur	153	2536	2120
11	Chitradurga	124	1752	1451
12	Dakshina Kannada	380	3922	7179
13	Davanagere	137	2669	2572
14	Dharwad	241	7241	5967
15	Gadag	92	1397	1043
16	Gulbarga	204	4009	4136
17	Hassan	184	2798	2357
18	Haveri	112	1523	1278
19	Kodagu	115	1786	1350
20	Kolar	105	1725	1151
21	Koppal	94	1298	1573
22	Mandya	145	1685	1481
23	Mysore	306	10017	6489
24	Ramanagar	132	2424	2680
25	Raichur	92	2303	858
26	Shimoga	182	4010	2719
27	Tumkur	198	2995	2642
28	Udupi	240	7829	3279
29	Uttara Kannada	190	3764	1278
30	Yadgir	Included in Gulbarga District		
Total		6050	291655	224359

Appendix 8.5

District wise details of Urban Cooperative Banks in Karnataka

Sl. No.	District	No. of Branches	% of NPA	No. of employees
1	Bangalore	188	602.97	2902
2	Ramanagar	-	14.38	6
3	Belgaum	104	662	1109
4	Bellary	5	32.77	63
5	Bijapur	26	308.67	476
6	Bagalkot	57	360.6	825
7	Bidar	-	43.66	44
8	Chamarajanagr		5.18	10
9	Chikmagalur	-	20.03	27
10	Chitradurga	13	81.83	95
11	Davanagere	30	137.48	418
12	Dakshina Kannada	26	308.67	476
13	Udupi	28	35.71	266
14	Dharwad	48	580.31	414
15	Gadag	5	51.09	78
16	Haveri	2	128.89	116
17	Gulbarga	2	50.55	41
18	Hassan	3	94.69	61
19	Kodagu	3	31.01	35
20	Mysore	5	133.24	211
21	Mandya	-	29.95	21
22	Raichur	10	101.37	100
23	Koppal	3	154.73	60
24	Shimoga	5	2244.02	97
25	Tumkur	36	136.39	384
26	Uttara Kannada	41	143.82	419

Appendix 8.6
No. of post offices from 2003-04 to 2009-10

Districts	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Bangalore	332	318	314	292	345	294	289
Bangalore ®	354	366	354	355	122	181	171
Ramnagara	0	0	0	0	180	290	290
Chitradurga	332	295	296	295	294	294	293
Davanagere	250	233	234	172	172	172	172
Kolar	422	422	422	422	224	223	223
Chikkaballapura	0	0	0	0	198	198	198
Shimoga	371	478	477	476	476	475	475
Tumkur	572	572	572	570	569	569	559
Chikmagalore	311	311	312	310	310	310	310
Dakshinakannada	550	549	550	550	549	562	562
Udupi	270	270	265	265	263	258	254
Hassan	421	421	421	421	421	420	420
Kodagu	220	220	220	220	220	220	220
Mandya	365	365	365	365	364	364	364
Mysore	418	290	290	288	285	285	285
Chamarajanagar	203	325	326	326	326	321	320
Southern Karnataka	5391	5435	5418	5327	5318	5436	5405
Belgaum	729	725	726	726	726	545	541
Bijapur	419	420	419	419	419	419	419
Bagalkot	334	330	330	330	330	430	430
Dharwad	218	218	218	218	218	218	218
Gadag	171	172	171	171	171	171	171
Haveri	259	259	259	259	259	259	260
uttarakannada	498	498	497	497	525	496	490
Bellary	456	392	392	454	426	454	454
Bidar	304	305	304	304	304	304	304
Gulburga	622	622	622	622	622	622	620
Yadagiri
Raichur	290	290	290	290	290	290	290
Koppal	218	218	218	218	218	218	218
Northern Karnataka	4518	4449	4446	4508	4508	4426	4415
STATE	9909	9884	9864	9835	9826	9862	9820

Appendix 8.7
No. of Telephone exchanges from 2003-04 to 2009-10

Districts	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Bangalore	108	112	120	129	139	159	169
Bangalore ®	100	100	100	100	47	58	93
Ramnagara	0	0	0	0	54	45	11
Chitradurga	84	82	82	82	82	82	82
Davanagere	48	71	71	71	47	72	72
Kolar	145	145	144	144	73	73	131
Chikkaballapura	0	0	0	0	71	71	13
Shimoga	141	118	118	118	141	118	117
Tumkur	113	113	112	112	112	112	112
Chikmagalore	150	151	151	149	148	148	148
Dakshinakannada	176	176	147	147	148	147	148
Udupi	73	74	103	103	103	103	103
Hassan	102	103	103	103	103	107	104
Kodagu	76	76	76	76	76	76	76
Mandya	65	65	65	65	65	65	65
Mysore	98	98	98	98	97	97	100
Chamarajanagar	41	41	41	41	41	41	41
Southern Karnataka	1520	1525	1531	1538	1547	1574	1585
Belgaum	191	191	189	190	189	190	189
Bijapur	111	111	112	112	110	111	110
Bagalkot	83	83	82	82	82	82	82
Dharwad	49	51	50	50	50	51	50
Gadag	62	62	63	63	62	63	63
Haveri	56	54	55	55	57	55	56
Uttarakannada	157	155	152	152	152	152	152
Bellary	116	116	116	116	116	116	116
Bidar	78	78	78	80	80	80	81
Gulburga	161	160	160	160	160	160	} 160
Yadagiri	0	0	0	0	0	0	
Raichur	65	65	65	65	65	72	72
Koppal	57	57	57	57	57	62	62
Northern Karnataka	1186	1183	1179	1182	1180	1194	1193
State	2706	2708	2710	2720	2727	2768	2778

Appendix 8.8
No. of Telephones from 2003-04 to 2009-10

Districts	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
Bangalore	892787	877448	830854	796663	880435	859281	917290
Bangalore ®	85549	80703	74413	66566	47073	39311	47953
Ramnagara	0	0	0	0	44432	18011	8000
Chitradurga	39016	37952	37913	34935	40637	27765	28130
Davanagere	42490	59060	53662	34189	36812	37858	37719
Kolar	97675	98867	92131	82011	52404	35967	52437
Chikkaballapura	0	0	0	0	31674	23841	6722
Shimoga	101915	89844	85046	75387	91372	59150	54816
Tumkur	83874	85983	78542	68445	65099	48156	42784
Chikmagalore	67236	69094	65935	59968	61310	49236	44659
Dakshinakannada	198497	203545	177823	174681	186446	153139	144095
Udupi	86020	87345	11895	108400	116502	88438	82480
Hassan	82657	84857	78358	55253	69482	48013	40962
Kodagu	48161	49128	49693	47580	48591	39043	37160
Mandya	52618	55609	52680	36435	33349	23267	22873
Mysore	120398	119192	105426	93513	91748	230877	87875
Chamarajanagar	20544	20127	19814	16950	17389	12612	11274
Southern Karnataka	2019437	2018754	1814185	1750976	1914755	1793965	1667229
Belgaum	148829	157630	150454	141860	137509	113463	108483
Bijapur	52786	56123	51099	42581	43801	35098	29045
Bagalkot	44752	45126	44706	40320	37437	28715	24977
Dharwad	86775	95855	84630	76819	74736	64856	62875
Gadag	33932	34095	33605	29989	37448	24352	41938
Haveri	34616	33890	33176	30199	32206	21202	18896
Uttarakannada	87850	89639	90234	87911	93913	79758	76758
Bellary	62365	67029	60069	53691	61465	43244	40143
Bidar	37950	41420	38776	35714	34326	26441	23200
Gulbarga	77278	78568	70485	54161	79080	52786	} 51156
Yadagiri	0	0	0	0	0	0	
Raichur	38938	40892	36582	18496	35537	23623	24086
Koppal	26552	26760	26401	18614	28140	19029	19016
Northern Karnataka	732623	767027	720217	630355	695598	532567	520573
State	2752060	2785781	2534402	2381331	2610353	2326532	2187802

Appendix 8.9
Investment in Power Development in Karnataka

(Rupees in crore)

Year	Power Corporation		Power Transmission Corporation Corporation		Total
	Plan	Non-plan	Plan	Non-plan	
1	2	3	4	5	(col. 4+5)
1996-97	256.00	-	268.31	266.62	534.93
1997-98	588.00	-	359.31	381.60	740.91
1998-99	582.00		323.60	378.09	701.69
1999-00	188.00	-	350.80	496.00	846.80
2000-01	354.00	-	281.50	611.00	892.50
2001-02	437.00	-	366.89	580.00	946.89
2002-03	301.00	-	558.06	524.10	1082.16
2003-04	429.00	-	212.70	746.31	959.01
2004-05	534.00	-	432.85	766.88	1199.73
2005-06	696.00	-	462.98	857.72	1320.70
2006-07	1063.00	-	213.04	656.51	869.55
2007-08	717.00	-	200.00	1555.12	1755.12
2008-09	1238.00	-	250.00	1558.93	1808.93
2009-10	1002.00	-	0.00	2446.71	2446.71
2010-1 (A)	1936.00		0.00	1692.39	1692.39

A : Anticipated

Source : 1. Karnataka Power Corporation
2. Karnataka Power Transmission Corporation Limited

Appendix 8.10
Progress of Rural Electrification in Karnataka

End of Year	Pumpsets energised (Lakhs-cumulative)
1996-97	10.49
1997-98	10.82
1998-99	11.32
1999-00	11.82
2000-01	12.64
2001-02	13.16
2002-03	14.02
2003-04	14.16
2004-05	14.34
2005-06	15.09
2006-07	17.05
2007-08	17.23
2008-09	17.53
2009-10(RE)	17.80
2010-11(A)	18.17

RE: Revised Estimates A: Anticipated

Source: 1. Karnataka Power Transmission Corporation Limited.

Appendix 9.1
Management, Class and Gender-wise enrollment - 2009-10

Class	Education			Pvt. Aided			Pvt. Unaided			Others			All		
	Boys	Girls	Total	Boys	Girls	Total	Boys	Girls	Total	Boys	Girls	Total	Boys	Girls	Total
I	317033	317645	634678	46609	44761	91370	205362	166638	372000	4944	4323	9267	573948	533367	1107315
II	323895	325045	648940	45566	44316	89882	183877	147485	331362	4900	4184	9084	558238	521030	1079268
III	341981	342865	684846	47586	46204	93790	174532	139436	313968	5066	4116	9182	569165	532621	1101786
IV	339963	340211	680174	49114	47244	96358	166913	134991	301904	5099	4151	9250	561089	526597	1087686
V	347586	348239	695825	52123	49128	101251	153478	124687	278165	4861	3886	8747	558048	525940	1083988
VI	311433	309297	620730	55195	51689	106884	137503	109331	246834	12159	11188	23347	516290	481505	997795
VII	317725	317081	634806	57195	53078	110273	129406	103002	232408	12044	9648	21692	516370	482809	999179
VIII	220332	215634	435966	143036	130396	273432	120255	95466	215721	12302	10764	23066	495925	452260	948185
IX	184191	182747	366938	153226	139910	293136	112706	89000	201706	10694	9538	20232	460817	421195	882012
X	145036	154827	299863	135089	124027	259116	97280	76672	173952	7750	7198	14948	385155	362724	747879
I to V	1650174	2634348	3344463	240998	231653	472651	884162	713237	1597399	24870	20660	45530	2820488	2639555	5460043
VI to VII	629158	626378	1255536	112390	104767	217157	266909	212333	479242	24203	20836	45039	1032660	964314	1996974
I to VII	2299616	2300383	4599999	353388	336420	689808	1151071	925570	2076641	49073	41496	90569	3853148	3603869	7457017
I to VIII	2519948	2516017	5035965	496424	466816	963240	1271326	1021036	2292362	61375	52260	113635	4349073	4056129	8405202
VIII to X	549559	553208	1102767	431351	394333	825684	330241	261138	591379	30746	27500	58246	1341897	1236179	2578076
I to X	2849175	2853591	5702766	784739	730753	1515492	1481312	1186708	2668020	79819	68996	148815	5195045	4840048	10035093

Source: Education in Karnataka 2009-10: An Analytical report, SSA

Appendix 9.2

Management wise/ Class wise/ Category wise/Sex wise Enrolment - All Management

Class	Sex	All Management						
		SC	ST	OBC	Other Minority	General	Muslim	Total
Class 1	Boys	113033	45587	195337	11801	119692	88498	573948
	Girls	105511	42743	182582	11122	105246	86163	533367
	Total	218544	88330	377919	22923	224938	174661	1107315
Class 2	Boys	109910	45417	193491	11352	112730	85338	558238
	Girls	103773	42373	181519	10698	99217	83450	521030
	Total	213683	87790	375010	22050	211947	168788	1079268
Class 3	Boys	110907	46116	201618	11672	112181	86671	569165
	Girls	105003	43418	188517	11011	99041	85631	532621
	Total	215910	89534	390135	22683	211222	172302	1101786
Class 4	Boys	108391	44239	202150	11621	111816	82872	561089
	Girls	102032	41535	189765	11189	99413	82663	526597
	Total	210423	85774	391915	22810	211229	165535	1087686
Class 5	Boys	107864	44248	204910	11619	108923	80484	558048
	Girls	101190	41279	192839	11361	97657	81614	525940
	Total	209054	85527	397749	22980	206580	162098	1083988
Class 6	Boys	98405	40056	191745	10945	102082	73057	516290
	Girls	89846	36672	180058	10621	90408	73900	481505
	Total	188251	76728	371803	21566	192490	146957	997795
Class 7	Boys	96587	39541	196660	10934	102756	69892	516370
	Girls	88167	35926	183784	10910	91036	72986	482809
	Total	184754	75467	380444	21844	193792	142878	999179
Class 8	Boys	89817	36795	163842	12355	131530	61586	495925
	Girls	78754	32566	150775	11789	114548	63828	452260
	Total	168571	69361	314617	24144	246078	125414	948185
Class 9	Boys	82525	33486	151176	12000	129572	52058	460817
	Girls	72350	29271	140282	11173	113387	54732	421195
	Total	154875	62757	291458	23173	242959	106790	882012
Class 10	Boys	66530	26290	125867	10616	114138	41714	385155
	Girls	59923	23599	121634	10267	101139	46162	362724
	Total	126453	49889	247501	20883	215277	87876	747879
1 to 5	Boys	550105	225607	997506	58065	565342	423863	2820488
	Girls	517509	211348	935222	55381	500574	419521	2639555
	Total	1067614	436955	1932728	113446	1065916	843384	5460043
6 to 7	Boys	194992	79597	388405	21879	204838	142949	1032660
	Girls	178013	72598	363842	21531	181444	146886	964314
	Total	373005	152195	752247	43410	386282	289835	1996974
1 to 7	Boys	745097	305204	1385911	79944	770180	566812	3853148
	Girls	695522	283946	1299064	76912	682018	566407	3603869
	Total	1440619	589150	2684975	156856	1452198	1133218	7457017
8 to 10	Boys	238872	96571	440885	34971	375240	155358	1341897
	Girls	211027	85436	412691	33229	329074	164722	1236179
	Total	449899	182007	853576	68200	704314	320080	2578076
1 to 10	Boys	983969	401775	1826796	114915	1145420	722170	5195045
	Girls	906549	369382	1711755	110141	1011092	731129	4840048
	Total	1890518	771157	3538551	225056	2156512	1453299	10035093

Appendix 9.3
Incidence of Child Labour and Out-of-School Children (Labour Pool) (5-14 Years) across the States (Percentage) 2004-05

State	Out of School Children	Child Labour	Out of School Children	Child Labour	Out of School Children	Child Labour
	Males		Females		Total	
Bihar	29.90	2.20	40.10	0.60	34.40	1.50
Jharkand	20.00	2.40	27.40	2.70	23.40	2.50
Uttar Pradesh	20.30	4.70	25.70	3.40	22.80	4.10
Rajasthan	15.60	3.80	29.20	5.90	22.20	4.80
Madhya Pradesh	17.30	2.40	26.40	3.30	21.50	2.80
Orissa	17.30	5.30	23.70	4.60	20.40	5.00
Chattisgarh	14.00	3.60	23.00	5.50	18.60	4.50
All India	15.40	3.50	20.80	3.30	17.90	3.40
West Bengal	16.70	4.30	18.10	3.20	17.40	3.70
Gujarat	12.00	2.70	18.10	2.30	14.80	2.50
Haryana	9.70	1.40	17.70	2.10	13.30	1.70
Assam	11.90	2.60	13.50	1.10	12.60	1.90
Andhra Pradesh	9.60	6.10	15.10	7.10	12.20	6.60
Uttaranchal	10.40	3.30	14.00	1.80	12.10	2.60
Jammu & Kashmir	7.60	1.60	16.80	4.10	12.10	2.80
Karnataka	10.40	4.30	13.70	4.80	12.00	4.60
Maharashtra	10.70	3.20	11.50	3.70	11.10	3.50
Punjab	9.40	2.80	11.30	1.30	10.20	2.10
Himachal Pradesh	5.20	2.00	8.20	3.50	6.60	2.70
Tamil Nadu	2.30	1.30	5.30	1.90	3.70	1.60
Kerala	2.90	0.40	2.00	0.10	2.50	0.30

Note: States arranged in descending order of total "Out of School" Children.

Source: NSS 61st Rounds 2004-2005, Employment-Unemployment Survey Computed.

Appendix 9.4: Incentives for children in schools

A. PRIMARY EDUCATION

Sl. No.	Particulars	2008-09	2009-10	2010-11(A)
1	Free Uniforms, Text Books and School Bags- I to VII Standard	(Number in lakhs)		
	a) No. of students provided with Free Uniforms	54.06	51.75	46.00
	b) No. of students provided with School Bags	12.15	12.05	11.58
	c) No. of students provided with Text Books	58.89	55.51	57.19
2	Akshara Dashoha			
a)	No. of children provided with mid-day meal in school - I to X standard (Number in lakhs)			
	i) Government	55.65	52.05	52.83
	ii) Aided	13.30	14.68	13.93
b)	No. of Non-Government organisations involved	112	100	100
3	Distribution of Bicycles to student for VIII standard (Number in lakhs)			
	a) No. of Boys	3.41	2.66	Orders not yet issued
	b) No. of Girls	3.25	2.66	
	c) SC	0.30	0.24	
	d) ST	0.12	0.10	
4	Reimbursement of Non-Government fee (Number in lakhs)			
	a) No. of reimbursement of Non-Government fees - VI and VII	14.11	11.80	12.35
	b) of which SC	6.35	5.31	5.48
	c) of which ST	0.85	0.71	0.72

A = Anticipated

B. SECONDARY EDUCATION

Sl.No.	Particulars	2008-09	2009-10	2010-11(A)
1	a) No. of Secondary Schools	11753	12453	13073
	b) No. of Teachers	99106	109503	112503
	c) Enrolment in VIII to X			
	i) Boys	1313252	1341897	1348945
	ii) Girls	1208792	1236179	1252470
	iii) Total	2522044	2578076	2601415
2	Free Uniforms and Text Books provided for VIII to X std. (Number in lakhs)			
	a) Free Uniforms			
	i) Boys	5.35	5.42	6.03
	ii) Girls	5.44	5.46	4.99
	iii) Total	10.79	10.88	11.02
	b) Free Text Books			
	i) Boys	7.68	7.24	7.46
	ii) Girls	7.72	7.27	7.49
	iii) Total	15.40	14.51	14.95
3	Reimbursement of Non-Govt. Fees studying in Govt. High Schools	(Number in lakhs)		
	a) No. of Girls Benefited	5.13	3.55	1.77
	b) SCs Benefited	2.22	1.53	0.77
	c) STs Benefited	0.38	0.26	0.13
	d) Amount Rs. Lakhs	704.22	486.59	328.66
4	Reimbursement of Examination Fees studying in Xth Standard (Number in lakhs)			
	a) No. of Girls Benefited	1.09	1.14	1.20
	b) No. of SCs Benefited	2.09	2.19	2.23
	c) No. of STs Benefited	0.69	0.71	0.75
	d) Amount (Rs. in Lakhs)	429.09	650.77	1053.66

A = Anticipated, Source: Public Instruction Department, GOK

Appendix 9.5 Health Institutions in Karnataka (as on March 2010)

District	District Hospital		Other Hospitals under HFW		Autonomous & Teaching Hospitals		Community Health Centres						Primary Health Centres		PHU with Maternity Annex		Urban PHCs		Health Centres under IPP	Mobile Health Clinics	Sub-Centres	Total Beds
	Nos.	Beds	Nos.	Beds	Nos.	Beds	Taluk Hospitals		Others		Total		Nos.	Beds	Nos.	Beds	Nos.	Beds				
							Nos.	Beds	Nos.	Beds	Nos.	Beds										
Bangalore																						
Bangalore(U)			6	1490	11	5072	3	300	3	90	6	390	73	251			2	12	55		185	7215
Bangalore(R)	1	100					3	300	1	30	4	330	46	213							192	643
Chikballapur	1	100					5	510	2	60	7	570	56	278	2	20					184	968
Chitradurga	1	450					5	500	10	300	15	800	86	312							273	1562
Davanagere					1	950	5	500	5	150	10	650	103	446					3		291	2046
Kolar	1	400	2	274			4	400	2	60	6	460	60	308			3	18			201	1460
Ramanagara	1	100					3	300	4	120	7	420	54	279	1	10					240	809
Shimoga	1	150			1	1000	5	500	5	150	10	650	88	376	2	20	1	6	7		307	2202
Tumkur	1	400					9	900	4	120	13	1020	134	656	2	20	1	6	2	1	477	2102
Belgaum																						
Bagalkote	1	250					5	500	7	230	12	730	47	248			1	6			224	1234
Belgaum					1	1000	9	900	16	500	25	1400	146	780	1	10	2	12	5	1	539	3202
Bijapur	1	400					4	400	8	240	12	640	64	324					2		285	1364
Dharwad	1	250			2	1375	3	300			3	300	31	166			1	6	11		179	2097
Gadag	1	300					4	400	2	60	6	460	35	172							174	932
Haveri	1	100					6	600	5	150	11	750	68	281	2	10					290	1141
U. Kannada	1	400					10	1000	3	110	13	1110	78	394	1	20	2	12		1	120	1936
Gulbarga																						
Bellary			1	288	2	1110	6	600	7	210	13	810	70	323			1	6	3	1	272	2537
Bidar					1	1000	4	400	6	180	10	580	50	244	3	30	1	6			234	1860
Gulbarga					1	750	6	600	16	480	22	1080	84	356			2	12	7		265	2198
Koppal	1	100					3	300	8	240	11	540	45	220			1	6			183	866
Raichur					2	1200	4	400	5	150	9	550	52	270	1	10	1	6	6		196	2036
Yadgir	1	100					2	200	5	150	7	350	42	218							113	668
Mysore																						
Ch'nagar	1	250					3	350	3	90	6	440	57	350	1	16				3	246	1056
Chikmagalur	1	400					6	600	4	140	10	740	88	352	3	40	2	12		1	334	1544
D. Kannada					2	965	4	400	6	180	10	580	67	364						3	431	1909
Hassan					1	1000	7	950	14	420	21	1370	124	566	5	54	1	6			420	2996
Kodagu	1	400					2	360	6	200	8	560	32	257			1	6		2	188	1223
Mandya					1	1000	6	600	6	180	12	780	106	620	3	26	2	12			375	2438
Mysore			1	50	3	1920	6	600	10	300	16	900	135	641	6	120	2	12	7	4	432	3643
Udupi	1	200					2	200	8	240	10	440	72	374	1	10				2	293	1024
State Total	19	4850	10	2102	29	18342	144	14870	181	5530	325	20400	2193	10639	34	416	27	162	108	19	8143	56911

Appendix 9.6

Pregnant women tested positive of HIV at antenatal clinics (district wise) in Karnataka State

District	2005	2008		District	2005	2008
Bangalore Rural	0.88	0.38		Dharwad	2.63	0.63
Bangalore (U)	0.50	0.75		Uttara Kannada	0.75	0.13
Bagalkot	2.88	2.13		Kolar	0.75	0.50
Bellary	0.88	1.13		Koppal	2.88	0.00
Belgaum	3.63	1.50		Mandya	1.00	0.13
Bidar	0.88	0.13		Kodagu	0.75	2.63
Bijapur	2.13	2.00		Mangalore	0.38	0.75
Chamarajanagar	1.63	0.50		Mysore	1.13	0.88
Chikamagalur	0.88	0.75		Raichur	1.63	0.50
Chitradurga	0.63	0.50		Shimoga	0.88	1.00
Davanagere	1.38	2.00		Tumkur	1.00	1.13
Gadag	1.13	0.50		Udupi	0.63	0.63
Gulbarga	2.63	1.25		Chikballapur	-	1.25
Hassan	1.38	0.88		Ramnagaram	-	0.63
Haveri	0.38	0.63		Karnataka State	1.34	0.89

Source: Karnataka State AIDS prevention society

Appendix 9.7

Ayush Medical Faculties Available In Karnataka State (Govt)

Faculty	Hospitals	Disps.	PHC's	PHU's	Tq. Bd Hosps & Clinics	Beds at Institutions	Beds per lakh of population
Ayurveda	76	561				1167	
Unani	11	50				202	
Homoeopathy	10	43				135	
Nature Cure	3	5				26	
Yoga	3	-				15	
Total	103	659				1545	

Appendix 9.8
Ayush teaching and non-teaching positions (Govt)

Group	Non-Teaching			Teaching			Total		
	Sanc tioned	Filled	Vacant	Sanc tioned	Filled	Vacant	Sanc tioned	Filled	Vacant
Gr-A	123	81	42	251	114	137	374	195	179
Gr-B	877	818	59	0	0	0	877	818	59
Gr-C	646	422	224	0	0	0	646	422	224
Gr-D	1222	899	323	0	0	0	1222	899	323
Total	2868	2220	648	251	114	137	3119	2334	785

Appendix 9.9
Ayush Institutions And Their Intake Capacity

Sector/Faculty	2009-10			2010-11		
	No.of Inst.	Intake Capacity	Enrol- ment	No.of Inst.	Intake Capacity	Enrol- ment
Medical Education						
Ayurveda	58	2770	2600	58	2581	2570
Homoeopathic	11	805	650	11	750	750
Unani	4	170	120	4	159	159
Nature Cure and Yoga	3	145	140	3	145	135

Appendix 9.10

Rankings of States by Population, Labour Force & Participation Rates in 2004-05

Sl. No:	State	Population (Mn)	Rank	Labour Force(Mn)	Rank	Participation Rate	Rank
1	Uttar Pradesh	179.1	1	66.29	1	37.01	19
2	Maharashtra	101.88	2	48.19	2	47.3	6
3	Bihar	88.84	3	28.08	7	31.61	20
4	West Bengal	84.15	4	33.47	4	39.77	17
5	Andhra Pradesh	79	5	40.45	3	51.2	2
6	Madhya Pradesh	65.05	6	28.21	6	43.37	13
7	Tamil Nadu	64.13	7	31.32	5	48.84	4
8	Rajasthan	60.87	8	26.85	9	44.11	11
9	Karnataka	55.1	9	27.23	8	49.42	3
10	Gujarat	53.6	10	25.07	10	46.77	7
11	Orissa	38.41	11	17.85	11	46.47	8
12	Kerala	33.02	12	14.8	12	44.83	10
13	Jharkhand	28.56	13	11.74	13	41.1	15
14	Assam	28.37	14	11.13	14	39.23	18
15	Punjab	25.48	15	11.11	15	43.6	12
16	Haryana	22.51	16	9.26	17	41.15	14
17	Chhattisgarh	22.29	17	10.79	16	48.4	5
18	Jammu & Kashmir	11.16	18	4.53	18	40.56	16
19	Uttarakhand	9.01	19	4.05	19	44.9	9
20	Himachal Pradesh	6.33	20	3.38	20	53.39	1
21	Other NE	13.05		5.81		44.54	
22	Other states	19.69		7.17		36.44	
23	Total	1089.61		466.78		42.84	

Source: NCEUS , 2009

Appendix 9.11

Average Regular and Casual Daily Wages for Male, Female and Persons in rural and Urban Areas in Different States, 2004-05 (in Rs.)

States	Regular						Casual					
	Rural			Urban			Rural			Urban		
	male	female	persons	male	female	persons	male	female	persons	male	female	persons
Andhra Pradesh	106.23	56.61	93.81	183.34	132.05	172.18	50.3	30.88	42.13	64.71	36.29	56.99
Assam	145.51	73.83	128.82	249.81	151.31	232.51	62.59	53.29	60.18	73.73	56	70.49
Bihar	175.97	96.72	166.55	249.61	209.45	247.02	45.41	37.42	43.95	54.65	81.91	59.56
Chhattisgarh	122.7	79.69	115.61	180.2	69.03	161.93	37.6	28.55	34.07	47.62	32.43	41.32
Gujarat	132.8	108.25	129.38	173.64	110.74	165.8	52.8	43.17	49.72	83.46	46.35	71.95
Haryana	238.64	102.14	230.28	156.44	165.66	157.69	75.26	59.34	72.2	79.22	46.8	73.71
Himachal Pradesh	205.18	151.71	193.94	295.47	226.65	281.69	88.88	62	87.14	69.67	65.92	69.04
Jammu & Kashmir	180.79	111.84	175.46	259.46	196.4	251.04	100.24	53.39	96.14	111.82	81.01	110.57
Jharkhand	180.1	101.87	166.99	287.85	142.88	267.31	51.11	37.93	48.07	60.16	55.46	58.85
Karnataka	126.69	70.28	112.86	227.16	153.99	211.44	48.33	30.74	41.32	80.75	46.25	73.44
Kerala	163.8	119.85	146.83	203.04	170.9	191.03	134.86	65.75	119.51	137	66.96	126.81
Madhya Pradesh	103.16	31.49	88.44	184.07	104.78	168.83	38.58	30.53	35.76	51.55	42.02	49.57
Maharashtra	155.04	105.4	148.11	220.58	180.04	211.89	47.37	28.16	38.58	79.57	39.1	69.2
Orissa	139.93	93.81	133.62	211.93	144.3	198.71	42.29	29.65	38.45	54.41	33	49.51
Punjab	167.42	123.06	161.92	197.41	226.32	203.17	75.14	53.1	73.12	83.9	46.41	79.7
Rajasthan	146.59	87.41	140.14	184.26	156.16	180.24	64.33	52.03	62.12	69.15	48.26	66.53
Tamil Nadu	122.6	73.8	109.07	190.58	112.11	169.71	70.45	36.53	56.48	83.1	47.56	74.91
Uttaranchal	193.87	135.17	186.58	212.83	137.27	197.52	69.66	56.2	67.88	69.78	60.26	68.57
Uttar Pradesh	122.4	100.16	120.31	177.27	149.48	174.41	53.37	39.54	51.25	63.99	38.61	61.77
West Bengal	143.39	53.07	120.25	198.19	129.35	185.39	49.88	39.99	48.38	64	32.95	60.54
all-India	144.93	85.53	133.81	203.28	153.19	193.73	55.03	34.94	48.89	75.1	43.88	68.68

Appendix 9.12
Economic Census 1998 and 2005 at a Glance (In number)

Item	Rural			Urban			Total		
	1998	2005	Percentage variation	1998	2005	Percentage variation	1998	2005	Percentage variation
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1. No. of Establishments									
(a) Own Account Establishments	767411	1107693	44.34	425089	510179	20.02	1192500	1617872	35.67
(b) Establishments with at least one hired worker	384681	482459	25.42	334450	438543	31.12	719131	921002	28.07
(c) Total	1152092	1590152	69.76	759539	948722	51.14	1911631	2538874	63.70
2. Persons usually working in-									
(a) Own Account Establishments	1261642	1530197	21.29	675985	637649	-5.67	1937627	2167846	11.88
(b) Establishments with at least one hired worker	1495741	1800926	24.41	1820071	2316814	27.29	3315012	4177740	26.02
(c) Total	2757383	3391123	22.98	2496056	2954463	18.36	5253439	6345586	20.79
3. Average No. of workers per establishment	2	2	-	3	3	-	3	3	-
4. Average No. of workers per establishments with at least one hired worker	7	7	-	8	7	-	7	7	-
5. Hired worker in all establishments	1198827	1489237	24.22	1529545	1945855	27.22	2728372	3435092	25.90
6. No. of establishment according to principal characteristics									
(1) Seasonal	155515	241912	55.55	31982	36514	(-) 14.17	187497	278426	(-) 48.50
(2) Without premises	142428	204166	(-) 43.35	66530	101059	(-) 51.90	208958	305225	(-) 46.07
(3) With power/fuel	972679	1257925	(-) 29.32	601138	691513	(-) 15.03	1573817	1949438	(-) 23.89
(4) Social group of owner									
(a) Scheduled castes	67150	100995	(-) 50.40	27066	33202	(-) 22.67	94216	134197	(-) 42.43
(b) Scheduled tribes	48080	66837	(-) 39.01	26174	19956	23.76	74254	86793	(-) 16.89
(5) Type of owner									
(a) Private	206564	15595	92.45	300228	12614	95.80	506792	28209	94.43
(b) Co-operative	13750	-	-	6065	-	-	19815	-	-
(c) Govt. & PSU	89913	157167	(-) 74.80	24698	45628	(-) 84.74	114611	202796	(-) 76.94

Note: Workers - total no. of persons working in the establishment daily (members of the household + other hired workers)

Appendix 9.13
Number of Establishment and Persons usually working according to major Industry Groups
(Economic Census 2005)

Major Industry groups	No. of establishments (in thousand)			Persons usually working (in thousand)			Hired persons usually working (in thousand)		
	Rural	Urban	Total	Rural	Urban	Total	Rural	Urban	Total
1. Agriculture	38539	1115	39654	158659	6654	165313	22645	658	23303
2. Mining and quarrying	6510	2124	8634	29408	9543	38951	2866	1179	4045
3. Manufacturing	420240	215304	635544	1040381	695048	1735429	106884	94072	200956
4. Electricity, gas and water supply	1424	2042	3466	6922	16179	23101	791	1369	2160
5. Construction	10543	7659	18202	24409	22029	46438	3646	3951	7597
6. Sale, Maint, & Repair M/V & M/C	11925	34202	46127	29220	103266	132486	4847	21574	26421
7. Wholesale trade	13557	26607	40164	27206	70313	97519	4536	14725	19261
8. Retail trade	350576	365670	716246	504921	687761	1192682	62386	135416	197802
9. Restaurants and hotels	67123	50869	117992	134886	173697	308583	18152	29976	48128
10. Transport and Storage	25561	23384	48945	49660	64328	113988	8652	9146	17798
11. Posts and Telecommunications	18012	21192	39204	28791	55682	84473	8979	8424	17403
12. Financial Intermediation	11234	13802	25036	39905	95171	135076	8279	9921	18200
13. Real estate and Banking services	35479	54833	90312	66711	208123	274834	12452	31052	43504
14. Pub, Admin. Defence Social security	20114	14101	34215	95948	287952	383900	18296	12981	31277
15. Education	72490	20522	93012	288336	196487	484823	70290	17815	88105
16. Health & Social work	21484	20281	41765	55989	93689	149678	13629	13253	26882
17. Other Community pers. Services	126111	62825	188936	184838	144621	329459	58753	30232	88985
18. Other activities (Unspecified Industry groups)	390	82	472	547	128	675	95	19	114
Total	1251312	936614	2187926	2766737	2930671	5697408	426178	435763	861941

Appendix 9.14

Unemployment Rates in Karnataka and All India

	KARNATAKA						ALL INDIA					
	Rural			Urban			Rural			Urban		
	Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Usual Status (ps)	11	10	11	22	62	31	21	31	25	44	91	53
Usual Status (adjusted)	7	8	7	19	57	28	16	18	17	38	69	45
Current Weekly Status	17	22	19	24	75	36	38	42	39	52	90	60

Source: NSS Report: Employment and Unemployment Situation in India, 2004-05

Appendix 9.15

Unemployment Rate among the youth (15-29 years) in Karnataka

		Karnataka						All India					
		Rural			Urban			Rural			Urban		
		Male	Female	Total	Male	Female	Total	Male	Female	Total	Male	Female	Total
Usual Principal Status	15-19	41	27	36	84	126	92	79	67	75	140	156	145
	20-24	18	48	28	52	199	92	62	93	70	125	258	152
	25-29	7	6	6	36	53	38	23	52	33	58	158	76
	15-29	21	25	22	51	141	71	52	70	57	100	199	119
Usual Status (Adjusted)	15-19	24	21	23	82	118	89	59	36	50	121	111	117
	20-24	9	38	20	44	189	85	47	57	50	111	196	129
	25-29	7	3	6	24	47	30	16	32	23	49	126	64
	15-29	13	19	15	43	130	64	39	42	40	88	149	101
Current Weekly Status	15-19	43	70	53	83	130	92	93	72	88	146	130	143
	20-24	17	47	27	51	231	100	80	92	84	131	235	152
	25-29	17	11	15	38	74	43	42	60	48	72	156	88
	15-29	24	40	30	51	164	77	69	75	71	110	183	125
Current Daily Status	15-19	86	127	100	150	163	151	150	126	141	184	164	180
	20-24	69	103	79	78	241	121	129	149	134	158	273	181
	25-29	76	72	75	57	88	63	88	107	94	95	181	112
	15-29	76	98	84	83	180	104	120	127	121	137	215	153

Source: NSS Report: Employment and Unemployment Situation in India, 2004-05

Appendix 9.16

District wise Progress of MGNREGS from 2006-07 to 2010-11(upto Dec.10) is as follows: (Rs. in lakhs)

Sl. No.	District	Total available funds	Expdr.	No.of lakh mandays	Employ-ment provided to No.of House holds)	Works		
						Under taken	Com-pleted	Under prog-ress
1	2	3	4	5	6	7	8	9
1	Bagalkot	6018.28	2726.00	16.39	44318	9520	698	8822
2	Bangalore (R)	3501.12	2124.22	6.18	14980	4410	700	3710
3	Bangalore (U)	2025.52	532.61	0.98	2894	3237	7	3230
4	Belgaum	16014.44	9056.69	39.99	95968	27347	223	27124
5	Bellary	9229.67	6254.11	27.53	50927	23049	735	22314
6	Bidar	6203.79	3496.69	10.27	37087	18132	929	17203
7	Bijapur	5655.93	2431.14	2.21	6876	28495	441	28054
8	C.R.Nagar	2817.60	999.47	1.52	7267	6484	387	6097
9	Chikkaballapur	4407.57	2190.70	4.30	8858	9298	3235	6063
10	Chickmagalur	4336.70	1506.97	8.27	21821	9672	279	9393
11	Chitradurga	9140.94	6050.79	13.38	40434	7260	193	7067
12	D.Kannada	3123.90	305.18	1.68	5661	29436	236	29200
13	Davanagere	10672.49	7407.82	32.43	78779	13112	1719	11393
14	Dharwad	4460.33	2216.85	11.32	36484	11436	946	10490
15	Gadag	2899.97	1267.49	2.23	9391	4062	42	4020
16	Gulbarga	14986.16	4605.61	3.50	8921	16940	89	16851
17	Hassan	5309.24	1533.97	7.03	26604	9330	406	8924
18	Haveri	6638.54	4861.86	13.60	33984	7111	354	6757
19	Kodagu	2264.59	1067.95	5.47	13305	6053	215	5838
20	Kolar	4223.18	2393.60	2.25	11299	54002	30	53972
21	Koppal	6423.15	3891.84	4.61	13419	32177	12489	19688
22	Mandya	3824.59	1136.50	2.02	8671	17169	549	16620
23	Mysore	5531.03	1484.81	5.97	18030	18974	1137	17837
24	Raichur	8525.1	6343.37	17.06	37168	23910	58	23852
25	Ramanagar	3984.68	1976.31	1.06	4456	7965	8	7957
26	Shimoga	7338.00	4505.99	20.35	72637	20364	1157	19207
27	Tumkur	12305.66	3313.66	1.81	4716	27343	6298	21045
28	Udupi	1840.35	92.30	0.70	3242	3751	96	3655
29	U.Kannada	4440.04	1939.95	10.01	32138	17200	388	16812
30	Yadgir	3330.00	1686.38	3.41	13037	12430	33	12397
	Total	181472.56	89400.83	277.53	763372	479669	34077	445592

Appendix - 9.17
Plan and non-plan expenditure on primary education
(Rs.in Lakhs)

Year	Plan	Non-plan
1990-91	3335.77	37422.57
1991-92	5789.80	41047.34
1992-93	13515.20	46364.44
1993-94	12805.48	54456.44
1994-95	12444.30	59212.15
1995-96	19638.23	66180.40
1996-97	20948.64	77150.50
1997-98	17412.44	93007.51
1998-99	25927.07	109426.23
1999-2000	30310.71	125310.20
2000-2001	44381.83	131535.92
2001-2002	51033.65	127440.18
2002-2003	35331.16	144246.85
2003-2004	41923.62	172183.89
2004-2005	82836.46	281358.42
2005-2006	73152.14	193556.91
2006-07	76499.92	233953.29
2007-08	76005.33	294573.74
2008-09	105736.76	366668.83
2009-10(RE)	82465.57	367158.57
2010-11(BE)	90041.24	416989.72
Secondary Education		
2008-09	4044.12	215658.27
2009-10(RE)	51712.69	223679.79
2010-11(BE)	56570.87	252804.44
Higher Education		
2008-09	11008.81	58629.87
2009-10(RE)	12410.77	60049.96
2010-11(BE)	26531.00	104612.83

RE = Revised Estimates

BE= Budget Estimates

Appendix 10.1
Statement Showing the Urban and Rural cards as on 1-1-2011

Sl.No	Name of the District	Urban	Rural	Total
1	Bagalkot	122587	278348	400935
2	Bangalore (IR)	1317932	0	1317932
3	Bangalore (R)	54718	173709	228427
4	Bangalore (U)	180235	348302	528537
5	Belgaum	272790	870264	1143054
6	Bellary	216801	296891	513692
7	Bidar	100876	320340	421216
8	Bijapur	108948	361572	470520
9	Chamarajanagara	46383	246890	293273
10	Chikaballapura	56337	226063	282400
11	Chikmagalore	54541	225849	280390
12	Chitradurga	81034	339298	420332
13	Dakshina Kannada	118845	265981	384826
14	Davanagere	137150	322496	459646
15	Dharwad	227010	203770	430780
16	Gadag	89301	157171	246472
17	Gulbarga	161609	356884	518493
18	Hassan	79258	362490	441748
19	Haveri	75597	288405	364002
20	Kodagu	19605	118770	138375
21	Kolar	104083	252852	356935
22	Koppal	46843	231934	278777
23	Mandya	76441	422485	498926
24	Mysore	237655	493182	730837
25	Raichur	97206	277713	374919
26	Ramnagar	62535	246117	308652
27	Shimoga	142031	269786	4111817
28	Tumkur	131571	516559	648130
29	Udupi	49192	177154	226346
30	Uttara Kannada	88299	264697	352996
31	Yadgir	36419	170151	206570
	Total	4593832	9086123	13679955

Appendix 10.2
District Wise – Below Poverty Line (BPL) List

Sl.No	District	Total Rural families	BPL families
1	Bagalkot	189347	56457
2	Bangalore (R)	120297	23983
3	Bangalore (U)	188409	41444
4	Belgaum	635049	156811
5	Bellary	254413	61799
6	Bidar	180259	30992
7	Bijapur	226992	56278
8	Chamarajanagara	186274	72381
9	Chikaballapura	170916	50331
10	Chikmagalore	164942	80312
11	Chitradurga	246913	47102
12	Dakshina Kannada	233095	41578
13	Davanagere	246722	51620
14	Dharwad	132178	21341
15	Gadag	110637	21157
16	Gulbarga	397408	194238
17	Hassan	291845	89570
18	Haveri	220433	84743
19	Kodagu	98580	25320
20	Kolar	178736	56865
21	Koppal	185539	61498
22	Mandya	309218	55076
23	Mysore	368865	122511
24	Raichur	240431	128261
25	Ramnagaram	171041	42943
26	Shimoga	214307	36498
27	Tumkur	401485	86897
28	Udupi	166962	40297
29	Uttara Kannada	200220	80712
	Total	6731513	1919015

Appendix 10.3
Physical and Financial Progress of Karnataka Mahila Abhiruddi Yojane for the Period 2010-11 (upto November 2010)

Department	Annual Allocation (Rs. Lakhs)		1/3 minimum needs for women (33%)		Progress report for the month of Nov 2010 (Rs.in lakhs)		Progress report for the end of Nov 2010 (Rs.in lakhs)		No. of Schemes
	Financial	Physical	Financial	Physical	Financial	Physical	Financial	Physical	
Agriculture	21675.99	27060	7225.33	90153	1554.46	3357	1882.61	5139	16
Watershed Development.	29772.95	346872	9824.27	116255	-	-	1182.20	15777	9
Sericulture	407.58	80555	140.03	30281	16.172	3266	47.77	15987	4
Industries & Commerce	138.13	31134	56.80	10142	24.03	5090	28.65	4956	6
Handlooms & Textiles	693.20	2310	563.57	944	54.67	43	192.18	590	2
Forest (Jun)	11085.92	50.471	2216.96	16.823	-	-	-	-	5
Youth Services & Sports	1131.00	135000	393.08	48665	29.75	1594	111.07	41140	5
Welfare of physically handicapped and senior citizens	1273.00	35224	574.06	12695	23.65	2926	42.77	4550	6
Welfare of Backward classes	21289.64	830294	6068.55	275615	251.03	18021	1200.47	66824	15
Social Welfare (Sept)	53128.54	-	22664.84	-	902.91	-	3985.39	-	60
D. Devaraj Urs Backward Classes Development Ltd.(Sept)	17600.00	79812	6500.01	37937	55.32	365	127.90	678	11
Minorities Development Corporation (Sept.)	6000.00	40643	1980	13412	310.00	3546	701.91	9610	6
Welfare of Scheduled Tribe (Jun)	8305	11399995	3953.82	569847	-	-	196.21	4618	13
Minorities Commission	12170.47	86827	4048.73	93742	340.12	19818	990.79	31363	20
SC/ST Dr. B. R. Ambedkar Development Corporation Ltd.	8709.44	44888	3343.12	15322	127.37	1420	1305.21	9023	7
Fisheries (Sept.)	257.33		91.61	60	1.00	5	2.00	10	3
Animal Husbandry and Veterinary Services (Sept)	2386.02	29627	1355.88	12011	127.665	1330	499.215	4964	5
Horticulture	5161.58	128452	1703.32	42389.0	114.19	1771	179.36	4097.20	6
Employment & Training	13419.00	24617	4826.327	8494	318.873	3932	1083.390	3632	11
Municipal Administration	4092.82	23701	2111.31	11791	-	-	835.00	19711	4
R.D.P.R.	7585.61	90420	3034.24	34954	2667.19	5591	7311.79	17517	2
Co-operation	4970.65	131816	1688.15	43653	-	-	870.102	51941	9
Education (Primary)	18600.00	122.84	6200.00	84.63	2550.14	21.91	3936.92	34	5
Housing (Jun)	96500.98	18.700	96500.98	18.700	2768.33	44.19	7119.76	35.641	3
Health & R.C.H.	1362.82	253600	1362.82	100500	195.73	9815	490.84	9815	5
Total	347717.76	3472569	188427.81	1534011	12432.60	76365	34323.51	304495	238

Appendix 10.4
Number of food grain whole salers and fair price shops in the state

Statement showing the category wise f.p.d. and wholesale points existing in the state as on 31.10.2010.								
SL.NO.	DISTRICT	Fair Price Shops				Wholesale points		
		KFCSC	Co-operative	INDIVIDUALS	TOTAL	KFCSC	Co-operative	TOTAL
1	Bangalore IR	115	615	599	1329	13	8	21
2	Bangalore (u)	0	140	364	504	1	6	7
3	Bangalore (R)	0	204	148	352	0	6	6
4	Bagalkot	5	542	111	658	8	4	12
5	Belgaum	2	887	824	1713	7	11	18
6	Bellary	0	366	228	594	11	0	11
7	Bidar	0	143	599	742	6	0	6
8	Bijapur	6	668	122	796	10	2	12
9	Chamarajnar	3	84	383	470	6	2	8
10	Chickballapur	0	101	459	560	4	1	5
11	Chickmagalore	6	298	190	494	6	4	10
12	Chitradurga	4	189	381	574	6	3	9
13	Davanagere	0	260	513	773	11	1	12
14	D.Kannada	1	323	209	533	4	3	7
15	Dharwad	3	254	258	515	7	1	8
16	Gadag	4	199	157	360	6	1	7
17	Gulbarga	0	166	822	988	9	0	9
18	Hassan	5	314	532	851	11	0	11
19	Haveri	14	292	130	436	4	3	7
20	Kodagu	4	189	97	290	2	4	6
21	Kolar	0	352	287	639	6	1	7
22	Koppala	1	145	304	450	4	0	4
23	Mandya	4	348	370	722	6	7	13
24	Mysore	1	362	699	1062	9	7	16
25	Ramnagar	0	174	385	559	4	3	7
26	Raichur	1	89	589	679	5	0	5
27	Shimoga	0	222	362	584	10	1	11
28	Tumkur	3	448	655	1106	9	5	14
29	Udupi	0	263	26	289	0	3	3
30	U.Kannada	12	252	181	445	4	10	14
31	Yadgir	0	149	243	392	2	1	3
	Total	194	9038	11227	20459	191	98	289

Appendix 10.5
Go down Details of the State

Sl. No.	District	KFCSC (in Number)	CO-Operative (in Number)	Capacity in (MTs)
1	Bagalakote	13	4	8340
2	Bangalore (U)	1	9	3570
3	Bangalore (R)	0	9	2450
4	Belgaum	7	2	21875
5	Bellary	11	0	5600
6	Bidar	6	1	4250
7	Bijapur	10	3	5750
8	Chamaraja Nagar	6	1	6000
9	Chikamagalur	6	2	8200
10	Chikkaballapura	7	2	1143
11	Chitradurga	4	3	9300
12	Dakshina Kannada	4	4	2550
13	Davanagere	11	2	5317
14	Dharwad	7	5	4700
15	Gadag	6	8	7400
16	Gulbarga	18	0	7050
17	Haveri	4	5	6920
18	Hassan	11	7	5210
19	Kodagu	0	10	3900
20	Kolar	8	1	5050
21	Koppal	5	4	3500
22	Mandya	5	2	17060
23	Mysore	9	3	11100
24	Ramanagara	1	9	2400
25	Raichur	5	2	10620
26	Shimoga	9	1	5000
27	Tumkur	9	7	11870
28	Udupi	0	5	5950
29	Uttara Kannada	4	0	6150
30	Yadagir	8	0	3400
31	Bangalore IRA	13	8	34150
	Total	208	119	235775

Appendix 10.6
Number of SKO Wholesalers and SKO Retailer Shops in the State

Sl. No.	District	No. Of Whole Sale Points			Fair Price Shops			
		KFCSC	OTHERS	TOTAL	KFCSC	Co-Operative	Others	Total
1	Bagalakote	0	11	11	2	255	536	793
2	Bangalore (U)	0	14	14	0	48	986	1034
3	Bangalore (R)	0	6	6	0	0	341	341
4	Belgaum	0	24	24	2	887	824	1713
5	Bellary	0	14	14	0	54	1217	1271
6	Bidar	0	10	10	0	27	776	803
7	Bijapur	0	14	14	0	0	664	664
8	Chamaraja Nagar	0	5	5	0	26	859	885
9	Chikamagalur	0	6	6	1	104	601	706
10	Chikkaballapura	0	7	7	0	102	791	893
11	Chitradurga	0	9	9	0	0	653	653
12	Dakshina Kannada	0	15	15	1	321	211	533
13	Davanagere	0	12	12	0	133	700	833
14	Dharwad	0	11	11	2	68	1077	1147
15	Gadag	0	8	8	0	15	412	427
16	Gulbarga	0	13	13	0	103	875	978
17	Haveri	0	16	16	1	35	731	767
18	Hassan	0	7	7	5	291	710	1006
19	Kodagu	0	4	4	4	177	109	290
20	Kolar	1	6	7	0	44	904	948
21	Koppal	0	5	5	1	56	488	545
22	Mandya	1	5	6	5	298	708	1011
23	Mysore	0	18	18	0	52	1170	1222
24	Ramanagara	0	4	4	0	0	295	295
25	Raichur	0	9	9	1	104	574	679
26	Shimoga	0	10	10	0	118	633	751
27	Tumkur	1	10	11	0	277	1043	1320
28	Udupi	1	8	9	0	263	26	289
29	Uttara Kannada	1	14	15	12	234	204	450
30	Yadagir	0	4	4	0	0	306	306
31	Bangalore IRA	1	39	40	35	539	1602	2176
	Total	6	338	344	72	4639	21026	25729

Appendix 10.7**Statement showing the foodgrains distributed to the card holders during the year 2010-11
(in metric tonnes and kerosene in Kilo liters)**

Commodity	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Total
APL Rice	94396	66850	75080	71614	69768	80492	63719	521919
BPL Rice	55813	55830	55805	55838	55822	55815	55809	390733
AAY Rice	36227	55711	30337	30040	35640	28297	35594	251847
APL Wheat	5411	8192	8934	8569	6330	11170	10700	59306
BPL Wheat	11710	11713	11709	11714	11713	11703	14041	84304
AAY Wheat	6783	6748	7224	6373	6333	6721	6706	46888
Sugar	9747	15128	15952	6582	5184	9607	12829	75029
Kerosene	48824	46104	46658	46723	46161	47397	47785	329652

Appendix 10.8
Statement showing the allotment and offtake of foodgrains during the year 2006
(MTs)

Details		2006-07	2007-08	2008-09	2009-10	2010-11 (Upto Oct. 2010)	Total
APL Rice	Allotment	792233	679406	666102	914170	563271	3615183
	Offtake	744217	597515	627387	857699	531366	3358184
BPL Rice	Allotment	650118	639840	669840	669840	410540	3040178
	Offtake	646728	639375	669588	669658	410540	3035890
AAY Rice	Allotment	395566	402885	416508	416508	242963	1874430
	Offtake	391260	401669	415779	416343	242976	1868027
ANNAPURNA RICE	Allotment	0	2261	0	0	0	2261
	Offtake	0	1957	0	0	0	1957
Total	Allotment	1837917	1724392	1752450	2000518	1216774	8532052
	Offtake	1782206	1640516	1712754	1943700	1184881	8264057
APL Wheat	Allotment	121722	89963	78263	119507	89778	499233
	Offtake	103981	67613	71703	93142	68426	404865
BPL Wheat	Allotment	126087	130544	129024	140544	84325	610524
	Offtake	122799	123519	129456	140497	84325	600596
AAY Wheat	Allotment	75836	86304	87384	87384	50974	387882
	Offtake	73005	82399	87510	87363	50974	381251
Total	Allotment	323645	306811	294671	347435	225077	1497639
	Offtake	299784	273531	288668	321002	203725	1386711
Sugar	Allotment	69250	104128	108714	118659	91055	491806
	Offtake	46862	56708	73389	81301	75407	333669
Kerosene Oil (K.Ls.)	Allotment	592986	593492	593232	595052	328300	2703062
	Offtake	592345	593219	592478	594579	327944	2700566
Palm Oil(Ltrs)	Allotment	0	0	19780218	7388093	0	27168311
	Offtake	0	0	8481486	6877769	0	15359255
Ragi	Allotment	0	0	10704	5880	0	16584
	Offtake	0	0	10704	5880	0	16584
Jowar	Allotment	0	0	816	0	0	816
	Offtake	0	0	816	0	0	816

Appendix 10.9
Details of Houses constructed and sites distributed through RGRHCL

Year	Houses Constructed under Social Housing Schemes					House Sites		
	Rural Ashraya	Rural Ambedkar	Urban Ashraya	IAY	Total	Rural	Urban	Total
2000-01	71794	17619	28702	The Scheme was not implemented during these period	121114	13039	16901	29940
2001-02	136886	26489	34274		200707	19784	18167	37951
2002-03	115267	18415	20020		155429	21397	1526	22923
2003-04	108747	16274	17966		144108	7392	3829	11221
2004-05	87382	9054	11905	34104	142796	4762	2379	7141
2005-06	78005	6507	8961	51339	144930	6814	3160	9974
2006-07	113676	6736	5488	47779	173861	2280	3566	5846
2007-08	227858	11628	1452	39656	280594	1191	2066	3257
2008-09	192858	13430	2317	85459	294064	1007	1173	2180
2009-10	157217	15876	4135	155744	332972	34765	2519	37284
2010-11*	33551	2234	628	45056	81469	1384	345	1729
Total	1323241	144262	135848	459137	2072044	113815	55631	169446

*upto December 2010

Appendix 10.10
Progress under schemes for distribution of
Subsidized Sarees and Dhotis and maternity

Year	Sarees & Dhoties distributed	
	Expenditure (Rs. lakhs)	Beneficiaries (lakhs)
1991-92	680	31
1992-93	428	28
1993-94	422	21
1994-95	1002	30
1995-96	1425	32
1996-97	1738	36
1997-98	959	30
1998-99	728	13
1999-2000	1263	24
2000-2001	541	11
2001-2002	1250	20
2002-2003	255	6
2003-2004	300	4
2004-2005	341	5
2005-2006	275	5
2006-2007	164	3
2007-2008	173	3
2008-2009	173	2
2009-2010	170	2
2010-11	20	1.05
(upto end of Dec.)		

Source: Karnataka Handloom Development Corporation.

Appendix 11.1
Composite Index of Development of the Districts in Karnataka 1971-72, 1976-77 and 1998-99

Sl. No.	Districts	1971 – 72		1976 – 77		1998 – 99	
		South Karnataka					
		Index	Rank	Index	Rank	Index	Rank
1	Bangalore	206.20	1	206.42	1	209.0	1
2	Bangalore Rural					76.50	13
3	Chikmangalur	92.66	12	84.56	16	75.80	15
4	Chitradurga	104.00	9	107.02	7	83.54	6
5	Kodagu	107.79	7	103.44	8	72.80	17
6	Hassan	87.21	13	86.22	14	87.02	9
7	Kolar	129.65	4	107.55	6	79.11	10
8	Mandya	111.96	6	112.94	4	91.16	5
9	Mysore	123.35	5	112.09	5	92.59	4
10	Shivmoga	141.07	3	111.05	3	94.22	3
11	Dakshin Kannada	187.04	2	172.86	2	119.21	2
12	Tumkur	83.47	16	88.64	13	77.44	12
North Karnataka							
13	Belgaum	95.06	11	91.89	12	75.96	14
14	Bellary	83.90	15	100.09	10	78.76	11
15	Bidar	86.85	14	85.86	15	69.22	19
16	Bijapur	77.38	18	79.99	17	71.14	18
17	Dharwad	103.19	10	98.74	11	82.28	8
18	Gulbarga	63.19	19	66.83	19	66.44	20
19	Raichur	80.53	17	76.34	18	73.17	16
20*	Uttar Kannada	106.17	8	107.85	09	82.30	7

*These twenty districts are now reorganized into 30 districts.

Source: Sixth Five year Plan of Karnataka & for 1998 – 99 HPCRRI – 2002.

Appendix 11.2
Extent of Human Development Deprivation in Different Divisions in the State- 2001

Sl. No	Indicators	Bangalore Division	Belgaum Division	Gulbarga Division	Mysore Division	Karnataka State
1	% of rural households below poverty line	31.5	33.86	40.71	25.90	33.0
2	% Unsafe Deliveries	31.00	35.6	49.96	23.58	35.04
3	% of moderately malnourished children	56.02	58.70	66.88	50.71	57.89
4	% of habitations not fully covered by Safe Drinking Water facility	31.53	42.83	44.20	51.54	42.53
5	Children out of school (6-14 age group)	5.58	10.56	20.82	5.45	10.03
6	Gender gaps in literacy	15.78	22.24	24.59*	15.38	18.84

* With lowest male literacy

Source: Report of the HPC on Redressal of Regional



A Vision for Development of Karnataka
Sarve bhavantu sukhinah
Sarve santu niramayah
Sarve bhadrani pasyantu
Ma kascit dukha bhagbhavet

Happiness be unto all
Perfect health be unto all
May all see what is good
May all be free from suffering

Core Elements of Karnataka's Vision 2020

- ✦ Ensure safety and security of all citizens and uphold peace and communal harmony.
- ✦ Eliminate poverty and deprivation at all levels and achieve Millennium Development Goals.
- ✦ Enhance human capabilities to promote equitable growth covering all sections of people and regions of the State.
- ✦ Make Karnataka a globally competitive destination and a leader among Indian States.
- ✦ Institutionalize good governance across the State through enhanced transparency, accountability and participation.

Planning, Programme Monitoring and Statistics Department
Karnataka Government Secretariat, M.S. Building, Dr. B.R. Ambedkar Veedhi,
Bangalore - 560 001. web: <http://planning.kar.nic.in>