

# Andhra Pradesh Non-Resident Indians (APNRI)

A Plea for a United Andhra Pradesh State

To  
The Srikrishna Committee for  
Consultations on the Situation in  
Andhra Pradesh



March 21, 2010



# Andhra Pradesh NRI Submission Contributors and Core Committee Members

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# Andhra Pradesh NRI About Us

- **APNRI was formed by the non-resident Telugu Indians living in the United States and Canada. The organization is represented by the members from Coastal Andhra, Rayalaseema, and Telangana. This is the national-level umbrella organization representing several state level organizations striving for a united Andhra Pradesh state.**

## Mission:

The mission of the organization is to promote unity among Telugu people of all regions and to preserve the geographic integrity of the state of Andhra Pradesh.

## Goals:

- Educate Telugu people about our history and culture
- Promote unity and peaceful co-existence
- Influence the political leadership of Andhra Pradesh for a united Andhra Pradesh
- Collaborate with media organizations to promote the united Andhra Pradesh cause
- Present Andhra Pradesh NRI views to the Srikrishna committee



## Separatists' Arguments

The current separatist movement to divide the state of Andhra Pradesh was started by the Telangana Rashtra Samiti. In summary, the following allegations appear to be the main reasons for demanding division of the Andhra Pradesh state:

- **Historically and culturally, the people of Telangana have little in common with those from Coastal Andhra and Rayalaseema regions.**
- **Leaders of Coastal Andhra and Rayalaseema have repeatedly flouted the agreements made to protect the interests of the Telangana region.**
- **Since the formation of the state of Andhra Pradesh, Telangana has fallen behind in development when compared to Coastal Andhra and Rayalaseema, particularly in irrigation, education, and industrial development.**



***APNRI will present compelling evidence in this submission that will dispel allegations based on emotions and half-truths.***

# APNRI Response

APNRI would like to structure our response to the Srikrishna Committee into three main sections. These sections are our response to the first three “Terms of Reference of the Committee.”

## APNRI Response Structure

### 1) Situation in the State of Andhra Pradesh

“To examine the situation in the State of Andhra Pradesh with reference to the demand for a separate State of Telangana as well as the demand for maintaining the present status of a united Andhra Pradesh.”

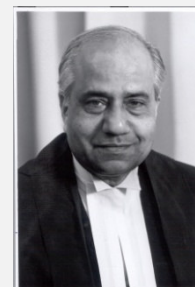
### 2) Progress and Development in the State since its formation

“To review the developments in the State since its formation and their impact on the progress and development of the different regions of the State.”

### 3) Impact of recent developments in the State on the different sections of people, including the NRIs

“To examine the impact of the recent developments in the State on the different sections of the people such as women, children, students, minorities, other backward classes, scheduled castes and scheduled tribes.”

## Justice Srikrishna Committee



**Justice B.N. Srikrishna**



Dr. Abusaleh Shariff



Dr. Ranbir Singh



Dr. Ravinder Kaur





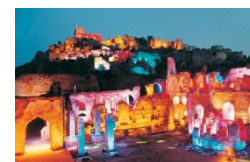


Sri Vinod Duggal

## **Situation in the State of Andhra Pradesh**



# History of the Telugu People

## A Long Legacy of Living Together

	No. of Years Co-Existed	Descriptions	Symbolic Image
<b>Kakatiya Empire</b> A.D. 1162–A.D. 1323	161 years	Kakatiya Empire founded in today's Telangana region stood as a symbol of Telugu unity.	
<b>Vijayanagara Empire</b> A.D. 1336–A.D. 1565	229 years + 10 years (Warangal taken back in A.D. 1325)	Telugus were part of Vijayanagara Empire for 229 years, and the Northern Telugu region was annexed by Qutub Shah around A.D. 1518.	
<b>Qutub Shahi Kingdom</b> A.D. 1518–A.D. 1687	116 years	Telugus re-united as one people under Qutub Shah after he annexed the Vijayanagara Telugu territory in A.D. 1571.	
<b>Hyderabad State</b> A.D. 1720–A.D. 1948	46 years + 33 years (under Mughals)	<b>Telugus lived as one people under Nizam till A.D. 1766</b> when Coastal Andhra was taken by the British, and later, today's Rayalaseema was "ceded" to the British in A.D. 1800.	
<b>Andhra Pradesh</b> A.D. 1956–Current	54 years	Based on the ardent desire of Telugu people of all three regions to unite, the state of Andhra Pradesh came into existence in A.D. 1956.	

***Contrary to the separatists' proclamations, Telugus of all regions have lived together for many centuries, including under Nizam.***

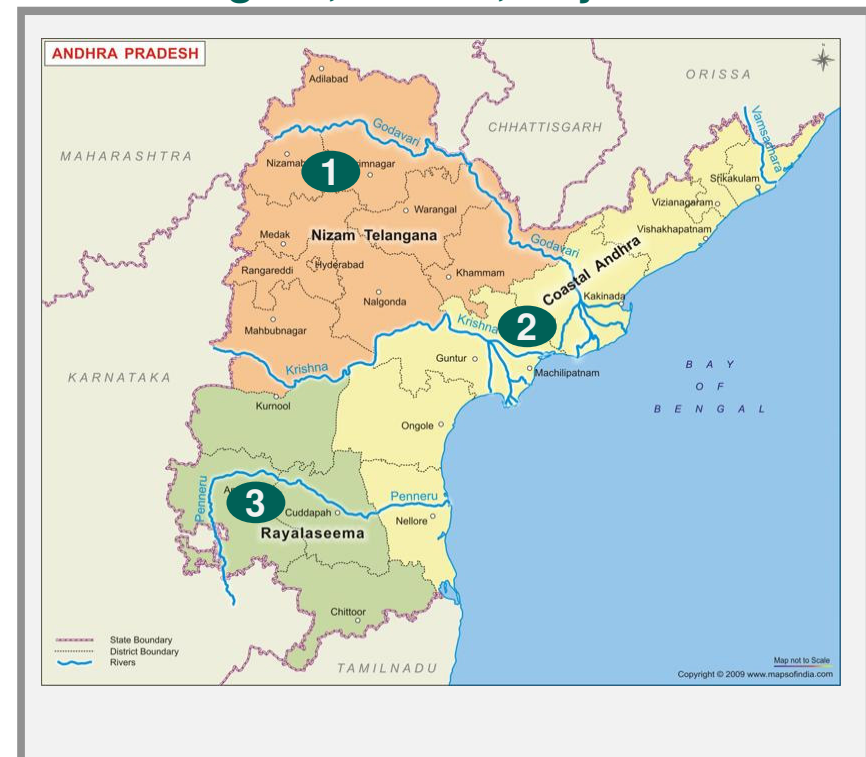
# History of the Telugu People

## How the Three Regions Came About

### History

- Ruler of Hyderabad and the founder of Asaf Jahi dynasty died in 1748, leaving five contenders to the throne: his four sons and a grandson.
- French supported Nizam's third son Salabat Jang, and in return for French generosity, he assigned most of the Coastal Andhra districts (#2 in the picture) to the French. In 1759, British seized this area from the French. This area also came to be known as Northern Circar.
- In 1800, when Nizam owed 24 lakh rupees to the British, he had to cede Bellary and Cuddapah districts. Much of this area is the current Rayalaseema region (#3 in the picture) and is also known as "ceded" districts.

### Telangana, Andhra, Rayalaseema



***Telugus lived as one people, even under Nizam. The current regions came into existence because of the British and French interest to landlock the Hyderabad State, denying it access to other foreign powers.***



# History of the Telugu People

## What happened in the 1950s?

### History

- After Potti Sriramulu's indefinite hunger strike and death, Nehru conceded to create Andhra State. The first post-independence linguistic state in India came into existence in 1953.
- Telangana peasants fought against Razakars and Nizam's feudal rule. Indian army invaded Hyderabad and ended Nizam's rule. Nehru formed the States Reorganization Committee (SRC), which recommended waiting for a five-year period before merging the Telangana region with the Andhra State.
- Telugu, Maratha, and Kannada legislators of the Hyderabad State met to debate SRC recommendations. After a week-long debate, out of 174 representatives in the Assembly, 103 favored Vishalandhra, 29 favored a Telangana state, whereas 15 remained neutral. Among representatives from Telangana, 59 favored Vishalandhra, 25 favored a Telangana State, and 1 remained neutral. However, the Assembly adjourned without taking a vote. (See page 46 for source information.)
- Given the desire of Telugus of all regions to unite, Congress Party leaders from Andhra and Telangana regions reached an agreement known as the "Gentlemen's Agreement," which paved the way for the creation of the Andhra Pradesh State.

### Amarajeevi Potti Sriramulu



Photo courtesy: The Hindu

***Contrary to popular belief, the Andhra and Telangana regions were not forced into a union. Seventy percent of the people's representatives from Telangana favored the merger in 1956.***

# History of the Telugu People

## Gentlemen's Agreement Violations

### Violation of the Gentlemen's Agreement

- **Gentlemen's Agreement required that if the Chief Minister (CM) is from the Andhra region, then the Deputy CM be from Telangana and vice versa. The first CM of Andhra Pradesh Neelam Sanjiva Reddy violated the agreement by not appointing a Deputy CM. Other CMs of the State for the most part honored it until 1973.**

CM Neelam Sanjiva Reddy violated the Gentlemen's Agreement that was just signed. However, Telangana leaders didn't make an issue of it, as their leader K.V. Ranga Reddy was given the important Home, Revenue, and Prohibition Ministry portfolios.

- **Excess revenue generated, in lieu of excise taxes, from Telangana should have been invested locally. This was violated to the tune of Rs. 33 crores by 1968.** (Source: provided on page 47.)

Telangana regional council formed to protect the interests of the region takes partial responsibility for under-investment, as it failed to raise this issue until 1968. The rest of the responsibility should be borne by the government, which had leaders from all the regions.

- **Government employment reservations to the locals were violated to the tune of 5,000 jobs.** (Source: provided on page 48.)

These violations for the most part were made by the Telangana leaders running zilla parishads, with good intent, as there was a scarcity of teachers and nurses to fill local jobs.

***Leaders of all regions were responsible for violations to the Gentlemen's Agreement, and in some cases, these violations were made with good intent.***

# History of the Telugu People

## What happened between 1969 and 1972?

### Jai Telangana

- An insignificant event in 1969, when a student named Ravindranath started a hunger strike, acted as a trigger for massive uprising in Telangana for separation.
- Indira Gandhi refused to divide the State, despite the State turning into an inferno and the number of dead mounting into hundreds. She believed that division of the State was not in the best interests of the nation and the Telugu people.
- After students lost a year of their education, the movement ended with the resignation of CM Kasu Brahmananda Reddy of Coastal Andhra and appointment of P.V. Narasimha Rao from Telangana as the CM.

### Jai Andhra

- In 1972, the Supreme Court declared that the Mulki rules were legal. With that, started the violent Jai Andhra movement for separation.
- As the violence flared uncontrollably and deaths mounted, Indira Gandhi imposed President's rule in the State.
- The movement ended with Mrs. Gandhi's six-point formula that reserved 80% class-IV, 70% non-gazetted, and 60% gazetted posts for locals.
- Jalagam Vengal Rao from Telangana became the CM, and B.V. Subba Reddy from Andhra, the Deputy CM.

***Separatists often cite off-the-cuff remarks made by Nehru, but do not mention Indira Gandhi's statement in Pratapghad when she said she would give up her prime ministership for Andhra Pradesh State.***

## History of the Telugu People

### Current Situation

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- **Sri K. Chandrashekar Rao formed Telangana Rashtra Samiti (TRS) in 2001 after being denied a berth in the ruling Telugu Desam Party cabinet.**
- **In the 2004 elections, TRS contested and won 26 Assembly seats and 5 Parliament seats.**
- **In 2008, TRS forced a re-election to showcase the mandate for separation and failed miserably. TRS won a measly 7 Assembly seats and 2 Loksabha seats.**
- **In the 2009 elections, TRS contested in 45 Assembly segments in the Telangana region and won a meager 10 Assembly segments and 2 Loksabha segments.**
- **To regain the political momentum for a separate state, TRS President KCR started his indefinite hunger strike on November 29, 2009.**
- **The central government yielded to the pressure brought on by separatists and made an announcement on December 9, 2009, in favor of dividing the state.**
- **Coastal Andhra and Rayalaseema woke up from their slumber and initiated a massive agitation against division.**
- **In light of vehement protests from Coastal Andhra and Rayalaseema leaders, the central government backtracked from the December 9 announcement.**
- **The Srikrishna Committee was formed on February 3, 2010, by the central government, “to hold wide-ranging consultations with all sections of the people and political parties and groups in Andhra Pradesh.”**

## **Progress and Development in the State since Its Formation**

## Progress by Region Since the State Formation Education (1)

**School Education<sup>1</sup>**

Region	No. of school students		Students/100 People <sup>2</sup>		% Student Growth
	1956	2006-07	1956	2006-07 <sup>3</sup>	
Coastal Andhra	1730449	4748695	12	15	25%
Rayalaseema	594842	2488161	10	18	88%
Nizam Telangana	657131	6614374	6	21	249%
Nizam Telangana (excl Hyd. & Rangareddi)	474659	4728200	5	20	277%

1: School Education: Primary Schools, Middle Schools, High Schools and Other Specialty Schools as categorized in the Statistical Abstract of Andhra Pradesh

2: Used 1951, 2001 census population numbers

3: <http://aponline.gov.in> (Director of School Education, RTI Act publication)

**Table-1**

**Degree Education<sup>1</sup>**

Region	No. of Degree Students	No. of Degree students	Degree Students /10000 People <sup>2</sup>	Degree Students /10000 People <sup>2</sup>	% Student Growth per 10000 people
	1956	2001	1956	2001	
Coastal Andhra	27742	184587	19	58	203%
Rayalaseema	4450	92923	7	69	838%
Nizam Telangana	10294	197818	10	64	567%
Nizam Telangana (excl Hyd. & Rangareddi)	NA	NA			

1: Degree Education: Arts & Sciences Only. Professional Education numbers were not readily available. Sourced from Statistical Abstract of Andhra Pradesh.

2: Population for 1956 not available. Used 1951 census population numbers

3: Degree education data for Nizam Telangana excluding Hyderabad were not readily available

**Table-2**

### Discussion

- In school education and degree education, when compared to other regions, the Telangana region made significant progress since the formation of the State.
- Compared to 1956, Telangana has 15 additional school students for every 100 people as of 2006-07, whereas Coastal Andhra added a mere 3 students.
- Compared to 1956, Telangana has 54 additional degree college students for every 10,000 people as of 2001, whereas Coastal Andhra added 39.

Note: District-level data is given on page: 33.



## Progress by Region since the State Formation Education (2)

Literacy <sup>1</sup>					
Region	No. of Literates		Literates/100 People		% Literacy Growth
	1951	2001	1951	2001	
Coastal Andhra	2022933	17686720	14	56	298%
Rayalaseema	732348	7081505	12	52	335%
Nizam Telangana	972230	15596540	9	50	457%
Nizam Telangana (excl Hyd. & Rangareddi)	590600	11015579	5	47	750%
1: Sourced from 1951, 2001 Census					
Table-3					

Note: District-level data is given on page 34.

- In literacy, though Telangana region is behind Coastal Andhra, it is important to note that ever since the State formation, Telangana and Coastal Andhra both added 42 additional literates per 100 people.

***Many myths exist about backwardness of the Telangana region in education. However, our findings clearly indicate that Telangana made major strides in education since the State formation.***

## Progress by Region since the State Formation Irrigation (1)

### Discussion

- The Telangana region registered highest percentage growth in gross irrigated area. Since the State formation, 15 additional lakh hectares of gross area have been added to irrigation in the Telangana area, compared to 10 lakh hectares in Coastal Andhra.
- The effect of net growth in irrigated area can be clearly observed in increase in agricultural output, where Telangana leads in the net tonnage growth.
- There are genuine grievances in the canal irrigation area. Despite tens of thousands of crores of rupees invested by the government on mega irrigation projects, a little more than 3 additional lakh hectares of land have been brought under canal irrigation since the State formation. However, Table-6 clearly shows that there is no evidence of deliberate discrimination against any one region.

Gross Area Irrigated (Hectares)<sup>1</sup>

Region	1956	2006-07	%Growth	Area Growth
Coastal Andhra	1897479	2971669	57%	1074190
Rayalaseema	473623	684333	44%	210710
Nizam Telangana	828814	2413568	191%	1584754

Table-4

1: Statistical Abstract of Andhra Pradesh- 1957, 2008

Agriculture Production (Kharif+Rabi) in tonnes

Region	1956	1991	%Growth	Tonnage Growth
Coastal Andhra	3070198	6363201	107%	3293003
Rayalaseema	1151977	1146832	0%	-5145
Nizam Telangana	1399934	4819525	244%	3419591

Source: Crop statistics of Andhra Pradesh, APAU- 1992

Table-5

Canal Irrigation (Hectares)<sup>1</sup>

Region	1956	2006-07	%Growth	Area Growth
Coastal Andhra	1106258	1232965	11%	126707
Rayalaseema	70860	110296	56%	39436
Nizam Telangana	114720	279493	144%	164773

Table-6

1: Statistical Abstract of Andhra Pradesh- 1957, 2008

Note: District-level data is given on page 35.

## Progress by Region since the State Formation Irrigation (2)

### Discussion

- Tank irrigation has failed abysmally in the Telangana region. However, Rayalaseema suffered more than the other regions in this regard.
- Failure in canal irrigation and tank irrigation resulted in farmers adopting tube well irrigation, which has grown by leaps and bounds since 1991.

Note: District-level data is given on page 35.

**Tank Irrigation (Hectares)<sup>1</sup>**

Region	1956	2006-07	%Growth	Area Growth
Coastal Andhra	458430	338404	-26%	-120026
Rayalaseema	162163	34788	-79%	-127375
Nizam Telangana	447228	229035	-49%	-218193

**Table-7**

1: Statistical Abstract of Andhra Pradesh- 1957, 2008

**Tube Well Irrigation (Hectares)<sup>1</sup>**

Region	1991	2006-07	%Growth	Area Growth
Coastal Andhra	175402	427757	144%	252355
Rayalaseema	45595	337100	639%	291505
Nizam Telangana	60892	655222	976%	594330

**Table-8**

1: Statistical Abstract of Andhra Pradesh 1992, 2008. Tube well irrigation started in earnest in the 90s.

**Other Well Irrigation (Hectares)<sup>1</sup>**

Region	1956	2006-07	%Growth	Area Growth
Coastal Andhra	66106	85273	29%	19167
Rayalaseema	102308	74758	-27%	-27550
Nizam Telangana	116045	493430	325%	377385

**Table-9**

1: Statistical Abstract of Andhra Pradesh- 1957, 2008

***Government failures in executing irrigation projects have happened in all regions, and data clearly shows that there is no “deliberate discrimination” against Telangana.***

## Progress by Region since the State Formation Industries

2004-05, Factory Employment & Emoluments					
Region	2001 Population	Total (Workers + Employees)	Employment /10000 people	Emoluments in Lakhs	Emoluments in Rupees/person (not per employee)
Coasta Andhra	31,705,092	527,858	166	175,782	554
Rayalaseema	13,517,644	103,264	76	25,680	190
Nizam Telangana	30,987,271	1,086,366	351	256,069	826
Nizam Telangana (excl. Hyd & RR)	23,582,454	839,570	356	146,668	622
Source: Statistical Abstract of Andhra Pradesh, 2008					

A.P. Industrial Development Corporation Units by Region as of 31-08-2008		
Region	Aug-08	% Units by Region
Coastal Andhra	199	25%
Rayalaseema	92	12%
Nizam Telangana	505	63%
Total	796	
Nizam Telangana (excl Hyd & Rangareddi)	331	42%
Source: <a href="http://www.apidc.org">http://www.apidc.org</a>		
Table-13		

Note: District-level data is given on page 37.

***The Telangana region benefits from having the fast-developing capital city Hyderabad in its region, which greatly benefits the satellite districts of Mahboob Nagar, Medak, Nalgonda, and Rangareddi.***

## Progress by Region since the State Formation Finances and GDP

Land, Excise, and Sales Revenue Collection: Current+ Arrears (Lakhs) <sup>1</sup>				
Region	1956	% Contribution	2005-06	% Contribution
Coastal Andhra	862	41%	228139	20%
Rayalaseema	217	10%	50387	4%
Nizam Telangana	1010	48%	849376	75%
<b>Total</b>	<b>2088</b>	<b>100%</b>	<b>1127903</b>	<b>100%</b>
Nizam Telangana (excl Hyd & Rangareddi)	752	36%	148075	13%

**Table-15**

1: Statistical Abstract of Andhra Pradesh 1957, 2008. For 2005-06, excise revenue contribution is realized revenue

Per Capita GDP (Rupees)			
Region	1993-1994	2003-2004	% Growth
Coastal Andhra	8863	26586	200%
Rayalaseema	8753	20204	131%
Nizam Telangana	8498	25584	201%
Nizam Telangana (excl Hyd. & Rangareddi)	7888	22725	188%

Source: Analyzed Data Obtained from State Domestic Product [1993-94 to 2003-04] and District Domestic Product [2002-03] of Andhra Pradesh

\* Used 91 population for 93-94 per capita GDP calculation, and 2001 population for 2003-2004 per capita GDP calculation

Note: District-level data is given on page 36.

**Table-16**

### Discussion

- Separatists often claim that Telangana generates 75% of land, excise, and sales revenue. However, when the Hyderabad and Rangareddi districts are excluded, that contribution drops to 13%.
- In the per capita GDP category, which is a good gauge of general economic wellbeing, the Telangana region lags Coastal Andhra but is ahead of Rayalaseema. However, it is important to note that Telangana was economically behind at the time of the merger and has grown at the fastest pace, compared to the other two regions, since the merger.

## Progress by Region

### Economic Indicators by Region

Category	Coastal Andhra	Rayalase-ema	Nizam Telangana	Nizam Telangana (excl. Hyd & RR)
No. of workers/100 people	45	48	45	49
Factory Employment/10000 people	166	76	351	356
Emoluments in Rupees/person	554	190	826	622
Total govt primary health centers/10 lakh people	21	23	20	24
Govt hospital beds/1 lakh people	43	47	53	37
Agriculture output in 000's tonnes/1 lakh people	42	37	40	NA
Livestock / 10 people	6	10	9	NA
Poultry/10 people	16	15	16	NA
Power consumption in million units / 1 lakh people	43	119	76	68
Transport vehicles/1000 people	16	12	20	13
Non-transport vehicles/1000 people	66	45	93	49
Kms of Roads/1 lakh people	79	116	74	89
Per-capita income (Rupees)	28,133	20,804	26,528	24,168

Source: Statistical Abstract of Andhra Pradesh 2008

Note: District-level data is given on pages 38, 39, 40, 41, 42, 43, 44, and 45.

***Across several economic indicators, the Telangana region's performance is at par with the other regions of the State.***



## **Impact of Recent Developments in the State on Non-Resident Indians**

## Impact of Recent Developments **NRI Investments in Information Technology (IT)**

**The Andhra Pradesh State and Hyderabad City are two of the fastest growing economies in India. Due to the recent spate of violence, the State and the city have suffered significant economic setbacks. Particularly, NRI information technology investments, which are an engine of growth, have fled to other cities in India.**

- Employment generation in information technology is down in Hyderabad, with companies putting their plans on hold due to political uncertainty.
- Hyderabad City is put in the “Strongly Down” category compared to other major cities in the country, such as Mumbai, Delhi, Bangalore, and Kolkata, by the Ma Foi Employment Trends Survey.
- The Ma Foi study, while recognizing that the organized sector in India is set to create close to a million new jobs in the year 2010-2011, identified Hyderabad as one of the least favorable destinations in the country due to the law-and-order failure.
- Companies currently having expansion plans are moving them to other cities.

***Businesses flee from regions that cannot guarantee safety of employees and fail to protect private property and business investments.***

# Impact of Recent Developments NRI Investments in Pharmaceuticals (Perspective of an Industrialist)

**Vimal Kavuru**  
CEO  
Rubin Chemists  
New York

**The Indian pharmaceutical industry in the last two decades has gained the attention of the world for its competitiveness in low-cost production and R&D. The industry was able to penetrate the highly regulated markets such as the United States. The Andhra Pradesh pharmaceutical industry stands out in this regard because of the number of intermediates and bulk drug companies operating in our state.**

Due to the current turmoil, bandhs, and violence in the state, the Andhra Pradesh pharmaceutical sector is failing to meet production commitments.

The United States issued a travel alert to all U.S citizens, informing them not to travel to the state of Andhra Pradesh due to security concerns, particularly the threat of terrorist attacks and the possibility of violence, as civil unrest continues over the contentious issue of statehood for the Telangana region. These alerts prevented a number of U.S.-based pharmaceutical representatives from travelling to Andhra Pradesh to place fresh orders, renew contracts, or firm up new plans.

Pharmaceutical companies involved in the formulation (making of tablets and capsules), both in the USA and India, file or register with the U.S FDA the name of the bulk drug, its manufacturing location, and its process and equipment used to manufacture this particular drug. Once the formulation company registers the product, it cannot change the source unless notified, which might take another 1-2 years. As a result, the pharmaceutical company is locked in with that bulk drug manufacturer. Due to recent disturbances in Andhra Pradesh, many pharmaceutical companies in the USA are looking for alternative sources and are avoiding companies in Andhra Pradesh.

A number of India-based pharmaceutical companies associated with the U.S. markets have incurred penalties and backorders due to bandhs, security concerns, and transportation strikes. Many companies were not able to meet their export deadlines.

A number of bulk drug companies in Andhra Pradesh manufacture certain drugs that control 60%-90% of the world's market share. These drugs include penicillin, Sulfamethaxazole, Ibuprofen, Rantidine, Paracetamol (Tylenol), and HIV medications. International chains such as Walgreens, CVS, and Rite-Aid together control 40% of the market share, and they will have to spend millions of dollars to change the supplier. Formulation manufacturing companies and R&D companies that have ties with A.P.-based companies are trying to sever relationships and are looking for dependable sources in other states such as Gujarat and Madhya Pradesh.

***Hyderabad was once considered the bulk drug capital of the world. With the current political turmoil, Hyderabad is likely to lose its status.***

## Impact of Recent Developments NRI Investments in Real Estate (Karvy Group's Study: See page 51.)

The recent turmoil in the State will have far-reaching implications on the growth and development of Hyderabad and the State at large. Geographically, Hyderabad lies in the heart of Telangana and is the most developed part of the region in terms of income generation and employment opportunities. However, it is still dependent on its NRI community and cash-rich business class of coastal Andhra for major investments and finances. Hence, the fear of investment losses among non-Telangana people is expected to create ripple effects wherein they will try to exit their current investments as well as shelve their future investment plans. The Karvy Group's study expects the Hyderabad real estate market to be a direct casualty in such a scenario, as a major portion of investments go to buying property.

- Multi National Corporation (MNC) operations have been severely effected due to law-and-order breakdown. This is expected to detract from any further investments by MNCs and Indian companies.
- The NRI community is invested heavily in real estate in and around Hyderabad. According to industry sources, Andhra Pradesh gets the highest NRI remittance in the country, and it accounted for more than 22% of the NRI remittances in 2008, amounting to ~Rs 9 bn.
- In a situation of uncertainty on a separate Telangana, the growth of the State will decline, and it might move 5 years behind. The people from non-Telangana regions will move their capital and exit most of their investments. Therefore, a lot of supply is expected to come into the market, and land prices are expected to go down.
- Further, the projects under construction are expected to be stalled due to lack of funds because of factors mentioned above. We believe that this will have a significant impact on the real economy of Andhra Pradesh, thereby impacting government revenues as well as development and growth in the region.

# Impact of Recent Developments On Human Relations (Perspective of an NRI Physician)

**Dr. Ramesh Eluri, MD**  
Adult & Geriatric Psychiatrist  
Medical Director  
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**The separation of a State, in general, and Andhra Pradesh, in particular, is associated with a gamut of imminent socio-cultural, psychological, financial, and emotional aspects on the whole society.**

- The problems of either immigration or emigration will impact people's psychological and socio-cultural adaptation to the host culture significantly in terms of mental health.
- Factors contributing to these conditions are perceived gains and losses and cultural identity. This in turn affects the areas of employment, education, and psychological wellbeing.
- Psychological adaptation to a host culture (in this case, Andhra or Telangana) has consistently shown in research, higher levels of emotional distress, low self-esteem, and depression in the targeted population.
- Emotional disturbances caused by separation of people from their native land due to political, social, or economic reasons is significant. Feelings of loss, acculturation, identity crisis, and social isolation plague the individuals.
- Research has shown across the boundaries and cultures the difficulties of maintaining the host culture, assimilation of the core values, and the humiliation suffered by the people. In the case of separation, it is obvious that these problems will surface in Andhra Pradesh also.
- Interconnected practical problems include the inability to resettle successfully in the new environment, cultural isolation, and feelings of nostalgia, grief and mourning, anxiety, depression, and pessimism.

***“Separation” is a small phrase with big implications on the human mind. Humans are emotionally attached to land, culture, sentiments, and societal norms. Impinging effects of “separation” can be significant.***

## **Conclusion**

### **Why the State Should Not Be Divided**



# Why the State Should Not Be Divided National Interests

## **Nehru's prudent approach:**

Pandit Nehru was opposed to carving out an Andhra State from Madras. Later, he opposed disintegration of the Hyderabad State. However, after a great deal of deliberation, he landed on the principle of linguistic states and agreed to the creation of states such as Andhra Pradesh, Tamilnadu, and Karnataka. In the end, he viewed linguistic states as the best formula to ensure national integrity, while meeting regional desires.

## **Indira Gandhi's uncompromising stand:**

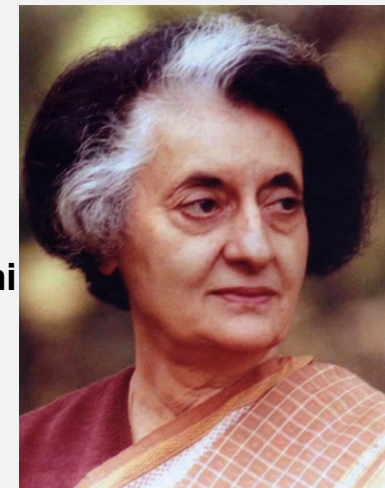
At the height of the violent Jai Telangana and Jai Andhra movements, Mrs. Gandhi said she would give up her prime minstership, but refused to divide the state. She believed division of Andhra Pradesh would set a wrong precedent for the rest of the linguistic states in the country [Source: Page 49].

## **Chidambaram's misjudgment:**

There has to be a framework for division of linguistic states. Poorly thought-out, weak-kneed, and hasty announcements such as the one Home Minister Chidambaram made on December 9, 2009, will have profound negative consequences on the nation and its people. Andhra Pradesh is now reaping the tragic consequences of Home Minister's folly.



**Jawaharlal Nehru**



**Indira Gandhi**



**Chidambaram**

***Nehru resolved to carve non-hindi speaking states along linguistic lines.  
Changing this model will open a flood gate of demands for new states.  
Inevitably, separate state movements such as the current will turn violent.***

# Why the State Should Not Be Divided

## State's Interests

**History of living together:** Telugu people had a unique identity from Vedic times. They have lived together as one people during the Satavahana, Kakatiya, Vijayanagram, Qutub Shah, and Nizam rules.

**Symbiotic relationship:** In a united State, the coastal Andhra districts' surplus agriculture production could be shared among the Telangana and Rayalaseema regions before it is exported out of the State. Along similar lines, Kosta districts could benefit from the abundant coal- and mineral-rich mines of Telangana and Rayalaseema, which can act as a reliable source for basic commodities such as cement, granite, steel, and thermal electricity.

**Strategic coastline:** The Andhra Pradesh State is blessed with the second longest coastline in India. Division of the State would put the Telangana region at a serious disadvantage.

**Leverage at the Center:** The central government has been playing an ever-increasing role in governance, while the State's rights are diminishing. A united Andhra Pradesh, being the fifth largest state in India, will have more leverage with the central government than divided smaller states would.

**Separatists' distortions and strong-arm tactics:** In election after election, separatists have failed to get a mandate in the Telangana region for separation of the State. Yet, with the threat of force, and by taking advantage of young student minds, often aged between 15 and 21 years, separatists are holding the State hostage. Yielding to these pressure tactics will send a wrong signal to extremist and terrorist groups which may take undue advantage of the situation for their own selfish ends.



***Certain regions of the State are rich in minerals; others have surplus agriculture output; and metros have a thriving service sector. Separation will destroy this mutually beneficial economic activity among regions.***

## Why the State Should Not Be Divided

### Regional Interests

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**Regional fervor:** If the state is divided, the antagonism created by separatists will result in regional fervor. A newly formed Coastal Andhra–Seema government will inevitably incentivize businesses founded by Coastal Andhra residents in and around Hyderabad to relocate to its region. This will impact Hyderabad’s economy and, particularly, the satellite districts of Telangana.

**Never-ending demand for more states:** Government yielding to the separatists’ coercion for Telangana will result in demands for Uttara Andhra, Rayalaseema, Greater Hyderabad, and Coastal Andhra States.

**Human relationships suffer:** Telugu people of all regions have united in 1956 after a mighty struggle that started in 1903. Today, millions of people in the State have married across regions, and the lines between regions have blurred. There are scores of tragic stories, where the current hate-filled separatist movement has created bad blood among family members. A divided state will again create a wedge among Telugu people.

**More bureaucracy and government expenditure:** The Andhra Pradesh government in the past few years has put a cap on government employment and promoted the private sector due to its potential to create sustained employment. In a divided state, the size of the government could bloat, straining the suffering economy further.

**Two capital cities will become a drag on the economies:** While Hyderabad’s economy will suffer due to decreased economic activity, Coastal Andhra–Seema’s new capital city will require enormous investments requiring new taxes that will become a drag on its economy.

**No significant benefits to Telangana in the irrigation sector:** Telangana is unlikely to receive river water allocations beyond what has already been awarded by Bachawat or the upcoming ruling of Justice Brijesh Kumar.

***There are myriad reasons for Telugus to stay united and hardly any good justification for separating the state.***

# Why the State Should Not Be Divided

## Hyderabad–The Economic Nerve Center of Andhra Pradesh

Barely 50 years ago, the capital city of Hyderabad State derived its sustenance by taxing rural areas of the State. Today, the situation has reversed. According to the then Finance Minister Rosaiah's statement in the State Assembly:

- Coastal Andhra now contributes 14.7% of revenue to the State.
- Rayalaseema contributes 3.9%.
- Telangana, excluding Hyderabad, contributes 24.3%.
- Hyderabad City contributes 37.2%.

Though Hyderabad generated more than 37% in revenue, only 5.2% is spent on the capital city. The rest of the 32% revenue is distributed across the three regions of the State.

*Source: Finance Minister Rosaiah's response in the Assembly to CPI MLA Chada Venkat Reddy's query as cited in Andhrajyothy Daily, 2008 February 12.*

- **Division of the state will create a bitter fight over Hyderabad's revenues.**
- **Apart from leaving the state intact, no solution will satisfy all regions' desires and demands.**
- **People of all three regions will make a rightful claim to the City of Hyderabad.**
- **Millions of people, hailing from all regions of the State, are living in Hyderabad. The Jai Telangana and Jai Andhra movements of 1969 and 1972 provide ample evidence of violent strains in people of all three regions.**
- **Government should exercise great caution in handling this Pandora's box.**



***The issue of Hyderabad will be the most contentious problem in the event of separation. Opening of this Pandora's box will have irreconcilable consequences on the State and the nation.***

## Conclusion

# A Generic Framework of Solutions

Currently, there are deep suspicions among regions about government policies and expenditure. Transparency must be brought into government affairs by an independent body. We hereby propose a broad set of recommendations to alleviate the distrust currently existing among regions.

- **A common framework applicable to the entire nation should be created for any further division of the states. One-off decisions, such as the current one, will throw the country into chaos.**
- **Government expenditures should be tracked at the district level by an independent body that is not controlled by the cabinet.**
- **Government employment and student enrollment in educational institutions should be tracked through a similar independent body.**
- **Government should honor past river water allocations made to projects across the State. Any re-allocation of river waters to other projects should be done through a 2/3 majority mandate of the legislators.**
- **A common framework, agreeable to all regions, needs to be developed for allocation of funds for irrigation projects.**
- **Region-based reservations in government employment and educational institutions should be eliminated, as they have proven to exacerbate regionalism. Instead, enact mechanisms to ensure proportional representation by district. For example, if a district has 5% of the State's population, ensure that students from that district aggregate to 5% across the State.**

***Today, government policies are exacerbating regionalism in the State. Government should adopt solutions that promote integration among regions while ensuring equitable distribution of benefits to all the districts.***