WHY VIDARBHA STATE?
FAILURE OF ARTICLE 371(2) OF THE CONSTITUTION:
VIDARBHA STATE IS THE ONLY ALTERNATIVE

R.L. Pitale

Marathi speaking eight districts of former Madhya Pradesh known as Vidarbha became integral part of Maharashtra State under "one language one state" formula in new linguistic reorganisation of States in November 1956. As the States Reorganisation Commission recommended the creation of Vidarbha State, the demand for Vidarbha State is raised from time to time. The leaders of newly created State of Maharashtra started with great fervour to develop all the regions but in the process Vidarbha lagged behind. This regional imbalance was studied by the Fact Finding Team of the Planning Commission in March-May 2006. The paper reviews the findings of the Report of this team to consider the future course of action. The paper makes a case for developing Vidarbha within Maharashtra and suggests that a time bound Development Plan for Vidarbha in the next three years should remove the feeling of economic injustice done to Vidarbha. Much will depend on changing governance pattern of Maharashtra in favour of Vidarbha Region. In this interim period, the development efforts of Maharashtra will be tested and if economic backlog and imbalance continue then there will be justification for the creation of Vidarbha State.

INTRODUCTION

The Vidarbha’s Marathi speaking area which was always with Hindi speaking area of Central Provinces (CP) and Berar and Madhya Pradesh got attached to Maharashtra under the linguistic rearrangement of the States in November 1956 in Bilingual State of Bombay and in Maharashtra State in May 1960 due to political exigencies then and in good faith that interest of economic well being of Vidarbha will be protected. Vidarbha got merged in Maharashtra (erstwhile Bombay State) as per the decision of Government of India in reconstituting the States based on one language one state formula though States Reorganisation Commission recommended creation of a separate Vidarbha State. The historical background of long standing demand of Vidarbha State is well known and hence not repeated for the sake of brevity.

It was hoped that people speaking the same language will form cohesive units for rapid and balanced development. But the history of economic development of Maharashtra during the last 50 years has proved otherwise. Some areas, especially Vidarbha, have been systematically neglected as corroborated by the Planning Commission’s Fact Finding Team Report while its resources are used for the benefit of the rest of Maharashtra. The Planning Commission was aware of the economic injustice done to Vidarbha. Planning Commission has been raising the issue of backlog in development of the backward regions from time to time with the State of Maharashtra as evident from the Planning Commission’s Fact Finding Team Report May 2006 (p.1) But the Government of Maharashtra did not pay much attention to this advice.

The economic disparities were quantified by Expert Committee headed by Prof. V.M. Dandekar in 1983. It took Maharashtra Government almost 10 years to consider the findings of Dandekar Report In view of the imbalance in regional development of Maharashtra, at the
behest of Government of Maharashtra the arrangement under Article 371(2) of the Constitution was invoked. Vidarbha Statutory Development Board, _inter alia_, was put in place in April 1994 by the President of India. The extended tenure of 15 years of the Board ended in April 2010. Now the tenure of Development of Boards has been extended by five years, _i.e._ up to April 2015.

The protests of political leaders of Vidarbha against injustice to VidARBha inside and outside the Assembly were ignored by the state government. The Rajya Sabha took up this issue for detailed discussion in March 2006 in pursuance of Private Members’ Resolution of two Rajya Sabha MPs from Vidarbha (Shri Datta Meghe and Shri Vijay Darda) about regional disparities and economic distress in Vidarbha. This Resolution sensitised the Parliament about the economic woes created by Government of Maharashtra that finally clinched the issue with the Government of India (GOI). The basis of this conclusion is the direction given by the Prime Minister to the Planning Commission to set up a Fact Finding Team to Report in the matter. Reacting to the acute economic distress and reports of suicides of farmers even under the arrangement of Article 371(2) and the Prime Minister’s package of Rs. 3750 crore, the Prime Minister desired that Planning Commission should study the facts of the matter and report to him accordingly. Planning Commission set up a Fact Finding Team on March 2nd 2006 under the Chairmanship of Mrs Adarsh Misra, Principal Adviser, Planning Commission, to study the acute economic distress in Vidarbha and report to him in this regard.

I. FACT FINDING COMMITTEE’S REPORT MAY 2006

The Planning Commission impartially conducted the investigation and submitted the Report to the Prime Minister in May 2006. It has found the deliberate neglect of Vidarbha by Western Maharashtra politicians irrespective of political parties to which they belong and also by the administration. The 244-page Fact Finding Report specially studied, _inter alia_, the working of the Article 371(2) of the Constitution and one can safely conclude that that Article 371 (2) has virtually failed to give economic justice to Vidarbha.

Failure of Article 371(2) of the Constitution: Undisputed case for Separate Vidarbha State

The observations of the Planning Commission’s Fact Finding Team are extracted below in their wording which conclusively proves the failure of Article 371(2) of the Constitution of India. The Planning Commission referred to this in its Report as "Historical disregard of the Constitutional Provision for appropriate investment" [Government of India, 2006, p. 23].

1. The Team found astounding evidence of years of continued neglect of a region and its people.
2. It would not be incorrect to state that the lack of implementation in some of the major areas of development is possibly one of the major causes of the present acute distress faced in this region.
3. That the system is not geared up towards implementation and that annual surrender of the amounts allocated leading to supplementary budgets, which are then spent in the rest of Maharashtra.
4. Information received from the Government of Maharashtra, Office of the Governor and the Vidarbha Statutory Development Board indicate that the implementation of the directives issued by the Governor of Maharashtra has not been satisfactory.
5. Their [Government of Maharashtra’s] response to the need to provide integrated watershed development and rainwater harvesting for cost effective water conservation was lukewarm.
6. Other regions of the State which were behind Vidarbha in irrigation development at the time of Independence have now marched ahead of it in the post-Independence period.
7. There is an obvious lack of commitment in implementing any schemes under irrigation in Vidarbha.
8. The acute and continued neglect of the area is well evidenced even by the Human Development Index (HDI) of the State which shows that out of the 35 districts 4 of the six highly distressed districts are uniformly among the lowest in the State.
9. The history of implementation of the allocations since 2000, when the first allocations were indicated, shows that the State has traditionally surrendered the provisions for Vidarbha, while, paradoxically, bulk of the State’s power requirements are drawn from this region.
10. Actual expenditure against allocation is likely to stay questionable as evidenced from previous track record of lack of effective monitoring and implementation systems; and lack of monitoring of implementation in identified sectors [and subsequent orders of President of India of 9th March 1994].
11. While the irrigation backlog in Vidarbha has increased from 38.05% in 1982 to 62.20% in 2002, the irrigation backlog in rest of Maharashtra has progressively declined from 39% in 1982 to 4.73% as on 1.4.2002. (For the rest of Maharashtra, it is now zero).
12. Even the need to provide energy for energisation of pump sets has not led to a system of prioritisation.
13. The common refrain is that though majority of electric power is produced in Vidarbha area, the energy requirements of Vidarbha, in particular for the energisation of agriculture pumps, is not fulfilled compared to the Western Maharashtra.
14. About Rs. 9,250/- crore annual subsidy is given by the State Government on these agriculture pumps. This is perceived as not only a loss of irrigation potential which could have been made available to this region (Vidarbha), but also as a denial of financial assistance in the form of subsidy to the farmers of this area.
15. Final Conclusion of the Report (Page 91): Lack of political will is still evidenced for implementation. From the above, it is clear that Arrangements under Article 371(2) of the President of India had completely failed as Maharashtra Government has not shown any political will to develop Vidarbha. Hence it can be deduced from the Report that there is no other alternative for the people of Vidarbha but to get a separate Vidarbha State as the Report has clearly stated that the Government has no political will to implement the development of this area. The process for creating Vidarbha State needs to be initiated urgently.
II. COMPTROLLER AND AUDITOR GENERAL (CAG) REPORT 2006-07 ON MAHARASHTRA: ARTICLE 371(2) SIDELINED

Besides the Planning Commission’s above mentioned detailed report, findings of the CAG Report 2006-07 reported in the press brings out that "Western Maharashtra (WM) benefited as the Vidarbha’s backlog piled up. The diversion of funds to the influential WM and northern parts of state, ducking Governor’s directives has led to irreversible regional balance. Vidarbha has been robbed of 70 per cent of its funds". Provision for irrigation made by the Governor was Rs. 3119.79 crore but government allotted only Rs. 1391.58 crore that resulted in a backlog of Rs. 2528 crore. Government subsidies have also been monopolised by the State’s powerful sugar lobby. Subsidies amounting to Rs. 800 crore have been given to sugar factories and a benefit of zero interest has also been extended to them. In addition, purchase tax of $ 63 million was waived for sugar factories and $ 212 million provided for buffer stock transport subsidies. (In the Report, the figures have been given in dollars.)

As per CAG Report 2006 "3.2 million Vidarbha farmers consume 11 per cent of total electricity while sugarcane belt of Maharashtra accounts for 65.5 per cent. Six sugar growing districts of Pune Division had 3.57 lakh pump sets in excess of the quota of 2004, while Vidarbha had deficit of 2.15 lakh pumps (now it is 2.38 lakh in 2009). 60 per cent of State’s electricity is generated in Vidarbha. It has power but is politically powerless" [CAG Report, 2006-07].

"Pune Division is entitled to consume 512 million units (MU) of power. Agriculture pumps in the Division consumed 1079 MU with a subsidy to the pump set of Rs. 250 per unit. Pune got excess subsidy of Rs. 144 crores in 2007 and Western Maharashtra got Rs. 560 crores. Against this, Vidarbha out of its share of 2668 MU consumed only 985 MU due to backlog of 2.15 lakh pumps resulting in a loss of subsidy of Rs. 420 crores" [CAG Report, 2006-07].

The above brief observations show the sidelining of Presidential Constitutional Arrangements under Article 371(2). What worst commentary there be on governance pattern of Maharashtra Government which itself approached the President of India to set up Vidarbha Development Board. Article 371(2) arrangement has been completely sidelined during the last 15 years (1994-2010). Maharashtra Government has thus forfeited its right to keep Vidarbha in Maharashtra.

III. GOVERNOR’S DIRECTIVES 2009-10 UNDER ARTICLE 371(2): HIGHLIGHT ON THE GOVERNANCE PATTERN OF MAHARASHTRA IN NOT CARRYING OUT GOVERNOR’S DIRECTIVES IN LETTER AND SPIRIT

The following observations are those of Governor of Maharashtra as per the Directives issued by him and placed on the Table of Vidhan Sabha Session (Budget Session) 2009-10.

How the Government of Maharashtra has tried to change tracks and adopted ways to circumvent the directives can be seen from the Directives issued by the Governors since 2000. This has happened under four Governors during the last 15 years during the term of P.C. Alexander (Jan 1993 - Oct 2002), Mohd Fazal (Oct 2002 - Dec 2004), S.M. Krishna (Dec 2004 - Mar 2008) and S.C. Jamir (Dec 2008 - Jan 2010).

A few illustrations should suffice to show how difficult it is for the Governors to implement the provisions of Article 371(2) of the constitution. The Directives of 2009-10 state the following:

1. The Governor has noted that these trends of excess expenditures in rest of Maharashtra region have continued even in the FY 2007-08 and FY 2008-09 with significant...
shortfalls in Vidarbha region during this period. Similar trends are also observed within the other regions as well.

2. There have been significant continued deviations from the Governor’s directives over the years. The Governor has noted with serious concern that in spite of the well-settled principles of allocation of funds to the regions, the actual expenditure does not comply with these directives. The Governor has, therefore, directed that the Planning Department should investigate into this to fix responsibility for the same.

3. The Governor observed that similar to the requirements of Krishna valley projects, other river basins, viz., Godavari and Tapi which are governed by inter-state Awards or bilateral Agreements also require due consideration. In case of Godavari river basin, the total water available for the state is yet to be fully planned especially in Vidarbha region.

4. The state government should follow up on top priority approvals for diversion of forest lands with the central agencies for projects in Vidarbha particularly major projects in that region for removal of backlog. It is also necessary for the state government to take up the issue of minor irrigation projects having culturable command area up to 2000 ha. for exemption from environmental clearances and clearance for medium projects having culturable command area less than 10000 ha. at state level Environmental Impact Assessment Authority. This would help in many minor and medium projects to take off expeditiously in Amravati division.

5. The Governor has directed that the Planning Department shall commission a detailed study of the cost and time overrun of the ongoing irrigation projects in the state and submit the report within 6 months to the Governor.

6. There shall be no diversion of funds from backlog districts to non-backlog districts and from the area of one Development Board to another without prior approval of the Governor.

7. Should the State Government resort to market borrowings, outside the budget, for the irrigation sector, money so raised should be for the State Government as a whole and distributed amongst the three Development Boards equitably.

In view of non-compliance of earlier directives, Governor asked for the Quarterly and Six Monthly Reports on compliance of Directives of 2009-10. Concerned authorities can verify the same from the government and Governor’s office.

In order to get the Governor’s Directives implemented as per requirement of Article 371(2) of the constitution, seven persons including MLAs and MLCs filed a Writ Petition (No. 2751 of 2006) against the Government of Maharashtra in High Court Judicate at Bombay. The court after hearing both parties gave a Judgment that "It should be noted that Article 371 is not the ‘usual executive power’ of the State available to the Governor under Article 154. Under Article 371, there is a ‘special responsibility’ imposed on the Governor to ensure that there is no backwardness in Vidarbha and Marathwada regions and the same is a constitutional obligation imposed on the Governor, which can not be frustrated. ----The Directives of the Governor are binding on the State".

Even after clear judgment on Article 371(2) by the High Court, the Government of Maharashtra is nowhere serious about implementing the
Constitutional provisions made by the President of India. What is the way out except to create a separate Vidarbha State?

IV. MOCKERY OF NAGPUR AGREEMENT OF 28TH SEPTEMBER 1953

Before the States Reorganisation Commission was set up in December 1953, the leaders of Western Maharashtra took initiative to bring all Marathi speaking areas in one State. Besides agreement on other operational arrangements for proper cohesiveness amongst the two regions, it was specifically agreed by seven senior leaders of Western Maharashtra and four from Vidarbha that the seat of government shall officially shift to Nagpur for a definite period and at least one session of the State Legislature shall be held every year in Nagpur. This Nagpur Agreement was further vetted by the Joint Committee of Parliament in clause 17 of its Report on the subject. Leaders from Western Maharashtra and Vidarbha supported the Committee and urged that Nagpur should, to the extent practicable, be given constitutional recognition.

Accordingly, a new clause has been added to the Article 371 of the constitution with the consent of the members of Maharashtra. The Nagpur Agreement which has a constitutional validity and commitment of the leaders of Western Maharashtra is observed more in breach than faithful compliance. The Assembly Session in Nagpur is held reluctantly as is evident from the time spent on winter session at Nagpur and as a ritual as is evident from the number of days for which the Session is held at Nagpur. In the beginning there was some semblance of holding the Session but off late and this year it was held just for 11 days. The Shortest session was held just for 5 days in 1989. The Mockery of Nagpur Agreement is rubbing salt to the wounds caused by economic injustice to Vidarbha. This shows lack of earnestness for Vidarbha.

V. LOSS OF RESOURCES AND ITS CUMULATIVE NEGATIVE MULTIPLIER EFFECT ON ECONOMIC DEVELOPMENT

In addition to what has been stated above that the Government of Maharashtra has totally derailed the functioning of Article 371 (2) of the Constitution, it will be appropriate to highlight here the loss of resources for Vidarbha which may be seen in Box (A).

Separate Vidarbha will contribute to Prime Minister’s Objective of achieving of Growth Rate of 10 per cent and above.

It may be pointed out that States separated from their Mother States are growing faster than the Mother State as per the study of Central Statistical Organisation, Government of India (Business India 26th Jan 2010) The Pre-Division (1993-2001) and post-Division (post 2001) economic performance of the States shows that Chattisgarh’s pre-division growth rate was 1.6 per cent and has increased to 7.9 per cent after it was separated from Madhya Pradesh. In case of Jharkhand, for the same period it was 4.8 during pre-division and now 8.6 per cent in post-division period. The higher growth rates may be due to low growth base in the States but it can not be denied that the higher growth rates were achieved as the States could chart higher growth profile in separate State.

Vidarbha State would not lag behind to contribute its share of growth.

The above conclusively shows that once Vidarbha becomes State it will grow faster and contribute substantially to the rate of growth of GDP of the economy. Why then there should be any opposition to separate Vidarbha State that contributes to PM’s objective of higher rate of growth of 10 per cent and above. Why wait for agitations, fast-untto-death, and martyrs?
A. Loss of Resources of Vidarbha: 2010
At A Glance

Irrigation
1. There has been a huge loss of cultivation on proposed 31 lakh hectares in Vidarbha since 1978 when the Inter-State Water Tribunal allocated [to Vidarbha?] 822 TMC out of total allocation of 1207 TMC from Godavari Basin. Virtually no investment was made in irrigation schemes in Godavari Basin while all investment through budgetary and non-budgetary resources (borrowing) was made in the Krishna Basin which completed all the irrigation projects in Western Maharashtra. Vidarbha Suffered loss of production and employment in agriculture sector during the last nearly 40 years.

The Krishna Basin projects have created potential to mop up 818 TMC over and above allotted amount of 599 TMC by the Tribunal in 1978. As per Vidarbha Development Report it has brought under irrigation an area of 14.69 lakh hectares by completed projects and 7.78 lakh hectares through on going projects. Western Maharashtra farmers became well-to-do while Vidarbha farmers faced poverty and suicides.

2. The percentage of created potential in June 2008 to ultimate potential for Vidarbha is 40% while for Nasik and Pune is 78.8% and 74% respectively. The cumulative production loss runs into cores of rupees and a consequent employment loss to farmers and farm labour.

3. Out of total 50 lakh hectares of cultivated land in Vidarbha, only 10 lakh hectares land is under Rabi crop. 40 lakh hectares of cultivable land remains unused during Rabi season resulting in loss in production and employment of farmers and farm labour year after year.

4. Non completion of Gosikhurd irrigation project is a monumental example of how to delay a project. It is a Silver Jubilee for its non completion. In the first place, the resources were not made available, and later it has been quietly put as a national project, thus minimising the state’s responsibility for it. In the new arrangement Central assistance of 90 per cent of funds become available with 10% contribution from Maharashtra. Since there is no provision for the same in the State budget and also in Governor’s directive separately, the implementation of the project will get delayed further.

5. There has been considerable loss as a result of backlog of electricity connections of 2.38 lakh water pumps of farmers of Vidarbha, by not taking steps to provide pumps for Vidarbha farmers while excess pumps were given in sugar belt of Maharashtra. Though most of the villages of Vidarbha are electrified but sanction for pump sets has not been given which has been clearly pointed by Fact Finding Team of Planning Commission. Even available ground water is denied to Vidarbha farmers for agricultural production as also loss of subsidy of Rs. 420 crore to farmers every year, as pointed out by CAG Report 2006-07.

Forest and mineral resources
1. Vidarbha is rich in forest and mineral resources. These resources remain unutilised due to political and administrative neglect of Vidarbha. More than 90% of dense forests and 50% of moderately dense forests are in Vidarbha. In spite of the richness of the forests of Vidarbha and its contribution of revenue, the allotment of outlays under the
annual plan for Vidarbha districts is disproportionately small. The total expenditure for Vidarbha districts is Rs. 1178.83 lakh and the same for rest of the districts of Western Maharashtra is Rs. 3974.25 lakh. A similar step-motherly treatment is seen in the allotment of the outlays for the year 2008-09 allotted to different statutory boards.

**Thermal power**

The gift to Vidarbha of 47 thermal projects to be set up all over Vidarbha to increase electricity generation for the benefit of Western Maharashtra is the next step to further damage the life of Vidarbha people. Vidarbha wants more irrigation but Maharashtra says generate more electricity as Western Maharashtra needs it. Maharashtra has money to set up thermal power projects in Vidarbha but not for irrigation. What is the use of Vidarbha irrigation for Maharashtra? 47 Thermal power projects will generate 54,509 MW. It will burn 11.68 lakh tonnes of coal resulting in 4.47 lakh tones of ash and 17.52 lakh tones of carbon dioxide per day for Vidarbha. It will also give 20.49 lakh calories of heat. What more Vidarbha wants for its economic development?

**Industry**

1. The Butibori Industrial area is languishing during the last 25 years and there are almost no big industries there. If more financial incentives are given and more attention is paid, it can generate more income and employment. Without special efforts, industrial growth would not have taken place in Basmat Industrial Estate and Mumbai-Pune and Mumbai-Nasik industrial belt. When Maharashtra Chief Minster goes to foreign countries to get investment and resources, his shopping list does not have Butibori. That has resulted in wastage of industrial infrastructure, loss of production and employment. It is not the loss of Vidarbha but, in fact, of the whole of Maharashtra. If Vidarbha develops, Maharashtra will develop faster.

2. Same is the case with MIHAN. The delay in its implementation is proverbial. No attention is paid to generate passenger traffic and cargo load. How this should be done is given in Feasibility Report of Larson and Tubro sponsored by MSRTC. It will not be out of place to mention here that the Nagpur airport was not handed over to MIHAN for one reason or the other till Pune International airport became functional. From Pune airport, lakhs of rupees worth of flowers and vegetables are exported to Europe and other countries. If MIHAN had been completed as scheduled, industrial growth would have accelerated significantly.

**Budgetary allocations**

1. The budgetary allocation to Vidarbha also shows the financial resource loss of thousands of crores. The figures of the Department of Finance, Government of Maharashtra, show that allocation to Vidarbha in 2008-09 was Rs. 20,792 crore which decreased to Rs. 18,274 crore in 2009-10 budget thereby depriving Vidarbha of Rs. 2518 crore at the allocation stage itself. In addition to this, the actual expenditure is around 65% of the allotted funds which shows the diversion of funds to other areas, as conclusively pointed by the Planning Commission’s Fact Finding Report (2006). All the above instances show the huge loss caused to production and employment in Vidarbha.
B. Ultimate Economic Loss of Vidarbha:

The final index of economic loss is the difference in per capita income.

Table: Per Capita Income 2007-08
(At current Prices)

<table>
<thead>
<tr>
<th>Division</th>
<th>Per Capita Income</th>
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<tbody>
<tr>
<td>Pune Division</td>
<td>Rs. 52,075</td>
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<tr>
<td>Pune</td>
<td>Rs. 68,177</td>
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<tr>
<td>Nagpur Division</td>
<td>Rs. 40,539</td>
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<td>Rs. 49,770</td>
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<tr>
<td>Amaravati Division</td>
<td>Rs. 29,503</td>
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<tr>
<td>Amravati</td>
<td>Rs. 30,017</td>
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</tbody>
</table>

Source: Economic Survey 2008-09, Government of Maharashtra

The above Table shows the ultimate result of loss of economic resources of Vidarbha. Per capita income of Nagpur Division is only 77 per cent of Pune Division and that for Nagpur is 73 per cent of Pune. What more proof is required about the economic loss of resources and income to Vidarbha?

Creation of Vidarbha State may be the only way out for achieving economic well being of the people of Vidarbha.

VI. NEW ECONOMIC STRATEGY AND POLICY: FROM EAST AND WEST TO CENTRAL VIDARBHA

A new economic strategy for Vidarbha is to have a thrust of development from the least developed to the more developed. The development process will have to commence from East Vidarbha (Gadchiroli-Chandrapur) to Central Vidarbha (Nagpur) and from West Vidarbha (Yavatmal-Buldhana) to Amaravati. The resources and programmes of development will have to be earmarked from the east to the west in Vidarbha. This strategy will correct intra-regional imbalance in a systematic manner and will contribute to correct overall economic imbalance between Vidarbha and the rest of Maharashtra. Three year period is adequate to put on hold the creation of Vidarbha State so that in this interim period the development efforts of Maharashtra will be tested and if economic backlog and imbalance will continue then there will be justification for the creation of Vidarbha State. The success of this interim strategy will entirely depend on government of Maharashtra. A brief outline of this strategy is spelt out below.

A. Vidarbha in Maharashtra: Blue Print of Development

Some of the development policy initiatives for Vidarbha have waited too long. The main reasons for this are the delay in and the lack of strong implementation by the government. The blame equally lies on the political leadership of Vidarbha who should have corrected the development path of Vidarbha well in time so that backlog would not have accumulated.

The priority areas of development are agriculture such as strengthening the mixed cropping tradition of Vidarbha, developing its irrigation potential, including energisation of pump sets for well irrigation, repair and maintenance of the malgujary tanks in Vidarbha, improved cotton and groundnut cultivation, horticulture (orange economy), forest and tribal development, industrial development by encouraging cotton textiles and manufacture of groundnut oil so as to increase creation of greater local value added and employment, mining and appropriate power sector development suiting Vidarbha needs. These areas did not receive adequate attention as revealed in the Fact Finding Team Report of the Planning Commission.

Vidarbha’s development should not be held back till a separate state of Vidarbha is brought into existence. The strategy and policy is possible within the present set up of Maharashtra State as envisaged and detailed below, failing which there is a strong case for creating a separate Vidarbha State.
B. Road Map for Rapid Development of Vidarbha

When Chhastisgarh became a State, they got the Master Plan with the help of World Bank for 2020. This is available. The same is envisaged for Vidarbha. Till the 20 year Master Plan for Vidarbha can be prepared, the Road Map for Rapid Development of Vidarbha is spelt out that would include targeting the poor, small and marginal farmers, unemployed youth in rural and urban areas, completing the delayed irrigation and road projects as also MIHAN on top priority. A Sub-Master Plan for Naxal affected area is to be drawn separately to kick-start its implementation.

National Hub of Organic Farming: Low Cost and High Returns to Farmers

Vidarbha mainly falls in dry farming area with traditional crops such as cotton, pulses and coarse grains during Khariff season. There is great potential to tune this to organic cultivation. It has been proved that in organic cultivation productivity is no less than fertiliser and chemical based cultivation. There is a huge demand for such products to the tune of $90 billion in European countries. Vidarbha can be made export hub of organic food (processed and un-processed). Yuva Rural, an NGO in Nagpur, is already working to provide guidance and training in Organic Farming. This NGO can be made the Centre for Organic Farming with financial assistance from the government. The government should also provide seed capital for such NGOs in other parts of Vidarbha. Cash subsidy of Rs. 3000/5000 may be given per household per year to marginal and small farmers who adopt organic farming. This will add to their cash income. Organic Farming Certifying Authority may be set for this purpose. Till such authority is set up, the work can be farmed out to some other, national or foreign, agency.

Expanding Farm Size: Incentives for Group Farming/Partnership Farming, Adding to Farmers’ Cash Income

The main problem of agricultural production is small size of the cultivated land holding. Eighty per cent of farm households are marginal (less than one hectare) and small (1 to 2 hectare). Due to small size, the incomes are low and economies of scale cannot be realised. The farmers who bring their land together to increase the size of cultivation to, say 50 hectare, and adopt organic farming can be given cash incentive of around Rs 5000/6000 per annum per farmer household at the end of cultivating season and also by providing such farmers with group crop insurance.

Nagpur Oranges Worldwide

One lakh hectare of land is under cultivation of oranges in Vidarbha, which produces 11.5 lakh tones of oranges. This constitutes 48 per cent to total production. Eighty per cent of this is produced in Nagpur, Amravati and Wardha. Due to 12 hours of load shedding the existing irrigation is also denied and orange production is on the verge of destruction. There are no new processing plants for oranges. In order to rehabilitate orange to its past glory and take Nagpur Orange to the Lunch and Dinner Tables of consumers in and outside India, Production and Marketing Programme (PMP) should be drawn up in consultation with orange growers and traders. State government initiative and support is lacking.

Cotton to Textile

The "White Gold" of Vidarbha which has been yielding so much income to the farmers that agriculture was rated first employer, industry second and job as the third. Vidarbha cotton was rated so high in production and quality that 'Futures' of cotton in London and New York depended on the arrival of cotton in Vidarbha districts. To bring the cotton economy out of the
present distress, comprehensive backward linkage (Cotton) and forward linkages (textile) need to be established. Vidarbha Cotton Council on the pattern of Cotton Council of USA needs to be established to make the cotton farmers rich like the sugarcane growers in Western Maharashtra and Marathwada. The Cotton Council of USA links cotton farmer to the end users, i.e., up to marketing of textiles and that producers-to-consumer strategy benefits the farmers. Cotton Council of Vidarbha will also adopt the same approach. For instance, sugarcane farmers are linked to sugar producers and to marketing and exports. The same is envisaged for Vidarbha farmers in Cotton Council.

MIHAN and Gosikhurd on Fast Track

The agriculture and rural sector will get further boost once MIHAN (Multi Modal International Hub Airport) and Gosikhurd become operational in the next two years. MIHAN Feasibility Report was prepared for MIHAN Project by a team led by L&T-Ramboll Consulting Engineers Ltd for MSRDC (Maharashtra State Road Development Corporation) in January 2001 with the objective of cost effective integration of road, rail and air transport by taking advantage of central location of Nagpur. It was proposed to develop Vidarbha hinterland and to provide the required cargo and passenger traffic and the corresponding infrastructure so that Vidarbha marches on the road of rapid economic development. This was the MIHAN Project perspective but it could not be achieved due to inordinate delay in implementation. Besides completion of infrastructural facilities, adequate passenger and cargo load also needs to be geared up, which steps have not been taken up so far. This needs to be sorted out with Planning Commission, Civil Aviation Ministry for passenger traffic and the Ministry of Commerce and industry for cargo load.

Gosikhurd project like other irrigation projects was taken up to increase the irrigation facilities to the farmers of Bhandara and Gondia districts. The project can be expeditiously completed now that it has been put in as a Central project as 90 per cent of cost is being financed by Central Government on matching cost of 10 per cent to be provided by the State Government. State government should provide its 10 per cent share to get Central assistance to complete the project at the earliest; that will bring thousands of hectares of land under cultivation.

Infrastructure Development Booking Centre: Public-Private Partnership

Instead of issuing tenders every now and then for small and medium level infrastructure civil and other work, Infrastructure Development Booking Centre for registration of companies and contractors as also organisations of retired technical personnel from agriculture to software discipline is required. This will speed up rural infrastructure quickly.

Tourism Hub for Private Tour Operators

Tourism sector, which is employment generating, has great scope in Vidarbha which has remained neglected in Maharashtra. The package of incentives is to be drawn up for accelerated development of this sector. Tourism sector connects urban sector to transport, hotels and rural hinterland.

Uninterrupted 24 hours Electricity to all parts of Vidarbha to carry out above mentioned programmes and projects is to be ensured to utilise existing irrigation facilities and for setting up of electricity- using small and medium enterprises in rural and urban areas. That will change the very pattern of life of Vidarbha which is presently groping in the dark in spite of availability of surplus electricity.
Students and Youths

This is the generation for which Vidarbha State is being demanded so that their future is provided with respectable income and good family life which has been denied to them in Maharashtra. Merely being literate is not enough. Some asset, qualification and skills are the minimum that will need to be provided to them. This is to be done for the rural sector youth and students by outsourcing many banking, marketing and food delivery services in collaborations with private sector and NGOs. This network of services will absorb unemployed youths and students in rural areas, especially from families of marginal and small farmers as well as landless labourers. Government will play only supportive role and oversee implementation.

In regard to urban students and youths major plan will be "Earn while you Learn" right from primary school level to university level. At the schools, students can be given the work before and after school hours. The work can be in the nature of keeping school premises clean, supervising the home work of junior students for which they can be paid monthly token honorarium to inculcate a sense of social service and to give them some pocket money.

The Piggy Banks can be opened in schools for students to provide interest free loans for purchase of books/uniforms at concessional rates. For the college and university students the same pattern can be operated in expanded form for utilising their services for library services, computer services, training of children in computer literacy, etc. This module can be finalised in consultation with teachers, professors and academicians.

Health and Medical Coverage in Rural Areas: Hospitals on Wheels

A new scheme of Hospitals on Wheels with the help of private doctors and clinics can be taken up for rural population by providing fully equipped Big Vans and Bus like Vehicles. These Hospitals on Wheels can have the necessary equipments to attend to routine and emergency cases. The Medicine Bank can also be organised through government and private funding to supply medicines on the spot.

Friendship Development Plan for Naxal affected Chandrapur and Gadchiroli

The Naxal menace got its foothold in these two districts mainly due to the total neglect of the economy of Adivasi populated areas by Maharashtra Government during the last 50 years. For the purposes of economic development, each Tehsil can be treated as economic district and local need-based planning model be drawn up for implementation. Local participation is to be the keyword to ward off any fear of imposition from above.

Weekly Banking Services at Farm Gates

On the pattern of Hospital on Wheels, Banking Services be provided in collaboration with Banks by providing them Big Van like vehicles to go round the villages on appointed days to provide loans and other services. Rural youths can be given training by banks in preparing the required papers for bank loans, repayment, opening account, etc. These youths can be made in-charge of accessing a fixed number of rural households to facilitate this work on some fixed honorarium.

Round The Clock Citizens Suggestions Kiosks and Online Action Monitoring

In order to make the blueprint of development effectively operative, Suggestions Kiosks are to be encouraged, manned by students and women in different places with the help of private industries/companies and NGOs. Government is to provide seed capital initially.

This Blueprint of Vidarbha State Development is not a wish list but is the mechanism to fulfill the aspiration of decent living for all the people of Vidarbha. Suicides and poverty will have no place in Vidarbha once this interim development strategy and policy is faithfully implemented by the government of Maharashtra. Implementation and Monitoring Cell will have to be set up to
supervise the Strategy and Policy of "Vidarbha Statehood Demand on Hold" during 2011-12 to 2013-14 and see that regional balance in development is established. Of course, the track record of will to develop Vidarbha is not very encouraging but a fair chance can be given to the government. The Interim Strategy and Policy is manageable to implement.

**VII. BUDGETARY RESOURCES REQUIRED**

To put into operation the Development Blueprint of Vidarbha, a detailed financial estimates will have to be prepared. This is outside the scope of the present article. The Vidarbha Budget given below has been estimated to project Vidarbha’s separate Budget 2010. An attempt is made to project the Budget for Vidarbha vis-à-vis Maharashtra for 2010-11. This is an illustrative exercise and actual budget estimates can be worked out. It may be pointed out that this budget exercise does not incorporate financial resources required to put into operation Blue Print of Vidarbha Development, spelt out earlier. We have also not taken into account the borrowing requirement and the interest liability for infrastructure development in preparing the Budget estimates for Vidarbha. The objective of the Budget Estimates for Vidarbha was to bring home the point that the Budget of Vidarbha need not be deficit budget as is often made out.

In projecting Vidarbha Budget, conservative estimates of revenues have been made so that there is no over-estimate on the revenue side. Wherever separate revenue and expenditure figures are available, the same have been taken. Care has been taken in estimating the expenditure based on the past allocations and additional development requirement of Vidarbha. The point that has been brought home is that Vidarbha is a resource rich State and can manage its own development well.

**Illustrative Summary Budget 2010-11**

<table>
<thead>
<tr>
<th>Vidarbha State: Maharashtra State</th>
<th>(Rs. Crore)</th>
</tr>
</thead>
<tbody>
<tr>
<td>-----------------------------------</td>
<td>-------------------------</td>
</tr>
<tr>
<td>A. Total Revenue</td>
<td>89060.65</td>
</tr>
<tr>
<td>Receipts(1 to 4)</td>
<td>(1 to 8)</td>
</tr>
<tr>
<td>1. Tax Revenue</td>
<td>50985.28</td>
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<tr>
<td>2. Non-Tax Rev</td>
<td>13894.12</td>
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<tr>
<td>3. Share in Central Taxes</td>
<td>8568.87</td>
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<tr>
<td>4. Grants-in-aid from Central Govt</td>
<td>15612.38</td>
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<tr>
<td>5. Other Revenue (Backwardness)</td>
<td></td>
</tr>
<tr>
<td>6. Sale of Electricity</td>
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</tr>
<tr>
<td>7. Other Revenue (Forest, Tourism etc)</td>
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</tr>
<tr>
<td>8. Central Grant in lieu of Ready Capital City Infrastructure (Initially for two years)</td>
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</tr>
<tr>
<td>B. Total Capital Receipts</td>
<td>32677.89</td>
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<tr>
<td>Total Revenue (A+B)</td>
<td>121738.54</td>
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<tr>
<td>C. Revenue Expenditure</td>
<td>96184</td>
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<tr>
<td>Electricity Purchase</td>
<td>-</td>
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<tr>
<td>D. Capital Expenditure</td>
<td>26578</td>
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<tr>
<td>Other (New Projects)</td>
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<tr>
<td>Total Expenditure</td>
<td>122762.19</td>
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<tr>
<td>Surplus/Deficit</td>
<td>-1023.65</td>
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</tbody>
</table>

Note: Figures in brackets show percentages of Maharashtra Budget 2010-11(BE)
Wherever actual figures are available they have been taken and rest have been estimated on reasonable assumptions. In population and area, Vidarbha is about one-fourth of Maharashtra. The share in central taxes and Grants-in-aid for Vidarbha are assumed to be about 25% of the total. In fact, it can be more in a separate State based on its backwardness and in the light of the 13th Finance Commission Report. Hence, the assumption is reasonable. Figures for Vidarbha are conservative so that there are no inflated estimates either on revenue or expenditure side.

In the present Budgetary position, Budget Estimates, Allocation and Monitoring (BEAM) System of the Department of Finance, Government of Maharashtra, shows that the Budget allocation for Vidarbha was 20,792 crore in 2008-09 which further decreased to Rs. 18,274 crore in 2009-10. Actual expenditure is normally about 65% of allocation in case of Vidarbha as revealed in BEAM. In this context, the estimated size of the Vidarbha Budget of Rs. 26046 crore is much more than the present allocations given to Vidarbha and akin to the budgets of States of similar in size and population such as Haryana Budget of Rs. 28,542 crore and Punjab of Rs. 31,634 crore. If these States are ranking high in per capita income, Vidarbha has every potential once it becomes a State or is given full financial autonomy till it becomes a State. The BEAMS data shows how much less is allotted and spent for Vidarbha vis-à-vis the Vidarbha estimated Budget.

Since most of the debt of Maharashtra government has been spent in western Maharashtra and other areas of Maharashtra and since Vidarbha has a huge backlog of crores of rupees pending with Government of Maharashtra, Vidarbha will not have any liability in this respect. Vidarbha Budget will start with Zero capital Budget.

On the revenue side, grant has been added initially for a period of two years as a start up for the new State and as a compensation for having physical infrastructure for Raj Bhavan, Assembly, Secretariat building, MLA Hostel, bungalows for Ministers and officers and other amenities, which Vidarbha already has. When new States, Chhatisgarh, Uttarakand and Jharkhand were created, they had no infrastructure of State Capital. Central government provided crores of rupees to build Capital in Raipur, Dehradoon and Ranchi, respectively. Nagpur being the erstwhile Capital of Madhya Pradesh, it has all the above mentioned infrastructure of Capital. In this context, the grant in lieu of ready Capital has been added on the revenue side for two years. These resources will be utilised for urgent infrastructure and development projects in Vidarbha.

Times of India, Nagpur, published the author’s above Vidarbha Budget a day before (24th March 2010) the actual Budget of Maharashtra Budget was presented on the 25th March 2010. Our estimated Budget was almost the same as that of actual budget of Maharashtra. As per the projection, Maharashtra Budget 2010-11 came to Rs. 1,28,684 crore against the actual Budget as released on 25th March 2010 is Rs. 1,29,499 crore. When Vidarbha becomes a State, its Budget would be around Rs. 26,000 crore and that of Maharashtra Rs 1,05,638 crore. This should benefit both. The right of self-determination is at the core of Vidarbha Statehood.

Till the conditions get so bad that creation Vidarbha State is the only alternative, interim economic strategy and policy can be put in place to avoid separation of Vidarbha from Maharashtra.
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