

KARNATAKA

Human Development Report 2005

Investing in Human Development

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Government of Karnataka
Bangalore

Published by
Planning and Statistics Department
Government of Karnataka

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Price: Rs. 500/-

Design and printing by
New Concept Information Systems Pvt. Ltd., New Delhi

“ ಸುವರ್ಣ ಕರ್ನಾಟಕ – 2006 ”

H. D. KUMAARASWAAMY
CHIEF MINISTER



VIDHANA SOUDHA, BANGALORE-560 001

Message

It is a matter of pride that Karnataka's second Human Development Report 2005 is the only State HDR to have a thematic focus. The Report is a significant analysis of financing human development in the state; the outcomes of the State Government's various initiatives in critical human development sectors such as education, nutrition, healthcare, sanitation, drinking water and employment; and their impact on the most vulnerable sections of society: people below the poverty line, women, children, the Scheduled Castes and Scheduled Tribes. The Report also examines ways in which service delivery can be improved and made more efficient, accountable and people-friendly. Above all, this HDR provides an objective evaluation of the human development scenario in Karnataka. The chapter *The Way Forward* offers many recommendations to which the State Government will give serious consideration. As this Report precedes the commencement of the Eleventh Plan of the state, I am certain the recommendations contained in the Report will ensure that Karnataka's commitment to improving the human development status of its people finds concrete vision in the State's Eleventh Plan document.

It is indeed significant that the HDR is being published at a momentous period in the history of the state. Karnataka will celebrate 50 years of state-hood on November 1st, 2006 when a year filled with commemorative events, all celebrating the unification and formation of the state will be flagged off.

I am sure this HDR, which is the outcome of an interactive process, will provide considerable data and analysis to various stakeholders such as local bodies, academe, NGOs, in fact everyone who is interested in learning about human development in Karnataka. I also hope it generates more discussion on financing human development and enables the evolution of a strategy which would further improve Karnataka's HDI.

A handwritten signature in blue ink, appearing to read 'H. D. Kumaraswamy'.

H. D. KUMAARASWAAMY

RAMACHANDRA GOWDA, B.Sc., B.E., F.I.E
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Message

It is indeed appropriate that the Karnataka Human Development Report 2005 is being published at a moment when the State Government has initiated steps to formulate the Eleventh Plan. This Report will provide the information and the impetus to building into the Plan, a much-needed focus on human development.

It is now recognised that development cannot be equated with economic growth *per se* and UNDP's identification of human development indicators to assess parameters not normally encompassed by economic criteria such as rate of growth or GSDP has significantly changed the way we look at "development". If the poor and the marginalised do not have access to education, healthcare and secure livelihoods, then economic growth will leave them behind and the gap between the haves and the have-nots will widen. It is in this context that government expenditure on social services becomes a crucial factor. Karnataka's second Human Development Report has chosen to explore difficult terrain and its analysis takes note of both the strengths and the constraints of various sectors.

The most striking feature of this HDR is the preparation of the Human Development Index and the Gender Development Index of the Scheduled Castes and the Scheduled Tribes in Karnataka. No other state has attempted this, probably because of data constraints. We, however, took up a special socio-economic survey of the Scheduled Castes and Scheduled Tribes which enabled us to develop the HDI and GDI and which provided data for the two chapters on the SCs and STs, another first for the state. Another survey on women's self-help groups was also commissioned and it yielded valuable insights on self-help groups as vehicles of women's empowerment.

I understand that many experts within and outside Government contributed the background papers which form the basis of this Report. The concept of this HDR was taken to the regions through interactive workshops where elected representatives, local functionaries, NGOs, farmers' groups, women's groups and academics participated and provided meaningful inputs. The next step after publication is to disseminate the message of the HDR widely so that policy makers can receive feedback regarding the next set of policy interventions.

Ramachandra Gowda
Minister for Planning, Karnataka

Background Papers and Studies Commissioned for Karnataka Human Development Report 2005

Editor

Dr. Malati Das

Assisted by Diwakar Rao M.H.

Papers

1.	Name of author/institution	Paper
	Dr. Abdul Aziz Retired Professor, Institute of Social and Economic Change, Bangalore.	Institutional Reforms for Human Development: Panchayat Raj
	Shri Aloysius P. Fernandes Executive Director, and Vidya Ramachandran, Mysore Resettlement and Development Agency (MYRADA), Bangalore.	1. Voluntarism and Non-Governmental Organisations 2. Self-Help Groups: Empowerment Through Participation
	Dr. Gita Sen Chairperson, Centre for Public Policy, Indian Institute of Management, and Anita Gurumurthy, Bangalore.	Gender and Human Development
	Dr. Gopala K. Kadekodi Retired Director, and B.P.Vani and H.K. Amarnath, Institute of Social and Economic Change, Bangalore.	Regional Disparities
	Dr. H. Sudarshan Karuna Trust, Bangalore.	Status of Scheduled Tribes in Karnataka
	Dr. K. P. Krishnan Joint Secretary, Department of Economic Affairs, Government of India, New Delhi.	Urban Water Supply and Sanitation
	Smt. G. Latha Krishna Rao Secretary to Government, Revenue Department, Bangalore.	Good Governance
	Shri. Lukose Vallatharai Managing Director, The Mysore Paper Mills, and Smt. Katyayini Chamaraj, Bangalore.	Child Labour

9.	Dr. Malati Das Chief Secretary, Government of Karnataka, Bangalore.	1. <i>Stree Shakti</i> and <i>Swashakti</i> Women's Self-Help Groups: A Survey 2. The Way Forward
10.	Dr. Manohar Yadav Professor, Institute of Social and Economic Change, Bangalore.	Status of Scheduled Castes in Karnataka
11.	Dr. M. Govinda Rao Director, and Mita Choudhury, National Institute of Public Finance and Policy, New Delhi.	Financing Human Development
12.	Dr. M. R. Narayana Professor, Institute of Social and Economic Change, Bangalore.	Financing Education
13.	Dr. M. H. Suryanarayana Professor, Indira Gandhi Institute of Development Research, Mumbai.	Poverty, Income and Employment
14.	Dr. P. J. Bhattacharjee Former Director, Population Centre, Karnataka, Bangalore.	Demography, Health and Nutrition
15.	Dr. P. R. Panchamukhi Former Director, and Dr. Sailabala Debi Director, Centre for Multi-Disciplinary Research, Dharwad.	Literacy and Education
16.	Shri N. Sivasailam Managing Director, Karnataka State Beverages Corporation Bangalore.	Housing
17.	Dr. Solomon Benjamin and Smt. R. Bhuvanewari, Bangalore.	Urban Poverty
18.	Shri V. P. Baligar Principal Secretary to Government, Infrastructure Development Department, Bangalore.	Rural Water Supply and Sanitation

19.	Shri V. Shantappa Coordinator, KHDR 2005, Bangalore.	1. Karnataka: An Overview 2. Human Development in Karnataka 3. Technical Note – Computing Indices 4. Appendix : Statistical Tables
Studies		
	Department of Economics and Statistics, Karnataka, Bangalore.	1. Sample Survey of Scheduled Caste and Scheduled Tribe households 2. Survey of <i>Stree Shakti</i> and <i>Swashakti</i> Women's Self-Help Groups
Additional background material and data provided by		
1.	Dr. Malati Das Chief Secretary, Government of Karnataka, Bangalore.	All chapters
2.	Shri K. Shankar Rao Senior Director, Human Development Division, Planning Department, Bangalore.	Chapters 4 and 6
3.	Shri V. Shantappa Coordinator KHDR 2005 Bangalore.	Chapter 9
4.	Shri S. K. Das Former Member (Finance), Space Communication and Energy Commission and Ex-Officio Secretary to Government of India, Bangalore.	Chapter 12
5.	Shri M. A. Basith Senior Director, Plan Finance and Resource Division, Planning Department, Bangalore.	Chapter 3
6.	Shri Diwakar Rao M. H. Deputy Director, Human Development Division, Planning Department, Bangalore.	All chapters

Acknowledgements

The preparation of a Human Development Report with a thematic focus took us into uncharted territory and the final product is the outcome of a process that has been participatory and consultative all through. Many individuals and organisations gave generously of their time and intellectual input and we would like to thank them for their invaluable contribution to this Report.

The Planning Commission, Government of India and the United Nations Development Programme are joint stakeholders, along with the Government of Karnataka in this endeavour and their participation has been wholehearted right from inception. These organisations have extended both technical and financial support to the Government of Karnataka. Maxine Olson, Resident Representative of the UNDP and Brenda Gail McSweeney, her predecessor in office, took a great deal of interest in this project. Dr. K. Seeta Prabhu, Head, HDRC, UNDP and Dr. Suraj Kumar, National Programme Officer, UNDP, who participated actively in our workshops and technical deliberations, played a critical role in the preparation of the Report. Dr. Rohini Nayyar, the then Adviser, and B. N. Nanda of the Planning Commission were always a source of encouragement. The Planning Commission and UNDP have contributed signally towards ensuring that we never lacked technical or financial assistance.

Two state level workshops in Bangalore and two regional level workshops at Dharwad and Mysore were organised as part of the process of writing the HDR as we felt that it would be enriched immeasurably if all stakeholders, both within and outside the government, could share their views and contribute ideas and concepts about human development in the state. The first state level workshop, which discussed the concept of the Report, saw academics from reputed organisations, NGOs, activists, journalists and government functionaries, discuss threadbare, various aspects of the Concept Paper and many of the suggestions emanating from this workshop were incorporated in the HDR. At the second state level workshop, paper contributors presented their draft papers to a series of discussion groups comprising experts, NGOs in the field and departmental stakeholders. The regional level workshop at Dharwad was organised by the Centre for Multi-Disciplinary Research (CMDR), Dharwad and the workshop at Mysore was organised by Abdul Nazir Sab State Institute for Rural Development (ANSSIRD), Mysore. At both workshops, local level issues were raised and background paper writers received meaningful inputs from participants. The list of participants is on pages xi-xv.

The Karnataka Human Development Report 2005 is based on background papers contributed by experts in the Government of Karnataka as well as external resource persons who have a significant academic and research background. Background papers were prepared by Aloysius P. Fernandes and Vidya Ramachandran; V. P. Baligar; P. J. Bhattacharjee; Gita Sen and Anita Gurumurthy; Gopala K. Kadekodi, B.P. Vani and H. K. Amarnath; M. Govinda Rao and Mita Choudhury; K. P. Krishnan; G. Latha Krishna Rao; Lukose Vallatharai and Kathyayini Chamaraj; Malati Das; M. R. Narayana; P. R. Panchamukhi and Sailabala Debi; V. Shantappa; N. Sivasailam; Solomon Benjamin; H. Sudarshan; M. H. Suryanarayana and Manohar Yadav.

V. Shantappa, as Coordinator, KHDR 2005, ensured that paper writers received accurate data and prepared the very extensive appendices that underpin the information base of this Report. The background papers were read and evaluated by peer reviewers within the government. They patiently read several draft versions of chapters and responded promptly with constructive feedback. The peer reviewers are Anita Kaul and T. M. Vijay Bhaskar (Literacy and Education, Financing Education),

Malati Das (Gender and Human Development), T. R. Raghunandan (Institutional Reforms), Sobha Nambisan (NGOs and Self-Help Groups), Subhash C. Khuntia (Financing Human Development), and D.Thangaraj (Health, Status of Scheduled Castes and Scheduled Tribes). The draft chapters were then shared with departmental stakeholders in a series of interactive meetings with Principal Secretaries/ Secretaries, heads of departments and officers, who helped us to improve the material content while ensuring there were no information gaps or discrepancies. Special mention must be made of D.Thangaraj who was peer reviewer for as many as three chapters and who participated in many of our meetings and discussion groups. Computation of life expectancy at birth (LEB) with sub-state level disaggregation is required to compute district human development indices. This data, however, was not readily available, so, P. J. Bhattacharjee computed LEB values with district-wise disaggregation. K. Gurumurthy of the Azim Premji Foundation provided useful inputs on the chapter on Literacy and Education.

One of the unique features of this HDR is the extensive use of survey-based data in the chapters on the status of the Scheduled Castes and Scheduled Tribes in Karnataka and the stand alone study on *Stree Shakti* and *Swashakti* self-help groups to assess the impact of these programmes on women's empowerment, economic as well as social. These surveys were conducted by the Department of Economics and Statistics, Karnataka, under the guidance of its Director, G. Prakasam, his predecessor in office, H. D. Ganesh and V. Shantappa. The staff of the Department of Economics and Statistics, at both the state and district levels, executed the work with their customary dispatch and efficiency. Computation of the HDI and GDI for Scheduled Castes and Scheduled Tribes, a first for any SHDR, is based entirely on data derived from these surveys.

Dr. Malati Das, Chief Secretary and former Additional Chief Secretary and Principal Secretary, Planning and Statistics Department initiated the exercise by writing the Concept Paper in 2003 and steered the process even after she was transferred from the department, in 2005. Three special surveys, two on the status of the Scheduled Castes and Scheduled Tribes in Karnataka and one on self-help groups were taken up at her instance. She has edited the HDR, and contributed additional material to the Report.

The Karnataka Human Development Report 2005 is being published in Kannada and English. Several officers of the Department of Planning have worked on the translation: Diwakar Rao M. H., A. S. Gowri, C. Lata Devi, Keshava, V. S. Kumar, M. Madalli, D. Pramila Kumari, Shankar Reddy, Sridhar Murthy, and K. Suresh. B. Shesadri and C. Chandrashekar, have edited the Kannada translation of the Report. Diwakar Rao M. H. has subsequently ensured that the final version is a finely crafted, reader-friendly text.

Nitya Mohan, Research Scholar, Cambridge University has assisted in the preparation of the Executive Summary.

New Concept Information Systems Pvt. Ltd., New Delhi has done an excellent job of designing the cover page and printing the Report and bringing it out simultaneously in English and Kannada.

Additional information for various chapters has been provided by M.A. Basith, S. A. Katarki and K. Suresh of the Planning Department. Srinivasaiah has done a commendable job in assisting V. Shantappa in preparing the appendices. The staff of the personnel section of the Additional Chief Secretary and Principal Secretary, Planning and Statistics Department, S. Vasantha, D. Nagesh, and Parvathi assisted her in the editing process.

Last, but not least, the staff of the Human Development Division, worked diligently, 24/7, on the Report. They organised workshops, helped with the documentation and provided key logistical support.

K. Shankar Rao, Senior Director, and Diwakar Rao M. H., Deputy Director, spearheaded the initiative with the able support of Siddalingappa, Rama Shettigar and Vishwanataiah, Assistant Directors and Shiva Shankar, Assistant Statistical Officer. K. Shankar Rao also contributed additional material for a few chapters. Diwakar Rao M. H. also assisted in editing the Report and his commitment to data accuracy, proof reading and all the nitty-gritty of editing meant that he went over chapters in painstaking detail to ensure consistency and cogency. The HDR owes a great deal to the efforts of these two officers.

We would like to thank all the people associated with the preparation of the Karnataka Human Development Report 2005. This Report is the result of the concerted efforts of many individuals and organisations, all united by a desire to create a fine document that will, hopefully, provide insights into the state of human development in Karnataka and generate strategies for the future.

Neerja Rajkumar

Additional Chief Secretary and Principal Secretary
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List of Participants

First State Level Workshop, Bangalore, October 14, 2003

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Regional Workshop, CMDR, Dharwad, July 23, 2004

Session Chairpersons:

Dr. A. N. Kabbur: *Health and nutrition*; Dr. M. C. Kodli: *Regional and other imbalances, Scheduled Tribes in Karnataka and Institutional arrangement*; Dr. R. V. Dadibhavi: *Housing and Poverty*; and Dr. Shashikala Deshpande: *Education*.

Valedictory Address: Shri Chiranjeev Singh, Development Commissioner for North Karnataka, Belgaum.

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Dr. Abdul Aziz: *Institutional arrangement*; Dr. P. J. Bhattacharjee and Dr. Ramesh Kanbargi: *Health and nutrition*; Dr. Gopala K. Kadekodi: *Regional and other imbalances*; Dr. K. R. Madi, Dr. M. R. Narayana and Dr. Sailabala Debi: *Education*; K. Shankar Rao (on behalf of Dr. M. H. Suryanarayana): *Poverty*; N. Shivsailam: *Housing*; Dr. Paramagouda (on behalf of Dr. H. Sudarshan): *Scheduled Tribes in Karnataka*; Dr. P. R. Panoramukhi: *Challenges of human development in north Karnataka: An Overview*.

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Regional Workshop, ANSSIRD, Mysore, August 7, 2004

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Second State Level Workshop, Bangalore, August 19 and 20, 2004

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Abbreviations

ABER	:	Annual Blood Examination Rate
ADB	:	Asian Development Bank
AIDS	:	Acquired Immune Deficiency Syndrome
ANC	:	Antenatal Care
ANMs	:	Auxiliary Nurse and Midwives
ANSSIRD	:	Abdul Nasir Sab State Institute for Rural Development
API	:	Annual Parasite Incidence
APL	:	Above Poverty Line
AWPS	:	All Women Police Stations
BCG	:	Bacillus Calmette-Guerin
BESCOM	:	Bangalore Electricity Supply Company
BK	:	Bombay Karnataka
BMI	:	Body Mass Index
BPL	:	Below Poverty Line
BWSSB	:	Bangalore Water Supply and Sanitation Board
CALCs	:	Computer Aided Learning Centres
CATAD	:	Centre for Advanced Training in Agricultural and Rural Development
CBOs	:	Community Based Organisations
CBR	:	Crude Birth Rate
CCDI	:	Composite Comprehensive Development Index
CDR	:	Crude Death Rate
CECs	:	Continuing Education Centres
CHCs	:	Community Health Centres
CMC	:	City Municipal Corporation
CMDR	:	Centre for Multi-Disciplinary Research
CMR	:	Child Mortality Rate
CPIAL	:	Consumer Price Index of Agricultural Labourers
CRE	:	Civil Rights Enforcement
CSO	:	Central Statistical Organisation
CSOs	:	Civil Society Organisations
CSR	:	Child Sex Ratio
DAG	:	District At A Glance
DCC	:	District Credit Cooperatives
DDP	:	Desert Development Programme
DES	:	Directorate of Economics and Statistics
DHFWS	:	Directorate of Health and Family Welfare Services
DMTFP	:	Departmental Medium Term Fiscal Plan
DPAP	:	Drought Prone Area Development Programme
DPEP	:	District Primary Education Programme
DPCs	:	District Planning Committees
DPT	:	Diphtheria, Polio and Tuberculosis
DRDAs	:	District Rural Development Agencies

DSERT	:	Department of Secondary Education Research and Training
DTE	:	Directorate of Technical Education
DWCD	:	Department of Women and Child Development
DWACRA	:	Development of Women and Children in Rural Areas
EAS	:	Employment Assurance Scheme
EDC	:	Education Development Committees
EDUSAT	:	Education through Satellite
EI	:	Education Index
EMIS	:	Education Management Information System
ESCOMs	:	Electricity Supply Companies
EWRs	:	Elected Women Representatives
EWS	:	Economically Weaker Sections
FIR	:	First Information Report
FPAI	:	Family Planning Association of India
FORCES	:	Forum for Creche and Childcare Services
GDI	:	Gender Development Index
GDP	:	Gross Domestic Product
GDDP	:	Gross District Domestic Product
GEI	:	Gender Empowerment Index
GEM	:	Gender Empowerment Measure
GER	:	Gross Enrolment Ratio
GIA	:	Grant-in-aid
GIS	:	Geographical Information System
GoI	:	Government of India
GoK	:	Government of Karnataka
GP	:	Gram Panchayat
GSDP	:	Gross State Domestic Product
HDI	:	Human Development Index
HDR	:	Human Development Report
HDRC	:	Human Development Resource Centre
HER	:	Human Expenditure Ratio
HHS	:	Hengasara Hakkina Sangha
HIV	:	Human Immunodeficiency Virus
HK	:	Hyderabad Karnataka
HPCFRRI	:	High Power Committee for Redressal of Regional Imbalances
HRD	:	Human Resource Development
HUDCO	:	Housing and Urban Development Corporation
IAY	:	Indira Awas Yojana
ICDS	:	Integrated Child Development Services
ICHAP	:	India Canada Collaboration HIV/AIDS Project
IDA	:	International Development Agency
IFAD	:	International Fund for Agricultural Development
IGD	:	Index of Gender Disparity
IIM	:	Indian Institute of Management
IIPS	:	International Institute of Population Sciences
IMR	:	Infant Mortality Rate
IMK	:	Indira Mahila Kendra
IMY	:	Indira Mahila Yojana

Abbreviations

INS	:	Indian Naval Services
INSAT	:	Indian National Satellite
IPC	:	Indian Penal Code
IRDP	:	Integrated Rural Development Programme
ISEC	:	Institute of Social and Economic Change
ISRO	:	Indian Space Research Organisation
IT	:	Information Technology
ITDP	:	Integrated Tribal Development Project
ITI	:	Industrial Training Institute
IUD	:	Intra Uterine Device
IWDP	:	Integrated Wasteland Development Programme
JGSY	:	Jawahar Grama Swarozgar Yojana
KAWAD	:	Karnataka Watershed Development Society
KDP	:	Karnataka Development Project
KHDR	:	Karnataka Human Development Report
KHSDP	:	Karnataka Health Services Development Project
KLAC	:	Karnataka Land Army Corporation
KMAY	:	Karnataka Mahila Abhivrudhi Yojane
KPTCL	:	Karnataka Power Transmission Corporation Limited
KSCB	:	Karnataka Slum Clearance Board
KSWDC	:	Karnataka State Women's Development Corporation
KUDCEMP	:	Karnataka Urban Development and Coastal Environment Management Project
KUIDFC	:	Karnataka Urban Infrastructure Development and Finance Corporation
KUWSDB	:	Karnataka Urban Water Supply and Drainage Board
LAMPS	:	Large Scale Adivasi Multipurpose Societies
LEB	:	Life Expectancy at Birth
LPCD	:	Litres Per Capita Consumption Per Day
MCH	:	Maternal and Child Health
MDG	:	Millennium Development Goals
MFP	:	Minor Forest Produce
MIS	:	Monitoring Information System
MMR	:	Monthly Monitoring Review
MMR	:	Maternal Mortality Rate
MPCE	:	Monthly Per Capita Expenditure
MYRADA	:	Mysore Resettlement and Development Agency
NABARD	:	National Bank for Agriculture and Rural Development
NAEP	:	National Adult Education Programme
NCAER	:	National Council for Applied Economic Research
NCEC	:	Nodal Continuing Education Centres
NDDP	:	Net District Domestic Product
NDP	:	Net Domestic Product
NER	:	Net Enrolment Ratio
NFHS	:	National Family Health Survey
NGOs	:	Non-Governmental Organisations
NHDR	:	National Human Development Report
NHP	:	National Health Policy
NIMHANS	:	National Institute of Mental Health and Neuro Sciences

NIPFP	:	National Institute of Public Finance and Policy
NIRD	:	National Institute for Rural Development
NK	:	North Karnataka
NLM	:	National Literacy Mission
NNM	:	Neonatal Mortality
NNMB	:	National Nutrition Monitoring Bureau
NSDP	:	Net State Domestic Product
NSFDC	:	National Scheduled Castes Finance and Development Corporation
NSS	:	National Sample Survey
NSSO	:	National Sample Survey Organisation
NTFP	:	Non Timber Forest Products
NURM	:	National Urban Renewal Mission
NWDP	:	National Wastelands Development Programme
NWDPR	:	National Watershed Development Programme and Rainfed Agriculture
OBCs	:	Other Backward Classes
ORG-MARG	:	Operations Research Group-Marketing and Research Group
PAC	:	Public Affairs Centre
PCA	:	Primary Census Abstract
PCDP	:	Per Capita Domestic Product
PCDDP	:	Per Capita District Domestic Product
PCI	:	Per Capita Income
PCR	:	Protection of Civil Rights
PDS	:	Public Distribution System
PFs	:	Public Fountains
PHCs	:	Primary Health Centres
PHUs	:	Primary Health Units
PLC	:	Post Literacy Campaign
PMGY	:	Pradhan Mantri Gramodaya Yojana
PNC	:	Post-natal Care
PPP\$:	Purchasing Power Parity in terms of Dollars
PRIs	:	Panchayat Raj Institutions
PSUs	:	Public Sector Undertakings
PTR	:	Pupil Teacher Ratio
RCC	:	Reinforced Cement Concrete
RCH	:	Reproductive and Child Health
RDPR	:	Rural Development and Panchayat Raj
RGI	:	Registrar General of India
RGRHCL	:	Rajiv Gandhi Rural Housing Corporation Limited
ROT	:	Receive Only Terminals
RRBs	:	Regional Rural Banks
RTC	:	Record of Rights, Tenancy and Crop Enumeration
RTI	:	Reproductive Tract Infection
RTI Act	:	Right To Information Act
SAR	:	Social Allocation Ratio
SCs	:	Scheduled Castes
SCP	:	Special Component Plan
SDMCs	:	School Development and Monitoring Committees

Abbreviations

SDP	:	State Domestic Product
SFC	:	State Finance Commission
SGRY	:	Sampoorna Grameena Rozgar Yojana
SHDR	:	State Human Development Report
SHGs	:	Self-Help Groups
SGSY	:	Swarnajayanti Gram Swarozgar Yojana
SJRY	:	Swarna Jayanti Rozgar Yojana
SJSRY	:	Swarna Jayanti Shahari Rozgar Yojana
SK	:	South Karnataka
SNDT	:	Srimati Nathibai Damodardas Thackersey University
SPIN	:	Self-Help Promoting Institution
SPR	:	Social Priority Ratio
SPVs	:	Special Purpose Vehicles
SRS	:	Sample Registration System
SSA	:	Sarva Shikshana Abhiyan
SSF	:	Singamma Sreenivasan Foundation
STs	:	Scheduled Tribes
STD	:	Sexually Transmitted Diseases
STI	:	Sexually Transmitted Infections
TB	:	Tuberculosis Bacilli
TFR	:	Total Fertility Rate
TLC	:	Total Literacy Campaign
TLM	:	Teaching Learning Material
TMCs	:	Town Municipal Councils
TPs	:	Taluk Panchayats
TSP	:	Tribal Sub Plan
TT	:	Tetanus Toxoid
UDR	:	Unnatural Death Register
UEE	:	Universal Elementary Education
UFW	:	Unaccounted For Water
UGD	:	Under Ground Drainage
ULBs	:	Urban Local Bodies
UNDP	:	United Nations Development Programme
VCTCs	:	Voluntary Counselling and Testing Centres
VECs	:	Village Education Committees
VFCs	:	Village Forest Committees
VTU	:	Vishveswaraiah Technological University
WB	:	World Bank
WGDP	:	Western Ghat Development Programme
WPR	:	Work Participation Rate
WSHG	:	Women's Self-Help Group
ZPs	:	Zilla Panchayats

Introduction

In 1999 Karnataka became the second Indian state to publish a Human Development Report (HDR) – a balanced, analytical deconstruction of the human development scenario in the state. The HDR noted that while Karnataka had performed well, on both human development and gender development indices of the nation, the state lagged behind Kerala, Maharashtra and Gujarat, which occupied the top three places in the nationwide HDI. The Report's ranking of the districts of Karnataka on the global HDI and GDI revealed the existence of sharp socio-economic disparities between districts.

Since the publication of the first HDR in 1999, there have been significant pro-active state interventions in sectors such as primary education, social welfare, women's economic development, and poverty alleviation. Along with policies to address regional disparities, there is now a greater emphasis on public-private initiatives in the social sector, reinforced by institutional reforms directed at strengthening and empowering Panchayat Raj institutions in order to enable the emergence of a sustainable, participatory development environment.

Financing human development

It is, therefore, time to take stock of the human development scenario in Karnataka along with certain key issues that impact the development process, namely, the Government of Karnataka's investments in human development and the outcomes of these policy decisions for human development indicators such as life expectancy, female literacy, access to education, reductions in the IMR and MMR, quality of life, and diminution in gender, caste and economic disparities. This means we need to look at public spending over a significant period. Hence, this Report will examine and analyse the relation between public investment patterns and human development outcomes. The state is, after all, the principal investor in basic needs and special interest group programmes.

Karnataka has definitely invested in poverty reduction, health and nutrition, education, and social welfare. Given this, the question is, what are the implications of this investment for human development in the state with reference to all-India norms and, more importantly, to other states that have performed well on HD indicators? There is little doubt that, in a developing country, public spending on services and infrastructure affords the best opportunity for the poor and the marginalised to improve their life condition. They provide increased access to services that go beyond the provisioning of basic necessities and significantly improve the quality of life of the poor, viz. education, basic healthcare, nutrition, safe drinking water, sanitation, housing, etc. However, most states have other imperatives as well, such as economic growth, which is also a prerequisite for human development. A state like Karnataka invests heavily in irrigation and power. Striking the right fiscal balance between human development and other thrust areas is, therefore, critical for a state seeking to energise its human development-oriented activities.

It is crucial to resist the temptation to simplistically equate heavy spending with an automatic improvement in human development indicators. To achieve palpable improvements in this area, budgetary expenditures need to strategically target key human development sectors, and investments, in turn, need to be supported by efficient service delivery systems. Moreover, non-governmental investment, in a state like Karnataka, forms a significant part of investment in services and infrastructure and looking at non-government investment in the HDR offers the twin advantages of (a) presenting a more inclusive picture while (b) acknowledging the role of non-government spending on human development. The constraints are (i) the difficulty in data collection and (ii) the fact that in the end analysis, governments can do little to influence private investments in these sectors, thus limiting the usefulness of such information. Therefore, the Report focuses

primarily on public spending, while at the same time including a segment on the new and innovative private-public partnerships emerging in the social services sector.

The HDR attempts to measure the state's performance in human development in those human priority areas that most affect the living conditions of the poor and the vulnerable: education and literacy, nutrition and healthcare, protected water supply and sanitation, housing, incomes and livelihoods.

The HDR views the theme of spending on human development from two perspectives.

(i) Factoring equity and social justice issues: Human development for the vulnerable sections of society

When public investment produces equitable outcomes, it favourably impacts the living conditions of the most marginal, and therefore, vulnerable, sub-populations in society. While these sub-populations, whose human development indices are markedly below that of the general population, are often the focus of special state policies/programmes, the Report also examines whether equity and social justice objectives have been achieved and whether these programmes and policies empower the marginalised sections of society. The focus groups are women, children, Scheduled Castes and Scheduled Tribes and people below the poverty line. Regional disparity being the fourth dimension of deprivation, the Report consciously attempts to portray the interconnection of multiple forms of deprivation and their outcomes for people's human development.

A unique feature of this HDR is the highly detailed analysis of the status of Scheduled Castes and Tribes in the state. A sample survey was commissioned and entrusted to the Department of Economics and Statistics to collect and collate data for preparation of the HDI and GDI of the Scheduled Castes and Tribes in the state. No other State HDR has attempted this exercise. Chapters 9 and 10 make use of these HDI and GDI to uncover a hitherto unlit landscape of deprivation. A second

study, especially commissioned for the Report is an analysis of women's self-help groups.

(ii) Factoring good governance, efficient service delivery, people's participation: Making human development participatory, democratic and accessible

While mobilisation and optimal allocation of resources for human development is significant, the Report also highlights the factors that underpin effective service delivery, i.e. good governance, responsive local level institutions and people's participation in their own socio-economic development. 'How' resources are deployed is as important as 'how much' is invested. Pumping in money without ensuring efficient and effective delivery mechanisms could mean that resources are not being optimally utilised. Ensuring human development is people-centred means that institutions at various levels must function efficiently and be accountable to the people. The key stakeholders in the process of making the system more efficient, democratic, transparent and participatory are the state government, Panchayat Raj institutions, NGOs, and community based organisations. An analysis of the roles of these agencies in improving governance for better human development is a significant theme of this HDR.

Objectives

The main objectives of the Report are:

- To develop baseline data on the status of human development in relation to public investment in the state and the districts;
- To provide a comprehensive analysis of human development goals and outcomes, especially for the most vulnerable sub-populations;
- To examine the efficiency of service delivery and the role, in improving governance, of Panchayat Raj institutions and the impact of collective action mobilised by NGOs/the state, either through self-help groups or through other community based organisations that manage community resources;
- To suggest how the state can mobilise resources for human development and how resources

can be re-ordered more effectively, both inter-sectorally and intra-sectorally;

- To suggest ways in which existing resources can be utilised more efficiently;
- To suggest how the HDI and GDI can be improved;
- To ensure that people are always the centre of the development process in the state.

Methodology

To analyse public investments in human development, the Report uses the methodology of the UNDP in its 1991 HDR, *Financing Human Development*. The UNDP HDR speaks of four ratios: (i) the public expenditure ratio (PER) i.e. the percentage of national income that goes into public expenditure (in Karnataka's first HDR this had been modified to revenue expenditure as a percentage of SDP); (ii) social allocation ratio (SAR) or the percentage of public expenditure earmarked for social services; (iii) social priority ratio (SPR), i.e. the percentage of social expenditure devoted to human priority; and (iv) human expenditure ratio (HER) which is the percentage of national income devoted to human priority concerns. We propose to modify it to 'percentage of SDP devoted to human priority

concerns'. No. 4 is the product of the first 3 ratios and is a tool that enables planners to spot gaps and options.

Preparation of the HDR 2005

The concepts and draft papers comprising the Report were shared at various stages with stakeholders, viz. academics, NGOs, people's representatives, community based organisations, women's groups and bureaucrats from the sectors concerned. The writing of the Report was a dynamic and interactive process. It was flagged off at a state level workshop in Bangalore in October 2003, followed by two regional level workshops in Dharwad and Mysore where chapter concepts were presented by the paper writers. In August 2004, draft papers were presented to an appreciative, if critical group, yielding invaluable inputs. The final Report owes a great deal to all the participants who unstintingly spared their time to share their views with us.

Finally, it is heartening to know that this HDR is being eagerly awaited by the many stakeholders in the state. The end objective of any such Report is to function as a useful policy tool that furthers the process of human development in the state.