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Introduction

Uniqueness and Background of AP

This is the first Human Development Report of Andhra Pradesh.

The state has several unique features- development of participatory institutions, innovative poverty alleviation programs, spectacular demographic transition, pursuit of state level economic reforms, etc.

The report reviews states' experiences of human development in the past two decades in the backdrop of these remarkable features.

1.1 Uniqueness of Andhra Pradesh

Andhra Pradesh is unique in several respects in the country. It was the first state to be constituted on linguistic basis in 1956 by combining the Telugu speaking districts of Coastal Andhra and Rayalaseema from the erstwhile Madras Presidency and the Telugu-speaking region of Telangana from the Nizam's Hyderabad state. These regions, in fact, had widely different natural resources, historical legacies and institutional arrangements. The challenge of development policy subsequent to the formation of the State was to integrate these diverse units into a single economic entity and to accelerate the growth of its productive sectors along with the promotion of adequate opportunities to ensure broad-based participation for all sections of society.

Andhra Pradesh was among the very few states in the country which adopted the green revolution, especially in respect of rice. The focus of government policy in the 1960s and 1970s was on infrastructure like irrigation and power. The historical advantage that the coastal regions enjoyed in terms of government investment in canal irrigation was reinforced with the advent of the green revolution. However, the green revolution benefited only crops grown under irrigated conditions and rain-fed, particularly dry land, agriculture was neglected. The present government has given emphasis to irrigation development in order to convert some of the dry areas into irrigated areas.

A unique feature of Andhra Pradesh is the development of participatory institutions. The state is well-known for its strong emphasis on rural development, community empowerment and support for women's groups. These include self-help women's groups, water user associations, watershed committees, school education committees, mother's committees, *Rytu Mitra Groups* (farmers' clubs), *vana samrakshana samitis* (VSS, Joint Forest Management). For example, Andhra Pradesh was the first state in the country to enact the Andhra Pradesh Farmers Management of Irrigation Systems Act, 1997, under which the formation of Water Users Associations (WUAs) became mandatory for the management of irrigation. This is designed to bring greater accountability to the irrigation department as well as a sense of ownership of the management systems among farmers. Similarly, A.P. has taken bold steps to demonstrate that a convergence of conservation and development objectives can be achieved through Joint Forest Management (JFM). The JFM committees in Andhra Pradesh have successfully targeted remote and under-served communities, in particular tribal populations. However, there have been tensions between these participatory institutions and Panchayati Raj institutions (PRIs). The experience of Andhra Pradesh with respect to representative discussed in development literature.

The state has also made remarkable progress in technical education like engineering and medicine, probably as a result of the importance given to mathematics and science in colleges which might have improved the skills of the students in these fields. One can see many students from A.P. in IITs and medical colleges of the country. The success of the IT revolution in the state and the number of professionally qualified persons from the state working in other countries (e.g. Silicon Valley in the USA) testifies to the progress of the state in technical education.

The state is also known for innovative poverty alleviation strategies. In the 1980s the government concentrated more on welfare schemes. The scheme to supply rice at 'Two Rupees a Kilo' through the public distribution system (PDS) was one of the important schemes introduced in this period. An important aspect of social

change taking place in A.P. relates to women's empowerment (social and economic) through self-help groups. The government of Andhra Pradesh is implementing a statewide rural poverty eradication programme based on social mobilization and empowerment of rural poor women. This programme is popularly known as 'Velugu' or Indira Kranthi Pathakam (IKP). This project aims at enhancing assets, capabilities and the ability of the poor to deal with shocks and risks. The programme has contributed to the improvement in women's empowerment at the household and community level. There are already seven lakh self-help groups in the State. The present government has introduced a programme called INDIRAMMA (Integrated Novel Development in Rural Areas and Model Municipal Areas) in 2006 for the development of model villages and towns on saturation basis to provide basic infrastructure along with welfare measures in an integrated and focused manner and to be serviced over a period of three years¹. Pensions, housing and land distribution are some of the important measures undertaken by the government to help the poor.

The experience of AP on the demographic front is also distinctive. The state registered the fastest reduction in population growth in the country in the 1990s. It is interesting that the experience of fertility reduction in A.P. is contrary to conventional theories and beliefs which hold that fertility reduction is possible only with considerable economic or social development. The experience of Kerala indicates that female education and improvement in health (e.g. reduction in infant mortality) were responsible for the decline in fertility levels. In A.P., female illiteracy and infant mortality are relatively high but fertility decline has been faster. The success of the state in controlling the population partly lies in better administration of programmes related both to family planning and welfare, including the setting up of women's self-help groups.

¹ According to predetermined saturation criteria, the activities to be covered are: (1) housing; (2) drinking water supply; (3) sanitation – individual sanitary latrine and drainage system; (4) link roads; (5) power connections – habitations and households; (6) health services including awareness and prevention; (7) ICDS (nutrition and pre-primary education for children); (8) primary education; (9) pensions – old age pensions including pensions for weavers, widows and disabled persons; (10) INDIRAMMA Cheruvu.

The state has also witnessed the emergence of numerous non-Governmental Organisations (NGOs) dedicated to development activities through social mobilisation. For example, retaining children in schools needs social mobilization of the community against child labour and for education, as well as intensive institutional arrangements. That such attempts are very successful at the micro level is demonstrated by NGOs like the MV Foundation. Similarly, there are NGOs in the state focusing on areas relating to food and nutrition security, health, livelihoods and natural resource management.

Andhra Pradesh has been vigorously pursuing economic reforms since the mid-1990s. By the end of the 1990s A.P. had earned a reputation as the state at the forefront of reforms in India as several fiscal, governance and other reforms were under way to accelerate economic development and to reduce poverty. The economic reforms and the other singular features of A.P. mentioned above raise several far-reaching issues regarding human development strategies to be followed in India and other developing countries.

The objective of this report is to examine the experience of A.P. in human development at the state and district levels keeping in view these remarkable features together with the interventions and policies of the state.

The outcomes on human development depend on several factors such as the macroeconomic policies of the central government, strategies of the state government, particularly with respect to health and education and historical factors.

There have been several social movements in the state before and after Independence. During colonial rule most of the movements were connected to the freedom struggle. But social movements did not die away with the end of colonial rule. They continued in the post-independence period against the actions of the state and political institutions. There have also been a number of movements against many social evils which have continued to plague society. The important social movements have been agrarian struggles including the Telangana Armed Struggle, dalit movements, tribal struggles, women's

movements and regional movements. Among the agrarian struggles, the major one was connected to land issues and these struggles continue even today. Agrarian struggles not directly involved with land were about *vetti*, bonded labour, agricultural wages etc.

While states like Kerala and, to some extent, Tamil Nadu had social movements focusing on health and education, there were no such movements specifically relating to human development in Andhra Pradesh. Social movements in A.P. focused more on land and other distributional issues. This could be one of the reasons for the relatively low levels of human development in the state. In spite of land struggles, the inequalities in agrarian relations still persisted in the state due to historical reasons (e.g. Nizam's rule in Telangana) and policies since its formation.

Macroeconomic policies of the central government-fiscal, monetary, trade, financial liberalization, privatisation and other sectoral (e.g. agriculture and industry) policies - can influence the outcomes at the state level. Since appropriate macro policies are important for generating employment and human development the macro policies in India have to be evaluated as to whether they have promoted employment and human development in the post-reform period.

Investments in physical and social infrastructure are important for higher growth which favours the poor and which can also improve employment and social development. Compared to the East Asian countries, investment rates in India till recently have been low at around 25 per cent of GDP. In the 1980s, the rate of capital formation in the public sector was 11.1 per cent which declined to 7.3 per cent in the post-reform period. Deceleration of public investment and private corporate investment in the second half of 1990s is a matter of concern. The low growth in public investment could be one of the reasons for the low growth in employment in the post-reform period. Fortunately, in recent years (2004-6), investment as a proportion of GDP has risen to more than 30 per cent.

Fiscal reforms are intended to reduce fiscal deficit, improve social sector expenditures and capital expenditures.

The evidence shows that India lost 1 per cent of GDP due to tax reforms in the post-reform period. Central transfers to state governments also declined. State governments were forced to borrow in the market and other (often international) sources at high interest rates. As a result, the levels of debt and debt servicing increased in most of the states. In recent years, most state governments were in fiscal crisis and did not have funds for capital expenditures. This is especially important since state governments are responsible for critical areas such as rural infrastructure, power, water supply, health and education. Meanwhile, at the central government level, capital expenditure declined as a share of national income, and all public expenditure directed towards the rural areas fell both as a per cent of GDP and in real per capita terms. The composition of government spending can alter relative prices and factor income and this in turn will affect income distribution and employment. In recent years, there have been signs of increase in tax/GDP ratios due to better enforcement and tax collection. This could improve allocations to infrastructure and the social sectors.

Trade liberalization is expected to improve exports which can generate employment. However, this depends on whether the impact percolates to unskilled workers or stays with skilled workers. If only the IT sector benefits, the overall employment prospects are not bright. The evidence seems to suggest that employment in the organized manufacturing sector has not improved. Employment has increased only in the unorganized sector which does not point to an improvement in the quality of employment. Financial sector liberalisation in developing countries has been associated with measures that are designed to make the Central Bank more independent, relieve financial constraints by freeing interest rates and allowing financial innovation, reduce directed and subsidised credit, as well as allow greater freedom in terms of external flows of capital in various forms. However, financial liberalization has led to a decline in credit to the agriculture sector, small and marginal farmers and weaker sections in the post-reform period. Thus, on balance the mix of macro policies have not promoted employment and human development in the post-reform period.

The outcomes particularly on agriculture, health and education are determined more by the policies of the state government. As will be shown in the subsequent chapters of the report, economic growth has been taking place in Andhra Pradesh. The growth rate of GSDP in the last four years has been 7 to 8 per cent per annum. The state has also been successful in reducing income poverty if we go by official statistics. However, A.P. has not well done in terms of 'inclusive' development. There is a need for significant improvements in agriculture, employment, social sector and reduction of regional and other disparities. The post-reform period has witnessed an increase in disparities across regions and social groups and between rural and urban areas. The outcomes for A.P. indicate that the efforts of different governments in the state have not been enough to improve human development and livelihoods and that there is a need to promote broad-based and inclusive growth to benefit all sections of society.

1.2 Background and Comparative Status

Andhra Pradesh is one of the major states in India and ranks fifth in terms of population. The population of the state was about 75.7 million in 2001 (Census 2001). The projected population would be around 83 million in March 2007 accounting for 7.4 per cent of country's population. In terms of population the state is bigger than many countries in the world. Its geographical spread of 274.4 lakh hectares accounting for 8.37 per cent of the total area of the country makes it the fourth largest state in the country. The state capital Hyderabad has become an A1 city in 2007 with 54 lakh population. There are 23 districts and 1128 *Mandals* in the state. Andhra Pradesh has three regions which are distinct in terms of socio-economic characteristics owing to historical reasons and region specific resource base. Of the 23 districts, nine are in Coastal Andhra; ten are in Telangana and four in Rayalaseema.

Viewed against the resource base and economic activities, the relative performance of Andhra Pradesh among Indian states in terms of the growth of SDP and per capita income seems to have improved during the 1980s. A higher rate of growth of SDP and per capita income began in the state from the late 1970s, while the 1980s was the

golden era of high economic growth in the state. The growth rate of GSDP in A.P. was lower than all-India in the 1990s but there was a turnaround in GSDP growth during 2003-07. However, per capita GSDP in A.P. has been lower than in all-India throughout, though it has been catching up in recent years with the all-India average. In fact, the per capita GSDP in 2005-06 (in 1999-2000 prices) in A.P. (Rs.21277) was slightly higher than in all-India (Rs.20734).

Andhra Pradesh has done reasonably well in terms of fiscal performance. Till the mid-1980s A.P. used to have a surplus budget and these surpluses were used for productive capital expenditure on irrigation and power generation. The surplus budgets disappeared after the mid-1980s with the introduction of populist welfare policy initiatives such as distribution of rice at the rate Rs. 2/kg through the Public Distribution System (PDS) and prohibition, though alcohol was one of the major sources of excise duty contributing to state revenues. Fiscal reforms undertaken since 1995-96 have led to an improvement in some indicators of fiscal management. At the same time the state also faced fiscal problems similar to other states of India in the second half of the 1990s. Debt/GSDP ratio for A.P. increased from 1995-96 to 2000-01. However, despite rising indebtedness, the outstanding public debt for A.P. at 25.6 per cent of GSDP in 2000-01 was lower than for all the major states, the all-states average being 30.7 per cent. The ratio of debt-GSDP ratio in 2005-06 was eighth (in ascending order) among 29 states. In other words, 21 states in India have higher debt-GDP ratio than Andhra Pradesh. There seems to have been an improvement in revenue generation and decline in revenue deficit in recent years so that the fiscal performance of the state does not seem bad in a comparative perspective.

Andhra Pradesh has one of the highest work participation rates in the country, particularly for females. As with other states, A.P. is going to have 'demographic dividend' in terms of more people in the working age group. However, the growth of employment in A.P. declined from 2.72 per cent in pre-reform (1983 to 1993-94) to 0.95 per cent in post-reform (1993-94 to 2004-05) period. This was one of the lowest rates in the country, and much lower than the all-India rate of 1.9 per cent per annum. Another worrying factor is that unemployment growth

increased and growth of real wages declined during 1999-2005 as compared to 1993-2000. It may also be noted that about 94 per cent of workers in Andhra Pradesh were in the unorganized sector in 2004-05, which also indicates the challenges of providing social security to 38 million of 40 million workers in Andhra Pradesh.

The state is still largely agricultural in terms of population and employment. Although the share of agriculture in GSDP has declined from above 60 per cent in the 1950s to around 22 per cent in the recent period, it continues to be the primary source of livelihood for around 60 per cent of the population in the state. The rank of A.P. in terms of share in GSDP and employment in ascending order was 8 out of 16 states in the year 2004-05. Recognising the importance of agriculture, government policy in Andhra Pradesh has been structured around this sector. While giving priority to agriculture a large part of resources was allocated to irrigation and power during the 1960s and 1970s. These were relatively neglected during the 1980s and 1990s. As a result, there was agrarian distress from the mid-1990s which led to episodes of suicides by farmers in the state.

The state was at a relative disadvantage in terms of manufacturing activity in the non-household sector unlike some states which were ahead of the rest in terms of industrial development even at the time of Independence. For instance, A.P. does not have a strong background and tradition of industrial development, like the neighbouring state of Tamil Nadu in terms of entrepreneurship, technical skills and infrastructure. Industry is predominantly a central subject in the Indian Constitution. As a result, the relatively underdeveloped states rarely had a separate industrial policy, at least in their early stages of development. In A.P., the first-ever industrial policy statement was announced only in the early 1990s.

Industrial growth in A.P. was propelled by the growth of the public sector. Though industrial estates came up in and around Hyderabad followed by the establishment of power generation stations between 1960 and 1970, the industrial base in the state began to expand during the 1970s with the establishment of major public sector units like BHEL and ECIL in Hyderabad, and the petroleum

refinery and steel plant in Visakhapatnam. The backward and forward linkages generated by these large-scale units were expected to attract private investment from the surpluses of the agricultural sector. While in the 1980s some entrepreneurship emerged from agricultural surpluses, private investment is still flowing to the services sector. At present the government is focusing on key sectors like pharmaceuticals, biotechnology, food processing, chemicals, marine, leather, textiles, IT and communications. The service sector is the major centre of growth in the non-agricultural sector in the state. More recently, information technology (IT), a component of the service sector, has been the fastest growing sector in Andhra Pradesh.

The performance of the social sector in A.P. has not been satisfactory as compared to many states in India, particularly the other southern states like Kerala and Tamil Nadu. The state has, however, done well in terms of income poverty. Official estimates show that poverty was only around 15 percent in the year 2004-05. This level of poverty is one of the lowest in the country. The state has also done remarkably well in reducing population growth. Further, as noted above, the women's self-help group movement with seven lakh groups is also a success in the state. On the other hand, the human development index is low and the state ranks tenth among 15 states. In spite of better economic growth, the state is lagging behind in social development. The performance of the state in education had been very good in the 1990s. Despite this the literacy level in the state is one of the lowest in the country. Similarly, it ranks eleventh among 17 states in infant mortality. The low poverty ratios and the high incidence of child labour/educational deprivation of children indicate a paradoxical situation specific to the state. It has the highest incidence of child labour among the Indian states whereas it has the lowest level of poverty and poverty levels have also declined sharply in the past decade. The infrastructure index shows that the state is lacking in infrastructure and in fact has the lowest status (CMIE, 2000).

Inter-regional disparities are very high in the state. Districts like Mahabubnagar and Adilabad in Telangana, Vizianagaram and Srikakulam in North Coastal Andhra

and Anantapur in Rayalaseema are among the poorest districts in the state. In general, South Telangana districts, some districts of Rayalaseema and north Coastal Andhra are poorer than South Coastal Andhra and North Telangana.

To conclude, historically, in terms of economic and social development, Andhra Pradesh was behind Travancore and Mysore states, but was ahead of Madhya Pradesh and other poorer states. The same situation continues to some extent even today fifty years after the formation of the state. In terms of economic growth and per capita income it is now closer to all-India average. However, in terms of human development indicators and employment growth, the state is lagging behind all-India. In short, the state has to concentrate more on 'inclusive growth' or equitable development.

1.3 Objectives

It is believed that development means the capacity of a society to participate and enable the people to have a vision of their future. Therefore, this report should be used to launch a public debate on the development pattern of the state in future. It is necessary to keep in mind two aspects while preparing the HDR: the process and the substance. In terms of the process it (the report) should be more participatory in nature with participation of civil society, public scrutiny, involvement of political leadership, broad-based public dissemination of information required at the preparation stage. In terms of substance, the goal and purpose of the report are important. The goal must be to facilitate wide-ranging public debate on what would be the reaction of people to the changing global situation.

The APHDR aims at drawing attention to issues pertaining to human development by reviewing the progress made on aspects related to the quality of life. It identifies strengths, gaps and deficiencies in order to suggest specific policy interventions. The APHDR is a programming tool and a monitoring instrument for interventions and an advocacy device for raising resources to invest in the people so that the quality of people's lives can be enhanced. It presents the status in different sectors which ultimately have a bearing upon human development and thereby facilitates the realization of a vision for the future. APHDR

brings out issues relating to different aspects of human development which have to be addressed with intensive efforts, and identifies the challenges ahead in facilitating improvement in the quality of life of the people. It is known that economic growth or development alone cannot lead to sustained improvement in the lives of people. The report, therefore, argues that both economic growth and human development are important and that they reinforce each other, as indicated by the vast literature on the subject.

1.4 Approach and Novelty of the Report

(1) A participatory procedure has been followed in preparing the report. In addition to a state level work shop at Hyderabad, six regional workshops were held to elicit the opinion of people on human development issues in different locations. They were held in Mahabubnagar (South Telangana), Warangal (North Telangana), Visakhapatnam (North Coastal Andhra), Guntur (South Coastal Andhra) and, Tirupathi and Anantapur (Rayalaseema). Faculty members of the Centre for Economic and Development Studies (CESS) prepared background papers for many of the chapters of the report. In addition, there were also a few commissioned papers from academicians and NGOs (e.g. some inputs from Centre for Dalit Studies) which have been useful for some components of the report. A representative of the Planning Department, Government of Andhra Pradesh has been stationed at CESS in order to have full time interaction with the coordinators of the report.

(2) This report is a 'first' in many respects. This is the first human development report for the state of Andhra Pradesh. The APHDR is probably the first in India covering the data base up to 2005-06. Thus, the report covers the fifteen year post-reform period which is sufficient for examining the impact of economic reforms on human development. APHDR is also the first to use the latest data from NSS 61st Round on Employment and Unemployment, Consumer Expenditure (2004-05), recent NSS data on education, health and status of farmers, NFHS III (National Family Health Survey) data for the year 2004-05 and, landholdings data for the year 2005-06. The report also uses many micro studies done by CESS and others on human development issues.

(3) The report would be useful in the context of Millennium Development Goals (MDGs) and India's goals given in the 11th Five Year Plan. It is known that the 11th Five Year Plan has given emphasis to 'faster and inclusive growth'. Human development is one of the main components of inclusive growth. The present report which coincides with the first year of the 11th Five Year Plan would be helpful in framing policies for achieving the goals of human development in Andhra Pradesh.

(4) Earlier studies on A.P. including the book on 'Andhra Pradesh Development: Economic Reforms and Challenges Ahead' published by CESS have concentrated more on the state as a whole. The APHDR provides for the first time a comprehensive picture of the status of human development at the district level to serve as a baseline for evaluating the trends that will emerge in future. It compares and contrasts disparities in levels of human development across sub-population groups identified by their socio-economic (gender, caste, poverty, occupation etc.,) and geographical (region, district, location: rural-urban) characteristics. It identifies problems specific to the state, region and district. Ultimately it points to the way forward for the progress of human development in the state and relevant policy measures for addressing the emerging areas of concern.

In the process it brings out and highlights several issues relating to human development and livelihoods and also problems specific to the state and its sub-regions. These are: agrarian structure and social unrest, impact of land reforms and green revolution, agrarian distress and farmers' suicides, unemployment, stagnant rural non-farm sector, regional inequalities, lagging social sector, irrigation politics, environmental degradation, the surge of HIV/AIDS, persistence of illiteracy, non-schooling and child labour, interventions by and impact of external agencies like NGOs for the cause of the deprived, as for instance on child labour and child schooling, undertones of institutional changes in the reform process, the boom of the IT sector in the state, the realization of the notion of 'people's participation' in the progress of marginalized sections like women, children, dalits, tribals, disabled and old people. Importantly,

it also highlights the impact of interventions and policy changes initiated during the 1990s on welfare.

(5) The APHDR has made an attempt to take a novel approach on the issues discussed and problems addressed. An attempt is made to assess progress in the context of the state as it was the first Indian state to carry out serious economic reforms, to take policy initiatives in view of good governance and hosting a number of Non-Governmental Organisation (NGOs) involved in developmental activities. As noted above, since the late 1980s, micro-financing institutions have been promoted through self-help groups (SHGs) which are expected to result in empowerment of the poor especially of women. An assessment of the turnaround in the economy; the policy initiatives; participation of people and civil society and their impact on the welfare of the people are interesting parts of the report.

(6) For the first time, a discussion on social movements is included as a separate chapter in a human development report. This is important because social movements help to improve human development and also lead to greater sensitization of the rights approach and better governance. Another novel feature of the report is a detailed analysis on women's empowerment and child well-being. It is known that regional disparities act as barriers in achieving the goals of human development. Therefore, an attempt is made in the report to assess and analyse the contribution of women's empowerment to reducing regional and gender disparities in human development in A.P. It also constructs a gender development index and child development index at the district level. The report for the first time also constructs an environmental index.

In brief, apart from studying areas like health, education, livelihood issues, social problems and the per capita Gross Domestic Product, the APHDR would be unique in looking at disparities across districts, the grass root level institutions and their impact on human development. The APHDR also focuses on state-specific issues like farmers' suicides, child labour, HIV/AIDS, self-help groups and the evolution of institutions parallel to Panchayat Raj systems.

1.5 Organisation of the Report

The Andhra Pradesh Human Development Report is organized as follows. Chapter 2 presents the human development indices across districts of Andhra Pradesh. As a backdrop to the report, Chapter 3 presents the history of social movements in the state. There have been many social movements relating to land issues, tribals, *dalits*, women and regional issues. This chapter examines the importance of these movements in making modern Andhra Pradesh.

Chapter 4 provides an overview of the economic and social development experience of the state. The performance of the state including the problems and the prospects of development at the macro level is analyzed in this chapter. It focuses on economic growth, infrastructure, poverty, inequality, fiscal performance and social sector expenditures.

Expanding productive employment and livelihoods is central for sustained poverty reduction and for enhancing human development as labour is the main asset for the majority of the poor. Liberalisation measures are likely to have significant implications for employment and the labour market. How these policies have affected the growth and structure of employment is an issue that has important implications for future policies. In this context, Chapter 5 looks at trends in employment, wages and rural livelihoods. It covers issues relating to employment in quantitative and qualitative terms. This chapter also examines the experience of livelihood promotions at the grass root level.

Higher growth in agriculture is considered an important element of inclusive growth as a majority of livelihoods depend on the performance of this sector. Agriculture plays a pivotal role in the economy of A.P. Chapter 6 examines the changes in structure, performance of agriculture and the issues relating to farmers' suicides. This chapter also discusses the policy issues relating to agriculture in the present context and suggests the strategies needed for higher growth in agriculture.

There is no difference of opinion that A.P. has experienced rapid demographic transition. However, health

and nutrition are areas of concern in the state. There are problems with regard to expenditure and quality of health and privatization of health facilities. Health is one of the important aspects of Millennium Development Goals (MDGs) and the 11th Five Year Plan of India. Chapter 7 is devoted to examining the performance and issues relating to demographic transition, health and nutritional deprivations. It also provides an interesting discussion on health care systems in A.P.

Education is one of the important indicators of human development and one of the important objectives of the Millennium Development Goals (MDGs) is to achieve universal elementary education among children in the age group 5-14 years. Equality of opportunity in education is crucial for improvement in the quality of education. In this context, Chapter 8 assesses the status of education in Andhra Pradesh focusing on levels and trends in literacy and schooling, supply factors like schools, teachers, physical infrastructure and financial resources.

Women's empowerment is considered to be crucial for economic growth and human development. The empowerment of women also improves household well-being that leads to better outcomes for children. Chapter 9 deals with women's empowerment and child well-being. It examines gender development and empowerment indices and child development index across districts. The government of Andhra Pradesh has provided a larger space for women's self-help groups in its strategy for poverty alleviation and women's empowerment. This chapter assesses the impact of District Poverty Initiative Project (DPIP), the component of the Indira Kranti Pathakam (IKP), earlier called *Velugu* on four dimensions of women's empowerment: psychological empowerment, the empowerment to take action, empowerment to take collective action and empowerment to transform unequal social structures.

Even after 60 years of independence, exclusion problems in Indian society have not been addressed. One of the important components of inclusive growth approach is that the benefits of growth should reach socially

disadvantaged sections like the Scheduled Castes (SCs) and Scheduled Tribes (STs). Chapter 10 is intended to provide the status of marginalized sections such as SCs and STs in Andhra Pradesh, their problems and prospects in the human development perspective. It discusses the status of SCs and STs as compared to others for certain parameters like land holdings, poverty, health and educational indicators, access to basic infrastructure and household amenities like water supply, sanitation, electricity etc.

The importance of environment in enhancing human development and the quality of life is well recognized. Keeping in view the importance of environment, Chapter 11 reviews the status of natural resources that affect income and security as well as the environmental conditions that impact the health of the households in Andhra Pradesh at the state, regional and district levels. A composite environmental index based on the district level indicators is attempted in the chapter. Further, linkages between the environmental index and development, particularly human development, are explored for policy purposes.

By now it is known that the concept of governance has emerged as an essential part of sustainable human development. Similarly, democratic decentralization is also considered to be vital for good governance and overall development. There is also an on-going debate on the conflicts between participatory institutions and PRIs. In this context, Chapter 12 deals with institutions and governance. It discusses the issues related to democratic vis-à-vis participatory institutions and good governance initiatives. Important issues addressed in the chapter are: how do the parallel institutions function and perform in achieving the stated programme objectives? Have these institutions improved the delivery of pro-poor policies? What are the linkages between the participatory and the democratic institutions? Is there any need for integration between these two types of institutions?

Urban challenges are delineated in Chapter 13. Finally, Chapter 14 presents a brief summary of conclusions and provides suggestions and recommendations for enhancing human development in Andhra Pradesh.



ANDHRA PRADESH

