The Dissolution of 'United' Andhra Pradesh
Insights from Growth and Distribution Patterns, 1956–2010

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This paper explores the political economy of growth and distribution in Andhra Pradesh by dividing the period since 1956 (when the state was formed) into four different regimes. AP has transformed from an agriculture-based economy at the time of its formation to a service-sector based economy today. A political economy narrative of the process is described with focus on three important cleavages – class, caste and region. It is argued that there has been a crisis for both the idea and materiality of AP for a while that has now led to an imminent dissolution of the "united state". The development of a particular variety of capitalism in AP has happened through the successful wearing down of two major radical mobilisations (during the 1930s–50s and 1970s–90s) and through a counter-radical episode of primitive accumulation that began in the 1980s which continues till today.

Given the high growth rates that India has witnessed for over three decades now, there is a plethora of literature on this theme. One strand of this literature has sought to understand the changes that India has been undergoing through the lens of political economy, locating these changes in their broader historical and political context.[1] Given that India is characterised by considerable diversity, such pan-India analyses need to be complemented by, and founded upon analyses of regional modes of accumulation and transformation. In this paper, we hope to do so by focusing on Andhra Pradesh (AP).

Table 1 (p 60) presents a picture of AP today and around the time of its formation; it also provides the corresponding picture for India.[2] As we can observe from the per capita domestic product figures, starting from a situation where it was poorer than India, AP is now slightly better-off compared to India. Like India, from an economy that was predominantly agricultural, AP has made a transition to an economy that is primarily service-sector oriented. However (again as in the case of India), a substantial proportion of the workforce continues to depend upon agriculture. In this paper, we attempt to tell the story of this transition by bringing together two different kinds of analyses – macro analysis using secondary data, and political economy analysis drawing upon historical and field-based research (some of which is only available in Telugu language). Although both these kinds of analyses have existed for a while, there has hardly been any attempt to bring them together into some form of coexistence, as this paper does. In the process, it gives new meanings to data trends, and new significance to political economic analyses through the additional light thrown by statistics. Moreover, the structural breaks and shifts that AP has gone through are not well understood, and this paper aims to shed light on this.

The methodology that we have followed is described in greater detail below, but we essentially divide the period of roughly five and half decades (1956-2010) for which AP has existed into various "regimes" or phases. Each regime is characterised by certain features (growth patterns, relations among various groups, etc) and can be differentiated from other regimes based upon these features. In deploying this framework, we broadly follow the "Social Structures of Accumulation" approach that has been used to understand advanced industrial capitalist societies (e g, see Bowles et al 2005 and the references therein) although suitably modified to understand a context like AP. The particular regimes that we identify are 1956 to 1969-70,

Table 1: A Comparison of AP and India

	1960-61		2009-10	
	AP	India	AP	India
1 Per capita income* (Rs)	7,781	8,889	37,060	33,091
2 Shares** (%)				
• Agr & All	61.31	47.65	22.10	14.70
• Industry	11.13	20.09	22.40	22.59
• Manufacturing	7.05	11.00	10.18	15.97
• Services	27.56	32.26	55.51	62.71
Inequality*** (%)				
• Rural	32.19	31.30	28.60	30.00
• Urban	30.50	35.70	39.50	39.30
• Total			36.40	37.00

* For AP, this is the per capita net state domestic product, whereas for India, this is the gross domestic product per capita. AP data is taken from the EPW Research Foundation and the Indian data is from RBI (2012).
** Shares for AP for 1960-61 and 2009-10 are computed from the 1970s and 2004-05 series, respectively. The corresponding shares for India are computed from RBI (2012).
*** For 1960-61, these are Lorenz Ratios of consumption expenditure provided by Suryanarayana using the trapezoidal method. For 2009-10, these are Gini coefficients computed by the authors from NSS consumption expenditure data.

1970-71 to 1981-82, 1982-83 to 1994-95 and 1995-96 to date. These regimes have been identified based on crises in growth patterns, and structural changes (not merely statistical) in the sectoral, political or policy realms. These regimes are described in great detail below, but to provide some information at the outset, the first regime was dominated by agriculture and characterised by low growth. The second regime was also dominated by agriculture, but experienced better growth due to the introduction of green revolution technologies. Both the third and fourth regimes were high growth regimes, but were qualitatively different from each other and from the previous regimes. Services overtook agriculture and became the dominant sector in the third regime and growth was associated with falling inequality, whereas, in the fourth regime, industry also overtook agriculture and growth was associated with rising inequality. Social relations are also different across these regimes (e g, the third regime witnessed enormous caste-based and communal violence) and we provide concrete details and analysis below.

We analyse growth and distribution in these regimes and provide political economy narratives that tie these (i e, growth and distribution) together. We incorporate three cleavages that are important in the AP context – class, caste and region.[3] Our basic contention is that the AP economy has evolved from a predominantly unequal agrarian economy in the 1950s to a city-centred high growth economy with rapidly rising inequalities by 2010. In the process, the idea and materiality of AP have gone through hegemonic failures[4] on many fronts (especially class, caste and region). We describe in detail below the processes through which these outcomes have emerged. The recent decision of the United Progressive Alliance (UPA) and Congress Working Committee (CWC) on the bifurcation of AP into two different states (Telangana and Andhra Pradesh) can be seen as a culmination of the above hegemonic failures, particularly on the regional front. The analysis for this paper was conducted before the CWC decision, whose implications are still unfolding. We therefore discuss this issue only briefly.

The remaining part of the paper is organised into four sections. The next section describes the data that we have

drawn upon and the methodology that we have used. The second section describes the basic patterns of growth and distribution, and the third section tries to explain these patterns through political economy narratives. The final section concludes with a discussion.

Description of the Data and Methodology

We use various kinds of data, and we describe below their limitations and the methodology that we use for their analysis. First is the data on the state domestic product (SDP) and its components (agriculture, industry and services, and in turn, their components), compiled by the Directorate of Economics and Statistics (DES), AP. We have accessed these data from the Economic and Political Weekly Research Foundation (EPWRF). We use the net state domestic product – NSDP (and not gross SDP, which includes depreciation) because it is available for a longer period of time. In what follows below, when we refer to SDP, unless otherwise specified, it is to be understood as NSDP.

The DES publishes this data on a regular basis, with newer base years and better data for previous years. This data is available from 1960 to 2012 in five different series, i e, with five different base years: 1970-71, 1980-81, 1993-94, 1999-2000 and 2004-05. Ideally, we would have liked to have data for all the years with the same (and most recent) base year. However, the DES has not provided this and we have to therefore convert the data to the same base year.

We have used the method of "splicing" (Kumar and Chandra 2003) to do so. This method can be briefly described as follows. Suppose that we want to convert the series with base year 1970-71 to the base year 1980-81. Let the SDPs for the year 1980-81 in the series with base years 1970-71 and 1980-81 be denoted as: $SDP^1_{1980-81}$ and $SDP^2_{1980-81}$, respectively. We multiply the 1970-71 series by the factor $SDP^2_{1980-81}/SDP^1_{1980-81}$. Note that this will make the values of SDPs for 1980-81 the same in both the series while preserving the annual growth rates in the 1970 series (i e, between 1971 and 1970, 1972 and 1971 and so on). One problem with this method is that if we apply it both to SDP and to the components of the SDP, then the components will in general not add up to the SDP.

As we mentioned above, there are three main components of the SDP: agriculture (A), industry (I) and services (S). To understand overall annual growth in SDP in terms of the annual growth rates of its components, we can use the following simple procedure. Using some simple algebra, we can show that the annual growth rate of SDP between two years t and $(t+1)$, g_{t+1} is:

$$g_{t+1} = g^A_{t+1} * s^A_t + g^I_{t+1} * s^I_t + g^S_{t+1} * s^S_t \qquad \dots(1)$$

From the above, we can clearly see that the contribution of agriculture to overall growth is a combination of its own growth rate (g^A_{t+1}) and share (s^A_t); similarly for the contribution of industry and services. Apart from annual growth rates, we also use the log-linear model to estimate growth rates for longer periods. In this well known and widely used approach, to estimate the growth rate of an entity of interest (i e, the SDP)

over a period of time, its natural logarithm is regressed on a time trend and an intercept. The estimated coefficient of the time trend is the (instantaneous) growth rate. For example, if the growth rate of SDP (g) is to be estimated over the period 1960-61 to 1969-70, it is done so in the following manner:

$$\ln (SDP_i) = \alpha + gt \qquad \qquad ...(2)$$

where $i=1960\text{-}61...1969\text{-}70$, α is the intercept and $t=1,...9$ is the time variable.

A second set of data that we use is the district domestic product (DDP), which is also provided by the DES. This is similar to the SDP data, except that it is at the district level. One of the issues with this data is that individual components (eg, agriculture, services, etc) may not be reliable.[5] Hence, we use only the total DDPs and that too only for ranking, i e, comparing various districts. Finally, we also rely upon the National Sample Surveys (NSS) on consumption expenditure and wealth, which are conducted by the National Sample Survey Office (NSSO). The consumption expenditure surveys are large representative surveys that are widely used by researchers working on India. The details (stratification, sampling methodology, etc) are well-known and available in the reports for various years.[6] Unit-level data from the quinquennial surveys (conducted every five years) are available from 1983 to 2009-10. These surveys provide reliable estimates of monthly consumption expenditure at the national, state and regional levels.[7] Although the wealth surveys have also been conducted at regular intervals, they have been used less widely. The latest survey that is available is for 2002 and we rely upon the surveys from 1991 and 2002. Both the consumption and wealth surveys suffer from some limitations that are well known (Jayadev et al 2007).

Table 2: State Domestic Product and Per Capita State Domestic Product (2004-05)*

Year	SDP (Rs Lakh)	PCSDP (Rs)
1960-61	27,92,540	7,781
1961-62	30,12,393	8,236
1962-63	30,02,252	8,060
1963-64	31,66,043	8,339
1964-65	33,84,125	8,735
1965-66	30,55,614	7,737
1966-67	31,87,136	7,913
1967-68	33,63,208	8,266
1968-69	31,82,605	7,664
1969-70	33,23,530	7,840
1970-71	37,23,913	8,589
1971-72	38,38,209	8,691
1972-73	35,37,715	7,840
1973-74	42,21,115	9,161
1974-75	43,31,927	9,220
1975-76	44,03,209	9,176
1976-77	40,06,088	8,178
1977-78	45,26,996	9,044
1978-79	49,48,945	9,675
1979-80	48,41,410	9,264
1980-81	50,66,297	9,499
1981-82	58,86,463	10,800
1982-83	59,90,799	10,759
1983-84	62,41,120	10,965
1984-85	60,52,073	10,407
1985-86	64,35,265	10,827
1986-87	62,60,101	10,304
1987-88	71,06,996	11,447
1988-89	83,20,868	13,119
1989-90	89,82,826	13,856
1990-91	93,93,964	14,179
1991-92	99,20,754	14,689
1992-93	96,52,973	14,035
1993-94	1,07,51,857	15,363
1994-95	1,13,57,298	15,975
1995-96	1,20,62,294	16,720
1996-97	1,28,95,754	17,638
1997-98	1,25,55,677	16,969
1998-99	1,41,61,573	18,943
1999-2000	1,47,58,472	19,567
2000-01	1,59,85,518	21,022
2001-02	1,67,10,366	21,832
2002-03	1,70,90,737	21,993
2003-04	1,87,65,096	23,869
2004-05	2,01,30,348	25,320
2005-06	2,20,90,120	27,485
2006-07	2,44,58,678	30,114
2007-08	2,72,72,585	33,239
2008-09	2,92,25,819	35,272
2009-10	3,10,00,937	37,060
2010-11	3,40,79,152	40,365
2011-12	3,63,62,500	42,685

* Derived by splicing the data, as described in methodology.

The rich/wealthy are likely to be under-sampled, i e, they are unlikely to answer these surveys. To the extent that they answer these surveys, they are also likely to under-represent their consumption expenditure. This would imply that inequality computed from these surveys is likely to be an underestimate. Changes in inequality could be biased in either direction because the bias across years could either be increasing or decreasing. However, since the 1990s, when we find an increase in inequality, it is likely that the surveys underestimate the increases in inequality given that the avenues for income and wealth accumulation have increased for the richer groups.

Basic Patterns of Growth and Distribution

In this section, we lay down the basic patterns of growth and distribution in AP. Table 2 presents the SDP, per capita SDP (PCSDP) from 1960 to 2012. We have converted the SDP and PC-SDP series to the base year 2004-05 using the method described above.

It would also be useful to divide the period since the formation of the AP state (i e, since 1956) into shorter periods based upon the nature of growth and other important features. As we mentioned in the introduction, we do so using a methodology that is broadly in line with the "social structures of accumulation" (SSA) approach, which has been developed to understand advanced capitalist economies. A SSA can be defined as an:

> …institutional setting within which accumulation occurs, it structures relations among capitalists, between capitalists and workers, among workers, and between the government and the economy… (Bowles et al 2005: 158).

This approach has been used, for example, to understand changes in American capitalism from 1860 onwards (Bowles et al 2005: 158-60). We are of course dealing with a much shorter period. Moreover, the AP (and the Indian context) is quite different from that of the US or advanced industrial countries. What we take from this approach is the idea of demarcating various regimes – phases which are characterised by different growth dynamics and relations among important constituents of the society (e g, state, workers, capitalists, caste groups). Every SSA is characterised by a period of "consolidation" and "decay" (Bowles et al 2005: 159) which in our case happen to be short, more in the nature of a "take off" and "crisis".

Figure 1 and Figure 2 (p 62) present the SDP and PCSDP, respectively, and Figures 3 and 4 (p 62) present the annual
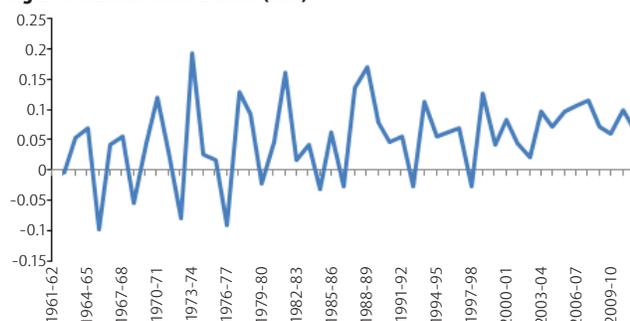
**Figure 1: Net State Domestic Product** (in Rs Lakh, 2004-05)
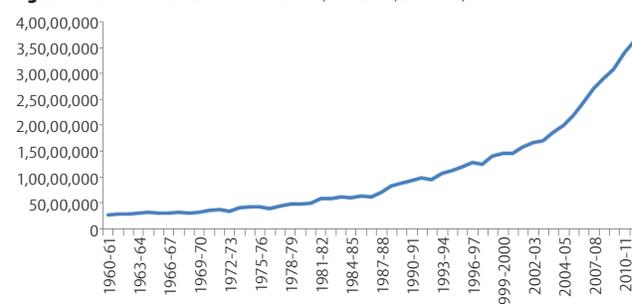
* Data converted to 2004-05 base year using the method described in page 60.

Figure 2: Per Capita Net State Domestic Product (in Rs, 2004-05)*

* Data converted to 2004-05 base year using the method described in page 60.

Figure 3: Annual Growth Rates (SDP)*

* Growth rates computed from data converted to 2004-05 base year.

Figure 4: Annual Growth Rates (PCSDP)*
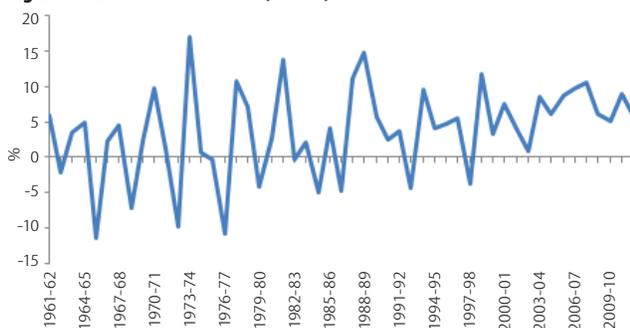
* Growth rates computed from data converted to 2004-05 base year.

growth rates (over the previous year, e g, the point for 1981-82 corresponds to the growth rate during the period 1980-81 to 1981-82) of SDP and PCSDP, respectively. From these figures, and data from Table 2, we can observe that there are roughly four distinct regimes based upon growth rates: 1960s, 1970 to mid-1980s, mid-1980s to mid-1990s and mid-1990s to 2012. We will describe these regimes in greater detail below, but at the outset, it is worth pointing out that these regimes are also qualitatively different (e g, in terms of structural transformation, social relations, etc). Table 3 presents the growth rates for these regimes for SDP, PCSDP and the various components using a log-linear model that we described in the previous section. As we can observe, the growth rates in these regimes are quite distinct.

We now describe each of these regimes in detail.

Regime 1: 1956-70

At the time of its formation in 1956, AP was an industrially backward state, and its economy was dominated by agriculture. This is borne out by several figures (taken from Rao 2007). The

contribution of industrial sector to total income was 13%, which was less than the corresponding national figure (18.5%); industrial income was only 25.8% of the income from agriculture and allied activities and mining, much lower than the corresponding figures for other states, e g, West Bengal (73.5%), Maharashtra (74.3%) and Madras (38.8%). Manufacturing, which can be considered as the most important component of industry contributed only 28% of industrial income, as compared to the national figure of 45.8%. To spur industrial growth, the state government embarked upon a three-pronged strategy (Rao 2007) that focused on persuading the central government to set up public sector units, establishing corporations and setting up of industrial estates. Some efforts on these fronts were initiated in the 1960s itself, e g, the setting up of Industrial Development Corporation in 1962. Despite this, the share of industry grew only slightly – by 3.88 percentage points[8] and the shares of industry and manufacturing continued to be below the corresponding figures for India.[9] Both the proportion and number of people employed in the industrial sector also fell during the period 1961 to 1971.[10] Overall, industrial performance was less than satisfactory.

During this regime, agriculture continued to play a dominant role. This can be observed from the large share of agriculture, much higher than the shares of industry and services.[11] Agricultural performance was quite poor – agriculture shows negative growth during this period (as seen from Table 3) and also displays sharp declines during 1965-66 and 1968-69. This is not different from the performance of Indian agriculture during this period. India experienced a major drought

Table 3: Growth Rates, Overall and Sectors* (in %)

	Agr & All	Industry	Services	SDP	PCSDP
1960-70	-0.03	4.78	3.10	1.48	-0.36
1970-82	2.10	5.74	5.33	3.69	1.60
1982-95	2.60	8.46	7.74	5.92	3.85
1995-2012	4.16	7.57	8.56	7.14	6.10
1960-2012	2.64	6.74	6.49	4.99	3.20

* Growth rates computed based upon spliced data using the log-linear model described in the methodology section.

in 1965-66 and declines in agricultural performance during 1965-66 and 1968-69 (RBI 2012). In AP, the growth rates of output of most crops were modest, with non-foodgrains growing at a faster rate than cereals, pulses and foodgrains; some crops (e g, jowar, cotton and bajra) showed negative output growth (Subramanyam and Satya Sekhar 2003, Table 1). The area and yield improvements were also modest with several crops (e g, jowar, bajra, ragi) showing negative yield improvements. Maize is one crop that showed impressive growth in output, area and yield (Subramanyam and Satya Sekhar 2003, Table 2).

The share of services increased marginally (by only 2.79 percentage points, computed from 1970 series) during this regime. Trade, hotels and restaurants constituted the most important component of services. Real estate declined during this regime, both in absolute value and as a share of its contribution to services – a finding that assumes significance in light of more recent trends (discussed below).

While the above discussion presents a picture for the state overall, there were several regional differences. For example, the growth rates of crop output differed across various regions, and growth was negative in the case of Rayalaseema. The

extent and nature of irrigation also differed – the percentage of irrigated area to net sown area varied across regions and fell for Telangana; canal irrigation was stable in coastal Andhra, but saw an impetus in Telangana and Rayalaseema.[12]

Overall, this regime was marked by low growth and an agrarian crisis. The growth rate of SDP was low and the growth rate of PCSDP was actually negative. As we can observe from Figure 5, rural inequality fell, whereas urban inequality increased.

Figure 5: Inequality in AP*
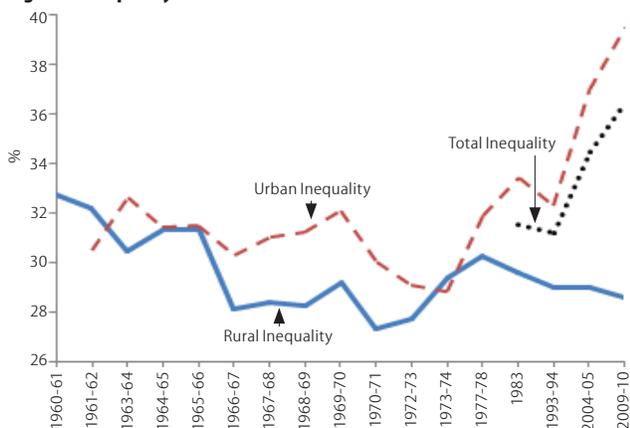
Prior to 1983, we are using Lorenz Ratios. 1983 and later, we are using Gini coefficients computed from unit level NSS data.

Regime 2: 1970-82

As a response to the crisis in agriculture during the 1960s, green revolution technologies (e g, HYV seeds) were applied. Growth in most crops, particularly foodgrains improved (Subramanyam and Satya Sekhar 2003, Table 1) and as we can observe from Table 3, agricultural growth improved. This was achieved despite reduction in the cropped area during the period 1968-69 to 1978-79, and can be attributed to improvements in yields for most crops, particularly for rice, maize and cotton (Subramanyam and Satya Sekhar 2003, Table 2). As is well known, green revolution technologies favoured lands which were irrigated and also went along with more intensive irrigation (Griffin 1979). Both the amount of irrigated area and the share of irrigated area to sown area increased during the period 1968-69 to 1978-79 (Subramanyam and Satya Sekhar 2003, Table 5).

The economy continued to be agrarian (average share of agriculture being 52.5% during the period 1970-71 to 1981-82, computed from the 1970s series), however, the shares of industry and services increased (averages of 15.6% and 31.9% during the period 1970-71 to 1981-82, respectively, computed from the 1970s series). The threat of land reform forced the rural elite to move to urban areas and invest initially in cinema halls, and later on, in industry (Rao 2007). This, coupled with a few other factors (described in Rao 2007), led to better industrial growth. As we can observe from Table 3, industrial growth was much higher in this period compared to the same in the 1960s. Both the percentage and number of industrial workers, which had shown a decline between 1961 and 1971, increased during the period 1971 to 1981 (Venkatramiah and Burange 2003, Table 2).

Like in the earlier regime, there was some regional variation. The percentage of irrigated area (to net sown area) increased

in all regions, but to a different extent – the increase in share was much higher for Telangana (particularly, north Telangana) followed by coastal Andhra and Rayalaseema (Subramanyam 2002, Table 3).[13] Between 1970-71 and 1980-81, the share of well irrigation grew slightly in coastal Andhra (8.5% to 10.7%), but increased dramatically in both Telangana (34.9% to 50.7%) and Rayalaseema (19.5% to 33.7%) (Subramanyam 2002, Table 4). Between 1971 and 1981, growth of manufacturing employment was highest for north coastal Andhra (4.21%) followed by south Telangana (3.71%) and other regions (Subramanyam and Chakravarty 2002, Table 3).

Overall, all the sectors performed better, although there was no structural transformation. On account of the adoption of green revolution technologies and practices, rural inequality, which fell in the previous regime, witnessed an increase (see Figure 5). Urban inequality, which was rising in the previous regime, continued to increase.

Regime 3: 1982-95

The state took off on a high growth phase during this regime. For the agricultural sector, this phase is sometimes referred to as the second phase of the green revolution. As we can observe from Table 3, the growth rate of agriculture was substantially higher than the same in the previous two regimes. The industrial sector also performed very well. When we observe the various components of industry,[14] we see that all the components displayed growth. "Electricity, gas and water supply" displayed the most growth, but from a low base, whereas "construction displayed the least growth. Employment in industry also displayed growth, e g, between 1981 and 1991 the number of workers in the industrial sector increased from 27.19 lakhs to 32.14 lakhs (Venkatramiah and Burange 2003, Table 2). The services sector also witnessed impressive growth, with all the components displaying growth. The biggest component of services continued to be "trade, hotels and restaurants". "Real estate" grew, although its share declined.

As earlier, there were regional variations. The crop output growth rates were different across regions (Subramanyam 2002, Table 2) and the percentage of irrigated area grew slightly in coastal Andhra and Rayalaseema, but there was very high growth in Telangana (Subramanyam 2002, Table 3). Particularly noteworthy is the steep rise in the percentage of land irrigated by wells in Telangana which is much higher than the same for coastal Andhra and Rayalaseema (Subramanyam 2002, Table 4). On the industrial front, the growth rates of manufacturing employment are different for different regions and much higher for Telangana (Subramanyam and Chakravarty 2002, Table 2).

This regime was qualitatively different from the previous regimes in three ways. First, services overtook agriculture and became the most dominant sector – this trend started in the mid-1980s and in 1994-95, the share of agriculture, industry and services stood at 33.6%, 22.6% and 43.8%, respectively.[15] Second, services became the largest contributor to growth, followed by industry and then by agriculture.[16] Third, both rural and urban inequality fell (Figure 5), which was a reversal

from the previous trend. The overall inequality also shows a slight decrease.

Overall, this regime is characterised by high growth in all the sectors with a reduction in inequality. But, in the early 1990s, a balance of payments crisis occurred at the national level and India undertook major economic reforms.

Regime 4: 1995-2010

This is the second and more impressive high growth regime. All the sectors grew at unprecedented rates. Agriculture grew rapidly, largely due to growth in Telangana (Vakulabharanam 2004). However, the Telangana region also witnessed enormous distress, as manifested by a large number of farmer suicides that started in the late 1990s and continue to occur till the present day. One reason for the increasing distress is increasing indebtedness and dependence on informal credit – the need for credit is driven, at least partly, by well irrigation (Revathi 1998; Vakulabharanam 2004). As we noted above, well irrigation has been increasing in importance in the Telangana region.

Industry also grew, but employment growth was sluggish. During the 1990s, the growth rate of employment was highest in south Telangana, but disappointing in every other region (Subramanyam and Chakravarty 2002, Table 4). The sector that displays impressive growth is "construction". The service sector shows the most impressive growth. "Real estate" grows and increases in share to become the second most dominant sector.[17]

The major structural change that occurs in this regime is that industry overtakes agriculture to become the second most dominant sector (in 2009-10, our computations based upon the 2004-05 series). The services sector continues to be the most dominant sector, both in terms of the share contributed to SDP and contribution to growth. Rural inequality fell slightly but urban inequality rose steeply; overall inequality also rose steeply (Figure 5). Overall, this regime is characterised by high, service sector driven growth and rising inequality.

What Explains These Patterns?

In this section, we construct political economy narratives that attempt to explain and contextualise the patterns and changes that we have described in the previous section. Our narratives focus on three important cleavages in AP – caste, class and region. We describe each of these below; we do so in different subsections although, as is clear from our description, they are intertwined.

Political Economy of Class

The class dynamics of AP can be described in terms of two radical episodes (roughly, 1930s to 1950s; 1970s to 2000) and one major episode of primitive accumulation that started in 1980s and is continuing even today. The particular variant of capitalism that has come about in AP, owes its character to the specific ways in which the radical episodes were repressed, allowing capital to emerge.

The First Radical Episode and Its Decline (1950s to 1970): Before the formation of AP, during the period 1930-50, the communists led anti-feudal (e g, zamindari abolition) and anti-colonial struggles in all regions of the present AP (Sundarayya (1972), which also contains the historical details we refer to below). A remarkable example is the Telangana armed struggle of 1946-51 which is one of the largest peasant mobilisations in recent history.[18] However, landlords were not fully eliminated at the time of formation of the state. The dominant classes were the landlords, rich peasants, urban professionals and the incipient capitalist class. The incipient capitalist class owed its origin to the agro-processing industries in different regions. They were also market intermediaries in milling, moneylending, etc. There were two main political parties – the Congress and the Communists. The backbone of the former party was the dominant classes, whereas that of the latter party were workers in rural and urban areas, small peasantry, sections of the rich peasantry and educated urban professionals. In the early 1950s, there was a balance of power among these forces.[19] However, this balance started to shift in favour of the dominant classes after 1952, and they scored two major victories – the prevention of land reforms and the prevention of the formation of cooperative market structures. As a result of these victories, a large landless worker population remained intact, with coastal Andhra and Rayalaseema having a substantially higher proportion of the landless.

As we described above (in the previous section), in the decade of the 1960s, capital formation was mainly through the public sector (along national lines); there was however, some private capital accumulation in agro-processing (e g, tobacco, sugar, rice mills, cotton ginning, jute and cotton textiles, etc). Rich peasants and urban professionals became ambivalent (and even hostile) to communist/radical politics. Communists themselves split, and the erstwhile radical parties entered a period of low intensity activism.[20] The prevention of egalitarian policies (land reforms and the formation of cooperatives) and drought resulted in agricultural stagnation and low growth in general. Mild decline in inequality was witnessed in rural areas due to the prevalent progressive forces.

Green Revolution and the Beginnings of the Second Radical Episode (1970s): The problems of agricultural stagnation and droughts were solved through the institution of green revolution technologies (a national policy) by late 1960s, especially in the delta parts of coastal Andhra; these technologies and practices diffused and their lagged effects became visible in other regions in a decade. As a result, agriculture grew. However this growth heightened rural inequality.[21] To counteract these effects, at the national level, the government led by Prime Minister Indira Gandhi adopted populist policies, which brought a significant proportion of the agricultural workers to the side of the Congress (Balagopal 1985).

During the late 1960s/early 1970s, a second radical episode began, viz, the Maoist movement (in Srikakulum). The Maoist movement itself was repressed in this region, but this movement, and the residuals of the first radical episode, resulted in a marginal implementation of land ceilings, thereby causing the migration of the rural elites (large landlords) and their

investments to urban areas.[22] As we discussed earlier, these elites started by making investments on a small scale, e g, cinema halls in provincial towns. Apart from this, private capital formation continued in agro-processing industries. However, public-sector capital still drove industry, which grew further (Rao 2007).

Green revolution increased the agrarian surpluses of the rich peasants (mostly Kammas and Rajus) in coastal Andhra. These surpluses were not all reinvested in agriculture, and there was gradual migration of capital to the non-agricultural sector. Landed groups and rich peasantry (such as Reddies), especially in the Nellore and Rayalaseema regions also used civil contracts to get ahead. The rich peasant class became impatient with the slow growth of investment opportunities in the prevailing structure. Other groups (urban professionals and incipient capital) also became impatient with the slow growth of employment and other opportunities in the urban areas. While landlords and the agricultural worker population continued to support Congress, other groups questioned its dominance. This led to a period of political instability (coinciding with the second major economic crisis as shown by the SDP growth figures) for Congress with the emergence of a second viable political formation, Telugu Desam Party (TDP), under the leadership of N T Rama Rao (NTR) in 1982. The TDP brought together the middle strata of society together (rich and middle peasants, urban capitalists, urban middle classes and professionals) and was voted to power, defeating the Congress in 1982 (Balagopal 1985, 1987). The above events and processes roughly correspond to the second regime that we discussed in the earlier section.

The Road to High Growth – Primitive Accumulation and Populism: There was considerable increase in violence in all the regions of AP during the 1980s, with different dynamics in different regions. In Rayalaseema, it was a residual of the old *polegar*[23] styled factional violence that resurfaced in the 1970s and 1980s, typically between the established gentry and emerging elites. In coastal Andhra, it was the battle for provincial assertion among the rich peasant communities (such as Kammas, Reddies and Kapus), and between the rich peasant communities and the politically more conscious dalits. In Telangana, it pitted the Maoists (working with small peasants, landless workers, tendu (beedi) leaf workers and tribals) against the state and ruling classes. In the city of Hyderabad, it was the assertion of communal violence with new entrants from all regions.[24]

The deeper significance and consequences of this violence need to be understood. It is one of the primary assertions of this paper that this violence had an economic meaning. It is the way primitive accumulation of capital took place, thereby leading to the creation of the private capitalist class in AP that became dominant (without being hegemonic) by the 1990s. The factionalist mode of violence in Rayalaseema led to the creation of a class of people, who have engaged in massive capital accumulation since mid-1990s, and are an important component of the largest capitalists in AP. These factional

groups fought battles to acquire control over mining (e g, barites) and government (civil) contracts. During this period, especially in Rayalaseema, but also in coastal Andhra, a new commodity got added to the accumulation portfolios of the rural provincial propertied classes – arrack. Arrack is a form of liquor that is supposed to be produced under state monopoly and the distribution rights were auctioned off to different private players. In reality, on every litre of arrack produced, there was enormous profit (500% or so) to be made, so the state encouraged arrack consumption among the poor (to increase its own revenues) and also willy-nilly, allowed private contractors to illegally produce liquor. The liquor economy permeated all kinds of accumulation, political careers, and acted as the chief vehicle for the redistribution of wealth from the poor to the rich and the state (Balagopal 1992).

In coastal Andhra, inter-caste violence[25] was aimed at suppressing any dissent in villages and towns (as we noted above, the dalits were largely supporters of the Congress, and were getting better educated, and becoming more conscious of their own rights). The coastal region also saw the emergence of another component of the big capitalist class that had one foot in the rural areas and another in the urban areas, to begin with, and that moved decisively to the urban areas later (while still holding on to rural land). This also resulted in an increase in tenancy in this region.

In the Telangana region, Maoist violence was aimed at ending the persistent feudal structures in Telangana but it was also opposed to the processes of primitive accumulation all across AP, and the counter-violence of the state aimed at repressing this resistance. For the entire state, this was the second major radical episode. We believe that the result of the battle between the state and the Maoists determined the future of AP capitalism. The Maoist movement partly resulted in fleeing of the Telangana rural elites to cities, and accumulating into urban spaces.[26] Ironically, unlike the other kinds of violence that we discussed above, the Maoist violence was not aimed at capital accumulation, but resulted in it (in the Telangana region). Due to this exodus, the land of the rural elites passed on to the middle peasants (Other Backward Classes (OBC)). The restructuring of rural administration by the TDP (the creation of Mandal Parishads) also led to a vibrant and competitive political spirit among the OBC castes of Telangana in the rural areas. In other parts of the state too, resistance was organised against primitive accumulation by the Maoists, or by the other communist parties like the Communist Party of India (Marxist) and the Communist Party of India, that were much more active and popular during the first radical episode of the previous decades.

The city of Hyderabad emerged as the primary centre of accumulation, witnessing the import of these different modalities and technologies of violence into the city, all of which took a communal form here. Massive primitive accumulation was witnessed in and around the city of Hyderabad in the 1980s and 1990s in the name of communal violence but also by the functionaries of the state (e g, former chief minister N T Rama Rao acquired a lot of land in the name of building

office space for the chief minister and then converted it for private purposes) and by private capital. Appropriation of land, state resources, private properties belonging to the poor in extremely violent forms in different parts of the city came together to create the particular kind of private capitalism that was finally instituted in AP.

The 1980s also witnessed populism both at the national level (through poverty alleviation programmes) and state level, through schemes implemented by N T Rama Rao (the Rs 2 per kilogram rice scheme for example) and the abolition of feudal intermediaries at the village level. Violence (or primitive accumulation) and populism got intertwined in AP politics since 1980s, a phenomenon that continues until today.

Neo-liberal Accumulation – The Decline of the Second Radical Episode (1990s to Now): We now turn to the final regime: 1995-2012, which marked the consolidation of private capital. As we have noted in the section on growth and distribution, rapid growth of both industry and services occurred in this regime. Agriculture also continued to grow, especially in Rayalaseema (driven by groundnut cultivation) and Telangana (driven by cotton and paddy). In coastal Andhra, paddy and non-food crops grew, along with aquaculture. Two important exogenous events occurred in early 1990s – the import of neo-liberal reforms and fall of Soviet Union, which led to further confusion in the left (and repression). The TDP under the leadership of Chandrababu Naidu came to power in AP in 1995, which marked the onset of World Bank inspired structural adjustment and an attempt to build a professional city-centred capitalism with the aid of foreign capital. Capital flourished in the cities of Hyderabad and Visakhapatnam in various avenues: film industry, private healthcare, private education, information technology, hotels and restaurants, pharmaceuticals, chemical-based industries, construction, real estate, mining and quarrying; massive primitive accumulation continued to occur (e g, through special economic zones). Remittances from the professionals who had gone abroad to accumulate wealth also began to have a telling impact on the rural and urban landscapes during this period. Remittances have caused rural land prices to rise and urban housing prices to skyrocket, before the logic of speculation began to unleash itself across the entire state both in urban (e g, Hyderabad, Vijayawada-Guntur, Visakhapatnam) and rural regions (agricultural land in coastal Andhra, or in Telangana region around Hyderabad city). Among other things, the latter phenomenon has also led to a strengthening of absentee landlordism in parts of AP.

The crash of Naidu's party in 2004 due to the neglect of the rural sector, agrarian distress, and unpopular structural adjustment policies, and the coming to power of Congress under the leadership of Y S Rajasekhara Reddy (YSR) marked a new phase in AP. This phase can be characterised as "neo-liberal populism" – a new phase of rapid capital accumulation through surplus extraction, primitive accumulation, combined with a populism that is not sustainable. Various populist schemes (e g, Aarogyasri, educational subsidies) end up promoting and sustaining private institutions while causing a neglect of public institutions and also bleeding the government treasury to a state of bankruptcy.[27] State resources and institutions (e g, AP State Finance Corporation) are being used to promote private institutions, and rural credit is being used to promote private capital in urban areas (see, e g, Srujana 2013). While capital and professionals have gained, there have been only marginal gains to the urban and rural poor. Compared to the 1980s, violence in the 1990s and 2000s has been less[28] although, as noted above, primitive accumulation has continued.[29]

From a predominantly agrarian economy in 1950s, where forces of reaction were balanced by progressive forces, there has been a consolidation of a city-centred enclave based growth economy with the dominance of urban capital, urban professionals, and (a residual) rural elite. There has been a rapid rise in inequality in urban areas and a rise in the urban-rural gap. There has also been a marginalisation of agricultural workers, poor tenants, small farmers and informal workers. This is clearly reflected by the inequality trends since the 1990s (Figure 5) and a class analysis using NSS consumption and wealth data. We use the classification developed in Vakulabharanam (2010) for this purpose. We can observe from Table 4 that between 1991 and 2002 the share of wealth held by the urban elite has almost doubled, whereas the share of wealth held by urban workers has increased only marginally.

Table 4: AP Class Structure (Net Wealth in Current Rs)

Class*	1991			2002		
	Mean	Population (%)	Share (%)	Mean	Population (%)	Share (%)
Urban elite	34,297.85	6.30	14.89	1,62,067	7.75	28.35
Urban workers	15,125.53	17.74	18.49	49,032.62	18.89	20.92
Rural elite	21,557.71	29.25	43.46	52,449.97	23.35	27.65
Small peasants	13,813.65	11.93	11.35	35,272.34	12.78	10.18
Rural non-ag workers	3,231.411	5.90	1.31	19,344.14	11.68	5.10
Agricultural workers	5,273.347	28.88	10.49	13,528.45	25.55	7.81
All	14,511.29	100.00	100.00	44,287.27	100.00	100.00

* For description of these classes, see Vakulabharanam (2010). Computed from unit level NSS All India Debt and Investment Surveys.

The share of wealth held by the urban elite is more than three and half times its population share, reflecting that this class holds considerably disproportionate amount of wealth. In the rural sector, the share of wealth held by all the groups, except the rural non-agricultural workers has declined. However, despite this decrease, the share of wealth held by the rural elite in 2002 is higher than its population share; the converse is true for the other rural groups. From Table 5 (p 67), we can observe a similar picture in terms of consumption expenditure. Compared to the average, the urban elite have seen increases in their expenditure since the 1980s, but their growth has been much steeper since 1993-94. The comparable figures for urban workers are modest. The groups that have lost out significantly are the small peasants and agricultural workers – compared to the average, these classes had seen modest declines between 1983 and 1993-94, but steep declines since 1993-94.

Table 5: Class Structure in AP (1983 to 2009-10), MPCE in 2010 Rupees

Class*	1983-84			1993-94			2009-10			1983-84/1993-94	1993-94/2009-10
	Population %	MPCE	Ratio to Total Mean	Population %	MPCE	Ratio to Total Mean	Population %	MPCE	Ratio to Total Mean	Ratio Growth %	Ratio Growth %
Urban elite	4.81	1171.78	1.53	6.50	1495.31	1.66	8.57	2610.22	2.02	7.97	22.06
Urban worker	16.95	906.95	1.19	19.58	1081.16	1.20	19.52	1706.43	1.32	0.86	10.37
Rural elite	27.96	833.22	1.09	32.86	907.64	1.01	20.36	1128.08	0.87	-7.83	-13.09
Small peasents	13.21	732.03	0.96	9.73	820.69	0.91	10.55	982.65	0.76	-5.14	-16.28
Non-agri worker	6.68	697.60	0.91	4.85	778.70	0.86	13.85	1231.56	0.95	-5.49	10.46
Agri worker	30.39	582.73	0.76	26.47	679.80	0.75	27.15	845.87	0.66	-1.30	-12
Total	100.00	763.48	1.00	100.00	902.36	1.00	100.00	1290.457	1.00		

* For description of these classes, see Vakulabharanam (2010). Computed from unit level NSS All India Debt and Investment Surveys.

Overall, then, one can argue that there is a crisis from a class viewpoint in the sense that the majority has been left out of the story of rising prosperity in the development of AP.

Political Economy of Caste

Prior to the formation of AP, the social reform movement was strong in coastal Andhra (not in Telangana), but it did not alter the economic structure, although brahmins probably undercut their position in the traditional caste hierarchy. The non-brahmin movement in AP as well as mobilisations by the Justice Party largely helped the attainment of upward social mobility, education and jobs for better off non-brahmin communities such as Reddies and Kammas and probably did not percolate down (Ramaswamy 1978). Dalits in AP were part of the Congress or Communist-led mobilisation, and only after the Karamchedu incident in 1985,[30] have taken on a seriously autonomous character. However, this has not led to strong autonomous political formations among OBC-dalit groups. So far, to the extent that there have been political mobilisations, they have not been able to reduce the economic disparities.

Reddies, Kammas, Rajus, Vysyas and Brahmins among the upper caste groups have consolidated their economic and political power over the evolution of the state. Brahmins have predominantly become professionals in urban areas whereas the others are into either professional activities or activities that involve capitalist accumulation in rural and urban spaces.

Table 6: AP Caste Structure in 2002 (Wealth)

Caste	Mean (Rs)	Population (%)	Share (%)
ST	16,785.40	5.70	2.16
SC	17,684.99	20.99	8.38
Hindu–OBC	35,151.63	46.41	36.83
Hindu–OC	1,06,288.90	19.59	47.01
Others	33,967.12	7.32	5.62
All	44,287.27	100.00	100.00

Source: Computed from NSS All India Debt and Investment Survey.

In terms of political representation (in the assembly) of these groups, 20% have retained about 60% of the total seats, whereas in overall wealth terms, they have more than 50% in the 2000s (based on NSS data on wealth, see Table 6).

Capitalist class formation in AP has been largely a delta and Rayalaseema-based upper caste phenomenon: Kammas (who are very highly diversified) from Krishna delta, Rajus (IT, cement, fertilisers) from Godavari delta and Reddies (construction, hotels and contracts) from Penna delta and Rayalaseema, and Vysyas (for example, the GMR Group, Bommidala and Majetiin Tobacco and Construction) from Guntur and Srikakulum (Damodaran 2008). This phenomenon has taken a huge shape since the 1980s. In the Telangana region, OBCs have acquired land in villages (mainly because of the Telangana armed struggle and the Maoist movement), along with the continued ownership to a certain extent by Reddies and Velamas, whereas in the other regions, the "upper" castes have retained landownership.

Political parties have thrived on vertical-caste alliances.[31] The Congress had the broadest base until 1980 or so, however, in the 1980s, the OBCs gravitated towards the TDP in large numbers. Autonomous OBC/OBC-dalit alliances have simply not emerged in AP unlike in the north (e g, Bahujan Samaj Party) or in Tamil Nadu in the south.[32] The OBC and dalit caste groups have been co-opted into elite formations primarily through a "creamy-layer" kind of absorption. Overall, socio-economic change of an egalitarian nature has been countered, although the consciousness to necessitate such a change exists today. This is the crisis in caste terms in the sense that while greater equality has been achieved in terms of representations of caste in the public sphere, economic and political power has been concentrated in the hands of the so-called upper castes and a creamy layer of the OBCs and dalits.

Political Economy of Region[33]

The formation of AP in 1956 was based on two pacts: between coastal Andhra and Rayalaseema leaders (Sri Bagh Pact of 1937), and the gentleman's agreement (of 1956) between Telangana leaders and Andhra leaders.[34] Since the formation of AP, the elites from the three regions have had mutual suspicion vis-à-vis one another and this suspicion kept resurfacing at various points in time, for example, the separate Telangana and Andhra movements of the late 1960s and early 1970s and the formation of Rayalaseema Vimochana Samiti in the 1980s.

The Telangana movement of the late 1960s broke out over employment in the public sector, regional surpluses in the state and their utilisation,[35] and the distribution of canal irrigation.[36] The solutions have always been political, with renewed promises to implement equitable regional development (e g, the 6-point formula in the 1970s). The emergence of the TDP, creation of mandal administrative structures and the elite exodus from rural Telangana created a strong OBC base for TDP in the Telangana rural areas. This group was able to improve agricultural growth significantly, with the green revolution and tube well irrigation up to late 1990s (Vakulabharanam 2004). The second factor (mandal administrative structures) needs more elaboration. The TDP government under N T Rama Rao abolished the village accountant (referred to as *karanam* or

patwari) system dominated by the upper-caste communities and this led to a larger role for elected officials at the village level. NTR also modified the revenue system by creating an intermediate elected/political layer between the village and the district. The OBCs perceived these changes as providing them with avenues for upward mobility. This attracted them to the TDP, but more importantly, given their large share in the population of Telangana, provided the sense that a unified AP could accommodate people from all the three regions.

Urban elites from Telangana perhaps did not keep pace with the elites from other regions in terms of accumulation (Damodaran 2008), and when there was a sense of cultural and political inequality, a second movement for the separation of Telangana gathered momentum. As the 1990s wore on, with the state withdrawing its support from agriculture (under structural adjustment), there were strains in agricultural growth[37] and unrest began to build in rural areas. While the contest for economic, political and cultural equality among the regional urban elites continued, a strong sense of economic deprivation due to the deepening of neo-liberal policies among the rural and urban poor provided a strong basis for the movement.

It is also worthwhile to examine the relevant statistical data at this juncture to make a different, and interesting point. The averages of monthly per capita expenditure (MPCE) in rural coastal Andhra, Telangana and Rayalaseema in 2009-10 are Rs 1,208.84, Rs 897.75 and Rs 846.50, respectively.[38] The corresponding figures for urban areas are Rs 2,168.32, Rs 1,990.31 and Rs 1,488.36, respectively. These numbers speak for themselves – among the three regions, on the average, it is Rayalaseema that has the lowest average consumption, both in rural and urban areas. Given the considerable controversy over official poverty lines (Subramanian 2012; Vakulabharanam and Motiram 2012) and the fact that the latest official committee is yet to arrive at a poverty line, we want to be cautious about statements on poverty. However, examining the quantiles of MPCE is useful. In 2009-10, if we consider the 35th percentile of rural Andhra Pradesh (Rs 737.8), the percentages of individuals who fall below this threshold in coastal Andhra, Telangana and Rayalaseema are 22.94%, 40.14% and 52.01%, respectively. If we consider the 25th percentile of urban AP (Rs 971.33), the percentages of individuals who fall below this threshold in coastal Andhra, Telangana and Rayalaseema are 24.15%, 20.42% and 40.62%, respectively. Considering reasonable higher quantiles (e g, 40th percentile in rural areas and 30th percentile in urban areas) tell the same story. Note that these thresholds are higher than the poverty lines specified by the Tendulkar Committee in 2009-10 (Rs 693.8 and Rs 926.4 for rural and urban AP, respectively) which are artificially low. Also, we understand that both the average consumption and the percentages below the above thresholds in urban Telangana are influenced by the fact that Hyderabad lies in Telangana. The point we wish to make is that compared to the other two regions, Telangana has not fared the worst in terms of average incomes (as proxied by consumption) or income-based deprivation – Rayalaseema has fared the worst. Also, there are parts

of north coastal Andhra (e g, Srikakulam, more on this below) which are doing quite badly. So, it is not merely economic deprivation that can explain the movement for a separate state in Telangana, although economic factors (e g, excessive dependence on unsustainable groundwater irrigation) are also important. There are strong political and cultural factors too at work. The elites of Telangana have not done as well as the elites of other regions, both politically and economically. The urban professionals may have felt a sense of cultural discrimination. The rural middle-strata may have run out of perceived opportunities for mobility that they felt they had in the 1980s and 1990s. The poor might be at the receiving end of the neo-liberal economic policies. There has been a coming together of different forces that then create a collective sense of discrimination due to different reasons, which create a strong impetus to separate or articulate a regional logic of deprivation, which is not visible in the other regions of AP.

On the whole, in spatial terms, development in AP has become city-centred over the last six decades (and especially since 1990s). Table 7 presents the gross district domestic product per capita in 2009-10 for the bottom and top quarters (i e, six districts). As we can observe the bottom quarter comprises of two districts each from all the three regions, with those from north coastal Andhra (Srikakulam and Vizianagaram) faring the worst. The top quarter comprises of two cities – Hyderabad and Visakhapatnam, areas adjoining Hyderabad (Ranga Reddy and Medak), and a district (Krishna) comprising of an important urban commercial centre (Vijayawada).[39]

Table 7: Top and Bottom Districts (2009-10)

Bottom Quarter	GDDP Per Capita*	Top Quarter	GDDP Per Capita
Srikakulam	24,455	Hyderabad	63,595
Vizianagaram	27,157	Ranga Reddy	53,234
Warangal	27,291	Visakhapatnam	50,976
Mahboobnagar	28,131	Medak	45,111
Chittoor	28,983	Krishna	44,398
Kurnool	29,548	E Godavari	39,002

* Gross district domestic product per capita in rupees.

With the increasingly city-centred and elite nature of development, there is increased marginalisation of the poor in all the three regions, both in rural and urban areas. In Telangana, the response to this has taken a separatist form, with a strong regional identity coming to the fore in a democratic sense. Clearly, this spells a crisis for the idea and materiality of AP at the regional level.

To summarise this section, there is a crisis along each of the three axes that we have considered – class, caste and region. In class terms, the broad story is one of dominant agrarian classes becoming the mainstay of the urban capitalist class, the continuation of urban professional classes in a position of influence, and the rest remaining marginal. This structure is mediated by two radical episodes and one powerful counter-radical episode of primitive accumulation. In caste terms, it is an account of the rise to the dominance of certain peasant communities (Reddy, Kamma, Raju, Velama, Kapu), with a small fraction from other communities being incorporated into the rural and urban elites. In spatial/regional terms, it is

a story of agrarian and spatially concentrated wealth becoming city-centred by the end of the period, with the primacy of Hyderabad.

Conclusions

In this paper, we have explored growth and distribution in AP since its formation in 1956. We have divided the period since 1956 into four different regimes and documented the major episodes and structural shifts. In the roughly five and half decades of its existence, AP has transformed from an agriculture-based economy to a service-sector based economy. We have described how this process has occurred. We have also provided political economy narratives focusing on three important cleavages – class, caste and region, and tried to explain this transformation. We have argued that there is a crisis along all these three axes. The development of a particular spatio-temporal variant of capitalism in AP has happened through the successful wearing down of two major radical episodes (1930s-50s and 1970s-90s) and through a long drawn out counter-radical episode of primitive accumulation (1980s-2013) that has persisted until now.

In July 2013 the CWC and the UPA announced the creation of the states of Telangana and Andhra Pradesh with Hyderabad as the joint capital for a period of 10 years.[40] Our analysis was conducted before this event, but we see this as a vindication of our analysis – as a culmination of the failures described above, particularly on the regional front. As expected, this event has led to claims and counterclaims – from the Congress that it has acted in the interests of the people of the state and from its opponents, who have accused it of political opportunism. It has also set in motion a chain of events and resulted in unrest throughout the state, particularly in the Seemandhra region where there is opposition to the decision to bifurcate. We have to wait to see how things will unfold and what the future has in store.

Moving beyond AP, we hope that we have illustrated the virtues of systematically examining the political economies of particular regions within India. We believe that such regional analyses, when put together, would shed light on issues that are missing in pan-India analyses. We therefore hope that future research will attempt such exercises that would help reconstruct the political economy analyses at the national level with much better spatio-analytical foundations.

NOTES

1 See, e g, Vakulabharanam and De (2012), Corbridge et al (2012), Kohli (2012) and Chibber (2003).

2 The state of AP was formed in 1956 by combining Telugu-speaking districts from three regions – Telangana, coastal Andhra and Rayalaseema. Today, it comprises of 23 districts, 10 in Telangana, nine in coastal Andhra and four in Rayalaseema.

3 Although undoubtedly important, we are unable to analyse gender because the data that is available does not allow us to do justice to it.

4 We use this term in the sense intended by Antonio Gramsci and scholars in the Gramscian tradition – broadly speaking, a process through which subordinated groups in the society consent to (rather than being forced or coerced) their role and domination by the dominant/ruling groups. Our argument is that the constructed space of AP, both in its materiality and ideology, has experienced a failure in this process.

5 We thank C Ravi for pointing this out to us.

6 See the URL:http://mospi.nic.in/Mospi_New/site/inner.aspx?status=3& menu_id=31

7 The NSSO divides each state into various regions. For example, according to the 2009-10 survey, Andhra Pradesh is divided into five regions: coastal northern, coastal southern, inland north-western, inland north-eastern, inland southern. The first two correspond to coastal Andhra, the third and fourth correspond to Telangana and the fifth corresponds to Rayalaseema.

8 Shares are computed using the 1970s series and the share of industry grew from 11.13% in 1960-61 to 15.01% in 1969-70.

9 The shares of industry and manufacturing in the SDP of AP in 1970-71 were 14.8% and 9.1%, respectively. The corresponding figures for India were 22.42% and 15.34%, respectively. These figures are at 1980-81 prices and taken from Venkatramiah and Burange (2003).

10 The percentage fell from 13.9% to 11.1% and the number fell from 25.95% to 19.99 lakh. These are based upon the census and taken from Venkatramiah and Burange (2003).

11 The average shares of agriculture, industry and services during the period 1960-61 to 1969-70 were 59.15%, 12.75% and 28.10%, respectively. All averages are computed using the 1970 series.

12 These regional differences are taken from Subramanyam (2002). Between 1955 and 1969, growth rate of crop output was 1.65%, -0.38% and 2.85%, respectively in coastal Andhra, Rayalaseema and Telangana, respectively. On the percentage of irrigated area to net sown area, see Table 3, for Telangana this figure was 15.8% in 1955-58, but fell to 14.8% in 1970-71. On different sources of irrigation, see Table 4.

13 During the period 1970-73 to 1980-83, the percentage of irrigated area to net sown area increased from 50.3% to 54.1% for coastal Andhra; 17.5% to 18.5% for Rayalaseema; 14.8% to 22.3% for Telangana.

14 We have not presented these details in the interests of space, but they are available upon request from the authors.

15 Our computation; all shares are from the 1993-94 series.

16 Using the methodology described in the section on data and methodology, the average contribution of services, agriculture and industry are 2.99%, 16.9% and 0.68%, respectively.

17 These inferences are made based upon our computations from SDP data. We have not included these here in the interests of space, but they are available upon request from the authors.

18 For details, see Sundarayya (1972), Dhanagare (1979) and Haggis et al (1986) and the references therein. Moore (1966: 382) has remarked that this is the second largest peasant mobilisation in Asia (after China).

19 In fact, in the 1952 Andhra state, the then united Communist Party of India (CPI) had one seat more than the Congress and was the single largest party in the state assembly. Perhaps, the reluctance of the communists to form coalitions and a concerted effort by the elites and the media at that time, weakened them politically after that (see Rajagopal 2009).

20 On Indian communism and various splits, see Ram (1969), Banerjee (1980).

21 For a discussion of green revolution and its effects in various parts of India, including Andhra Pradesh, see Frankel (1971).

22 For a description of the Maoist movement, its repression by the state and the implications, see the report by Human Rights Watch (HRW) (1992) which draws upon various resources – media, civil liberties groups, etc.

23 *Polegar* or *Palegaadu* (in Telugu) or *Palayakkaran* (in Tamil) was a title given to local administrators and revenue collectors during the Vijayanagara Empire (Balagopal 2004).

24 For details, apart from the studies cited below, also see HRW (1992) and the references therein.

25 The attacks and atrocities against dalits increased substantially during this period by the rural dominant castes such as Kammas or Reddies. The incidents of Karamchedu (1985) and Chunduru (1991) are only examples of a much more widespread phenomenon.

26 See, Iliah (2013).

27 See, e g, the critique of these populist schemes by the Planning Commission (Jinka 2010). The Aarogyasri scheme was particularly criticised by Abhijit Sen who argued that: "The state spends 66% of its health care budget or Rs 800 crore every year on Arogyasri. You have brought under it every disease and ailment from common cough to heart attack. And almost all the cases are being treated in corporate hospitals. Through this scheme, you are indirectly fattening the corporate hospitals and killing the state health system."

28 Communal violence (e g, in the city of Hyderabad) has declined; factional and caste-based violence rear their ugly heads from time to time, but are muted compared to the 1980s. One could speculate that other forms of violence (e g, against women in urban areas) have started to become more pronounced, but this requires further research.

29 See, e g, Maringanti et al (2012) on granite quarrying in Telangana and Vakulabharanam et al (2012) on bauxite mining in coastal Andhra.

30 In a major incident of violence against the dalits, on 17 July 1985, in Karamchedu village in Prakasam district, dalits were assaulted by several men of the Kamma caste resulting in the deaths of six of them and rapes of three women (Balagopal 2011).

31 This is similar to Maharashtra.

32 The popular film actor turned politician Chiranjeevi's Praja Rajyam Party (PRP) is a recent unsuccessful attempt at such an alliance.

33 Some ideas in this section have been explored previously in Vakulabharanam (2013).

34 In the interests of space, we have not provided all the details here, but they are available in several references, e g, Vakulabharanam (2007).

35 For example, there is the claim that Telangana's famous budget surpluses due to liquor were utilised in other parts of the state where there was prohibition.

36 The details of this agitation and later developments are well known and have been presented in several references (e g, see the special issue of *Frontline* (2011) and Nag (2011). Apart from the above mentioned factors, an important role was played by Marri Chenna Reddy, who was one of the founders of Telangana Praja Samithi (TPS), but who merged TPS later with the Congress.

37 This is the time when farmer suicides began to occur.

38 These computations and others in this section are based upon the Uniform Recall Period data from the 66th round of the NSS consumption expenditure survey.

39 Such a pattern of city-centred development is not unique to Andhra Pradesh.

40 This was covered widely in local, national and international media, e g, *The Economic Times* (2013), *Hindustan Times* (2013) and Vakulabharanam (2013).

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