

# A Tale of Two Cities: Hyderabad & Vizag

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**Hyderabad city has become a head office town for many of the industrial units set up in other districts to take advantage of the incentives for industries set up in under developed areas. Even these in the new liberalized economy are hard put to survive or have folded**

Hyderabad was Royal capital built on the banks of the Musi River. Visakhapatnam, or Vizag, was a fishing village on the seashore. Much is known about Hyderabad history through writings of Muslim chroniclers and European visitors but for Vizag one has to rely on inscriptions.

The Simhachalam temple has many inscriptions, which are spread from the 11th century to the 18th century, testifying to the antiquity of Vizag. The British only settled in Vizag port first in 1689 and expanded to rule the region.

As per the 1901 Census, the population of Vizag City was 40,892 and of Hyderabad, 448,466. The Hyderabad Gazetteer is all about fine buildings and the Cantonment and very little is said about the economic base. This is understandable as Hyderabad lived off the rest of the hinterland and was its administrative center.

On Vizag, however, we get information on economic activity even from the "Fifth Report on the East India Company (1758)": "Vizagapatam seaport and farms (lands)....yielded 1,074.5 Madras pagodas (Rupees 4, 298)."

Another 1890 report indicates that the total land revenue collected from the Vizagapatam district was 2, 16,613 rupees!

As for Vizag and Bhimlipatam:

"...of the average value of the imports at the two ports together in the five years ending 1902-03 (Rs. 14,97,000), more than half consisted of cotton twist and yarn (for the use of handloom weavers) or cotton piece goods....Of the average value of the exports in the same period (Rs. 50,16,000), gingelly seed and oil accounted for over 8 lakhs, other seeds for a similar sum ; jaggery and hides and skins for over 7 lakhs each, the Vizianagaram Mining Company's manganese ore for 6 lakhs, and jute, indigo and myrobalans for between 2 and 3 lakhs each" (Vizag Gazetteer, p.129-130).

Despite this apparent dynamic growth, nearly 147,259 persons born in Visakhapatnam district had migrated. In 1901, out of the 3 million people in the district, the majority was made up of 971,000 Kapus, 274,000 Velamas and 114,000 Telagas.

The economic rationale of Vizag has helped it grow into a city and was strengthened by the harbour (1933), naval base, the Scindia (now Hindustan) Shipyard (1940), the Caltex (now HPCL) Refinery, Coramandel Fertilizers and the Steel plant, among other industrial enterprises. Vizag now has nearly 55 large and medium manufacturing units and power is supplied from NTPC's Simhadri plant.

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The interesting part of the growth of the two cities emerges with a comparison of the income of the two districts in which they are located. The official figures for Gross Domestic District Product (GDDP) at current prices over the years 1993-94 and 2007-08 give an unusual picture of Visakhapatnam's status compared to Hyderabad.

Annual Gross District Domestic Product (Rs Crores)		
Year	Vishakapatnam	Hyderabad
1993-94	3,287	2,998
1998-99	7,894	6,244
2004-05	18,192	15,398
2007-08	24,837	25,271

Despite the hype about Hyderabad city and its growth, Visakhapatnam district kept its lead in GDDP over Hyderabad district for every year, except in 2007-08 when it was matched by Hyderabad. Considering the population of both districts in 2001 was 3.8 million, Visakhapatnam did better in per capita terms – till it equalized at Rs 51,000 per annum in 2007-08.

The working population of Visakhapatnam is 42% of the total while for Hyderabad it is only 30 %. Visakhapatnam district with more land (11,200 sq km) than Hyderabad (200 sq km) is in a better position to plan its growth within its district borders. Throughout the period 1993-2007, Visakhapatnam was the richest district in Andhra Pradesh and this illustrates the importance of the economic over political factors in the growth of a city.

As the Sri Krishna Committee (SKC) pointed out, the industrial base of Hyderabad has almost disappeared and instead it has become a service sector city. Hyderabad City has become a dormitory for bureaucrats, politicians and business executives. The film industry has brought with it attendant vices and many "posh" parts of the city have become red light areas.

The IT sector has added a completely different culture and economy, which is difficult to handle. All this only increases the pressure on local people, air and noise pollution, traffic congestion, transport, power, water and sewage infrastructure.

Hyderabad has no source of power, water or no way to dispose off its solid waste apart from the surrounding Telangana hinterland. Logically and economically Hyderabad city serves only as the political capital of large hinterland – on its own it has no reason to exist.

If development is not spread to other districts much further away, Hyderabad will become a parasite on the Telangana instead of being only its administrative capital. The fondness for Hyderabad by the

business–political class is largely because of their speculation on illegally acquired land in and around the city. It also allows the new migrant rich to maintain a lifestyle of indolence, brazenness and brashness, which does not appeal to its native inhabitants.

Visakhapatnam, on the other hand, has a future as the main port of entry for three States and its openness to foreign trade, investment and commerce. It straddles the main communication and trade routes along the coast and the railway line to Bailadila. It has its own economic logic without any political implications.

Visakhapatnam has no communal problem that could erupt into riots at a moment's notice as in Hyderabad and it has none of the tension between natives and Andhra settlers now developing seriously in Hyderabad. But it has other problems in the making. SKC commented about Visakhapatnam real-estate operators:

“An overwhelming majority of whom are from Central Coastal Andhra districts of Guntur, Krishna and East and West Godavari districts. ...The investment capital comes mostly from the CCA districts. The reasons advanced by these investors for moving to Visakhapatnam are interesting. These are: (i) Hyderabad has already too many players, whereas Visakhapatnam has few, even though it is projected as the next growth centre in Andhra Pradesh; and, (ii) unlike their home districts, there is no competition from consolidation of capital and political power in any specific caste or community. ....The Kapu and Velama, forming the majority of population, are not rich and are also deeply polarized with internal differences. This vacuum in spaces of power was conducive for the investors from CCA to locate and exert their position in real estate development in NCA districts.” (SKC, p.333)

The source of all evil in Hyderabad is seen to be the real-estate lobby and their political and bureaucratic connections leading to illegal land grabbing and building violations. That rich migrants drive it, adds much fuel to the fire.

It is hoped that Vizag will learn from Hyderabad's experience and avoid becoming another modern slum city dominated by migrant real estate millionaires. As the Latin tag goes: “Preamonitus Praemunitus” that is, “forewarned is forearmed”.

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