Book Reviews

The Labouring Poor in India: Patterns of Exploitation, Subordination and Exclusion,

Those who have known Professor Jan Breman from his writings are familiar with the fact that agrarian relations remained central in his work. His contribution to understanding the process of marginalisation of labour, during last forty years in India, is located within rapidly changing agriculture, policy support to protect the interest of various classes and in the externalities of off-farm employment. Starting in the early 1960s from documenting relationship between landowning Anavil Brahmans and their farm hands Dubla halpati to footloose labour circulation in informal sector in the late 1990s, Jan Breman has captured the nature of deprivation and the pattern of changes in the form of exploitation of labour across time and space. There is a persistent, albeit nagging, discomfort in his writings that links informalisation of mode of employment with disregards for labour rights that are being encouraged in the name of liberalisation and globalisation. According to his involved analysis of class formation and rural transformation, Indian state seems to be playing an active though iniquitous role of ensuring cheap labour circulation to dynamic agriculture and formal and informal non-farm sectors, at the cost of dignity of and disadvantageous consequences to labour.

The book is also concerned with these aspects. It is a collection of essays bound together by dominant themes that reflect Breman’s deep concern for the socially and economically disadvantaged sections of the Indian society. This book is a careful evaluation of exploitation of common man and has been written from the viewpoint of the exploited. It attempts to understand Indian social realities with feelings and provide an insight that emerges by soiling hands with data on the one hand and scholarship on the other. At one level, the book is a qualitative narrative that comments on significant policy statements for farm and footloose labourers. At the other level, it is an intense and truthful description of planned politics of violence and violation of rights. The verbal narratives are so powerful that at times they metamorphose into cruel images. Divided into three thematic sections, the book has eleven essays that were written over last fifteen years and are delivered to mark special events such as annual addresses, memorial lectures and contributions to Festschrift on the occasion of his retirement. The common theme cutting across these essays is of livelihood struggles of toiling masses and violation of their rights. The fight against poverty, in the discriminatory scuffle between labour and capital, is twisted into a fight against poor. The reserve army that is waiting to be absorbed into this exploitative process is discredited as redundant mass that is becoming a burden to
the economy and society. This, argues Jan Breman in the book, is the crisis of
capitalism.

Part One, Labour in the Rural Economy, has three chapters that focuses on Indian
rural society under new economic environment. It is argued that the earlier
marginality of the subaltern class has been perpetuated or even become more
pronounced in a pattern of both social and economic exclusion, despite enhanced
opportunities for employment. The implications of global capitalism in village life in
the form of migration, the emerging labour relations and the manipulations that are
responsible for the prosperity of landowning ‘Patidars’ brings out diverse patterns of
exploitations of rural labour. Moving narrative on killing of Manu, a labourer, by the
dominant landowning class to discipline others establishes the changing social
contexts within which ‘lives are lived and choices made.’ The coercive process of
labours’ subordination provides evidences on how social codes are formed,
perpetuated and institutionalised by a powerful few to control the toiling masses. As
collective action, a major precondition for improvement remains absent and the state
becoming an abettor, struggle is only feasible option for renaissance, argues Breman.

The second part, At the Margins of the Urban Economy, has four chapters that
capture the predicaments of unskilled and socially under privileged labour that
operates in the informal sector of the economy. Their problem of perpetual
deprivation, inequality and exploitation emerges clearly from these essays. Migration,
as footloose labour in urban informal sector worsens life in urban centres due to over
population. But the worst implication of the migration is dependence on informal
employment that manifests in the form of poor housing, rudimentary health care and
education services, meagre wages, deterioration in the living standards and chronic
poverty. Jan Breman blames the state for the sordid situation of the urban poor: the
‘political leaders are by no means lacking in understanding and capacity for
compassion... (But) when all efforts produce nothing more than an intensification of
the pauperisation process, we need have no illusion about the fate to be expected by
the urban poor.... When appropriation of the surplus value is no longer feasible, the
minus value attributed to large section of the population becomes even more
pronounced. Such a situation easily gives rise to an ideology that affirms that it is not
poverty but the poor themselves who constitute the problem from which society must
free itself’. Breman strongly disagrees with neo-classical views that ‘informal sector
is the solution rather than the problem’ and that what looks like poverty is, on a closer
inspection, ‘a misrepresentation of capital formation that does not take place, as a
matter of fact, on an impressive scale in the informal sector of the economies’. He
argues that these thinkers - who believe that ‘under-capitalisation of the informal
sector is the crux of the development problem. The poor lack the capacity to reap
economic benefits of their property’ - are putting exaggerated and misleading
arguments. For, what is missing in such analyses ‘are discussions on the dignity of
labour in its own rights, and on the need to safeguard the quality of social life’. Such
analyses have, according to Breman, ‘a one sided bias in favour of capital and ignores
labour as a factor of production entirely'. A narrative on massive dismissal of workforce in the Ahmedabad textile mills in 1980s and 1990s concludes this section. Tracing the digression of the labour force from protective organised sector employment to an informal regime, Breman observes that the material and social marginalisation of the workforce is completely at odds with the poverty studies that are based on NSS (National Sample Survey) data. Breman concludes that 'Persistence with the doctrine of neo-liberalism, with its almost social Darwinist mindset, will lead to further widening of the gap between rich and poor'. Bringing the unrestricted quest for profit and free working of the market under public control and entrusting the responsibility for a wide range of care tasks to the state could be another solution, argues Breman.

Four chapters in Part Three, Exit from Civic Society, are thematically woven around increasing intolerance and communal tendencies in the Indian society that manifests often as communal carnage, riots and devastation. Breman believes that such processes are instigated from above and are responsible for shrinking space that could have humanised the growth process in India. The communal frenzy in Mumbai and in South Gujarat after Babri demolition in 1992 and more recently the pogrom against Muslims in Ahmedabad in 2002, according to Breman, give an indication that 'what passes for communal riots that spontaneously erupt should effectively be read as the outcome of planned politics of violence, not merely conducted but actively promoted by the powers that be, further downgrading segments of the population that are already extremely vulnerable and marginalised'. Breman concludes that Gujarat could be understood as an 'experiment for trying out what will happen to state and society under a policy regime that does not harness the most brutal consequences of market-led mode of capitalist production. The total eclipse of the kind of Gandhian values that, for the better part of the last century were so important in the promotion of a public image both within and outside the country, has also led to the shrinking of social space needed for humanising economic growth'.

It is these concluding remarks of Professor Breman that pose question of ideology in one's search for truth. What follows is not to rationalise the unfortunate events and loss of life, property and dignity of Muslims as a community. Far from this! What is being put, as a hypothesis, could be a partial truth that, given a complex play of forces, may have contributed to the pogrom. The communal consciousness and its frequent expression in violence have local variations. Inconsistency of the interaction of socio-political and economic factors over a macro event creates ripples at the micro levels that are random not only in terms of their timing but also with respect to their dimension. Specificities inherent to location, thus, need to be understood if communalism has to be challenged.

Independent India had a formidable task of building a nation from fragmented, multi-ethnic and economically backward society. It was unfortunate that in the process of nation building we have located national identity close to political domain. A single cricket match could create stereotypes that could add new layers to social
identity of religious groups. Identification of religion as a political ideology leads to communisation of polity and society. These processes though signify intra-group unity, they also highlight inter-group differentiations. These differentiations are widely stretched by political elites for their nefarious motives so as to project them not only as different but also as antagonistic. Religion though provides a very strong base to such processes, Gujaratis are not significantly different from others in their religious attitudes. Moreover, what has happened in Gujarat did not happen in Himachal Pradesh and Uttar Pradesh, despite similarity of political forces in governance.

The recurrence of communal disharmony in Amdavad and Vadodara, starting in the late 1960s till date, signifies at one level that different communities with their separate social identities have failed to rise above their narrow self-identity. At the other level, it also symbolises making and perpetuating of a soft-Hindu social identity. What if Gujarat wants to shed its well-cultivated soft identity; an identity that, for decades, has put a large section of its people at a peril? What if this identity also shaped biases that manifest in perpetual burden of loss of dignity, life and material well being of a larger section of the society? More so, when the society has lived with values that have long fulfilled their immediate political context. Notwithstanding the historical underpinning of the process that culminated in the two nations, its by-product, the icons and values created by it, is part of national consciousness. Answer to the question whether these icons and values should be preserved should have been located within the society rather than the state. When the state assumes this task, meanings of these become different for different groups, transcending them from social to political domain. Breman’s analysis is insightful but, for once, it has missed to understand the simmering in the Gujarat society. What Professor Breman has established is what he wanted to happen rather than what is happening in the society. The social processes are too complex to be explained by constructs like ‘the abettor state’ and the ‘shrinking Gandhian values’ alone. This calls for locating the explanations within the society and its predicaments. The hypothesis violence as the weapon of weak for shedding its burdensome identity needs also to find a space in theoretical construct explaining Gujarat pogrom.

This criticism notwithstanding, for a serious scholar interested in the social transformation the book is a welcome addition.

Madhya Pradesh Institute of Social Science Research, Ujjain-456 010 (Madhya Pradesh).


There are two prominent positive features of this book for the present day readers for whom agri-business management is the buzzword. One is that it endorses the
thesis that developing agriculture contributes to economic growth, employment growth and poverty alleviation. And second, it strongly acknowledges the need for D.K. Desai’s concept of agri-business management system that comprises agricultural production (APS), research (ARS), education (AEdS), extension (AES), inputs (AIS), credit (ACS), processing (APrS), development (ASpS) and regulation (ARgS) of sub-systems for developing countries. This concept is much different from the narrower concept of commercial organisations of agricultural inputs and processing that was first conceived by Davis and Goldberg. But the book is unwieldy, repetitive, less sharply focused and has inadequate analysis and at places incorrect contents. This is elucidated in what follows.

The books is divided into eight sections: (1) Concept and tools of agri-business management with three chapters on Introduction, Economic Principles as applied to Management of Farms and Tools of Management, (2) Management of Farms with two chapters on Key Factors in Farm Analysis and Farm Planning and Agricultural Production System based on Agro-climatic Conditions in India, (3) Inputs in Agriculture (an infrastructural concept), (4) Production and Management of Important Field-crops with one chapter on Crop Production and Management, (5) Livestock Management with a chapter that has a same title, (6) Processing of Agricultural Products with a chapter on Processing of Agricultural Marketing(?), (7) Agricultural Marketing Management with a chapter on Marketing Management and Agricultural Marketing and (8) Agricultural Business Management in Twenty First Century – An Agenda with a chapter that has a same title.

Chapter 1 on ‘Introduction’ begins with now well established contributions of agriculture to economic development. But on the broader concept of agri-business management system which includes not only earlier stated various sub-systems but also both commercial and non-commercial entities operating them does not dwell on its rationale. Also the discussion on this broader concept is devoid of its constructive critical appraisal to understand whether it provides an adequate analytical framework. Furthermore the discussion on the concept of management is rather bookish and overlooks how planning, implementation and control which are its three cyclical pillars may be applied to various sub-systems of agricultural system, in addition to integrating each sub-system to create a synergistic impact on APS. The discussion on demand function in terms of its relation with price and shifters of this function does not recognise income as a shifter variable. Such a shifter variable is very important at low level of food consumption as well as for high value processed agro-products. Lastly, reference to various quantitative techniques to study managerial problems in this chapter omits statistical, econometric and such other methods.

Chapter 2 on Economic Principles as Applied to Management of Farms omits two important principles that are unique to agricultural production process. These are Ricardo’s Law of diminishing Returns to Scale and Complementarity of major farm inputs. Moreover, figure given on p. 23 should have total product curve (TP) that is S-shaped instead of concave to the origin. And the average product curve (AP) must
be inverted U-shaped rather than horizontal straight line with its maximum point reached on downward sloping part of the marginal product curve. Also where AP curve ends it should be asymptotic to the horizontal axis. All these are required to capture three stages of Classical theory of production that the authors want to analyse (see p. 22).

Chapter 3 on *Tools of Management* deals with only the tools of financial and cost management. As the concept of management includes other functional areas such as production/operations, personnel, organisation, marketing and so on, besides general management omission of the discussion on some of their important tools is serious. Also to whom these tools are useful is not discussed.

Chapter 4 on *Key Factors in Farm Analysis and Farm Planning* has some familiar concepts and tools on its subject. But it omits the concept of inputs complementarity which when satisfied generates the production that is larger than the sum of individual effects. In this context, formulating partial budgeting and measuring partial productivity have serious limitation. What is required is preparing complete budgeting and measuring total factor productivity by applying Tornquist-Theil index that is derived from translog function which captures the required S-shaped function for agricultural production process. But the authors do not recognise this.

Chapter 5 on *Agricultural Production System (APS) based on Agro-climatic Conditions in India* is informative in highlighting diverse agro-climatic conditions and the need for evolving and transferring location-specific biological, chemical and mechanical new technologies that augment use of labour and encourage sustainability of natural resources. Similarly it is strong in showing that this requires off-farm institutions and infrastructure. But it does not deal with how the demand from APS for these new technologies and services from these organisations constitute a part of an agricultural system. Nor does it show how it suggests a backward linkage of APS with earlier stated various sub-systems. Moreover, Chapters 7 and 8 on *Crop Production and Management and Livestock Management*, respectively, could have been integrated with Chapter 5.

Chapter 6 on *Inputs in Agriculture (An Infrastructural Concept)* deals with off-farm infrastructural inputs that are *sine qua non* for increasing agricultural productivity through both embodied and disembodied technical change. Such inputs covered are seeds, fertilisers, farm power, machinery and implements, plant protection, irrigation, agricultural credit, agricultural insurance, agricultural research, agricultural education and agricultural extension. But what this chapter lacks is the integrated framework that D.K. Desai developed to view these inputs as various sub-systems of agriculture by considering the forms of organisations providing them, their managerial process and their organisational link with the farmers. But the chapter has some interesting discussion on reorganisation of agricultural research, education and extension keeping in view past experience and future needs for evolving and transferring new technologies. But an important question left out for
discussion is whether the existing extension worker to farmers ratio of about 1:800/1000 is adequate or not. Analysing such a question is crucial for the content of this chapter can be considered to portray backward linkage of APS. It is also important for Chapter 9 to 11 on processing and marketing of farm products as their content can be conceived as showing forward linkage of APS.

Chapter 9 on Agro-Processing rightly states that processing changes form, time and place utilities of farm commodities. It has also some useful information on importance of packaging. Similarly it reports some interesting findings on basic food processing industries like for grains, edible oils, hydrogenated oils, sugar and dairy products which have much larger share in value added and employment generated by agro-processing industries compared to that generated by the industries for perishables like fruits, vegetables, flowers, etc. But in the absence of updating these findings the discussion devoted to these perishables appear incongruous.

Chapter 10 on Agricultural Marketing Management begins with some bookish discussion on what is marketing. Moreover some sections like rural marketing in India, agricultural marketing, and agricultural price policy hang loose and are disjointed to the main theme of the chapter. But various concepts of international trade are well explained. However, the discussion on trade policies including under WTO regime, free trade and protectionism is rather elementary and sketchy. Also, the authors assumption of response of farm output to net barter terms of trade is always positive is questionable because it's a priori impact is ambiguous due to substitution, income and wealth effects which work in opposite directions. It is in this context they could have questioned the Government of India's policy of determining minimum support prices based on such price parity, besides the cost of production. However, the authors' recognition of income terms of trade is far more important than this price parity is very well taken.

Chapter 11 which strongly recommends practicing the concept of Agri-business Consortium does so without considering such issues as its feasibility in reality, options for the choice of forms of organisation, organisational structure and design and so on.

To conclude, in the context of globalisation to which the authors refer quite often it would have been more appropriate had they also printed typical African, South Asian, South-East Asian and South American farmers with their dress outfits on the cover page of the book. At best the book is useful to draw reference materials from various chapters depending on the needs of the teachers and practitioners of agri-business management.

Formerly with the Centre for Management in Agriculture, Indian Institute of Management, Ahmedabad-380 015 (Gujarat).  

Bhupat M. Desai


The three edited books under review cover a wide variety of issues on agriculture in India and other countries, globalisation and agricultural crisis.

The first book is an excellent collection of research papers dealing with public concerns arising out of programmes and standards for the main environmental and human health issues in developed countries. Multilateral trade agreements have widened the impact of these issues as cross country differences among them affect the competitiveness of producers and trading partners apart from reflecting specific natural resources, environmental and socio-economic conditions.

Three part division of the subject is neat. Part I provides a bird’s eye view of what follows in part two case studies and covers the emerging issues on agricultural trade and environment by placing agricultural policies in the context of trade liberalisation and world trade in the context of human environment. Huib Silvis and Cindy van Rijswijk have provided a useful, up-to-date and factual overview of the provisions of support in the European Union (EU), U.S.A., Canada, New Zealand and Australia. W. Bradnee Chambers has succinctly brought out the controversy in the trade and environment debate in view of the differing concerns and perspectives of the developing countries and developed countries. The challenge lies, as he suggests in creating a meeting ground where they seek opportunities for compromise by a better understanding of each other’s perspectives.

Part II contains reviews of environmental, animal welfare and human health related standards affecting agriculture in the EU, U.S.A., Canada, Australia and New Zealand and forms nearly half part of this book. In these detailed and well structured case studies, the authors present the policy models used across developed agriculture to internalise external costs or provide public goods related to environment, animal welfare and human health. Thus, a comparative view emerges of different weightage received by the various issues mentioned above and the approaches adopted by them. The principal issues addressed in these case studies are water quantity and quality, soil related issues, air quality, nature conservation, biodiversity and landscape protection and management, genetically modified organisms, farm animal welfare and human health issues. New analysis contained in this part focuses on the implications of environmental related policies on trade as well as constraints on farming activities. The spillover effects of these policies and concerns should be of interest to developing countries as the parameters set by these policies and standards...
makes for an indirect binding to adhere to these standards if developing countries are interested in these countries as export markets.

A chapter by F. Brouwer and David E. Ervin titled “Environmental and Human health standards influencing Competitiveness” is interesting as it provides synthesis of the five case studies. It contains analysis which offers the basis for a preliminary assessment of the implications of differences in standards for the relative competitiveness of EU agriculture vis-à-vis major competitors in the world markets.

It clearly emerges that variance in policies among countries will be due to differing public values (demands) and varying environmental conditions (supply conditions) context always remaining, their cultural, socio-economic and natural resource base. A common preferred approach may not be feasible as some may prefer regulatory approaches as against private industry initiatives or private-public partnerships. The mix of approaches and standards emanating from these interactions tends to influence international trade patterns.

The third part encompasses issues concerning developing counties and the trade related aspects. While comparing the importance of environmental standards in Brazil, Germany and Indonesia, Ulrike Grote has suggested that environmental costs tend to have a share of 4 per cent of total production costs though total production costs do vary substantially. Thus these costs are marginal relative to other costs and her analysis also demonstrates that environmental regulation is adjusted to national conditions like population density, availability of resources and welfare. Some factors which agricultural product exporters need to focus on are the public concerns of consumers in the importing countries. This is well demonstrated in the paper by Theo H. Jonker and Ikuo Takahashi which suggests that product’s freshness, appearance and place of origin play an important part in the purchasing decisions of the Japanese consumers and agrifood industry attaches due importance to this in their promotion efforts. This is followed by a paper which examines several environmental proposals for reform of the World Trade Organisation (WTO) and offers practical guidance on calibrating these policies to improve their compliance to member obligations under the WTO.

The book’s importance lies in the fact that it deals with environmental, animal welfare and human health considerations which will play a critical role in determining the growth of agriculture and trade in agricultural products. The carefully selected papers in this book provide excellent insights, practical guidance and impressive case studies of the major players in world agricultural trade. It is a very useful reading for exporters and trade practitioners in developing countries apart from academics to understand the pros and cons of agricultural products trade policy making in developed countries.

The second book is entirely devoted to issues of food security in the context of a variety of aspects in India as well the experiences of countries like Pakistan, Mexico, Sri Lanka. The book’s value lies in the contrarian stand taken by it and exploding the myths of purported advantages of falsely interpreted competitive advantage in food
exports. Her cryptic remarks like "Tomorrow's scarcities will similarly be linked to producing to satisfy global markets and forgetting that 1 billion Indians can not be provided for by any country if we stop producing our own food." have a lot of grain of truth in it.

The book is presented in six well arranged parts with postscript by Vandana Shiva. The parts deal with topics of globalisation and food security, the impact of liberalisation in Asia and India, corporatisation of agriculture, globalisation of food insecurity, corporate monopolies on life and democratising the food system.

The efforts at globalisation of agriculture, specially under the General Agreement on Tariffs and Trade (GATT) and WTO regime through trade liberalisation have given rise to tremendous controversy regarding its malevolent impact on the availability and cost of food in developing countries which depend for their livelihood, employment and general well being on agriculture in a much bigger way than the developed countries. Vandana Shiva has been in the forefront of exposing the hypocrisy of developed countries in destroying the basis of sustainable agriculture and food security and this book has brought together experts in many countries who hold similar views to Shiva. She maintains that the current processes of globalisation of agriculture threaten to undermine all three dimensions of ecological security, livelihood security and food security.

In a detailed well written lengthy paper on Globalisation of Agriculture, Food Security and Sustainability which in a way sets the tone of the book, Shiva has raised a slue of issues pertaining to external liberalisation and internal liberalisation, how World Bank and WTO Agreement on Agriculture has forced the entry of multinational seed corporations in India and their total monopoly over agriculture, globalisation and generation of food insecurity, role of agricultural import liberalisation in undermining food security etc., illusion of growth, seeds of insecurity, etc. The withdrawal of the state from agriculture in India, in her view, has facilitated transfer of the power and control over natural resources, production systems and markets and trade to global agribusiness instead of to the farming communities and autonomous producers who stand dispossessed and disempowered in the process. She is critical of the food security created due to resource and livelihood insecurity linked to land alienation through indebtedness as well as the undoing of land reforms, the production insecurity linked to the decline of food production, the consumption insecurity linked to the decline in consumption as a result of rising prices and declining availability. She also observes and tries to prove that the impact of globalisation and trade liberalisation and WTO agreement has been more inimical to the interests of Indian population and has resulted in ecological destruction which is costly and inequitable.

The next two articles on Pakistan by Shahrukh Rafi Khan et al. and Sri Lanka by Sarath Fernando written in the context of structural adjustment programmes of the World Bank and the International Monetary Fund (IMF) are equally critical of the impact of the policies adopted by the government on food security for the poor and
their capability to take advantage of any possible positive impact in terms of greater availability of food.

In a critical paper by Abhijit Sen on "Foodgrains Stocks to Feed the Poor or to Pay for Liberalised Imports", tries to bring out the lopsidedness of the policy that affect the poor when he observes that "All these developments indicate how crucial the open market sale and export route have become to a government provided with an unprecedented opportunity in the form of food surpluses. This perspective stems from two sources — first, its own character, reflected in the pursuit of a strategy of development that consistently marginalises the working people and the poor: second, the new pressures created by the strategy of liberalisation that seeks to garner benefits for a few at the expense of the majority by opening doors to international financial and industrial capital." In his view the main policy thinking now — of international trade liberalisation for agricultural goods — one which may have the support for the rural rich, but it promises further stagnation of agricultural output and a further increase in poverty.

Sustainable agriculture is the central theme of this book. It is not that the authors of these extensive research papers are against the green revolution, use of chemicals, fertilisers or pesticides but their excessive use has been detrimental to the sustained growth in agricultural production and has often trapped the unwary farmer in the triangle of debt, failures of crops and suicides. The newer instruments used by the government like new seed policy has done immense harm to the interest of farmers and has contributed to the growth in monopoly of seed multinationals. The book is a grim reminder of what can go wrong in our enthusiasm to adopt new technology in agriculture without adequate preparation and caution particularly where the interest of small farmers with limited means and knowledge are concerned.

Part III of the book reveals the negative facets of growing agribusiness across the globe and the response of global institutions. Kristin Dawkins in his paper on "US Agriculture Policy and the Uruguay Round, Implications for Food Security and Global Democracy" maintains that global institutions have evolved faster than civil society has been able to articulate and implement participatory democratic structures of global governance. As a result global institutions are captured by the commercial interests whose goals are precisely the externalisation of costs in order to gain competitive advantage.

The important issue of export-oriented agriculture vis-à-vis the production of foodgrains is discussed by T.N. Prakash in a paper on "High-tech floriculture" which focuses on rose cultivation around Bangalore, Karnataka. After a very detailed analysis covering a variety of aspects like sustainability, efficiency, economics, employment, ergonomics, ecological costs, food security issues, Prakash concludes that from the point of view of ecological safety, food security and social benefit, a micro-level analysis does not justify high-tech floriculture in a country like India.

Globalisation of food security is the focus of Part IV which apart from more general subjects studies the experiences of India and Mexico in the context of
international trade. As Victor Suárez Carrera says Mexico's structural problems of agricultural and food system far from being resolved by the neo-liberal globalisation have increased and intensified. In a scathing attack for the prevailing deplorable conditions of unprecedented food crisis, he says there are no agricultural, forestry and fishing development policies and there are no food security, social welfare and employment policies. What Mexico has is an exclusionary and polarising model, a model which reproduces and multiplies the condition of growth of hunger and malnutrition. In his paper on International Trade and Food Security in India, Amitava Mukherjee arrives to a similar conclusion that trade is not the answer to food security and food security has to be ensured at the household level by national policies.

Part V is devoted to seed industry developments and the resultant problems of monoculture and foreign monopolies which are detrimental to the farmers and consumer interests. In an interesting paper on "Biodiversity and Biotechnology", Beth Burrows mentions that genetic engineering is a reductionist technology and a technology that reduces a farmer's field to corn genes and a bag of nitrogen, for example, is not about the common good and common sense but about business. It is the technology that reflects corporate goals, is supported by corporate research funds that find their way into those areas of research that lead to marketable products, preferably those that can be quickly and easily packaged.

All in all, the book is an enjoyable reading and has a high educative value for the farmers and practitioners of agricultural policies to avoid problems for sustainable agriculture and a more harmonious living with its ecology for the farmers.

The third book contains 29 selected papers presented at the 84th Annual Conference of the Indian Economic Association which was held in Vellore in 2001 and is edited by the eminent agricultural economist Professor Y.K. Alagh. He puts it in his incisive, critical and thought provoking editorial note "It is good to find that in the width and breadth of this country, there are scholars who think deeply on the nation's problems and apart from concern, bring considerable work to bear on their thoughts." However the contents of a number of papers are repetitive and fail to live up to the expectations of the editor. Better editing and proof reading would have improved the readability of the book.

The five sections of the book cover a variety of aspects of globalisation of agriculture. The natural context is the GATT, WTO framework and its impact in terms of policy framing as well as emerging crisis, prospects for exports in post-WTO era and specific product and state studies on agriculture.

The first section, the largest with ten papers, deals thoroughly with the nature of WTO Agreement on Agriculture (AoA), what the WTO agreement means for India, what will be the nature of agricultural crisis and the need for a review of the provisions of the AoA and India's food policy to support needs of growing population and also for improving exports and competitiveness of exports. It has been emphatically brought out that when farmers divert resources and labour to cash crops
to take advantage of the opportunities for exports created through integration, local food production declines and food dependency sets in. Inability of millions of marginal farmers in deprived regions can sink them into a triple crisis - economic, environmental and nutritional. The paper by K.K. Kaushik and and Sanju Karol also show that trade has turned out to be a costly proposition to maintain stability in domestic prices, has not helped to increase income and employment, has displayed growing non-competitiveness and has not been beneficial to the country. Almost all the authors seem to concur regarding the adverse effects of the WTO agreement on agriculture and the need to resist the attempts by the developed countries to impose market access conditions on the developing countries.

Five papers in Section Two cover India’s foreign trade in agricultural products in the context of Agreement on Agriculture under WTO. The analysis covers the structure and composition of agricultural exports and imports, the provisions under the AoA and the policies India should adopt to meet the new challenges. The contents of papers being somewhat similar has affected the readability of papers as well as the expected value additions in analysis. Rather lack of any new analysis and approach to the available data makes the section staid.

The papers in Section Three dealing with topics like globalisation and agriculture, export opportunities, import liberalisation belong to the earlier sections and the section was eminently avoidable.

Section IV which deals with issues such as Trade Related Intellectual Property Rights (TRIPs), anti-dumping measures and sustainable agriculture would have benefited from depth analysis but contains more of cursory papers on the subject. An interesting paper in the nature of a case study possibly based on actual experience relates to sustainable agriculture. H. R. Venktesha in his paper on “Nature – Based Sustainable Farming versus Consumerist-oriented Intensive Agriculture” maintains that agricultural practices of today have pushed farmers into debt-traps and calls for change in the mental attitude to give up unnecessary expenditure on chemicals, pesticides and fertilisers as the biggest investment in sustainable agriculture. Section V contains papers of assorted nature like exports of marine products, R & D base of agriculture, some state-specific studies, etc.

The subject of agriculture in the developed and developing countries, globalisation and agricultural trade, food security in developing countries is highly complicated, situation-specific, invariably politicised and ridden with internal inequalities like opposing interests of rich versus poor farmers as well as countries. A variety of views reflected in the papers in these three books make interesting and useful reading and will compel the reader to reassess his/her views on the subject and enrich the knowledge base.

*Mumbai-400 039.*

Priya Mutalik-Desai

The book is based on the author's Ph.D dissertation submitted to Vidyasagar University, West Bengal. It has examined the performance of agriculture in West Bengal for the period 1957-58 to 1994-95. All the districts in West Bengal (except Calcutta) and all the major crops produced in the State have been covered in the analysis of growth and stability in agriculture. Further, this book investigates whether and to what extent equity has been achieved in the distribution of certain indicators of economic well being of the people. Moreover, equity in relation to the incidence of rural poverty along with growth and stability in agriculture is analysed. The book highlights the causes of growth and stability and the inter-relationships among growth, stability and equity. The findings of the study are very interesting, useful and thought provoking. The study is based on both primary and secondary data. Secondary data is used to study growth and stability while primary data is used to study equity.

This book consists of eight chapters excluding bibliography and index. The first three chapters are devoted to the introductory analysis, review of literature and data base and methodology of the study respectively. Chapter 4 is devoted to the measurement of growth of agricultural production in West Bengal during the period 1957-58 to 1994-95 and for the sub-periods 1957-58 to 1976-77 and 1977-78 to 1994-95. The decomposition analysis is used to decompose the growth of agricultural production into the growth of area and productivity during the entire period as well as sub-periods. The main findings of this study in this chapter is that productivity has been the main contributor to the total agricultural production. In the case of total non-foodgrains, area is found to have made significant contribution to the output growth in many of the districts in the study.

The fifth chapter highlights the state of stability in West Bengal agriculture. The nature and extent of instability and decomposition of output instability have been measured in the first three sections of this chapter. In the last section, the author has made an attempt to examine the relationship between growth and instability in West Bengal agriculture. On the basis of the empirical analysis, the author has come to the conclusion that there is no definite relationship between growth and instability in the various districts of the State. This result is in contrast with that for the crops and crop-groups in the state.

Using both cross-section and time-series data in Chapter 6, the author has examined the causes of agricultural growth and instability from a host of technological, institutional, demographical and weather determined factors in West Bengal. The author points out that if the population growth rate is checked, West Bengal agriculture can register higher growth rate than has been achieved so far. Chapter 7 deals with the measurement of equity and also examines the relationship
among the growth, stability and equity. Summary and conclusions are given in the last chapter.

An important feature of this book is that it has pointed out the shortcomings in the methodologies used in the estimation of growth rates and fluctuations in agricultural output in the existing studies. A new approach in this field has also been developed by successfully integrating theoretical issues with the quantitative techniques. On the whole, it is a useful addition to the existing literature. The book would be of great interest to the beginners in research relating to West Bengal agriculture, academicians and policy makers.

Department of Agricultural Economics, School of Economics, Madurai Kamaraj University, Madurai – 625 021 (Tamil Nadu)

G. Subramaniyan


An attempt to bring together material on a topic which has received rather less attention than it deserves, namely, gender and property, is a welcome one. However, this volume falls far short of what such a volume could have aimed for and achieved.

The book is divided into two effectively unconnected parts. The first part contains five brief papers and an introduction pulling them together, and the second part contains an annotated bibliography on the subject. This split in structure is problematic since it does not adequately serve the purpose of either an edited volume (Part I) or of a comprehensive bibliography (Part II).

Part One does not work as an edited volume not only because there are too few papers to give it substance and most of the papers are themselves very thin, but also because one of the five papers is not on property or inheritance at all and at least two of the others touch on this issue but in a very superficial way. The paper by Lina Abou-Habib, for instance, is essentially on violence against women and unequal gender relations - it mentions “family laws” but does not indicate what this covers, and there is nothing on inheritance structures. Again the paper by Fiona Archer and Shamim Meer, while of considerable interest in itself, only touches on the question of women’s land access. In large part it is about the other aspects of women’s position in the Namaqualand Coloured Reserves in South Africa. The remaining three papers do deal with the question of women and property directly. Carmen Diana Deere and Magdalena Leon’s paper is the most interesting on this count, and since then they have also written a substantial and excellent book on the subject, entitled: Empowering Women; Land and Property Rights in Latin America. Jeanne Maddox
Toungara's paper covers some interesting dimensions of inheritance laws in Côte d'Ivoire, and Shoba Arun's piece is an important reminder that although Kerala is seen as a model state in terms of its social development indices is still quite gender unequal in terms of owning a critical economic resource such as land. Maithrayee Mukhopadhyay's introduction also makes some interesting additional points not covered in the papers, relating to women's situation in India. Hence while this part of the volume is worth reading for specific papers, it does not work as an edited volume. Also there is no apparent connection with the Annotations in Part II, nor does the introduction provide any leads on this count.

Part Two containing the annotated bibliography could have served a much more useful purpose than it does if it had contained some structure or sought to be more comprehensive. For instance, it would have been useful to separate out the papers dealing with laws, from issue of say, practice and policies, including land reform. As it stands it only provides an alphabetical listing of various papers and some books. And it has at least three weaknesses. First, it contains a number of pieces which (as in Part I) have no connection with the topic at hand. Cases in point are annotation number 065 on gender politics which has no relationship with property or inheritance and annotation numbers 080, 083, 103, 128 which again appear to have nothing to do with the topic. (The term "family laws" cannot automatically be taken to mean inheritance as this compilation seems to assume, nor does every paper dealing with "human rights" about property rights). Second, it does not contain several books and papers which should clearly have been included. Cases in point are: A Field of One's Own: Gender and Land Rights in South Asia (Cambridge University Press, 1994, mentioned by several of the papers in Part I of this volume), and several other papers by Bina Agarwal; Jean Davidson's....; Hirschon .... among others. Third, no care has been taken to avoid repetitions. Hence for instance, there is strong overlap between entries 038, 039, 040 and some selection should have been made.

On the whole, therefore, while the idea of putting together an annotated bibliography on gender, property and inheritance is a good one, it falls far short of its goals. It would have been more useful if the source book had (a) been confined to a bibliography without the initial chapters, (b) been more comprehensive, (c) been more careful in what was included so that unconnected pieces did not find their way in, (d) had a structure separating out various elements, such as law, practice, policy etc., and (e) provided a strong introduction focused to serve as a guide to the bibliography. Perhaps the next time round, the institutions that compiled this might take these points into account.

Institute of Economic Growth, University of Delhi, Delhi-110 007. Bina Agarwal

The book under review examines one aspect of rural development, namely, institutional finance. The book runs into nine chapters. After making a sketchy introduction to the subject, the author has provided details of the book in the first chapter. The second chapter contains the review of literature but fails to identify the gaps in the existing literature. After a cursory survey of rural development, strategies and programmes of rural development are briefly discussed in the third chapter. However, the data used in the chapter are only up to 1993-94. An in-depth study of rural scenario using the latest data would have been useful for policy framing. The fourth chapter discusses the progress of various financial institutions in India and Kerala. It also provides information about the flow of direct institutional credit and outstanding credit for agriculture from 1974 to 1998 in India. The authors showed that institutional credit to agriculture has increased from 7.3 per cent in 1951 to 66.4 per cent in 1991. The fifth chapter is divided into four sections. Though the socio-economic profile of borrowers is given in the first section, the author fails to present sampling method adopted for the study. Obviously the study loses its significance. After culling the data for credit requirement and credit obtained, the authors worked out the mean aggregate credit gap in the sample area in the second section. The credit gap was found to be 36.7 per cent and was further classified into region, institution, sector and scheme-wise credit gap. In the third section the authors provide an estimation of 1.6 per cent as the cost of borrowing. Apart from this the authors also worked out the loss of earnings (i.e., 58 per cent of credit availed) on account of number of working days lost in obtaining the credit in the last section. Further, the authors also worked out that each borrower on an average has to wait for 43 days to obtain the loan from the institutions. However, variations in the cost of borrowings and loss of earning were observed across the regions, institutions, sectors and schemes. But the authors fail to explain the rationality of borrowing, and reasons for variations in the cost of borrowing. Attempts should have been made at least to correlate loss of wage, loss of time and cost of borrowing. The data provided in the Tables 5.21 to 5.24 fail to capture the intentions of the authors.

The sixth chapter deals with the problems faced by borrowers in getting loans. The problems in obtaining loans were identified and classified under three heads, viz., (1) Problems connected with the credit institutions, (2) financial problems and (3) Problems relating to security. Under each major head, five variables were identified and ranked in accordance with their priority. Weights of 5,4,3,2 and 1 were assigned to these problems (p.145). According to the authors, ‘demand for land as security’ and ‘personal security’ figured as important problems faced by the borrowers while taking loan. However, this reviewer fails to understand the rationality of assigning the weights by the authors for the problems faced by the borrower. Hence the results are not very much useful for policy purpose.
Utilisation of loans, repayment performance of the borrowers and reasons for overdues is discussed in Chapter 7. The authors find that 11.1 per cent of the loan was misused and the predominant reasons for such misuse was insufficient loan amount (p. 175). Further, they found that the overdues was 23 per cent of the loan extended in the sample frame. However, it is not known how the authors arrived at the conclusion, “It is observed that borrowers in rural industries sector have plenty of investment opportunities, so that they take greater interest in investing more and more than in repaying the borrowed funds” (p.185). Although the authors pointed out that 44 per cent of the borrowers repaid the loan from the income of their activity for which borrowing was made, they failed to explain the extent of repayment from such and other activities. And 41.5 per cent of the borrowers did not repay the loan on account of inadequate generation of income.

The impact of credit on income generation, asset positions and on the standard of living in the study area forms the subject matter of the eighth chapter. The study showed that there has been an increase in net income, employment and assets of the borrower by 76 per cent, 54 per cent and 22 per cent respectively. There has been a general improvement in the standard of living of the borrowers after utilisation of credit according to the authors. The conclusions are brought out in the last chapter.

Though the authors have selected a good theme for the study, it lacks rigorous treatment of the subject. The methodology adopted by the authors is not convincing. The analysis reveals that the data used by the authors fall short of scientific scrutiny. The reading is monotonous. The study fails to provide insight for policy purpose.

Department of Economics, Karnataka University, Dharwad - 580 003 (Karnataka).

R.V. Dadibhavi


If the last hundred years can be labeled as the century of development then the next hundred will about the environment. The previous decade has seen a rise in the tempo of and temperature of the discussion related to these issues. Into this cauldron has a come a book that raised many hackles and provoked vast debate. The Scientific American carried critical reviews by four leading environmentalists and a long rebuttal by its editor of the criticism of its review. Similar attention has been lavished on this book for major scientific and literary journals and magazines.

Bjorn Lomborg is a statistics professor at Århus University in Denmark and until recently an environmentalist and member of green peace. He says that in 1997 “(He) was leafing through Wired Magazine and read an interview with American economist Julian Simon... [who] maintained that much of our traditional knowledge about the
environment is quite simply based on preconceptions and poor statistics. Our doomsday conceptions of the environment are not correct." Given his own background in statistics he was intrigued to try to refute this claim. This attempt then forms the basis of his book. The book is not easy going with over 350 pages of text in 25 chapters and 70 pages of footnotes and a similar number of references. This is not your typical airport reading matter. But this book is no academic exercise, it is a serious effort to counter a recognisable environmental straw man dubbed by Lomborg as the Litany: The environment is in poor shape. Our resources are running out. The population is ever growing, leaving less and less to eat. The air and water are becoming ever more polluted. The planet’s species are becoming extinct in vast numbers—we kill off more than 40,000 each year. The forests are disappearing, fish stocks are collapsing and the coral reefs are dying. And so on and on. Lomborg looks at a huge range of statistics on environmental change, globally and locally. He says things are getting better, refuting the doomsday environmentalists. This then is the reason for the angry response.

To come to terms with the book and its reactions it is important to distinguish between two strands in the discussion the academic and the polemical. Our inability to separate the two types of dialogue out lead to serious problems. Thus we see the very first issue in the book asks the question “Are we better off today?” Professor Lomborg proceeds to answer these questions by examining global trends. Because “global figures summarize all the good stories as well as all the ugly ones” Thus the book points that on the whole we eat better, live longer, are prone to less diseases. Even on basic environmental parameters the picture is not so bleak. The developed countries have in fact seen a distinct improvement in the basic parameters of environmental quality. While here Professor Lomborg points to the phenomenon of what is known as the Environmental Kuznets curve, pollution rises with development initially but later starts falling. Thus we find that the average effect depends on which countries we group and what sort of indicators do we use. He then proceeds to analyse in 25 chapters the different elements of the litany ranging from the human condition, pollution, renewable resources and the overall prospect for environment in the future. It would be no simplification to say that he finds the picture less bleak than has been made out to be in what is the stylized extreme form of the litany. In a sense this debate is not new it goes back almost 150 years when Thomas Malthus first raised the concerns of population growth out running the ability to grow food. This leads to alarmist concerns about the ability to feed ourselves. Recall the dire predictions made about India’s ability to feed itself in the sixties.

But does this mean the problems have disappeared or are less important: Even though we have large and increasing stocks of foodgrains the problems of persistent hunger and deprivation have not gone away. To treat these as merely distributional and to focus purely on aggregate availability is to do a serious disservice to those suffering but the nature of policy questions being asked needs to be changed. In a similar way Professor Lomborg in stressing the fact that the aggregate picture does
not bear out the alarmist conclusions does disservice to the conditions in developing and poor conditions where the conditions even by his statistical calculations are growing worse. Thus for instance in evaluating the impact of the sea level rise, the author notes that it is not reasonable to believe that in the same period the developing world will be richer because of development will not be able to better protect itself against this increase. While it is true that the developing world as a whole will be better of it is difficult to ensure that the vulnerable elements of the world, say Bangladesh will also be that much better to ensure that it to is adequately ensured.

This in fact is one of the principle weaknesses of his approach. The book almost always argues in terms of the average impact and it may well be true that when we look at the aggregate behaviour the extreme argument is extremely misleading but to jump from that to say every one will be better of is equally misleading because it misunderstands the distributional dimensions of the impact. Thus it may be correct to state that average income and even the income of the poorest 10 per cent will improve over the next 100 years say. It is also true that in average terms the impact of environmental conditions will be less than the improvement in human welfare, but it is stretching the logic to believe that in the poorest 10 per cent the average environmental impact will be less than the income improvement, not that it is not possible but Dr. Lomborg's statistics do not imply that and when the book suggests that is the case he is guilty of same type of statistical mis-representation which he accuses the authors of the Litany of doing.

This type of discordance is familiar in other branches of policy debate. The most obvious being the current wrangling over the poverty numbers. The evidence that the 1990s boom has led to a reduction in poverty in my mind is quite compelling and consistent with observations which suggest that in areas where reforms, growth and governance have been poor poverty may have increased. The trouble is different interlocutors believe conceding any positive ground is akin to sacrilege so if the data shows poverty reduction it must be contaminated and if that cannot be proven by statistics anecdotes will do as well. At one level all sides are right but by insisting on narrow criteria of evaluation they miss the point sort of like the elephant described by the blind men.

A second and equally serious problem with Professor Lomborg's assessment is he makes it appear that the environmental improvement seen in Europe and North America in the last 50 years is somehow an autonomous process arising purely out of economic development and ignores the role of environmental activists like Rachel Carson in moulding public opinion to support policy that made this possible. The answer to the counterfactual would there have been such changes that if there were no environmental movement may never be known and is too risky to be determined by an experiment in our country.

In understanding this book as well as this dialogue we must appreciate the dual character of Professor Lomborg and other participants in the debate. They are both in research and also as activist. The pure academic may tell you that the world is gray
but can the activist? For him the ability to paint an extreme picture is the ability to raise funds and get support. This in some sense is a major element of the books criticism of the litany. But is the book under review innocent of this charge? He has been hailed by the World Economic Forum, Economist and the Business Week to name a few noted prominently on his web page. The viewpoint he articulates is very attractive to the conservative seeking to reduce government interference with business. Thus in the debate between John Rennie (editor Scientific American) and Lomborg where Rennie points that environmental activists do not decide but “decisions are taken after due debate in the U.S., no important environmental policies are set without considerable debate involving exactly the economic interests that Lomborg describes”. While such debates are certainly present in developed countries where policies are set through representative democratic agendas, the same cannot be said of the imposition of these on developing countries with weak representative structures. The risk of polemics from either the environmental group or Professor Lomborg is that they tend to be used rather uncritically by developing country policy makers. To those people I would advise a note of caution when accepting these conclusions. But for the student and academic interested in the environmental issues I have no hesitation in recommending the book as an example of an alternative viewpoint.

Department of Economics,  
Delhi School of Economics,  
University of Delhi, Delhi - 110 007.

T.C.A. Anant

NOTE

1. A response to Lomborg’s Rebuttal by John Rennie.  
http://www.sciam.com/article.cfm?articleID=000404A72-A95C-1CDA-B4A8809EC588EEDF


This book contains a rich menu of interesting and useful articles dealing with methodological and empirical issues in the management of common pool resources. The importance of this book lies in the narration of success and failure stories in India in the management of its diverse natural resources comprising forest lands, fisheries, and water resources under different property rights regimes by some of the scholars who are well known for their work on this important subject. Various case studies provided in this volume have amply shown how the ecological functions of common pool resources in India are hampered due to use of wrong institutions and promoted in some cases under the right approaches for their management.

Common pool resources (CPRs) as understood from this book have certain characteristics that create problems for their management (Chapters 2-5). They
provide public good type of benefits and their preservation (degradation) contributes to beneficial (negative) economic externalities. These are in addition to private good type of benefits they provide. Preservation of grasslands and forestlands in a watershed avoid soil erosion and loss of soil nutrients of farm lands (a local externality benefits to farmers) and provide for carbon sequestration (a global externality benefit). It could also result in the increased supply of irrigation, dairying, and fuel wood (private goods). Common pool resources are regenerative and provide a sustainable supply of environmental services if they are not over-exploited. A lake, an example of CPRs, provides sustainable supply of waste disposal services if the pollution load does not exceed its carrying capacity. If the fish stock in the lake is kept at its natural regenerative level, a sustainable harvesting of fish is possible. Maintaining the bio-diversity of forest resources requires certain area to be kept under forest cover and each animal or plant species to be preserved in certain numbers. Resources possessing these characteristics face free rider problem that is normally explained using the parable of prisoner's dilemma. They are subjected to congestion, degradation or depletion in a free market. It may be more appropriate to regard this phenomenon as the tragedy of common pool resources rather than tragedy of commons as called by Harden (1968). The phrase tragedy of commons used by Harden is misunderstood in the literature that it represents the failure of common property as an institution (Chapter 1, p. 5). The institutional failure in the management of common pool resources could be attributed to the problems in defining the property rights and in enforcing them.

The property rights as an institution could take the form of private property, government property, and common property. Once the property rights to the resources are defined and implemented, market could efficiently manage them. The tragedy of CPRs refers to the free access situation, a case in which there are no property rights. Different property rights regimes are identified with their primary decision units (Ciriacy-Wantrup and Bishop, 1975; Dasgupta and Heal, 1979). In the case of private property rights, the primary decision unit is an individual who has an exclusive right to use the resource. In the context of natural resources that supply only private good type of services, private property rights could be unambiguously established and implemented. In the case of government property the primary decision unit is government. The government could assume the property rights for the resources supplying public goods type of services (e.g., forest lands, and water resources). In the case of common property, the primary decision unit is a group of people. It is defined as a situation in which individuals have mutual rights and duties. Individual's right to limit the group size and the right to prescribe the use of resource by each will together constitute the common property. Government property and common property are alternatives to manage common pool resources as could be seen from the case studies presented in this book. The experience from both developed and developing countries suggests that the state property regime is not successful in the management of natural resources like forests lands (examples from
This failure could be attributable to high transaction cost or cost of policing forests and the quality of government in the developing countries. Common property regime is found in the management of irrigation systems (Chapters 8-13), forest lands (Chapters 14-18), fisheries (Chapters 19-21), and biodiversity (Chapters 22-28) in India. The case studies in this book and studies elsewhere show that the common property regimes are in decline in India due to various reasons. In many instances they turn into open access regime of resource management. Open access regime is a situation in which there are no property rights to the resource and hence there is no primary decision unit. It is a situation of mutual privilege and no rights to the individuals. Every individual has a privilege to use the resource since no one has the right to stop him to do so resulting in the unsustainable use of the resource.

The management of a resource that provides public good services under common property regime requires the collective action of a group of people. The collective action could be the setting and observing a rule of restrained access to the resource and the public good is the sustained exploitation that results (Wade, 1988). People may not participate in a group action voluntarily in a common property institution because of the presence of incentives for the free riding. M. Olson argues ‘unless there is coercion or some other special device to make individuals act in their common interest, rational, self-interested individuals will not act to achieve their group or common interest’. Coercion by outside agency is not required for collective action if enough incentives are built in to the rules or social norms governing networks or groups at the community or village level for managing the common pool resources. Empirical evidence provided in this book shows that it is the presence of social capital with the inbuilt incentives for sharing the benefits from the resource by the group members responsible for the existence of a common property regime. The decline in CPRs in India and most of the developing countries could be attributed to the erosion of social capital due to population pressure, and economic and administrative reforms undertaken by the government. Increased population increases the group size reducing the share of benefits from the resource to each member of the group. Introduction of land reforms and granting of more powers to local governments (village panchayats) have resulted in conversion of common lands in to private property. The change in character of resources from CPRs to private property has resulted in more commercial exploitation of resources depriving the local communities their means of livelihood and the ecosystem benefits to the society.

Management of CPRs by local communities through the institution of common property results in the decentralisation as opposed to more centralised management under state property institution. There could be a savings in the transaction cost of resource management for the resource starving developing country governments. Some of the contributions in this book clearly highlight the key role of people’s participation and different mechanisms for providing incentives to people in the management of CPRs. The studies on degraded lands (Part III), biodiversity and
institutions (Part V) and common pool knowledge (Part VI) discuss the incentive structures under different institutional alternatives comprising various property rights regimes for efficiently managing CPRs. One interesting institutional alternative that figures in these studies and others in the recent literature is the institution of joint management involving government and local communities. The examples from India are joint forest management (JFM) for the management of local forestlands in a village and joint protected area management (JPAM) for managing biodiversity through national parks and sanctuaries. These studies find that incentives to local communities that are compatible with the interest of government exist for sharing the management of forestlands and biodiversity (Ashish Kothari, Chapter 26; Murty, 1994). There could be an agreement between government and people about mutually beneficial sharing arrangement of forest management. The agreement can be either on the distribution of property rights or for sharing the benefits from forest produce with forest property rights rested with one of the parties, say government. The joint management has the advantages over community and state management. Unlike community management, it does not suffer from the lack of initial threshold levels of investment for creating community assets that are complementary to preservation to get the maximum benefits from the preserved forests since government could undertake such investments. Also, the joint management guarantees the equity and efficiency in resource management that may not be possible with state management. Therefore the problem of forest resources becoming open access resources are potentially less in joint management in comparison to community or government management alone.

In two interesting chapters on common pool knowledge (Vandana Shiva, Chapter 29; Madhav Gadgil, Chapter 30) there is a discussion about the incentives and rewards to local communities in an institutional set-up involving local communities, government and transnational corporations for preserving and using the indigenous knowledge about biodiversity and plants. The Convention on Biological Diversity (CBD) recognises the sovereignty of national governments over the biological resources and indigenous knowledge so that they are no longer open access resources in the developing countries that could be used by trans-national companies free of cost. The convention also seeks to ensure sharing of commercial benefits of utilisation of knowledge of living resources with the indigenous holders of that knowledge. A legal system is required in the developing countries to recognise the rights of local communities over biodiversity and knowledge. Vandana Shiva (Chapter 29) writes that the legal precedence of biodiversity as commons has already been established in India by the Provision of Panchayats Act which came into effect in December, 1996. This Act grants a community recognisable collective rights over its own community resources.
Very rich material provided in this book is useful for policy makers in government and international organisations and students, teachers and researchers of ecological and environmental economics.

Institute of Economic Growth, University Enclave, Delhi - 110 007.

REFERENCES


The title of this book generates lot of curiosity as capital formation and employment generation have remained among the most important goals of India’s development planning. However, the contents of the book do not come up to the expectations generated by its title. The book is based on a study of Jawahar Rozgar Yojana (JRY) in about a dozen Gram Panchayats in Saharanpur district of the state of Uttar Pradesh. The study does not provide any definition or description of the concept of capital formation as such. After reading the text it is found that the author treats the expenditure made on various types of community infrastructures like rural roads, school or panchayat buildings and irrigation structures by selected Gram Panchayats as capital formation. Similarly, employment provided through investments in these community assets is treated as rural employment generation. This shows that the book takes a very narrow or specific view of capital formation and employment generation that resulted from one of the social welfare schemes implemented by the Government. There is no information in the book about the importance of this component or activity in total capital formation and employment generation in the country. In the absence of this important piece of information, the reader of this book cannot grasp the importance of or role of JRY in capital formation and employment generation. The introductory chapter, which is expected to provide such information
does not mention even a word about capital formation – it provides detailed description of JRY and other such schemes as implemented in the study area.

Chapter 2 provides information on the socio-economic characteristics of Saharanpur district and Uttar Pradesh while Chapter 3 describes the progress of JRY in Saharanpur district. Chapters 4 to 6 describe the socio-economic profiles of sample panchayats and JRY beneficiaries and income and expenditure of sampled panchayats. All estimates and results are just put as mere numbers - there is not much discussion on these numbers. Inference of analytical nature from the results is either missing or is weak. Chapter 7 presents the amount of money spent on material and wages (termed as capital formation) under JRY and also presents the opinion of the respondents about the impact of asset creation on village life. The summing up at the end of this chapter (p. 94) contains so much of printing or spelling errors that it creates the impression that no care has been taken to read the proof.

Chapters 8 and 9 focus on the impact of JRY on employment generation and income generation. Total employment provided under JRY is taken as employment generation. No sound methodology is adopted to find out how much of this employment is added solely due to JRY. Though the study in the beginning mentioned that it follows before and after approach but in actual analysis there is not much application of this approach and there is no clear decomposition of employment due to JRY.

Chapter 10 discuss the implementation procedures and execution of JRY in the sample panchayats in the two blocks selected for the study. The presentation is weak in analytical content. Chapters 11 and 12 discuss Million Well Scheme and Indira Awas Yojana. The problems and prospects of JRY and other such schemes are discussed in Chapter 13. Here some problems are said to have been encountered in the implementation of JRY and suggestions made are found to contradict each other. The study does not come out with a clear idea of what should be done to improve the performance of the JRY and other such schemes.

To sum up, there is a mismatch between the title and content of the book. The book has conceptual weaknesses because of which its findings do not convey meaningful policy message. Most of the text, state the numbers presented in various tables and it did not pay much attention to interpret and compare these numbers to draw credible inferences.

Agro-Economic Research Unit,  
Institute of Economic Growth,  
University Enclave, Delhi - 110 007.  
Ramesh Chand

The book under review, a collection of essays, is a tribute to Raja Chelliah. The collection revolves around the themes of poverty, fiscal policy and institutions. M. Govinda Rao, the editor of the book, is frank enough to admit in his introduction that the areas of poverty, fiscal policy and institutions do not constitute a unified theme. The only common factor that links the areas together is “their nexus with economic growth and participatory character of growth” (p. 1). The book consists of 15 articles, including the introduction of the editor. The articles have been organised in three sections: Poverty: Magnitude and Missing Dimensions, which has articles by S.S. Bhalla, S. Mahendra Dev and V.M. Rao; Raising Resources for Sustainable Development: Issues and in Tax Policy and Reform, which has articles by Sven-Olof Lodin, E.M. Leif Muten, S. Cnossen, G. Thimmaiah, Arindam Das Gupta and U. Sankar and Institutional Issues: Poverty Alleviation under Decentralised Governance, which has articles by Richard Bird, Amaresh Bagchi, Roy Bahl, M. Govinda Rao and R. Gunatilaka.

It will not be possible for me to comment on each and every article in the book, without making this review inordinately long. I will comment on only some of the articles; moreover my comments will not follow the order in which the articles have been arranged in the book.

I begin with the third section of the book, which I think is the most worthwhile section. All the major names in the field of decentralisation are present and the quality of articles is first rate. Richard Bird (“Intergovernmental Fiscal Relations: Universal Applications, Local Applications”) gives a guided tour of the issues involved in decentralisation and federal finance. Specifically, he puts forward four questions that must be answered with respect to intergovernmental finance (p. 192).

3. How is any imbalance between the revenue and expenditures of sub-national governments that results from the answers to the first two questions to be resolved? – the question of vertical imbalance.
4. To what extent should fiscal institutions attempt to adjust for the differences in needs and capacities between different governmental units at the same level of government? – the question of horizontal imbalance or equalisation.

The above questions are relevant not only in terms of relations between the federal government and state governments but also between state government and local government. The former has always been important in the Indian context and has led to the early setting up of Finance Commissions, which to the imbalances emerging from the two questions above sought to address questions regarding vertical and horizontal imbalance. The latter, namely the links between state governments and
local governments have assumed importance due to the 73rd and 74th constitutional amendments of the early 1990s. Bird quite rightly states that the present assignment of taxes in India seems “particularly deficient. One problem is that there is a significant vertical imbalance between expenditures and revenue, with consequent implications for autonomy, efficiency and accountability” (p. 203). It must also be pointed that this vertical imbalance has been accentuated by fiscal profligacy in Indian states. State governments have been unable to reign in their expenditures and have been reluctant to zealously tap all the tax bases at their command. The problem has been compounded by the changing production structure, specifically the rapid increase in the services sector, which is outside the tax net of the state governments. The problem of local governments is that state governments have been more than willing to shift expenditure responsibilities to lower levels but have not been as enthusiastic in ceding tax bases.

The paper by Roy Bahl (“Implementation Rules for Fiscal Decentralization”) is a major tour de force and one of the most rewarding articles in the book. Bahl quite rightly points outs that “While there are many analyses of fiscal decentralization as a policy strategy, little attention has been given to putting such programmes into place” (p. 253). The article puts forward twelve rules, which might form the basis of a decentralisation strategy. The importance of these rules is that far too often decentralisation gets a bad name by a botched up decentralisation strategy. Even though I do not wish to list out all the rules, I would like to draw attention to a few of these.

*Decentralisation must be viewed as a comprehensive system, covering in its sweep both political and fiscal aspects. The political part of it is required to ensure accountability of local government officials. While it is true that elections to local governments is not a magic wand and often elected officials do not act as agents of the principals (i.e., the electorate), this is an argument for strengthening the political process and not weakening the decentralisation process.

*Availability of finance must follow the determination of requirements at the local levels. This require a careful assessment of the functions delegated to local government, i.e., expenditure assignment and then the assignment of revenues, either in the form of making tax bases available or in the form of inter-governmental grants. The transfer of tax powers to local governments constitute a vital segment of decentralisation: use of tax powers makes the local official accountable to the citizens rather than to the higher government.

*A hard budget constraint must be imposed on lower governments. This is perhaps the most difficult rule to implement. A prior requirement for this has to be a match between expenditure responsibilities and revenue availability. Once this is done, then a hard budget constraint can be legitimately imposed. The difficulty with this rule is that the higher government must allow a lower level government to go bust. While this imposes a huge cost to citizens, the incentives created by bailouts create perverse incentives for future profligate behaviour.
The third article in this section that I wish to comment on is by Govinda Rao ("Poverty Alleviation under Fiscal Decentralisation"). Traditionally, poverty alleviation and redistribution programmes have been the preserve of higher level governments. The main reason for this being that a local government's poverty alleviation programme is likely to be overwhelmed by a huge influx of poor migrants. In spite of this most local governments, especially in urban areas, have had to carry of poverty alleviation programmes. The proximity of local governments to the poor gives them an advantage in designing and implementing anti-poverty programmes more efficiently. Given the informational advantages, gives the local government an edge over a higher level government, which is forced to follow a "one size fits all" strategy. A good example of this is the relocation of slum dwellers in specially and specifically designed slum rehabilitation schemes. Such schemes are likely to be far better targeted than general housing schemes for the poor.

Arindam Das Gupta's paper ("Central Tax Administration Reform in the 1990s: An Assessment") is an excellent example of how to assess government performance in both quantitative (wherever possible) and qualitative terms. The article develops a framework within which to assess the performance of tax systems and point to institutional weaknesses. The latter is particularly important since the institutional dimension has not been adequately stressed in the discussions of Indian economic reforms. An article in complete contrast to the one by Das Gupta is the one by G. Thimmaiah ("Evaluation of Tax Reforms"), even though he confront a similar issue, namely, evaluation of reforms, Thimmaiah's article rarely goes beyond hand-waving and does little to further our understanding of the tax reforms process.

S.S. Bhalla ("Growth and Poverty in India: Myth and Reality") has all the air of Don Quixote tilting at windmills, even though it's fair to say that all the windmills are not imaginary. Bhalla does a competent job of comparing the NSS data with the National Accounts data to point out the discrepancies therein to make a strong case for suggesting that poverty levels are far lower than those put forward by NSS. Bhalla's piece, though thoroughly entertaining, is far too polemical to be illuminating. While I am prepared to believe that poverty levels are lower than official estimates, whether they are as low as Bhalla's estimate of 13 per cent is debatable. Looking at the superbly careful study by Deaton and Tarrozzi (quoted by Bhalla), their figures (at 18 per cent), though lower than the official estimates, but higher than Bhalla's seem more credible.

Mahendra Dev ("Trends, Macro-policies and Direct Programmes"), in contrast to the approach adopted by Bhalla, takes a conservative line to examine in detail trends in poverty, employment, human development, regional disparities, etc. The interesting section in this paper is the one which deals with determinants of poverty and macro-policies. Dev's conclusions are not surprising and these have been pointed out by eminent researchers in the area such as Deaton and Tarozzi, Tendulkar as well as Majumdar. Dev points out that (i) growth, especially agricultural growth is important for poverty as is the prices of food; (ii) infrastructure development is
crucial for agricultural growth (iii) disturbingly, the public distribution system leads to negligible gains.

As stated at the beginning of this review, the best section is the one on decentralisation, with the majority of the good articles in the book being concentrated there. The other sections do contain some weak articles, but that seems inevitable in an edited book. If fifty per cent of the articles collected in an edited book are readable and some are excellent, then that’s reason enough to be happy with the product. On this reckoning the book under review does pretty well.

Department of Economics,
University of Mumbai,
Mumbai – 400 098.

Ajit Karnik

New Approaches to Rural Development, S.D. Setty, Anmol Publications Private Ltd.,

The book under review is of interest in that it brings together the major strands of development though which had been at the core of the planning process for the last five decades. Poverty has been at the centre of public policy for the last five decades since Independence. The author has presented a panoramic view of these developments. The book is divided into 18 chapters. The first chapter introduces the subject and presents a genesis and evolution of rural development programmes in India. It has explained at great length the concept and the philosophy underlying the idea of “Community Development”. It is not a mere chronological account but is imbued with the philosophy of development. He has divided the history of rural development, which he has termed rural regeneration in India into three periods. In the first period from the year 1860 to 1920 old feudal India was dissolving and a new India under the impact of Western education and ideas was gradually emerging. During this period when the basic ideas of community development were in a fluid stage. He has then described the earlier experiments in rural development 1921 to 1952 in Chapter 3. Prior to the introduction of Community Development and Extension under rural development the notable stand alone experiments were Sriniketan of Rabindranath Tagore in Birbhum district, West Bengal. In 1927, Filbrayne began a four-fold programme in Gurgaon with the objective of improving farming reducing wasteful customers, improving health educating women. The main reforms he concentrated on were rural sanitation, agricultural development education and co-operation social reform. In 1928 Dr. Spencer Hatch simultaneously initiated a Marthandam (formerly in Kerala, now in Tamil Nadu) under the auspices of the Young Men’s Christian Association. This experiment is aimed at complete development and a wholly new and happier order, economic, social, religious, education and physical.
In 1931 Mahatma Gandhi began his experiments in rural reconstruction in Sevagram. The rural development programme in India draws heavily on Mahatma Gandhi’s experiment. He started development programme for economic popularisation of Khadi, development of village industries, improvement of cattle and social economic equality. On the social front he aimed at removal of untouchability, welfare of adivasis, equal status for women and communal unity. In education, he stressed on adoption of basic education and working for adult education. To improve general health he aimed at imparting health education and improving village sanitation. Through his social programme, Gandhiji wanted to unify India and raise the social status for women, scheduled castes and tribal population. Almost at the same time as the Sevagram experiment Sir V.T. Krishnamachari who was the Dewan of Baroda state adopted a similar model in the Baroda plan. Simultaneously in Madras, Firka development centre was started in 1946 under the chief ministership of late Tunguturi Prakasam Pantulu (Andhra Kesari). The Firka Development Scheme aimed at the attainment of the Gandhian ideal of “Village Swaraj” through the programme of extension in the Firkas. In 1948 based on these experiments a pilot project was tried at Mahewa in Etawah district with American aid and the services of an American architect Albert Mayer were utilised by the Uttar Pradesh Government in trying out the experiment. Another pioneering attempt was launched at Nilokheri in 1949, which influenced the community development programme. The author has also discussed the fundamental laws, community organisation and programme planning bringing out clearly the benefits of community organisation. In an interesting chapter (Chapter 6) he has discussed “People’s Image of Rural Development: Development Implications”. As regards Panchayat Raj and its relevance to community development in India he has explored this aspect thoroughly. He has also presented an analysis of the extension services at Asian Universities. He has stated that universities are centres of higher learning and research and have the potential to provide extension services. Chapter 11 is the major recommendatory chapter of the book, which contains guidelines for the block staff in assisting the Panchayat Samithi and the village panchayats in diagnosing village problems and in developing plans and programmes for village improvement. The book also discusses the field approach to integrated rural development (Chapter 12) and methods for securing people’s participation in rural development (Chapter 13). In the next three chapters the author discusses rural industrialisation, developing entrepreneurship towards rural industrialisation and a model for developing agro enterprises among women in Asia. Chapter 17 discusses the crucial role of banks in development. He presents and sums up important lessons for rural development in the concluding Chapter 18. The book is interesting, however the lacunae of the book is that while it presents a history of development thought, it fails to take into account the current concerns and does not discuss the poverty alleviation programmes which are currently the major poverty intervention efforts in the rural areas. It also does not take into account the resurgence of the self-help group movement in rural development.
The issue of rural development is of interest and issues programmes through Government sponsored scheme has the Swarna Jayanti Gram Sewa Rojgar Yojana which are currently the major poverty intervention efforts in the rural areas. It also does not take into account the researchers of the new SHG movement in rural development.

The issue of rural development is of interest and issues pertaining to social sectors have been the focus of much attention of the researchers in recent times. There has been a renewal of interest in the concept of human capital in explaining the growth performance of countries since the mid-1980s. It has become very necessary for developing countries like India, to take a relook at concepts, approaches and policies of development especially as the country has embarked on a path of economic reforms since mid-1991. The repercussions of economic reform assume particular significance in the Indian context in view of the large multitude of the poor and the low level of social sector attainments in education and health in the country. The book will be of great interest to academics, researchers, policy makers and administrators.

Mumbai - 400 025. Deepali Pant Joshi


Agricultural credit has assumed special importance in India in the wake of financial sector reforms. The authors deserve compliments for bringing out a timely volume on the subject. The book under review, starts in stereotype with the importance of agriculture in the Indian economy but takes off to the evolution of National Bank for Agriculture and Rural Development (NABARD) and evaluates its performance. The book is divided into six chapters. The first chapter gives in brief the general information on the importance of agriculture, role of agricultural credit, rural indebtedness and genesis of NABARD. The second chapter though titled as “Agricultural Finance and Agricultural Development”, the discussion in this chapter centres around farm mechanisation. The third chapter deals with institutional and non-institutional credit agencies. The fourth chapter focuses on the organisational structure and management of NABARD. The fifth chapter is devoted to refinance operation of NABARD. The main findings and suggestions are summarised in Chapter 6.

Though the book under review was published in 2003, most of the information is up to the year 1998-1999. The data relating to All India Debt and Investment Survey (AIDIS) for credit agency-wise cash loans owned by the farmers were for the year 1981-82, whereas the results of AIDIS 1991-92 were published right in the year 1999-2000. The inclusion of the result of AIDIS 1991-92 would have made a
significant difference in the analysis. Further, the authors have covered the operations of Agricultural Finance Corporation (AFC) but its relevance has not been examined critically. While AFC is mainly engaged in consultancy assignments, NABARD has recently started providing consultancy services. There is hardly any justification for two separate organisations in the public sector competing with each other with public money. This is high time that AFC is merged with the NABARD in the public interest. While examining the performance of Regional Rural Banks (RRBs), the authors observed that RRBs have failed to fulfill the expectations and endorsed the recommendations of the Agricultural Credit Review Committee (ACRC) to merge with sponsor bank. The merger with the sponsor bank is not an enduring solution in the changed scenario, where interest rate on loans of RRBs are completely deregulated, interest rates on advances of the sponsor banks up to Rs. 2 lakh is still subject to the ceiling of Prime Lending Rate (PLR) of the bank. As a result, the merger with the sponsor bank will further aggravate the situation rather than soothing it. The authors have not examined the performance of RRBs in the backdrop of the restructurings of RRB’s and implementation of Development Action Plan of NABARD. In this context, the road map delineated by the Bhandari Committee for restructurings RRBs will go a long way in restoring the financial health of the RRBs and making them robust rural development banks. It goes without saying that RRBs have failed but must succeed. Further, instead of covering the role played by the entire commercial banking system in the sphere of agricultural credit the authors covered only State Bank of India (SBI). Of course, SBI is the largest bank purveying agricultural credit, the important and innovative role played by the other banks like Bank of Baroda, Syndicate Bank, Canara Bank, Indian Overseas Bank, Punjab National Bank and Oriental Bank of Commerce, to name a few should not be overlooked.

Chapter 4 contains detailed information on the organisational structure of NABARD including the Board of Directors, role of the Managing Director, other functional Committees, operational departments, regional and sub-offices. It is suggested that NABARD should open branches at the district level to guide and help lead banks in the preparation of district credit plans and annual action plans. It is not out of the place to mention that NABARD already has a large number of one man district offices to help the lead banks and other rural finance institutions. Instead of critically examining the functions and working of NABARD, this chapter contains routine information which is easily available from other sources as well. However, Chapter 5 titled “Refinance Operations of NABARD” gives a detailed account of assistance provided by NABARD to rural finance institutions. Incidentally, refinance is one of the number of financial and non-financial services rendered by NABARD. To this extent the title of the chapter is misleading. This apart, the role played by NABARD in mainstreaming and scaling up of micro finance sector and management of rural infrastructure development fund is conveniently omitted. Another striking omission is seemingly non-inclusion of recommendations of the Vyas Committee and
Capoor Committee. However, the authors have rightly appreciated the role played by NABARD in augmenting the resources of rural credit agencies, institutional building and non-financial assistance like the services of Vikas Volunteer Vahani (VVV). Nonetheless, under the finance sector reforms a great majority of the development banks world over are facing a challenge for their survival. The plight of rural development banks is all the more precarious, so also of NABARD in India. Inadequate availability of subsidised funds, borrowing at market determined interest rates, lending at subsidised rate, sagging demand for refinance, etc., have posed serious problems of survival. NABARD needs to look for new vistas in the post-reform era. The growing fascination for universal banking will further undermine the importance and utility of development banks. Though, some of these developments are of recent origin and the authors are not supposed to cover them yet academicians cannot afford the luxury of not visualising them in a book exclusively devoted to NABARD. The recent instruction of Government of India to provide crop loans upto Rs. 50,000 at interest rate not exceeding 9 per cent will have daunting impact on the financial health of the NABARD and other rural financial institutions. Similarly, recent amendments in NABARD Act to enable it to directly finance district central co-operative banks instead of routing funds through state co-operative bank may expose NABARD with higher level of non-performing assets, which were so far absorbed by the state co-operative banks. Indeed, the going is getting tough for NABARD and it has many challenges to face in near future. In this context, Dr. Y.V. Reddy, Governor, Reserve Bank of India deserves compliments for announcing in his maiden mid-term monetary credit policy statement for 2003-04 on November 3, 2003 to constitute an Advisory Committee on Agriculture. The committee is expected to look among others on the role of NABARD in the development of rural sector in general and agricultural sector in particular. All these developments will have far reaching implications for the working and future of NABARD.

Despite non-inclusion of these recent developments, the book is a valuable addition to the existing literature on the subject and will be very useful for the students, researchers, and policy makers in the field of agricultural credit and development banking.

*Mumbai - 400 097.*

C.L. Dadhich


The book published in 2001, by the authors sitting in the heart of the state capital, with the data that ends in 1991 for Punjab, would at best capture the high growth period of Punjab agriculture and eludes the readers of the concerns like stagnation, degradation, over-exploitation, environmental and natural resource sustainability that
remain the hub of discussions on Punjab agriculture since the early 1990s. Nonetheless, one should be seeking "Alternatives in Agriculture" at the juncture of asymptotic peak of the growth curve, and to that extent the study in early 1990's was a mark itself. The growth of Punjab agriculture over about three decades up to 1991 has been very impressive and comparable to the best in the world. Agricultural production has grown at an average rate of five per cent per year since 1960-61 and National State Domestic Product (NSDP) originating in agriculture has also grown at a fairly high rate of four per cent per year. As a result of this continuous growth of agricultural production at a high rate, a sizeable surplus of a number of farm products is getting routinely and regularly produced in the state. Somehow, the development of agro-processing industries in the state has not kept pace with this fast growth of surplus agricultural production.

For the study of growth and performance of agro-processing industries in Punjab, the book deals with the following: (i) agricultural material for processing, pattern of current and future availability, (ii) linkages effects of agro-processing development explaining backward and forward linkages of these industries, (iii) Constraints and expansion plans of agro-processing enterprises and (iv) the issues relating to identification of rural agro-processing industries and participation of rich farmers.

The study is organised in seven chapters. Chapter 1 discusses the surplus quantities of various agricultural products/by-products available for processing in Punjab. The projections derived from the past decade behaviour of production indicate that by the year 2001 substantially larger quantities of all these agricultural raw materials would be available for processing in Punjab. Crop diversification exercise suggests that production of sugarcane, maize, potato, kinnow, grapes and tomato can be doubled by diverting merely four to five per cent area from wheat-paddy to the cultivation of these crops. This chapter suggests that the state is having considerable surplus agricultural material available for processing. This is nothing new. However, simple surplus is not processable for the processable varieties are different in many a cases. In promoting the development of agro-processing industry in the state, availability of these agricultural products will play a major role and has to be kept in mind.

The growth and performance of agro-processing industries in Punjab are examined in Chapter 2. To ascertain the current status of agro-processing development in Punjab, three-fold analysis was carried out. The classification of all industrial units operating in Punjab into two broad groups of agro-processing and non-agro processing shows that 37.25 per cent of the total units are based on agricultural raw materials and these units taken together contributed 41.90 per cent of the total output of the factory sector during 1987-88. Analysis of the pattern of development of agro-processing industries in the state reveals that 12 industries dominate the agro-processing scene, which are grain mills products, edible oils, dairy products, hydrogenated vanaspati and ghee, knitting in mills, cotton ginning, wool spinning and weaving, malt liquor and malt, cotton spinning and sugar, leather and
leather footwear, wooden furniture and cupboard manufacturing. In the first eight of these industries, Punjab is also among the leading states (one of the top three) in terms of share in all India production and market. Other agro-processing industries, which grew at a high rate during the last decade, include pulp, paper and paper products, weaving and finishing of cotton textiles in handloom, wool cleaning and baling and container boxes of paper and board.

Chapter 3 deals with linkage effects of agro-processing industries in the state. The backward linkage effects were found to be stronger than the forward linkage effects in each agro-processing industry. If both the linkages are taken together the industries like beverages, edible oils, other textiles, vanaspati, miscellaneous food products, paddy milling and cotton ginning were found to have the stronger linkages effect. All these industries have very strong raw material linkages with the farm sector of the economy. Even their market linkage with the local state economy is strong because these sell a good part of their final product within Punjab. However, the employment linkages of agro-processing industries within the state economy was rather weak, as most of the unskilled workers and even a good proportion of the employees working in these industries have been drawn from outside the state.

The constraints and expansion plans of agro-processing enterprises and scope of farmers' participation are explained in Chapters 4 and 5. It is observed that agro-processing firms operating in Punjab do not face any serious problem in the procurement of needed agricultural raw materials, in the availability and behaviour of labour, in transportation of inputs and products and in the disposal of waste by-products of their plants. However, these firms reported serious problems in selling their products and in recovering the sale money in time. The other problems included availability of credit for working capital requirements and power shortage due to peak load restrictions. Most of these units do not want to expand their operations but there is small dynamic segment among rich farmers who are keen to expand as well as diversify, if helped by the government to tackle the constraints of finance, power and technical knowhow. At present only a very small proportion of savings of these rich farmers was invested in agro-processing, most of which was used in traditional channel of land burying, house building and social ceremonies.

Chapters 6 and 7 identify the agro-processing industries, with scope of development and suggest policy measures. By taking all the factors into consideration, the list of sixteen industries was prepared having very good scope of which ten industries have particularly intensive scope of development in the state and should be encouraged through suitable policies and incentives. Some of the policy measures for speeding up the development of agro-processing industries are related to creation of an efficient responsive administration. The policy contribution of the results, among others, calls for concentration on the development of a few agro-processing industries, priority agro-industries should be given concessional loans, tenancy and ceiling laws should be amended and research should be shifted from higher yields to better quality products.
The book is an excellent reading. The study makes a significant contribution in analysing the status in the early 1990's and provide future guide map for agro-processing development in Punjab. The study has not only analysed the existing structures of agro-industries but also reflected on the policy initiatives to be undertaken by the State Government, the Chamber of Commerce and farmer activists and farmer organisations. This study is unique in the sense that while attempting to suggest relevant policy measures, it has also incorporated the concerns of fundamental research. However, the status a decade later is still what it was. The policy matrix needed to have set in implications for the limited growth of "alternatives", which would have better set the tune for policy makers, development administrators, private sector and the farmers alike.

Ludhiana - 141 004 (Punjab). Karam Singh


The book under review seeks to examine the role of irrigation, particularly through large dams, in contemporary Indian society. This study has also discussed the nature of Indian state as is reflected through its irrigation policies and discuss the challenge posed to it by the emergent green movements. The book tries to focus much about the prices of environment, as it is control over water. Here the author makes a critique of large dams on the basis of their performance, ecological impact, and unequal distribution of their costs and benefits in society. The author within a discipline of politics has carried out this work, but the methodology is characterised by its interdisciplinary nature. Thus the book focuses on ecological discussion, exploring the concept of sustainability with reference to irrigation, agriculture as well as people.

Divided into seven chapters, Chapter One focuses on the equity, development and sustainability of irrigation and alternative perspectives. The second chapter highlights the history of irrigation, state and ecological change in pre-British India and in British India. The irrigation planning in India, the politics of cost-benefit analysis and green revolution of large dams are discussed in the third chapter. Chapter Four has discussed the economic evolution of large dams, the debate between small versus large dams, and the returns from irrigation. Chapter Five focuses on the ecological impact of large dams. The pros and cons of displacement of resettlement has been discussed in Chapter 6. The concluding chapter highlights the property rights of water, Green movements and its alternatives in hydraulic, irrigation and hydropower.

This book attempts to bring issues related to ecology into focus, while using the tools of political economy. The concerns here are with the issues of a sustainable and equitable irrigation policy and an attempt is made to converge the disciplines of political economy and political ecology for a fruitful analysis (p. 19). In the first
chapter the author argued about the concept and meaning of development and sustainability. He also exposes ‘radical alternatives’ as another way of dealing with concerns about equity and sustainability in irrigation. The study throws light upon the civil engineering and statistic ideas and traditional theory of irrigation.

Chapter Two has examined the history of irrigation technologies and socio-ecological change related to irrigation in India, with particular reference to the sensitivity of revenue and emergence of property rights in water. The author has argued that, while extensive material in the British irrigation policies exist, little attention has been paid to the pre-British irrigation management. This is because scholars have largely focused on land, and not other factors of agricultural production like irrigation. While expressing the historical works of irrigation, the author has argued that, the relationship of the state and irrigation in the pre-British period are scarce, any understanding of irrigation and society during the time is bound to be tentative. He has also discussed on the reaction of military-civil engineering dominance of irrigation development in British India. He quoted the work of Nirmal Sengupta who advocates a renaissance of traditional irrigation technologies. Sengupta’s work in this area is important and it can be shown that the irrigation technologies that developed during the British period had little understanding of the ‘irrigation science’.

In Chapter Three the author has discussed the role of irrigation in different planning era. Irrigation planning has been conceived of the high agenda of the builders of modern India. This chapter also depicted that the allocation to irrigation and flood control through various five-year plans has continuously increased. The reason for huge investment in irrigation is the desire of the Indian planners to meet the food requirements of the ever-rising Indian population. In the politics of cost and benefit analysis, the irrigation planners have safely said that, there is need for large irrigation projects, in spite of the fact that the economic performance of large projects was hardly satisfactory. After the adoption of green revolution, the introduction of large scale in canal irrigation, particularly through the large dams has changed the ecology of the region. But the question arises that, whether construction of large dams can be self-sufficient to meet food production.

Chapter Four has highlighted on the low returns from irrigation and re-examines the stated notion that irrigation by large dams is economical in comparison to small irrigation works. The author has argued that, over the years the return from investment in irrigation has been constantly falling. In this connection, he has also discussed about the debate on irrigation subsidies, which has only concentrated on raising water charges. He has also put forwarded the debate of small versus large; which is cost efficient? The Planning Commission estimates that the cost involved in providing irrigation to one hectare of land through major and medium irrigation schemes is over Rs. 2,800 in comparison to Rs. 840 for an equal area by ground water. Apart from the cost of irrigation per hectare by major and minor schemes, any serious economic analysis must also look into the output per hectare by different
irrigation technologies. The book has also pointed out that not a single project had been completed within the approved cost estimates in India since Independence. Thus, with cost overruns ranging from 78 per cent to 675 per cent, according to various estimates, Benefit-Cost (BC) ratio based on estimates does seem to be a joke. Again large dams are known to have a long gestation period, and in India are prone to frequent delays, even not a single project has been completed since Independence within the stipulated target date.

Chapter Five has briefly and critically discussed some of the common ecological problems associated with large dams by providing select samples and data from a few dams. The author has strongly argued that the ecological impact of large dams is usually very serious and its gross neglect, despite definite instances, is a surprising matter. The major ecological and environmental problems that the author has discussed are deforestation and destruction of genetic life, sedimentation of the reservoirs, siltation, water logging, salinity and seepage. Other related diseases like filarial, cholera, gastro-enteritis, viral encephalitis, goiter and some other water-borne and water based diseases have also increased with the creation of artificial lakes in the shape of reservoirs. But the author has not briefly discussed the fishery aspects of dams where larger fisher folk depended their livelihood. Apart from the adverse environmental and health impact, the imperial and capitalistic science has also created a technology that has come to pose serious problems. The major causes of dam failures were may be due to the constructed related problems due to occurrence of earthquakes. The author had also argued that, in spite of significant developments in environmental economics, an ecological assessment of large dams has not yet begun in earnest which resulted in serious ecological degradation and poses vital questions relating to the sustainability of the irrigation system as indeed of agricultural productivity.

'Who are winners and losers' of the actual process of irrigation and agrarian relations has been discussed in the Chapter Six. The victims of the capitalist mode of development who have been alienated from the environment, land and livelihood, and having lost their 'fight for survival' and the marginal proletariat who ultimately helps create cheap unorganised labour for the industrial bourgeoisie had also been highlighted at this chapter. The issues of social relations and control of water are discussed through the existence of water markets and the sociology of water distribution. The major beneficiaries of large dams as discussed by the author were the rich landlords, irrigation bureaucracy, and the political elites and contractors class. This study does not explore the particulars of the gender impact of large scale and modernised irrigation development that is essential, especially to issues related to ownership and productions relations. The last section of this chapter critically analyses the problems of displacement, resettlement of rehabilitation with regard to large dams in India. The study has highlighted that the Indian Government does not have a comprehensive rehabilitation policy till date.
The concluding chapter has briefly discussed the significant feature of many green movements in India with relation to hydraulic property rights. The author quoted the words of Leach that, ‘property in land is worthless unless, it is linked with rights to draw water to irrigate the land (Leach, 1968, p.232). The author has suggested some of the following alternatives in irrigation for the improvement of agriculture such as construction of small dams, tanks, water harvesting, and forerunners of modern dams, ground water development and drip irrigation technology. The author has also strongly argued that while the slogan of land reforms is well known and still considered an important step towards an egalitarian policy, the importance of hydraulic property rights has not come on the political agenda.

In conclusion, the book has made an attempt to analyse irrigation in relation to two dominant ideas of equity and sustainability. It has been seen that on both these counts, the dominant irrigation policy of large dams in India has proved to be inadequate. Small-scale works and traditional irrigation technology are widely regarded as important in fulfilling the needs of equity and environment. Thus the author makes a critique of large dams on the basis of their economic performance, ecological impact, displacement caused by their construction and the unequal distribution of their costs and benefits in society. Thus the book is as much about the politics of environment, as it is about control over water. The book will be of interest to all citizens, as well as students of various disciplines, engineers, NGOs, activists, policy makers, researchers and academicians in the area of water resources, hydrology, environmental studies, development studies and public administration. On the whole, the book is informative, well researched and pleasant to read. The attempt made here is very unique and useful with significant implications to construction of dams. This book has drawn on a rich variety of experiences and ideas from many countries and water experts.

Madras Institute of Development Studies, Chennai - 600 030.

Sushanta Kumar Mahapatra