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Book Reviews

Globalising Rural Development: Competing Paradigms and Emerging Realities,
Edited by M.C. Behera, Sage Publications India Pvt. Ltd., New Delhi, 2007.
Pp.462. Rs. 550.00.

The book is a well edited volume addressing the recent developments in theoretical approaches, ideologies, policies and practices in the field of rural development in the context of globalisation as experienced in the Asian countries. It is perhaps the first independent analytical account of changing rural development paradigms and emerging realities in the wake of process of globalisation.

The design of the compiled contributions is drawn in terms of the following four sections. The first section is a long comprehensive essay of introduction addressing the globalisation: whether rural development focuses on the changes in development paradigm and rural development, the ideological content of the new paradigm and the inherent contradictions in priorities and perceptions of the core. The second section titled globalisation, state and NGOs has seven papers dealing with the emerging role of the state, state led interventions in the context of globalisation and the role and potential of NGOs to rural development. The third section titled sustainability and endogenous rural development: concept and strategies includes papers highlighting the sustainable rural livelihood framework and impact of some of the rural development efforts implemented in Asia. Section four has five papers on participation; gender, poverty alleviation and food security: policies issues.

There are a number of points which are worth noting in appreciation of the book. For example: Theoretical exposition of "Core-Periphery Thesis" provides a useful analytical tool to dissect the changing development paradigm particularly with reference to rural development and dominant character of western views of development. However, it is also equally interesting that the editor in his introduction states the significance of "Gandhian Rural Development Paradigm" after the analysis of the shift of the change in the approach to development discourse from idealism to techno-burocracy to participatory development. It is observed that how the core-periphery development model has been continuing with modifications in the context of this critical review of the changing development paradigms. Gandhian Rural Development Model has reminded and explained how the modern concepts and approach are close to Gandhiji's perceptions. It is illustrated by examples such as participation and people's knowledge synonymous with indigenous knowledge laying emphasis on cottage and village industries; minimum pressure on environment and sustainable development decentralisation. Gram Swaraj now gradually forms the ideological basis of the international development discourse. The modern Robert

Chambers's concept of "Putting the first last" and Sen's concept of entitlement are also very much embodied in the Gandhian perspective of rural development.

We find elements of realism in the country based studies and the chapters devoted to globalisation and role of the state and NGOs. The role of the state in the context of globalisation has been much clearly spelt out with reference to 'SAFETYNETS' and Social Development. The NGO debate in this book is most comprehensive leading to its logical end. It has become successful to reflect the riddles of rural development and role of NGO in the present context of North-South domination relations through globalisation.

The book thus provides enough material to claim to be an essential reading for those who are concerned with rural development. However, there are a couple of difficulties in dealing with material in the book. The introductory chapter is too long and so much interesting that some of the chapters readers would skip over after reading this introduction. The discussion of India is not adequate both in way of coverage of the issues as well as quality of the papers. There are certain views in the book which are perhaps very extreme. For example Farida Akhter's paper exceeds even Joseph Stiglitz critique as she notes about the intention of international bodies. Stating that "rural development is predominantly an interventionist tool of post-colonial states with support of multilateral and bilateral aid agencies targeting by very design the southern countries and their people in the pretext of their concern for rural development. This is a sweeping statement which needs to be qualified. Instead of too long an introduction, a separate chapter on synthesis of the major findings could have been more useful.

In any case, the book under review is a real contribution to the literature of rural development and should be useful as an essential reading to develop multi-disciplinary competence for professional competence in rural development.

*Mahatma Gandhi Department of Rural Studies,
Veer Narmad South Gujarat University,
Surat – 395 007.*

Dilip Shah

The Sardar Sarovar Dam Project: Selected Documents, Edited by Philippe Cullet, Ashgate Publishing Company, Hampshire, U.K., 2007, Pp. xvii + 472. £75.00.

Professor Philippe Cullet teaches law and argues that law can make development equitable and sustainable. International law has traditionally been based on the principle of sovereign equality of states. Consequently, treaties have normally provided for similar obligations for all states. In recent decades, the expansion of the international community and the globalisation of environmental and economic issues have led to the search for new legal tools to take into account existing disparities and inequalities among states and to foster a better implementation of international agreements. In the past, we have learnt from Dr. Cullet about Climate change and

laws; Intellectual Property Rights and development; International economic law; law and common property resources; and Law, environment and development. In doing his research, Dr. Cullet has forcefully argued against discrimination. He has examined situations where the principle of reciprocity of obligations gives way to differentiated commitments, for fostering substantively more equal distribution than what is achieved through the principle of formal equality, in situations where actors are not equal. In his earlier writings, he has tried to show the extent to which the emerging field of international law takes special account of differences in resource endowments and capacities in the distribution of burdens among the actors. In the volume under review, the author has reproduced official documents in their original form and in the process, he is able to draw out controversies that have riddled Sardar Sarovar Project since its inception. He has also debated how justice was done to project affected people after the World Bank's withdrawal from the project:

"The World Bank loan brought to the Sardar Sarovar Project the whole set of policies that provide the framework for the implementation of bank-funded projects...The involvement and subsequent withdrawal of the World Bank from the project is landmark event... The involvement in SSP was, by all account, one of the biggest public disaster for the World Bank. As a result, a number of initiatives were taken to ensure that similar problems would not resurface... After the World Bank withdrawal from the project, the development of SSP took a different turn... From the point of view of *Narmada Bachao Andolan*, the withdrawal of the World Bank was a boon and a challenge. From March 1993 onwards, much less international pressure could be applied on the Central and State governments. Eventually, in view of the difficulties faced in making itself heard, NBA decided to have recourse to public interest litigations, which had come to be seen by mid-1990s as one of the best avenues for ensuring justice and securing the realisation of human rights" (Chapter 1).

We know that the official documents become inaccessible to researchers; hence, by reproducing them, Cullet has served a purpose. But more importantly, the reproduction are relating to World Bank's loan documents, judicial arguments and pronouncements and documents relating to environment and rehabilitation, which inform the readers the process of evolution of law and policy framework for Sardar Sarovar Project. The volume begins with an overview that traces the historical development of Sardar Sarovar Project and the major controversies associated with it. This overview is followed by nine chapters, which explore - through official documents - debate on sharing of cost and benefits Sardar Sarovar Project (1967); The Narmada Water Dispute Award (1979); processes of environmental clearance for SSP and the debate it generated in Indian Parliament (1987); drinking water to drought prone areas; Sardar Sarovar Project construction controversy; debate on Relocation and Rehabilitation; environmental compliance; Mores and Burger Report (1992); Loan Agreement (1985); World Bank Report on Project cancellation; and ILO, UN and other institutional documents on human rights violations in Sardar Sarovar Project.

The Sardar Sarovar Project is part of a gigantic scheme seeking to build more than 3000 dams, including 30 big dams, on Narmada. A mega project costing Rs.84,080 million in 1986-87 prices (revised Rs. 145,985 million in 1992 prices), Sardar Sarovar Project is supposed to irrigate 1.8 million hectares of agricultural land

and provide drinking water to 4720 villages and 131 urban centres. It would generate additional agricultural output worth Rs. 14000 million, apart from generating 1450 MW power. The project has been controversial since its inception. The controversy started in the late 1960s on sharing the benefits and cost of the project between Gujarat, Madhya Pradesh, Rajasthan and Maharashtra. This was followed by agitation for Relocation and Rehabilitation (R&R) policy for the project between 1982 and 1987. During late 1980s and early 1990s, the project again remained controversial owing to the estimation of social and environmental costs and economic benefits. The opponents of Sardar Sarovar Project argue that this project hides its social and environmental costs and over estimates its benefits and believe that even under heroic assumptions this project is nothing but environmental disaster. These activists have been critical of the techno-economic feasibility of the project. Their criticism has also been directed to (i) large area of submergence, (ii) destruction of forest and wildlife, (iii) interruptive approach to the natural flow of river and resultant sedimentation, (iv) problems of water-logging and salinity, (v) seismic problems due to large reservoir, (vi) risk of water borne diseases to downstream population, and (vii) impossibility of rehabilitation of project affected persons (PAPs).

The debate on R&R of tribals in Narmada valley is informed by numerous sources including print and electronic media, the state, the Greens, Morse and Berger Independent Committee, the pro and anti-dam activists, tribals in submerging zones and the rich landowner beneficiaries of the project, interests of Gujarat state and concerns of Madhya Pradesh government etc. Each one of these agencies has its own perspective and source of information. More often, the aim of these agencies is either to discredit R&R, making it impossible, or proclaim that every thing with respect to R&R is as planned. The facts are in between the two extremes (Sah, 2003). Of late, the right to livelihood of PAPs has become a moot question wherein insensitivity of the major agents towards grassroots needs have allowed judiciary to play an active role. Unfortunate it may seem, but the state and the civil society have failed in protecting the livelihood rights of a section of PAPs. Consequently, the Supreme Court interpreted some of the rights buried under Directive Principles and made them enforceable.

The book has raised these controversies, especially, big dams, displacement and civil society; environmental compliance in the Project; the *pari passu* conditions; the development of legal frame of Sardar Sarovar Project through struggles and judicial activism etc. This review traces two of the above controversies; the civil society and its role, and environmental compliance in Sardar Sarovar Project. Although both these issues are dealt quite aptly using the *available* documents, the former has been biased owing to the act of omission while the latter has been informed by serious environmental concerns.

Civil Society

Though development could have varying meanings, the Indian state used it to achieve a single goal, the goal of capital accumulation for rapid growth. This process demanded sacrifices on the part of the citizens, invariably the poor who have to make the sacrifices for the sake of larger community interests. Development projects, like Sardar Sarovar Project, are the products of this conventional paradigm. This is a process where people with varying capabilities interact for narrow advantages for a particular section of the society. In this debate, decreasing availability of water has been an important argument for large dams by its proponents. Many do not find this process acceptable. Since this is a conflict between unequals, they resist the process itself. They believe in people-oriented development, which calls for a process where access to natural resources is not adversely affected, and where planning and its implementation improves access to food and services in such a way that social, human and environmental losses are minimised. The resistance to the Indian development strategy, thus, has come from many quarters. Philippe Cullet has taken an emancipated view of civil society involvement in the Sardar Sarovar Project. He has given due credit to the contribution of *Narmada Bachao Andolan*. But in doing this, Cullet has dwarfed the achievements of Gujarat NGOs by not highlighting the role others have played. Thus, writes Dr. Cullet:

"The visibility of SSP for the past two decades has largely been due to the presence of the NBA and other movements... The NBA was more than instrumental in forcing the World Bank to call what became the Morse Report, which in turn led to the bank's withdrawal, the setting up of the Inspection Panel and was instrumental in the setting up of the World Commission on Dam. The NBA was also successful in forcing the government to respond to its claims, for instance, by setting up the Five Member Group, managed to obtain a four-year pause in the dam construction ... and was instrumental in ensuring the setting up of a Grievances Redressal Authority in each of the three states" (pp. 38-39).

Philippe Cullet forgot that the Sardar Sarovar Project is a product of varied and mixed experiences; good at the level of policy, acceptable in the implementation of relocating PAPs, and poor in case of their rehabilitation. The success of the R&R package at various levels is a product of coming together of many minds. The R&R policy of SSP has evolved over a period of time and after a prolonged struggle by activists in Gujarat. The involvement of civil society - especially Arch Vahini, *Anand Niketan Ashram* and Rajpipla Social Services Society - in R&R in Gujarat can be seen in two phases. The first phase ends by 1987 when these NGOs were able to organise tribals to force the policy makers to come out with a just R&R policy. The second phase is of post December 1987 when the R&R package was accepted by the government of Gujarat and these NGOs decided to become active partners in the relocation process. Left to the state, the implementation of R&R package would perhaps have been as indifferent as it has been in other projects in the country. A fair amount of success at the execution of the relocation of PAPs certainly would not have been possible but for the support provided by the non-government

organisations, who had earlier fought for a just resettlement and rehabilitation (R&R) policy for the SSP (Sah, 2003).

The post-1988 period had seen immense pressures on Gujarat NGOs. On the one hand, they had to sustain the political will and see that this will is translated into actions. On the other, the ability of pro-state NGOs to influence and work with the oustees depended solely on the fulfilment of promises they had made to them before relocation. These two roles were not congruous. The bureaucracy at the lower level in its turn exploited this contradiction. Allocation of unproductive land, short changing in land and subsistence allowance were some of the problems, which did not surface for over a decade. Some PAPs who were relocated between 1983 and 1987 when the R&R package was not accepted by the state also faced a problem of discrepancy in the compensation package. They not only got meagre monetary compensation for their land but their grown-up sons who were recognised as separate PAPs after 1987 had to wait for another five to seven years to receive their package for want of suitable land in the nearby new sites. Fragmentation of family was the tragic outcome in many cases. No matter how hard the affected oustees and the involved NGOs tried to settle these cases, non-availability of land and bureaucratic insensitivity delayed the outcome. The discredit invariably went to the NGOs.

The political will was activated and the bureaucracy did strive for a *fast* and *smooth* relocation. The bureaucracy at the grassroots level either did not get the real feedback from the leaders who were the contact points for dealing with PAPs in over 120 locations or preferred to ignore the representation made by NGOs regarding their grievances. This resulted in creating a momentary calm, as the real grievances of oustees did not surface immediately. Many of the leaders were also co-opted to voice what the bureaucracy wanted to, that *all is well on the R&R front*. As long as the dissatisfaction did not surface especially concerning the quality of land and amenities at the new sites, the NGOs, especially Arch Vahini, did choose to co-operate with the bureaucracy.

Nonetheless, a group of activists, who in 1989 formed the *Narmada Bachao Andolan*, took the stand of *No Dam* on grounds of ecological and human costs, soon after the acceptance of the R&R package in mid-1988. Their struggle, though started around displacement, reopened the question of the Project's sustainability. This paradigmatic shift opened a new dimension in the debate on *development*. Sustainability did not remain confined to tribal rights, loss of livelihood and resettlement, it also included ecological and environmental issues associated with the project. Their belief regarding unsustainability of Sardar Sarovar, strong views about the impossibility of rehabilitation, and lack of faith in capabilities of administration to handle a large involuntary migration -- originating from not only Gujarat but also Maharashtra and Madhya Pradesh -- brought a vertical split between involved NGOs. A group spearheaded by Medha Patkar seriously questioned this development approach. The other group, headed by Arch Vahini and consisting of majority of NGOs from Gujarat, remained pro-rehabilitation. The latter believed that

rehabilitation was possible, provided adequate mechanisms were developed for checks and balances in the resettlement process. '*Tribal*', says Vahini, '*have shown clear preference for good quality of land, security of tenure, and much greater access to market and other infrastructural facilities like roads, transport, electricity, schools, even rudiment of health service. Their access to market, their integration with the market economy is limited*' (Patel, 1997). Making all these happen in the relocation process was, thus, desirable. These views, pragmatic though, are explicitly in variance to the Andolan's ideology. The defence to tribal rights from Vahini took various forms of colloquy - from rhetoric and polemics (Arch, 1992), to defending the state against the Independent Review (Patel *et. al.*, 1992; Arch, 1993). But nowhere Arch's commitment to serve the interests of the oustees has ever been in doubt, neither when it was working closely with the state in the Project nor when it withdrew.

From this pro-rehabilitation position, when Arch Vahini withdrew itself from the Project in 1995, the question may not have been so much of a failed paradigm (Sah, 2003). This drastic step more likely would have been taken due to failed processes, which were unable to insulate the PAPs from various problems in their resettlement. Arch disassociating itself from the R&R almost after a decade of its involvement may be also because the pro-rehabilitation self of Arch was in contradiction with its pro-state self. This debate notwithstanding, what should be remembered is that in normal circumstances the problems faced by PAPs could have been sensed and raised by Arch much earlier. But their preoccupation with relocation did not allow them to play the facilitating role for such identification; relocation pressures were too intense and too prolonged for them to have either time or energy to take up rehabilitation issues. Cullet has failed to bring these facets of Sardar Sarovar Project to the readers. In the process, unfortunately, Philippe Cullet, either knowingly or unknowingly, chose to ignore the contribution of *Arch Vahini* in creating policy framework for large dams.

Environmental Issues

While Philippe Cullet failed to bring a balance in the civil society role, he has aptly dealt the issues of environmental compliance in the Sardar Sarovar Project.

The environment clearance for large dams was introduced only in 1978. The requirement became statutory in 1994 when Environment (Protection) Act, 1986 was modified. Between 1978 and 1980, Department of Science and Technology was the nodal agency for environmental clearance for development projects. Only after this clearance, the Planning Commission accepted the proposal. The National Committee on Environment Planning and Coordination was assessing the project's statements. With the formation of Department of Environment in 1980, the task of clearance was transferred to the new department. But the Department of Forest and Wildlife had the responsibility to accord forest clearance for the forestland coming under

submergence. With the setting up of Ministry of Environment and Forest in 1985, this ministry had the responsibility of conducting an environmental impact assessment and granting environment clearance as well as forest clearance. The Department of Environment and the Department of Forest and Wildlife became part of the new Ministry. It was only from 1994 the environment clearance became mandatory through forest clearance was made mandatory in 1980.

The Environmental Appraisal Committee set up by Ministry of Environment and Forest performed the function that was originally performed by National Committee on Environment Planning and Coordination. Based on the recommendations of Environmental Appraisal Committee, the Ministry of Environment and Forest decides whether a project should be cleared unconditionally, with some conditions or should be rejected. Another committee on forest recommends on clearance of forestland under submergence. The Environment (Protection) Act was amended in 1994 to make public hearing mandatory in the assessment process. Within the Central Water Commission, an Environment Monitoring Committee was constituted in 1990 to oversee the implementation of environmental standards.

The Sardar Sarovar Project came under critical environmental appraisal when Narmada Water Dispute Tribunal made its Award in 1979, for, the location of the project site, flow of water from catchment area including Narmada Sagar Project, reservoir level, dam height, submergence of forest area, sharing of benefits between Madhya Pradesh, Gujarat and Maharashtra, etc. had for the first time become clear. In 1983, both Sardar Sarovar and Narmada Sagar Projects were before the Department of Environment for environmental clearance. The application was supported by benchmark studies conducted by M.S. University Baroda. However, the environmental clearance was not accorded to the project. The Sardar Sarovar Project authority was informed about the difficulty in the study as well as additional studies required.

Despite this, in 1985 World Bank approved the credit and loan agreement for Sardar Sarovar Project. Nonetheless, in June 1987 the Department of Environment and Forest issued a joint clearance for Sardar Sarovar Project and Narmada Sagar Project. This clearance was accorded with condition that more details would be furnished for: (i) catchment area treatment, (ii) command area development, (iii) compensatory afforestation, (iv) resettlement and rehabilitation, (v) flora and fauna study, (vi) carrying capacity of the area, (vii) seismicity, and (viii) health problems. While consideration on Narmada Sagar Project was deferred, the World Bank in 1990 made it clear that the loan for Sardar Sarovar Project will be cleared with the condition that: (a) Progress of R&R and environment will be assessed *as the construction of the dam would progress*; and (b) Satisfactory environmental assessment.

The condition (a) above is of importance for, it means that the Narmada Control Authority would ensure that the environmental measures are implemented *pari passu* with the progress of construction of dam. The interpretations of *pari passu* by the

Project Authority, it seems, was not as the construction progresses but at the end when the dam was ready the environmental bindings on the project shall also be cleared. This made the Project Authority less vigilant to the emerging environmental issues for, according to their (Project Authority's) interpretation the compliance shall be mandatory only with the completion of construction of dam. Between 1983 and 1987, the Ministry of Environment and Forest did not clear the project. But the Project Authority did not show apprehension about this and went ahead with construction of Sardar Sarovar dam without environment clearance. After four years when the clearance was given in June 1987, the Department of Environment and Forests still had questions about the aspects of major environmental issues. This delay and conditional clearance became the issue of debate within as well as outside. The anti-dam movement used these contradictory evidences to prove that Sardar Sarovar Project is a planned environmental disaster (Alvares and Billorey, 1988). The May 1987 note of Department of Environment and Forests to Prime Minister of India made detailed analysis for Sardar Sarovar Project and the Narmada Sagar Project separately. The major environmental concerns (from the listed eight concerns) were unexpectedly found satisfactory except for the Resettlement and Rehabilitation of oustees. As the environment clearance for the Sardar Sarovar Project was accorded, in October 1988 Planning Commission also granted approval for the Project. To clear the apprehensions about the environment and ecological factors and also about the needs of the tribals, Shankar Singh Vaghela wrote a letter to Prime Minister on April 20, 1987. On 4 May 1987, the Prime Minister replied to Vaghela:

"There should be no ground for any misunderstanding in this regard. The Narmada project has been cleared while at the same time ensuring that environmental safeguards will be enforced and effective measures taken for the rehabilitation of tribals" (p. 172).

An analysis of the stand taken by Department of Environment and Forests in June 1987 whereby it accorded a conditional clearance and its letter to Prime Minister of India in May 1987 whereby the environment compliance was found satisfactory (except for Relocation and Rehabilitation) was quite inconsistent. This inconsistency was cashed both by the anti-dam activists as well as by the Morse-Berger Independent Review that World Bank instituted in 1991-92. The Independent Review of Sardar Sarovar Project conducted a detailed analysis of issues such as hydrology, upstream environment, downstream environment, command area environment and health, apart from other controversies.

Within the context of environmental implications, it may not be out of context to place the hydrology debate that is so very vital for project design. The design of Sardar Sarovar Project is a balance of inflow and rate of discharge from the reservoir. The Narmada Water Dispute Tribunal Award (1979) estimated that on an average 3 out of 4 years (75 per cent dependability), 28 million acre feet (MAF) of water will be available from the project. The Tribunal also allocated this water between 4 states: Madhya Pradesh (65.2 per cent); Gujarat (32.1 per cent); Maharashtra (0.9 per cent)

and Rajasthan (1.8 per cent). There are two major implications of the Award. First, what if yields are less; and second its effects on the downstream canal design and irrigation. Both these issues are contentious. This is because, they influence the availability and hence design of the project. It has been argued by the critics of Sardar Sarovar Project that the actual yield of 28 MAF is an over estimation and from other sources of Government of India, the critics estimated that the yield could be just 22 to 23 MAF.

Using the data provided by the Central Water Commission, Ram (1993) estimated the variations in actual yields between 22.2 MAF and 22.8 MAF. Ram (1993) based his findings on the actual flow of Narmada over the years (for 15, 22, 33 and 42 years). This reduction in yield makes the allocation to Gujarat actually 7.3 MAF against 9 MAF designed for the Sardar Sarovar Project. At this stage, the controversy of building Narmada Sagar Project along with Sardar Sarovar Project is irrelevant, for even with the Narmada Sagar Project the yield assumed by the Project is a suspect. The controversy of yield of Sardar Sarovar Project was also fanned by the May 1987 note to Prime Minister sent by the Department of Environment and Forest. The note estimated that at 75 per cent dependability run off in Narmada should be only 23 MAF instead of 27.2 MAF as assumed by NWDT (Alvares and Billorey, 1988). This naturally means less water for irrigation and drinking to Gujarat. It is argued that as the entire planning for the Sardar Sarovar Project is based on an assumption of using 9 MAF of water, any decrease in this amount will result in decreased benefits. Indeed, the benefit-cost ratio of the project, which at 1.13 is already at marginal acceptability according to Government of India and World Bank norms will decrease below acceptable limits if the smaller quantum of assured water is taken into account.

Following their detailed analysis, the Morse and Berger's Independent Review of Sardar Sarovar Project (1992) recommended to the President of World Bank that:

"We found discrepancies in basic hydrological information related to these works. We therefore examined the stream flow data and did our own analysis. We found that there is good reason to believe that the Projects will not perform as planned. The problems relate to the sequence and timing of stream flow and the capacity of the dam and canal to store and divert water. The effects of Sardar Sarovar upstream, downstream, and in the command area, therefore, will be different from what has been assumed to date whether or not the upstream Narmada Sagar Projects are built as planned. A realistic operational analysis upon which to base an environmental assessment is lacking. This alarmed us and it should alarm others, especially for a mega project with such far-reaching implications as Sardar Sarovar.

For the area upstream of the dam there are piecemeal studies that suggest that the impact on biodiversity will be minimal. But there has been no attempt properly to assess the cumulative effects of the impacts arising from the Narmada Sagar Projects. Although the Narmada Sagar Projects are not within our Terms of Reference, the resulting cumulative impacts will almost certainly be serious. The Bank has placed itself in a difficult position by agreeing to proceed with Sardar Sarovar Projects before the environmental implications of directly related projects upstream are understood.

Programs in the upstream region for compensatory afforestation and catchment area treatment are under way. We believe that these programs, however successful in the short term, are likely to fail because of the lack of participation by local people. It is our view that achieving the necessary cooperation is not likely to be possible within the construction schedule imposed by Sardar Sarovar."

"In spite of non-compliance with Bank resettlement and environmental requirements, the Sardar Sarovar Projects are proceeding—in the words of Chief Minister Patel of Gujarat—as "an article of faith." It seems clear that engineering and economic imperatives have driven the Projects to the exclusion of human and environmental concerns. Social and environmental tradeoffs have been made that seem insupportable today."

"Important assumptions upon which the Projects are based are now questionable or are known to be unfounded. Environmental and social trade-offs have been made, and continue to be made, without a full understanding of the consequences. As a result, benefits tend to be overstated, while social and environmental costs are frequently understated. Assertions have been substituted for analysis."

"Every decision as to the Sardar Sarovar Projects has always been, and will continue to be, a decision for India and the states involved. Together, they have spent a great deal of money. The foundations of the dam are in, the dam wall is going up, the turbines have been ordered and the canal is completed to the *Mahi* River. No one wants to see this money wasted. But we caution that it may be more wasteful to proceed without full knowledge of the human and environmental costs.

We have decided that it would be irresponsible for us to try to patch together a series of recommendations on implementation when the flaws in the Projects are as obvious as they appear to us. As a result, we think that the wisest course would be for the Bank to step back from the Projects and consider them afresh. The failure of the Bank's incremental strategy should be acknowledged." (Morse and Berger, 1992).

The World Bank's withdrawal from Sardar Sarovar Project, following the recommendations of the Independent Review, created a debate that surfaced contradictory interest of various groups. How valid is the claim of Independent Review on Hydrology that "there is good reason to believe that the project will not perform as planned"? As already mentioned, not every one involved in the Sardar Sarovar Project has accepted the analysis of Independent review. For example, Arch (1993) in its response to Independent Review has raised questions on the reliability of data used by the Review: Arch argues that "And then very blandly, without giving any evidence and arguments, they (Independent Review) assert that NWDT's assessment appeared to be unfounded or questionable. A very vague reference is made to an independent hydrologist they had hired. Even his/her name is not given, nor his/her findings and assessment are described or discussed vis-à-vis the findings reported by the country's apex body - the Central Water Commission". Notwithstanding this and also the fact that hydrology was not in the term of references of the Independent Review, there was an inconsistent stand taken by different agencies like the Central Water Commission, the Department of Environment and Forest and the Sardar Sarovar Project Authority. Whether or not the Project Authority was overstepping in its role as one who would decide on environmental compliance, the sad part of this incident is the eroding independence of environmental appraisal agency.

Many of these evidences are also reproduced, in the form of documents, affidavits, writ petitions, replies and letters, in this book. Philippe Cullet has not only given the documentary evidences on various issues at one place but also provides the readers with an apt introduction that traces how legal and policy framework has developed in the case of Sardar Sarovar Project. In spite of the importance of the selected documents, at times, one feels that in its zeal to be pro-poor, many pro-rehabilitation evidences -- like the stand taken by Arch in issues pertaining to the

project -- are missing from the book. It is unfortunate that a mine of relevant documents pertaining to role of Arch Vahini has been ignored by Philippe Cullet. Why Philippe Cullet has chosen to ignore these would be best answered by Philippe Cullet himself. As a result, his arguments, at times, sound, put mildly, biased. Notwithstanding this, the volume is a necessary read for those who are interested in development displacement and students concerned with legal and policy framework of large development projects.

*Madhya Pradesh Institute of Social Science Research,
6 Bharatpuri Institutional Area,
Ujjain-456 010 (Madhya Pradesh).*

D.C. Sah

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Inclusive Growth in India - Agriculture, Poverty and Human Development, S. Mahendra Dev, Oxford University Press, New Delhi, 2008, Pp. xxv+399. Rs.695.00.

India's Five Year Plans have so much overlap and repetitiveness that the late Professor Rajakrishna is reported to have remarked about the Sixth Five Year Plan that it was only the sixth version of the First Five Year Plan! However, each plan does strive to project what may be called its signature theme to distinguish itself from the predecessors. The Eleventh Five Year Plan which is now (March, 2008) managing the Indian economy has chosen the signature theme of "Inclusive Growth". The book under review is a timely and useful publication presenting a comprehensive picture of India's present status by the norm of inclusive growth. The theme of inclusive growth is particularly relevant at the current juncture of Indian economy. We have now enough indications to show that while India has been able to achieve accelerated growth through reforms for liberalisation and greater role for markets in the economy, the problems of poverty and low human development are becoming more severe rather than less. "Inclusive Growth" spans the policy areas which translate accelerated growth into accelerated reduction in poverty and improvement in

human development. The author does an admirable job in mapping these policy areas and highlighting the priorities in each area.

The book contains nine substantive chapters—besides Introduction and Conclusions- arranged in four parts: Agricultural Performance, Poverty, Employment and Social Security and Human Development and Regional Disparities. Professor C.H. Hanumantha Rao points out in a perceptive foreword that the insights provided by the book on these policy areas converge on the importance of “people-centred and pro-poor policies” in making accelerated growth inclusive. The interesting point to note is that “people-centred and pro-poor policies” were part of India’s development strategy since the beginning of planning in independent India. There could hardly be any such policy not covered by Gandhiji’s economic ideas and his advocacy of human values. However, one also notices a persistent dualism in the performance of India’s policies. While those focused on growth move with speed and thrust, the policies concerned with the living conditions and welfare of the poor and the downtrodden and with the development of the backward areas suffer from benign neglect, in the sense that huge funds are earmarked for them without any serious effort to ensure effective use of these funds. The result is “exclusive” growth which benefit mainly elites and organised groups accounting for only about a fifth of Indian population. The acceptance of “inclusive growth” as a signature theme for the Eleventh Five Year Plan is not so much an indication of a genuine change of heart of the ruling elites as of the growing anxiety among them that continuing “exclusive” growth can lead to politically explosive situations. It seems likely that they will prefer to persist with fire-fighting operations instead of pursuing with determination the long-term goals of sustained and equitable development and protection of environment. We consider it important to point out that this alarming aspect of the emerging situation remains somewhat hidden in the book under review.

To make this aspect more transparent, it is necessary to consider the perspectives with which the main actors in the development arena operate. The principal actor is the government which formulates and implements large arrays of policies and programmes and believes that the incremental contributions of these arrays will eventually add up to achieve the long-term goals. The researchers bring out the weaknesses in the policies and programmes and hope that this feedback will help the government to make its strategy more focused and thrustful. NGOs and civil society groups give voice and visibility to those suffering from deprivations and also mobilise them for collective action. The foreign funding agencies come with new ideas and paradigms and wield disproportionate influence on our approaches and strategies owing to their huge funds and high international profile. What these actors fail to notice is that the total impact of their efforts remain far too weak and fitful to reach the critical level essential for sustained development. Apparently, these actors have no intention—leave alone determination and courage—to challenge the Laxman Rekha drawn by the ruling elites and organised groups that nothing should be done which impinges on their interests, privileges and priorities. This is not surprising

since both those who draw the Laxman Rekha and those who treat it as sacrosanct belong to the same privileged strata in the society! There is a growing uneasiness among these strata that the political mobilisation among the poor and the deprived may acquire a momentum beyond their capacity to control and manage. The opium of populism seems to be losing fast its potency! The outburst of radical jargon in the writings and pronouncements by these actors is an indicator of desperation and not of confidence in their capacity to reach the development goals.

Let us give an illustration. The critical actor in the development game is what may be called the Top Tier in the Government (TTG) symbolised by the Prime Minister (PM). In the meeting of National Development Council held in May, 2007, PM expressed grave concern about stagnation in agricultural production, “technology fatigue” in agriculture and declining viability of farmers. He warned that if agriculture remains sick, neither inclusive growth nor poverty reduction would be achieved. He must have been anguished to admit that even the food security of the country is now facing a serious threat. Around the same time, he also expressed his determination to root out Naxalism which is spreading across the country in growing number of pockets. Can India face the twin challenges of agricultural stagnation and explosive situation created by deprivation of masses? Regarding agriculture, TTG has neither adequate and reliable data bases at the grassroots nor the institutions to bring the rural communities into the mainstream. Regarding deprivations, even the very basic schemes like public distribution system and National Rural Employment Guarantee Scheme have had minimal impact so far in vast areas in the country. This is not to deny the importance of government programmes and their achievements. We are only suggesting that they are still far from being credible instruments to usher in inclusive growth. This is their status after six decades of development planning. It is TTG which should be held accountable for this sorry state of affairs.

It may seem that this review has sidelined the book on which it is focused. Our intention is to suggest that the author and the younger researchers have all the fire power to breach the Laxman Rekha mentioned above. They have the competence, the tools and the access to data and materials needed for this purpose. The book under review prepares the ground but does not launch the assault! Experts and observers from abroad are appalled at the environmental degradation and low human development in India. There are warnings about the serious threat faced by India of becoming a ‘failed state’. There are enough clues that the country is moving into a turbulent political phase which can damage much that has been achieved so far. The need for inclusive growth is an emergency, not a long-term goal to be discussed in interminable rounds of leisurely seminars. The first step is to find a way to make TTG accountable. We have enough of backward-looking monitoring to assess the improvements over the past benchmarks. What is needed is forward-looking monitoring of the gap between the goal and present status and pinning of the responsibility for the gap on TTG. It is not enough for PM to only sound warnings!

To get back to the book, a valuable part of the book for the researchers are the 58 pages of appendices added at the end. They could save days and weeks of backbreaking work for those who desire to analyse the Indian economy which often resembles a wayward roller coaster. Like this reviewer, many readers may be puzzled that the numbering of appendices begins with 3 and not 1! They may be worried that two appendices are missing. The good news is that this is not so. We understand that Oxford University Press numbers the appendices by the chapters to which they belong without any indication of this link. The reasons for this curious procedure are obscure. Strange indeed are the ways of the Great and the Famous!

*Institute for Social and Economic Change,
Bangalore – 560 040 (Karnataka).*

V.M. Rao

Rural Commercial Capital: Agricultural Markets in West Bengal, Barbara Harriss-White, Oxford University Press, New Delhi, 2008. Pp. xvii + 428. Rs. 695.00.

Performance of agricultural marketing system is as critical to performance of agriculture as the performance of farming itself. The performance of marketing system depends on the structure and conduct of the markets. For analysing agricultural markets as a system, apart from pricing efficiency, the understanding of marketing institutions and their conduct is quite important. The institutions involved in agricultural marketing include not only traders, brokers, processors and retailers but also the state and social institutions. Social regulations through non-market institutions, the processes involved in labour markets, state regulation of markets, participation of state in the markets, the role of technology in marketing and how these elements dynamically interact and respond to others' actions are important to understand the working of agricultural markets. Further, as each market transaction involves flow of capital and resources, the conduct and behaviour of different market functionaries determine who gains (or loses) what from participation in the markets. The book under review is a meticulous dynamic analysis of all these dimensions of agricultural product markets of central part of West Bengal State. It describes the development of a system of markets for staple food (mainly rice) since the mid-1970s, a period coinciding with the Left Front Government coming to power in the state. The book is a connected version of three studies conducted by the author during three time periods, viz., (a) the period of agricultural stagnation (in Birbhum district, 1982); (b) a period of growth and diversification (in Bardhaman district, 1990); and (c) an era of state turning from being a deficit to surplus state and of deregulation (in these districts and retail markets of Kolkata, 1991 to 2002). The book is presented in 10 chapters, supported by detailed endnotes and a large number of appendices.

The author brings out the structure and processes of rice markets in Birbhum district, as observed in the early 1980s, in Chapter 4 and dynamics of state intervention and mercantile politics in Chapter 5. The capital required for market

entry as petty trader, broker, purchase agent, husker, wholesaler and rice miller and sources of capital for each have been meticulously presented. The payment system for transactions between different pairs of market players has been discussed. Several important characteristics of rice marketing system emerge from the analysis. Paddy and its by-products were only partially commodified. Agricultural commodity markets were regulated more by non-market institutions. The prolonged period of agricultural stagnation had affected the markets for rice through distress entry and lack of diversified and dynamic non-farm economy. It resulted in chronic over-capacity in processing plants of all sizes, and in considerable over-crowding at various stages of the marketing system. Yet, the stagnant nature of market system meant that competition did not drive down the rates of return. The direct state intervention had been in the form of subsidy on fixed capital for rice mills modernisation, tax on paddy purchased by mills, levy on rice millers, and inter-district movement restrictions. The author lists the response of rice millers to these provisions in the form of poor quality of rice offered as levy, a shift to pressure parboiling technique, hoarding of paddy/rice and evasion of levy. The author has also brought out as to how other restrictions were flouted by the husking mills, rice brokers and rice wholesalers to show that the restrictions were contradictory and impractical and did not fulfil the intended objectives. All the market players had their strong district level associations for mobilising judicial intervention, whenever needed, as well as for collective lobbying at various levels. The merchants acted collectively against state intervention and other fractions of commercial capital, as well as for self-regulation, that is a form of social, non-state regulation of their own markets as well as of derived ones. The state intervention failed to generate structures of countervailing power sufficient to destroy the existing structures of power, and both continued to exist in tandem.

Four sub-systems of rice markets have been identified by the author, which include paddy/rice moving as kind wage for labour services and/or repayment of loans, petty trade for local retail sales; official procurement, directly or through rice millers; and sale of paddy/rice for export/distant markets. Each of these sub-systems affected the others. The merchants' capital was intertwined and was the prime mover of the system and got the highest rates of return. The largest fraction of this commercial capital was invested in the network of rice mills. The large mills used the money advances to preserve their indirect control over the primary production structure. The state regulation and direct intervention prevented development of petty trade that could have threatened the agro-commercial elite, concludes the author.

The situation of agricultural product markets, after about eight years of faster growth and diversification, as revealed through the study of Bardhaman district in 1990 is brought out in Chapter 6 and 7. The markets resembled that of Birbhum district in 1982, in terms of economic structure, diversity, complexity and idiosyncrasy. The market structure for rice (as also for potato and mustard) was polarised between a small number of large firms controlling a substantial part of

marketed surplus and a large number of petty firms. The economic law, which states that a single cost minimising technology predominates, was persistently flouted in processing, storage and transport. The major contribution of the study in these two chapters is to systematically document how the rules, regulations and restrictive measures are flouted by various stakeholders in the marketing system. Also, it demonstrates how some of the regulatory provisions were un-enforceable owing to the basic flaws in perception of such provisions (e.g. sheller technology as shown on p. 198) as also in connivance with regulatory authorities (pp. 199-200). It also brings out some of the inherent contradictions in central and state's responsibility. For example, while agriculture is a state responsibility, post-harvesting of food is labeled as 'food' and food administration is central government's responsibility.

The study clearly brought out that the system of food markets was instituted and regulated in complex ways and that the state was not necessarily the strongest party involved. Another important conclusion of the author is that the West Bengal State regulated agricultural markets less coherently than most other states of India. While it energised petty trade as a part of its emphasis on livelihood creation for its mass base, there were several counter measures that blocked the encouragement of petty trade. These include rationing licenses to petty traders, continued protection of local commercial magnates, and de-facto denial of institutional credit to small traders. The state's incapacity to enforce disciplinary regulation implied 'market freedom' long before the era of liberalisation and gave freedom of accumulation opportunities to capital.

Liberalisation and institutional development in the rice market system during the early 21st century are discussed in Chapter 8. The results are based on the studies of Birbhum and Bardhaman districts in 2002. The authors show how inspite of deregulation and growth, a very large proportion of the rice market remains informal, criss-crossed by non-economic constraints on market organisations and capital accumulation and vulnerable to predation by officials. Between 1980-81 and 2001-02, rice production in West Bengal increased dramatically from 7.5 mt. to 15.3 mt. The author observes that two decades of sustained growth in rice output enabled top layer of capitalist accumulation – the rice mills – to expand their control over the food system and increasing their share to 25 per cent of production. Their number doubled, capacity expanded and capitalisation intensified. Also observed was a deep diversity of technologies, forms of organisations and scale of operation, which co-exist and flourish. The system created large quantities of petty livelihoods and the conditions for their proliferation were threatened, because marketing margins became wider. The system had become more functionally accumulated and graduated from self-employment (household) to small workers capitalist firms and to family business. All the stages and scales in the system were continued to be controlled by money advances. The mills have weather-proofed themselves, but have become more dependent on the combination of state policy and contractual arrangements. The process of decentralisation accompanied processes of concentration because political

constraints on accumulation have been lifted. Unreformed regulations had adapted to the local struggle for surplus. On the one hand, the author found petty extortion of small traders by ticket inspectors, police and vigilance officials, where inspectors are more powerful parties; and on the other, corrupt accommodation with rice mills where mills are more powerful. While regulative laws and state institutions have changed, these relationships have not.

In the ninth chapter, the author brings out how the market arrangements are rife with rent-seeking when faced with rapid liberalisation during 1991-2002. The main objective was to see how markets responded to the external shock of liberalisation. In 1994, all husking mills were licensed putting an end to the dichotomy between licensed and illegal mills. The stocking limits with traders were withdrawn in 1999 and in 2002, wholesalers and retailers were de-licensed. The decades old dichotomy between rice mills and husking mills was blurred. Mills were tying directly with farmers, thus avoiding brokerage charges. The author has argued that there has been less deregulation and de-participation in practice than these have been on paper. Regulation of labour, of credit, and of electricity have not been touched at all. The state has actually re-regulated and re-participated in rice markets. Re-regulation has decentralised accumulation by reducing entry barriers, formalising the activity of husking mills and paddy agents and increasing their capacity to accumulate. It has also decentralised storage and blurred the distinction between husking mills and rice mills and between wholesalers and retailers. In the matter of food and PDS management, the transfer of Food Corporation of India's role to Food Department has made the system more complex and less efficient. There has been no change in the relative importance of non-market institutions (social). Social regulation always coexists with state regulation and this has continued to be so. Locality, religion, caste and gender were not playing any less defining roles in the marketing system.

The three sets of observations of the author in the concluding chapter are of critical relevance for policy analysts as well as agricultural marketing researchers. First, the Left Front Government in West Bengal is rightly acclaimed for its achievements in rural economic and political development, notably through land reforms (operation Barga), the decentralisation of local governance (panchayats), the provision of production credit, and the enforcement of gender-blind minimum wages. Most analysts have attributed West Bengal's success in increasing production (and turning from a deficit to rice surplus state) to one or more of these policies, but the author of this book argues that markets have been crucial determinants of growth, and relative neglect of the marketing system is responsible for persistent poverty despite growth and other developments in West Bengal. The relative neglect of commodity markets by policy and political analysts has permitted the development of socially regulated, as opposed to state-regulated, markets and perpetuation of an accommodation between the state and the agro-commercial power. Second, the author has listed three distortions, which lead to a failure in analysing agricultural markets in reality. Leaving out external factors like energy (rice hullers' case), capital

and labour are fatal to market analysis. This apart, exclusion of state and social institutions is a serious omission in market analysis. The state was committed to eliminate middlemen, yet it supported rice mills monopoly. It neglectfully implemented Agricultural Produce Monopoly Restriction Act and kept the farmer unprotected. It forbade state-regulated credit for trade but funded commercial elites. These apart, it encouraged market structure and technological developments, which continuously displaced labour. And third, the author has advanced the theoretical understanding of agrarian transformation, through the analyses of agro-commercial capital. Agro-commercial capital must be seen not as a passive receiver of the impacts of either political regulation or liberalisation, but as an active shaper of both. When the state fails to impose regulations, agro-commercial capital evolves its own institutions of social regulation, which can be of two types. One consists of consciously designed regulative forms of 'collective action' (business associations or guilds). The second involves reworking of non-market institutions such as caste or ethnicity into economic regulators. These are manifestations of contemporary capitalism, with its own forms of market authority and undemocratic market-driven policies.

The use of words in the book like 'Rajasthani Marwaris' or 'Gujarati Baniyas' was irrelevant and unnecessary. 'Marwari' is not a caste as repeatedly mentioned in the book. It indicates the geographical origin of a person or his/her ancestors. The people with their origin in 'Marwar' (a geographical region of Western India) are called 'Marwaris'. The Marwar has a hostile climate (extreme arid), and, therefore, people migrate to other areas for livelihoods. There is also a problem in the book with the grammar, especially when one writes a book in 2008 and describes a situation as existed in early 1980s. Nevertheless, the book is a scholarly contribution and important addition to the literature on agricultural marketing as it brings out several new dimensions of analysis of agricultural marketing system in India. The author's interest in the developing countries is amply reflected in her efforts and meticulous analysis of the situation as it evolved in staple food market of West Bengal and needs to be complimented for her efforts. The book is likely to be of extreme importance both for policy makers and policy researchers in India in particular and in developing countries in general.

*Institute of Development Studies,
Jaipur – 302 004.*

S.S. Acharya

Inclusive Growth: Development Perspectives in Indian Economy, N.A. Mujumdar, Academic Foundation, New Delhi, 2007. Pp.199. Rs. 595.00.

The terms financial inclusion, financial exclusion, sustainable growth and development and indicative growth are widely and frequently used by central

bankers, commercial bankers, economic planners, professional economists and research scholars as well as financial journalists in recent years in India. What is inclusive growth, what are the barriers to inclusive growth, what economic framework is required to encourage inclusive growth, can 100 per cent financial inclusion lead to inclusive growth? These are the important questions raised and answered by the author in this recent small but thoughtful and thought-provoking publication. Dr. Mujumdar, a distinguished economist who occupied several responsible positions in Reserve Bank of India culminating into his appointment as principal advisor to Reserve Bank of India has discussed the issues relating to inclusive growth in the context of development perspectives in Indian economy in this book under review. This book is, indeed, a collection of 19 articles which the author wrote after his retirement from the Reserve Bank of India. The articles included in the book are divided into four parts dealing with (1) Risk Philosophy and Rural Credit in Indian Agriculture, (2) Agriculture and Inclusive Growth, (3) Banking and Finance and (4) Development Perspectives.

The author is of the opinion that facilitating inclusive growth is a far more complicated process involving micro planning, evolving area specific solutions and a participation of a large number of players – Panchayat Raj institutions, central and state governments, NGOs and self-help groups. This is not possible without a committed bureaucracy and wise policy makers who have to play a pro-active role to bring about inclusive growth in the Indian context. In India we have to tackle the problems of unemployment, poverty and hunger. These problems can be solved only if there is broad-based decentralised economic growth and development.

As it emerges from the study of the articles included in this book, there are indeed several barriers and impediments to inclusive growth and development in India. As Dr. Mujumdar rightly points out, agriculture is, indeed, key to India's economic growth and development. But unfortunately agricultural production is not sustainable, tends to decline from time to time, more so after the introduction of economic reforms in 1990s. The author has emphasised that Reserve Bank of India totally neglected agricultural and rural credit sectors in the 1990s and therefore, the author is led to conclude ruefully that the decade of the 1990s would go down in Indian economic history, as a lost decade for priority sectors and agriculture. Both the government and Reserve Bank of India must realise that the priority sectors would continue to be critical and crucial in India's future growth and development. This is because as part of economic reforms the government follows and pursues the market economy and theology propagated by the IMF and the World Bank. According to Dr. Mujumdar, such a model cannot work in India whose economy is peculiar and dynamic where there is unbalanced development with wider regional disparities. Another barrier to economic growth is an increase in gross domestic product which leads to the distribution of income in favour of the rich. Growth takes place but without an increase in employment and a reduction in poverty.

Part Two of the book deals with centrality of agriculture to India's economic development in the unaddressed agenda of development. The need to redraft the approach to poverty reduction and development, first principles of foodgrains management, rural employment, millennium development goals and development policies. All these articles are not only thought provoking, and critical, but they suggest policy modifications in the areas concerned with inclusive growth and development. According to me, the Part III of this book is most important and more critical of the government policies dealing with banking and finance. Dr. Mujumdar deals with the issues relating to the rising rupee and forex reserves, two faces of banking sector reforms, monetary policy-January 2006, containing inflationary forces, credit policies and financial inclusion. The most important point made by Dr. Mujumdar is the part of the book relating to dichotomy between the Basel face and the Indian face. Dr. Mujumdar quotes appropriately what Dr. Y.V. Reddy, Governor, Reserve Bank of India said "We in India have to focus on extending financial services to both rural and urban areas for ensuring inclusion of all segments of the population. At the same time, one should avoid the temptation of creating one set of banking and financial institutions to cater to the poor or the unorganised and another set for the rich" Mere 100 per cent financial inclusion is not sufficient, our supportive policy measures will have to be there to make financial inclusion successful.

It may be noted that the articles in Part Four do not directly deal with economic policy matters or policy issues. But nevertheless they are important because they deal with salaries of CEOs, delusions of grandeur and investing in education. While dealing with investing in education, Dr. Mujumdar rightly believes that investment in education is necessary as it leads to growth and development. But the questions which he raises in these articles are important. He says "Invest in education by all means", but be clear about what type of education we want and for whom.

This book is thoughtful and thought provoking in terms of economic ideals and policy. The author is sharp and aggressive in his analysis of the policies followed by the Government of India and Reserve Bank of India. One may not like to agree with the views and ideas of Dr. Mujumdar. One may love to argue with him on some of the issues raised by him. But one cannot miss the logic and soundness of arguments in the articles included in this book. This book must be read by policy makers both in the Government of India and Reserve Bank of India. Dr. Mujumdar deserves to be praised for expressing his views so boldly, freely, frankly and fearlessly.