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Book Reviews

Management Through Folk Wisdom, C.L. Dadhich, Diamond Books, New Delhi, 2012. Pp. 128. Rs. 100.00.

While management tasks may be complex and infinitely complicated and managing events and issues to a desired end does take time, the student of management cannot depend only on managerial techniques, mathematical tools, statistical models, data analysis of masses of data alone. At every point of conflict resolution and dispute negotiation, one has to deal with fragile human egos and take quick decisions based on inadequate facts. This is what management is all about and to be a successful manager, one must be an effective and efficient negotiator. This is where science stops and management becomes an art. A successful manager is judged by the number of correct decisions taken especially when the going is tough. It is easy to take decisions when the stakes are not high and the issues involved are not too complex. Let us review a manager's career over his working life.

At the start of his career in the twenties, the manager is young, inexperienced and has to learn the hard facts of life, on the job. He has to pick up skills and develop competency and capabilities relating to the tasks assigned to him. This is the first 'C' in his career.

In his thirties, the manager is seasoned and enters the middle management levels. Tasks assigned become tougher and he has to develop the courage to face facts and achieve results and manage his responsibilities and his bosses and the subordinates. This is the second 'C' he has to master in his career.

Now in his forties, the manager is elevated to the executive cadre and his tasks are to manage the 'system' and reap benefits for his organisation. Boundary management is the main occupation while inter-agency and inter-corporate relations are secondary. All of this requires conviction of purpose and aim. This is the third 'C' to be mastered in his career.

If he is lucky, the manager in his fifties will be in the 'top' management and entrusted with corporate policies relating to HRD, planning, development tasks and balance-sheet management. He becomes a mentor to young talents who have to be groomed to shoulder higher responsibilities. He must learn to forgive and at times, even forget. The fourth 'C' he must master in his career is compassion for all who work with him.

Management is about mastering the four 'Cs' and constantly evolving from one role to another. If he fails to do so, his further progress is rendered difficult and even abruptly ended. A great manager has to constantly pick up new skills and forget old ones, as he rises in his career. Burnout and systems overload has to be avoided.

India has a rich heritage of folk tales like the Hitopadesha, the Panchatantras, the Kathasaritsagar, the Manimeckalai, which are all examples of excellent folk tales which also convey sound social values and statecraft and sage advice, from the managerial point of view. Another genre of witty tales, coupled with wisdom, comprise the ever-engaging Birbal-Akbar tales, the ready wit of Tenali Raman and the Sheikh Chilly tales. The astute student of management should be able to pick out the gems of wisdom from these entertaining and absorbing stories. Every student of management must also read the Bible of Strategy and learn from the master strategist, Lord Krishna, in the Bhagvad Gita. Bereft of religious and other literary values, it commands respect as a master tome on Strategy and is miles ahead of other strategy books such as Sun Tzu's "Art of War", Kautilya's "Arthashastra", Machiavelli's "The Prince" and Clausewitz on "War".

In this slim volume, written in an earthy, simplistic style, the author has tried to bring out the essence of management through various folk tales so as to provide practical tips for successful managers while attempting to provide simple solutions to complex problems. May be the present-day world has evolved too much to appreciate simple solutions! The enduring wisdom of rural India is presented in simple, uncomplicated language that is easy to follow. However, the book would have benefited from tighter editing norms.

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Shifting Patterns of Economic Growth and Rethinking Development, Justin Yifu Lin and David, Rosenblatt, Policy Research Working Paper 6040, The World Bank, Washington D.C., U.S.A., April 2012. Pp. 53.

I had occasion to write in this Journal that development economics is a failed God. This is true both in terms of theoretical constructs and policy inputs. Attempts by economists like Robert Solow to capture the essentials of growth in a mathematical or econometric formula were misdirected. Today the World Bank sponsored Commission on Growth and Development asserts that there is no generic formula for growth. Secondly, a recent critical appraisal of the much-touted World Bank's World Development Reports (WDRs) has revealed that these were empty vessels offering little meaningful development policy guidelines (*India's Development Drama 1991–2011: From Milton Friedman to Mahatma Gandhi, Indian Journal of Agricultural Economics, Vol.67, No.1, January-March, 2012*).

It is gratifying to note that ground experience has humbled at least some of the self appointed dispensers of development wisdom and led to some soul searching. In this seminal paper the World Bank has frankly confessed the infirmities of development economics as it has evolved so far and has come up with some

suggestions for reinventing development economics and also making the World Bank a more relevant institution to help developing countries. “Unfortunately, development economics has not always provided useful policy guidance in the past and it may be unable to do so in the future as well”. Indian policy makers would greatly benefit from reading this paper, because at least some of them seem continue to be haunted by the ghosts of the conventional market theology of IMF/World Bank.

The basic flaw in our approach to development was that broad prescriptions were formulated to solve the problems of developing countries as a group and these prescriptions used the developed countries as a reference point. Waves of economic thought focused on blindly initiating and opening these economies to the developed world. No wonder these one-size-fits-all policy prescriptions proved to be unsuccessful. The so-called Washington Consensus was a glaring example of such flaws. The focus was on liberalising markets and balancing budgets. The Washington Consensus advised the developing countries to adopt “the idealized advanced countries institutions, namely free markets” without paying attention to individual country’s specifics. Appropriate institutions may differ depending on the level of development of a particular country. These implied establishing a strong system of property rights, opening the economy to trade, privatising state-owned enterprises and establishing broadly free markets through deregulation. The outcome was disastrous. As John Williamson puts it, the Washington Consensus came to be perceived as “a set of neoliberal policies that have been imposed on hapless countries by the Washington-based international financial institutions and have led them to crisis and misery”.

The countries that successfully accelerated their growth did not follow this approach. China is a prime example. Instead of wholesale privatization of state-owned enterprises, the Government continued its ownership and gave them preferential access to subsidized credit. Of course, the Government also allowed some private enterprises, including joint ventures to enter into competition. Market theologians predicted that China would collapse but instead of collapsing, China has been the most dynamic economy in the World over the past three decades.

The World Bank deserves to be commended for its candid confessions of how flawed policy prescriptions, based on flawed development economics theory, were dished out to developing countries.

One important outcome of these discussions is that development economics has to be reinvented, if it is to remain policy relevant. The paper advances one more important reason why such reinvention is warranted. Multi-polar growth of the global economy. There are two dimensions of this phenomenon. First, the dominance of G7 countries on the global economy declined sharply during the first decade of the 21st century. This is due to the fast growth of large dynamic emerging economies – the “BRICS” countries (Brazil, Russia, India and China). The G7 share of global GDP declined rapidly from 45 per cent to 37 per cent in just 8 years 2000 to 2009. This is an “unprecedented and historic shift”, as the paper puts it. This has

caused a dramatic shift in the balance of economic power. Second, economic interactions between emerging markets have increased at an even faster pace than they have between high-income countries and developing countries. This is “South-south” globalisation. As growth poles emerge in the developing countries, one way that more rapid growth could be sustained is through increased “South-south” globalisation.

The economic theories that originated in developed countries attempt to explain and promote growth on the same lines: as such they are not necessarily relevant to developing countries. Most developing countries that followed the dominant development theories to design development policies failed to develop. There is ample rationale for rethinking economic development on a more democratic basis, that is to build on developing countries own ideas and experience. China is a case in point. It is argued that Chinese economists had a natural comparative advantage in understanding China’s own unique development experience. This is equally true of other developing countries like India. Thoughts or ideas for developing countries development are likely to come increasingly from the developing countries themselves. This is captured in the phrase “democratize development economics”. As the World Bank former President Robert Zoellick explains.

“With the end of the outdated concept of a Third World, the First World must open itself to competition in ideas and experience. The flow of knowledge is no longer North to South, West to East, rich to poor.

Rising economies bring new approaches and solutions. We see that as India advises Africa on dairy farming; as China learns from Africa about effective community-driven development approaches in Ghana and Nigeria, as the United States learns from China about high-speed railways.

This is no longer about the Washington Consensus. One cannot have a consensus about political economy from one city applying to all. This is experience regarding what is working – in New Delhi, in Sao Paulo, in Beijing, in Cairo and Accra. Out of experience may come consensus. But only if it is firmly grounded – and broadly owned”.

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Biofuels in India: Potential, Policy and Emerging Paradigms, S.S. Raju, Shinoj Parappurathu, Ramesh Chand, P.K Joshi, Praduman Kumar and Siwa Msangi, Policy Paper 27, National Centre for Agricultural Economics and Policy Research, New Delhi, 2012. Pp. xvi + 90.

The monograph under review embodies the findings of a research project led by the authors for India as part of a global project on “Biofuels and the Poor”, sponsored and financed by Bill and Melinda Gates Foundation, with International Food Policy Research Institute, Washington, D.C. and Stanford University, California. This study

is a good contribution at a time when biofuels are seen as a feasible alternative to fossil based transportation fuels to alleviate the world energy and economic crises. It examines the resource potential of biofuels and technologies used for conversion of agro-residues like ethanol from sugarcane molasses and tree borne non-edible oilseeds like jatropha and pongamia into efficient energy resources, costs and constraints that impede the development of second generation biofuel industry in India as well as the economic and social implications that would result from large scale expansion of these biofuels and how it will impact the future food production systems. Besides it also lists up the various policies designed at the national and state level for the promotion and development of biofuels sector.

Divided into five chapters, the first chapter is devoted to an introductory background on the objectives, issues addressed and organisation of the study. Chapter 2 provides an overview on the status of biofuels at the global as well as country level. Chapter 3 discusses the various biofuel promotion programmes undertaken by the central government at the national level and state level. It presents the state-specific biofuel policies in seven states of India namely, Rajasthan, Chhattisgarh, Uttarakhand, Odisha, Karnataka, Andhra Pradesh and Tamil Nadu. The next chapter based on farm-level data from three major jatropha cultivating states, namely, Rajasthan, Chhattisgarh and Uttarakhand, analyse the impact of jatropha cultivation at a micro level – its effects on cost, marketing practices and the income of farmers. The final chapter presents the conclusions and suggests policy implications for future research.

It is argued that availability of alternate biofuels will enhance the self sufficiency of the energy sector and minimise the dependence of our country on imported fossil fuels. The future impact of expansion of biofuel sector in India would lead to greening of unused lands, improvement in income generation capability of the rural sector as production of biofuels itself will be labour oriented and enhancement of women empowerment. In spite of various government policies to promote the biofuel sector, we still find that the potential of biofuels like ethanol and jatropha is limited because the productivity levels are quite low. Basically the problem lies with the wide variations in price and tax policies on biofuels across states, the input-intensive nature of these crops which are biased towards resource rich farmers and sometimes the degraded lands are amassed by several private companies and converted into real estates. This indicates an urgent need to provide reoriented and redefined policies which address more the negative socio-economic consequences on impoverished farmers. Considering these lacunae, the future bio-fuel revolution in India is visualised in terms of a more consumer friendly and market-oriented sector that will simultaneously ensure energy security and environmental sustainability without compromising food security of the nation.

WTO and Indian Agriculture, Ramphul, Global Research Publications, New Delhi, 2010. Pp. xviii + 267. Rs. 850.00.

One and a half decade is sufficiently adequate time frame to make impact study of any economic agreement, followed by economic policies. The subject selected by the author of the book under review is quite topical and instills interest in reading the book.

The selection of the relevant subject for an indepth analysis need not necessarily ensure an appropriate treatment of the subject as it forms only one aspect of the study. The identification of substantive issues, credibility of data selected, material collected, tools and techniques used to generate evidence in support of conclusion, analysis of and inferences from various findings and so on, need to be looked into for critical appreciation of the study.

The treaty on agriculture was signed by 125 nations including India in 1994 subsequently Agreement on Agriculture (AOA) came into effect in January, 1995 with the setting up of the WTO. The AOA led to formulation of several policies including limit on subsidy on export, domestic price support and gradual liberalisation of trade in farm products and so on. The policies leading to opening up of the market to international trade have a decisive bearing on agricultural production; exports, income, employment, consumption, agricultural market etc. Thus the keen observer could expect the generic issues arising from WTO agreement on agriculture. The author of the book under review attempts to address the issues, challenges and opportunities emanating from agricultural policies following the AOA. The author also makes sincere efforts to examine the comparative advantages and factors affecting competitiveness of Indian agriculture in the global farm trade.

The book contains six well written chapters and there is a logic in presenting and arranging the chapter scheme. While Chapter 1 sets out objectives and hypotheses of the study, Chapter 2 reviews relevant literature. It would have been logical had the hypotheses been formulated after finding limitation or gaps in the literature and hence logical. Then analytical tools and techniques to test hypotheses should have been described. In Chapter 3 an attempt is made to sketch comparative picture of the relative performance of farm trade in developing and developed countries subsequent to AOA under WTO. Specifically an attempt is made to assess the impact of WTO on India's farm trade. Critical review of the WTO agreements on agriculture, assessment of competitiveness of Indian agriculture in the emerging scenario are respectively given in Chapters 4 and 5 while Chapter 6 is devoted to present findings and suggestions.

After critical review of literature, the author arrives at the concluding observation that "the existing research work has failed to suggest optimal strategies for meeting challenges and grab the opportunity thrown by the WTO agreements in Indian case. The study focuses on short term horizon and strategies suggested are mostly appropriate for solving the short term problem.

The major findings of the study are: (i) India's share in the world agriculture trade has increased from 0.65 in 1994-1995 to 1.05 per cent in 2003-04. (ii) Net terms of trade deteriorated. (iii) India's specialisation in farm trade worsened. (iv) Export needed to finance imports bill has shot up. (v) Existence of scope for raising its tariff rates to check cheap agricultural imports and (vi) Reduction in non-product specific support so on and so forth.

The inferences, conclusions and broad policy implications based on the findings listed above may seem to be pertinent to the short term horizon of farm product business. Similarly strategies are appropriate for short term gain. However, the principal objective of such studies should be to discover long term horizon strategies for sustained growth and development in the emerging global economic environment of business.

The challenges and opportunities emerging from relaxation, liberalisation and integration with global market need a research study with long term and medium term focus. The study should aim at identification and suggestions thereof on those aspects which would strengthen structurally the agriculture sector and help to build capabilities to compete with the rest of the world. The emphasis should be on identifying agri-sector weakness, strengths, opportunities and threats. The strategies based on such study should encompass the short term, medium and long term strategies. Emphasis of the research study should be on finding out policy inputs in the area of production, marketing, supply chain management, logistics, infrastructure in the context of domestic and global economic environment of farm business etc. required for the growth and development of international and domestic business in farm products. The book under review contains some developmental aspects of the agricultural sector in India in the context of global business in farm products. The book is a good reference and adds something to the existing knowledge on the subject.

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