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BOOK REVIEWS

Economics of Rural Change—A Study in East India, G.C. Mandal and Associates, Agro-Economic Research Centre, Visva-Bharati University, Santiniketan, Firma K.L. Mukhopadhyay, Calcutta, 1974. Pp. vii+122. Rs. 30.00.

The publication under review is the outcome of village studies and *ad hoc* studies conducted by the Agro-Economic Research Centre, Visva-Bharati University. In this book an attempt has been made to depict the glimpse of rural economy of East India as a result of changes brought about by different forces of change such as community development, irrigation, urbanization and industrial impact, road construction, etc. It also includes a brief description on the green revolution and implications for future development.

The book is divided into ten chapters. Chapter 1 is an introduction to the first part of the book which covers seven chapters from Chapters 2 to 8 and has been captioned as "Resurveys." It traces the pace, process and pattern of change that has been taking place in the rural economy of East India during 1956-57 to 1966-67. The second part of the book captioned as "Special Surveys" contains two chapters (9 and 10) and deals with the results of some recent experiments and developments including the new agricultural technology.

The data presented in Chapters 2 to 7 in the first part of the book relate to 19 villages spread over West Bengal, Bihar and Orissa. The villages were surveyed at two time periods, firstly between 1956 and 1959 and then resurveyed between 1962 and 1967. In this study neither the year of the first survey nor that of the second survey was the same for all the villages. The forces of change also varied among the villages studied. This made comparison of change among the villages less meaningful. Moreover, studies based on the results of two points of time are exposed to several limitations. The climatic conditions of all the villages may not be the same. It may be good for one village and bad for another in a particular year. The base year itself may be a bad year and response year may be a good year or vice versa. The study would have been more useful had it been of a continuous nature. The gap of five to six years to measure the change was also not sufficient. This is more so in the context of slow moving economy of the region under study. However, the authors have admitted this weakness of the book.

Chapter 2 deals with the social framework of the selected villages. The agricultural activities and employment position in agriculture showed improvement in the resurvey year over the first survey. In Chapter 3, land, farm size and agricultural inputs have been discussed. The results reveal that abolition of the estate system (perhaps the authors mean Zamindari

system) and enhancement in the supply of crucial inputs like irrigation and fertilizers have resulted in the reduction of leasing out land and increase in the number of agricultural labourers. A reduction in holding size was also observed. Chapter 4 is devoted to cropping pattern, yield rate and output. The gross rate of return for a farm is estimated by using a function $Y = a + b_1x_1 + b_2x_2$. x_1 and x_2 relate to yield rate and cropping intensity respectively. It is not clear whether the estimates of gross returns are based on constant or current prices. A reference is also made to a significant relationship between dependent (Y) and independent variable (x_1 and x_2) without giving the standard errors of the regression coefficients. Appendix A to Chapter 4 gives the marginal productivity estimates of labour. A quadratic production function is used for this purpose. The results show an increasing productivity where more labour was used and negative marginal productivity where the number of workers employed was less. There is obviously some thing wrong either with the calculations or estimation procedure.

The next three chapters of this book deal with marketed surplus; literacy and education; and income, consumption and borrowing. A definite relationship between caste and education was observed and it was concluded that caste Hindus enjoyed better educational status than others. The caste classification adopted by the authors seems confusing. For example, the population in different villages is divided into six classes, *viz.*, caste Hindus, Scheduled Castes, Scheduled Tribes, Backward Class, Muslims and Christians. Hindu is not a caste but it is a religion and also includes Scheduled Castes, Scheduled Tribes and Backward Classes. The authors could have adopted the census classification for this purpose. The chapter on income, consumption and borrowing described land as the most important source of income followed by agricultural labour. The consumption trend showed a slight decrease in cereals and increase in other food items. The village money-lenders still remain the chief source for borrowings. The authors conclude that the gradation of poverty was more related to caste-hierarchy than anything else. Chapter 8 contains a summary of all the previous chapters. It contains some contradictions to earlier chapters. For example, it is concluded in the summary that predominance of socially backward community in a village was not detrimental to economic progress, literacy and education while in earlier chapters it was brought out that caste and hierarchy are the important factors determining the change in economic and educational status.

The second part of this book deals with the Intensive Agricultural District Programme (IADP), the new high-yielding varieties programme and the potato farming programme, etc. The success of the IADP districts Shahabad and Sambalpur in increasing crop yields is discussed. The last chapter of the book summarises and concludes the study with implications for future development. In fact its major portion is a repetition of the summary of the first part of the book.

At some places (pp. 42, 43, 76 and 87) the sentences are more misleading and confusing than suggestive. It is also not free from typographical errors and calculation mistakes (for typographical errors, see sentence continuing from pp. 17 to 19, heading of Table 4.3 on p. 38, p. 42 and for calculation mistakes, see last column of Table 9.10 on p. 104). The methodology adopted also reduces the value of the book for any regional estimation. On the whole, the utility of the book is very limited.

PARMATMA SINGH

Rural Change in Maharashtra, S.D. Punekar and Alka R. Golwalkar, Tata Institute of Social Sciences, Bombay-88, Popular Prakashan, Bombay, 1973. Pp.vii +138. Rs. 25.00.

Economic development, where it is to be achieved through planned programmes, has to be accompanied by not only the infra-structural facilities but more importantly by the appropriate goals and aspirations and structural changes in the production and distribution of goods and services. In India where planned programmes for development are being adopted and implemented almost by trial and error method, it is necessary that periodic objective stock-taking of the situation is conducted in order to assess the results of planning. The book in question, by Punekar and Golwalkar, therefore, is most welcome. The results of a research project, which was first mooted in 1962 but could be taken up only in 1966, and which happens to be as per the sub-title "an analytical study of change in six villages in Konkan" are incorporated in the book. The study professes to analyse two of the developmental programmes, *viz.*, the Community Development and the Panchayati Raj, from two viewpoints—economic and social—to *find out the impact of these two programmes* in respect of *economic growth and social change*. Another objective, to study the awareness and participation of the community development and Panchayati Raj institutions, is also mentioned along with the first later (p. ii).

After a succinct outline of the Community Development and Panchayati Raj in the 'Introduction,' the authors have divided their subject-matter in three chapters dealing with the socio-economic characteristics of the Konkan, programme for change and an analysis of the change, and in the last they have wound up with a resume of the findings in the earlier chapters and some suggestions for planned development.

The C. D. programme, as stated therein, had four basic aims : (1) creating progressive outlook among the rural population, (2) inculcating habits of co-operative action, (3) securing increased production, and (4) promoting increased employment opportunities. These aims were to be achieved

through the self-government ushered in by the Panchayati Raj and by treating the block as a unit for planning and development.

The situation in the six villages of Ratnagiri district that are selected as a representative sample is typical of those that constantly look to the city of Bombay as an avenue of eking out the livelihood of their people. In fact it is almost traditional among these villages under the aura of the metropolis to migrate to the latter as soon as it is possible. It seems the child in every family grows up looking forward to living in Bombay. A number of families in the villages, those of members working in the city, wholly or mainly live on remittances. We are told that the migrants from Ratnagiri district account for 34.52 per cent of the total migration to Greater Bombay which results in the high proportion of women, children and old people, left in this district. As a result they evince apathy or indifference to the local developmental measures. The authors tell us that the people in the sample villages had favourable attitude towards the changes that are taking place through development programmes. Yet they are not participating in these programmes wholeheartedly.

The Panchayats at the village level seem to be more expenditure-oriented and keen to have larger and larger grants from the Government. This dependence upon the Government funds is a feature that has become almost a habit with the people throughout the country in the post-Independence period. The achievements of the Panchayats are more in providing infra-structural facilities than in preparing the people for voluntary participation in public undertakings.

The *Gram Sevak* (village level worker) is the crucial link in the whole set-up of Panchayat system. He is supposed to induce the people to put in efforts for self-help. He is to educate them in cherishing high ideals and enthuse them with a spirit of self-service. He has to be one with the people but has to keep a distance lest he may lose his identity. These qualities that are expected of a *Gram Sevak* are themselves the result of proper education and training. The *Gram Sevak* is expected to operate in the village as a man of vision and conviction, but in actuality often he operates as a man of convenience for the *Sarpanch* or local influential leaders. The authors have pointed out this fact in their study.

The analysis of change makes an interesting reading as it sheds light on these and other drawbacks in the development programmes.

The pace of narration is fast and brief throughout the book. The authors seem to be in a hurry and do not tell us more. They could have dilated fruitfully on the social structural aspect of the village communities. We come to know a little about the caste structure only at the fag end of the narration. The discussion of functional inter-relationship of economic and social varia-

bles by bringing in the concept of pattern variables should have followed a descriptive account of these variables in some detail. Likewise discussion of the working of the Panchayats, the role of the *Sarpanch* and the *Gram Sevak*, one wished, should have been more elaborate.

The authors should be complimented, however, in giving a picture, though a thumb-nail one, of the emerging scene in the coastal villages under the aura of a metropolis like Greater Bombay, under the impact of developmental programmes.

M. G. KULKARNI

India's Development Experience, Tarlok Singh, Macmillan Company of India Ltd., Madras, 1974. Pp. xx+458. Rs. 50.00.

It is always interesting to read the views of an "insider" on the country's development experience during the last two decades. The author who was closely associated with the Planning Commission since its inception until the end of 1967 and played an important role in the formulation of the first three Plans has attempted in this book "to take stock and to present a basis for a fresh start in planning for India's economic and social development." The scope of the book is quite comprehensive and it covers both economic as well as social elements of the development process as it worked in India during the Plan periods. There is also useful discussion in the book about the administrative and political aspects that influence the manner in which Plan policies are implemented.

The study is divided into four parts. In the first part named as "An Overview" the author delineates broadly the growth of the Indian economy during the post-Independence period. The approach to this part as well as to Part IV has been somewhat descriptive in nature. Part I discusses the trends in output of different sectors and industries, development of human resources and natural resources, progress in the building up of the basic infrastructure of the economy, impact of Plans on regional development, inter-regional disparities, employment in rural and urban sectors and inequalities of income and human welfare. Part IV discusses the conditions of sustained economic growth with stability, efficient utilization of productive resources, the need for efficient economic administration in both raising resources for Plans and effective implementation of various Plan policies. A student of economics would find Part II and Part III of the book dealing with the production base of the Indian economy and economic pre-requisites of growth more interesting for several reasons. While pointing out some of the basic weaknesses of agricultural development programmes, the author has drawn attention to the unfortunate shifting of emphasis between the institutional and technological approaches over the last two decades. In the recent period

there has been an excessive attention to agricultural technology and use of industrial inputs by neglecting extension services through community development programmes, attention to community institutions and pressing needs of small farmers. In the past there was, however, a sheer neglect of technological factors involved in agricultural development. He therefore argues that both the *area approach* calling for improved extension services, better farm organization and management and institutional changes and the *crop approach*, requiring larger inputs, higher levels of cultivation, more extended application of available research and new research should be brought together as integral parts of a total programme of action. The discussion of growth of industry, relative performance of private and public sectors, rationale behind the relative emphasis on growth of public sector and development of the transport sector proceeds by giving attention to several important and detailed aspects of each field and points out critically the deficiencies in planning arising out of several reasons, defensible or otherwise. Attention is drawn at several places to lapses in the formulation as well as implementation of development programmes. About the selection of public sector projects, for instance, the author points out that the "approach to the selection of projects, tended to be somewhat piecemeal and fragmented." In each case, the alternative opportunities, costs and benefits, which came under examination, were narrowly conceived. It is pointed out that extension of public enterprise to a variety of new industrial fields was influenced both by the "prevailing attitudes to development of basic, heavy and machine building industries" and also "by the sources from which foreign exchange and know-how could be obtained for development in the public sector" rather than on sound economic cost-benefit analysis.

In a brief review like this it is difficult to give attention to manifold aspects of overall economic development critically discussed by the author. The book is no doubt a must for anyone interested in planning and economic development in India during the post-Independence period. A distinguishing feature of the book is that the author has not at all given any vent for vindictive criticism which often happens in the case of "insiders" wherever their pet ideas do not always get finally accepted for implementation.

Gunnar Myrdal in his Foreword to the book while being quite appreciative of the utility of this book, has drawn attention to two of its limitations. According to Myrdal, the criticism of Plans offered by the author is immanent in the sense that the author accepts and uses both the main concepts like national income, savings, investment, unemployment, etc., and statistics which have been the building blocks of the Plan. But this, criticism does not appear to be particularly relevant to his book as such but to any other book that uses the concepts and statistics as used in the Indian Plans. Though one may agree with Myrdal to some extent about the inadequacy of these concepts one cannot do without them while talking about Indian Plans or for that matter any developmental programme that cannot be formulated or subsequently

evaluated by doing away with these concepts totally. The second limitation pointed out by Myrdal relates to the author's uncritical acceptance of the fact that the core of all the Plans was a programme, and in some respects only a forecast, of public and private physical investments, *i.e.*, their character of being mainly financial appears to be valid. As Myrdal has pointed out, large sections on administration, education, health and rural reforms, etc., in the Plans were never integrated into these financial or fiscal budgets except by counting the incidental costs, when they implied costs, but not development yields.

R. H. PATIL

Agricultural Planning and Co-operatives, R. N. Tewari, Sultan Chand and Sons, Publishers, Delhi, 1972. Pp. viii+100. Rs. 15.00.

This book is based on research work in Rajasthan. The first object of the book is to ascertain whether the existing co-operative structure has come to functionally achieve what it should have achieved or should achieve for fulfilling the commitments built in the programme. This is because the success of the High-Yielding Varieties Programme (HYVP) was contingent upon adequate institutional credit support to participant farmers. Since institutionalising credit was synonymous with co-operativising agricultural credit the choice of the first objective was obvious. A second aspect of the study was related to the progress of the viability movement in the co-operative structure. Though the study was confined to selected districts of Rajasthan, its findings may apply to other parts of the country.

According to the study, the credit support from co-operatives assumed was unrealistic for they neither had the resources to meet the requirements of the programme nor the enthusiasm to efficiently utilize potential. Thus while the targetted levels of credit extension and non-credit activities proved elusive, the achievement was confined only to the appointment of a full-time secretary on a meagre salary. Credit extension by co-operatives was hindered by liberal *taccavi* loans provided by the Government through the *Panchayat Samitis*.

Programme planning and target de-limitation were not done in a cohesive manner by all the concerned departments. As a consequence, departmental identity prevailed in each sector in the absence of a co-ordinating agency for the programme. Besides, the targets for the area covered were not related to resource potential in respect of even a major input like water. As such the benefits were thinly spread. The need for dovetailing irrigation planning with the spread of HYVP was obvious.

Targetteering from the top without consultation of the field level officers deprives flexibility at the latter end as also its commitment. Since the inputs

used were less than the recommended dosages, non-achievement of targets had a built in excuse. This underlined the need for a selective approach rather than a widespread one. In a sense, the HYVP programme was also implemented like any other scheme of general welfare and the basic objective of increasing production through concerted efforts was lost sight of.

The author has, therefore, suggested that there should be a District Production Board with a full-time senior official to co-ordinate the activities and to execute the programme. Additionally in the context of the poor performance of co-operatives, the author has recommended that the cultivators should be exposed to new credit institutions presumably the commercial banks to fill in felt credit gaps.

T. V. RAMACHANDRAN

Evaluation of Land Reform in Nepal, M.A. Zaman, Planning, Analysis and Publicity Division, Land Reform Department, Ministry of Land Reforms, His Majesty's Government of Nepal, Kathmandu, Nepal, 1973. Pp. xii + 124. Rs. 20.00 (in Nepal only). \$4.00.

To break the traditional and feudal tenancy system, an attempt was made in Nepal for the first time in 1951. However, significant steps were taken only after passing the Land Act of 1964, which provided measures regarding land ceiling, tenancy legislation, etc. After eight years of enforcement of this Act, the Government of Nepal felt the necessity to look back and evaluate what has been achieved in this field. For this job, the Food and Agriculture Organization of the United Nations was approached by the Government of Nepal to provide the services of an advisor to carry out the evaluation, with the assistance of local staff. The book under review is an outcome of this survey.

The book is divided into three parts. Part I is spread over in four chapters dealing with the agrarian reform policy of the Government of Nepal. Part II, which is also divided into four chapters deals mainly with the evaluation of the agrarian reform as of 1971. Part III of the book divided into two chapters deals with the suggested measures to re-inforce land reforms. In all, there are ten chapters and five annexures in the book.

Chapter I entitled "Outlook on Nepal's Background" deals with the socio-economic background of the country. According to the 1971 Census, the population of Nepal was 11.3 million, 63.6 per cent of which lives in the central hills and northern Himalayan region. This region contributes 40 per cent of the gross agricultural output and accounts for 30 per cent of the total cultivated area. Agriculture in Nepal contributed about 66 per cent to the GDP and engages 90 per cent of the active labour force. Rice is the

most important crop in Nepal, followed by maize, wheat, and millets. Cash crops accounted for only 12 per cent of the value of foodgrain crops. The manufacturing sector contributed only 8 per cent to the GDP in 1970-71. The overall total gross domestic product was N C Rs. 76.35 million (US\$763 million) or a per capita income of NC Rs. 675 (US\$ 67) in 1970-71.

In Chapter II the changes in the tenure and tenancy system between 1951 and 1964 are presented. About 63.5 per cent of the households are said to have less than one hectare of land and 83 per cent of the households own less than 3 hectares of land. The land reform measures such as (i) abolition of a certain number of tenure system (Birta, Jagir, Rakam, Rajya and Crown lands), (ii) improvement of security of tenancy, (iii) rent control and (iv) ceiling on land holdings, were implemented between 1951 and 1964. There appears some printing error in the table on page 6 as the percentage distribution of households exceeds 100.

Chapter III deals in detail with the provisions of the Land Act 1964, *viz.*, (i) imposition of a ceiling on land ownership, acquisition of land in excess of ceiling and allotment of such land to others; (b) abolition of Jimindary system, (c) reinforcement of security to tenant farmers and regulation of the rent payable by them, and (d) collection of savings compulsorily, interception of outstanding loans and provision of institutional arrangements for credit operations. Additional measures were provided to improve the land administration. The Land Act has fixed an overall national ceiling of 16.4 hectares of agricultural land per person or his family. Within this limit certain regional ceilings have also been fixed. For Terai and Inner Terai it is 16.4 hectares, for the Kathmandu valley 2.7 hectares and for the hill region other than the Kathmandu valley it is 4.1 hectares. In addition, a person or a family is also entitled to own homestead land upto 2.0, 0.4, and 0.8 hectares in the Terai, Kathmandu valley and hill regions respectively.

In the Land Act of 1964, one of the provisions was to introduce a scheme for compulsory savings by all farmers irrespective of their tenurial status and size of holdings. The respective rates of compulsory savings for tenant, landlords, and owner cultivators were 28, 56 and 84 kgs. per hectare for cereals and 5, 10 and 7.5 per cent of cash value of the main annual cash crops. The savings thus received were used as loanable fund for credit operation by the Government sponsored agencies, *viz.*, ward committees, the compulsory savings corporation and co-operative societies.

Chapter IV which deals with the administrative set up to implement the Land Act could have been easily combined with Chapter III. In 1964, a Ministry of Land Reform was set up with three directorates, (i) Directorate of Land Reform, (ii) Directorate of Co-operatives and (iii) Directorate of Cadastral Survey. In July, 1965 the Ministry was enlarged to include three more directorates, that is, the Directorate of Food, the Directorate of

Agriculture, and the Directorate of Land Administration. In 1970, all the six directorates were put under two ministries, *viz.*, (i) the Ministry of Food and Agriculture which included the Directorate of Food and Agriculture, and (2) the Ministry of Panchayat, Home and Land Reforms which included the remaining five directorates. The Land Reforms Division includes (a) Planning, Evaluation, Budget and Publication, (b) Savings, (c) Administration and (d) Co-ordination and Inspection. Each district has one District Land Reform/Land Administration Office and at village level ward committees are formed to handle the agrarian laws.

Part II deals with the evaluation effects of agrarian reforms as of 1971. Incidentally, there appears to be some typographical error on p. 84, relating to row 5, column 6 of the Annexure III, Table VI which gives the total village panchayats in the sample districts as 83. The effect of the land ceiling and allotment measures has been discussed in Chapter V. The area of the land above ceiling was 50,580 hectares in Nepal. Of this, only 34,705 hectares have so far been "acquired" and a little over two-thirds have been allotted to 10,522 households. Maximum land was acquired in Western Tarai followed by Eastern Tarai and Kathmandu valley. Very negligible area has been acquired in Eastern hill and Western hill region (Annexure III, Table XXXIII, p. 111). About 60 per cent of the excess land which is still owned by the landowners/landlords, is due to the enforcement of the Land Act of 1964 in a phased manner over a period of three years. This resulted in unauthorised transfer of land from the tenants to the landowners. Absence of proper maintenance of records and inexperienced and inadequate staff were additional reasons which led to the slow progress of the land reform measures. The effects of the new tenancy regulations are discussed in Chapter VI, and the effects of credit and saving schemes in Chapter VII. The scheme of compulsory savings has failed due to lack of proper infra-structure to handle the savings in kind. The scheme could be implemented successfully if provisions in the land laws were made for linking credit with the marketing structure. The set-up of the land administration for cadastral survey, maintenance of tenancy records, collection and revenue, etc., has been discussed in Chapter VIII. The measures to properly implement different land reforms are suggested in Part III of the book. However, these suggested measures are general and at places sweeping. The book may be useful to the administrators, policy-makers and research workers of Nepal.

A. C. GANGWAR