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## BOOK REVIEWS

*Land, Labour and Rural Poverty: Essays in Development Economics*, Pranab K. Bardhan, Oxford University Press, Delhi, 1986. Pp. ix + 252. Rs. 65.00.

The early seventies witnessed the beginning of some new trends in the agricultural economics research in India. By this time, the earlier assumption that growth and technological change would take care of all the development problems—including that of poverty—had lost much of its credibility. Dandekar and Rath's work on poverty stimulated a host of investigations on measurement of poverty. Simultaneously, researchers were moving out into the field to study the impact of a wide range of new agencies and programmes intended for the benefit of the rural poor and the backward areas. There was a measure of shift in the focus of agricultural economics research from the traditional themes relating to production, pricing and marketing to what may be called as the structural and operational aspects of local level rural economies.

Bardhan has been an important contributor of ideas and themes to these new lines of investigations. The volume under review would be particularly useful to students and researchers interested in these relatively less explored areas. The volume consists of three parts dealing, successively, with issues relating to agricultural labour, tenancy and rural poverty. A theme running through many of the essays in the volume is the need to look at the markets like those of wage labour and leased land as interacting components in a wider set of relationships among the strata constituting the rural communities. These relationships, in turn, are viewed as adjusting to changing economic context and influencing the life style and well-being of the rural strata, particularly the rural poor. In effect, Bardhan provides and illustrates approaches going beyond pure statistical measurement of change to analyse the processes of rural change along lines particularly relevant to development theories and policies.

The analysis of micro level rural changes is a difficult, time-taking and tedious task. It holds few attractions for the economic theorists. A consequence observable in the Indian context is the limited contacts and interaction between the field investigator and the mainstream economist. Village surveys provide a good example of this weak link; while there is an impressive compilation of data and descriptions on villages done by field investigators, it is difficult to put one's fingers on analytical propositions identifiable as having emerged out of this material. Bardhan belongs to a small but distinguished group of economists who have put in considerable efforts in recent years to build up analytical frameworks for probing the materials provided by village surveys and rural investigations.

The researches reported in the volume under review include both those drawing their data from secondary sources like population census and National Sample Survey and those based on large scale primary surveys. The latter would be of particular interest to field investigators. Understanding of rural institutions and relationships requires surveys different in size, design and content than the familiar field investigations undertaken to get estimates of variables like income, employment, etc. The former type of surveys needs substantially larger academic inputs in the shape of conceptualisation of systems analysis of historical processes of change and visualisation of individuals and families as constituents of changing social formations. The issues investigated in such surveys need holistic and inter-disciplinary approaches. Apart from the many specific findings of interest it provides, Bardhan's work is important for the opportunities it indicates to make economic analysis more relevant to the contemporary development situation in rural India.

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*Managing Large Irrigation Schemes: A Problem of Political Economy*, Anthony Bottrall; Agricultural Administration Unit, Occasional Paper 5, Overseas Development Institute, London, 1985. Pp. 81. £ 3.95.

The study deals with a very crucial problem of management of large irrigation schemes in developing countries. A number of research studies recently undertaken in the field of economics of water use highlight the need for systematic management in water use, more particularly in respect of canal irrigation. Very little work has been done on how water resource use can be efficiently managed. The present study is an attempt in this direction.

The study is a collection of the author's papers published earlier. However, as most of them are not easily available in their original form, the attempt to put them in one book is a welcome step. The study is divided into five chapters. In the first chapter the author deals with the basic features of water and land with their relationship to management. The second chapter discusses the broader physical, social and organisational framework within which water is managed in the large irrigation projects with particular reference to the experience of Pakistan. In Chapter 3, an important aspect related to efficiency of water use, *viz.*, the farmers' motivation and co-operation has been dealt with in detail. The fourth chapter outlines the methods of research used and developed in the course of a comparative cross-country study of the organisation and management of large scale jointly operated irrigation projects that the author undertook during 1975-79. In the final chapter, the author has tried to provide detailed guidelines for carrying out the work of evaluating irrigation management.

While dealing with the problem of large irrigation projects, the author tries to emphasise the two crucial issues in the evaluation of an irrigation pro-

ject, *viz.*, productivity of water use and equity in the distribution of the available water supply. On the basis of his experience in a few developing countries, the author tries to bring out the substantial impact on the productivity at the farm level of the changes in water distribution procedures combined with the minor technical improvements.

After discussing the importance of the main system of management, the author tries to discuss in detail the factors influencing the quality of irrigation management (pp. 14-19). The factors indicated are: (i) organisational structure, (ii) technical skills, (iii) motivation and (iv) financial resources. The analysis on the said factors is followed by the discussion on farmer motivations and co-operation (Chapter 3). Thus, the role of farmers is rightly brought under the purview of management of water resources at the farm level. The analytical framework provided to evaluate the management of large irrigation projects is fairly comprehensive. At the end, he provides detailed guidelines for analysing the evaluation of irrigation management. At all stages of discussion, the explanations provided are substantiated by evidence obtained from the author's experiences in different countries. The author has not, however, attempted to improve the techniques for the measurement of estimates of productivity of water and the potentiality of the system for the same. However, the researchers in this area will benefit from the study.

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*Energy Environment in Agriculture: A Study of Developed and Developing Systems,*  
Somu Giriappa, Institute for Social and Economic Change, Bangalore;  
Ashish Publishing House, New Delhi-26, 1986. Pp. viii + 93. Rs. 75.00.

Energy has played a most crucial role in the service of the mankind. Initially, as most of the sources of energy were available in abundance, the importance of making their judicious use was not fully realised. The phenomenal rise in the prices of mineral oils in the early seventies associated with a warning concerning the depletion of oil reserves and other non-renewable sources of energy at a very rapid rate, led to the initiation of many studies/researches in almost all parts of the world to find out ways and means for making a most judicious use of the available sources of energy as well as to find out the substitutes of the non-renewable sources of energy. The author has summarised some research results pertaining to the agriculture of the developed (U.S.A. and France) and developing (India) systems. Thus, the inferences drawn in this book are mainly based on secondary data collected from various published sources.

The book has five chapters and one appendix. Chapter 1 which is introductory briefly highlights the sourcewise changes in the energy consumption in the world, growth in per capita income and energy in the U.S.A., U.K.,

France and India, energy use in agriculture in the developing and developed countries. By and large, quite interesting information is presented in this chapter. However, a few sweeping remarks like "Animal energy used in developing countries in crop cultivation accounts for about 99 per cent of total traction energy...." (p. 10), seem to be unconvincing.

The nature of energy problems is discussed in Chapter 2. Besides describing the main terms and concepts, this chapter also includes a brief discussion on energy technology nexus, statement of the problem and methodology adopted for measurement of energy.

The discussion on energy use in the developed systems attempted in Chapter 3 mainly highlights and compares the general features of the American and French agriculture with respect to use of energy inputs. The discussion on energy use in U. S. agriculture is mainly centred around the share of various energy inputs such as machinery, fuel, fertilisers, seeds, irrigation, insecticides and herbicides, drying, electricity and transportation, in total inputs used in maize production. Similarly, the percentage share of total energy consumption on various operations such as land preparation, seeds, fertilising, pesticides, irrigation, harvesting, transport, drying, electricity, etc., for maize, wheat, lucerne and soyabean is highlighted. Also, the ratio of energy input to output for important crops is presented.

Chapter 4 presents a brief discussion on energy use in Indian agriculture. The discussion is mainly focussed on the sectorwise energy consumption, farm power availability, plant nutrients use from various sources and energetics in Indian agriculture. The changes over time in the above parameters and the energy use in Karnataka agriculture are also brought out. Chapter 5 contains the summary and conclusions of the study.

The study revealed that agriculture in the world utilises about 3.50 per cent of total energy consumption. In India, the share of agriculture in national energy consumption increased from one per cent in 1953-54 to six per cent in 1978-79 and it is expected to continue at the same level in 2000-01 also. Machinery in the developed and fertilisers in the developing countries have the largest share in the total energy consumption. Over the next 15 years the share of machinery is expected to fall and that of fertilisers to increase particularly in the developing countries.

The study revealed a substantial increase in the inflow as well as outflow of energy in Indian agriculture. The total energy inflow increased from 114.80 peta-cal ( $10^{12}$  kcal) in 1960-61 to 231.70 peta-cal in 1980-81. Similarly, the total outflow increased from 425.20 peta-cal to 655.90 peta-cal during the same period. The aggregate energy inflow as well as the outflow is expected to be doubled by 2000-01 over its 1980-81 level. Keeping in view the fact that energy obtainable from various sources is not equally good substitute to perform various agricultural operations, such aggregations are of only limited use.

The appendix on "Farm Forestry and Bio-gas Programmes: An Assessment" provides valuable information on the impact of farm forestry and bio-gas plants on the farmers' income, energy system and integration of the

rural sector. On the whole, this book provides some good information concerning the energy use pattern in the agricultural sector of the developing and developed economies.

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*Saving and Economic Growth in India*, A. E. Granovsky, Agricole Publishing Academy, New Delhi-24, 1986. Pp. xxxv +260. Rs. 200.00.

This book is uniquely different from several other studies that mushroomed during the twilight of high phase of saving experienced by the Indian economy in the late seventies. In this perceptive case study the author approaches the subject from an unusual perspective and blends theory and empiricism while delineating on the various aspects of capital accumulation process in the Indian economy from the fifties to the late seventies. More specifically, the study addresses itself to the task of explaining rapid increase in the rate of saving in India despite low rate of economic growth, investigating the socio-economic structure of the saving, elucidating the economic efficiency of forced method of saving in the form of taxation and monetary expansion and finally discussing some general direction of socio-economic development in India.

As a backdrop, the author provides an exhaustive survey of the literature on the theoretical issues and empirical evidences concerning the dynamics of capital accumulation in major socio-economic sectors as well as at the aggregate level. The author questions the basic postulates of saving process, that saving results from restraining consumption and is the surplus of produce over consumption, that propensity to save is a natural psychological quality of human beings, that income is the basic factor which determines volume of saving, and that the socio-psychological values in traditional Asian society hampers production oriented saving. These causative factors are partially contradicting each other and do not help in analysing the dynamics of capital accumulation. The view that saving is the surplus or residual of production over consumption, the author argues, is the result of conception of arithmetical identity of saving which leads to the illusions that social produce is divided into consumption and saving. The dynamics of output is determined by growth rate of total demand, and high consumption and high investments rather go hand in hand. According to the author's analysis of Indian data, correlation between rate of increase in household saving and of disposable income did not provide confirmatory evidence of the income function of saving. The results of the author's exercise suggest that during 1950-51 to 1978-79, there was no significant inter-relations between movements of these variables both at current and constant prices. Absence of consistent correlation between rates of increase in household saving and disposable income, in the author's view, leads to the conclusion that "short-term and mid-term shifts in socio-economic policies and

spontaneous market regulators rendered much more influence on the dynamics of household saving than such long-term factors as the value of per capita income, the level of income concentration, the system of social values etc."

Our own analysis of the trends in the ratios of private consumption expenditure and savings to disposable income for the period 1960-61 to 1984-85 gave a contrary trend in that the decline in the ratio of personal consumption expenditure was followed by a rise in saving rate and vice versa in most of the individual years (but in all the quinquennia), excluding the years in the latter half of the seventies and the early eighties when the saving rate was bolstered considerably by the remittances of expatriate Indians. The data did not show "reverse dependence between private consumption and household saving." In stating this, it is not intended to contradict the author's view on the crucial role of expansion of market for goods and services in promoting saving and investment.

Forms of household capital formation are dealt with in Chapter 2 where the author identifies among other financial assets two infrequently considered items, in the form of circulation of funds inside the household sector itself, *viz.*, socially prestigious expenses connected with fulfilment of religious and other ceremonies and funding of consumption expenditure of poor strata to the extent of the gap between their incomes and consumption. The author argues that in the conditions of rising taxation the greater portion of prestigious expenditure is transferred from family budget to expenses of incorporated and probably non-incorporated enterprises in the private sector, so as to escape tax liability. Both the above methods involve transferring incomes of the peasantry class into accumulation of capital.

In regard to capital formation, the author reckons total physical investments and makes a distinction between productive investments in agriculture and other sectors, and non-productive investments in the purchase of land, in housing and consumer durables. This method of computation is at variance with the usual concept of capital formation in India which takes into account gross or net addition to construction, machinery and equipments (excluding durable goods in the hands of households and war equipments) and change in stocks. The data presented in the study indicate that while the proportion of non-productive investments of cultivating families showed a declining trend, that of non-cultivating families showed a rise between 1951-1971. The impact of unproductive household investments on the reproduction process considerably varied from semi-productive investments in housing for the poor and middle strata, to exclusively unproductive expenditure of gold hoarding.

Of the productive investments the study notes that the share of productively used funds in total savings increased mainly on account of savings in favour of the upper income class. In regard to industrywise pattern of household investment, there has been a discernible decline in the share of agriculture even during the green revolution. The author has provided detailed plausible explanation for this phenomenon.

Using the financial flow matrix prepared by the Reserve Bank of India, the flow of monetary savings between various socio-economic sectors, particularly the developed capitalist sector and its implications has been subjected to a thorough and interesting analysis in Chapter 3. In doing so, the author has covered a vast ground. It would have been desirable to link the several aspects discussed here thematically with separate side headings. A good deal of supportive analytical data have been presented in this chapter as in earlier chapters. The breadth of literature (upto 1978) that has been painstakingly surveyed by Granovsky to present the findings of several Indian authors, both well known and not so well known, is indeed amazing. He has also referred to several studies by Russian authors in Russian language on Indian economic development problems, the benefits of which are denied to us because of language barrier.

The conclusions emerging from a detailed study of accumulation process in independent India are many. Many of them echo the findings of similar studies on the subject by Indian authors.

In the Preface to the Indian edition of the book, the author has discussed the latest developments, presenting his views on recent changes. Commenting on the buoyancy of capital market following measures of liberalisation, etc., the author opines that this boom has led to the accumulation of fictitious capital rather than increase in real capital formation in the economy. The author concludes that extensive benefits granted to private corporations by the Government were accompanied by redistribution of current income in favour of 'upper layer of national bourgeoisie' than improvement in saving and capital formation.

The book originally written in Russian has been translated into English by Kalpana Aima. About the quality of translation there is nothing to write home. The style is distractive and inconsistent. In many places the language fails to convey faithfully what was meant in the original and the reader has to strain hard to get at the semantics. Overlooking this inadequacy, it needs to be stated that this highly researched study treating the subject as it does from a different ideological viewpoint, is a significant contribution enriching the understanding of issues and evidences relating to Indian economic development.

*Bombay.*

K. A. Menon

*Exchange Relations and Poverty in Dryland Agriculture: Studies of South India,*  
 Barbara Harriss, Graham Chapman, Wendey Mclean, Elizabeth Shears  
 and Elizabeth Watson, Concept Publishing Co., New Delhi-15, 1984.  
 Pp. xii+301. Rs. 130.00.

The problems of poor in dry farm regions have rightly been accorded high importance by the Government in recent past. It is a different matter

whether the policies reflect a proper understanding of the problem or not. The task of the planners is made somewhat difficult by the fact that there is a real paucity of rigorous studies in this field. The research resource allocation by social scientists in general and agricultural economists in particular towards the problem of dry regions is still to reflect the concerns of the policy makers in any significant manner.

Even though the book under review is written by a team of expatriate scientists under the overall guidance of Barbara Harriss, the data used were collected by the All India Co-ordinated Research Project in Dryland Agriculture in Hyderabad. While the study is extremely useful, it could have become still more relevant had some scientists from the dryland project also collaborated in the interpretation of the data rather than in just the generation.

There are essentially three themes that are pursued by the authors:

1. What is the nature of agrarian relations? How do production relations condition the relations of exchange in agriculture—the nature of market participation, dependence and interlinkage if at all?
2. How do processes of commercialisation, generation, extraction and investment of surpluses relate to the processes of impoverishment? What bearing the above have on the availability and consumption of food?
3. How to characterise the production and exchange conditions in drylands so that the implications for development and research policy could be drawn?

The data were collected by the agricultural economists working in four South Indian regions pertaining to 261 households in 19 hamlets for one year 1978-79. Even though the study is set in the Marxian framework, the historicity of exchange relations has not been analysed for want of longitudinal analysis.

One might disagree with the assumption of the authors that inter-village variations in farming practices were not so much as to seriously qualify the regional generalisations made in the study (p. 16) because several other studies including by the present reviewer have shown considerable inter-village diversities in endowments in dry farming areas. Much depends upon the way aggregations are achieved, however.

The book is organised in essentially eight chapters dealing with titles like Social Classes in Dryland Agriculture, Dryland Agrarian Structure, Food Entitlements of the Poorest, Crop Production and Marketing Involvement, Exchange Relations and Production Relations, Marketed Surplus and its Determinants, Social Discrimination through Commodity and Money Markets and Seasonality of Exchange and of Poverty.

The authors rightly argue that holding size cannot be a proxy for production. However, no attempt has been made to control the holding size for soil fertility. The authors conclude from the factor analysis that the small peasantry is most dependent upon the market while the sample as a whole was characterised by market participation and commercialisation. Analytically, more rigorous inferences could have been drawn if the authors

had pursued discriminant analysis of small and bigger peasantry as two sub-populations. Given the fact that the poor people would dispose off assets only when the opportunities of exchange are exhausted, the thesis that exchange entitlements are likely to fluctuate more than ownership entitlement becomes almost a tautology (p. 73). Another interesting finding is that there is no statistically significant correlation between the main crop income and the diversity of types of crops. With regard to crop diversity the regional differences are found to be quite important. Diversity has generally been found to be high on the larger holdings having higher scatter index (number of plots per acre). The finding that the size of the ownership holdings is more important than its diversity in determining income may be qualified by the time and space limitation of the data. It is obvious that the sample per village is small and the sampling errors could be quite high.

The cropping patterns are really not as autonomous as the authors have implied (p. 89), the constraints of sowing and harvesting time besides that of soil moisture, land topography, draught power, etc., restricted the viable choice to much narrower range than what appeared feasible through all permutations and combinations. The authors do not try to disentangle the role of ecology from that of class in the choice of crops and cropping pattern. It is obvious that the interplay between edaphic and climatic factors has a major bearing on the process of surplus generation. This in turn influences the processes of exchange between sectors, spaces and sections of society.

The findings that marginal and small peasants took smaller loans, for shorter time periods at higher interest, largely from private sources and had higher debt to income ratio are by now a part of almost universal understanding.

The suggestion for following region specific poverty-line delimitations is valid. Given the differences in the soil fertility and the productivity, there is no reason why the poverty-line definition must be on similar basis of land size holding.

The hypothesis that money market is best understood as the specific to each village is very difficult to accept even if villagewise differences in the age and size of debt are noted. The analysis of debts at a point of time can lead to extremely misleading inferences about the conditions of production and exchange. For instance, it was noted by this reviewer that the proportion of consumption loans from private lenders in the household loan portfolio in a drought and post-drought year varied so significantly that if a study was done only in one of the years, the inferences could be extremely misleading. The dynamism of production conditions and exchange relations, therefore, in a risk prone ecological context must never be lost sight of.

Leaving aside several printing mistakes, the book on the whole is very well written. One does get, however, the impression that the policy implications as well as substantive inferences drawn after laboured analysis could have been derived with even much simpler analysis. It appears that having

got into the web of complex categories of classes on the basis of one year data, the authors could not come out of it.

The book is strongly recommended to the students of research in the field of rural economics and household survival systems in dry regions. The policy makers may not find much new in it. The findings strengthen the arguments for location specific dry farming research without neglecting crops like rice.

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*Bank Finance and Green Revolution in India*, Nand Kishore Jha, Amar Prakashan, Delhi-35, 1985. Pp. xiii+358. Rs. 210.00.

Over the years, credit institutions in India have made rapid strides, so also the literature on the subject. Yet the book under review is a timely addition, as it is a revised version of the author's Ph.D. dissertation on a subject of paramount importance. In this book, the author has tried to make an extensive and analytical study of land development banks in India and abroad with a view to suggesting measures to revitalise the working of banks with reference to Bihar.

The book is divided into nine chapters. The first chapter gives a brief account of the importance of agriculture, the need for agricultural credit and rural credit organisations. The second chapter provides an overview of the working of land development banks (LDBs) in some developed and developing countries of the world. The third chapter presents a historical background of land development banking in India. The fourth chapter portrays the growth trends in membership, working capital advances, overdues, etc., of LDBs in India during the Plan periods. The fifth chapter reviews the Statewise performances of these banks. The next three chapters deal with the working of land development banks in Bihar, their performance and the problems faced by them during the Plan periods respectively. Some suggestions for improvement of land development banking in Bihar have been made in the last chapter.

Bihar is one of the Eastern States in India, like Assam and West Bengal, where land development banking is still struggling to come up to a reasonable level of efficiency for providing long-term finance to the agriculturists. The land development bank was organised in the State during the Second Five Year Plan. The record of performance of land development banking in terms of progress shown in loan advances during the Plan periods is no doubt impressive. But the progress of these banks is slow when judged in the context of the Statewise success achieved. Similarly, the bank's performance in raising resources during the Plan periods is also very poor. The author has, however, analysed the performance of the banks upto the year 1974-75,

the first year of the Fifth Five Year Plan. As the book was published in 1985, possibly some more recent data could have been used to analyse the latest developments in the State. Besides, the study brings to light the changing spectrum of lending activities and highlights the measures taken by the banks for enlarging the flow of credit to agriculture. The study has also listed the major problems hindering the smooth flow of long-term credit to agriculture in the State. The author has rightly noted the growing menace of overdues and its dire consequences. Several suggestions for rationalising the loaning policies and procedures and for improving the efficiency of the working of land development banking have been made in the study. In a concluding remark, the author has noted that the Government can play a crucial role for the success of the present land development banking in the State.

On the whole, the book is quite informative. However, some information could have been pruned to accommodate a threadbare analysis of the lending policies of the bank. There are indeed two distinct approaches followed by the bank in lending its resources, *viz.*, lending under special debentures of Agricultural Refinance and Development Corporation and lending under normal debenture programme of Reserve Bank of India. The study should have made a thorough analysis of the growth and trends in lending under the two different approaches to bring to surface the merits and demerits of each system. Similarly, the impact of the multi-credit agency approach on the viability of the organisation has not been assessed in spite of its relevance to the subject. Unfortunately, no statistical tools have been used by the author at any stage for the analysis of the data.

Despite these shortcomings, the author deserves commendation for the effort he has made in putting together the relevant materials relating to the performance of land development banking in Bihar State. The book will be quite useful to the co-operative organisations, policy makers and research scholars.

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*Modernization of Punjab Agriculture*, A. S. Kahlon, Allied Publishers Pvt. Ltd., New Delhi-15, 1984. Pp.vii+145. Rs. 60.00.

The impressive growth profile of agriculture in the State of Indian Punjab is widely known. The best that one can say about Indian agriculture today is better said about Punjab agriculture. It is modernised in every sense of the term. Naturally, more and more people and policy administrators outside Punjab are curious to know how this small State of India, in spite of its tremendous losses at the time of the partition, has changed over from a food deficit State into a highly modernised and surplus State of India in nearly

a decade or so. The book under review provides answers to many questions connected with the growth dynamics of Punjab agriculture. With his academic credentials and a very long association with the agriculture of Punjab, Kahlon is indeed the right person to write on the theme. There is, no doubt, the book serves its purpose well.

The book is divided into eight chapters. In Chapter 1, a broad overview of the Punjab's economy, namely, the growth and sectoral shares of State Domestic Product is set out. The discussion on the size distribution of holdings, land reforms including consolidation of holdings, infrastructure build-up, notably irrigation, co-operative credit, market and research infrastructures introduces the reader to the nature of agrarian economy that Punjab chose to become since the inception of the planning era. It is clear that the availability of a sound infrastructural base is the most convincing explanation for the process of agricultural modernisation in Punjab. The chapter has, however, some serious lacunae. Firstly, the discussion on size distribution of holding (pp. 4-7 and Tables 1.1 to 1.3) is erroneous. It is inadmissible to compare 1960-61 population census data with 1970-71 agricultural census data; likewise, it is improper to compare 1970-71 agricultural census data for Punjab with its 1976-77 counterpart for Haryana (1976-77 agricultural census was not conducted in Punjab). The conclusions on land distribution structure need, therefore, to be taken with a pinch of salt. Conceptually, a much more satisfying method would have been to compare the National Sample Survey data over different rounds. Secondly, the discussion on human factor (pp. 12-13) is woefully inadequate. Thirdly, discussion on irrigation (Table 1.4) terminates with 1977-78 while in the year of publication of the book (1984), irrigation data were available perhaps upto 1982-83. This time gap leaves out some important structural features.

Chapter 2 on "Agricultural Investment Experience" is rich in evidence but covers only a short span of time. It is rich in the sense that the message of a fairly long gestation inescapably involved in the building of such vital infrastructures as irrigation and power is conveyed quite effectively. The role of institutional finance, especially for augmenting private investment in tubewell irrigation, is properly emphasised. The chapter covers the time profile of public investment only from 1974. It has serious implications, especially because the author is silent on the huge public investment effort in the pre-1974 period. In fact, the priorities of public investment for the early years of planning, particularly in the context of substantial doses of Central assistance, must figure in any meaningful discussion of Plan priorities. The essence of Punjab model of agricultural modernisation is missed if the investment activities of the fifties and the sixties are not included in the discussion. Paradoxically, the author himself feels the necessity of having to say just at the very outset of Chapter 3 that "by 1966, when the high yielding varieties and hybrids came on the Indian scene, Punjab had built through public and private investments, what we might call a minimal institutional structure with a reasonable capacity to support adoption of new technology" (p. 35).

Chapter 3 portrays the operational experience of agricultural technology during the seventies. The spectacular rise in the cultivation of high-yielding varieties (HYVs) of wheat and rice and also the steadily expanding use of modern inputs, are discussed in detail. The effects of new production technology for various categories of farm workers, in particular, the extent of adoption of HYVs by different farm size categories and the absolute gains of marginal small farmers are discussed convincingly.

Chapter 4 lists the unique features of farm mechanisation in Punjab. The author is right in suggesting that "A careful examination of the genesis of mechanical technology, as it developed in the State, will show that mechanical inputs became a part of the package of inputs more out of technical necessity than for reasons of substitution of capital for labour which was indeed inherent in the western model where labour was so scarce" (p. 71). Again, it is indeed true that "Without the mechanical input, proper placement of new seeds, fertilizers and other chemicals could not be ensured" (p. 73). The discussion on the stationary power operations backed up by mobile mechanical technology is important. Lastly, the total employment effects of tractorisation are reported to be positive, discrediting the view that the use of tractor is always human labour displacing.

Chapter 5 brings out the rising cost of cultivation, especially of wheat, during the 1970s; the effect of declining factor productivity is stressed in particular. The declining profit margins are, by now, a well recognised fact; at least, the profit rates of the early years of the green revolution are no more attainable partly because yield rates would not rise speedily and partly because cost of production would continuously rise.

Chapter 6 gives the impression that yield rates of important crops had reached their plateau by the close of the seventies. However, the past history of Punjab agriculture repeated itself in the 1980s and yields for some crops, notably wheat and rice, scaled fresh heights in the mid-1980s. The plateau is perhaps an illusion. Of course, technology should not allow let-ups and undulations.

Chapter 7 is very valuable. It suggests the possible directions in which the Punjab economy should diversify itself in future. The rising importance of dairying and horticulture is emphasised in particular. The author is careful in suggesting action on related aspects of dairying such as policy regarding cross-breeding of animals, fodder development programmes and improving market infrastructures.

Finally, Chapter 8 takes a distant view into the future and points out the areas of policy interventions if only the agricultural growth process is to be sustained. The case for reclamation of saline and alkali soils, provision of drainage, improvement of irrigation management system, etc., are properly emphasised. The necessity for reorienting and further strengthening the inter-sectoral linkages, especially those in the direction of promoting a self-sustaining, vertically integrated system of industrial development is indeed an economic compulsion for the rural economy of Punjab.

The book thus offers rich evidence and insights to those interested in understanding Punjab's model of agricultural modernisation. It may, however, be pointed out that the book is not free from slips, though they may be minor in character. They affect the quality of the work especially because a very senior author and a reputed publishing company are involved. Firstly, one certainly gets the impression that at times, figures are used rather too liberally, often with no telling effect. After all, what do the absolute figures convey for any given geographical area? Secondly, the tables are not very happily organised. For example, in so many tables, the sources of data are not mentioned at all; in many others, the sources mentioned are incomplete; still in some others these are quoted wrongly. Thirdly, Annexure I, referred to twice (on pp. 82 and 89) is nowhere to be seen. Fourthly, there is a lack of correspondence between the contents of Table 6.1 (p. 102) and its 'analysis' on pp. 90-91. Moreover, not more than a fraction of this very big table is actually made use of. Fifthly, one does not understand the purpose of excluding the so-called 'five exceptional States' in an otherwise extremely useful Table 2.7. Lastly, the opening paragraph on p. 109 perhaps stretches too far the inference regarding the relationship between the share of work force engaged in agriculture and the sectoral development of an economy. The historical evidence of Kuznets' type cannot be squeezed into census data on agricultural workers alone for the 12 districts of Punjab.

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*Socio-Economic Conditions in Drought-Prone Areas*, M. V. Nadkarni, Institute for Social and Economic Change, Bangalore; Concept Publishing Company, New Delhi-15, 1985. Pp. xx+236. Rs. 150.00.

The research which forms the backbone of this book was carried out at the request of the Central Water Commission, concerned to ascertain the impact of irrigation on rural households. Nadkarni was set a difficult brief: to establish the effect of drought-proneness upon economic development, as a result of which his team could not escape analysing the impact of three existing sectoral development strategies, irrigation, animal husbandry and rural industrialisation.

The districts of Anantapur, Bijapur and Coimbatore were selected, and within each, five villages were purposively taken to represent the range of conditions of irrigation, pastoral economy and rural diversification. The book presents the results from the field work in 1978-79 on intra-and inter-village variations in the economy, the quality of life, agricultural commercialisation, the impact of irrigation, and household income from all sources. Prior to these detailed chapters, the author fulfils his first objective by analysing the

distinguishing features of drought-prone districts in Southern India, and explaining the agro-ecological variety within the category of drought-prone districts. He also gives us detailed (if hard to digest) profiles of each of the 15 villages. The result is a rich and useful book, rehabilitating the geography of semi-arid tropical India and testifying eloquently to the value of the craft of field economics.

Nadkarni shows that the major distinguishing features of drought-proneness are a less diversified rural economy, less inequality in land holdings and less proletarianisation (though collectors of the rare examples of Gini coefficients in excess of 0.7 will have much to ponder in the 15 villages). He concludes that commercialisation has been progressive throughout rural society, raising incomes and not associated with distress compulsions. Irrigation is not a strong factor behind commercialisation, but is strongly associated with an increase in the proportion of land lying idle out of production and with increased intra-village inequality. Rural industrialisation, according to the author's study, has a greater capacity than has irrigation or animal husbandry to reduce poverty. But even in the most developed villages, nearly half the households were below Nadkarni's poverty line.

This reviewer has one reservation about this study, illustrated by these quotations: "rural industry had the effect of increasing Gini ratios" (p. 119); rural industrialisation tended to decrease the average size of standardised holding.... an effect which even irrigation did not have" (p. 123); "irrigation.... had no impact on the rural quality of life" (130); "introduction of irrigation had the effect of reducing the proportion of school going children" (p. 139), etc. In other words, the author is evaluating the three strategies adopted in drought-prone regions not historically but instead by processual and causal inference from cross-section data. For this reviewer, there is inadequate discussion of the direction of causality, the possibility of interaction effects, the causal importance of exogenous and/or intervening variables. Is the way to increase the proportion of school going children, thus, to abandon irrigation? The different structural roles played by these districts in southern Indian development are not elaborated, leaving the reader with the impression that rural diversification as practised in Coimbatore is technically replicable elsewhere and not historically specific. But let not this reservation dissuade those concerned with the development of dry regions from exploring the detailed material in this unusual book.

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*From Mobilization to Institutionalization: The Dynamics of Agrarian Movement in Twentieth Century Kerala*, T. K. Oommen, Popular Prakashan Pvt. Ltd., Bombay-34, 1985. Pp. xxiv + 268. Rs. 150.00.

Pursuant to his peasant studies interests, Oommen's book under review seeks to portray comprehensively the dynamics of agrarian movement in Kerala in a political sociology frame. The historical, narrative, and analytical material is organised into nine chapters plus a long preface. The biographical antecedents of this publication as stated in the Preface are: the author's sociological training; his birth and growing up in a peasant family in Alleppey district riven by perpetual agrarian conflicts; protracted personal exposure to the rapid social transformation; and intermittent field work stretching over a period of ten years since the sixties. The author states (p. x) that his purpose is to demonstrate (or illustrate) that political mobilisation is a pre-requisite of the legislation for social change, and mobilisation and legislation are the necessary reinforcements for the restructuring of agrarian relations in favour of the poor and the depressed. In achieving this objective, the author was content to sidestep the pre-existing theoretical-empirical models of research and to reject also the historian's beaten-track approach. In fact, the best statement on his approach is presented on pp. 23-30 while pp. 10-17 give a quick review of a few selected studies on peasant movements by Hamza Alavi, Eric Wolf, D. N. Dhanagare, Neil Charlesworth, D. Hardiman, Kathleen Gough, and Pouchepadass.

The special distinctions claimed by the author for his research report are: laying bare both the turbulent high tides and the calm waves and sedate flows of agrarian movements; providing a 'within' and 'bottom-up' view; an on-going unterminated movement as the focus of study; and relating the movement to the social structural contexts. The reviewer finds that in the finished form in which the publication reaches the reader, these large aims were only partially fulfilled. For example, the author's explicit, stated interest was not in presenting a mere chronicle of historical events but to weave them into mosaics of explanation, which are not so visible to this reviewer. Linking the movement events and processes persistently with factors of economic deprivation, power and status struggles or desire to maintain status quo has not proved much helpful in this enterprise to the author. The politicking of several political parties competing for clientele among rural masses, rather than development as such, was shown as the potent cause of agrarian tensions and conflicts. Such explanations fall short of the big claims made. In claiming that his own study was concerned with both the mobilisational and organisational aspects of agrarian movement in contrast to the selective attention to either one by K. C. Alexander and Dhanagare, the author's observation that this is "the result of mistaking the part for the whole" (p. 29) is unfair to them since it attributes to them conceptual confusion or lack of comprehension.

Judging the book on more than one count, this reviewer finds that its real value is masked and marred by (a) over-stating the obvious; (b) labouring a point or theme tediously and repetitiously; (c) redundant coinage of new terms and verbose style of writing; and (d) arbitrary organisation of the content into various chapters. A more effective, communicative, and logical organisation of the book is suggested by the various generalisations discussed on pp. 170-179 but the author has failed to harness them for marshalling his data and reportings. Both the author and the publisher have ill-advised themselves to make the publication too bulky and the price too high for the limited, though useful, story that it was made to tell. Economies of scale might hold in any other enterprise than in book industry.

The reviewer's personal gain from the book has been in terms of learning a little more about the Kerala society than about the dynamics of the peasant movement in particular. To make its appeal and contribution more general and valuable, the revised edition should attempt to integrate the materials of the book into the literature on social movements, collective behaviour, and social conflict. The author is a competent researcher and writer to be able to do this easily for the benefit of a more general clientele than the few specialists of peasant movements only.

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C. R. Prasad Rao

*Planning for Poverty Alleviation*, Kamta Prasad, Agricole Publishing Academy, New Delhi-24, 1985. Pp. xii + 228. Rs. 150.00.

Poverty, particularly rural poverty has attracted considerable attention of social scientists, political leaders and administrators especially during the last fifteen years. The debate on the extent of poverty got focussed on the measurement of its magnitude with the publication of Dandekar and Rath's study. Subsequently, several studies relating to different States have provided more pointed insights. At present the issues which are debated are whether the magnitude of absolute poverty has declined or not and whether it would be possible to eliminate hard core poverty through the presently operating anti-poverty programmes.

The book under review attempts to explain the nature of Indian poverty, strategies adopted for reducing poverty and evaluates their effectiveness in tackling the poverty through Five Year Plans. The author has brought together his seminar papers, keynote addresses and other speeches delivered over a period of four years. Though he has attempted to logically integrate them, he has not succeeded in making the study rigorous and analytical. Consequently, the book provides only a descriptive account of Indian poverty and the policies and programmes formulated and implemented for its elimination.

The book is divided into three parts. The first part, which consists of three chapters, discusses the concept of poverty, its magnitude, composition

and concentration of the poor. The author, after mentioning various estimates of poverty, maintains that "... given the all-pervasive extent of poverty in our country, there is no point in spending much time in developing increasingly sophisticated methods of measuring it" (p. 15). Therefore, the author concludes that "According to some of these studies, the percentage of poor below the poverty line has increased, while according to others it has decreased. Under the circumstances, it seems better to assume the poverty percentage to be more or less the same" (p. 49). The first impression one gets from such statements is that the author has not made sincere efforts to contribute to the debate whether absolute poverty in India has declined or not.

The book was published in 1985 when the estimates for 1977-78 and 1983-84 based on National Sample Survey (NSS) data were available. According to these estimates, the magnitude of poverty, *i.e.*, the percentage of poor people below the poverty line, has come down as compared to the previous years. This conclusion has been supported by the recent estimates made by Dandekar himself in his Boston Conference Paper.\* It becomes evident from Dandekar's paper, that without first estimating the magnitude of poverty, formulation of strategies for reducing it will only become a guesswork because we need to know the extent of financial resources required for reducing poverty. The author has no doubt explained the concentration of poverty by States upto 1977-78. But the composition of poverty group has not been analysed in detail. There are several State level studies (for example, for Andhra Pradesh, Karnataka, Kerala, Punjab, Tamil Nadu, etc.), which give estimates of percentage of people below the poverty line by broad social groups, levels of education and for districts. The author has not used them to analyse the composition of the poor.

In Part II, which consists of seven chapters, the author has analysed the impact of Five Year Plans on the poor. He has surveyed the anti-poverty measures starting from the First Five Year Plan upto the middle of Sixth Plan and then he has presented a very useful account supported by data to show the dismal performance of the Plan programmes in reducing poverty. He has also attributed this dismal performance to the inappropriate Plan models and strategies and also deficiencies in specific policies and programmes. The author has analysed the allocation of resources for anti-poverty programmes in Chapter 9 and has come to the conclusion that the resources allocated upto the Sixth Plan period have been inadequate. This conclusion is no doubt supported by budgetary data. Then we cannot hold the implementation of anti-poverty programmes entirely responsible for their failure to reduce poverty; in other words, leakages and inefficiencies have crept in, in delivering the benefits of anti-poverty programmes to the poor. And it is very difficult to find fault with the design of the programmes as they have always been evaluated, restructured and modified in the light of field experience.

In Part III, the author has presented his own strategies for poverty alleviation in eleven chapters. But the suggested strategies are not radically new.

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\* V. M. Dandekar, "Agriculture, Employment and Poverty", *Economic and Political Weekly*, Vol. XXI, Nos. 38 and 39, September 20-27, 1986.

They include programmes like land transfers to marginal farmers instead of unviable landless labourers, employment policy, beneficiary oriented programmes, occupational diversification, rural industrialisation, small towns development, improving skills at the lower levels of planning and of course, better implementation. There is nothing in this list which can be considered as a new strategy. Further, in the course of making suggestions, the author makes many sweeping statements which give the impression of his being less familiar with local experience. For instance, in the course of advancing a suggestion that decentralised planning process should be encouraged by putting multi-disciplinary experts on district planning bodies and training them in the skills, the author has observed thus: "But there is no single agency to prepare a plan for all these activities taken together in a scientific and integrated manner by exploring linkages among them. Even the much-publicised experiments in district planning as in Maharashtra and Gujarat do not do this. They have merely added one more agency" (p. 200). This statement gives the impression that what the author is suggesting is something new and will achieve better results.

The chapters in the book are very small which enable the reader to continue his interest in the topics, and the author has tried to bring together all the available information and data upto the period of the Sixth Plan and presented in a coherent way. But the standard of analysis could have been better and the issues which he has tried to tackle could have been examined in an analytical manner.

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*Essays on the Commercialization of Indian Agriculture*, Edited by K. N. Raj, Neeladri Bhattacharya, Sumit Guha and Sakti Padhi, Oxford University Press, New Delhi, 1985. Pp. xxi + 354. Rs. 130.00.

The process of commercialisation of agriculture marks a significant change in an agrarian system, whereby monetary transactions replace barter exchange of commodities, specialisation is promoted, productivity is raised and in brief feudal features are dissolved and pre-capitalist system is transformed into capitalist mode of production. In India the process of commercialisation was slow and uneven in its effects in different regions. Even after two centuries of commercialisation of agriculture, some regions still preserve feudal or semi-feudal features, while in States like Punjab capitalistic relations of production dominate in agriculture.

It is, therefore, of great interest to examine why the historical process of commercialisation differs in different regions. What is the speed of its development? How is it likely to unfold in each region and what are the forces that explain the existing relations of production? Such questions were discussed at a seminar held at the Centre for Development Studies in Trivandrum. The present volume contains some of the papers discussed at the

seminar. K. N. Raj introduced the subject, Neeladri Bhattacharya and Mridula Mukherjee threw light on the agrarian change and conditions of labour in Punjab, M. Atchi Reddy, K. Nagaraj and Nata Duvvury studied the changes in marketing of crops in South India, Sumit Guha's piece relates to the economy of the Deccan, Pradipta Chaudhuri analysed labour migration in Orissa, Amit Bhaduri focussed on the differences of commercialisation in the eastern and western parts of Uttar Pradesh, Chiranjib Sen offered a criticism of Bhaduri's paper, and Krishna Bharadwaj expounded in the end what has been learnt on the process of commercialisation.

There is a general agreement that the process of commercialisation is uneven across regions and markets of output, land, labour and credit. But there is a difference on the reasons for the realised unevenness. Marxists explain the slow and uneven process of commercialisation by institutional factors and non-Marxists emphasise technological, agro-climatic conditions, demographic factors and investments in irrigation and transport by the State. The seminar placed major emphasis on the former though the latter factors were also mentioned.

During the Moghul period the commercialisation of agriculture was primarily concentrated on some crops like tobacco, cotton and sugarcane generally grown on bigger holding sizes to fulfil the requirements of tax, tribute and land rent. Under this forced commercialisation the reverse flow of goods and services to agriculture was virtually absent so that the process of commercialisation did not become self-sustained. Later, during the British rule the situation was not radically altered. Although land (besides output) was rendered marketable and rudimentary conditions of commercialisation in credit and labour markets also emerged, yet the process was slow due to unidirectional extraction of colonial surplus by the British. This resulted in prolonged and intense exploitation of poor peasants rather than their liberation from the feudal system.

Krishna Bharadwaj points out a reason for the slow and retarded process of commercialisation, which instead of liberating the peasantry subjugated them to worst form of exploitation. She emphasises that exchange relations are generally hierarchical with the dominant parties mostly belonging to the substantial surplus households, who set the pattern as well as the terms and conditions of exchange. The medium operators basically are 'price-takers' and 'quantity-adjusters'. The chronically deficit and subsistence households are involved in exchange compulsively, selling their labour and output in distress. They are the major victims of the exploitation through exchange relations. The durability and intensity of this exploitation are compounded in a situation where markets are interlinked (land-labour linkage in the form of bonded labour, land-credit linkage in the form of land mortgage and credit-trade linkage in the form of moneylender merchants forcing the cultivation of cash crops like sugarcane and indigo on the poor peasants) so that the dominant parties "conjointly exploit the weaker parties in two or more markets by interlinking the terms of contracts" (p. 336).

The hierarchical exchange relations in a system of interlinked output, labour, land and credit markets restrict the freedom of the weaker parties to operate in other markets, on the one hand, and increases the power and domain of exploitation of the dominant party, on the other hand. With interlinked markets exploitation is spread over markets and even across generations, when the labour of future generations is committed by the debtor or tenant. But the reverse is also possible if there is a strong pull force of industrialisation. During the colonial rule the lack of a vigorous growth of industry and in some cases even deindustrialisation explained why commercialisation of one (output) market did not lead to commercialisation in other markets and failed to liberate the peasantry from feudal oppression. In several cases the forced commercialisation and increasing 'commoditisation' even resulted in further pauperisation and bondage of the peasantry. The accumulating surplus in the hands of exploiting classes is not reinvested in irrigation or transport in agriculture because the rate of return on usury is more attractive. It is not clear how much and how long the accumulated surpluses are absorbed in usury and trade without reducing their attractiveness. Krishna Bharadwaj has not examined such a critical limit. Nor did she analyse where the surpluses beyond this limit were deployed and with what consequences.

Amit Bhaduri maintains that the main course of stagnation in agriculture is forced commercialisation under which a high proportion of output is sold by the peasants to meet immediate cash requirements and later some of it is bought back from the market. Distress selling and distress buying almost eliminate the reinvestible surplus with the peasants and keep the production system stagnate.

Bhaduri believes that normal voluntary process of commercialisation is guided by market incentives and gains from trade and the rich agriculturists and 'progressive' landlords contribute to this process by augmenting their production. The trader-moneylending class contribute to the forced commercialisation by forcing peasants to depend more heavily on the market mainly through the mechanism of debt. He postulates that "the mix between normal and forced commerce broadly reflected a corresponding mix of the two surplus-extracting classes . . ." (p. 309).

This hypothesis was applied to the case of Uttar Pradesh. It was mentioned that the initial conditions, particularly with respect to revenue settlement differed in East and West Uttar Pradesh. The former came under the Permanent Zamindari settlement and the latter under the ryotwari or temporary settlement. High and inflexible revenue demands in East Uttar Pradesh triggered sub-tenancy whereby traders and moneylenders grew stronger and subjected the cultivators into forced commercialisation. By contrast, West Uttar Pradesh witnessed the rise of a class of rich occupancy tenants. This difference in class configuration explains, according to Bhaduri, the relative stagnancy after the Zamindari abolition in the 1950s in East Uttar Pradesh and the relative agricultural progress in West Uttar Pradesh.

There were, however, other important differences in East and West Uttar Pradesh. The demographic pressure was higher and the State invest-

ment in canal irrigation was lower in the East than in the West. This difference cannot be regarded unimportant. As Chiranjib Sen has shown, such other factors should also be taken into account.

It is therefore clear that uneven commercialisation depends upon several factors, including differences in the initial conditions, the nature of particular crop grown according to agro-climatic conditions, demographic pressure, differences in technology, differences in the systems of land tenure and credit markets, etc. This volume has sharply focussed on these problems and would hopefully provide stimulus to researchers for a long time.

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*Planning for Rural Development: The Experience of the District Integrated Rural Development Programme of Sri Lanka*, V. M. Rao, G.H. Peiris and S. Tilakaratne, Asian Employment Programme (ARTEP), International Labour Organisation, Bangkok, Thailand, 1984. Pp. 118. \$ 5.00.

The Integrated Rural Development Programme (IRDP) which implies 'the inter-sectoral programme based on the spatial allocation of investments' gained currency in the third world countries from the seventies. The programme which aims to achieve increased employment, income and living standards was introduced in Sri Lanka only in 1979. In 1982, after three years since the inception of the programme the Government of Sri Lanka entrusted the job of a comprehensive review to a team of ILO Asian Employment Programme (ARTEP), Bangkok.

The book under review is the outcome of the study undertaken by the above team. The report was submitted in 1983 and by that time the programme was introduced in nine out of 24 districts in Sri Lanka. However, the study is confined only to six districts where the process of implementation was in an advanced stage. The present volume is a slightly edited version of that report.

The team looks at IRDP as an approach to rural development with a view to comprehending the distinctive features of its perspective priorities, planning systems, implementation arrangements and participatory mechanisms. The objective of the study was to see whether the experiences gained so far suggested the need for any modifications in these components and, also, whether the experiences provided an adequate base to obtain an understanding of the viability of the approach in promoting rural development.

The book consists of five chapters. The first chapter is introductory in nature. It consists of a critical review of the IRDP strategy and discusses the approach to IRDP. The planning and implementation process of the

programme has also been dealt with in detail. (The study has been based mostly on the observations of IRDP experiences gathered in the course of meetings, discussions, informal talks and references to a wide variety of documents and data compilations.) While analysing the features of the Sri Lanka rural context, the authors have identified two problems which will confront implementation eventually: firstly, the difficulties in locating the types of investment opportunities it is looking for in sufficient numbers to sustain the development process over time; and secondly, the difficulties in reaching the hard core of target groups.

Chapter 2 brings out the inter-IRDP differences in the scale of investment effort, sector-cum-activitywise composition of expenditure and achievement of targets. This highlights the pace of IRDP across districts and activities. This is addressed to identify the new directions in which IRDP has sought to move and the factors which seem to help or hinder their progress.

In Chapter 3, the focus is on districtwise profiles of IRDP experiences in relation to preparation of long-term plan, its translation into concrete schemes, promotion of local level planning and planning for target groups and evaluation of IRDP impact and benefits. The attempt in this chapter is to enumerate the lessons emerging from the experiences gained till then.

Chapter 4 brings together the insights on expenditures and on planning experiences with a view to formulating a perspective for the IRDP planning system. It begins with a resume of findings from Chapters 2 and 3 and follows it up with a brief enumeration of the hierarchy of planning components which together in the authors' view could provide a framework for moving towards a unified system of planning. With this background, the chapter indicates specific and practicable measures which could be of some help to the Government of Sri Lanka in realising the objective of using decentralised planning as an instrument for the development of backward rural areas and groups.

According to the authors, the success of IRDP would depend on the extent and quality of participation it evokes from the groups remaining outside the main stream of development. The progress of participation is an aspect which is particularly difficult to assess in a study such as the present one relying on short field visits and on data and materials drawn chiefly from official sources. Doubtless, the theme needs a further and more probing investigation.

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*Economics of Crop Insurance With Special Reference to the Needs and Situations in Developing Countries*, P. K. Ray, Central Publishing Concern, Calcutta-9, 1985. Pp. xxvi+333. Rs. 300.00.

*Agricultural Insurance: A New Policy for Developing Countries*, Syed M. Ahsan, Gower Publishing Company Limited, Aldershot, Hampshire, England and Brookfield, Vermont, U.S.A., 1985. Pp. xvi+262. \$31.00.

In view of the launching of the comprehensive crop insurance scheme in India since *kharif* 1985, these two publications are very relevant to all those who are interested in this scheme. Ray has a life-long experience of the subject and is a great advocate of agricultural insurance in general and crop insurance in particular. Ahsan has used agricultural insurance and crop insurance interchangeably (p. 9).

Ray has discussed the theory and functions of insurance in the first four chapters. In the discussion of crop insurance (Chapter 5 through Chapter 15), he has argued for the desirability of crop insurance for developing countries from various angles such as farm income stability, protection of farm investments, increasing production, helping agricultural credit programme, improving the purchasing power of farmers for farm requisites and marketing of farm products. He has argued that crop insurance is desirable not only for the farming community but also for the general community in terms of food security and non-farm employment. He has indicated that crop insurance is an important tool of agricultural development.

In these arguments he has successfully used deductive logic. He has also attempted to support his arguments by giving empirical information from the experiences of crop insurance from the U.S.A., Japan, Canada, and some developing countries.

It is interesting to note that in spite of the long duration of nearly four decades of Multiple Peril Crop Insurance (MPCI) in the U.S.A., there was very low participation by the farmers. By the end of the 1970s, insurance protection offered by the federal crop insurance barely equalled only about 4 per cent of the value of all crops sold (p. 66).

In citing the empirical example of wheat in five Oklahoma counties in the U.S.A. to show that there is greater stability of income on farms with insurance than without insurance through lower variance of annual average income per acre during 1940-65 period (Table 1, p. 69), Ray has created doubts in the mind of the reader when the data show that the annual average income per acre was higher on farms without insurance in four out of five counties than farms with insurance. All the benefits of crop insurance shown by Ray on the basis of deductive logic are not supported by the data. Perhaps this may explain the low participation of farmers in crop insurance in the U.S.A.

In Japan, by 1980, more than 90 per cent of the households growing paddy and raising silkworms participated in the insurance programme (p. 77). On an average, the insured farmer paid a premium of Yen 1,562 per year and received a little less than Yen 4,000 a year between 1947 and 1977. The balance came from the government (p. 76). Crop insurance in Japan seems to have effectively become an income transfer measure.

In Chapter 8, Ray has attempted to meet the arguments of James Roumasset that crop insurance is not a viable proposition in the developing countries. In doing this, he has relied more on deductive logic than on empirical facts.

In Chapter 9, while describing crop loan insurance in India, Ray states that the present pilot crop loan insurance schemes have, therefore, good prospects of success (though much still remains to be done by all concerned to actually achieve that success) (p. 156). He does not appear to support the 'area approach' which was tried in the pilot crop insurance scheme in India.

Ahsan, on the other hand, remarks about the Indian pilot crop insurance scheme as follows: "The General Insurance Corporation of India found these schemes uneconomic and also unsuitable for implementation on a larger scale. It had to shell out in the form of indemnity nearly eleven times the amount it collected as premium.<sup>1</sup>

There is good evidence to show that crop insurance helped greatly the rice producers of Japan. But Ray has not commented that the highly subsidised crop insurance in Japan has now created a problem of over-production of rice. Government subsidies add about 71,000 metric tonnes of rice (annually) to a total supply that already exceeds domestic needs. Subsidies also go to farm households whose average income is now higher than that of suburban families in Japan.<sup>2</sup>

For the readers from the developing countries, the most interesting chapters in Ray's book are Chapters 14 and 15, where he gives some details of financing crop insurance and cost-benefit relation. In the U.S.A. the government bears the cost of administration of the crop insurance programme and insurance programme deficit. During the period 1949-80, the net financial cost to the U. S. society was \$16.67 million per year. Ray thinks that compared with the various direct and indirect economic benefits derived even from a programme of an admittedly small scale, this financial cost was very little (p. 262). In Japan, the government has spent, by way of premium subsidy and administration, an annual average of \$ 161 million during the period 1947-77 (p. 271). In Canada, the federal contribution to the crop insurance programme of the ten provinces in 22 years (1959-1980) was \$C 22 million a year. The administrative costs are paid by the provincial government. The Government of Canada contributes an amount approximately equal to the premiums paid by the insured farmers (p. 281).

1. A. K. Agarwal, "Crop Insurance in India", a paper presented at the APRACA/NAIA Asian Crop Insurance Seminar, Tokyo, 16-20, September 1980, pp. 9 and 19, cited in Syed M. Ahsan: Agricultural Insurance, *op. cit.*, p. 38.

2. D. K. Desai, "Crop Insurance in India and Other Countries", *Agricultural Situation in India*, Vol. XLI, No. 5, August 1986, pp. 299-311.

From these examples, Ray has not given any idea regarding the relationship of government subsidy to insured value. He has also not given the actuarial rates of premium and the rates of premium paid by the farmers for different crops. Without such information, it is difficult to use the details of financing crop insurance provided by Ray for finding out the viability of the crop insurance programme in a developing country.

While discussing a proposed comprehensive crop insurance scheme for Bangladesh, Ahsan has given some idea regarding the relationship of the premium and insured value. He states: "This scheme has the potential of being financially viable, and at the same time provides a very meaningful protection to the farmers against crop loss. Median premium costs to the farmers (average over all crop varieties) are likely to be in the neighbourhood of 2.5 per cent of the insured value, on the hypothesis that the state will pay the other half of all premium charges required to make the scheme actuarially fair (p. 149).

In Chapter 15, Ray has discussed about the difficulties of working out cost-benefit analysis of crop insurance. He found that a full cost-benefit analysis of MPCI programme carried out by the Federal Crop Insurance Corporation in the U.S.A. for a period of four decades has not been done. But Ray feels that even though cost-benefit studies of the past four decades of Federal Crop Insurance Programme were mostly of limited nature, their conclusions finally led to considerable practical impacts on the decisions of the U. S. Congress and the Government not only to continue the programme but also to enlarge and strengthen it to protect the farmers against the perennial hazards of disastrous crop failures (p. 293). This reviewer's recent study of MPCI in the U.S.A. and discussions with the officials of the Federal Crop Insurance Corporation (1986) gave him an impression that the federal government wanted to get out of the programme gradually by inducing the private sector to undertake the major responsibility of MPCI.

In the case of Japan, Ray states that except the broad analysis of costs in relation to benefits of the Japanese crop and other agricultural insurance system, no other detailed and intensive cost-benefit studies have been made. But the fact that over the last 40 years the government has not only actively pursued the schemes but also has borne a substantial financial burden and farmers have carried their shares of the premiums with relatively little grumbling can be taken as an indication that the benefits of the schemes outweigh the financial costs (p. 297). In this connection, a study conducted by Hiroshi Tsujii<sup>3</sup> is worth quoting: "As a policy to increase national rice production, the subsidy of Japan's rice insurance programme does not seem to be efficient. At world market prices, the long-term benefit/cost ratio of the government's contribution to the insurance programme is only 0.39. The benefit/cost ratio is lower in the short run (0.15) and it is still not attractive even if the extra rice is valued at the domestic procurement price" (p. 185).

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3. Peter Hazell, Carlos Pomareda and Alberto Valdes: *Crop Insurance for Agricultural Development: Issues and Experience*, The John Hopkins University Press, Baltimore and London, 1986.

Ahsan's book gives a clear message that before launching a comprehensive crop insurance programme in a developing country, a detailed study should be undertaken regarding different crops (which are to be included in the scheme), delimitations of homogeneous areas for the crops, the normal yields obtained as the average of several years, the coefficients of variation in yields in homogeneous areas, the meteorological data, the actuarial premium rates and a host of other relevant information.

Ahsan discusses crop insurance in general in the first two chapters and argues that crop insurance in the developing countries should be undertaken only as a public policy measure. Considering the difficulties of moral hazard and adverse selection, he recommends area approach in which the insured unit is an agro-climatically homogeneous region rather than an individual as in the individual approach (p. 3). It is somewhat surprising that Ray has not adequately dealt with the problems of moral hazard and adverse selection which have been observed as major difficulties while implementing crop insurance programme in many countries.

Ahsan discusses the crop insurance programme in Bangladesh in Chapters 3 to 9. He has gone into the details of the pilot crop insurance programme launched in 1977 under the auspices of Sadharan Bima Corporation (SBC), a nationalised general insurance corporation and has suggested an alternative crop insurance scheme for Bangladesh.

In preparing the alternative crop insurance scheme, he has emphasised that it is necessary to divide the country into homogeneous zones for different crops. He has made three crop risk classifications: Group A covering five crops, broadcast *aman*, *boro* (local), *boro* (HYV), wheat (local), wheat (HYV), Group B covering transplanted *amar* (local), and transplanted *aman* (HYV) and Group C covering *aus* (local), *aus* (HYV) and jute. There were five agro-climatic zones in Group A, nine zones in Group B and twelve zones in Group C. For each zone and each group in these categories, a separate insurance scheme was proposed.

Ahsan has gone into the details of crop insurance for each of the crops mentioned above. He has worked out three types of premium rates, P1, P2, and P3, for each of the crops and zones.

For a small country like Bangladesh and predominantly monoculture (paddy), Ahsan has found it necessary to devise varying premium rates for different types of paddy crop and for different zones. Before launching a comprehensive crop insurance scheme for Bangladesh if such detailed work is necessary, one should think of the kind of detailed work required for a big country like India which has a large number of crops and much varied agro-climatic conditions. Unfortunately, no such detailed work was undertaken before launching the comprehensive crop insurance scheme in India from *kharif* 1985. The scheme covers rice, wheat, millets, oilseeds and pulses. For the country as a whole, uniform premium rates are applied at the rate

of two per cent of the sum insured for rice, wheat and millets and one per cent of the sum insured for oilseeds and pulses. The sum insured for each crop shall be 150 per cent of the crop loan (Desai, 1986).

The two publications under review provide the readers the theoretical and practical sides of crop insurance. Although crop insurance seems to be a desirable public policy measure particularly in the developing countries, it has to be evaluated along with other desirable public policy measures. It is clear that the crop insurance programme will have to be a highly subsidised programme. In this context, the suggestion from International Food Policy Research Institute that there are better cost-effective measures, which the government can adopt to reduce risk for farmers and protect farm income than crop insurance, has to be kept in mind.

*Ahmedabad.*

D. K. Desai

*Dialogues on Development: The Individual, Society and Political Order*, Edited by Ramashray Roy and R. K. Srivastava, Sage Publications Pvt. Ltd., New Delhi-48, 1986. Pp. 245. Rs. 140.00.

This book is the result of the attempt of the editors to understand and communicate the views of common people about the developmental processes going on in the country allegedly on their behalf. The views on development recorded are those of twenty people, peasants, landless labourers, factory workers, etc., from one of the most backward States in the country, Bihar. Their views include comments on what has been happening in the country since Independence, the role of the government in development, and the kind of society that they would like to see established in the country. Going through these uninhibited outpourings of personal experiences and reflections can be an exceptionally unusual educational experience, especially to those who have their ears tuned almost exclusively to the words of pundits and politicians.

The dominant note of these outpourings is that whatever else planning and development have achieved in the country, the needs and aspirations of the ordinary people have been neglected. Says a thirty-five-year old bullock-cart driver: "I know that there are development plans, but they have no meaning.... They benefit those who have money, *goondas*, and leaders in their pocket." And a thirty-two-year old Harijan who is a mechanical fitter in a private engineering firm where he earns Rs. 225 a month says: "We are like grass which gets trodden by the animals and bends with each gust of wind. That is how we survive. The Government is not sincere in its profession to improve the lot of the poor, and the officials are thieves. Nobody listens to us. Those who listen charge their commission...." Not that these people have very high expectations either. A toddy-tapper who earns about Rs. 400 a month says: "I am satisfied with my work. I am only afraid of the danger

in my work. I get worried when I think that if something happens to me tomorrow, then who will look after my family." Or, as in the words of a fifty-year old Brahmin shop-floor steward in a textile mill: "The only thing I wish . . . is that the cart of my life should go on as it has gone on so far." There are also some whose aims are set higher. A village blacksmith who is twenty-six years old and has two elder brothers employed in Calcutta states boldly: "My main aim in life is to expand my business. My ambition is to run a big workshop."

The conviction that independent India's development plans have let down the poor casts its shadow on their assessment of other aspects of national life also. According to one: "In India, democracy means enrichment of political leaders, bureaucrats and the wealthy few. For the rest it is disguised slavery." Another says, comparing the past and the present: "Earlier we got kicks on our back, now we are kicked in the stomach." Another discussant finds manipulative politics and corrupt elections the basis of all evils and hence logically argues that politics and elections should have no place in an ideal society. There are more perceptive observations also. A sixty-four-year man who has returned to his village after spending four decades in a city factory states: "The villagers have lost their self-confidence and self-respect. The plans have turned each one into a beggar. In this village, the villagers themselves built a school as far back as forty years ago. The school stands even today. Now it is impossible to even dream of doing such a thing."

The interviewers invited the discussants to enter into a dialogue on 'happiness' which most of them found rather too abstract to deal with, and on their vision of a future society which, though difficult, they were willing to discuss. An ideal society, according to them, can emerge only after securing the material needs of everybody. But the material needs are not to be dished out to everyone as a measure of charity, but people should be in a position to *earn* a living. From this angle, according to one of the discussants, "an ideal society is one where everyone is employed. . . . Idleness is a curse, but forced idleness is the greatest curse." There is also a strong urge for a society which removes social and economic inequalities. But no one was asking for enforced uniformity. A small landowner who also does cultivation on a share-cropping basis puts it thus: "All the five fingers are not equal, but each finger is equally important. Similarly, inequalities can become tolerable if everybody's contribution is seen as equally important and rewarded accordingly." Neither is the dream about an ideal society confined to material conditions. The moral dimension is seen to be crucial by everybody. Some expressed it as the need to base society on *dharma*. According to a more descriptively stated position: "A society does not become ideal simply because it has many leaders who are saintly, moral beings. A society becomes ideal only if ordinary people become moral beings and act according to certain moral principles."

The compilation, thus, provides a great deal of material to ponder over. There is a glaring omission, though. All the twenty common people who

were interviewed were *men*. Don't 'people' consist of *men* and *women*? Aren't the views of the other half equally important in understanding and assessing whatever it is that is described as 'development'?

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*River Dam Construction and Resettlement of Affected Villages—A Case Study of Two Villages in the Upper Krishna Valley: Vyahali and Chandavadi (District Satara),* Prakash R. Sawant, Inter-India Publications, New Delhi-15, 1985. Pp. xx+191. Rs. 285.00.

A serious debate is going on on the total efficacy of developmental projects in the developing countries as to the damage caused to ecology and the lives of the people who have been uprooted. Special mention may be made of the Narmada Valley Development Project in India, the Transmigration Project in Indonesia, the Polonoroeste Project in Brazil and several others. The development debacles are eye-openers to governments which are bent upon initiating the gigantic projects to solve irrigation and power problems in their countries. It is estimated that the Narmada Valley Development Project, spread over a period of 50 years, would cover the construction of 30 major dams, 135 medium-sized dams and over 3,000 small dams along the river basin in the States of Gujarat, Maharashtra and Madhya Pradesh. The project would generate 1,450 MW of electricity in Gujarat alone. The total area to be irrigated would be over 1.4 million hectares, besides supply of water to towns and villages. The project would generate more than half a million full-time jobs. But the project will mean the relocation of over two million people, in which several thousands of tribals are included. The resettlement and rehabilitation process has attracted many Supreme Court petitions owing to the indifferent approach of the bureaucracy and other factors. The problems faced by the tribals, the landless and poor become severe in these cases. The conflict between economic growth and environmental degradation has resulted in the abandoning of several projects or shortening the life and efficacy of others.

The book under review is a welcome addition to the growing literature on the subject and the author has done well to highlight the problems of resettlement in about 29 affected villages in the Upper Krishna Valley in Satara district of Maharashtra. He sets out the hypotheses and attempts to prove that the shift to the new sites is not easy and the administrative machinery with regard to land acquisition, possession, payment of compensation, rehabilitation, etc., is so cumbersome that the implementing and monitoring processes either lengthen or dilute the resettlement mechanism. According to him, the shift tends to introduce the persisting pattern of the village residential structure with its traditional divisions. The land use and cropping

patterns would be changed once; so also the life styles and ecological setting. For the landed people in the command area, migration from the affected villages is painful. The growth of rural industries for the benefit of the migrants is inadequate and hence migration to far-away cities and towns has started.

The author distinguishes between fully and partially affected population of the command and catchment areas of the (Dhom) dam. He describes in detail the resettlement process in two selected villages, dividing the affected population into different groups and dwells upon agricultural land obtained, waiting period for obtaining agricultural land and canal irrigation, facilities created, land use pattern, social changes, etc. He presents the views on shift as reported by social and political leaders, administrators and the affected persons themselves. He also lays down certain guidelines for rehabilitation of displaced families by the irrigation project, covering different stages. The problem is that in the actual implementation of the project, several interests (including resources) clash and some are benefitted while others are left undercared owing to inherent or man-made constraints present in the structure of the economy.

The book is replete with examples of some other projects in other regions. The appendices provide useful data about the project and the questionnaire base which has enabled the author to undertake the study.

It is hoped that similar evaluative studies of not only big projects, but also medium and small ones by different approaches and disciplines would highlight the wholeness of the projects and their impact on the affected population from every crucial angle.

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*Gandhian Approach to Rural Development: The Valod Experiment*, Ghanshyam Shah and H. R. Chaturvedi, Ajanta Publications, Delhi-7, 1983. Pp. xi + 140. Rs. 50.00.

This evaluation study has more than one highly important contexts. Bardoli, Vedchhi and Valod in the Surat district of Gujarat are like important sign-posts in the history of the Gandhian movement, both in the matter of people's mobilisation against the colonial rule, and some very pioneering experiments in 'constructive work'. Likewise, Maganbhai Gandhi, Chunni-bhai Mehta, Jugatram Dave, and still some others, who made this area the central concern of their activities, are legendary names in the field of Gandhian constructive work. Above all, Gandhiji had involved himself here, in person, in the tribal people's struggle against the imposition of liquor vends, which usually had a thick nexus with usury and moneylending and of course, exploitation of the people and their environment. In short, we could imagine

Vedchhi-Valod as a rural 'society' where the Gandhian impact really seeped down through the grass-roots. It is in this milieu that the contemporary Valod experiment in 'Gandhian rural development' approach which the present study has attempted to evaluate, was made. Having mentioned all these points, it is hardly necessary to highlight the significance of the study. One obvious point would be this: Valod really provided an ideal setting, in continuity, for the making of a Gandhian experiment in rural development. It should, therefore, be regarded as indeed very relevant for the understanding of this very distinctive approach to rural development.

This study tries to delve into, and garner from, nearly the 30-year long experience of the Valod Intensive Area Scheme (VIAS) which was one in the string of experimental schemes launched by the All India Khadi and Village Industries Board/Commission in the year 1954, as it is recorded, following the late Prime Minister Nehru's suggestion "to select and develop a small number of areas on *Sarvodaya* principles with a view to demonstrate to the country the scope and possibilities of an all round economic development and provision for full employment." The Intensive Area Scheme was neither in the nature of the extension programme like Community Development/ National Extension Service, nor of providing relief through village industries. It was clearly stated: "The scheme aimed at creating a social order in the village based on a decentralised economy and enjoying the advantages of community living as well as the benefits of science and technology" (KVIC: Planning for Minimum Income). Thus, the project 'areas' were conceived as the community loci for investigation and experimentation, and organisationally as models of area development associations. The VIAS is one of the better-known and more successful among these projects.

The study takes us through the 30-year career of VIAS; one important and significant stage in its life bearing the shift from the community approach to the target group approach, in other words from 'Sarvodaya to Antyodaya.'

The "Introduction" (Chapter 1) apart, which this reviewer thinks is rather too sketchy and discursive and also contains some errors (e.g., while giving names of some "widely known voluntary organisations in rural development", Banavasi Seva Ashram is placed in Gorakhpur rather than in Mirzapur), each one of the other six chapters in the book presents a complete frame of the picture. It is a technically competent exercise in programme evaluation, the results of which have been presented in a very matter-of-fact kind of manner; though it would appear it is not deep enough considering the amount of effort and interaction between the project personnel and the evaluators. The reviewer feels that inclusion of case data, and not relying on 'bare' surveys, would have enhanced the value of the study. The two most crucial chapters titled as "Programmes and Beneficiaries" and "People's Participation" are very compact and precise, but even here a certain lack of processual data gives us only a measure of the impact in terms of number of beneficiaries and 'actors', and not much of the interplay of the various structural forces and conditions on the ground.

The authors set out by emphasising the need to evolve new concepts, methods and techniques, as distinct from the currently used concepts and techniques that are heavily influenced by management science for evaluation of voluntary organisations, and they were certainly competent to accomplish this task. But they decided not to go into it and rather make an assessment of the programme on the basis of its professed aims and objects. The study shows that the project achieved its goal to the extent it could, although here also more in terms of results than in terms of creating a process of community participation, as the benefits delivered to the poor were largely the fruits of the labour of a service-unto people-oriented band of dedicated constructive workers. The study leaves us with the question whether tiny islands of decentralised community planning could be created within a centralised system of planning.

There is a critical methodological problem involved in the operationalisation of the Gandhian philosophical concepts into criteria for evaluation in a micro-area planning model, but the authors have accomplished this task in a remarkably responsive and sensitive manner, though categorisations like 'Gandhian reformism' may sound offending. And, therefore, there is another basic question that the evaluators of the Gandhian approach to rural development also have to confront: What is Gandhian in all that goes on in his name at present? The target group approach being advocated and pursued as part of the so-called anti-poverty strategy which, in fact, 'takes-off' from the empirical situation of failure of the conventional theory and strategies of economic development and is hedged in like 'fillers'—and usually with high moral overtones—in the prime-time TV programmes, can scarcely qualify to be called Gandhian. The Gandhian concept of *Gram Swaraj* is rooted in total rejection of the conventional theories and strategies of development. What he meaningfully called 'rural reconstruction' (rather than 'development') implies full-blooded regeneration/revitalisation of the traditional rural communities. Gandhiji, thus, went even beyond Marx, in recognising the contradiction between the city and the village; the urban-industrial and the rural, though not really in terms of the 'war of sectors' which is presently reverberating in the 'Indian Vs Bharat' contention in which 'Bharat' is demanding 'parity' with 'India', but as distinct civilizational models.

Unless this question is squarely faced, the Gandhian voluntary organisations engaged in rural development will find that their endeavours have been counter-productive in terms of the realisation of the Gandhian ideal of *Gram Swaraj*, and also that they have at the best served as auxiliaries of the dominant model of development, helping a bit in its diffusion to the marginal areas. The struggle of *Gram Swaraj* will necessitate altogether different methods of mobilisation. One hopes, this evaluation study of VIAS will contribute to this debate.

*Economic Conditions of Agricultural Labourers and Marginal Farmers*, Gian Singh, B. R. Publishing Corporation, Delhi-52, 1986. Pp. xii+227. Rs. 95.00.

This study attempts to examine the levels of living of agricultural labourers and marginal farmers in the rural areas of Punjab. The analysis has been carried out across differentially developed districts and income categories of the agricultural labourers and marginal farmers.

The study is divided into ten chapters. The first two chapters provide the introduction and methodology. Chapters 3 to 5 are devoted to an analysis of the level and pattern of income distribution, consumption pattern and assets and liabilities of agricultural labourers. Chapters 6 to 8 provide similar information for the marginal farmers. Chapter 9 presents a comparison of the levels of living of the agricultural labourers and marginal farmers. The concluding chapter sets forth the main findings.

For the purpose of this study, the districts of Punjab are grouped under three categories on the basis of value productivity per unit area, namely, high productivity districts with productivity above Rs. 3,000, medium productivity districts with productivity ranging from Rs. 2,500 to Rs. 3,000 and low productivity districts with productivity less than Rs. 2,500 per hectare. One district from each category was selected for the study; Ludhiana from the high, Bathinda from the medium and Ropar from the low productivity category. Ten villages were selected from each district. A proportionate sample was selected from the selected villages. In all, 450 households of marginal farmers and agricultural labourers have been studied from the three selected districts. The three income categories have been developed on the basis of cut-off points of Rs. 4 000 and Rs. 8 000 respectively.

The main findings of the study are as follows: There was much similarity in the income patterns of the agricultural labour households and marginal farmers across income categories and the districts. In the case of the former, the main source of income was from agricultural wages supplemented by income from subsidiary activities like dairying, shoemaking and petty trade. However, the highest income category earned relatively more through assured permanent employment. The two lower income categories earned the bulk of their incomes from wages as casual labour. There was higher reliance on hired permanent labour in Bathinda, whereas in Ropar and Ludhiana the major portion of the income was earned through casual labour. The major source of income of the marginal farmers was found to be farming, supplemented by income from dairying and wage employment in the agricultural and non-agricultural activities.

The study has found that the per capita income levels of the agricultural labour households and marginal farmers were positively correlated with the income and productivity levels over income categories and across the districts. The value of Sen's poverty measure 'P' was found inversely related

to the income levels of agricultural labourers as well as that of the marginal farmers; besides, it was inversely related to the productivity levels across the districts for the marginal farmers. However, no firm relationship could be established between Sen's P and the level of agricultural development in the case of agricultural labour households.

There was also much similarity in the consumption pattern of agricultural labour households and marginal farmers. Both these categories of households spent a major proportion of their income on foodgrains, followed by expenditure on milk and milk products, clothes and sugar, gur and khandsari in the case of agricultural labour households while the ranking of consumption expenditure on other items for the marginal farmers was slightly different with expenditure on clothes ranking above that on sugar, gur and khandsari, which was followed by milk and milk products and edible oils in that order. However, there were considerable differences in the relative shares of consumption expenditure across income groups and levels of agricultural development. Both the categories of households spent meagre amounts on services, marriages, social ceremonies, durable goods and education of their children and entertainment. The per capita consumption expenditure of agricultural labourers and marginal farmers was found to be positively associated with the level of agricultural development.

The study has also brought out that consumer durables accounted for a major proportion of the total assets of agricultural labour households across the income categories and the districts. Further, three-fourths of agricultural labour households were found to be indebted due to the current loans taken by them. But the aggregate effect may be adverse because of the exorbitant rate of interest charged by the moneylenders.

The assets of marginal farmers comprised mainly durable household assets followed by livestock and farm assets over all income groups and across the districts. The share of farm assets of marginal farmers was found to be small. The per capita value of assets was highly correlated with the level of income and yield per hectare over the income categories and across the districts.

The most important finding of the study is that the average household and per capita income levels of the marginal farmers were slightly lower than those of the agricultural labourers. This has been attributed to the socio-cultural milieu which forbids the marginal farmers to seek wage employment in the agricultural sector even though such opportunities may be available at the village level.

However, an intriguing aspect of this study is that the average propensity to consume for agricultural labourers and marginal farmers is uniformly reported to be more than unity in respect of all income categories and all the selected districts. This could partly be due to the general observation that reporting incomes were on the lower side. The author has observed that the agricultural labour households and marginal farmers tried to maintain certain minimum level of consumption irrespective of the fact whether they could afford it or not. It has been reported that the excess of consumption

expenditure over income was met by incurring deficits. But even if we take into account the current loans taken by agricultural labourers and marginal farmers (reported on pp. 100, 114, 179 and 196), the deficit is not covered. So one fails to understand how else the deficit is met. One could perhaps try to explain the higher consumption expenditure over income by taking the annualised value of expenditures on durables which are not incurred every year. But still the deficits reported are unduly large.

On the whole, the author has presented a neat and detailed comparative account of the sources, composition and patterns of income and consumption of a cross-section of the agricultural labourers and marginal farmers in differentially developed districts of Punjab. The study provides enough evidence to suggest that the economic lot of agricultural labourers is better than that of marginal farmers, since the agricultural labourers have not only higher income and consumption levels but also lower level of poverty and indebtedness. This finding is relevant for reorientation of programmes for poverty alleviation.

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*Economics of Orchards in Punjab*, Joginder Singh and D. S. Sidhu, Department of Economics and Sociology, Punjab Agricultural University, Ludhiana, 1986. Pp. viii + 76.

Of late, the attention of the scientists and planners in India has been focussed on the 'quality' aspects of the diet taken by the people besides the quantity. The role of fruits and vegetables needs no special emphasis in improving the quality of food. But unfortunately, the level of consumption of fruits and vegetables in India is below the level recommended by the dietary experts and hence there is need to increase their production. In this context, the present study is a welcome addition, as very meagre information is available on the economic aspects of this group of crops.

This small brochure contains ten chapters and three appendices and covers the economic aspects of cultivation of important fruits grown in Punjab. In the introductory chapter, information regarding the suitability of fruits for different regions of Punjab, assumptions made in the study, etc., is given. A perusal of the assumptions made shows that the value of the study could have been enhanced if instead of making the assumption that all fruits are sold to pre-harvest contractors (assumption 2, p. 4), some information is given regarding the extent of sale through different agencies for different fruits, marketing cost involved, etc. With the present emphasis on eliminating (controlling the activities of) the middlemen and regulating the trade in fruits and vegetables, this information would have been quite useful for the policy makers. Another assumption regarding the technical coefficients (assumption 4, p. 5) where it is stated that coefficients have been obtained based on PAU (Punjab Agricultural University) recommendations

and field survey data may also lead to some confusion regarding the estimated costs and returns. It is observed in many studies that there is a wide gap between the recommended and adopted levels in the use of important inputs by the cultivators. So the coefficients for materials used like fertilisers, plant protection chemicals, etc., will differ for the two sets of data. Hence the above assumption seems to be not a valid one. As it is emphasised in the study that it presents the potential returns, the estimates should have been based on the PAU recommendations only.

A perusal of establishment costs presented for different fruit crops (chapters II to VIII) shows that the cost of fencing has accounted for a major portion, even upto nearly 70 per cent in the case of fruit crops like mango. This is mainly due to the fact that fencing with wire and angle irons only is considered for all fruit crops. But in actual practice alternate fencing with live plants, thorn bush cuttings, etc., may also be used depending upon the fruit crop and situation. So this has resulted in over-estimation of establishment cost which may mislead people about the actual capital requirements for establishing the orchards.

The conclusion drawn at the end of Chapter IX, "Therefore, on the basis of discounted future returns, the returns from orchards except kinnow and peach are not very attractive as compared to most common field crop rotations" (p. 60), seems to undermine the scope for expansion of the cultivation of fruit crops. Before drawing this conclusion, the authors have overlooked some important points they have mentioned while discussing individual fruit crops. For example, while discussing ber cultivation, the authors have stated under land rent that "The soils of Kandi areas, sandy and some other problem soils are considered quite suitable for ber cultivation" (p. 18). Similarly while discussing about land rent for kinnow crop they have mentioned that "Although the soils sometimes not very suitable for annual crops, may prove to be excellent for citrus" (p. 27). From the above statements it is clear that some fruit crops can be grown on soils where field crops cannot be grown. Besides this, no information on the economics of cultivation of field crops grown on comparable soils used for different fruit crops is given. In view of this, the conclusion drawn on the basis of the comparison of future returns of fruit crops with that of common field crop rotations is not valid and it lowers the potential of growing the fruit crops.

On the whole, the authors have done a very good exercise in bringing out this brochure and it will be very useful for cultivators, financing agencies and all others concerned with the growth of fruit crops.

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*Role of Institutional Finance in Agriculture*, J. P. Singh, Ashish Publishing House, New Delhi-26, 1986. Pp. xv+378. Rs. 200.00.

The new strategy for achieving a break-through in agricultural production can only succeed when adequate and cheap long-term and short-term capital is

available to make use of the essential pre-requisites. Realising the growing need of agricultural finance, the author undertook an in-depth study of what actually happened at the farm level in the sphere of agricultural credit with a view to suggesting suitable but effective credit policies. The author presents in this book empirical evidence on agricultural credit use based on analysis of data collected from a sample of 212 farms selected from Operational Research Project area of Cuttack Sadar block of Cuttack district in Orissa relating to the period 1974-77. The specific objectives of the study were: (a) to analyse the pattern of credit distribution among different size-groups of holdings and the extent to which credit distribution was associated with certain farm characteristics, (b) to analyse the factors and their relative importance in influencing credit use, (c) to examine the impact of long-term credit use on short-term credit needs of the farms, (d) to examine the adequacy of the existing use of capital including credit and to determine the demand for additional credit in the sample farms, and (e) to estimate the productivity of various cash inputs and to suggest optimum allocation of available farm finances according to the various inputs (p. 11).

The structure of the study is organised in six chapters. The first chapter which is introductory in nature, sets out the objectives and hypotheses of the study. The second chapter presents a review of literature on aspects of agricultural credit relevant for the study. The third chapter takes into account the agro-economic conditions of the study area. The fourth chapter discusses the sampling technique and analytical procedures. The fifth chapter is devoted to results and discussion with a final chapter on summary and conclusion.

The author begins with the basic presumption that "the only way to bring about an effective break-through (in agricultural production and productivity) is to find ways of increasing capital investment." No doubt, credit may assume "greater importance in the transformation of Indian agriculture from the traditional subsistence type to modern and scientific type" through mobilisation of physical as well as human resources but it may fail to achieve the goal if sufficient infrastructure is not available. Hence while emphasising the role of credit, due weightage should also have been accorded to infrastructure which is a vital component for accelerating the rate of growth of agricultural production.

In the present study the author brings out in detail the pattern and growth of institutional finance in India and examines the role of institutional finance in agriculture in Orissa where provision of credit for any economic activity was originally met by the indigenous sources. Turning to commercial banking activities in the State, he reveals a shocking state of affairs before nationalisation. But soon after nationalisation commercial bank started "providing short-term loans for essential agricultural operations as well as term loans for improvement of land, provision of irrigation facilities, mechanisation of farms and all other production needs of farmers." Here one fails to understand why the author wants commercial banks to provide term loans for improvement of land, provision of irrigation facilities and mechanisation of farms

when these fall outside their scope. Moreover, there are well organised land development banks in the State for the said purpose. To allow commercial banks enter this area may involve duplication of activities and hence misdirection of scarce resources which a developing economy like India can ill-afford.

While reviewing the supply of agricultural credit, the author expresses his concern over diversion of production loans. His observation is that the diverted amount is often used for repayment of old debts and for consumption purposes. Generally, the scholars of the subject have shown undue pessimism toward this aspect of credit use. Here it may be noted that consumption may have a positive correlation with the increase of productivity of labour which constitutes a vital component of growth especially for small holders whose levels of living are very low. Hence, in the process of adopting improved technology of agriculture, due allowance should be accorded to increased consumption of small holders upto certain level.

For the diagnosis of the problem in hand, the author presents a brief review of literature which is sketchy. However, he brings into focus two major facts which deserve mention: Firstly there is a general situation of shortage of working capital compared to its optimum level and the farmers could profitably use additional amount of capital needed upto the optimum level by borrowings. Secondly, there is a large potentiality for increasing farm returns through resource optimisation in different sizes of farms. It has been pointed out further that the marginal productivity of credit is significantly higher on small farms than on larger farms. But as the evidences are inconclusive, the study fails to unfold the issues involved. Similarly, statistical evidence to establish the relationship between use of credit and the interest rates is lacking. Hence these issues should have been probed deeper to warrant attention.

The author should be congratulated on his choice of use of statistical devices to bring into focus some interesting results of his empirical analyses for a suitable credit policy for the area. The results of the study are discussed under three parts. In the first part, the author finds that on an average, the area under irrigation between 1974-75 and 1976-77 increased by about 44 per cent in the case of credit recipient farms as against only three per cent in the case of non-credit recipient farms. A comparison of the cropping pattern revealed that commercialisation and use of modern farm technology were greater among the recipient farms than among the non-recipient farms.

Among various items of capital expenditure, land improvement emerged as the most important item followed by purchase of livestock and agricultural implements and machines. Further, the survey data proved conclusively that the higher incremental income realised by the credit recipients had enabled them to raise their standard of living as compared to the non-credit recipients in the area. Thus, the new credit facilities contributed significantly to the economic betterment of the farmers in the area under study.

The second part is devoted to the study of supply of and demand for credit. The data revealed that a major proportion of credit came from institutional agencies accounting on an average for 66.98 per cent in 1974-75, 73.73 per cent

in 1975-76 and 75.71 per cent in 1976-77. Among all the institutional agencies the role of co-operatives has been found quite substantial. The commercial banks have been rated low. Although the co-operative system pumped in credit to farmers until the nationalisation of 14 major commercial banks in 1969, the flow of funds got accelerated only when the commercial banks entered into the arena. But the study does not explore sufficiently the role of commercial banks in expanding the productive horizons of agriculture.

Regarding the sources of finance, a reader may find the following statement confusing: "it was noted that the internal funds generally accounted for an overwhelming large proportion of the total current, capital and household expenditures in the sample farms" (p. 239). This is said to be true even in the case of very small farms below one hectare (size-group I).

After this, the author examines very competently the relationship between short-term and long-term investment with the help of multiple regression analysis and finds that short-term investment depends on long-term investment. The latter increases the absorptive capacity of short-term investments on the farm.

The third part of the study examines exclusively the adequacy of capital and credit use and evaluates the economic rationale of allocation between different farm inputs of the major crop enterprise on the sample farms. The in-depth analysis of the sample farms suggests that since the marginal value products of various inputs at their regressive mean levels were higher than their prices, the use of capital on various farm inputs could be increased to accelerate the tempo of production. But the trouble is that the poor farmers not only lack assets but also lack skills, the capacity for sustained efforts, the motivation and the firm will to come out of the poverty trap. Most of them are so badly overpressed by their immediate needs that they fail to visualise their future. What is needed for lifting them out of the poverty trap is not merely assets as has been brought out by the author in the present study but also transformation of their personalities along with provision of adequate infrastructure.

On the whole, it is a good empirical study of the role of institutional finance in agriculture. The author has handled the statistical tools to make his study useful for policy makers. The book may serve as a good reference for scholars on agricultural finance in the country.

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*Development Problems and Prospects of Mizoram*, K. K. Upadhyaya, Inter-India Publications, New Delhi-15, 1986. Pp. x + 64. Rs. 75.00.

The book portrays briefly the problems and prospects of development of Mizoram, a land-locked Union Territory carved out of Assam in 1972, in the

North Eastern part of India. Mizoram, a hill area, experiences continuous instability in political and social situations due to problems of insurgency since 1966 and this has seriously jeopardised the pace of economic development of the region. However, the tide has now subsided and suitable strategy of development is expected to lift up the Mizoram economy from its present state of backwardness.

Chapter 1 on "Frame of Study and Overview of Literature" brings out the main considerations of Indian economic planning in framing a development strategy for Mizoram. The author points out inaccessibility and insurgency as the two important considerations of development policy. However, the reviewer does not see the direct effect of the third point of the author, *i.e.*, the western life style of the urban Mizo people with their link with western world, on the development policy of Mizoram. However, proper identification of the most disadvantaged settlement or the most vulnerable family to be tackled is most important. In this sense, out of 22 Community Development Blocks, those of western and southern Mizoram need to be helped most. The planning strategy should provide sufficient scope to the local people to get themselves involved in the development activities rather than to make them enjoy the fruits of development efforts of outsiders. The characteristics of tribal society such as largely egalitarian and non-hierarchic social structure, general lack of scientific attitude, adherence to low technology, low productivity and communal ownership of land are also found in Mizoram. The policy of reservation of vacancies for local tribal class is also added to it. The author analyses only the general economic and social problems as these are found in tribal societies. However, to frame out an appropriate development policy for Mizoram a deep insight into the problems and prospects of development on the basis of natural and acquired advantages of resources and manpower will be needed. Literature on Mizoram is scanty. Some bench-mark surveys are, therefore, highly essential for Mizoram.

Chapter 2 presents a historical evolution of the Mizo people and their political and economic developments. The author stresses more on highlighting the political situation of Mizoram. The development efforts of Mizoram as indicated in the chapter only refer to the construction of roads, regrouping of villages along with an idea of plan expenditure on Mizoram. However, the observation of the author that although per capita public development expenditure of Rs. 800 per year is one of the highest in the country but the state of the economy is far from satisfactory with large scale smuggling of foreign goods, and abject poverty among rural people, is a matter for serious concern. Measures to ensure proper utilisation of plan expenditure are highly needed.

Chapter 3 deals with the natural and manpower resources, technical infrastructure and industry of Mizoram. However, it is difficult to get a clear idea about some basic indicators like land use pattern, work participation rate, activity status, agricultural situation and the state of industrial development in Mizoram. In the absence of basic information on these aspects, future projections about development prospects of Mizoram would not be

very accurate. Mizoram is endowed with rich forest resources. But due to inadequate transport facilities and very high cost of energy, most of these forest resources have remained untapped and are not making any notable contribution to Mizoram economy. Such infrastructural bottlenecks are also the cause of absence of medium and large scale industries in the region. Only about a thousand small scale industries are operating with local markets excepting silk units which have markets outside Mizoram. In such circumstances the comment of the author that to bring about any change in Mizoram economy we should better look to agriculture, forestry and plantation is right.

The last chapter although titled as emerging production relations in primary sector and the prospects in forestry and plantation, actually indicates the social customs practised in Mizo societies for allotment and management of *jhum* land for the purpose of agricultural production. 'Production relations' in the true sense of the term are not analysed. There has been an increase in total production in the case of crops like paddy, maize, ginger, sugarcane, potato, pulses and sesame from 1950-51 to 1984-85 but without an indication of productivity over the years, it is difficult to assess the growth rate of agriculture in the region. With the progress of soil conservation measures, watershed management, some works on settled farming are recorded. The pilot projects must be drawn up on a large scale for completely weaning the tribals away from *jhum*. Development of plantation crops and allied agricultural activities can be taken up. The author has suggested elaborate and careful back up from the concerned government departments and service, industrial or marketing co-operatives for development of these enterprises.

In the Postface to the book, which briefly outlines a development strategy for Mizoram, the author identifies some important considerations for this purpose such as low viability of production activity, removal of infrastructural difficulties, inaccessibility of larger part of the region and political disturbances. In spite of plentiful forest and water resources, and the best ecological balance, Mizoram economy is still thriving on *jhum* cultivation.

The book can be considered only as a beginning of the efforts to bring into focus the economic and social situations of Mizoram. Intensive studies with broad-based objectives are highly essential to get a real picture of the Mizoram economy. This is essential not only to ensure better standard of life for the common mass of Mizoram but also to raise the rate of returns per unit of investment of fund.

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