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Vol XLII
No. 2

ISSN 0019-5014

APRIL-
JUNE
1988

INDIAN JOURNAL OF AGRICULTURAL ECONOMICS



INDIAN SOCIETY OF
AGRICULTURAL ECONOMICS,
BOMBAY

REVIEWS IN BRIEF

Studies on Rural Development: Experiences and Issues, Edited by Ajit K. Danda,
Inter-India Publications, New Delhi-15, 1984. Pp. xii + 96. Rs. 100.00.

This volume is a collection of eight essays dealing with major experiences and issues of rural development in India and elsewhere, contributed by six authors. The first paper by the editor, which is in the nature of a case study probes into the success and failures of rural reconstruction programme initiated in two villages in the middle sixties, one in West Bengal and the other in Uttar Pradesh. In his paper on "A Strategy for Rural Development", C. Subramaniam spells out the main elements of the strategy of rural development, the assumptions and objectives of the rural development policy and the strategies pursued for fulfilling the declared aims of policy. It is argued that the concept of integrated rural development should be based on a comprehensive survey of natural resources, their exploitation based on technologies appropriate to the local environment, mass mobilisation through a process of education, all with a view to facilitating scientific utilisation and equitable sharing of available resources. Drawing from the experiences of other developing countries, Peter Von Blanckenburg considers the difficulties and problems in the planning and organisation of rural development programmes. In the paper on "Economic and Social Aspects of Development", J. Owen Jones outlines the general approach to rural development with reference to the definition of objectives, assessment of existing situation and the availability of resources in the area concerned, identification of the limiting factors to development and application of capital, skills and effort to overcome the limiting factors so as to maximise the returns from all resources in terms of the stated objectives. West Bengal's experience in integrated rural development in the early seventies is discussed in another paper. It highlights the need for making efforts to eradicate poverty at the grass-roots level. Another paper presents a critical review of the role of mass media in promoting rural development. The last two papers by the editor deal respectively with the anthropological approach to rural development and with the experiences and issues in rural development as highlighted by the papers included in the volume. The conclusion that emerges from the case studies on integrated rural development is that the developmental inputs have had some significant impact at least on a few pockets in the rural areas of India but they have not resulted in any well-marked structural rearrangement of the segments of rural society nor have they shown any noticeable trend of change around the horizon so far as the overall direction of the society is concerned.

Peasant Agriculture in Assam: A Structural Analysis, Manamohan Das, Inter-India Publications, New Delhi-15, 1984. Pp. xx+ 289. Rs. 300.00.

An attempt is made in this regional study to analyse the structure of peasant agriculture in Assam from the geographical and socio-economic points of view. It

formulates and tests a set of 24 hypotheses relating to the agrarian economy of the State. After describing the physiographic features of the State, its climate, rivers, soil distribution, population structure and the economy, the study discusses the spatial pattern of peasant agriculture with reference to the land use pattern, crop combinations, intensity of cropping and agricultural efficiency and the impact of the land tenure system on the socio-economic structure of the peasantry. This is followed by discussion of the factors of agricultural production and the infrastructural facilities needed for modernisation of agriculture in the State. The study contains useful suggestions for intensification of agriculture, improving agricultural productivity and technological transformation of peasant agriculture.

Agricultural Development of India (Some Issues in Growth and Land Distribution), Somu Giriappa and M. Vivekananda, Ashish Publishing House, New Delhi-26, 1984. Pp. xi+168. Rs. 65.00.

Income, Saving and Investment Pattern in Rural India, Somu Giriappa, Ashish Publishing House, New Delhi-26, 1984. Pp. vi+82. Rs. 50.00.

Bidi-Rolling in Rural Development, S. Giriappa, Daya Publishing House, Delhi-6, 1987. Pp. xi + 128. Rs.80.00.

The three books, above noted, deal with three different but inter-related aspects of the Indian economy. While the first two are concerned with some issues in agricultural growth and land distribution and the patterns of income, saving and investment in the rural areas at the all-India level respectively, the third study examines the role of bidi-rolling industry in rural development at the micro level.

The first book gives a perspective of the agricultural development in India covering a period of two decades (year ending 1980) by analysing the value-added in agriculture, the impact of new technology on agriculture and trends in crop pattern, area, production and yield of principal crops. It also analyses the pattern of distribution of land between 1970-71 and 1976-77. The study notes that agro-climate is a major factor in crop yield variation, and modern inputs have had mixed impact on the latter. Among the crops studied, the value-added by sugarcane was one of the highest per hectare, being Rs. 4,178 during 1962-65 and Rs. 5,142 during 1970-73, followed by tobacco, jute, rice, groundnut and wheat. The growth rate in foodgrains production which was estimated at 3 per cent per annum during 1950-53 to 1974-77 declined to 2.84 per cent during 1974-75 to 1981-82. Though the rate of growth in area has slowed down and production grew at more or less constant rate, the rate of growth in yield has shown a decline from 1.9 to 1.74 per cent per annum in the second period. The study concludes that owing to limited extension of modern inputs, the growth of Indian agriculture is constrained. It suggests the need for speedily evolving and diffusing an alternative system of development so as to break the productivity bottlenecks and to modernise the production process.

The second book attempts to pool together and present the major results of the studies undertaken by the various Agro-Economic Research Centres on patterns of

income, saving and investment of cultivators and agricultural labourers in 15 districts, one each selected from 15 States of India relating to the periods 1969-70 to 1973-74. An attempt is also made to compare these results with those obtained from the surveys conducted by the National Council of Applied Economic Research (NCAER) during 1968-69 to 1970-71 and All-India Debt Investment Survey (1971-72) of the Reserve Bank of India. Of the selected districts, five belonged to the Intensive Agricultural District Programme (IADP) districts, namely, Surat (Gujarat), Palghat (Kerala), Sambalpur (Orissa), Ludhiana (Punjab), and Thanjavur (Tamil Nadu) and the ten non-IADP districts selected included East Godavari (Andhra Pradesh), Nowgong (Assam), Purnea (Bihar), Karnal (Haryana), Kangra (Himachal Pradesh), Bangalore (Karnataka), Tikamgarh (Madhya Pradesh), Ahmednagar (Maharashtra), Kota (Rajasthan), and Meerut (Uttar Pradesh). The number of selected sample households in each district has generally been 100 for cultivators and 40 for the agricultural labour class but it was however lower in Karnal, Bangalore, Ludhiana, Meerut, Surat, Kangra, and Ahmednagar districts. One of the conclusions of the study is that the better endowed regions showed higher yield rates and a higher level of development due to adoption of new technology. The average net income from agriculture varied from as low as Rs. 3,637 per household in Purnea to as high as Rs. 19,955 per household in Ludhiana. The average value of assets varied between Rs. 16,938 in Tikamgarh and Rs. 1,40,327 in Ludhiana. Consumption expenditure ranged from 2,566 in Thanjavur to over Rs. 14,000 in Karnal. The investment ratio was positive in all the cases, which varied from 2.85 per cent in Thanjavur to as high as 89.2 per cent in Bangalore. The rate of saving was, however, reported to be negative (-3.2 per cent) in Thanjavur and it was as high as 18.6 per cent in Karnal and East Godavari, over 20 per cent in Tikamgarh, Kangra, Nowgong and Ahmednagar and as high as 40.5 per cent in Bangalore, reflecting the relative contribution of the main/subsidiary occupation, the crop mix, land owned and also the propensity to save. Comparing the above findings with those of the NCAER surveys, it is found that the net income, consumption expenditure and saving-income ratio in rural India are reported to be lower in the latter case, the respective figures being Rs. 2,649, Rs. 2,122 and 5.9 per cent at the all-India level.

Among the sample agricultural labour households, annual gross income per household varied from a low of Rs. 1,176 in Tikamgarh to as high as Rs. 3,033 in Ludhiana, consumption expenditure per annum per household ranged between Rs. 1,175 in Purnea and Rs. 2,508 in Ludhiana and the rate of savings per annum varied from -37.3 per cent in Meerut to 23.3 per cent in Bangalore and 31.8 per cent in Karnal. Thus in the progressive areas of some States like Haryana, Punjab and Karnataka, wage earners reported positive savings and their overall performance is determined by regional prosperity. The study is useful in understanding the nexus between new technology and income distribution in rural India.

The third book examines the role played by bidi-rolling industry in rural development by analysing labour absorption, working conditions, generation of income and living conditions of the workers in this sub-sector of economic activity. The study is based on 52 bidi-rolling families from the semi-urban area of Mangalore taluk and 44 families from the rural area of Bantwal taluk in Dakshina Kannada

district of Karnataka State relating to the year 1984-85. The selected sample covered both full time and part time labour engaged in bidi-rolling. Bidi-rolling is a major cottage industry providing employment to about four million full time and part time rural workers, of whom 75 per cent are women and children. The part time workers in the sample households worked for about 8.5 to 8.9 hours each per day and the full time workers for about 9.1 to 9.6 hours each per day in the two selected areas. The average income earned per year from bidi-rolling was higher for full time workers than the part time workers by about 36 per cent in the semi-urban area and by 16 per cent in the rural area. The full time households had a better pattern of consumption expenditure and higher rates of saving, the latter being 7.2 to 9.3 per cent as compared to 3.3 to 3.9 per cent for the part time households. It is suggested that if bidi-rolling is supplemented with other economic activities, it could lead to increased employment and higher productivity per worker. The study recognises the need for improving the levels of living of bidi workers by paying greater attention to generating employment and income and improving their conditions of health.

Economic Development and Structural Changes: An Empirical Investigation, G. S. Kainth and R. S. Bawa, Inter-India Publications, New Delhi-15, 1985. Pp. xv+159. Rs. 180.00.

This book discusses the development experience of the Punjab in the context of structural changes in sectoral composition, employment, urbanisation, terms of trade and sectoral re-distribution of income. After presenting a brief review of the literature relating to the changes in the sectoral composition of national/State product and resource flow between agriculture and non-agriculture, the book discusses the various statistical methods applied to test the structural changes in the Punjab based on the use of secondary data. It then examines the composition of net State domestic product under different sectors and sub-sectors at current and constant prices respectively during 1960-61 to 1979-80. The period is divided into two equal sub-periods: 1960-61 to 1969-70 (period I) and 1970-71 to 1979-80 (period II). The year 1969-70 is taken as the cut-off point for examining the differences in the growth performance of the economy and the factors affecting the growth of State income. In all, 36 variables, 12 each relating to the primary, secondary and tertiary sectors, are considered. All these variables are regressed on the first differences of State domestic product and absolute values of per capita income. Both linear and log linear functional models are used to examine the impact of the selected variables. This is followed by a statistical analysis of the parameters influencing the structural transformation of the State's economy, the terms of trade, the direction and the magnitude of resource flows between agriculture and non-agriculture and inter- and intra-sectoral distribution of income.

The important conclusions of the study are as follows: The trend growth rate of net State domestic product at constant prices was estimated at 5.6 per cent for period I and 5.3 per cent for period II and 5.05 per cent per annum for the entire period. The primary sector which accounted for about 50 per cent of the net State domestic product showed a decline in the trend growth rate from 5.8 per cent in period I to 4.2

per cent in period II. On the other hand, the secondary and tertiary sectors showed better performance in the seventies as compared to the sixties. The sectoral composition of net State domestic product revealed that the relative share of the primary sector over time declined. The unusual growth of the tertiary sector has been due to the improved infrastructural and service facilities created for the rapid growth of the agricultural sector. Another significant finding of the study is the poor linkage between agriculture and industry, which slowed down the overall rate of growth in the State. The study provides some evidence in favour of diversification of the Punjab's economy as reflected by the increase in importance of the secondary and tertiary sectors. It is suggested that the pace of development in the State could be accelerated by the setting up of a few large agricultural input-supplying and output-using industrial units.

The analysis of the ratios of prices received and paid by the farmers in the Punjab during the period under study revealed that the terms of trade for the farmers were favourable for 11 out of 19 years. However, the variations in the farmer's terms of trade were due to larger variations in the index of prices received than in the index of prices paid. The ratio of the primary sector income to non-primary sector income at constant prices increased from 1.17 in 1960-61 to 1.2 in 1967-68; it declined to 0.84 in 1979-80. The analysis shows that there has been a substantial transfer of income from the primary sector to the non-primary sector and also from the government sector to the primary sector via the movements of agricultural terms of trade. With rising terms of trade, the income inequality in the rural sectors has tended to be accentuated. The real wages of hired agricultural labourers have shown a declining trend. The study makes a strong plea for ensuring balanced development of both the primary and non-primary sectors of the economy. The statistical annexures and the select bibliography enhance the value of the book. The authors deserve warm praise for their painstaking study of the dimensions of economic development at the regional level.

Soviet Economy: New Economic Strategy, Vinod Mehta, Sterling Publishers Pvt. Ltd., New Delhi-16, 1987. Pp. 210. Rs. 100.00.

Soviet Agrarian Policy: A Critical Appraisal of Western Viewpoint, P.V. Solomakhin, Agricole Publishing Academy, New Delhi-25, 1987. Pp. 63. Rs.70.00.

The Soviet Union has embarked on a new economic strategy in which the focus of development has shifted from rigid planning to flexible planning with economic levers such as profits, interest rates, prices, etc., being used on a large scale. While the first book examines the new economic strategy of the Soviet Union, the second book presents a critical appraisal of the viewpoints of Western Sovietologists on Soviet agrarian policy and analyses the successes and failures of Soviet agriculture during 1965-85. The new economic strategy which was formulated at the Twenty-seventh Congress of the Communist Party of the Soviet Union (CPSU), held in 1986 in the context of a series of moves to reform and renovate the Soviet economy has as its objective the acceleration of the socio-economic development of the

country. The first book deals with the history and theory of planning, the system of management of the Soviet economy and the need for change, and presents a critical assessment of the Eleventh and the Twelfth Five Year Plan and the strategy for the acceleration of socio-economic development of the Soviet Union. A number of changes in the economic structure of the country and in the system of economic management were recommended by the 27th Congress of CPSU with a view to improving the efficiency of social production. One of the important features of the economic reforms introduced in the early sixties was the decentralisation of the process of making economic (production) decisions. The process of decentralisation involved utilisation of market mechanism in a restricted form. A second important feature of the reforms was the reduction in the role of budgetary grants as a source of investment finance for state enterprises as also a reduction in the role of subsidy. The new economic strategy lays stress on improving the administration and management of enterprises and the structure of social production and thereby ensuring the steady growth of the economy and promoting the well-being of the people. The strategy envisages a two-fold increase in the growth rate in agricultural output from 1.1 per cent in the Eleventh Plan (1981-85) to about 2.7 to 3 per cent during the Twelfth Plan (1985-90). The increase in the growth rate of national income is expected to be achieved through the intensive use of existing machinery and equipment, modernisation of equipment, adoption of new technologies and by raising the productivity of labour. The three appendices in the book contain guidelines for the acceleration of the socio-economic development of the Soviet Union formulated by the top party functionaries while the fourth appendix includes statistical data relating to the various sectors of the economy.

The second book attempts to refute the criticisms of the agrarian policies of the CPSU made by Western Sovietologists with regard to (a) intensive development of Soviet agriculture, (b) basic principles of organisation and management of agriculture and (c) socio-economic policies of CPSU in the rural areas. Each of these policy directions is discussed in a separate chapter in the book. While describing the efforts undertaken by CPSU and Soviet Government in the above three directions, the study gives information about the modern level of agricultural development in the Soviet Union with a view to unfolding the character and the real purpose of bourgeois misinterpretations of Soviet agrarian policy. Students of Soviet agricultural policy will find both the books useful.

Rural Financial Intermediation, K.P. Padmanabhan, Shubhada Saraswat
Publications Pvt. Ltd., Pune-5, 1986. Pp. xxii + 159. Rs. 100.00.

This book contains a collection of nine papers dealing with rural poverty, rural development and rural credit, focused on India, which were published earlier in reputed international journals. It is argued that unless basic structural reforms relating to ownership of assets, conspicuous consumption and urban bias are carried out, the well intended anti-poverty programmes will at best remain only as intellectual exercises. Rural financial intermediation should be perceived as a

catalyst to help the poor in improving and expanding their production environment. The book discusses the various problems and issues in rural financial intermediation with regard to credit, planning for rural development, new concepts for rural credit, regional rural banks, development of village industries and animal husbandry projects, delinquencies and defaults in repayment of loan and formal and informal rural lenders and suggests measures for creating strong and efficient rural financial markets.

An Economic Analysis of Co-operative Dairy Industry in Gujarat, Dilip R. Shah, Somaiya Publications Pvt. Ltd., Bombay-14, 1985. Pp. xiii + 169. Rs. 125.00.

Milk Pricing and Marketing Practices of Co-operative Dairy Industry in Gujarat, Edited by Dilip Shah, Maricheemalae Prakashan, Pune-4, 1987. Pp. viii + 290. Rs. 160.00.

Both these books examine the economic aspects of co-operative dairy industry in Gujarat. The first book is based on the author's doctoral dissertation submitted to the M.S. University of Baroda in 1980. It attempts to estimate the output of dairy plants and to quantify the capital and labour used in production, to relate the milk supply and the age of dairy plant with their output and to analyse the economic characteristics of the dairy plants using production function technique. The study is based on data collected from seven co-operative dairy plants in Gujarat relating to the period 1961-62 to 1975-76 and from available published sources of information relating to the dairy industry. The contribution of the dairy sector to value-added in agriculture in Gujarat has increased from about 18 per cent in 1961-62 to 22 per cent in 1974-75. Though Gujarat accounted for a small share of about 14-15 per cent of the total number of co-operative milk organisations and of the total membership in the country in 1975-76, its share in the total purchase of milk and sales of milk was 41 per cent and 48 per cent respectively. The value of sales of milk products of the co-operative dairy sector in the State constituted about 97 per cent of the total value of milk products sold in the country. Improvements in production and productivity of milk, reduction in cost of production and better remunerative prices for milk with assured market have helped to increase the income from dairying. The income generated from dairying was as high as 40 per cent of the total income of the producers in the dairy areas. The dairy industry has shown very high potential for generating employment opportunities. Since milk supply is identified to be the most important variable influencing the efficiency of the dairy plants, the study emphasises the need for not only increasing the supply of milk to the dairy plants but also for minimising the seasonal fluctuations in the supply of milk. The study revealed that scarcity of capital was not a constraining factor in the growth of the majority of the dairy plants. It makes a strong plea for the formulation of an effective policy and programme for substantially raising milk production and milk yield of milch animals in the milkshed areas of dairy plants by using the available resources, physical facilities and technological progress.

The second book contains the papers and proceedings of a regional seminar on milk pricing and marketing practices in co-operative dairy industry in Gujarat held in South Gujarat University, Surat in February 1984. Divided into two parts, Part I includes nine papers dealing with the issues concerning the pricing policy for milk and dairy products and producer behaviour, market structure and technology in dairy industry. The second part embodying nine papers examines the strategy for milk marketing, management of milk grid system, milk marketing in the Operation Flood areas and the economics of milk marketing in Gujarat. The proceedings of the Seminar are presented as an appendix in Part III. Both the books highlight the role which the dairy industry can play in developing rural society and will prove useful to all those interested in understanding the problems of co-operative dairy industry.

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