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Book Reviews

Everyone's Miracle? Revisiting Poverty and Inequality in East Asia. Vinod Ahuja, Benu Bidhani, Francisco Ferreira and Michael Walton, The World Bank, Washington, D.C., U.S.A., 1997. Pp. vi+107. \$ 20.00.

It is a widely held opinion that the East Asian model of development provides a successful case of 'growth with equity'. In the fifties, East Asians lived in abject poverty characterised by low levels of income and life expectancy, low access to schooling, and high vulnerability to exogenous shocks. Economic growth coupled with expansion of social services, increases in labour productivity and employment opportunities during the following decades proved instrumental in reducing poverty to a remarkable extent.

East Asia can broadly be divided into three groups of countries: (i) the Four Tigers [Hong Kong (China), the Republic of Korea, Singapore and Taiwan (China)]; (ii) newly industrialised countries of Indonesia, Malaysia and Thailand; and (iii) others consisting of the Philippines and Papua New Guinea and the transition economies of China, Cambodia, Lao PDR, Mongolia and Vietnam. Poverty has virtually been eradicated in the East Asian Tiger economies.

Against this background, the book under review revisits poverty and inequality in East Asia because (i) poverty continues to exist in Cambodia, China, Lao PDR, Mongolia, the Philippines, and Vietnam. Even in Indonesia and Thailand, there are pockets of poverty which missed out on development. And (ii) increases in income inequality in the context of development, globalisation and technological change have come to cause new concerns. To fill up the vacuum, this book reviews the recent economic growth experience in East Asia, presents aggregate trends in poverty over time and the profile of the poor within countries, examines evidence on income inequality, summarises policies that succeeded in poverty alleviation and examines their shortcomings in the recent context.

The main findings of the study are as follows: All the South Asian countries except the Philippines, Papua New Guinea, Lao PDR, Vietnam and Mongolia enjoyed significant growth rates during 1965-80, 1985-95 and 1990-95 though the growth rates differed over periods for a given country and across countries during a given period. Sustained economic growth in the entire region has also benefited the poor as reflected in the substantial reductions in poverty in terms of both incidence and depth dimensions. However, the pace of reduction varied between regions in keeping with their growth performance. For instance, the Philippines, with a relatively poor growth performance, achieved poverty reduction at a much lower rate than the other countries of the region.

Another important finding of the study is with respect to cross-country profile of poverty in East Asia. Malaysia, Thailand and Korea achieved maximum poverty reduction as a result of which their share in East Asian poverty declined. On the other hand, the share in the regional poverty of Lao PDR, Mongolia, Papua New Guinea, and the Philippines increased. The major reason for such a changing profile was their differential growth performance which calls for a special focus on the lagging economies.

The study also brings out that poverty is unevenly spread across regions and ethnic groups within countries. Thailand provides a case where poverty declined but at varying rates across groups and got concentrated among the traditionally vulnerable groups. By and large, poverty remains predominantly rural with its risk being higher for the farmers and the uneducated than for other population groups. In countries like Vietnam, poverty varies across ethnic groups.

The study casts doubts on the belief that East Asia is an egalitarian region. Of course, it is more equal than Latin America or Sub-Saharan Africa but less equal than the average for industrial countries. Inequality has increased in countries like China, Hong Kong (China) and Thailand. Tentative findings for Thailand support the hunch that such increases in income inequality could be due to (i) rising earnings differentials across educational levels and occupation groups; and (ii) increasing inter-regional disparities over time.

In sum, the findings only emphasise the need, in the interest of the poor, for pursuing policies conducive to growth. A decomposition analyses of sources of reduction of poverty as between growth and redistribution clearly bring out the predominant and beneficial role of growth in reducing poverty. Thus the East Asian experience goes well to support a growth strategy advocating macro-economic stability, investment in human and physical capital, limits on micro-economic distortions and globalisation.

The study ends by raising a number of relevant questions: How to deal with problems involved during the transition phase of an economy from the planned to the market system? What would be the implications of increases in income inequality? What set of policies would be relevant in such situations? How to achieve this goal with minimum efficiency cost? Finally, how to promote economic security of the households?

This is an interesting study which provides quite an informative quantitative profile of growth and its distributional consequences across countries in East Asia. More importantly, unlike many studies on similar topics in recent times, this one shows clear awareness of data inconsistencies and their limitations.

*Indira Gandhi Institute of Development Research,
Mumbai-400 065.*

M.H. Suryanarayana

Evaluation Frameworks for Development Programmes and Projects, Reidar Dale, Sage Publications India Pvt. Ltd., New Delhi, 1998. Pp. 150. Clothbound: Rs. 275. Paperbound: Rs. 145.00.

The book covers the ideology, planning, management and methods of evaluation of organised development programmes and projects, with specific reference to developing countries. It makes precise and systematic presentation with interconnected analysis, well illustrated through charts, tables and small case studies. It gives broad but comprehensive coverage of topics, and guides the reader to more specialised literature for in-depth treatment on sub-topics through references in the main text, footnotes and updated bibliography. Thus the book hopes to attract a broad readership from academics as well as development fields, with primary target group being the practitioners in development work including planners, managers, administrators and of course, the people who conduct evaluation.

The subject matter is spread in four chapters. The first chapter deals with the ideology

of evaluation in the context of societal development and explains the conceptual framework underlying the frequently used terms like programmes, projects, appraisal, monitoring and evaluation. The second chapter presents different perspectives for evaluation. It begins with a basic evaluation model (perspective 1) relating the core variables of efficiency, effectiveness, relevance, impacts and sustainability with the internal and external factors and then gradually incorporates six more evaluation perspectives like planning and organisation, institution building, empowerment, etc. The contents and presentation of this chapter make the specificity of this volume. The third chapter discusses some issues relating to managing evaluations. The first section of this chapter dealing with processes of evaluation outlines four scenarios of how one may proceed in terms of steps of analysis. The presentation of these scenarios is not quite explicit (for example, scenarios two and three virtually appear to be the same). The other two sections of this chapter describe fairly well the organisation of evaluation and the format of its reporting. The last chapter presents a brief outline and appraisal of various methods of evaluation based on qualitative and quantitative approaches. The author lays special emphasis on qualitative approach.

Many organisations, especially in the public sector of developing countries, sponsoring evaluation studies are not too clear about how to plan and organise these. Similarly, several evaluation studies do not attempt to develop proper perspective for evaluation of the specific programme or project, but simply rely on the commonly used methodologies for impact assessment. This book is expected to provide a purposeful guidance to all those concerned with evaluation of societal development. Besides, the book would also serve as a useful reference to the teachers and students of development planning.

The brevity in presentation, encompassing a comprehensive coverage in a concise and precise volume through simple language and lucid description, is quite laudable. The rising pressures on readers' time and increasing evidence of adverse environmental implications of expanding paper and printing industries now demand for concerted efforts on the part of both writers and publishers in bringing concise and precise volumes like this, shunning extravagance in writing and printing. This will also encourage wider readership through cost reduction and time saving.

*Department of Agricultural Economics,
College of Agriculture,
G.B. Pant University of Agriculture and Technology,
Pantnagar-263 145 (U.P.).*

V.K. Pandey

Growth with Equity: The New Technology and Agrarian Change in Bengal, Abhijit Dasgupta, Manohar Publishers and Distributors, New Delhi, 1998. Pp. 180. Rs. 300.00.

It is well known that over the last three decades the new agricultural technology - irrigation, high-yielding varieties (HYVs) and fertilisers - has changed the face of rural economies in the poorer parts of the world. What is, however, not so well known is how has it affected the lives of the small and marginal farmers, the tenants and agricultural labourers in these parts. Especially, the role of state intervention, political activity, and local level government in reaching the fruits of agricultural growth is a subject which is not well understood. This book addresses the issue of the impact of agricultural growth on equity in

Bengal.

The book is organised in five chapters. The Introduction, after providing a bird's eyeview of the agricultural development in Bengal, poses the closely related problem of equity. The problem of agricultural growth is closely linked with the problem of equity. Because growth is dependent on irrigation, the gains favour some regions, and because there are imperfections in the input and output markets the large farmers are favoured. State intervention through the provision of irrigation and seeds, poverty alleviation programmes, and restructuring of local level political institutions can lead to social equity. The problem of development is sought to be viewed within a framework accommodating the complex interplay of state, institutional change and mass action. The impact of agricultural growth on agrarian social structure is similar in West Bengal and Bangladesh. Both the regions have witnessed a rise in the number of agricultural labourers, acute landlessness, persistence of sharecropping and action on the part of the state. An examination of the problem in a comparative perspective, it is argued, "gives an opportunity to juxtapose cases in order to examine their similarities and differences" (p. 30). Regions sharing composite history and culture but different strategies for economic development may be subjected to comparative study to gain fresh insights into the positive and negative effects of development programmes.

Chapter 2 discusses the agrarian change in Bengal during the late colonial phase (1880-1947). The period saw the transformation of a region producing surplus of foodgrains into one dependent on imports. The impoverishment of agriculture in Bengal had taken place by the 1920s. Between 1920 and 1945, commercial cropping increased, share tenancy became widespread and the number of agricultural labourers showed a phenomenal growth. Within this broad story of impoverishment the two districts taken up for study, namely, Nadia (in West Bengal) and Kushtia (in Bangladesh), performed relatively better by increasing the cropping acreage and yield rate and by diversifying economic opportunities.

The advent of new technology in West Bengal is the subject of discussion of Chapter 3. Legislative measures in the direction of land tenure and land reforms were enacted soon after Independence in the 1950s. But in the absence of political will and institutional mechanisms, little progress could be achieved in implementing them. In the late 1960s, left politics ensured identification of surplus land and distribution leading to an increase in the 'marginal groups' (owning less than one hectare of land). The late 1970s saw the coming into being of a new coalition, a changed rural development strategy, and concerted efforts being made in protecting tenurial rights through the *Operation Barga*. Legislative measures had little to offer to the rapidly growing landless agricultural labourers, except minimum wage legislation and employment programmes. State intervention in terms of the provision of irrigation infrastructure and new seeds facilitated the spread of new technology, which saw the cropping intensity and yield grow in West Bengal. The district of Nadia also greatly benefited from the state intervention in terms of command area development programme and other state programmes. With the spread of irrigation, cropping intensity and yield showed a rapid rise. Being a border district, it also saw rapid migration from Bangladesh and a phenomenal growth in the number of agricultural labourers and small and marginal farmers. This was the ground, which also saw the fertile growth of peasant mobilisation and unionisation of labour.

The village study (of Bira in Nadia) corroborates the broad development observed at the district level. The deep and many shallow tubewells performed well in the village. The

spread of irrigation has led to the adoption of HYVs by both the large and small farmers. The yield rates have gone up and wage rates have also shown an upward movement. The *Kisan Sabha* and the *Panchayat* have played an effective role in reaching the benefits of growth to the tenants and landless labourers.

The discussion of agricultural development in Chapter 4 points to the different course taken in Bangladesh. Although some legislative measures had been enacted, very little surplus land could be identified and there was nothing to protect the tenurial rights of the sharecroppers. But persistence of sharecroppers could be observed in Bangladesh as well. State intervention in terms of the provision of deep tubewells and shallow tubewells, HYVs and fertilisers and subsidies was comparable to that in West Bengal. Increase in cropping intensity and yield rate could also be observed. But this growth had no impact on the wage rates. Demographic pressure and the lack of alternative employment opportunities adversely affected the rural poor. The village study showed the skewed nature of land distribution in Naopara. Beneficiaries of the new technology were the rich, and the sharecroppers gained very little. Wage rates in real terms have also remained stagnant. The only silver lining in these dark clouds, we are told, is the non-governmental organisations (NGOs) and *gram sarkar*.

The 'Conclusion' (Chapter 5) points to the spread of new technology in Bengal led by the development of irrigation infrastructure. The spread of new technology has not aggravated the rural inequities in West Bengal the way it has done in Bangladesh. The differential impact of new technology on the agrarian communities in Bengal was explained by two crucial factors. First, state intervention in West Bengal supported conferment of tenurial rights to sharecroppers, fixation of minimum wage for agricultural labourers, enforcement of land ceiling programme and distribution of surplus land. The supporting role of the state was non-existent in Bangladesh. The second factor is the changes in relations of power. *Panchayat* elections and decentralisation of economic power changed the face of power in rural West Bengal. In Bangladesh, *gram sarkar* achieved little success leaving the bureaucracy-rural elite power structure intact.

The book is an example of a great research idea poorly executed. A comparative study of two political entities within a geographical area inheriting similar infrastructure, enthruses any researcher. Such a study to be effective has to follow the rigours of a comparative study, which this book does not follow. The political developments and state intervention in the broad two halves of Bengal should have been carefully constructed to bring out the differences. Did the rule under Pakistan make a difference? If so, how? Did the later military rule curtail grassroot level political activity and rural development in Bangladesh? Has the recent democratisation and increased political activity on party lines made a difference? These are relevant questions not answered.

The second problem is with the village studies. At the very outset the great merits of village studies are extolled but in the lengthy chapter on West Bengal there is little information on the process at work in Bira. We are not told about yield rate, adoption of HYV by size-class of landowners or operators, wage rates, etc. The discussion is largely at the aggregate, and at the level of a review of existing literature with selective bits and pieces of information on the village. We are also not told of the working of the *Panchayat*, or the *Kisan Sabha* at the level of the village.

The third problem is with the treatment of quantitative data. Often the data are drawn

from the official sources. The area benefited by deep tubewell or the production and employment effect is obtained from the reports of the Command Area Development Corporation. The information on the use of HYVs is drawn from the number of mini kits supplied. No effort seems to have been made to check the veracity of these numbers at the field level. While the wage trends in West Bengal are discussed at the district level, it is at the aggregate in Bangladesh; the period too is different: compared to upto 1988 for West Bengal, the discussion stops at 1979-80 for Bangladesh. Inconsistency between the text and the numbers shown in the tables are also not uncommon (e.g., Table 3.4, Table 3.5).

On the whole, the book largely belies the expectation of a rigorous application of the comparative method in the study of development and under-development perfected by the sociologists for several years.

*Centre for Development Studies,
Thiruvananthapuram-695 011.*

D. Narayana

Agricultural Development Paradigm for the Ninth Plan under New Economic Environment.
Edited by Bhupat M. Desai, Oxford & IBH Publishing Co. Pvt. Ltd., New Delhi, 1997.
Pp. xix+1032. Rs. 1,100.00.

The book under review is the outcome of a national seminar on "Agricultural Development Perspectives for the Ninth Five Year Plan", organised by the Centre for Management in Agriculture, Indian Institute of Management, Ahmedabad. The basic objective of the seminar was to evolve new strategies for agricultural development at the onset of the Ninth Five Year Plan. The book has been divided into nine parts, besides an introductory chapter by the editor, two addresses, one by C.H. Hanumantha Rao (inaugural address) and another by M.V. Rao (valedictory address). Hanumantha Rao has, no doubt, focussed his address on concerns of Indian agriculture such as food security, balance between private and public investments, role of institutions, infrastructure and technology in new economic environment. M.V. Rao highlighted the role of research and technology in agricultural development. Reiterating the large potential of Indian agriculture, he focuses on the need to broadbase the research and development rather than confining it to select regions and crops. It should encompass both resources management and technological improvements. The editor's introductory chapter provides a connective summary of all the parts and brings out the basic vision, mission, strategies, policy, planning and implementations for the Ninth Five Year Plan, which emerged from the seminar. We shall return to these issues later.

The papers, as mentioned earlier, have been organised in nine parts, with each part organised around a theme of agricultural development. The first part deals with the role and contributions of agriculture in national development. The papers in this part have not only analysed the historical contribution but also have made attempts to predict the future role of agriculture in achieving national goals and objectives. This is followed by Part II, which deals with demand and supply analysis of major agricultural commodities, including fisheries.

In Part III, the sources of growth in different sectors of the agricultural economy have been identified. Almost all the papers in this part emphasise the role of technical change in agricultural development. Parts IV and V highlight the type of technological changes

needed in the future and the role of purchased inputs such as seed, fertiliser, pesticides, tractors, water and also cover issues that may pose a threat to the irrigated agriculture. Part V also emphasises the role of irrigation management transfer in the new economic environment. The papers included in these two sections point out that there is need for a paradigm shift both at the knowledge and technology generation as well as input policies for the agricultural sector. The farmers, who are the ultimate users of technology, need to participate in the process technology generation from the beginning and not at the end of it to become recipients of technology. The paradigm shift also requires that resources and seed centred technology innovation move hand in hand rather than apart from each other, if agricultural development has to be made broadbased. The old policies such as control on fertiliser prices and procurement operation of farm produce, etc., have not helped the farmers and are unlikely to be sustained in the new economic environment. Therefore, pragmatic approaches are required if growth in agriculture is to be sustained. The papers recommend more and more participation of the private sector particularly in the seed and fertiliser industry. One of the papers suggests that the fertiliser industry cannot be made competitive unless we get rid of fertiliser retention price scheme and controlled public pricing of fuel and feed stocks used in fertiliser and other industries (p. 473). The efficiency of fertiliser production and distribution need careful scrutiny. Irrigated agriculture faces several problems such as breakdown of state public irrigation system, poor capacity utilisation, diversion of irrigation water to other sectors which also slow down the rate of expansion of irrigated agriculture. The groundwater-based irrigation system suffers from depleting water table, failure of power, misconceived power tariff, etc. (p. 505). It is in this context the authors have suggested that irrigation management be transferred to the farmers at least at the tertiary level of canal irrigation system. What is perhaps required is proper policy and legal framework which makes it attractive for the farmers to take over the management of irrigation system (p. 529). Otherwise the farmers are unlikely to take over irrigation management to reduce the burden of cost to the government, as it presently seems to be happening.

The two subsequent parts (Parts VI and VII), cover the issues related to institutions and agricultural development. Part VI contains papers on agro-climatic planning, alternative vision for agriculture, public distribution systems (two papers) and land reforms (two papers). It is this section which does not seem fully integrated with other parts of the book and chapters. For example, the paper by H.M. Desarada - 'Towards an Alternative Agriculture Vision' - advocates organic technology, reduction of pesticides and fertiliser use which come in direct contrast to the earlier sections and chapters. The editor has also left these issues untouched in his introductory chapter. Similarly, the papers on land reforms and public distribution hardly shed any new light on the issues involved, other than stating these programmes need to be better targetted. While the participants in the seminar seem to agree that land ceiling may continue at the existing level, they have recommended easing it out and recognition of formal land tenancy market. The concealed land tenancy leads to inefficiency of resource allocation and the present tenancy laws are neither efficient nor equitable, given the overwhelming empirical support of reverse tenancy.

Part VII covers the issues related to demand and supply of credit, issues associated with institutional credit, co-operative credit and processing and agro-marketing. In order to promote agribusiness and processing of primary goods, it is imperative that infrastructure development should be given higher priority and the technology should not only be targetted

to production increase but also for developing suitable varieties for processing, etc. (p. 744 and the paper by Gokul Patnaik, pp. 823-828). On the credit side, it is recommended that the Rural Financial Institutions should be free to determine the interest rates on deposit as well as credit; it may not only vary from purpose to purpose but also may vary by the size of loan and should be guided by the past performance of the borrowers (p. 767). In order to revive the rural co-operative credit system, the Model Co-operative Societies Act must be enacted on the lines suggested by the Planning Commission. The democratic governance needs to be restored in these co-operatives and Boards should be made accountable to the members (p. 745). A majority of the co-operative credit societies are not professionally managed and democratically run as direct and indirect state interference hinders their functioning. The apex organisations, such as National Bank for Agriculture and Rural Development (NABARD), have also not been able to provide sufficient support to improve their functioning and make them self-reliant (p. 811). Thus the participants of the seminar recommended the need to strengthen these institutions by tightening the loose ends. Unfortunately, the authors of the papers in these two parts have not critically analysed the functioning of the apex institutions like NABARD, and thus have left serious gaps as to how the rural credit system should be strengthened. It is in this context that the now well-known rural financial institutions such as self help groups and rural credit support organisations such as SEWA Bank and BASIX have been completely missed out and their roles have not been identified in the new economic environment. It is worth examining these institutions, their drive and motivations for excelling in their area of operations. Some of their experiences may be helpful in rejuvenating rural financial market and institutions, particularly the Regional Rural Banks and Co-operative Credit.

The next two parts are devoted to the economic and public policy issues such as terms of trade, price policies, international trade, public and private investment and taxes and subsidies to the agricultural sector. The papers in Part VIII of the book not only raise interesting methodological issues but also bring out some new insights in trade and issues related with price policies. This part again draws attention to the importance of non-price factors for agricultural development. The papers in this part suggest that the pricing aspects should be left to the market mechanism. It is suggested that the Indian approach has to be built through physical and institutional infrastructure, while promotion of technological change and price policies should be designed to raise the farmer's efficiency (p. 886) and not merely as an incentive to increase production. Although the papers mention the presence of market imperfections and price rigidities, they do not describe how to correct them. Analysing trade policy for a new liberalised world agricultural economy, R.G. Nambiar and Bhavani Sridharan (pp. 910-929) point out that the shift in the recent past has taken place in favour of developed countries. Although India enjoys competitive and comparative advantages, we may not be able to take advantage unless infrastructure is developed and proper export policies are evolved (p. 929). The current strategies of exporting bulk commodity are unlikely to succeed since world foodgrain production would continue to increase and real prices decline, making export of wheat and rice commodities unsustainable. Samar K. Datta (p. 906) has suggested that backward linkages through farmers' co-operative and vertical integration and value addition may lead to healthy, sustainable and profitable exports of rice. However, as discussed earlier, the environment to develop vibrant farmers' co-operative does not exist. What then are the solutions?

Part IX explores the linkages between private and public investments and the possibilities of increasing taxes on agriculture and reducing subsidies. Public investment induces private investments. It is suggested that public investment does not cover all public expenses and should include expenses related to rural roads, electrification, etc. (pp. 979-991). It is generally agreed by the participants in this seminar that taxes on agriculture cannot be increased in the present socio-political environment (p. 940). The resources, however, can be increased through indirect taxes and by correcting input prices such as water and fertiliser and rationalisation of the subsidies.

The main thesis, as it emerged from this national seminar and articulated by the editor in his introductory chapter, is that increasing the income of agricultural producers should be the main objective of agricultural development in the Ninth Five Year Plan. Increased income would lead to demand for non-durable agricultural goods such as food and durable industrial goods, which in turn increase the demand for raw material from the agricultural sector through backward linkages. The key to this process lies in the improvement of agricultural productivity through resource and seed centred technologies. Increase in the demand for agricultural commodities would automatically raise the price of farm produce. The papers highlighted the futility of price support system for agricultural commodities in the new economic environment. The agro-processing and agribusiness industries will further boost the rural economy through value addition. The rural and urban poor could be protected through improved management of public distribution system and rural employment guarantee schemes. How far this dream could be realised is yet to be seen, since there are few indications that the farmer's co-operative and their organisations would be allowed to operate at level playing field. There are few signs, if any, to internalise the institutional reform process to make these organisations compete with multinational seed and food processing industries. What is perhaps happening is that the agricultural development is being concentrated in small well endowed areas dominated by commercial crops. As reports are now appearing, the farmers even in these areas are committing suicide due to unremunerative prices and failure of public systems to provide support during calamities. The strategies for agricultural development as suggested in this book may, therefore, not lead to equitable and sustainable development.

The cross referencing across different parts of the book and chapters and editing of individual chapters and deletion of common themes, data and tables should have reduced the size of the book and made it more readable. Notwithstanding these criticisms, the book provides new insights and approaches for agricultural development, and it will be useful for policy makers and researchers.

*Institute of Rural Management,
Anand-388 001 (Gujarat).*

Vishwa Ballabh