

*Articles:*

**China's Success Trap: Lessons for Development Theory**

**Manoranjan Mohanty**

*Professor, Council for Social Development, New Delhi*

***Abstract:***

This fascinating essay provides first a historical and comparative perspective on the singular success that China has achieved in its economic sphere over a quarter of a Century and, then, points out the enormous costs of the success in the social, cultural, and environment spheres, which form a formidable trap for the 'socialistic market economy'. Thanks to the economic reforms undertaken since the late 1970s, Chinese economy has grown at an unparalleled rate of over 9 percent during the last twenty years. While the economic success is truly impressive, the costs of this success are equally compelling. China, which was once the most equitable society in the 1980s, has become one of the most inequitable country in the world. While the economic success is truly impressive, the costs of this success are equally compelling. The Chinese leaders have frankly admitted the existence of some of the problems and tried to address these problems. The paper argues that this has become difficult due to the very trap that was created by the economic success itself.

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**Much Ado about Nothing: Entry of Foreign Retail Firms into the Indian Economy**

**V.N. Balasubramanyam**

*Department of Economics, Lancaster University, Lancaster, UK.*

***Abstract :***

The decision of the government of India to allow foreign firms 51% of the equity in multi brand retail (MBRT) sales outlets has reignited the debate on FDI that has been dormant for some time. The opponents to the entry of foreign firms into the retail sector argue that it would put indigenous small firms out of business and reduce the price small farmers receive

for their produce. The antagonists of FDI in general evoke memories of the colonial era with the suggestion that entry of foreign firms into retail trade has echoes of the formation of the East India Company in the distant past. Those in favour of letting in foreign firms foresee a transformation of the sector in India mostly through the investments by the foreign firms in infrastructure and the increased competition in the retail markets they generate. Most of the arguments both from the opponents and their supporters seem vacuous. This paper argues that foreign retailers are unlikely to transform or destroy the existing retail marketing arrangements in India. It further suggests that the corollaries attached to the freedom for foreign firms to invest in India's retail sector hardly promote the contribution of foreign firms to the growth and efficiency of the sector. The paper first sketches the structure of India's retail sector and follows it up with an examination of the arguments for and against the entry of multi brand firms into the retail sector of the country.

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**Reasons for the Gap between Irrigation Potential Created and Utilised:  
A Case Study of West Bengal and Seven North-Eastern States**

**Bhaskar Chakrabarti,**

*Associate Professor, Public Policy and Management Group, Indian Institute of Management  
(IIM) Calcutta*

**Raghavendra Chattopadhyay,**

*Professor, Public Policy and Management Group, IIM Calcutta*

**Suman Nath,**

*Assistant Professor of Anthropology Haldia Government College and*

**Annapurna Shaw,**

*Professor, Public Policy and Management Group, IIM*

***Abstract :***

India's thrust in improving food production is challenged by the increasing gap between Irrigation Potential Created (IPC) and Irrigation Potential Utilised (IPU). The available literature focuses on utilisation of irrigation water, but there is a scarcity of study of the reasons that give rise to the IPC-IPU gap. Through an analysis of issues faced by implementers and end-users for a total of 33 major, medium and minor irrigation schemes, this paper explores the reasons behind the gap. The paper argues that the reasons lie in problems of miscalculation, poor maintenance of irrigation systems, problems of water tax collection and power interruption, as well as socio-political and institutional factors. The paper suggests that the definition of IPC and IPU based on area irrigated needs to be revised, with periodical reassessment of the IPC, and creation of proper distribution system to avoid water loss.

Effective coordination among departments, with a focus on maintenance and operation, especially through water user associations need to be done.

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**Traditional and Modern Systems for Addressing Water Scarcity:  
Impacts of *Khadins* and Sub-surface Dykes in Arid Environment of Western  
Rajasthan**

**Nitin Bassi and Niranjan Vedantam**

*Senior Researcher, Institute for Resource Analysis and Policy (IRAP), Delhi  
and Research Officer, IRAP, Hyderabad*

***Abstract :***

Western Rajasthan in India is characterized by very low mean annual rainfall (100-400 mm), high inter-annual variability in rainfall and stream flows, and poor quality soils and groundwater. Under such hostile and variable climatic conditions, water resources in this region need to be managed on sustainable basis to ensure water availability for crop production to tide over drought impacts. This paper analyzes the hydrological and economic impacts of two types of interventions, carried out by Ambuja Cement Foundation (ACF), a philanthropic organization engaged in water management in the region, viz., rehabilitation of *khadin* and construction of sub-surface dykes. The analyses indicate that these interventions have led to enhanced water storage during normal and high rainfall years, and increased availability of water for farming operations. The pronounced impacts are on rural livelihoods as evident from increased area under cultivation, and enhanced crop yield and outputs.

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**Indian Auto Industry: A Global Hub in the Making?**

**Badri Narayanan G. and Pankaj Vashisht**

*Research Economist, Center for Global Trade Analysis, Purdue University, USA and  
Research Associate, Indian Council for Research on International Economic Relations (ICRIER),  
India.*

***Abstract:***

Developing countries are increasingly gaining prominence in global auto industry, which is one of the key players in the global economy. India has one of the fastest growing auto industry

even among them. This study addresses two important questions pertaining to this industry, both relating to the prospects of India becoming a global auto hub, using a quantitative approach: What characterizes India's export-import basket in auto sector? What is the role of India in global auto industry and how does it compare with other major players? Our analysis shows that India has been growing impressively in the global arena in the recent years, especially in auto-components, heavy trucks, cars and motorcycles. Still, its shares in world exports remain quite low. Tariffs on automobiles are much higher in India compared to other countries, but those on components are low. More policy reforms by the government and R&D efforts by the industry are required to make India a global auto hub.

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### **Analyzing Vulnerability to Climatic Variability and Extremes in the Coastal Districts of Odisha, India**

**Unmesh Patnaik**

*Principal Scientist, Climate Change Program, M. S. Swaminathan Research Foundation, Chennai*

**Prasun Kumar Das**

*Research Director, Leveraging Agriculture and Nutrition for South Asia, MSSRF and*

**Chandra Sekhar Bahinipati**

*Gujarat Institute of Development Research, Ahmedabad*

#### ***Abstract:***

The paper attempts to construct a socioeconomic context of vulnerability for the coastal districts of Odisha through an index comprising indicators that measure both the state of development of the region as well as its capacity to progress further. The first aspect is reflected through indicators measuring agricultural and infrastructural development, while the second characteristic is captured through proxies related to demographic and occupational structure, as well as exposure to geographical and climatic variability and extremes. The analysis also explains the vulnerability pattern of the districts over three time periods within a decade given the uncertainties in the climatic parameters. Vulnerability of a particular district is measured by the frequency of occurrence of extreme events, in this case the occurrence of cyclones, storms and depressions. It is found that the vulnerability pattern in the six coastal districts of Odisha exhibit similar trends but the districts Kendrapara and Jagatsinghpur are the most vulnerable ones. It also emerges that current vulnerability pattern is related to past vulnerability and historically vulnerable regions continue to be more vulnerable in the current time period also.

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## **Decentralised Governance and Fiscal Devolution in India: Why there is a need for policy reform?**

**Bishnu Prasad Mohapatra,**

Visiting Fellow, Research Unit for Livelihoods and Natural Resources (RULNR),  
Centre for Economic and Social Studies (CESS), Hyderabad.

### ***Abstract:***

The Local Self Governing Institutions (LSGIs) in India have been playing a catalytic role in implementing development programs. The success of local governments in India, depends to a large extent on different socio-political conditions including a sound fiscal transfer. The devolution of powers to PRIs in India during the last two decades received widespread importance because of the increasing role played by the PRIs in the planning and implementation of development programmes. The local self-governing institutions can be instrumental in promoting development programmes in India, if required inter and intra-institutional issues can also be taken into consideration. These institutions can perform effectively only if the required fiscal, political and administrative powers are devolved to them within an appropriate institutional framework. The paper critically examines the importance of fiscal decentralisation of the local self-governing institutions in India while examining the prevailing institutional and policy constraints that have emerged as a key disturbing factor. The analysis of this paper is based on secondary data, field experiences and in-depth interaction with the key stakeholders who are familiar with such issues. Decentralised governance in India needs greater devolution of powers, particularly fiscal powers in the context of mammoth implementation of rural development programmes. Autonomy of the local governments should be kept intact by providing them upper hand in designing development programmes and raising revenue from the local resources available at their level.

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