

Review of  
**Development & Change**  
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**Enlargement of scales, plural traditions, and rule of law: comparative reflections on European and Indian history**

*Satish Saberwal*

**Abstract**

Two sets of considerations underpin the significance of 'rule of law', and of Constitutional government, for contemporary India. One: the enlargement of scales of activities - commerce, manufacture, urban centres, travel - and of the range of possible relationships: a key theme in recent centuries. General, impersonal rules are optimal for differentiated, industrial societies. Two: the difficulties of a plural society. Historically, India's plural traditions coexisted in a context of hierarchies: whether of the caste order, or of an order tied to a conquering group. With these hierarchies collapsing, recourse to general legal codes may again be optimal for achieving social order. However, such conceptions have little grassroots support. The question is: How to reach, and to rework, the ground level ideas and worldviews? What agencies? What timescales?

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**Economic reforms, foreign firms and export performance - a study of the large corporate sector of India**

K K Subrahmanian

**Abstract**

A critical component of the ongoing economic reforms in India is, the 'open-door' policy on foreign investment. There is a presumption that foreign firms apart from augmenting resource inflows on the capital account, help in resolving the country's balance of payments problems by increased exports on the current account. This paper examines the export performance of foreign firms relative to domestic firms. It presents an export-determination model formulating hypotheses concerning the relationship of some firm-specific characteristics including 'foreign ownership' with export performance and tests its empirical validity with the help of regression method using data on the annual average export intensity of a cross section of 102 private corporate giants for 1993 and 1994. The central question of inquiry is whether or not 'foreign ownership' as such is a significant determinant of export performance of firms. Finally, some comments are offered on the policy implications of the findings.

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## **Political economy of sustainable development**

*M V Nadkarni*

### **Abstract**

In accepting the need for reconciling economic development with environmental concern through sustainable development, we often tend to hope that we can eat the cake and have it too! While the need for economic growth in the case of the poor can be more easily granted, it is much less clear for the rich who already enjoy very high levels of consumption. Though technological advance has helped, it has definite limits - both economic and physical, and cannot sustain continuously increasing levels of material and energy consumption in the long term. If the rich cannot show self-restraint and curb their consumption, there is nothing to prevent the poor from aspiring to achieve the standards of the rich in an ecologically disastrous race. Political economy problems of sustainable development are not insurmountable. The principle of equity as regards the commons seems to hold the key for a resolution of conflicts both at the local and international levels. This is illustrated with examples.

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## **Democracy, welfare and the role of the state: India and West Europe in comparative perspective**

*Manabi Majumdar*

### **Abstract**

The view that India's democracy is a useful tool for legitimising the 'rule of dominant coalition' has remained in the fore of mainstream thinking for the last several years. Politics has been conceived as simply 'reactive' to the structural imperatives underlying the political economy of development in India. This paper casts a critical look at this conventional wisdom by drawing some theoretical insights from the political economy of welfare. Especially at a time when the country is vigorously pursuing liberal economic reforms, democracy-induced political reforms should merit our attention too. Giving particular attention to the social democratic model of autonomous state action in Sweden as well as to the heritage of reform in the state of Kerala, we suggest that Indian politics can be remodelled as being capable of overriding the hegemony of dominant classes.

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## **Poverty-eradication through redistributive taxation: some elementary considerations**

*D. Jayaraj and S. Subramanian*

### **Abstract**

This paper advances a simple index designed to capture the relative ease of redressing poverty through redistributive taxation and evaluates the Indian experience in the light of empirical evidence on poverty put together on the basis of considerations suggested by a prior theoretical line of enquiry.

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## **Primary accumulation, corruption and development policy: some insights from a South Indian case study**

*Barbara Harriss – White*

### **Abstract**

Three propositions about corruption are explored using empirical material from a south Indian town: i) that the accumulation process is as important to corruption as is the official with discretionary power, ii) that bureaucratic corruption is simply one of many commonly observed forms of corrupt transaction and iii) that deregulation may be accompanied by an increase in corruption and by mutations in relations of corruption. Development policy, paradoxes where intended beneficiaries become victims and vice versa are produced in part by a ganglion of relations of corruption, economic crime and black economy. This ganglion may be a powerful obstacle to the formal regulatory institutions necessary to underpin the non-local trade characteristic of a liberalised national market.

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## **Farmsize, technology and productivity: macro and micro perspectives of emerging trends**

*N. SubbaReddy*

### **Abstract**

All-India figures on the distribution of operational holdings of farms show an increase in the share of marginal and small farms over time at the expense of the large and medium ones. The same pattern, of course, need not hold at the micro level. This paper compares two micro cases, one which is similar to the all-India pattern and another which goes in the opposite direction and attempts to offer explanations, particularly for the latter.

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## **Institutions in economic theory and policy**

*C.T. Kurien*

### **Abstract**

In the light of the enthusiastic reception given to institutional analysis in economics following the recognition of the works of Ronald Coase and Douglass North by the Nobel Foundation, this paper raises some questions about the foundations of institutional analysis. It is pointed out that the attempt of many of the new institutionalists, particularly North, to situate institutions within the neo-classical framework is not tenable because institutions that arise from interpersonal relationships are not compatible with the reductive individualism of neo-classical economics. A case is made out that a group-based approach to the economy is both necessary and possible and that within such a framework institutions become crucial in locating economic activity and, consequently, in providing the theoretical basis for the discipline of economics.

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**Doctoral work**

**Factors underlying high dispersal of towns in Tamilnadu**

*R. Rukmani*

**Abstract**

The paper examines an interesting feature of Tamil Nadu's urban scene viz., the phenomenon of better urban spread. While this phenomenon will have strong historical factors underlying it, in this paper the attempt is to discuss the developments in the recent period in the agricultural, industrial and infrastructural sectors that underly this phenomenon in Tamil Nadu.

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