

Review of  
**Development & Change**  
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**Economic reforms, anatomy of behavioural agents and macroeconomic outcomes: A critical review of the performance of the Indian economy**

*D. Tripathi Rao*

**Abstract**

The paper, a critical review of the performance of the Indian economy, finds that notwithstanding the remarkable resilience of the economy as a result of stabilization measures the growth has faltered since the mid-nineties. The myopic behavior of agents [households, firms, commercial banks, the central bank (monetary authority) and the government] force 'sub-optimal' outcomes. Given the institutional constraints, an imprudent fiscal adjustment coupled with aggressive monetary measures in the absence of critical structural reforms contracted the economy. This should be viewed against the pervading uncertainty due to the lack of credibility of the reform programme, apart from the instability usually associated with a regime shift in the transition and bouts of exogenous shocks. Therefore, given the structural transformation and financial integration, monetary policy must ensure overall financial stability not merely price stability. Conjointly, fiscal adjustment must aim at altering the composition of fiscal expenditure more in favour of higher public investment in economic and social infrastructure. In addition to other structural reforms, micro institutional and legal reforms by strengthening either the existing institutions or creating new ones are of paramount importance to nudge agents towards sustainable long-term growth. On many counts India is a good case for developing countries of 'how not to structure structural adjustment'.

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**Irrigation development and agricultural wages: An analysis across states**

*A Narayanamoorthy and R S Deshpande*

**Abstract**

Irrigation impacts agricultural wage trends through increased demand for labour, cropping intensity and shift in the cropping pattern from low value crops to high value crops. Despite this, the studies analysing the factors determining the wage rate of agricultural labourers have not explicitly used irrigation as an important explanatory variable in determining the wage rate of agricultural labourers. Most of the studies make use of supply-demand framework for analysing the variation in wage rates and have mainly considered the variables like supply of agricultural labourers, percentage of rural workers engaged in agricultural work, gross cropped area, cropping intensity, foodgrains output, productivity of labour and other demand inducing variables. An attempt is made here to explore the relationship between irrigation development and wage rate of agricultural labourers using state-wise cross section data pertaining to five points of time: 1972-73, 1977-78, 1983, 1987-88 and 1993-94 available through the Rural Labour Enquiry Reports. The results of the study show that there is positive impact of availability of irrigation (irrigated area per labour or irrigated area per labour household) on real wages of agricultural labourers. It also came out that irrigation helps though indirectly to achieve the objectives of the minimum wage policy by helping narrowing down the differences between statutory advised minimum wages and actual prevailing wage rates. The gender wage differential is found to be narrowing down at a fast rate in the states where irrigation is higher.

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## **Irrigation and agricultural development in Kerala: An analysis of missed linkages**

*P K Viswanathan*

### **Abstract**

In Kerala, the development of irrigation systems has been an important priority area in view of attaining self-sufficiency in the production of food crops, especially, paddy. This was corresponded with public investment for irrigation infrastructure development in the state. Interestingly, almost all the irrigation projects in the state have been technically designed for irrigating paddy with the objective of enhancing and stabilising paddy production. However, the agricultural development experience of the state since the late 70s has been characterised by sharp decline in the area under food crops, mainly, paddy and the substantial expansion in area under commercial agriculture dominated by plantation crops. As a matter of fact, the above changes on the agrarian front of the state's economy have had significant consequences on the performance of the irrigation sector in particular. As the paradigm shift in cropping pattern has been mostly favouring the dry/perennial crops, there was lack of effective demand for water for irrigation. This in turn obstructed the process of irrigation development causing large-scale capacity under-utilisation in the case of completed irrigation projects and time and cost overruns in the case of ongoing schemes. Against this backdrop, this paper critically examines the development experience of Kerala in respect of state intervention in irrigation development in the post-independence period and its impact on the agrarian performance of the region. The paper is organised into three sections. The first section examines the pre-eminent role of the state in irrigation development in terms of the extent, trends and pattern of public sector investment for irrigation infrastructure development. The unique agricultural development experience is discussed at length in the second section in order to highlight the absence of one to one correspondence between irrigation development and agrarian performance of the state. Section three deals with the organisational aspects and operational constraints in irrigation development and contemplates the complexities involved in irrigation development as well as the region-specific factors explaining the sub-optimal performance of irrigation systems.

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## **Technical fixes and social relations: The case of group farming in Kerala, India**

*N C Narayanan*

### **Abstract**

Institutional interventions like land distribution to achieve social equity are progressive from a developmental perspective. However, miniaturisation of holdings bringing diseconomies of scale have been recognized as a consequence, which will be addressed in the paper in the context of a rice-growing region in Kerala, India. Here, a relatively successful land reform was implemented three decades back. Fragmentation and hence the uneconomic nature of holdings affected rice cultivation and the State suggested institutional/ technical solutions like group farming. Semi- collective organizational form was the functional alternative to the classical individual-collective ones. Another regional technical solution of shifting to more profitable options like integrated farming also demanded the same arrangements. The paper analyses the social constraints of such technical fixes using the concepts of social differentiation, social structure and agency. The main impediment identified is the multiple points of rupture in the differentiated social structure, which hampers the scope for group action. The successful cases were operationalised by actors who used the sources of power in the social structure to further their interests. A combined framework of social relations

comprising the fore-mentioned concepts has been developed to study the efficacy and limitations of technical fixes.

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### **The state of undergraduate economics courses in Tamil Nadu universities**

*R. Srinivasan*

#### **Abstract**

This article examines the intended learning outcomes of graduate economics students in five universities in Tamil Nadu by analysing the objectives, contents and assessment systems of the undergraduate economics courses offered by these universities. Absence of a clear set of objectives of the course, incoherent course design, lack of rigorous training in theories and their applications, make these courses irrelevant and most often inadequate in terms of skill formation.

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