CONTENTS

Overview
1. ISEC Society
2. ISEC Faculty Staff
3. Research Activities
   Research Projects Completed
   Project Reports under Final Revision
   Research Projects in Progress
4. Academic Activities
   Seminars/Conferences/Workshops/Training Programmes/
   Refresher Courses Organised
   Major Outreach Programmes
   Seminars Presented by Visitors
   Seminars Presented by Faculty
   Students Biannual Seminar Series
   Ph D Awarded
5. Publications
   Books
   ISEC Journal of Social and Economic Development
   ISEC Monograph Series
   ISEC Working Papers
   Articles Published in Other Journals/Edited Books
6. Participation in Seminars
   Papers presented in Seminars/Conferences/Workshops/Training Programmes
   Participation in Seminars/Conferences/Workshops as Chairperson, Discussant, Rapporteur
   Seminars/Workshops/Training Programmes Organised
   Seminars/Conferences/Workshops/Meetings Attended
   Keynote and Presidential Addresses Delivered
   Lectures, Talks and Media
7. Campus News in Brief
   Fellowships, Awards
   Offices Held in Academic/Professional/Administrative Bodies
   Miscellaneous
8. Meetings
9. Appointments, Retirement, Resignation and Obituaries
10. Library
11. Data Bank
12. Acknowledgements
13. Financial Statements
ISEC in 2004-05: A Glance

ISEC as it Stands Today

It was 33 years ago that Professor VKRV Rao was proud of naming this Institution as the Institute for Social and Economic Change. He then said:

“Social planning could be thought of under the following heads:

• As a complement and a corrective to economic development;
• As an integrated planning of the different social services sectors;
• As the planning of different sectors of activity, both economic and social for the fulfillment of specific social targets or the uplift of specific backward sections of society;
• As overall social planning for social change and social reconstruction”

As we enter the 33rd year of existence, it is befitting to report the activities of the Institute keeping his bench-mark in mind. The Charter has, however, grown quite wide, to be viewed from activities carried out by the Institute conducted at the global, national and sub-national scales. The research platform at ISEC is quite different today. With a globalised India, with the dynamics of institutional, social, political and economic transformation, and a multiplicity of agents and stakeholders acting on the society, research and teachings have to address the development issues with a wider scope of social science tools. With as many as 45 faculty members, the Institute is engineering to explore all such aspects of social transformation in a highly multi-disciplinary research mode and with operational tools. With increasing access to information and knowledge gathering systems, research in social sciences is based more and more on a balance between strong analytical theories chiselled with good empirical evidences and policy relevance. The outreach and deliverable activities, therefore, have to be directly relevant to the society, be it for today or for the future.

The faculty at ISEC is grateful to the Board of Governors and a large number of advisors and well-wishers associated with the Institute for their constant guidance in reaching such a vision. Recently, with the approval of the Board of Governors, 23 new members have accepted our invitation to become Life Members. It is all the more hoped that this new indictment will further strengthen the support for our research and training activities.

Research Programmes

The research programme at the Institute in the current year is, as ever, based on contemporary as well as long-term research issues. It is based on the guidelines set out in the Medium-Term Research Programme: 2003-07, which was approved by the Board of Governors. Some of the major themes covered this year can be broadly classified as: decentralisation and development, role of women leadership and functioning of Panchayat raj institutions, participation of the locals in livelihood systems; agricultural development in the world of WTO regime, changing market systems and agricultural diversification, impact of emerging technologies; local and regional level economic issues such as water supply, sanitation, urbanization, regional
disparities; educational development and functioning of various instruments and institutions; emerging issues of health status such as reproductive and child health; federal and state level financing, effectiveness of various incentives and programmes under fiscal and monetary regimes; industrial investment climate under WTO framework, performance of small scale industries, public sector and service sectors such as telecom, and such others. Some of the on-going long-term studies are on Reproductive and Child Health Care (RCH), and Information Management Systems (IMS) for the Panchayat raj systems.

An important research activity accomplished this year has been the preparation of Karnataka Development Report with ISEC as the nodal agency and with partnerships from the Centre for Multi-Disciplinary Development Research, Centre for Public Policy of IIM Bangalore, National Institute of Advanced Studies, and Institution of Agricultural Technologies. The report was prepared in a record time of 15 months. The report is based on contributions from about eighty scholars drawn from these institutions, coordinated by eighteen experts, covering the fields of agriculture, industry, social development and transformation, governance, human development, technology, economic management, energy and infrastructure, dynamics of development and so on. After reviewing the stages and phases of development in the state, the report has put forward several visions for policy planning. As against riding on the principle of growth targets and investment strategies, it has made a case for internalising the strengths in the state in public-private partnership, dynamisms in technology development, and good governance and delivery systems. Vision is also casted on reducing regional imbalances in the state and show-casing Karnataka as a knowledge-cum-environmentally friendly state.

Talking about the nature of the projects, invariably a distinction is made between short-term and long-term research projects. Furthermore, sustained importance is attached to balancing between fundamental theoretical researches and applied policy oriented studies. Much of our research studies, carried out for the supporting ministries such as Ministries of Agriculture and Cooperation, Human Resource Development or Health and Family Welfare, are at the all-India level in their scope but targeted to analyse the situation from Karnataka on a comparative basis. Apart from such studies, the Institute has its obligations to provide research support to the Karnataka Government. Hence, several of the studies have been addressed to specific regional issues such as regional disparity in Karnataka or functioning of Panchayat raj institutions. Yet, on average, about 25 per cent of our researches are addressed directly at the all-India level, whereas another chunk of about 50 per cent of the studies form indirectly part of all India level studies. During the last three years about 60 per cent of the projects conducted at the Institute were externally funded. Furthermore, out of the externally funded projects about 50 per cent of them were devoted to theoretical, analytical and policy oriented researches, the rest being of the nature of evaluation and appraisal.

One notices some kind of cycles in the status of projects being conducted at the Institute, between the Completed, Draft under Finalisation and Currently in Progress categories. In the current year, 32 projects were completed, as against 14 last year, whereas 27 studies are currently under Progress while 37 were under Progress last year. This kind of cyclicity is partly because of increasing number of long-term research studies spilling over more than one year. It is hoped to maintain a balance
between long-term and short-term projects with the full involvement of faculty. As a crude measure, each faculty, on an average, is currently involved in about 1.767 projects (of long and short-terms taken together) as against 1.465 in the last year.

Distinguished Visitors

We continue to have the benefit of a large number of distinguished scholars and academicians visiting the Institute. The notable visitors this year were Professors Kenneth Liberman, Partha Dasgupta, T N Srinivasan, Jagdish Bhagwati, Yuziro Hayami, Ravi Kanbur, Margaret Grigeco, Scarlett Epstein, Peter van der Veer, Gopal C Dorai, Christophe Z Guilmoto, James Heitzman, Ingolf Vogeler, John Byrne, Oleg V Malyarov, Nicholas Hopkins, John Harris, Dipankar Gupta, Abhijit Sen, Dr. Narendra Pani and several others.

Some of the visitors spent anywhere from one week to six weeks at the Institute. Apart from giving seminars or special lectures, they acted as sources of inspiration and ‘think tank’ for our doctoral students in selecting and finalising the research topics. Several talks and addresses were organised as public lectures. Some of these visits were possible because of the support from Sir Ratan Tata Trust, with a component of capacity-building as part of their involvement in higher education.

Seminars/Conferences/Training Programmes/Distinguished Lectures

During this year 32 seminars were addressed by visiting scholars. The topics were varied across development, social interactions, environment and ecology, participatory development, reaching the rural poor, spatial and regional issues, rural-urban imbalances, international perspectives on development from USA, Egypt and Russia, transport, information systems and urban development, social dimensions of gender and fertility, issues related to slums and social status, and many others. On an equal footing, thirty-five faculty seminars were organised as part of either initiation of project works or completion of projects.

ISEC was fortunate to have several distinguished public lectures this year. Dr. Yuziro Hayami, our SRTT Visiting Professor delivered the L S Venkataramanan Memorial lecture on ‘Family Farms and Plantations in Tropical Development’. The lecture was presided over by His Excellency, Honourable Governor of Karnataka, Shri T N Chaturvedi. Dr. Ravi Kanbur, our VKRV Rao Visiting Professor, gave a public lecture on ‘Development of Development Thinking’. Dr. Dipankar Gupta another SRTT Visiting Professor talked on ‘Rethinking about the Indian village’. Mrs. Scarlett Epstein, an old time friend of ISEC ‘spent three months at the Institute and raised in an Outreach Seminar, the issue of ‘A New Paradigm to Bridge the Rural-Urban Imbalances’. Dr. Partha Dasgupta, FRS, and Frank Ramsey Professor at Cambridge University delivered a public lecture on ‘Ecological Irreversibilities: What do They Tell us about Sustainable Development?’.

The un-timely death of Shri Krishna Raj, editor of Economic and Political Weekly has left a big vacuum in the social science profession. ISEC organized a public lecture in his memory with Professor Jagdish Bhagwati talking about ‘Globalization-Why it has a Human Face’.
The Rajyotsava lecture this year was delivered by Shri K V Subbanna, the well-known theatre personality, winner of Magsaysay award for journalism, literature and creative communication arts. He spoke in Kannada on ‘My concept of the Community’. Perhaps, this Rajyotsava lecture was the last one he had ever addressed before his destiny to heavenly abode. It is sad that Shri Subbanna is no more around us. The VKRV Rao Memorial Public Lecture this year was given by Dr. Ramachandra Guha, on ‘Verdicts on Nehru: The Rise and Fall of a Reputation’.

In the month of November this year ISEC organised an international conference, jointly with ICSSR and IDPAD on ‘Biotechnology and India’s Development’. This was attended by about forty international experts in the field of biotechnology and its relevance to development.

At the instance of the Union Ministry of Panchayat Raj, an Outreach Workshop was organised with Secretaries from about 22 states from India, on ‘Activity Mapping among the Panchayat raj Institutions’. The workshop addressed the problem of identification and understanding of the functional capabilities and limitations of the Panchayat raj institutions in delivering the development objectives at the grass root levels. Several other Outreach Seminars such as ‘Social Security for the Unorganised Sector’, ‘On Drinking Water Situation in Kolar’, ‘Relevance of IT and E-governance for Rural Development’, ‘On India’s Development’ (jointly with Stanford University) were also organised at the Institute.

On the whole, we are happy to report that with the increasing number of academic seminars, lectures and out-reach activities, ISEC has been able to serve the public at large in a number of ways.

All about Ph. D. Programme

The Ph. D. programme at ISEC is a sustained one. This year as many as twelve students from the Institute received their doctoral degrees. This remarkable improvements in out-turn has been possible because of increasing cooperation between universities and ISEC. Seven new doctoral students joined the Institute in the current year. From this year the ICSSR has raised the number of fellowships from four to six. The Ph. D. programme itself has gone through a massive revision, with several themes cutting across the disciplines, with a well-conceived Bi-annual and Pre-submission seminar system, and an effective doctoral committee system. ISEC is now fully geared in strength to conduct all the courses through the internal faculty only.

Dr. S Sudha and Dr. Vaidya Vibhavathy received the prestigious M N Srinivas and Justice E S Venkataramiah Memorial awards for their best Ph. D. thesis from ISEC. Dr. D M Nanjundappa Endowment prizes were awarded to Ms Tarodi Tunga Lakshminarayana and Ms Sarbani Mukherjee. All these prizes and awards were distributed on the eve of Rajyotsava Day celebrations.

ISEC has extended its teaching capability by organising special Research Methodology courses for the benefit of students from Lund University in Sweden. Likewise, several other student groups from different universities from India and
education officers from Government of Nepal spent useful time at ISEC with specially designed training programmes.

**Publications and Outreach**

This year the Institute could release eleven books through commercial publications, and five as Monographs under ISEC’s own publication series. In addition, as many as 22 Working Papers were released. Three of these books formed part of a 27 volume series: State of India Farmer: A Millennium Study. Being a refereed publication, the Working Papers serve as good opportunity for the faculty and students to outreach with their research findings on a fast track basis. The *Journal of Social and Economic Development* is being brought out regularly, attracting international scholars to contribute learned articles. Articles numbering about 39 published in about 20 major national and international journals, and 32 articles published in various edited books have enabled ISEC to outreach wider research communities. Many of these publications have been made possible because of capacity-building and publication supports from Sir Ratan Tata Trust Funds.

**Networking and Academic Linkages**

ISEC faculty continues to serve various governmental and international organisations and universities in several capacities as chairpersons, members, as resource persons and office-bearers. Our network with universities in India and abroad is widening. Several of our faculty members presented their research outcomes at national and international conferences. Faculty members and students have been visiting various universities and institutions under SRTT, Indo-Sastry and several other fellowship programmes. Our network of research with institutions such as NIRD, GTZ, UNDP, Planning Commission, NHRC, DoT, Ford Foundation, RBI, World Bank, Universities of Lund, JNU and several others have been continuing.

**Finance**

The financial position of the Institute for the year 2004-05 reflects a fairly improved position over the previous year. This was mainly on account of the generosity of the Karnataka Government in sanctioning additional grants of Rs.49.25 lakh, partly to make up for the non-release of last instalment in 2003-04. In addition to the above, the ICSSR was also kind enough to sanction an additional amount of Rs.5.00 lakh. With the result, the Institute could wipe out the deficit of Rs.21.54 lakh from the year 2003-04, and could record a surplus of Rs.45.80 lakh as unspent grant, which will be used on the committed expenditure for building construction and campus development, which have been initiated in 2004-05. As compared to the year 2003-04, the combined increase in Plan and Non-plan expenditure is only Rs. 5 lakhs (from Rs. 271 to Rs. 276 lakhs). This is also reflective of strict and disciplined economic measures introduced in the expenditure pattern.

However, the continuous decrease in Plan assistance, from the Government of Karnataka year after year, is making it difficult to meet the expenditure under Plan programmes. For the year 2004-05 there is a deficit of Rs.4.06 lakh on Plan Accounts. Increase in expenditure on staff salaries due to filling up of vacant posts and campus
maintenance due to increase in electricity and water bills, and other related expenditure is a matter of concern for the coming years. The steep decrease in interest rates on investments, has resulted in decrease in the interest income from the Corpus and Endowment Funds, which is a potential threat for financial stability of the Institute. A strict vigilance and economic measures in the Institute expenditure is one way for maintaining financial stability of the Institute, a step already initiated this year.

**Building and Infrastructure Development**

During the year under review, work has been started to construct ten additional faculty rooms, a small meeting room and a large faculty lounge. This will enable the faculty with more room space and facilities for meetings etc. With the introduction of electronic access to journal and documents, the library at ISEC has been servicing a much wider research community in Bangalore and elsewhere. Additionally, a Data Bank has been established at ISEC with a CD-based data archive system. The data come from secondary sources as much as from the projects conducted by the faculty in the Institute. Because of shortage of funds it has not been possible to put the Data Bank on our Website.

The faculty and staff quarters in the Institute are more than thirty years old. They do require major repairs and maintenance and some face-lift. The estimated costs are mountain high. With nearly constant and marginal Plan grants from ICSSR and Karnataka government, it has not been possible to take up this major pending work. Meanwhile, a large number of matured trees on the campus have been felled and the staff of the Institute took keen interest in re-planting many new ones for the benefit of the future generation at ISEC.

**The Road Ahead**

ISEC would like to maintain its balance between research, policy oriented out-reach activities and the Ph. D. programme, but on a growing scale. There are many challenges in this endeavour. Are we posing the same set of research questions from time and again? This is a constant question being asked to us. Are we bringing out the right kind of Ph. D. out-turns as required by the social science community and society? This is also a timely question. But the world is a dynamic one; also, it makes different demands on all fronts including the social sciences, both in terms of time and space. Hence, constant research and raising the quality of human capital to face the challenges is a necessity. It is this road with challenge that ISEC would like to step in the coming year.

March 31, 2005                       Gopal K Kadekodi  
                                      Director
ISEC SOCIETY

President
Shri T N Chaturvedi, Governor of Karnataka

Vice President
Shri S L Rao, Chairman, Board of Governors

Board of Governors

Chairman
Shri S L Rao

Ex-Officio Members
Secretary/Additional Secretary/
Joint Secretary,

Members
Dr. D N Dhanagare

Ministry of Finance
Department of Economic Affairs
Government of India

Dr. N S Iyengar (since deceased)
New Delhi

Dr. M V Nadkarni
Secretary/Additional Secretary/
Joint Secretary

Dr. Narendra Pani
Ministry of Human Resource Development
Department of Education,

Shri M K Panduranga Setty
Shastry Bhavan
Government of India,

Dr. P H Rayappa
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Dr. P V Shenoi
Principal Secretary
Finance Department

Dr. G Thimmaiah
Government of Karnataka
Bangalore

Dr. A Vaidyanathan
Principal Secretary
Education Department

Co-opted Members
Dr. B L Maheshwari
Government of Karnataka
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Dr. M R Sreenivasan
Principal Secretary
Planning Department

Smt. Madhura Chatrapathi
Government of Karnataka
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Member-Secretary, ICSSR
Vice Chancellor
Bangalore University
Bangalore

Academic Staff Representatives
Dr. R Mutharayappa
Director
Institute for Social and Economic
Change, Bangalore

Dr. P Thippaiah
**ISEC Faculty Staff**

**Director:** Professor Gopal K Kadekodi

**V K R V Rao Chair**
Professor Ravi Kanbur

**Honorary Visiting Fellows**
Dr. G V K Rao  
Dr. M S Swaminathan  
Shri. T R Satish Chandran  
Dr. R Bharadwaj  
Dr. V M Rao  
Shri. P Padmanabha  
Dr. G Thimmaiah  
Dr. P V Shenoi  
Shri. B K Bhattacharya  
Dr. M V Nadkarni

**Professors**
Dr. A S Seetharamu  
Dr. Hemlata Rao  
Dr. G K Karanth  
Dr. M R Narayana  
Dr. R S Deshpande  
Dr. Satyanarayana Sangita  
Dr. K N M Raju  
Dr. K V Raju  
Dr. Shashanka Bhide  
Dr. D Rajasekhar

**Associate Professors**
Dr. K N Ninan  
Dr. M J Bhende  
Dr. Manohar S Yadav  
Dr. Anand Inbanathan  
Dr. K Gayithri  
Dr. M Mahadev  
Dr. N Sivanna  
Dr. M D Usha Devi  
Dr. Meenakshi Rajeev  
Dr. T S Syamala  
Dr. S Madeshwaran  
Dr. K G Gayathri Devi  
Dr. Supriya RoyChowdhury  
Dr. C M Lakshmana

**Assistant Professors**
Dr. K M Maathai  
Smt. B P Vani  
Dr. R Muthurayappa  
Dr. Syed Ajmal Pasha  
Dr. G Satyanarayana Sastry  
Dr. S Erappa  
Dr. P Thippaiah  
Dr. V Ramaswamy  
Dr. I Maruthi  
Dr. Veerasekharappa  
Dr. T V Sekher  
Dr. M N Usha  
Dr. C S Veeramatha  
Dr. K S Umamani  
Dr. M Devendra Babu  
Dr. Madhushree Sekher  
Dr. D V Gopalappa  
Dr. M Sivakami  
Dr. L Venkatachalam

**Administration**

**Registrar**
Shri. R Rameshappa

**Accounts Officer**
Shri. V Ramappa
RESEARCH ACTIVITIES

Projects Completed

1. Building Up of An Efficient Marketing System to Obviate the Need for Large Scale State Intervention in Karnataka
2. WTO and Agricultural Policy in Karnataka
3. Karnataka’s Agriculture: A Submission to Farmers’ Commission
4. Evaluation Study of Feed and Fodder Development under the Centrally Sponsored Schemes in Karnataka
5. Agricultural Input Subsidies in Karnataka: Quantum of Subsidies to SC/ST Farmers
6. Floriculture in Karnataka: Performance, Problems and Prospects
7. Good Governance and Poverty Alleviation: A Study of SGSY Programme
8. Role of Local Organisations in Women Development and Empowerment: A Study in Karnataka and Madhya Pradesh States, India
9. Role of Local Organisations in Water Supply and Sanitation Sector: A Study in Karnataka and Uttaranchal States, India
10. Role of Local Organisations in Watershed Development: A Study in Karnataka and Uttaranchal States, India
11. Quantitative Analysis In Federal Finance: From Theory to Policy Formulation
12. WTO Agreements and Small Scale Industries in Karnataka State: An Explorative Study of Current Policy Issues and Interventions, and Future Policy Options
13. Consumer Demand for Telecom Services in Karnataka and Goa
14. Spin-off Effects of Industrial Incentives in Karnataka: A Study of Mega Industrial Units
16. Rationalisation of Entertainment Tax in Karnataka State
17. Profession Tax Base: A Study in Karnataka State
19. Institutions for Rural Infrastructure, Emerging Dimensions: A Case Study of Karnataka
21. Education and Development – An Inter-State Analysis in India
22. Free Uniforms to School Children-An Evaluation
23. Evaluation of ICDS Project in Karnataka
24. Evaluation of Janshala in Karnataka
25. Menopause: An Emerging Issue in India
26. Reproductive and Child Health Programmes in the Urban Slums of Bangalore City: A Study on Unmet needs for Family Welfare Services
27. Functioning of Ultrasound Sonography Centres in Karnataka
28. An Enquiry into the Nature of Regional Disparities: The Context of Human Development in Karnataka
29. Investment Attractiveness of States and Sectors: Manufacturing in India
30. At Loggerheads or Towards Sustainability? Changing Rural Livelihood Systems and Natural Resource Management
31. Decentralised Governance, Representation, and People’s Participation: The Panchayats of Kerala
32. Karnataka Development Report
1. Building Up of An Efficient Marketing System to Obviate the Need for Large Scale State Intervention in Karnataka

R S Deshpande and J. Prachitha

Historically, agricultural marketing structure in India began specifically for cash crops like cotton and groundnut. Naturally, commercial culture has always been in the background while starting these institutions. Under the supply pressure exerted by other crops during the seventies and eighties, the establishment of Regulated Market Yards was undertaken. It was envisioned that this facility would wipe out the inadequacies in the informal market structure. But the density of regulated markets was far short of the requirements and even now farmers of many States including Karnataka have to travel long distances to reach a regulated market. The current issue, therefore, is of an urgent nature and focuses on four components for discussion: i) the adequacy of the rural grain market as a component infrastructure and as a supporting institution; ii) the question about the incentives created by the price intervention scheme as well as the prices received by the producers; iii) a systematic documentation of the various currents visible in the markets across regions that have emerged with the increased pressure of commercialisation and iv) a thorough study of the marketing environment of the farmer as we have a very devious situation wherein the organised market structures are performing far less than the expectations. In addition to these, the intermediaries are cornering significant margins and at the same time, the market intervention schemes are performing only in a few selected regions. Today’s economic forces require the farmer to participate in the market pro-actively. Rightly, the study was initiated having got its objectives penned by amalgamating these components and the design, covering all these issues. The study intended to examine the prevailing system of marketing of important agricultural commodities in Karnataka and also examine the role of government and non-government agencies in the procurement/purchase, storage and marketing of paddy and maize and to evaluate/assess critically their financial and organisational constraints. The deficiencies in the factors impacting market efficiency, such as physical infrastructure, market intelligence and trade practices for paddy and maize were taken into account and attention was given to the possibility and prospects of adoption of future markets in respect of these crops. The study, in general, intended to suggest measures to improve marketing efficiency in the state.

Karnataka is a state with relatively slow emergence of commercialisation on the national screen. Unlike a few other States, the process of commercialisation in Karnataka did not tread the generalised path of marketing. Paddy, cotton, groundnut, maize and a few other commercial crops gave boost to develop the marketing infrastructure. Rice is on the rise as a cash crop and so also maize. We chose two districts of central Karnataka to analyse the marketing systems in these districts, under the constraint that the results are solely confined to the crops and districts. The generalisation of our results for the State will be difficult due to the extreme regional specificity and raising crop features. The study made use both secondary and primary data from the districts of Chitradurga and Raichur. Farm households were selected from Raichur district for covering cultivation of paddy in two seasons (120 households) and 60 farm households from Davangere (earlier, part of Chitradurga) district. These were selected in relation to the probability proportion to their population in the size class of holdings. The reference year for the primary data was agricultural year 2001-02.
It is important to note that in the selected districts the farmers mostly preferred to sell at the village as the distance of the market was often quoted as the main constraint. As regards marketing in the wholesale market, farmers belonging to smaller size groups stated that transport costs were high. A majority of farmers, especially those in larger size groups were not satisfied with the facilities in the market yards. Hence, the facilities in market yards emerge as the major constraint. Small farmers often experienced reduction in weight and price, owing to lower quality of their produce. Farmers in all size groups were very well aware of the collusion between ultimate agents and the purchaser and therefore, largely preferred to sell at the village itself. In Davangere farmers preferred to sell to the public agencies while they highlighted the absence of local markets in their locality. The farmers in both the districts are well informed of the prices and the technical changes, but in Raichur district farmers were not aware of the future markets. The farmers also blamed the non-availability of timely institutional credit.

The prevailing system of marketing has four major inadequacies. First, the available infrastructure (including density) is insufficient to satisfactorily provide clear access to markets for all the farmers. Therefore, sale at the village and to the commission agents is quite predominant. Two, the infrastructure (storage, transport, weigh bridges) and method of payment inside market yards pose greater difficulties to the farmers. Three the operations inside the market yard are largely dominated by the ‘under-cover’ commission agents. Lastly, dissemination of market information to the farmers is inadequate and the information gap itself causes significant loses through marketing. It is necessary to revisit the APMC Act and allow other private marketing channels under it.

Despite the policy intervention and the APMC Act to safeguard the farmers, certain undesirable practices like late payment to farmers, under-pricing, arbitrary grading, speed money and non-issue of sale slips etc., by the traders continued to dog the performance of markets. There exists considerable congestion and delays in several markets resulting in long waiting periods for the farmers to receive their payments. The traders have organised into informal cartels, which in fact squeeze the farmers. There is also lack of understanding about the market regulations particularly those relating to the sale of produce outside the market yards. Funds collected as cess and market fees are not properly utilised. In the process, APMCs are emerging as some sort of monopolistic centres of sale and purchase with the reigns in the hands of a few. These need to be corrected in the ensuing revision of the Act.

We have suggested five important measures to improve the efficiency in marketing structure: i) permanent institutional arrangements for Market Intervention Scheme (MIS); ii) arrangements to establish information centres for creating awareness among the farmers about the latest market developments and these centres should be connected to Raitha Samparka Kendras; iii) sufficient funds have to be placed with the agencies designated for administering the MIS; iv) these agencies should be established in the market yards and the APMC yards for easy access to the farmers and v) establishment of Commodity Boards to effectively circumvent the market imperfections.
2. WTO and Agricultural Policy in Karnataka

R S Deshpande and J. Prachitha

Agriculture sector of Karnataka has been characterised by intermittent phases of growth and stagnation. It is a matter of deep concern as this sector impacts directly on the overall growth performance of the state economy. Efforts, both at policy and at implementation levels, are being made to overcome the constraints and encourage growth boosters. The constraints mainly relate to efficient utilisation of natural resources, existing infrastructure facilities, forward and backward linkages, and allied supportive activities. Besides these, current liberalisation process has led to the emergence into prominence the role of allied sectors, e.g., horticulture, floriculture, fisheries, agro-processing etc. These sectors require better quality of supportive infrastructure for sustained development upon which then can contribute significantly to the growth of Karnataka’s economy.

In spite of the lower rates of growth in agriculture, the State economy seems to be quite sensitive to the performance of the sector due to strong inter-linkages. The dominant role of this sector in the state economy as core contributor is quite clear even ignoring the estimates relating to its forward linkages. The growth rate in agriculture, which was quite commendable till the end of 1970s decelerated during the 1980s. The production of foodgrains also allegedly stagnated. Productivity was low, both under rainfed and irrigated agriculture, during the eighties. This was attended to immediately by taking quick policy steps. In the Eighth Plan period, the emphasis was laid on integrated watershed development, strengthening the infrastructure base and ensuring adequate supply of inputs. During the late eighties and early nineties, with the help of state level policy interventions, the state achieved a recovery from the prolonged stagnation. This was the time when the state also brought out a policy document for agricultural sector covering major aspects. A number of Centrally Sponsored thrust programmes were implemented like the Intensive Rice Development Programme, the Pulses Development Programme and the Oil-seeds Production Programme focussed on stepping up production and productivity on watershed basis.

This study is a component of the coordinated studies on Agricultural Policy coordinated by the Agricultural Development and Rural Transformation (ADRT) Unit, ISEC, Bangalore and the Centre for Management in Agriculture, Indian Institute of Management, Ahmedabad. The emphasis in this component of the study is to view the State Agricultural Policy from the viewpoint of the impact under WTO. We have analysed this in five components. Initially, we have set a stage of the present Agricultural Policy scenario in the first chapter, which is followed by the basic structure of WTO for the purpose of understanding by an independent reader. The second chapter dealing with Agreement on Agriculture (AoA) is included not for the purpose of the “consolidated report” but to provide continuity in reading this study. This is followed by an analysis of agricultural trade scenario of Karnataka, wherein we have analysed the present situation about agricultural trade in the state. We hasten to add that the data on agricultural trade at sub-country level are not collected properly and a significant share of traded commodities get recorded only at the port of destination and therefore, the scenario is indicative only. These data are collected from Agricultural and Processed Food Products Export Development Authority (APEDA) and Karnataka State Agriculture Produce Processing And Export Corporation Limited (KAPPEC). This is followed by a chapter delineating the
implication of agreement in agriculture at the national and state levels. We have stated here the initiatives required to make agricultural sector trending on the growth path. Finally, we have provided the required action points to avoid the deleterious impacts and provide new growth initiatives to the sector in the state.

The following proposals have been placed for consideration in order to further the interest of Karnataka in the national perspective and that of the country at the international level. It is necessary to follow the specific stipulations of WTO and their implications to the state as well as the country while negotiating with the WTO and finalise the Agreement on Agriculture. These measures are suggested in the context of the state.

Immediate Points of Action

Participation of the State in Policy Discussion at the Centre; request for funds on EXIM policy;
Priority commodities for the state needing particular attention;
Special safeguard measures and Phyto sanitary measures;
Utilisation of bound duty to our advantage;
Domestic price advantage;
Green Box Measures;
Establishment of a nodal agency; and
Special studies to be initiated.

Specific Points for Consideration

• The liberalisation of non-agricultural sector is welfare augmenting for the agricultural sector as compared to the total liberalisation scenario.
• It is essential to create a balanced view and proper mind-set for internal reforms to alleviate the probable ill effects of the process. Elaborate planning and formulations have to be taken up in order to adjust to the emerging situation.
• Some of the support measures like crop insurance, drought-proofing expenditure etc., should be considered. These will have welfare augmenting effect on the sector and may not inflate the Aggregate Measure of Support (AMS).
• It is essential to establish a nodal agency at the state level to deal with the emerging situations and continuously monitoring the state’s role in international trade.
• The State agency should ensure horizontal integration across departments within the state and vertical integration with the central agency.
• Marginalisation of agricultural holdings necessitates cooperative or corporate agriculture by providing quality seeds and inputs. Such policy steps should be taken with full participation from the farmers.
• The spice derivative industry has been facing non-tariff barriers under Sanitary and Phyto Sanitary Measures. It is essential to argue the case of these commodities effectively.
• Indian coffee is also likely to face the situation of ochratoxin contamination. It is necessary to work on both economic and technological fronts to confront the problem.
• Special attention may have to be paid to the environmentally fragile zones like Northern Karnataka in order to derive benefits under WTO provisions.
• Seed industry in Karnataka is becoming strong in the recent past. It is felt that agro-processing and seed industry need full encouragement to participate in the world market.
• The export performance in the sericulture sector needs to be watched carefully. The state can take best advantage in floriculture, sericulture, poultry, oil-seeds and agro-processing sectors. Investment should be directed towards these sectors.
• The continuance of state trading enterprises in a relatively uncertain market will be of great significance. Such exercises must be continued and this will help to act as buffer between the domestic market distortions and international market demand.
• The declaration of tariff rates should be more transparent and must be decided in consultation with the state governments, especially for those states, which have the concerned products as their major produce.

3. Karnataka’s Agriculture: A Submission to Farmers’ Commission

R S Deshpande

Karnataka State has a typical combination of large share of its area under drought-prone category and a well-diversified agricultural sector. Severe climatic and infrastructural constraints inhibit the development process of the state. Despite these, the state has recorded an enviable growth performance in the recent past. The State has not only performed better in the industrial sector but also showed clear signs of surging ahead in the agricultural sector too. In addition to the proverbial IT sector, horticulture, floriculture, food processing, and other allied agricultural activities have contributed significantly to the growth performance of the sector despite some failures in the crop sector. In an aggregate appraisal, the state has always performed above the national average in most of the sectors and especially so in agriculture. This success should be attributed to the policy makers in keeping a vigil over the bottlenecks and achieving higher growth despite severe limitations. Thus the Karnataka model of development is typical in its content of overcoming severe limitations and encashing on the comparative advantages across sectors. Under the severe shadow of natural as well as production constraints, its achievements can be termed as exemplary – but the question of these benefits percolating to the bottom of the economic classes calls for further analysis.

Karnataka State faces threefold challenge in the current growth-oriented environment. The agro climactic situation of the state divides the state into a large number of agro climatic zones. The crop patterns as well as cultivation practices differ across these zones. More than that, resource endowments availability and delivery system of inputs differ across these zones. Even directing public investment towards agricultural development across regions has not yielded the desired results to merge the differences in developmental initiatives across these regions. Broadly, one can group these regions into five zones according to the agrarian and agro-ecological systems, namely: the Bombay-Karnataka northern zone, the Hyderabad-Karnataka northern zone, southern dry zone, southern irrigated zone, and western coastline. Among these regions, the unirrigated plateau zone of northern Karnataka and that of southern Karnataka are the main lagging regions of the state. Even in terms of
investment from public and private sources, these two broad regions have remained at the lowest rung. Therefore, failure to make investments or initiate investment in the rural areas of these two regions has caused impediments to growth. In the absence of the data on region-wise investment, we cannot conclude about the exact failure. But sensing the acuteness of the problem, the state of Karnataka has taken initiative in constituting a committee to investigate into regional imbalances across the state. It is expected that this committee will bring out a report highlighting the requirement for initiating these in areas in the mainstream growth. The recommendations have to be graded to concentrate at various levels of development in the lagging regions of northern Karnataka.

Most important challenge that the state faces presently is to facilitate private investment in the backward areas of the state. While initiating such schemes, it is essential to understand the resource endowments and competitive advantages of these regions to participate in the mainstream growth pattern. Hitherto, agriculture has been considered as the only alternative to bring these regions into mainstream growth. Unfortunately, the climatic and weather patterns do not support agricultural growth, and weather induced instability continues to inflict misery on agriculturists. Therefore, the growth culture has to be created even in the allied agricultural sectors. Horticulture development, especially the dry land horticultural crops, has proved to be a promising alternative. In the recent past, it has been observed that horticultural crops have been picking up both in terms of area as well as productivity in these regions despite the climatic constraints. The state government is taking sufficient initiatives to boost horticultural development in these regions. These efforts are, however, concentrated on the individual farm households. Contracting of horticultural crops to a consortium of small and marginal farmers with an assurance to provide them proper marketing facilities will go a long way in bringing this group of farmers into the mainstream development process.

The second major impediment that causes the challenge for the State government is the availability of funds to initiate agricultural and rural development schemes in the fragile regions. Therefore, it is required that private initiatives can be taken either in terms of corporate farming or bulk purchase and marketing facilities. The requirement of investment in the backward regions can also be met by siphoning the excess savings from well-endowed regions to the deserving backward areas. This can be achieved by floating low interest investment bonds to be purchased by the private contributors from developed regions of the State. Development boards specially set up to guide the process of development of these regions can take initiative in this respect. We have analysed the major challenges and responses required in the state.

Major Challenges for Agricultural Growth

Policy Challenges

Threatened stagnation in agricultural growth; possibility of decelerating yield growth; low value added in agricultural sector; fast approaching optima on the technological front; large proportions of rainfed/dryland area; marginalisation of agricultural base; inadequate growth in public and private investment; regional disparities; inadequate safety nets; and conflicting growth versus environmental options.

Responses Suggested
Locating growth in the emerging growth inducing crops/sectors; removal of marketing bottlenecks and enabling remunerative price situation; investment boosting in R and D sector; technological options and diversification of economic base; group initiatives and arresting the process through institutional options; attracting private investments in the sunrise sectors; locating sub-sectors with new growth options; prudent regional allocation of growth inducers; revamping and redesigning the safety net programmes, effective delivery; resolving the issues amicably and reducing the intensity of negative externalities

There are a few major impediments to growth in the agricultural sector of Karnataka viz., the lagging northern Karnataka regions dominated by drought-prone area coupled with low private capital investment. Regional disparities, therefore, became quite sharp in the face of failure of initial investments in these regions. Agricultural sector of Karnataka is also facing impediments in the form of growth initiatives in the post-harvest processing as well as value additions in the production process. These impediments are emboldened by regional imbalances, frequent drought conditions and inefficiency in managing irrigated agriculture. The vision therefore, would require concerted efforts towards removing the regional imbalances in growth by promoting private as well as public initiatives in value addition focussed on the post-harvest sector and picking up growth leads from the allied agricultural sector to participate pro-actively in domestic and world trade. We can clearly see that the prices of agricultural commodities have not kept pace with the Consumer Price Index for Agricultural Labourers (CPIAL). The prices of meat, wheat, rice and oils have shown similar growth trends. That indicates the net welfare loss for the farmers growing other commodities. We have also looked into the Farm Business Income series computed from the Commission on Agricultural Costs and Prices (CACP) data and when compared this with the CPIAL, it clearly shows that the Farm Business Income did not keep pace with CPIAL, and the gap between the two is widening fast. That brings forth the point that those farmers as a group have been losing on the count of welfare and by the operations of the market forces alone but largely due to state policies. The trend needs to be reverted if we allow the Directive Principles of State Policies embodied in the Constitution of India to protect this vulnerable section. In the crop production sector, the phases of growth and stagnation indicate that we are likely to confront a technological bottleneck in the coming decade as the yield rates have been reaching close to the technological optima. That would require placement of growth in the non-food crop sector, without neglecting the food security issues. Oilseeds, pulses, sugarcane, maize and other millets are the crops that need to be attended to on technological as well as trade fronts.

4. Evaluation Study of Feed and Fodder Development under the Centrally sponsored Schemes in Karnataka

M J Bhende, R S Deshpande and P Thippaiah

Introduction

Livestock provides livelihood to landless, whereas it helps to augment farm income for farming households. Livestock has a unique place in the farming system as it functions both as complementary as well as supplementary farm activity. Most of the cereals, pulses and oil seed crops provide valuable feed and fodder in the form of crop residue/byproducts. Over time, traditional method of grazing of animals in the
open has declined and the fodder becomes scarce item on account of various reasons. Large gap exits between the requirement and the actual availability of feed and fodder at the national level. The deficiency in feed and fodder is more conspicuous in arid and semi-arid regions. To reduce shortage of fodder, the Central Government has initiated two schemes, i) Setting up of regional stations to grow fodder seeds and distribute to states; and ii) “Assistance to States for Feed and Fodder Development” to supplement efforts of State Governments in this sphere. Under the later scheme, the Central assistance is provided to states to supplement their efforts for development of fodder to support livestock economy. The government of Karnataka assigned the task of evaluating the Centrally sponsored feed and fodder schemes to the Institute for Social and Economic Change, Bangalore with the following objectives:

**Objective:**

- To assess the effectiveness of all the schemes in improvement of fodder production
- To estimate fodder requirements in the livestock sector in a medium term perspective
- To evaluate the fodder development process and locate the growth inhibiting factors in fodder sector and
- To suggest ways and means to make the schemes more effective and serving the objectives set forth.

**Methodology**

The study used secondary as well as primary data. The secondary data were collected from the Department of Animal Husbandry and Veterinary Services, government of Karnataka and Annual Reports of various schemes operating in the Department of Fodder Development. The land use pattern at the district level from 1990-91 to 2000-2001 and Livestock Census from 1961 to 1997 have been collected to analyse the trends in area available for grazing and projection of fodder respectively.

The required data were collected from 11 livestock breeding centres/farms, beneficiary households and villages by canvassing pre-tested structured schedules and questionnaires. We also held discussion with the officials of the livestock breeding farms to ascertain the constraints faced by them in implementation of schemes and suggestions for effective implementation of various Central Schemes (CS)/Centrally Sponsored Schemes (CSS) of feed and fodder development.

**Findings and Suggestions**

**About the Livestock Farms**

- The number of cows as well as bulls on the farm has declined drastically due to change in priorities and objectives. Now the emphasis is on collection of semen for artificial insemination instead of supplying purebred stock to farmers for breeding purpose.
The total area with the state livestock farms ranged from 55.64 ha at Khillar Cattle Breeding Centre, Bankapur to more than 13,500 ha with the Amrutmahal Cattle Breeding Farm at Ajjampura.

The cultivable area ranged from 2.49 per cent of the total area on Amrutmahalkaval farm, Ajjampur to 88 per cent of the area on the State Livestock Breeding and Training Farm, Hessargatta.

Proportionate area under fodder was the highest (78 per cent) on Livestock Breeding Farm, Dharwad and the lowest (1.02 per cent) on Ajjampur farm.

Seed production activity on most of the farms is confined to South African Tall Maize. Only 4 to 5 per cent of the seed produced have been used on the farm and the rest was distributed to farmers in the form of minikits.

Distribution of root slips of perennial grass to farmers which hovered around 14 to 15 lakh till 2000 drastically declined from 2001 onwards (less than 5 lakh).

**Feed and Fodder Development Programmes**

Most of the Central Schemes and Centrally Sponsored Schemes of fodder development are implemented in the state since 1993-94 by the State Department of Animal Husbandry and Veterinary Science on the State Livestock Farms as given below:

- Strengthening of State Fodder Seed Farms,
- Establishment of Fodder Bank
- Establishment of Silvipasture System
- Grassland Development including Grass Reserves
- Enrichment of Straw and Cellulosic Waste and
- Distribution of Minikits (fodder seeds)

**Implementation of CS/CSS and Utilisation of Funds**

- The government released about 52 per cent of the allocations during the period 1995-96 to 2002-2003. Moreover, the actual expenditure incurred was less than the amount released resulting in huge unspent balance under some of the schemes.
- It is interesting to note that the State government took on an average more than 36 days to 47 days to approve the proposals of the State Department of Animal Husbandry. While, the Central government took 127 days to 245 days to accord sanction to the proposals sent by the State government.
- The grants / financial assistance provided under the specific CS/CSS were not spent as per the guidelines of the schemes.
- Though the scheme like development of silvipasture system has provision for watering of plants and hiring of watch and ward staff, none of the farms followed this and ultimately the saplings planted withered due to water stress and also destroyed by stray animals.
- The pits and trenches were dug for planting fodder trees under the silvipasture scheme but the saplings were never planted
• The area on the farms which was developed under grassland development scheme has not been maintained properly and wild growth and bushes occupy the area.
• The inputs/material supplied under the Enrichment of Straw and Cellulosic Waste was not as per the guidelines stipulated for the scheme. Though the scheme has provision to provide labour wages for chaffing of hay but these were disbursed rarely.
• The demand (requirements) is derived through the available norms as well as based on the field data collected from the households.
• The demand and supply gap is about 15 percent of the availability during 2005-06 which widened to 20-30 percent range by 2010-11. It is sharper in the green fodder and concentrates.

Suggestions

• The land, which can not be, managed by the farms particularly lands with the sub-centres of Amrutmahal Kawal can be developed into social forestry/forestry by involving people from the nearby villages and the local NGOs.
• There should be some mechanism to evaluate the performance of the farm/farm manager and the government should fix the responsibility for the failure of schemes.
• If not all, at least important positions like agricultural officer/agricultural assistant need to be filled up so as to streamline fodder production.
• The guidelines provided for implementing the schemes should be strictly followed.
• The schemes like Kisan Van and Gram Van under the development of silvipasture system and development of grassland and grass reserves schemes can be implemented in a better way by involving the local NGOs and people’s participation as in the case of watersheds.
• Growing fodder can be encouraged by introducing contract farming as practiced in the case of registered fodder seed growers.
• Development of crop varieties having fodder component should be encouraged along with crop diversification for maintaining fodder security for animals.
• Develop new technologies to grow fodder under rain-fed conditions.

5. Agricultural Input Subsidies in Karnataka: Quantum of Subsidies to SC/ST Farmers

M Mahadeva

One of the greatest challenges that India faced during the late seventies and early eighties following the severe drought in the preceding years was the adoption of new agricultural production technology for which the farming community was not prepared owing to its huge capital requirement. As a consequence, India, realising the need for increasing agricultural productivity adopted the strategy of input subsidies that are being provided to the farmers explicitly and implicitly with two prominent intentions: One, to meet a part of the cost of input and the other, to facilitate access to inputs to the disadvantaged farming groups. Under explicit subsidy, inputs like high yielding or improved variety of seeds, agricultural implements, plant protection chemicals and equipments are being supplied at subsidised rates. Under implicit
subsidy, which is hidden in nature, the prices of such inputs have been kept lower than their economic costs. While receiving such subsidies the users are always under the impression that they are paying towards such subsidies without being aware of the fact that these inputs are under-priced or the prices that they have paid was less than their costs. Therefore, it goes without saying that the factor (fertilisers, water, electricity, credit and others) costs have been under-priced deliberately to protect the farmers from their high costs in the market and to increase adoption of new-technology.

At the state level, there have been a number of schemes to provide subsidies, in general and input subsidies, in particular to the farming community. These schemes range from providing quality (certified) seeds (wheat, paddy, cotton, maize, ragi, paddy, bajra, jowar, sugarcane etc.) to educational tour of the farmers to expose them new practices of cultivation both within the state or in any part of the country. Equipment for sowing, cultivation, plant protection, micro protection material, quality cultivation, bio-fertilisers, seed treatment are being provided to the most disadvantaged farmers. Insurance premium is provided to the companies on behalf of the vulnerable farmers. That apart, bio-pesticides, weed pesticides, neem pesticides are provided besides supplying green leaves for compost making in the state.

There are four types of studies available on agricultural subsidies beginning from estimation of subsidies, subsidy policy, impact of subsidies to beneficiaries of subsidies. With regard to the last issue as to who benefits from subsidies, though the policy makes no discrimination about the users of subsidies but at the implementation level, it has been clearly identified that only affluent farmers have garnered the benefits facilitated by their large holding size. These farmers have obviously captured a large share in irrigation, fertilisers and other subsidies. However, though the issue of cross-sectional (by social groups and by farming holdings) impact of input subsidy is very crucial under different agro-climatic conditions none of these studies had attempted to examine the issue. In fact, such an analysis would have helped not only policy corrections if there were any flaws in the implementation but also helped better targeting of input subsidies. Even, the study of Deshpande and others which is a comprehensive study at the state level did not attempt to study the cross-sectional impact of input subsidies. In view of the need for such an analysis, the study was initiated. Following are the specific objectives of the study.

**Objectives**

(i) To examine the utilisation pattern of subsidies by different categories of farmers.
(ii) To assess the share of SC/ST farmers in the total amount of subsidies used.
(iii) To analyse the overall effect of differences in the levels of input subsidy used by various categories of farmers on crop pattern, cropping intensity, adoption of improved technology, input use, crop productivity and returns.

**Methodology**

The study has covered both direct and indirect input subsidies largely based on the field data. One district from each of the two different agro-climatic regions was selected to administer the questionnaire. Levels of irrigation being the principal criterion for the selection of the field area, Shimoga and Gulbarga were selected. Shimoga recorded the highest area under irrigation with 49.74 per cent of the gross cropped area as against 11.08 per cent in Gulbarga the lowest in the entire state. On
the basis of availability of different categories of SC/ST cultivators, villages were carefully selected in consultation with field level departmental functionaries. In all, primary data were collected from 200 farmers representing all sizes of farming, from each district representing 100 farmers from SC/ST categories and the remaining 100 farmers from other communities. Similarly, on the basis of the proportion to the total number of farmers and farming sizes, the farmers were selected on stratified sampling method. Thus, this analysis is based on the responses of 8 marginal farmers (29 per cent), 60 or 34.5 per cent small, 41 or 20.5 per cent semi-medium, 27 or 13.5 per cent medium and 5 or 2.5 per cent of large farmers spread across two different study areas.

Recommendations

Given the challenging socio-economic conditions of the farming community, on the one hand, and the long term goals of both eradicating poverty and achieving higher living standard in the rural areas, on the other hand, it is necessary to continue the existing incentive based production in the agricultural sector. That apart, the fiscal incentives have yet to ensure food security among the vulnerable groups in the agricultural sector. Added to this, continuous monsoon failure not only jeopardised agricultural activities in general, but increased food insecurity among the marginal and small farmers, in particular. Therefore, any attempt to withdraw the existing fiscal incentives available to the agricultural sector and withdrawal of input subsidies would only further marginalise the farming communities, in general, and SC/ST farming families, in particular, as most of them are subsistence level cultivators. Thus, in order to realise the long cherished dream of improving the living standard of the farming communities in rural areas, the ongoing input subsidies should not only be continued but also enhanced if possible. But, at the same time, mere continuation of the existing input subsidies alone do not bring about the needed change and ensure equity in distribution. Targeting need to be focussed to ensure that these subsidies benefit only the vulnerable farming families. Also, it is the need of the hour to protect the interest of the farming communities in the dry areas as it is clear that the existing scheme of subsidies has protected largely the interest of irrigated areas than dry areas. Following are some of the specific recommendations made in this direction.

1. Given the high level of illiteracy and ignorance about the subsidy schemes among the farming communities, awareness programmes highlighting the various fiscal incentives available for the agricultural sector, in general, and input subsidies, in particular, need to be organised. Every village panchayat should be made to disseminate information with the help of village level official machineries. It must also be ensured that the Agricultural Department at the block level deposits all such information in every village panchayat office for further dissemination.

2. Among the major problems faced by SC/ST farmers, uncertainty, difficulty in accessing and the inadequate inputs of the subsidy components are important. Long distance and high prices had also been noticed. In order to put an end to these problems the existing fair price shops should be made use of as outlets for the distribution of input subsidies. Such a proportion would also increase the business volume.

3. The existing bias in the implementation of input subsidies, especially indirect subsidies towards irrigated areas need to be narrowed down in order to ensure
equity. All the agricultural needs of families in the dry areas need to be assessed and met. Such a strategy will go a long way in ensuring the vulnerable and the most deserving families to improve agricultural production and productivity thus facilitating them to cross the poverty line and improve their quality of living.

4. Since most farmers belonging to SC/ST communities are marginal and small, who always cultivate first to meet the food requirements of their families, they should be given additional incentives to encourage them to go beyond this subsistence farming and produce for commercial purposes.

6. Floriculture in Karnataka: Performance, Problems and Prospects

P Thippaiah

Karnataka ranks first in the country in the production of traditional and modern flowers. However, within the state, the performance is uneven. The small and marginal farmers engaged in the sector have not benefited much due to various constraints. The database for floriculture is also very weak. There is hardly any comprehensive study to examine all these issues in the state. Therefore, an attempt is made here to highlight these factors with a view to suggesting appropriate measures for tackling the problems of growers and improving floriculture.

Objectives of the Study

The present study has examined the following broad objectives:

- To analyse the trends in area, production and yield of floricultural crops in Karnataka.
- To study the infrastructural facilities available for floriculture development in Karnataka.
- To study the trends in traditional (domestic) flower market and modern markets (international markets).
- To study the socio-economic conditions of flower producers.
- To estimate the income and employment generated from floriculture.
- To identify the problems faced by growers; and
- To suggest policy measures for the healthy growth of the sector.

Methodology

The study analyses various issues relating to both modern as well as traditional floriculture. But focus is on traditional floriculture as it is more predominant in the state in terms of area and production and is also slowly adapting to modern technology. The study has used both secondary and primary data to examine various issues. For primary data, Bangalore Urban district having highest area under floriculture was selected. A cluster of 13 villages in Bangalore North taluk (6 villages) and Bangalore East taluk
(7 Villages) were selected for choosing 56 sample farmers. The details on various issues of floriculture were collected for the reference period 2001-2002 through structured schedules.

Findings of the Study

- The area and production of floriculture both in India and Karnataka increased over a period of time. In India, floriculture grew at the rate of 6.91 per cent in area and 12.84 per cent in production between 1993-94 and 2001-2002. Whereas in Karnataka, it recorded an annual compound growth rates of 8.84 percent in area and 9.53 per cent in production between 1980-81 and 1999-2000. Karnataka’s growth rate in production is much ahead of the national rate. Floriculture in Karnataka is concentrated in Bangalore urban, Bangalore rural, Mysore, Kolar and Dakshina Kannada districts. The differentials in endowments, climate, demand, irrigation and marketing facilities are mainly responsible for large variations across the districts. Generally, it is believed that increase in per capita income, levels of developmental urbanisation and irrigation facilities lead to increase in the area, demand for and consumption of flower products. But the available data reveals a mixed relationship in Karnataka. Bangalore urban and rural, Mysore, Shimoga and Bellary districts support this view. Whereas, the other districts do not support this view.

- On the export front, the state exported 54 million stems in 1998-99, which has increased to 58 million stems in 1999-2000. In value terms, it was Rs.37.73 crore worth of flowers in 1998-99 and Rs.45 crore in 2000-2001 accounting for 34 per cent of the total exports of the country in 2000-2001. A large proportion of these products are exported to Amsterdam, Germany, Italy, United Kingdom, Australia, Japan, and the Middle East. Realising its importance and export potential, both state and central governments have created specialised institutions such as National Bank for Agricultural and Rural Development (NABARD), National Horticultural Board (NHB), Agricultural and Processed Food Products Export Development Authority (APEDA) which are extending financial / marketing infrastructure to the development of floriculture

- Although marketing of flowers is taking place in all districts of the state, bulk of this is concentrated in Bangalore City, which handles 60 per cent of the state trade. The unorganised Krishnarajendra Market and well-organised flower auction centre of KAIC are handling the sale of flowers.

- The household characteristics of the sample households reveal that the average family size is 6.60 persons per family. The proportion of working population is 59.76 percent of the total household population. Among the sample growers the Vokkaliga community is found to be dominating. The Tigala caste supposed to be engaged in floriculture activity traditionally has not emerged as a major caste. Majority of the farmers have taken up this activity due to the proximity to the market, low cost of cultivation, and maintenance and good price for the produce. Among the sample beneficiaries, the average size of landholdings per household is 1.43 hectare. Although farm families derive income from various sources, the proportion of income derived from horticulture is higher accounting for 58 per cent of the total family income.

- The economics of production and input used vary across different flowers. The establishment cost per hectare is highest in case of rose followed by tuberose. Similar is the situation in their operation /maintenance costs. The net returns of
rose over the variable costs and fixed costs are Rs.2.14 lakh/ha and Rs.2.23 lakh/ha, respectively and for crossandra it is Rs.1.13 lakhs over variable cost and fixed costs and Rs1.25 lakhs over variable costs. The lowest return is in case of marigold. The employment generation in growing different flowers also follows the same pattern of variance. Most of the labour force is used for harvesting of flowers.

- The overall wastage in floriculture works out to 0.28 per cent of total production, which is slightly higher than the household consumption of 0.34 per cent and the rest 99.43 per cent of the production is marketed. A major proportion is sold to commission agents/ wholesalers accounting for 99.50 per cent. Only a small proportion (0.50 per cent) is sold to the customers or retailers who after adding value market them in various places.

- The prospects appear good for floriculture in the state. Emerging trends in area, production, exports, expert opinions on floriculture development, the visible change in life styles of people, rapid urbanisation, increase in levels of income and the growth of IT sector and demand from various segments for flowers are testimony to this. There are also some threats to the sector from other countries, which enjoy similar climatic conditions but produce world-class flowers. The proposed international flower auction centre near Bangalore and the removal of quantitative restrictions (QRs) are likely to affect both traditional and modern flower markets. Unless, the quality of both traditional and modern flowers and infrastructure facilities are improved, India may not benefit from liberalised trade regime.

**Policy Recommendations**

- The yield levels of flower crops are low and the concentration of area is restricted to a few districts. Efforts are needed to increase yield levels by providing technical guidance and improved plants and seeds to avoid concentration of flower cultivation in a few districts by extending extensive services to other districts for undertaking floriculture.

- Data on state flower exports as well as financial assistance to this sector given by APEDA, NHB, and NABARD institutions are inadequate. A separate body at the state level like APEDA is required to compile and publish data to overcome this problem.

- A substantial proportion of the flower production is being sold outside the regular market namely Krishnarajendra Market due to lack of adequate space. These sales are not taken into consideration while arriving at total sales in the city. Therefore, a separate market yard may be established for traditional flowers on the lines of KAIC flower auction centre, which is handling modern flowers in a systematic way.

- The farmers depend on bore wells for irrigation but the fast depletion of groundwater levels may force many of the farmers to quit floriculture. To save them it is necessary to provide financial assistance for purchase of sprinkler and drip irrigation systems for better management of water.

- The farmers lack adequate and cheap mode of transport and proper roads for quick marketing of flowers. The market information and other infrastructural facilities are also very weak. These facilities have to be provided to the villagers, which not only help the flower growers but also for the overall development of the villages.
• Simplification of the cumbersome quarantine and time-consuming procedures at airports is necessary for quick clearance of modern flower exports.
• The modern flowers are traded across several countries in the world. However, a major proportion of flower exports are being sent to European (EU) countries. These countries are levying higher import duties, which push the cost of exports and thereby reducing the margin of exports. To help the exporters and growers, pressure should be brought on the EU to reduce the high rate of import duty on modern floriculture exports.
• The modern floricultural units are caught in a debt trap due to exorbitant rates of interest and many of them are unable to withstand this. Banks need to convert 50 per cent of their loans to individuals as equity shares so that they can become viable in coming years. Waiving of accumulated interest and reducing rates of interest from 18 per cent to 10 per cent is essential.
• The air flights for transport of flowers to Western markets (Europe and America) and Eastern markets are limited apart from being inadequate in terms of space for flower consignments in these flights. Adequate and direct flights with enough space should be arranged to overcome this.
• Many of the entrepreneurs depend on the expert opinion of foreign countries at a high consultancy cost. This has quite often eroded not only the resources of the units, but also yield levels which can be overcome by providing them the required expert guidance at a relatively lesser cost by the Horticulture Department.
• Individual arrangements for exports increase costs and risks. To address this, all the growers-cum-exporters should collectively arrange for flight services as done in Israel where marketing of flowers is directly undertaken by cooperatives and marketed under a single brand.
• To reap remunerative returns, the role of middlemen should be curtailed while sending the flower consignments to Amsterdam for auctioning. Instead direct export to those countries where auction system is not prevalent should be encouraged. Far East, East Asia and Southern Europe are some of the countries favourable for this system.
• At present, roses are the major export items, which face competition from Kenya and Columbia and other countries. Farmers need to be encouraged to cultivate other flowers such as carnations, gladiolus, anthuriums and lilies, which fetch not only higher prices in the international market but also greater demand, since many countries do not grow these varieties.

7. Good Governance and Poverty Alleviation: A Study of SGSY Programme

D Rajasekhar, K G Gayathri Devi, Sachidananda Satapathy

Introduction

Guided by the new thinking on 'good governance', the policy makers emphasised that Sampoorna Grama Samruddhi Yojana (SGSY) programme is different from all the earlier programmes. SGSY, which seeks to enable the people to participate in the programme, is being implemented by the central government all over India since 1999. It primarily aims to promote self-employment among women and men, enable them to cross the poverty line and seeks to organise the rural poor
into self-help groups (SHGs) through the process of social mobilisation. The SHGs are expected to mobilise savings, have linkages with banks, panchayati raj institutions and line departments and collectively decide the economic programmes to be undertaken by the members. The SGSY emphasises asset building, employment and income generation among the poor, but with a difference. Community orientation of a programme, group-based approach, implementation and monitoring by gram panchayats are its chief and unique traits. The programme seeks to initiate the processes such as participation, accountability and transparency for successful implementation. The programme also aims to establish close linkages with decentralised institutions, and achieve the development outcomes through good governance principles of participation, transparency, accountability and linkages.

**Objectives and Methodology**

Against this background, the study examines the extent to which the SGSY programme has incorporated the good governance principles such as participation. Specific objectives of the study are to analyse the processes followed in the formation and consolidation of groups, the participation of members in savings contribution and borrowings from the groups, and linkages between SGSY groups, and banks and the gram panchayats.

The household data used in this study pertained to 19 SGSY groups located in Betul and Chattarpur districts of Madhya Pradesh. In addition, data were also collected from the representatives of SGSY groups, grama panchayats and staff of line departments. In all, data were collected from 147 households having membership in SGSY groups. The households were randomly selected after obtaining a list of members in the SGSY groups.

**Summary of Findings**

Any intervention on poverty alleviation requires a thorough understanding of the processes that generate poverty. In other words, poverty alleviation interventions will have good chances of success if they are designed on the basis of situation and needs of the poor. This implies that SGSY programme, as per the design, should have enlisted the participation of the intended target group not only in the analysis of situation but also assessment of needs. The needs cover the formation of groups, composition of the group, formulation of rules and regulations, etc.

The above implies that social mobilisation is an important pre-requisite before the group is formed. The intended target group should be provided with all information on the programme, objectives, activities and the intended outcomes. The study shows that social mobilisation process suffered due to fixation of target in the formation of groups, and inability to train the facilitators and the difficult conditions existing in the villages.

Participation of the people was not widespread in several areas like the formation of group, formulation of rules and regulations, meetings and savings contributions etc. In addition to widespread poverty, systems and procedures adopted in the groups, lack of incentives, inappropriate design and interference from village elite/influential persons are all the other inhibiting factors. The limited participation of the people in the programme meant that the performance of the group was affected. Further, this also led to the tendencies of elite capture.
The evidence shows that the proportion of actual to mandated number of meetings was less than 100 per cent in a large number of cases. This reflects the inability on the part of the facilitators, and representatives to hold the meetings as decided by the group. Once the groups were ‘formed’ to meet the target, the facilitators from government departments did not give much emphasis on strengthening of groups as there was inadequate follow-up by higher officials due to problems of limited staff and lack of resources for mobility. The facilitators were also not trained in the consolidation of groups. In addition, the formation process was based on raising of expectations. When the facilitating staff from the government departments could not fulfil the expectations, they did not have face or courage to meet the members. The attendance in meetings was also affected due to problems of limited livelihood opportunities, inconvenient meeting time, etc.

Limited participation in savings contribution meant that members did not have sufficient savings to borrow for meeting urgent consumption credit needs, and for production. Small amounts of savings also meant that the vulnerability remained the outstanding problems for the poor. The differential amounts of savings contributed by members and savings linked to credit together implied that those having better economic capacity to save were in an advantageous position to borrow from the group and corner the benefits. This also implies the ‘elite capture’.

The analysis on participation of members in credit activities and undertaking of income generation activities (IGA) shows that the programme has not succeeded in generating viable and locally suitable IGA. In both homogenous and heterogeneous groups, it was the influential groups of households, which cornered the benefits. But most often, the loan amount is invested into the already existing economic activities. For those who really thought of starting a new IGA, there were problems of skill acquisition and supply of inputs like raw materials. In the absence of linkages between the groups, the GP and the line departments, collective mobilisation of people to identify economic activities was not even attempted.

Thus, participation meant cost for the poor. The SGSY programme has had limited success in explaining the benefits of the programme to members, and convincing them that benefits would outweigh the cost of participation. The net result was a vicious circle of low participation leading to still lower participation, which eventually, led either to dismally low levels of participation or exit of members from the programme and defunct of the groups.

The analysis of linkages among key development actors showed that there was a considerable bureaucratic control upon the entire implementation process. Although theory places heavy emphasis upon state and society linkages as being excellent catalyst for development, and despite the programme envisaging it in principle, it has not yet successfully achieved. Complementarity is expected to enhance sustainable synergy and development. However, the field data does not prove all this. First of all, it appears to be premature to expect the decentralised bodies to undertake the task of establishing linkages with banks and other institutions. The PRIs themselves are not yet established firmly and independently as democratic bodies with power suitably devolved. The functioning of the groups is not the least transparent and have encouraged sufficient criticism and led to suspicions about their accountability. Although SGSY is open to all, our sample consists of only women’s groups. In a way, this has shed light on certain special challenges for women’s groups, given their low literacy levels, restrictions on mobility and feminisation of poverty.

To sum up, the design of SGSY programme is good as it seeks to further decentralisation and good governance principles. However, the programme
implementation suffered on account of a number of problems such as inadequate functional assignment, inter-governmental transfers leading to disincentives and unfavourable conditions for the income earning through micro-finance initiatives. Thus, bureaucratic attitude, limited decentralisation, lack of minimum development of areas and people contribute to inability to follow good governance principles and decentralisation for income earning through employment generation.

8. Role of Local Organisations in Women Development and Empowerment: A Study in Karnataka and Madhya Pradesh States, India

D Rajasekhar, B P Vani, K G Gayathri Devi

The institutional landscape for women development and empowerment in India is noted to be dense with organisations undertaking similar functions at the district level and below. In this context, the questions often raised in the design of women development and empowerment projects are: which type of local organisations undertake what functions better, and what factors contributed to the different levels of performance. These questions are addressed in the study with data collected from 71 villages in four districts in Karnataka and Madhya Pradesh (MP) through a survey and participatory rural appraisal methods. The Local Organisations (LOs) found in these villages were formed by development projects of the World Bank (RWDEP, widely called as Swa-Shakthi), line department (Stree-Shakthi in Karnataka and SGSY in MP) and NGOs. The projects adopted the strategy of micro-finance as an instrument of development and empowerment of women. By initiating the micro-finance and other activities in these organisations, the projects aim to improve and sustain access to credit among poor women for meeting their consumption and production needs, and resources from the line department and local elected bodies.

Which Type of LO Undertook What Function Better?

The functional assignment to different organisations at the district level without adequate support in terms of policy and resources led to inability of these organisations to undertake the functions mandated to them, and hence, the conclusion is, no duplication. The policy implication is that before functions are assigned to different organisations in the design of developed projects, scanning of the policy environment is necessary. Further, the organisation entrusted with the function of co-ordination should have constitutional mandate to the political, administrative and fiscal powers to undertake this function meaningfully. In the present context, the local elected bodies have such a mandate, and hence, they should undertake this function.

The presence of 3-4 institutions in the same sector at the district and block levels led to conflict and antagonism. The policy suggestion is that while different organisations are to be assigned different functions based on advantages and capacity in the short-run, there is a need to identify an organisation (local decentralised body in this context) which has the constitutional mandate to address issues relating to women empowerment in the long-run. The development projects should make adequate provision to support such an institution in terms of assets, capacity building and policies.
Institutional landscape at the village level was not overcrowded. The total number of LOs under all the programmes in a village ranged from one to twelve in the selected states with the mode being 3 in Karnataka and 2 in Madhya Pradesh. It is not, therefore, true that the villages were flooded with the SHGs, as has been widely believed.

The LOs undertook only the basic functions of formation of groups, providing savings and credit services, conflict resolution and monitoring. The development functions (improving the participation and involvement of the poor in structures that control the resources and wider decision making processes) were not undertaken due to limited decentralisation, livelihood related constraints and social obstacles, notwithstanding that these functions were the key to achieve the socio-political empowerment of women. Thus, village level LOs did not frequently and fully undertake functions aimed at collective action for women development and empowerment. The performance of the functions was good only in the case of basic functions, and varied across the LOs of different types.

The support organisations were the line department in Stree-Shakthi and SGSY programmes, and NGOs for the LOs initiated by Swa-Shakthi and others. The NGOs were more likely to undertake the functions of building the capacity of the members in savings contribution, proper utilisation of benefits and information sharing. They tended to perform better in the support functions as compared to the line departments.

Factors Associated With the Development Outcomes.

Different LOs possessed different asset endowment (human, material and organisational), and were engaged in different types of processes. There was also variation in the development outcomes of equity (access to savings and credit benefits), effectiveness (achievement of project objectives) and sustainability (organisational and financial features of LO sustaining benefits stream). Assets (barring financial) and processes were not associated with the development outcomes. The organisational rules did make a difference to the development outcomes, if they were followed in the LOs. The study found an association between the assets and processes, and contextual factors. The linkages with the banks were positively associated with assets and the development outcomes. The linkages with the gram panchayats, line departments and other LOs have had a mixed impact. The evidence strongly suggest that village characteristics, socio-economic homogeneity and socio-economic position of the members influenced the development outcomes due to the following:

The projects were not uniformly successful in forming groups in the needy villages due to poor targeting, resource constraints, and compulsions to work in contiguous villages. Notwithstanding the theoretical and empirical findings that the small and homogenous groups were advantageous for undertaking micro-finance activity for women empowerment, the groups formed under the programmes were heterogeneous and large due to target chasing, lack of technical capacity, etc. This had considerable negative influence on the undertaking of functions, initiation of processes and achievement of development outcomes.
Incentive structure to the staff favoured the inclusion of better off among the poor. The target chasing together with the programme reliance on monitoring indicators such as regular savings and borrowing influenced the staff to focus on those households, which could contribute regular savings and borrow credit. This suggests garnering of benefits by 'elite within the poor'. The members belonging to such households actively participated in the group activities. A significant proportion of the office-bearers in both the states were pursuing high income earning non-farm activities, and milch animal rearing. They actively participated in savings contribution, borrowing and undertaking expanded/ better economic activities. Such households pressed for bank linkages. They also contributed larger amounts of savings if they were confident about obtaining the bank loans.

The study, thus, reviews the assumptions behind the strategy of women’s development through the creation of LOs. The logic of government and international aid agencies has been that if LOs are assigned development functions, provided with adequate assets and helped to initiate processes, they will achieve the development outcomes despite the adverse environment in which interventions have been made. The finding that this did not take place implies that the efforts aimed at the minimum development of villages (roads, education, amenities and income generating opportunities) should precede or accompany the strategy of women development and empowerment through the LOs.

9. Role of Local Organisations in Water Supply and Sanitation Sector: A Study in Karnataka and Uttaranchal States, India

D Rajasekhar, Veerashekharappa

In recent years, the participation of people in implementation and maintenance of water supply sources in all the government programmes has been emphasised. Further, as part of decentralisation process, the organisations at the district level and below have been entrusted with the responsibility of both creating and maintaining water supply and sanitation works. The emergence of several organisations in providing drinking water has given rise to the questions concerning the relative roles between these local organisations (LOs) during the design and implementation of the programmes. Against this background, this study aims to analyse two research questions, "which type of LO undertake what functions better", and "what factors contributed to the different levels of performance", with the help of data collected from four districts in Karnataka and Uttaranchal states.

Which Type of LOs can Undertake Which Function Better?

The sample LOs at the village level were initiated by the programmes of line departments, local decentralised government and the World Bank. LOs undertook only basic functions relating to the provision of timely and adequate water, and capacity building in the proper use of water and making regular contributions. The Jal Sansthan in Uttaranchal did not undertake even the basic function of providing timely and adequate water. Many LOs formed by different programmes did not undertake the development functions, needed to improve the quality and sustainability of services, due to limited political, administrative and fiscal decentralisation, and lack of enabling environment.
The functional performance varied by LO types. The village conditions had considerable influence on the functional performance. The performance was poor in villages with larger proportion of SC/ST households, and good in developed villages. The social capital in terms of larger number of total civil society institutions positively influenced the functional performance. The education of office-bearer has had a positive influence on the functional performance. The quality of linkages between LOs, on the one hand, and gram panchayats, line departments and other organisations, on the other, had a positive influence on the functional performance.

The LOs, in the process of implementation, were aided by support organisations such as gram panchayats, line departments and NGOs in the different programmes. Gram panchayats did reasonably well in Karnataka despite the fact that the framework for them to undertake these functions being not very conducive. The line departments in Karnataka and Uttarakhal (Jal Sansthan) did not do very well either in undertaking of support functions or performance in them. Although NGOs did very well in most of their functions relating to supporting Village Water Supply Cooperatives (VWSCs), their performance in building the capacity to have linkages with the other development actors was not good due to lack of framework for such linkages. Their performance was also adversely affected by the limited tenure of staff, more accountability to the project offices, and flaws in their identification and selection.

Variation in Development Outcomes

Different LOs achieved different levels of success in development outcomes. The local organisations achieved outstanding success in providing drinking water to the rural households. Further, the World Bank projects made it possible for 40 to 58 percent of the households across the states to access water within 10 meters – which meant the source was located either at home or very close to home. This was, however, not the situation in the case of households depending on water supply sources provided by the line departments and local elected bodies. The quantum of water accessed by each household member was between 20 and 40 litres in respect of most of the households. The households were able to draw more water even during the summer, and this reflects largely the ability of the source to provide larger quantum of water when it was most needed by the rural households. There were, however, differences across the LOs in their ability to provide sufficient water.

Effectiveness outcomes were good in the case of water supply and poor in the case of sanitation benefits. The latter was due to inability to fulfil the expectations raised in the pre-feasibility studies and poor implementation. The former was more related to the pre and post interventions by LOs, and not directly related to absolute levels of deprivation.

Inability to collect user fees meant that the financial sustainability has been an outstanding issue. The possibility of obtaining resources from the government towards the maintenance of water supply meant lack of incentives for the LOs to provide qualitative services and mobilise resources from users. Lack of participatory processes among users in the case of all LOs implies that the long-term institutional sustainability is suspect notwithstanding incorporation of legal and constitutional provisions towards the same.

Despite huge investments on water supply in the sample villages towards water supply, the drinking water problem was termed as serious to very serious by a majority of the gram panchayats in Karnataka, and quite a few in Uttarakhal. An
important reason for terming the problem as serious was that the source from which water supply was drawn was drying up and/ or was unable to provide sufficient water. This partly reflects the failure of the LOs to undertake functions aimed at augmentation of water resources, and partly the limitation of the strategy of water supply provision through local organisations.
What Factors Influenced Development Outcomes?

The assets (human, financial and organisational) and processes (participation, transparency and accountability) partially explained the variations in development outcomes of equity (receipt of water supply and sanitation benefits), effectiveness (achievement of formal project objectives) and sustainability (organisational and financial features of LO sustaining benefits stream). The quality of linkages between the LOs, on the one hand, and gram panchayat, line departments and other community based organisations, on the other, positively contributed to the development outcomes.

The contextual factors (village, LO and household characteristics) significantly influenced the development outcomes. The dependence of water supply schemes on depleting groundwater resources and natural streams and absence of any investment on rejuvenation of groundwater resources meant that the sustainability of the source itself is an outstanding problem. Faced with the situation of inability to provide water on account of depleting groundwater resources and design flaws, the response of LOs was to encourage household connections at the expense of public sources as the concerns of financial sustainability dominated the thinking of LOs. This resulted in the provision of private household connections in all the sample villages. This also had adverse impact on the equity in the distribution of scarce water to the poorer sections in the village.

The study reviews the assumptions behind the strategy of providing basic services through LOs. In the context of water supply and sanitation, the main functions are wise use of scarce water, reducing the deprivation levels to the poor and sustaining the functioning of vibrant institutions representing the poor. In varying degrees, the LOs could not succeed in these basic functions in the context of unfavourable contextual factors (lack of basic amenities, illiteracy and depleting natural resources including the groundwater) and the demand perspective becoming the dominant paradigm.

The Discussion on Factors Influencing Development Outcomes has the Following Conceptual and Policy Implications.

- The characteristics of the resources and physical characteristics will have significant bearing on the collective action. If water supply sources are connected to the more reliable groundwater and natural resources such as natural streams and springs, the collective action in the form of participation in the planning, making capital contributions and payment of user fees is more likely. The defects in the programme and implementation design adversely affect the participation of people in the programme and these also have an adverse impact on development outcomes of effectiveness and sustainability, which, in turn, influenced the range and composition of functions undertaken by the LOs. In situations of this kind, the LOs find it extremely difficult to undertake the development functions, and even basic functions.

- The characteristics of the resource and physical features of the water supply sources will have adverse impact on the effectiveness, and this will, in turn, lead to changes in the composition of the user group if demand perspective is the dominating paradigm. The inability of water supply sources to provide sufficient water on account of depleting natural sources and groundwater resources resulted in changes in such a manner that the private sources (with the characteristic of
excludability) gained prominence at the expense of public sources (with the characteristic of non-excludability). This implies that the users were increasingly those who could afford the private sources, and hence, changes in the composition of user group.

- The inability on the part of the poor to express and secure their interests reflects the lack of or failure of institutional mechanisms. The institutional features of having small, homogenous and vibrant groups in the programmes on the delivery of basic services are, therefore, very important to represent and secure the interests of the poor.

- The imposition of user fees is problematic if the private and public sources co-existed in the same locality with the possibility of alternating between the sources. Further, the community oriented programmes combining demand perspective cannot afford to commit flaws in the design and implementation of water supply and sanitation activities, if they are serious in the mobilisation of user charges from the community.

The central role to the local elected bodies has been assigned not on the basis of their current capacity in participatory planning and implementation. The policy suggestion that local elected bodies should undertake key functions relating to water supply and sanitation has been made with the assumption that everyone concerned with development will strive for those policy and programme changes at the state level envisaged for these bodies in the 73rd Constitutional Amendment. The implication is, therefore, that the local elected bodies do not currently have good policy framework for political, administrative and fiscal decentralisation notwithstanding that efforts in this direction have been going on in a State like Karnataka for the last two decades. If such a framework is provided, the study results indicate that, it is reasonable to hope that they will be in a position to undertake the functions relating to water supply and sanitation.

10. Role of Local Organisations in Watershed Development: A Study in Karnataka and Uttaranchal States, India

D Rajasekhar, D V Gopalappa, Madhushree Sekher

The policies and programmes of the Indian government on watershed development activities support the entire livelihood system of the people (including the poor and women) residing in ecologically fragile zones, emphasise participatory approaches and involve different types of organisations in the implementation. With a plethora of organisations at the district level and below, and the assignment of functions to these different organisations, questions relating to the relative roles between these organisations during the design and implementation of watershed programmes have been raised. Against this background, the present study has been taken up to assist in improving the organisational design of decentralised interventions.

The main objective of the study was to find answers to the questions `which type of local organisations undertake what functions better` and `what factors contributed to the different levels of performance`. The study was carried out in 69 villages in five districts in Karnataka and Uttaranchal, and collected data from 78
village level local organisations (LOs) with the help of a survey and participatory rural appraisal techniques. The LOs covered in the study formed part of projects initiated by Karnataka Watershed Development (KAWAD) programme, Integrated Watershed Development Programme–Hills II (IWDP- Hills II), and programmes of Desert Development Programme (DDP), Drought Prone Area Programme (DPAP), National Watershed Development Programme for Rainfed Areas (NWDPRAR) and Joint Forest Management (JFM) initiated by the line departments.

Which Type of LO Undertook Which Function Better?

The functions assigned to the organisations involved in watershed development at state, district, block and village levels followed the logic of which type of organisations was best suited to undertake what function better. Two or more organisations at the state and district levels were assigned the same functions of information sharing, monitoring, implementation and conflict resolution. Since some of these functions enjoy scale economies, it is tempting to conclude that there was duplication of functions. However, functional overlapping had been recognised in Uttaranchal and attempts were underway to bring convergence. So when it came to actual function, efforts were already afoot to bring convergence. In Karnataka, the functions were duplicated by KAWAD programme, established as a special and different organisation, and the line departments. However, given the differences in the functions and implementation style, KAWAD as an experimental project and cross learning that took place between KAWAD and other programmes, it suggests inter-governmental competition leading to overall improvement in the watershed programmes in the state. Thus, it is difficult to conclude that there was duplication in assigned and actual functions.

The village level LOs undertook only basic functions of providing watershed benefits, enhancing the capacity of members to make regular contributions and proper use of watershed benefits and monitoring. They, however, did not undertake the development functions needed for securing and improving the livelihoods of the poor for two reasons. First, the framework for undertaking development functions (such as lack of significant political, administrative and fiscal decentralisation in local elected bodies) was not conducive, and second, since the programmes were not strictly watershed in nature and meant for the poor, the need for undertaking such functions was not felt.

The performance of the functions varied across the LOs of different types. The functional performance was influenced by the village and LO characteristics. This finding has the following conceptual and policy implications. i) The functional performance was good in villages with larger proportion of poorer households, and this does not support the common perception that the incidence of the poor in a village came in the way of the performance of functions; ii) the positive and strong association between functional performance and size of the group goes against the widely held view that smaller groups achieved good functional performance. This implies that the dynamics in the study LOs (undertaking activities beneficial to the better off in the name of watershed programme) was different as compared to the others; iii) good performance by LOs having linkages with local decentralised government and line departments leads to the policy suggestion that linkages among development actors are essential.

Gram panchayats in both the states neither undertook watershed-related functions nor succeeded in them. The data on expenditure pattern on sample
panchayats in Karnataka, regarded widely as the forerunner in decentralisation, show
that negligible amount was spent on watershed activities.

The support organisations were NGOs for KAWAD groups and line
department in the case of the other LOs. The support organisations especially NGOs
undertook the basic functions of formation of groups, management and monitoring
and also did well in these functions. The performance of the line departments in
undertaking the function varied; very good in the case of a few basic function, and not
so good in training, providing capable staff and ensuring accountability. Uniformly
across the programmes and states, the support organisations did not perform well in
the functions of organising meetings with the government to obtain assistance for
members, training on the selection and success in right technology and crops, linkages
with gram panchayats and information sharing.

There was no duplication in the functions at the state and district level
organisations. This was also true at the village level LOs because the number of
watershed groups was only one for a village or watershed area. Thus, there is no
support to the widespread belief that villages were flooded with LOs duplicating the
watershed activities.

What Explains the Development Outcomes?

A significant proportion of LOs formed by IWDP II and KAWAD did not
extend equal access to monetary benefits, and some households benefited from high
value watershed activities more than the others in the same group. The household
perceptions on changes in the access and productivity of resources differed across the
LOs, and were in general influenced by the type of activities on which most of the
resources were spent by a LO. Most of the LOs belonging to KAWAD programme in
Karnataka spent donor funds on private activities, while those belonging to IWDP II
on horticulture, minor irrigation and soil conservation. The minor irrigation works in
the context of IWDP villages meant lining of irrigation channels, while soil
conservation works related to arresting the course of rivers and channels. This has the
following implications: First, the watershed approach, in strict sense of ridge to valley
approach, was not followed. Second, the villages selected, such as those already
having irrigation, were redundant for watershed interventions.

The variation in the development benefits received should be, therefore,
explained in terms of what activities received importance under watershed
programmes. While the activities undertaken by KAWAD groups in Karnataka, to
some extent, helped to improve water table, increase cultivable land, introduce new
crops and increase income, those undertaken in Uttaranchal did not have any such
impact. More importantly, the access to fodder and fuel-wood did not improve in
both the states as the resources spent on these activities were meager. This implies
that the LOs formed under all the programmes did not take the concerns of the poor
into account.

The sustainability potential was relatively better in KAWAD because of the
existence of mechanisms to take care of staff salary, larger quantum of development
fund and the presence of SHGs to represent and secure the interest of the members in
sofaras watershed development programmes were concerned. However, lack of ‘ridge
to valley approach’ raises serious issues relating to the sustainability of the resource
itself.

The activity preference across the LOs was, to a large extent, influenced by the
contributions. The well-off farmers needed certain type of activities to be undertaken.
Under the framework of beneficiary contribution having important say in the activity, the well-off farmers contributed more and also obtained more from the groups. This was, thus, a case of ‘elite capture’, which had negative impact on the processes that the LOs had to engage in.

These development outcomes were significantly associated with village, LOs and household characteristics. Equity, effectiveness and sustainability outcomes were poorer in villages with larger proportion of SC/ST and poorer households, and better in developed villages. They tended to be better in larger and economically heterogeneous villages. The households were likely to be positive in the fulfillment of expectations and achievement of benefits if they belonged to upper castes, owned larger landholdings and contributed larger amounts towards watershed activities. The strong association between contextual factors and development outcomes could be explained by the contributions that the farmers have to make towards watershed activities.

The study, thus, reviews the assumptions relating to strategies of watershed development through LOs. A positive association between assets and processes and contextual factors suggests that the instruments through which LOs sought to bring about poverty reduction were better utilised by the groups in the developed villages (in terms of roads, amenities, education, etc.). The positive association between development outcomes, on the one hand, and village and household characteristics, on the other, indicate that the LOs would perform well in better-off villages, and in the case of better-off farmers. These indicate that some critical minimum development on amenities, education, etc., either should precede or accompany the watershed development through LOs.

11. Quantitative Analysis In Federal Finance: From Theory to Policy Formulation

Hemlata Rao

The book entitled, “Quantitative Analysis In Federal Finance: From theory to Policy Formulation” basically deals with application of quantitative techniques in the analysis of three major issues in federal finance namely the Vertical Fiscal Imbalances (VFI), Horizontal Fiscal Imbalances (HFI) and the methods of Federal Fiscal Adjustment to reduce these fiscal imbalances. Initial allocation of powers and functions between different layers of government gives rise to VFI while diversity and disparity factors, differential needs and resource potential of the constituent states in a federation lead to HFI. These imbalances are sought to be corrected through federal fiscal transfers. In fact it is here that the need for adoption of clear principles, criteria and right quantitative methods arise.

This book examines and explains various quantitative techniques, their theoretical relevance, and application in federal fiscal policy formulation. The quantitative techniques and their uses are illustrated with the help of actual data. Use of data is only for illustration and not for drawing any policy conclusion

In this book, various quantitative techniques used in the literature on federal finance for assessing the extent of VFI, the degree of centralisation/ decentralisation, HFI, relative levels of development, extent of poverty, taxable capacity and tax effort, tax elasticity and buoyancy, fiscal need are critically examined. When the federal government draws a plan of assistance many times it becomes necessary to forecast the resources and expenditure need of the lower level as well as of the federal government.
This study examines various methods of forecasts and illustrates the methods with actual data. In order to understand the various concepts and criteria of fiscal adjustment, the application of quantitative analysis is preceded by theoretical discussions. The methods are applied and illustrated with the actual set of data taken mainly from the Indian federation. In some cases data are taken from other Federations also.

Any change in the end result owing to wrong selection of a quantitative technique or specification error or due to data deficiency can change the relative positions of the federating states in terms of receiving federal assistance and tax shares. This in turn may cause failure of fiscal adjustment schemes in achieving the objectives of equity and efficiency. These are critically brought out in the study.

12. WTO Agreements and Small Scale Industries in Karnataka State: An Explorative Study of Current Policy Issues and Interventions, and Future Policy Options

M.R. Narayana

This study has explored the economic aspects of current policy issues and interventions, and future policy alternatives, for the small-scale industries (SSIs) in Karnataka State, as they are related to the WTO agreements.

The major objectives of the study were as follows: i) Analyse the recent growth, productivity and competitiveness of SSIs, classified according to major industries/commodities in both modern and traditional sectors in Karnataka State. ii) Analyse the WTO agreements and their specific provisions, which had economic bearing on the scope and functioning of SSIs in the State, classified according to major industries/commodities in both modern and traditional sectors. iii) Identify the nature of economic adjustments, which were formulated and implemented for different sectors/commodities under SSIs in the State. iv) Highlight the role of government, in general, and policy of reservation to SSIs, in particular, in the context of changing economic and business environment. v) Explore the nature and composition of domestic and international competition of the SSIs, especially as a consequence of WTO agreements. vi) Explore the impact of economic adjustments on inter-district and rural-urban variations in the distribution of units and investment of SSIs in the State by different investment slabs. vii) Suggest specific measures for capacity building to ensure compliance with WTO provisions and for improvements in technology, quality and standards of products, infrastructure, and market information for enhancing the competitiveness of SSIs in production and exports. viii) Suggest ways and means of building a database on SSIs in the State for monitoring the impact of WTO-related adjustments on a continuous basis.

Methodology

This study, which was empirical in nature, covers the entire Karnataka State, both registered modern and traditional manufacturing SSIs. The methodology comprised (a) scientific collection and analysis of data and (b) interactions with the stakeholders.

The database was both from primary and secondary sources. Primary data were collected from a random sample survey of 373 SSIs in the State. For inter-regional analysis, the sample SSIs were classified under three regions, namely, (i) Bangalore Urban region comprised the units in Bangalore Urban district; (ii) Northern
and coastal Karnataka region comprised the units in Dharwad, Hubli and Mangalore while the (iii) Southern Karnataka region comprised the units in Channapatna, Hosakote, Kunigal, Hassan, Mysore, Chitradurga, Kolar and Tumkur. Secondary data were collected from the Department of Industries and Commerce (DIC) and, from other departments of both State and Central Governments. In addition, the researcher had access to the data obtained through the Department’s random sample survey 2000-01 of registered working, sick, closed SSIs. All these primary and secondary data were described and analysed using simple descriptive statistical methods and econometric techniques.

The DIC also facilitated interactions with the stakeholders of the SSIs, such as, industry associations, experienced industrialists, commercial bankers, top-level policy makers and professionals. These interactions were in the form of participations in and presentations for the Sectoral Consultative Advisory Meeting in respect of SSIs (Chaired by the Commissioner of Industrial Development, and Director of Industries and Commerce); and Policy Level Task Force/Committee on WTO at the Government level (Chaired by the Principal Secretary, Department of Industries and Commerce). In addition, the methodology and initial results were presented in few conferences and seminars (within and outside the ISEC) to elicit professional comments and suggestions.

Major Findings

- WTO agreements had implications on all SSIs, whether or not they were in export and/or import trade. No agreement under the WTO was inherently discriminatory against SSIs in the State.
- Agreements under WTO were of both general and sector-specific relevance for SSIs. Agreement of Textiles and Clothing (ATC) was of specific relevance for textiles and garment sector; Agreement on Sanitary and Phytosanitary Measures (SPM) was for food processing industries; and Agreement on Technical Barriers to Trade (TBT) was for engineering, electronics, electrical and handicraft industries. However, Agreements on Trade Related Intellectual Property Rights (TRIPs), Subsidies and Countervailing Measures (SCM), Anti-dumping, Trade Related Investment Measures (TRIMS), Rules of Origin, Pre-shipment Inspection, Customs Valuation, and Import Licensing Procedures were of general relevance for different sectors. From the viewpoint of the State Government, the most important WTO agreements for SSIs were related to a) grant of subsidies, concessions and incentives; b) measures of protection from domestic and global competition; and c) promotional and regulatory measures for trade-related investment activities in the State.
- Under the national economic reforms and the WTO regime, SSIs have been undergoing a transition from “protected-growth regime” to “competitive-growth regime”. Consequently, the institutional support and policy measures adopted were aimed at increasing growth of SSIs through strengthening and enhancing their competitiveness. This was evident in the Government of India’s Comprehensive Policy Package in August 2000 for SSIs and Tiny Sector and also the Government of Karnataka’s New Industrial Policy 2001-2006. Thus, the approach and contents of the Central and State level policies since 1995 have been responsive to the requirements of SSIs under the WTO regime.
- Removal of reservation policy has been relevant under the WTO regime, because of its inconsistency with the implementation of Open General Licensing (OGL)
policy for SSI sector. Thus, dereservation policy has been introduced by the Government of India in the WTO era. In principle, the SSIs in the State have been affected by the dereservation policy for readymade garments, silk products, processed food products, leather goods, engineering goods, handicrafts, and electronic components.

- Under the WTO, negotiations for greater Market Access for Non-agricultural Products (NAMA) have been focussed on reduction/elimination of import tariff and non-trade barriers. These negotiations have been relevant for manufacturing SSIs in the State. At the Cancun Ministerial Meeting, seven products were proposed for mandatory tariff reductions: electronics and electrical goods, fish and fish products, footwear, leather goods, motor vehicle parts and components, stones, gems and precious metals, and textiles and clothing. Since these measures would have exposed domestic SSIs in these sectors against import competition, the proposal was not welcome by the SSIs as they were not prepared to face such an import competition.

- Productivity was considered as an important determinant of competitiveness of SSIs. In terms of gross output and gross value added per employee, productivity was relatively higher in electronics, chemical and pharmaceuticals, engineering and electrical industries, and lower in textiles and garments, food products and handicrafts. Higher productivity sectors showed higher total original investment on plant and machinery per employee. This implied that the capital investment was a key determinant of productivity. Productivity by size of investment in plant and machinery showed that the gross output per employee was highest in the investment size between Rs.5 lakh and Rs.25 lakh. In terms of gross value added per employee, the highest productivity was evident for the units with investment size of more than Rs.25 lakh. Thus, larger investment size had a positive impact on the productivity of sample SSIs. A comparison of cost competitiveness of SSIs in Karnataka with select Indian states showed that SSIs in Southern region of the State were non-competitive in labour cost. Further, from the econometric estimations, impact of capital-labour ratio and material inputs was positive and highly significant on labour productivity of SSIs. In terms of magnitude, the impact of material input variable was the largest. In addition, payment of higher taxes and experience with delayed payments had negative impacts, while awareness of labour laws had a positive impact, on the labour productivity of SSIs.

- Perception of SSIs on the impact of quality, quantity and cost infrastructure, and quality of business environment was captured on competitiveness in regard to transport, market information, credit, power, water, telecom and technology upgradation facilities. The evidence revealed the extent to which their competitiveness was affected by lack of these factors. a) Forty four percent of units due to poor and high cost transport facilities; 45 percent of units for lack of market information; 82 percent of units due to poor credit facility; 78 percent of units due to high cost and low quality of power supply; 35 percent of units due to high cost and low quality of water supply; and 84 percent due to low technology. b) Long delay was experienced by sample SSIs in getting credit sanctioned from banks, getting tax and duty-drawbacks, getting temporary and permanent registration, clearances for exports, permission for expansion and diversification, power and water connections, and clearance from pollution control board. Many of these delays were attributable to the bureaucracy in the departments in both
Central and State Governments, which in fact were responsible for reducing the business environment and competitiveness of SSIs.

- Total number of ISO certified SSIs was equal to 310 or 0.10 percent of total registered SSIs in 2002-03. The scope of industries covered by the incentive scheme for ISO certification was heavily concentrated in engineering goods industries, electrical, electronics and information technology industries and chemicals, drugs and pharmaceuticals. In terms of location, 83 percent of these SSIs were located in Bangalore Urban district, which reflected the lack of widespread adoption of certification norms under the WTO regime.

- Exploration of the sector-specific implications of WTO agreements from engineering, electronics, electrical, chemical, textiles and garments, food processing, handcraft and plastic industries showed that the GATT, TBT, TRIPS and TRIMS were the most widely known WTO agreements by SSIs in the State. In addition, of the trade policy measures under the WTO regime, introduction of OGL or removal of Quantitative Restrictions (QRs) was also widely known. However, generally the impact of these trade policy changes on one's own product in exports or imports was not known to the SSIs.

- An analysis of the extent of closure, and reasons for closure and sickness, of SSIs in the State since 1995 showed the following. Of the closed units, a) 30 percent were in Bangalore, 40.7 percent were in non-Bangalore urban areas, and 29.3 percent were in rural areas; and b) 24 (or 33) percent were closed during 1991-95 (or 1995-2000). Obviously, the largest number of closures was in the post-reform and post-WTO period. Sickness was high among SSIs: i) whose proprietors were non-graduates; ii) which manufactured for domestic markets rather than export markets; iii) whose employment size was less than or equal to 25 employees in general and 5 employees in particular. Further, closure and sickness were also higher among SSIs, which were located in private places and industrial clusters than in government-constructed industrial estates and areas. The common reasons for closure and sickness were escalation in project cost, labour problems, marketing problems and non-receipt of payments from the buyers.

- Multiplicity of institutions and variety of data collection were evident for the SSIs. These data were not consolidated for policy purposes. Data gaps existed in regard to performance indicators, factors influencing competitiveness, and compliance cost of WTO agreements. Thus, impact of WTO agreements on SSIs had not been monitored and evaluated in the State.

**Major Policy Recommendations**

- The State Government has an essential role to play in the context of policy making on international trade issues under the WTO. This calls for three future steps: a) a closer partnership of the State Government with the Central Governments on promotion, co-ordination and integration of policies for international trade for the SSIs; b) recognition of inter-relationships between the elements of globalisation, national economic reforms and WTO agreements to formulate strategic State level industrial policy to maximise the gains from trade and growth for the SSIs; and c) focus on strengthening and enhancement of competitiveness in all promotional policies of the State Government for the SSIs.

- A balanced approach to development of both traditional and modern SSIs is essential to accomplish the objectives of increasing production, employment, investment, exports and utilisation of local resources in all sectors and regions.
• Due to vertical and horizontal interdependency between small scale, medium scale and large scale industries in the State, balanced development and enhancement of competitiveness of the industrial sector as whole needs to be strengthened for enhancing the competitiveness of SSIs under the WTO regime.

• Awareness of WTO agreements, along with promotional trade and industrial policies and programmes of the Central and State Government, should be effectively given to all the SSIs. This calls for new and innovative activities of the KCTU-WTO Relay Centre. (a) Assessment of impact of WTO on all trading and industrial activities and disseminating the outcome of these assessments in Kannada language. This would meet the requirements of trading and industrial units, which are located in remote corners and interiors of rural areas, and whose proprietors are less educated and less proficient in English language. (b) Drawing expertise from export promotion councils to create and enlarge awareness on WTO-related matters for non-members of the councils. (c) Establishment of professional linkages with the sector-specific WTO sub-committees in industry associations and arrange for co-operative sharing of the benefits of associations' activities with SSIs in the State; (d) Bringing together the available expertise on WTO from the universities in general and professional education and in institutes of higher learning and research for technical guidance and collaborations as well as for the benefit of sharing their policy and scientific research with the SSIs in the State. (e) Effective use of information technology for continuous dissemination of information and awareness on WTO-related opportunities and challenges for SSIs in the State. (f) Special awareness programme on the need for ISO certification and special assistance, in addition to existing financial support, in required paper works.

• The State Government should take initiatives for creating awareness of mandatory global quality standards and requirements, and set up testing or laboratory facilities at global standards in regions with a heavy concentration of SSI producers and exporters in the State.

• Unit cost of production in SSIs can be partly reduced by the State Government in the following five ways. (i) improving the available quality and quantity of all industrial infrastructure facilities; (ii) reducing the price of publicly provided infrastructure facilities; (iii) reducing both State and local taxes on both inputs and final products; (iv) reducing the burden of delay in administrative sanctions and clearances; and (v) subsidising a part of the compliance cost of SSIs under different WTO agreements in the form of research and development (RandD) expenditure, as public expenditure on general R & D is WTO-compatible under the Agreement on SCM.

• Many of the reserved items for SSIs have been gradually dereserved, and the SSI products have been put on OGL. In addition, textiles and garments are under the quota-free trade regime which have been most exposed to competition. Hence, special measures are needed to enhance their national and global competitiveness. The State Government should introduce special export incentives and subsidies for the textiles and garment sector, as India is not prohibited from using export subsidies because her per capita national income is less than US$1000 per annum.

• A policy reconsideration for present investment limit to define SSIs is needed. This needs policy autonomy for the State Government to fixation of the investment limit, or to adopt alternative criteria, to define a small-scale industry in the State. A reconsideration of definition of SSIs should go a long way in increased capacity for production, removing limitations on expansion of capacity,
expanding economies of scale in production, exposure to vertical competition and, above all, encourage entry decisions by firms on economic considerations (e.g. profits, export earnings etc) under the WTO regime.

- Data on SSIs from different institutions should be consolidated. Data on live, sick and closed units should be continuously updated. This consolidation helps in building a Data Bank on SSIs in the Department, which shall be of immense use for continuous monitoring of performance of SSIs and for construction of indices of competitiveness (e.g. index of labour productivity or index of industrial production for SSIs) by sectors and regions. The Directorate of Economics and Statistics in the State should be involved for the initial steps in the setting up of the Data Bank for the SSIs. The data from the Third All-India Census of Small Scale Industries 2001-02 should form the basis for construction of this databank. The results of this Census should form the benchmarks for subsequent monitoring and evaluation of SSIs in the State.

- A separate study should be undertaken in the State on: (a) estimation of compliance cost and its impact on competitiveness for SSIs; (b) opportunities for the SSIs in general service sectors as well as in knowledge-based industries, such as, information technology (IT) and IT enabled services. (c) linkages between the small scale, unorganised and informal enterprises; and (d) importance of natural and induced cluster development for enhancing and strengthening of competitiveness of SSIs, under the WTO era.

13. Consumer Demand for Telecom Services in Karnataka and Goa

M.R. Narayana

This report makes an in-depth empirical analysis on the access and usage demand for BSNL's telecom services by household and institutional subscribers in Karnataka and Goa. The specific objectives of this study were to: (a) analyse social, economic and demographic characteristics of consumers which influence the demand for basic and value added services; (b) project demand for basic and value added services based on the background characteristics of consumers; (c) analyse the impact of changes in demand for telecom services on the economic growth in rural areas; (d) derive the impact of value added services on basic telephone services; and (e) draw implications for effective competitive policy for BSNL in the provision of basic and telecom services in rural and urban areas of Karnataka and Goa states.

Database

The database for this study was both primary and secondary. Primary data were collected from a sample survey of telephone exchanges, current subscribers and current non-subscribers of telecom services in both Karnataka and Goa. Because of institutional differences, different sample designs were developed and implemented for Karnataka and Goa. In total, 81 (or 4) sample exchanges, 1100 (or 200) subscribers and 1100 (or 200) non-subscribers were selected by simple random technique in Karnataka (or Goa) State. Secondary data were collected from official publications of Department of Telecommunication (DoT) at the national level, Directorate of Economics/Planning and Statistics at the State level, annual reports of Karnataka Telecom Circle (KTC) and Goa Telecom District (GTD). In addition, unpublished data were collected from records in sample exchanges of KTC and GTD.
Moreover, policy information and basic data on development of telecom sector, as available from the websites of the Department of Telecommunications, BSNL or Corporate Office, Telcom Regulatory Authority of India (TRAI) KTC and GTD were used in this report.

**Methodology**

The study has distinguished the demand for telecom services between access demand and usage demand. The access demand was distinguished between the individual or household access demand and aggregate access demand. Throughout, the focus of analysis of these demands was on (a) the socio-economic and demographic characteristics of household demanders in rural and urban areas; (b) pattern of awareness and current/probable utilisation of telecom services (i.e. basic, value added, broadband and mobile services) by household subscribers and non-subscribers in rural and urban areas; (c) estimation and prediction of socio-economic determinants of access and usage demand for telecom services; and (d) projection of access demand for households, based on their socio-economic characteristics.

For the estimation of determinants of demands for telecom services, different models were used. Binary Logit Model was used for the estimation and projection of probability of household access demand for telecom services in rural and urban areas. Panel data models estimated the aggregate access demand, where the dependent variable was a measure of teledensity at the revenue district level. In the same way, panel data models estimate the aggregate usage demand, where the dependent variable was the total number of metered calls at the telecom district level.

**Major Findings**

(i) The description of primary data showed the consumers' low awareness of telecom services including phone-plus-services, value-added services and broadband services, and poor knowledge of social and economic uses of these telecom services. Consequently, low subscription to these services was evident in the sample survey results. In addition, subscription to mobile services was low, and probable subscription in future, among the current subscribers of landline was not remarkable, especially due to lack of appreciation on its uses and cost.

(ii) The estimation results of the Binary Logit Model showed that, of all the socio-economic and demographic characteristics, income and location of friends and relatives in local call area had positive and significant impact on the demand for telecom services in Karnataka State. This result was found to be invariant, if the sample were separate for rural and urban Karnataka. In case of Goa State, income and education (especially, higher education) variables had positive and significant impact on the demand for telecom services, in both pooled and separated samples.

(iii) The single most important variable that influenced the demand for telecom services in both Karnataka and Goa was income of the sample households. Thus, income variable was focussed in predicting the demand for telecom services in both the States. The predictions showed that, given the average income, family size and age of households, and if the household was female, belonged to SC or ST, working in tertiary sector occupation, having higher education, income tax payee, belongs to nuclear family, and having majority
of friends and relatives in local call area, the probability of subscribing to telecom services was equal to 0.808 (or 0.825) in Karnataka (or Goa) State. Other things being equal, with a 10 per cent increase in average income, the probability of subscribing to telecom services was equal to 0.812 (or 0.828) in Karnataka (or Goa).

(iv) For Karnataka State, aggregate access demand was determined and predicted by growth of institutions, such as educational institutions, health institutions, financial institutions, social welfare institutions and industrial institutions. In total, the estimation of panel data models included 45 sub-groups of institutions. The estimation results showed that, of the institutions, educational institutions were the most important determinants of aggregate access demand for telecom services in Karnataka State.

(v) For Goa State, the relationship between levels of telecom development and economic development determined the aggregate access demand by sample taluks. Using data on 55 indicators at the taluk level, and by using Rank Score technique and simple correlation coefficient, this study found that economic development in general, and education development in particular, were the most important determinants of aggregate access demand for telecom services in Goa State.

(vi) Impact of telecom development (either in terms of teledensity or total number telephones) on economic development (as proxied by per capita income) in Karnataka State was estimated by panel data models, using the district level data. In all the estimations, the impact of different telecom variables on economic development was found to be positive and statistically highly significant.

(vii) The estimated determinants of aggregate usage demand for telecom services in Karnataka State offered evidence for the impact of changes in per capita income, share of tertiary sector in State income, benefits of network and call externalities, and implicit price of telecom services.

(viii) Using the average monthly expenditure on telecom services of sample subscribers by telecom districts in Karnataka State, an initial and indicative explicit price effect on aggregate usage demand for telecom services was estimated. The results showed that, if the price of telecom services was increased, such that the monthly telephone bills went up by one per cent, and other things being the same, the usage demand for telecom services was reduced by about 0.5 per cent in low capacity exchanges and by about 0.2 per cent in high capacity exchanges. However, these results are merely indicative and tentative.

Major Policy Recommendation

For Improvements in Demand for Telecom Services

• Increase awareness of services, knowledge on the usefulness of services, and information on cost/price of services.
• Attainment of higher economic development in general, and higher development of tertiary sector (especially, education sector) in particular, for increasing the aggregate access and usage demand for telecom services.
• As increase in income of the people is a consequence of overall economic development as well as its wide distribution, growth-cum-equity strategy for
development shall go a long way in improving future demand for telecom services in the State.

- Initial evidence on price effects is negative on aggregate usage demand for telecom services in Karnataka State. Hence, upward price revisions may not be attempted from the viewpoint of increasing demand for telecom services.

For Improvements in the Provisioning of Telecom Services

- Periodic and practical training at the level of DEs, SDEs, JTO and linemen to spread the awareness on the nature and quality of services, especially in rural areas.
- Introduction of a new incentive structure and better working conditions for field level staff, especially at the JTO and linemen level is essential to motivate towards new learning and to face the new challenges of modern technology and competition based on performance indicators and personal services.
- Strengthen and expand aggressive marketing strategies to retain the current market share and to increase future market share of telecom services, especially in mobile services, by professionalisation of marketing department.
- Village Public Telephones (VPTs) have no important role to play in the context of expanded telecom services in Goa State. Thus, they can be converted like any other telephone in a government office.
- Sanchar Sevek Programme has made a promising beginning to boost the demand for telecom services in rural Karnataka, which can be given a try in Goa.
- Given the usefulness of VPTs, they need to be strengthened in future in rural Karnataka.
- Available data on revenues should be shared with researchers and public for scientific analysis of policy implications, such as, impact of tariff changes on usage demand both at the aggregate level and at the disaggregate level of services.
- Advance cable planning in anticipation of demand is essential to virtually eliminate the pending cases.
- The concept of ‘Gramaphones’ is not practiced in both KTC and GTD. If permissible, the concept can be tried in Karnataka and Goa states on an experimental basis based on the experience in Andhra state.

14. Spin-off Effects of Industrial Incentives in Karnataka: A Study of Mega Industrial Units

K Gayithri

The recent practices of the state governments in India of encouraging industrial investment by way of offering various financial and fiscal concessions have made the system very complex and expensive to the state exchequers. In view of the scarcity of resources at their disposal to give away any direct doles to the industrial units, the governments have been sacrificing the revenue due to them from the manufacturing activities in the form of sales tax, entry tax, purchase tax, etc. These practices have been resulting in lot of distortions and the government is not in a position to keep track of the extent of revenue loss caused by such concessions. In fact, although these concessions to the mega units have been enjoying such concessions in the state for the last decade or so, there is no exact account of the loss
of revenue to the state exchequer let alone accounting for the benefits that have accrued to the state, which is unfortunate. While there can be no second opinion on the importance of promoting industrial development of a region, the strategies adopted to pursue it is a subject that needs to be reviewed and evaluated from time to time.

**Objectives**

The present study aims at addressing some of these issues in the context of mega industrial investments (Rs.100 crore and above) in Karnataka. The overall objective of the study is to examine the spin off effects in terms of the economic benefit such as employment, investment and demand creation. It is also important to examine whether such benefits are commensurate with the cost incurred in promoting industrial investment.

In the present study, an attempt has been made to analyse the behaviour of industrial investment, employment generation from the manufacturing sector by using the secondary data published by Government of Karnataka and Annual Survey of Industries, a publication of CSO. This has helped us to draw some inferences regarding the benefits of industrial development in Karnataka as compared with other industrially advanced states and also the state’s behaviour over a period i.e., before and after the introduction of incentives for the mega units.

In addition, the present study has been able to contribute to the understanding of effects of sales tax concessions on the state’s sales tax revenue performance. This is certainly an improvement over the prevailing situation, in view of the fact that, the exact loss of revenue to the state exchequer has not been precisely estimated so far. It was possible to get an accurate estimate of year-wise revenue loss from the year 1993-94 and study the distribution of the concessions by various divisions and the units. This data formed the basis for further analysis.

The present study has also attempted the tracking of exact revenue loss to the state government caused by the concessions to the mega industrial units in the state during each of the financial years after 1993-94 and also study its distribution by various divisions and products.

**Summary and Conclusions**

The results reveal over time a substantial increase in the loss of revenue to the state government. This, however, does not reflect the entire loss of revenue to the government, as there are also many other large and medium industries and the small industrial units that have enjoyed similar concessions during the last decade. Hence, we have a strong reason to believe that this could be an important factor among many others in the decline that has occurred in the buoyancy of the sales tax revenue during the last decade as compared to that of 1980-81 to 1990-91. In addition, to the sales tax revenue loss, the state has also lost considerable revenue on account of liberal concessions offered by the government under stamps under registration charges. The government does not estimate the cost.

Regarding the benefits that have accrued to the state on account of such industrialisation, we are currently not in a position to quantify benefits accruing from each of such investments due to the short time at our disposal, but, we have made a comparison of the industrial growth in Karnataka vis-à-vis some industrially advanced states and state’s own performance during the reform phase as against the pre-reform
phase. The results reveal that while Karnataka state has been in a position to attract a few industrial units with huge investment, it seems to have occurred at the cost of employment and balanced regional development. Employment generated from the large and medium industry has in fact had a decline even in absolute numbers between the year 1998 and 2003. This is a cause of serious concern. Capital intensity of the industry has increased considerably. The governmental policy of encouraging new investment by way of giving fixed investment based concessions seems to be in a total contradiction to the employment promotion policy of the government. In addition, there has been a problem of excess capacity creation by the industrial units.

Going by the nature of new investment that has taken place in the state in the last decade and its distribution in the state, it appears that the concessions offered are largely redundant. This is in view of the fact that largely new resource based investment has occurred in the resource rich regions like Bellary, Gulbarga, Dakshina Kannada and Uttara Kannada. These units possibly could not have come up in any other regions other than their resource base, as transport cost would be enormous otherwise. All the other mega units that are non-resource based have come up in and around Bangalore and Mysore which are endowed with better infrastructure facilities and also could offer other disadvantages such as proximity to markets agglomeration economies, availability of skilled manpower, access to various governmental departments etc. For these above reasons neither of these two categories of investment needs to be wooed by way of offering such expensive concessions. Government is justified in providing the required infrastructure, however, not by losing large revenue in schemes such as concessional stamps and registration charges and electricity tax exemption.

It has been opined by a majority of the units that have been located in these resource rich regions that the main factors that have guided the location of their firms is the local resource base and the availability of raw material. No doubt, they have graded the sales tax concessions also as very essential but it is surprising to note that some units have not been in a position to utilise even one third of the available concession amount. There are problems due to lack of parity among the investment, rate of tax and tax concessions. Rate of tax on declared goods like steel is very low, while the investments are highly capital intensive. Under such circumstances, complete utilisation of the concession is difficult giving room for various disingenuous methods by the units to utilise the concessions in full. Such practices have become easy to adapt in view of the fact that some of the tax-exempt enterprises are part of a bigger non-tax exempt enterprise and this has given room for inter-company transactions and avoidance of sales taxation. Inter-state competition enhanced the bargaining strength of these units and helped them maximise benefits by setting up expansion units in a number of states. Thus, for the nation as a whole, while the additional; investment may not have been substantial; revenue loss has certainly been very large.

The present policy of Government of Karnataka in providing the infrastructure support is good. Nevertheless, the huge costs associated with it such as Stamps and Registration duty concessions and electricity tax concessions need to be withdrawn.

Hence, there is a need to carefully review the strategy of promoting industry in the state.

Meenakshi Rajeev and Paramita Dasgupta

Introduction

Decision making during a period of transition in the phase of reforms, has to confront several types of problems. Two major concerns arise here are pace and range of reforms and their political feasibility. These issues are crucial when we speak of public sector reforms in India. Liberalisation process in India began with the opening of its domestic market to foreign investors at the same time simplifying the complex industrial licensing system. However, the reforms of the public sector units were not addressed for obvious reasons. The employment reduction that privatisation would bring about was unacceptable at the political front. However, as the dramatic rise in budget deficit and the adverse balance of payment mounted, successive governments, both central and states, were forced to contemplate various measures to pruning the expenditure. In the process, the idea of disinvestment in the public sector enterprises (PSEs) slowly got accepted even to the leftists with some reservations.

Comparisons of the state and central PSEs by different performance indicators reveal that in general state PSEs are less efficient than the central PSEs. Unlike the central PSEs, which are managed by professionals specialised in the field, state PSEs usually are managed by bureaucrats who are transferred frequently, disrupting any growth oriented long-term planning. Furthermore, given the precarious fiscal situation of most of the states, the urgency of PSE reforms assumes significance.

The beginning of the year 2002 has seen some concrete reform measures concerning the state PSEs in Karnataka. The state has in fact come up with precise policy prescriptions for reform and the implementation process was taken up. Following the move of the central government, the state of Karnataka, also established the Department of Disinvestment as the nodal agency to carry out the PSE reform programme. One of the interesting features of this new initiative is to identify enterprises for privatisation not with the criterion of profit but on basis of the type of activities that the units are engaged in (commercial/non-commercial etc.). Decision to close a number of enterprises was taken and government order issued to that effect for the respective enterprises. Disinvestment has been planned for many other PSEs also but the actual process is yet to commence. Closure of an enterprise has a negative impact on the employees, who become jobless immediately and therefore it was necessary to put in place appropriate safety net programmes.

Objectives and Methodology

Given this background the study has been designed with the following objectives:

- To review the reform policies undertaken by the state government in recent times.
- To work out an estimate of the actual financial burden on GoK arising from a selected set of enterprises. The estimations were necessary to establish that decision making merely on the basis of balance sheets would be misleading.
- To examine the current status of the employees who have opted to retire under the voluntary retirement scheme (VRS). The state government has initiated a training programme to help these employees to seek alternative employment opportunities and we intend to study here the impact of this programme.
The study is based on secondary data analysis and also on the primary survey of the employees who have come under the VRS.

**Major Findings**

Karnataka established a wide industrial base as early as the 19th century itself. The State played a significant role in the industrial development of Mysore even in the colonial period. The Dewan of Mysore, Sir M.Visvesvaraya began with the popular phrase ‘industrialise or perish’ in 1912 and thereafter played a crucial role in developing a strong industrial base in the state. At present the state of Karnataka has the highest number of PSEs in India. By the end of March 2003, the state had 90 PSEs. However, many of the state enterprises, which were once flourishing, later turned to be perennial loss makers.

**Findings**:

- An in-depth analysis of few selected enterprises reveals that financial loss to the GoK is much higher than the loss incurred by the respective enterprises as shown in their published balance sheets. This is due to conversion of unpaid loans to equity, waiving unpaid interests etc. It also reveals the actual financial loss to GoK incurred by the so-called profit making companies.
- From our field survey it is revealed that over employment is the most important reason for inefficiency. This has also come out from the econometric analysis of the secondary data. Our field survey divulges lack of autonomy to management and frequent political interventions as other crucial reasons for failure to record profits.
- In this *milieu*, the beginning of the year 2002 has seen some concrete reform measures aimed at the state PSEs in Karnataka. The Public Sector Restructuring Commission was formed in 2000 and its recommendations have been considered carefully. In 2002, the state had drafted precise policy for reform and the implementation process. One of the interesting features of this new initiative as mentioned earlier is to *identify enterprises for privatisation not through profit criteria but on the basis of the kind of activity that the enterprise is engaged in (commercial/non commercial etc).*

If in a particular sector where there is dominant presence of private entrepreneurs then the ‘market failure’ argument does not hold good. There may be some public enterprises which are profit-making like the Karnataka Soaps and Detergents Ltd. However, given the fact that there are a large number of private players in this segment, it is generally perceived to be that ‘government has no business to do business’ in this sector. Furthermore, our econometric analysis of secondary data reveals that the performance (measured in terms of profit and turnover) of the commercial public enterprises is no better than the other PSEs namely, development enterprises.

- For public sector reform, whether it is closure or disinvestments, retrenchment of labour becomes essential and the VRS is initiated for this purpose.
In the 3 year period 2000-2003, 4,000 people have opted for VRS, and the average payout towards this has been placed at Rs.350,000-400,000. This is about 2.5 times the annual pay of the retrenched workers and compares substantially better than similar payments made in other Indian states and developing countries. The GoK has already spent over Rs.275 crore on VRS payments for employees in PSEs included in phase I of reform. Another Rs.500 crore is required for making VRS payments in the remaining commercial PSEs. Training programme (safety net) to rehabilitate labour is also initiated by GoK.

Employees in the age group 50-53 constituted the highest share of those accepting VRS. It was the highly skilled employees who opted first.

Most workers retrenched through VRS are seeking alternative employment; nevertheless preference for self-employment is low due to the perceived risks involved. Our survey reveals that about 68 percent of the employees are seeking new jobs.

Most retrenched employees are unaware of social safety net programmes initiated by the GoK. The few who attended these awareness programmes were not convinced about its utility, but made suggestions to improve the effectiveness of the same.

16. Rationalisation of Entertainment Tax in Karnataka State

Maathai K Mathiyazhagan

Introduction

Entertainment Tax (ET) is charged at all places of entertainment, where admission is by ticket. It is not an important source of tax revenue in Karnataka as it contributed just less than half a per cent of the total State’s own tax revenue during 2002-03. Notwithstanding, its contribution to State’s own tax revenue, declined from 3 per cent in 1987-88, to 0.39 per cent in 2002-03, and is not elastic in nature. Though the rate of ET has been high (i.e., currently 70 per cent) over the years, the revenue collected from ET is not significant in the State on account of its low base, and the concessions and exemptions given for Kannada films. It can also be argued that lower tax revenue may be due to the failure to collect taxes, which are due. Therefore, to a large extent, the desired level of tax revenue in the State may be achieved only by capturing the tax revenue lost due to the ineffectiveness of tax administration or by curbing tax evasion or by increasing the tax base. In this context, there was a need for a detailed study in terms of factors determining ET in the State.

Key Objectives: The general objective of the study is to provide a rationalisation of the ET in the State. The specific objectives are: to review the administrative system of the ET; study the factors determining the ET; analyse the financial implications of uniform ET in the State and to find out tax evasion in the ET.
Data Source and Methods

Various documents and reports of the government on ET in the State, important factors determining ET, and the number of entertainment units, total audiences, total tax enforcing authorities, and components or sources of ET have been gathered. A Multiple Linear Regression Model has been used for this analysis. A framework for estimating ET evasion in the State was also designed by adopting a simple method by considering the difference between the entertainment tax revenue, that is due from the cinema theatres operating at full capacity, and actual collection of ET from them. For this purpose both primary and secondary data were collected. Various annual reports of the Finance Department, Handbook of Statistics, of Directorate of Economics and Statistics, Government of Karnataka provided the secondary data. The primary data are basically from the focus group discussion with the ET officers, theatre owners, film producers and distributors.

Major Findings and Suggestions

The major findings have been summarised in terms of administrative difficulties, size, growth and trend pattern, factors of determinants of ET, evasion of ET, and the implications of the uniform rate of ET for Karnataka.

As for the administrative difficulties, firstly it was found that effective tax collection was constrained because i) no appointed ET officer in respect of any area under the Karnataka ET rules of 1959 in Clause (g); ii) enforcement of ET Act is rendered ineffective because of the dual control i.e., the licensing authority of the entertainment units with the Revenue Department of the State while enforcement of the ET Act is by the Office of the Commercial Taxes; iii) no power for ET officer to impose fine on the guilty; iv) limited manpower and v) the meagre amount of revenue collected from ET.

The differential ET rate for amusement and recreation parlours, which is highly discretionary, provides room for misuse whereby the admission rates can be kept below the stipulated amount of Rs.250/-. Amusement and recreation parlours in Bangalore City and important towns are other important sources of ET. The other component of ET is the additional tax levied on the basis of admission and the cinematography shows. The tax on admission is eventually paid by the customers and is a contributing factor for the high cost of the cinema admission tickets. It deters the lower income people who are the major patrons of theatres. This tax in terms of shows is not applicable to Kannada, Kodava, Konkani or Tulu films. Discussion with ET officers reveals that the cinema theatres have misused the facility by screening non-Kannada movies in the theatre and claimed this benefit of concession. It is another important cause for low ET tax collection from the theatres. The additional tax on cinematography shows, which differ in terms of population size of the areas, also gives room for misuse of the provisions. Once again this problem is accentuated because of dual control as mentioned earlier.

There is no rationale in fixing the monthly tax rate for video shows across the three locations, viz., municipal corporations, cantonment boards and municipal councils. Moreover despite the taxation being progressive across different locations, the revenue generated is very low. This is due to the low level of tax rate considering the growing number of video shows. The exemption allowed for non-conducting of shows is also misused.
The criterion for the determination of the monthly tax for cable TV operators, based on the number of connections may tempt the Cable TV operators to evade tax by paying only for less number of connections aided by their improper maintenance of accounts.

The ET revenue of neighbouring States like Tamil Nadu, Andhra Pradesh and Maharashtra is three times higher than that generated in Karnataka. In fact Tamil Nadu with similar geographical size of Karnataka is generating higher ET revenue. Further none of these neighbouring states are giving any concessions or exemptions to films in their respective state languages.

Cinema theatres being an important source of ET revenue, have been rising over the years particularly from the permanent category in Karnataka. The estimates from regression results indicate that there is a positive relationship between the total number of theatres in Karnataka and revenues generated from ET albeit insignificant at the desired statistical significance level. It accounts that every one per cent change in the total number of theatres in the State leads to a two per cent change in the revenues collected from the ET. Therefore, growth of cinema theatres is very important to achieve higher revenue from ET Karnataka.

Another important determining factor of the ET in Karnataka is its rate, which at 70 per cent is relatively higher. The estimate of the regression results confirms that lower ET rate leads to higher revenue in Karnataka State and further, every one per cent change in the reduction of ET rate leads to 6 per cent increase in the total revenue from ET in the State.

An analysis of expected ET revenue from different cinema theatres reveals that about 82 per cent of the sample cinema theatres considered in Bangalore city has paid, on an average, only 6 to 8 per cent of their expected ET. This low collection of ET may be due to higher ET rate of the State, because of the chain effect i.e, higher the ET rate, lower will be the people visiting and consequently lower will be the capacity of the cinema theatres filled leading to lower ET collection. Further, finding it extremely difficult to sustain their business as also manage their huge operating expenses with the low earnings, a large number of theatres tend to evade ET. This is reflected in the results which indicate that only 18 per cent of the sample theatres paid 10 to 12 per cent of ET against their full capacity.

ET revenue collection and its evasion for 2002-2003 and 2003-2004 at 70 percent was analysed and some hypothetical situation on the capacity utilisation at 4 levels of capacity i.e., full, 75 percent, 50 percent, and 25 percent was also arrived at. The potential revenue shows a declining trend with progressive declining capacity utilisation. As for the ET tax evasion, the estimates indicate that the volume of ET evasion in Bangalore City was lower in 2003-04 over 2002-2003. The absolute ET evasion at full as well as at other levels of capacity was also lower in Bangalore City. The data analysis however, confirm the widespread ET evasion. This is also true when the impact of differential entertainment tax rate on tax evasion and tax revenue collection was studied. However, it also suggests that ET evasion has gone down with the reduction in the rate of ET from 80 per cent to 70 per cent in 2001-02 and 2002-03 respectively. Again the 10 per cent reduction in ET rate, resulted in nearly 11 per cent reduction of ET evasion for the full capacity utilisation of seats of sample cinema theatres in Bangalore City. People tend to evade paying tax, when the ET rates are high. It supports the theoretical idea explained by famous “Laffer Curve” analysis.
Implications of Uniform Rate of ET in the State

This study also examined the implications of the proposal for an uniform ET rate in India and also the suggestion to reduce the ET to 45 per cent as prescribed by the Sub-Committee on the Development of Entertainment, Ministry of Information and Broadcasting. Estimations suggest that the reduction of ET from 80 per cent, 70 per cent would reduce the tax evasion by Rs.1.99 crore in Bangalore City. So further reduction to 45 per cent which is the uniform rate would apart from curbing evasion would also increase revenue in Karnataka.

Suggestions

- There is a strong need for the rationalisation of ET rates to mitigate the difficulties in tax administration and its collection, enforcement of ET Act, as also to curb the widespread ET evasion in the State. It is suggested to opt for a single ET rate without any additional and service taxes in the State.
- It is suggested to adopt an optimal ET rate of 45 per cent in the State. This may lead to reduction of ET evasion and boost the revenue from ET, provided there is an effective enforcement of ET Act.
- There is a need to remove the exemption of ET rate for Kannada, Konkani or Tulu films for not only curbing the widespread ET evasion but also to promote and develop Kannada films in a positive manner. Indeed, it is a sensitive issue in the State.
- It is also necessary to remove other taxes like additional taxes on admission, and additional taxes on the cinematograph shows in the event of adoption of the optimal ET rate of 45 per cent. Eventually the State may have only one ET rate of 45 per cent. This should be an acceptable equation to Kannada films or producers and their associates in the State.
- There should not be any difference in ET rate in terms of urban and rural divide.
- The rates for other entertainment units except the cinemas can be retained and continued with the changes suggested in the respective sections.
- The study also observes that the definition of the term ‘entertainment’ is very narrow and gives scope for corrupt practices. The definition of the term ‘entertainment’ should also incorporate another clause in the Act related to any entertainment activity entertaining a group people, who are not classified in the Act, has to pay ET in the State.
- There are lots of live-band groups coming up especially in the city area in the State which should be regularised in the State and brought under the ET Act.It is suggested that a huge monthly lump sum be imposed on these kinds of entertainment activities. Of course, it can be another significant source of revenue out of ET in the State in future.
Introduction

Taxation is an important source of revenue for the States in India. The States derive their powers to raise tax revenue directly from the Constitution. Tax on Professions, Trades, Callings and Employments (as Profession Tax) is one among many constitutionally provided tax sources of the States. Entry 60 of List-II of Schedule-VII of Article 276 empowers the States to levy tax on Professions, Trades, Callings and Employments. Further Article 276 (2) of the Constitution puts a ceiling on the tax amount to be collected which is presently at Rs.2500 per annum on any individual profession or an institution. It is a direct tax levied on the persons/institutions engaged in the above activities. State Government itself can levy this tax by adopting an appropriate Act within the limits set by the Constitution or it can deligate the powers to levy the tax to the local bodies either fully or partially.

Objectives of the Study

In this background, a detailed study was undertaken to explore the possibilities of increasing the revenue from Profession Tax (PT) in Karnataka State with following broad objectives:

a) To study the growth and pattern of PT revenue in Karnataka State
b) Suggestions for increasing revenue from PT.
c) Suggest methods for moving to an advalorem rate linked to income up to the ceiling under the PT, and
d) To identify the new base particularly in the service sector that could be brought under PT net.

In order to address the above objectives different approaches were adopted. First, the existing professions/activities brought under the PT, the number of slabs and rates, exemptions given have been reviewed. Further, discussions were held with the officers of all the six divisions of Bangalore to identify their problems and suggestions. Again, various departments such as Information and Bio Technology Department of Karnataka, the Central Excise Department, which collects service taxes and the Income Tax Departments, were consulted to identify new professions/services especially under service sector alongside the Directories and Reports. The analysis was based on both qualitative and quantitative information. The latter consisted of secondary sources of information.

Growth and Pattern of PT Revenue in Karnataka

In Karnataka, Tax on Professions, Trades, Callings and Employments Act, 1976 came into force from April 1, 1976. The yield from PT during 1982-83 was Rs.12.56 crore which went up to Rs.177.77 crore during 2002-03 (provisional). The growth rate of PT over the previous years was above 20 per cent till 1993-94 declared thereafter. In fact, the growth rate was negative during 1997-98. The Annual Compound Growth Rate (CAGR) clearly unfolds that the growth rates were
15.5 per cent during the eighties and 13.5 per cent in the nineties and 8 percent the lowest, in the subsequent years. Again, the performance of Karnataka with regard to this tax is below that of Assam, Chattisgarh, Madhya Pradesh, Maharashtra and West Bengal.

Further, it is interesting to note, that of the total PT revenue, bulk of it accrued from salaried class i.e. 96 per cent and the remaining 4 per cent accrued from the other professions. This highlights the fact that there has been a slow growth in the PT yield in contrast to the growth observed in the service sector in recent years. Many factors like coverage, slab system, rates, exemptions, non-inclusion of emerging professions in the service sector, administration of the tax have contributed to this situation.

Suggestions for Increasing Revenue From PT:

• Rationalisation of tax slabs
• Rationalisation in ceilings and exemptions
• To identify and bring those professionals avoiding PT through field survey
• Administrative Restructuring
• Awareness creation on the part of the PT payers
• Proper coordination with professional and business bodies
• Computerisation of PT.
• PT registration should be made mandatory in all professions and employers.

Methods for Moving to an Advalorem Rate System Under PT

The study after reviewing the pros and cons of switching over to advalorem rate system found it administratively difficult to administer. The main hindering factors are:

• Ceiling limit imposed under Constitution
• Applicable only to the salaried class
• Generally applied in indirect taxation because of value addition at different stages.

New Base for Increasing Revenue under PT

The study has identified a large number of new professions/services particularly in the service sector for levy of PT.


K V Raju

Evolving appropriate systems, structures and policies for effective water supply to rural areas has emerged as a key challenge for many state governments in India. Traditional arrangements through which rural communities secured their water supplies – community and private wells, tanks, rivers – have gradually declined partly with the spread of modernity and rising expectations and partly because of
government efforts to deliver piped water supply. The rural water supply (RWS) problem has two dimensions. One is of choice of appropriate infrastructure/institution combine. The second is the issue of water-security through better planning and management of water resources. There is however, limited availability of organised literature on policy and design alternatives in RWS. Especially in Gujarat, there has been growing hiatus between government agencies and civil society of what might be the best approaches to meeting the RWS challenge. The government and donors have been investing huge sums on building pipeline schemes and inter-basin transfer of Narmada waters. This study is an attempt to contribute to the existing knowledge gap in understanding and also the analysis of issues from various dimensions. It commences as the first lap in a multi-year enterprise, which will hopefully shed useful light on the ongoing discussions on RWS policies and strategies.

The main focus of the study is to: a) analyse, through a survey of households in Gujarat and Karnataka, how domestic water needs of rural households are actually met, the real costs (monetary and non-monetary) of securing water supplies, and the level of ‘water security’ enjoyed; b) analyse asymmetries in access of RWS amongst households of different caste, class, wealth, political weight categories, and the extent of vulnerability of poor households; c) analyse the performance of alternative RWS systems – pipelines, tankers, panchayat water works, traditional community sources, private sources – in terms of adequacy, reliability, water security, costs, quality and other criteria from the perspectives of rural households; and d) develop an overall situation analysis for RWS in the two states along with a policy research agenda for 2004.

The study was supported by the International Water Management Institute-TATA Programme. For Gujarat component, ISEC has collaborated with Dr. Keshab Das, Gujarat Institute of Development Research, Ahmedabad.

Summary

The studies carried out over the last one year fall into two categories; a) Rural water supply, and b) Peri-Urban and Urban water supplies. The studies covered two states – Gujarat in western India and Karnataka in south India, both represent semi-arid region of the country, for field observation based analysis, while macro picture was captured from literature review and intensive discussions.

The RWS study is an attempt to understand the problems at various levels and also from different dimensions. It has helped to explore alternatives in a given context, understand generic issues and casual relationship for current situation. Villages representing different agro-climatic zones were surveyed with specific focus on water quality problems, groundwater depletion, coastal, sub-urban, politically controversial, and villages where external agencies worked with some success. A total of 40 village level (20 each in Gujarat and Karnataka) case studies helped to understand the field realities. Based on these case studies, an analytical report was prepared focussing on, a) key approaches to rural water supply, b) users’ view reflected in citizen report cards, c) the manner in which the perceptions of various players affect, d) tracking of emerging trends, e) identifying major constraints, and f) strategic options.

The peri-urban and urban water supply studies covered various aspects in a given urban context and mapped out different dimensions of the growing complexity of those problems. We carried out intensive studies as detailed below:
a) Kolar, a small town with 100 per cent dependency on groundwater where 97 percent of its sources are non-potable. The 985 household survey across 31 wards indicated that citizens get water ranging from 25-85 litres per capita per day. The entire study was carried out in active collaboration with local city municipal council. The study findings were presented in public forum, wherein all senior officers of the government, elected leaders of the municipal council, and citizens participated. Large-scale media publicity generated intense debate in the public forum, which resulted in higher-level debate in the State Assembly. Finally the state government, appreciating the research study, sanctioned Rs.50 lakhs to resolve the problem. Now, the CMC wanted ISEC to help in preparing the action plans and implementation strategies. ISEC is planning to involve local engineering colleges and other organisations to prepare sustainable water supply plan for the city, and to begin with in a couple of wards, where the councillors have shown interest.

b) In another urban study, 710 households with borewells in Ward-39 of the Bangalore Metropolitan area indicated that every tenth house has a borewell, and in the residential layouts, every house has a borewell with a depth up to 600 feet. We utilised local high school children for the household survey. In the study area, dependency on groundwater is high, and being a newly developed area, older habitations and new residential layouts compete for limited groundwater, till or even after city piped water supplies came in. Levels of groundwater extraction, financial investments by different types of users, power consumption levels were captured. The study also looked at how in a couple of years, the borewell associated assets have become non-performing, once piped water supplies started and how poor planning and regulation affect both citizens and natural resources sustainability in a growing city context.

c) It also attempted on a smaller scale to understand the groundwater contribution and role of various players associated with groundwater in Bangalore Mega city. Its preliminary findings were quite revealing to the citizens of Bangalore and more so the agencies involved in urban water supplies. The study covered different categories of groundwater extractors and users. It also mapped out roles of various agencies. Other key dimension of the study was to focus on waste water generation, its quality, impact along with flow with supportive evidence through water samples test, and potential for reuse, particularly from wastewater flowing in Vrushabhavathi valley. Presently the city water supply and sewage authorities are discussing our findings.

Findings

- Ground water depletion will continue further unless more serious efforts are not taken to solve the problem. Legal restraints have to be more stringent and clear. Although Karnataka has passed the Ground Water Bill and taken the first step towards regulation, implementation is still not effective.
- Quality problems and its effects on health are taking its toll in both Gujarat and Karnataka. Defluoridation and desalinisation units have to be used more effectively by creating awareness campaigns more intensely; else the objective will not be met. Flouride in water will cause long-term harmful effects, which the people have not realised. Need for trained personnel in maintaining and managing
the treated water is a must. Location of the deflouridation plant should be placed where it is convenient for people to access, particularly in large villages.

- Co-ordination between the government, NGO’s and the people in recharging water which compensates the demand for water and also quality water by supplementing through reviving the traditional resources and rain water harvesting methods. Effective results in Gujarat on should be replicated more intensely in Karnataka too. When people are involved and they see the positive effects, the spread effects will not be stopped.
- Co-ordination between all the departments working on water resources need to understand within themselves the objectives of respective departments and have a common vision so that the problem will be covered from different dimensions.
- Water conflicts that arise mainly due to scarcity, following poor management and untimely action can be solved with appropriate measures.
- Changing the perceptions of various stakeholders is important and there is need for a common platform where the issues can be discussed and the approach by the implementers should have sensitivity. Presumptuous actions without involved people or involving the elite in the villages should be avoided, helping all sections of society to voice their opinion. Training at all levels is necessary, inclusive of the implementers about how they need to address the issue. Need for clarity about their roles and how they have to perform their roles is important to avoid preconceived notions among the implementers. It is imperative that people should be involved and allowed to make decisions.
- Awareness creation needs to be promoted at all levels addressing various issues of the problem and also researched. Popular practices adopted in states like Gujarat can be replicated in other states also.
- Attacking the political interventions is a difficult task. They can be tackled by increasing the awareness among the people regarding their rights to enable them to fight for their genuine needs and rights. There is a need for transparency and accountability at all levels by making the system effective where the information and data should be made available at all time.

19. Institutions for Rural Infrastructure: Emerging Dimensions
A Case Study of Karnataka

K V Raju

Institutions play a critical role in the development and performance of rural infrastructure. This study is to empirically map how the nature of institutions affects the productivity of rural infrastructure and thereafter delineate the basic principles for an institutional framework that can help raise the performance of rural infrastructure services in a developing country like India. The study basically covered four elements of rural infrastructure namely, a) roads, b) irrigation, c) power and d) telecommunications.

The study has considered these components of rural infrastructure in terms of institutions for (a) financing, (b) building, and (c) operating and maintaining with the focus on how institutions can improve the performance of rural infrastructure. The focus was to discern the basic principles, which help certain types of institutions to succeed, while others fail. In addition, the study also reviewed the type of accountability and transparency achieved in new institutions; identified the change or shift or the new roles and responsibilities of the new institutions and assess their
performance since their inception. It also brought out the rational for their establishment, and how they in turn enabled the infrastructure to perform better.

To assess these dimensions of the infrastructure, case studies were carried out in the selected states. It covered the extent of resource mobilisation, changes introduced in processes, process of monitoring the learning, modifications introduced in accountability and transparency, key achievements, major constraints, and suggested possible remedies. The study also focussed on policy framework, legal framework and regulation mechanism for the current and future as well. The study is based on a review of literature in the developing countries.

The output of the research report was disseminated through a) draft report of the discussion at the policy level workshop for senior officials and for private firms, b) discussion papers and journal articles, c) policy briefs, and d) research report/book for wider diffusion.

This is a collaborative research study between the Institute for Social and Economic Change and the International Food Policy Research Institute (IFPRI), Washington DC. Dr. K V Raju of ISEC and Dr. Ashok Gulati of IFPRI were the project leaders.

**Summary**

Publicly provided infrastructure services have often delivered poor quality services with inadequate coverage. Governments in many countries have begun to allow private provision of infrastructure services to increase the efficiency levels and to ease the strain on public finances. Change in technology has created conditions for competition, in the energy and telecommunication sectors. Private provision is less promising which is pronounced in the road and the water sectors. To encourage private investment, two factors need attention:

- Political and regulatory reform as far as pricing is concerned.
- Enhance the credibility in the government’s new regulatory framework.

Among the reasons for private sector success has been the establishment of appropriate and transparent regulatory structures. Governments have ensured greater coverage of poor people by incorporating coverage target and by allowing flexibility in the prices and quality. The regulation of private providers is possible in some branches of infrastructure only, while a natural monopoly condition persist in other branches. Building effective regulatory structure requires accounting for quality and existence of supporting institutions. Flexibility in institutional design is called for, on the part of the regulators or else there is a possibility of corruption there also. Cost of infrastructure provision can be decreased by approaches like community participation. Greater information flow between the users and providers of services can produce an institutional design that serves the community better.

Rural infrastructure represents a substantial and growing component of World Bank activities. Currently, over one-fifth of the World Bank rural sector lending is spent on rural infrastructure. So, correct strategy is required for the provision of any service, whether public/private goods or for single/multiple communities. Decentralised decision-making combined with efficient service delivery is the most conducive path, which can be followed.

The local private sector is often involved in all types of infrastructure service construction or operation and maintenance, primarily as a contractor. Direct
involvement is limited. At the micro project level, local communities are much closer to the private sector than that of the government. Whether infrastructure is public or private, the foremost consideration should be accountability, enforced through transparency, open competitive bidding, incentives for performance, audits, participation of sub-groups etc. Even though the above is followed in certain sectors, it has not fully enveloped the segment or the other dimension is that the desired results have not been reaped. Rural infrastructure programmes should be designed in such a way that it taps the potentials of private sector, decentralised local governments and community-based organisations. Government should restrict itself by providing and developing the policy framework suitable for maximising the role of private sector and the communities. While monitoring and evaluating the project, the link between social capital and rural infrastructure should be traced.

**Findings**

- More funds and activities towards research and development are called for, irrespective of the section of infrastructure. For the development of any field, new vistas have to be expounded continuously at every stage. And for this, research has to be undertaken systematically in order to catch up with the development race.
- Information on infrastructure facilities needs to be pooled by a market committee, which can give ready made information on the availability or dearth of particular services in a particular village to the concerned, like local governing authorities.
- If any check is brought about as a measure, first step to be taken is to give the same a legal status, so that it becomes mandatory and is also followed seriously. In cases where this is not done, the objective behind such a check goes into the drain.
- Fiscal and monetary measures to encourage local production. For example, if more number of Village Public Booths are aimed at, then the local government should chart measures like provision of soft loan (lesser interest rates and longer repayment periods), exemption from payment of tax during the infant stage of establishment etc. which, would encourage the villagers to take such initiative.
- Streamline the procedures rather than to diversify, in order to plug in the loopholes. Therefore it calls for simplification of steps within a limited frame like the ‘single window clearance.’ For an approval when more stages are involved this paves way for corruption and red-tapism. Therefore it, calls for curtailing of the stages/steps, particularly for sanction of licenses and flow of funds from top to bottom tiers.
- Time frame need to be inculcated for all projects along with a tight follow-up. A specific goal should be staged for the respective project and for the respective region and not ambiguously state like toe PMGSY stating that the rural regions need to be linked up by 2012 (which is not a micro target at all).
- Improving the efficiency of the existing utilities to be considered rather than new schemes/plants. Much botheration should be diverted on the qualitative aspect of a particular service rather than to boast on the existence of the quantities of schemes for a service/segment.
- The success to achieve people’s participation depends on the attributes of leadership of the project/department concerned. The dictatorial, bureaucratic, corrupt, non-transparent and non-committed leadership does not reap fruits in favour of the people at large. So leadership is the topic of concern here.

G S Sastry

Water is a basic necessity and a minimum per capita litre per day is essential for human existence. With rapid changes in several social, economic and environmental characteristics demand for water has been increasing at an alarming rate. This has led to the problem of water scarcity throughout the globe and for obvious constraints, the problem is more acute in developing countries. In this context, there is ample scope for developing countries to learn the water management experiences from developed countries in terms of technology, institution, pricing, cost recovery, treatment and reuse of wastewater. The present study is such an explorative one between Bangalore and Paris. The study is based on the research grant to the author from the Sir Ratan Tata Trust (SRTT) research endowment.

In India, constitutional provision has been made under the state list to deal with the water resources along with Central Provision under Article 242 of the Constitution. While, there is (are) no specific legislation to deal with the water resources, one can find several legislations on water quality. Of late, water has been treated as an environmental resource and legislation on water pollution control was enacted to deal with the problem. Subsequently, the policy statements such as, the National Conservation Strategy and Policy Statement on Environment and Development, 1992 and Policy Statement for Abatement of Pollution, 1992 were adopted by the Government of India to treat water as environmental resource in the country. Notwithstanding the acute water problem, the Ministry of Water Resources had adopted the first ever Water Policy in 1997 for holistic management of water resource in the country followed by its revised and up-dated version in 2002. The water resource was managed under the head ‘Irrigation and Power’ under ‘Public Works Department’ during the Colonial rule. Subsequently, after several institutional restructuring, the Ministry of Water Resources was established in 1985 to manage the water resource in association with the Ministries of Agriculture, Rural Development, Urban Development, Environment and Forest, Industry and Power.

In France, the evolution of water policy began with the Act, 1898 dealing with water rights by highlighting sectoral management of water. The subsequent Water Act, 1964 promoted global management of water resources (distribution and anti-pollution measures) and underlined the importance of water resources in managing economic development. The unique feature of this Act is the establishment of water agencies and basin committees for the management of water resources in the country. Later, the Natural Protection Act, 1976; and the Fishing Act, 1984 also highlighted the protection and management of water resources. The revised and updated Water Act, 1992 promoted balanced management of water resources. At the national level, the water management responsibility is shared by the Ministry of Environment, Agriculture, and Public Works. An Inter-Ministerial Committee chaired by the Minister for the Environment coordinates the activities of the water policy. While, at the local level, mayors of communes (equivalent to village panchayets/urban local bodies) are responsible for water supply and sewage disposal. Normally, communes based on the existing privilege, delegate powers to private agencies for water supply and sewage disposal, which is popularly known as Public-Private Partnership. This model is very successful in France in particular and Europe in general.
Bangalore with 6 million inhabitants gets 753 MLD of water per day from the river sources Cauvery (683) and Arkavathy (70). Accordingly, the per capita water supplied per day is 126 litres. Since almost 35.7 per cent of the total water received is not accountable, the per capita liter consumed per day reduces to as low as 81 litres. Almost, 56.5 per cent of the total water consumed is for domestic purpose followed by the public stand post (31.7 per cent). The per capita water consumption by various zones of the city highlights the equity problem in water supply. The cost of production per kilolitre of water received for distribution is Rs 21.95 (capital cost Rs 9.91; revenue cost Rs 12.04). While, the cost of production per kilolitre of water excluding the share of unaccounted for water is Rs 34.15 (capital cost Rs 15.42; revenue cost Rs 18.73). However, cost recovery per kilolitre of supplied water is as low as Rs 11.64. The major share of the revenue expenditure goes towards power charges (51.4 per cent) followed by establishment (15.8 per cent). High share of power charges is mainly due to pumping of Cauvery water to the city from a distance of 98 kms to the height of almost half a km for water distribution in the city. Piped water supply to and sewage disposal from the city are being carried out by the Bangalore Water Supply and Sewage Board (BWSSB), an institutional arrangement established by an Act of Karnataka Legislation in the year 1964. The BWSSB has different water consumption slabs and associated tariffs to meet the social justice. However, frequent revisions in the tariff structure, has nullified the cross subsidy benefit provided to the socially disadvantaged consumers. The number of regular staff of the BWSSB is declining rapidly thus posing serious challenge in carrying out the day to day activities of the board. In this regard, higher share of establishment charges would imply larger expenditure on the capacity building of the existing staff and hiring of services from the other departments.

Paris City which was originally a fishing village has a long history which dates back to 52 B.C. In 2002, Paris had 2,135,300 population and a population density 20,336. The peculiarity of the city of Paris has been to keep the area of the city constant since Napoleon time. As a result, the area of Paris city was fixed at 34.5 square kilometers in 1784, which had remained constant till 1856. Again to allow moderate expansion, the city area was refixed at 105 square kilometer in 1861, which remains unaltered even to this date. However, Paris suburban area has been allowed to grow rapidly. The high cost of living has led to decline of city population by 26.9 per cent during 1921-1999 while, its suburban area has recorded very high population growth of 196.6 per cent during the same period. Almost constant population size associated with the area of the city has solved innumerable city management problems.

The present study is restricted to the Paris city only. Paris has enough water resource both surface and underground. Each source contributes 50 per cent to the total quantum of water drawn for processing and distribution. The two main sources are the rivers Seine and Morea and ground water in the environs of the city of Paris. Every day almost 1.3 million cubic metre of water is processed for consumption. However, only 6,80,000 cubic metre is distributed to the consumers through natural gravity. The per capita water supply to the Parisian per day is 250 litres. And water is supplied through out the day. The share of unaccounted for water is 8 per cent. Water distribution is through a centrally managed remote control system. Paris has dual water system, one potable water and other non-potable water used for non-consumption purposes.

In Paris, cost per kilolitre of water is 2.26 Euro (1 Euro = Rs 51.20). This is a composite tariff consisting of charges like water supply, abstraction, pollution, waste
water treatment and tax in specified proportions. This tariff is fixed based on the cost of production and supply by the company and other levies and taxes imposed by the water agencies and the government. As per the legislation, water supply and sanitation service is the responsibility of the Mayors of Communes (urban/rural local bodies) by recovering the total cost from the consumers. Entire Europe has adopted the principle of full cost recovery and polluter pays principle. In fact, water management in France is based on the prime principle `Water pays for Water'. The water supply service in Paris is delegated to the SAGEP Company by the municipal corporation of Paris, a case of public-private partnership. The study has attempted to draw policy implication for efficient management of water resources in the country as well as in Bangalore on the basis of French institutional structure.

21. Education and Development: An Inter-State Analysis in India

A S Seetharamu

Research and reflection in the 20th century have demonstrated that education contributes to overall development of society and quality of life of the individual households. But this is a highly generalised understanding. Systematic and research-based information regarding the level/form/content/constituents of education that may influence development or the constituents of development that may influence education is still to be generated. In the absence of such information it is difficult to set priorities in educational planning and management and also realise efficiency in education expenditures in such ways as they contribute to overall development efforts of a region/State. This study intends to examine the inter-correlations among developmental and educational variables as well as interaction effects among variables with pronounced relationships. It also reviews in brief the historical evolution of thinking in regard to the place of ‘development’ in economics and the space for education in development. There is also a review of educational performance of major States of India and the Indian State with respect to the Constitutional dream of Universalisation of Elementary Education (UEE), for the period 1950 to 2002. The performance review serves as a backdrop for the analysis of intercorrelations and inter-action effects.

Historical comparative analysis for treatment of data for the period 1950 – 2002 has been adopted. Spearman’s Inter-Correlation Matrix (ICM) Technique is used for analysis of cross-sectional secondary data for the year 2001-2002. Twenty-eight major variables and 79 sub-variables have been subjected to ICM treatment. Logic of choice of variables has been discussed. The variables are classified under Efforts, Constraints, Performance and Financial Capacity. Significant relationships are subjected to regression analysis using SLRM technique. Cross-tabulations of data have been made. Original data is used for interpretation.

Findings of the Study

• By the turn of the 20th century education got recognised as both having intrinsic merit and as possessing instrumental values for the speed and efficiency of development process.

• The unfinished debate in regard to the relationship between education and development is now centreing around the specifics. Specifics in education and
development representing efforts, constraints, performance and financial capacity form the subject of current debates regarding the relationship of these two major interacting variables – education and development.

- Proportion of budget expenditures on education, by States (CUP), has no significant relationship with any of the educational variables – under efforts, constraints and performance.

- Per capita budget expenditure on education (CUP) exhibited highly significant relationship with per capita GDP (COP).

- An interesting result is a negative and significant relationship between per capita expenditure on education (PCEE) and proportion of female teachers in State systems. Proportion of female teachers is low in backward States.

A cross correlation between proportion of female teachers and enrolment of girls reveals the same trend. Backward states spend less on every student, recruit more men teachers and attract low enrolments among girls.

Backward States like Bihar, Uttar Pradesh, Orissa, Chattisgarh and Jharkhand are caught up in a low equilibrium trap in regard to per capita GDP, per capita budget expenditure on education, educational efforts and educational performance.

- Poverty in States is not significantly related to variables under efforts, constraints and performance, except proportion of female teachers in independent higher primary schools located mostly in big villages, small towns and other urban areas. The proportion is as low as 23.6 per cent. Of course, proportion of female teachers in schools is significantly related with girls’ enrolment.

- Cross-correlation analysis of results reveals that clusters of variables are related with poverty in States. They are pupil-teacher ratio (PTR), single teacher schools, proportion of female teachers, toilets for girls in schools, non-enrolment of girls and drop-out rates (DOR) among SC and ST children.

By and large Bihar, Orissa, Uttar Pradesh and Jharkhand appear to be caught up in a more pronounced way in this web of relationships.

- PCEE does not appear to bear significant correlations with infrastructure facilities in schools. The variables with which PCEE bears significant relationships are enrolments/retention/literacy rates and PTR. Among them literacy is a major variable which is prominent in its relationship with PCEE and many other educational variables.

While the all-India PCEE is Rs.714.42, that of Uttar Pradesh, Orissa, Chattisgarh and Jharkhand are, Rs.465.20, 500.39, 541.58 and 563.15 respectively.

- It is observed that heavy drop-outs are in standards I to V. The chances that those who join standard VI and drop-out before completion of standard VIII are very less. The transition to VI from V itself is quite low, at 64.48 per cent for the country. If 35 per cent children completed standard VIII in 1951, by 2001 this percentage went up to 63 per cent.
In effect 60 per cent of children [68-28 million] completed standard V as of 2001. Of those who complete, 36 per cent do not take a transit. That is, hardly 64 per cent of those who completed standard V get into standard VI (cross-sectional data). Those who complete standard VIII are 63 per cent. That is hardly 40 children of those who join standard I completed standard VIII.

- Drop-out rates at I to V were higher than gross enrolment rates (GER) therein from 1951 to 1967. Then onwards with increasing enrolment rates and decreasing DOR, the curve of GER crossed the curve of DOR. Such a transgression of GER over DOR at the elementary I to VIII stage could take place only by 1983. Then onwards, it has been a story of increasing GER and decreasing DOR except after 1993 when even GER began to slide as population growth began to slide.

More than 60 per cent children are not able to move from standards V to VI in Himachal Pradesh and Uttar Pradesh. States like Kerala, Tamil Nadu and Karnataka are doing well in this regard.

- Findings in regard to the relationship between indicators of development and education reveal that only three general/overall development indicators have pronounced relationship (more than 4 significant values) with educational variables. They are: population growth rate during 1991-2001 (a constraint variable) – 5s values; per capita GDP at constant prices – 4s values and PCEE – 7s values (financial capacity/proxy for development variables).

- Educational variables, which are affected by development variables, are GERs. They are low in States, which spend less on education. Because of inflationary pressure, their volume of expenditure is affected every year. Essentially the chief educational variable that is affected is the supply of teachers to schools. States with low levels of financial capacity also have high PTRs, larger number of one or two teachers’ schools and schools having more than 100 students per teacher.

Conclusions

Problems, concerns and issues of EFA in India – that is full literacy and UEE represent a BIG BULL. The States in India – GOI and the States therein – has to hit the bull’s eye. Per Capita Educational Expenditure at Constant Prices represents the bull’s eye. The direction in which the bull has to be led after is controlled as follows:

- States need to maintain schools with adequate number of teachers. As of now, there are large schools, schools with more than 100 students per teacher, in a number of backward States.
- The proportion of female teachers also needs to be increased to attract girls to schools.
- Population growth also needs to be regulated so as to protect the school system from constraints of numbers – demand for school spaces.
- The need for ‘good quality’ teachers – at the time of entry and during their period of service – is a basic requirement. There is no need for a study to emphasise this point.
• States, which need intensive care in the coming years are: Bihar, Uttar Pradesh, Chattisgarh, Jharkhand, West Bengal and Orissa on a variety of educational concerns.

22. Free Uniforms to School Children-An Evaluation

M D Usha Devi

Free uniforms to school children is one of the educational incentive schemes provided by the Karnataka state under the Vidya Vikas Yojana (VVY) since 1985 with the intention of promoting vulnerable children’s participation and retention in schools. The scheme essentially attempts to subsidise the private cost incurred by poor parents towards provision of clothing facilities to school going children. Under this scheme, one set of uniform materials is freely distributed every year to all categories of children at the lower primary stage, girls and SC/ST boys (from the year 2003-04, general category boys from class 5 to 7 are also covered) at the higher primary stage and all categories of girls at the secondary stage. Thus, all girls studying in class I to class X get this benefit. Over the years the scheme has not only expanded in terms of cost and coverage, but also has undergone many changes in colour, quality, measurement and mode of supply and delivery. It is against this backdrop the Department of Primary Education, Government of Karnataka requested ISEC to conduct an evaluation of the scheme. The study examined i) the spread of scheme in terms of coverage across geographical regions and social segments; ii) the utility of the scheme across class, stage and boys and girls; iii) the financial viability of the scheme; iv) the perceptions of the beneficiaries, parents and stakeholders with regard to the quantity, quality, timeliness of the material supplied and the benefits derived; v) the nature of supply and distribution of material from the production centre to the targetted beneficiary.

Methodology

An evaluative survey design taking into account all the parameters identified for the study has been employed. The norms of evaluation are based on the intended objectives of the scheme as delineated in the TOR. Both quantitative data from secondary source and primary data from the field are gathered through documentary analysis and interview methods. A multi-stage stratified sampling design based on geographical regions and educational development has been followed to select districts, blocks, schools, students, parents and other stakeholders. The study covered an overall sample of 8 districts, two under each of the four educational divisions, 16 blocks corresponding to the eight select districts, 160 schools, 800 student beneficiaries, 320 parents of the student beneficiaries and 160 community representatives.

Findings

From out of the total 53.77 lakh beneficiaries covered in 2002-03, had covered 50.52 lakh boys and girls at the primary stage and 3.25 lakh girls at the secondary stage. At the lower primary stage, the overall coverage of general, SC and ST category was approximately in the proportion of 7:3:1. The same at the higher primary and secondary stage (only girls) were 6:3:1 and 8:1:1 respectively. Thus,
although the coverage in totality suggests that the scheme has positively discriminated the socially disadvantaged such as the girls, SC and ST, economic indicators such as the income, father’s occupation and the landholding of the sample student beneficiaries reveal that the chances of non-poor getting this benefit increases, particularly at the higher primary and high school stage. Therefore there is a need to arrive at more appropriate criterion for purpose of social redistribution of the scheme, particularly at the secondary stage.

The coverage of the scheme across the districts in the state reveals that there is high concentration of the scheme in the North Karnataka and low literacy regions. Considering both primary and secondary stages, most of the districts in this region reveal coverage of more than 2.0 lakh beneficiaries in each district with Bijapur district topping the list with highest coverage of over 2.5 lakh. Bijapur district also distinguishes itself in securing top position in the state in terms of highest beneficiary coverage at the overall primary (1-7) and lower primary (1-4) levels. In contrast, Kodagu, a high literacy district reveals lowest coverage of 46,378. At the secondary stage, it is the old Mysore region with Mysore district, having the highest coverage of girls. Although, the spread and coverage of the scheme across geographical regions in the State seems to be justified as low literacy districts are targeted uniformly at the primary level, the same does not appear to be true in case of secondary stage where the scheme is found to target relatively higher female literacy districts.

Although, there is timeliness in transportation of cloth materials from the suppliers to the block education offices (BES), the delivery and distribution of materials to schools from the BES in some of the selected blocks are beset with certain bottlenecks owing to absence of proper monitoring mechanism to check and verify the adequacy of supply at the time of unloading. In 13 out of the 16 selected blocks, the supply has not been done as per the indent of requirement. Both shortfall and surpluses in distribution are observed due to lack of accurate estimation of the required number and size of uniform sets in schools at the time of placing indent by the BEO’s office. The preparation of indent for uniform requirements appears to be more of a mechanical and ritualistic compilation rather than a meaningfully conceived exercise. Timely distribution of free uniform materials to students is noticed in over 61.0 per cent of the schools particularly in blocks such as Manvi, Devadurga, South Karkala and Gowribidanur. Belated distribution by about a month is noticed in 27.5 per cent of the schools largely located in Hungund, Bagalkot, Bidar and Hanur blocks and it was much longer in case of high schools (34.38 per cent) rather than that of LPS or HPS (25.0 per cent).

Schools themselves seem to create very limited space for effective utilisation of the free uniform by prescribing limited number of days in a week for wearing the same. This is more so in high schools as they prescribe their own school uniforms. Only 9 out of the 160 sample schools have made wearing VVY uniform mandatory for all the six days in a week. All these are primary schools located in backward regions such as Bidar, Humnabad and Hungund.

The scheme does seem to improve enrolment of both SC and ST boys and girls at higher primary stage and for SC and ST girls at the secondary stage as revealed by correlation values. However, the phenomenon of absenteeism, irregular attendees, and out of school children is also noticed particularly at the higher primary stage. It appears in Bijapur district, the scheme did not make the desired impact despite or it was negative the district reporting the largest coverage as reflected in the highest number of out of school children.
There is discrepancy in both quantity and quality of material supplied between boys and girls. Not only the quantity of cloth supplied to girls in class 5 onwards was less as against class 4 downwards, but the material supplied for high school girls for their skirt was also of inferior quality. Girls felt shy and humiliated to wear the same and as a result there was poor utilisation. Parents, teachers and the School Development and Monitoring Committee (SDMC) members were also highly dissatisfied with the uniform material supplied to high school girls.

23. Evaluation of ICDS Project in Karnataka

M N Usha

Integrated Child Development Scheme (ICDS) in Karnataka began as one of the pilot projects in India during 1975-76 in the Taluk of T. Narasipura in Mysore District. Since then there has been rapid expansion of the ICDS programme in the past two decades. Currently there are 185 projects functioning in 175 taluks in 27 districts of Karnataka, but of which 166 are rural, 10 urban and 9 tribal projects and all projects belong to the Central sector.

Objectives

To identify the factors that are,
- operating for successful implementation of the programme,
- examine the constraints faced by the functionaries involved in the ICDS programme;
- study the impact of the package of services like Supplementary Nutrition Programme (SNP), nutrition and health education, immunisation and other services; and
- to offer suggestions and recommendations for the improvement of the programme.

Methodology

A survey design was used to select (randomly) six hundred Anganwadi Centres (which formed ten per cent of the total Anganwadi Centres at the district levels) from ten blocks across five districts in Karnataka. These included Honnavar and Supa in Uttara Kannada District, Aurad and Bhalki in Bidar District, Hospet and Sandur in Bellary District, Bangalore Urban and Anekal in Bangalore District. Schedules were canvassed for Anganwadi Workers and discussions were held with one hundred supervisors, CDPOs and officials at the block and state levels. Descriptive statistical analysis was carried out to analyse the data.

Major Findings

It was found that the ICDS programme was successfully implemented by a well-knit administrative and organisational structure. Besides this, delivery of services such as SNP, nutrition and health education, immunisation, health check up, referral services had resulted in the improvement of nutritional and health status of children.
and women over years. However, inadequate infrastructure facilities and amenities for children in Anganwadi Centres were observed.

**Recommendations**

- strengthening of ICDS cell;
- providing infrastructure facilities in Anganwadi Centres;
- offering orientation training to ZPs, TPs and GPs to take care of ECD programmes; and
- organising mass campaigns to create awareness about child rights;
- ICDS needs to be reorganised in a scientific way using Action Research Insights;
- Satellite networks can be used to strengthen ICDS programmes;
- Now that ECCE is located as Article 45 of the Constitution, ZP/TP/VP members should be sensitised about ICDS.

**24. Evaluation of Janshala in Karnataka**

**M N Usha**

In Karnataka Janshala was launched during 1998 after carrying out preparatory activities during 1997. It is a block-based programme. It has three main purposes: (a) to ensure community mobilisation and make them participate in primary education; (b) to implement an innovative programme of Joyful Learning in multi-grade situations and to increase the participation of all sections of the society in school education as well as reduce the number of out – of – school children; and, (c) to sustain the interest of the community in the programme and achieve the goals of UEE. It covered ten blocks spread across six districts. In this regard, it had initiated various programmes and activities such as *Kala Jatha*, MicroPlanning, *Chinnara Angala*, *Chinnara Mela*, *Nali Kali* approach to teaching learning, decentralised management as well as inclusive education to mobilise community participation in school management. The programme had presented a number of success stories after four years of implementation.

**Objective of Evaluation Study:**

- To examine as to what extent the programme has progressed in achieving its objectives;
- How far the processes initiated under the programme have been effective; and
- To what extent are they sustainable.

**Specific Objectives:**

- To look at the achievements with reference to the stated objectives of the programme;
- To assess the nature, scope and effectiveness of the processes initiated as a part of Janshala strategy for achieving the expected outcome of the programme;
- To assess the sustainability of the processes initiated under Janshala and the results it has realised; and
- To identify the innovations taken up in the areas related to the objectives and goals of the programme.
The study used both secondary and primary sources of data. Secondary sources include reports and documents available at the offices (State as well as at Block levels). Village level data was gathered from village level offices and by canvassing information sheets.

Primary sources of data included a detailed fieldwork. Discussions were held with the officials and functionaries before selecting the sample and identifying the key informants and reference group. Besides these, field visits were undertaken to familiarise with the grass roots level experiences. Maps of blocks and location of schools within the villages were obtained from Block Resource Coordinators (BRCs).

In the first stage, Content Analysis of data gathered from secondary sources was carried out. In the second stage, detailed discussions were held with the concerned officials at the state level and BEOs at the block levels. In the third stage, BRCs in selected blocks were requested to prepare block profiles and extend full cooperate to research team. Meetings were held with BRPs and CRPs and they were asked to narrate their experiences in the villages. A selected few of them prepared information about the schools.

In the fourth stage a workshop organised by Indian Institute of Education, Pune was attended wherein indicators and schedules were discussed in detail. Schedules and information gathering tools were prepared based on indicators.

Following this, a pilot study was conducted in Koppa Block. Time span required for data collection and the language required to be used in schedules and other tools were discussed with experts. Validity of tools was found out with the help of experts and field level data gathering by a set of resource persons. Finally orientation training was given to project staff and main fieldwork was seated. A survey design was adopted in selecting schools in villages.

Sampling process varied across the key informants and reference groups identified in the study. It adopted both multistage stratified random sampling technique and purposive sampling methods depending on the reference groups selected in the study.

In the first stage, blocks with contrasting agro-climatic conditions and varied development indices were selected. In the second stage villages were selected based on the levels of development. In the third stage schools were selected randomly. Other reference groups and key informants involved in the programme of Janshala were purposively selected. Focus group was interviewed and discussions were held not only to supplement data through tools but also cross verify the data. Typical cases were chosen for case studies.

In the first phase, the information was collected from fifty villages across H N Pura, Sira, Pavagada, Challakere and Haliyal Blocks. In the second phase information and data were collected in depth from H N Pura and Pavagada Blocks. Ten per cent of total villages were concerned in each of those blocks. Further, additional villages were selected to gather information to carry out in depth analysis.

The samples included officials at the state and block levels (BRCs, BRPs, CRPs and MRPs) schools, headmasters, teachers, parents, children, members of SDMCs, NHLS, community members, retired teachers, educationaists, experts and IED teachers.

**Findings**

Janshala programme had conducted various activities and programmes. These initiatives had been implemented efficiently and effectively by various factors of the
programme. Preparation of work plans, decisions made for various programmes and decentralisation of educational management and organising the grassroots level programmes had resulted in success stories. So also strategies planned for community mobilisation and participation as well as sustaining their interest and committing to continue the activities are all highly commendable. Achievement of objectives of Janshala in terms of access, equity and attainment has been possible through a team approach, especially a bottom to top approach. Innovative programmes such as Nali Kali and inclusive education programmes have attracted more number of children from all sections of society to participate in the school education, thus resulting in declining rates of out of school children. These have given fillip to new innovative approaches to primary education. Planning ahead for sustainability of interest of the community for school education has resulted in inclusion of a few experiences of Janshala under SSA.

25. Menopause: An Emerging Issue in India

T S Syamala
M Sivakami

The Cairo conference on Population and Development, has generated greater awareness among the policy makers to address the health needs of women in a more holistic perspective covering all stages of life, from conception to old age. With this view, the on-going Reproductive and Child Health (RCH) programme attempts to provide services to women at all stages. However, certain sections of the population like the women approaching menopause are yet to receive the required attention. Further, the decline in fertility and mortality rates, together with the increase in life expectancy ratios has resulted in rise in the proportion of women population in their late reproductive years as also of above 60 years. Consequently, the number of women at the menopausal stage has been increasing in India. Therefore, the study of menopause becomes highly important in the context of the current demographic scenario and the policy environment of India. This study undertakes to address the issues of menopausal women in India using available data.

The major objectives of the present study are to understand the variations in levels of menopause among women in India and across states and to address the emerging issues of menopause in India. The study uses individual-level data from the National Family Health Survey.

**Major Findings**

Analysis has been carried out using data on menopause for currently married women aged 30-49 for the whole country and the states. For the country as a whole, about 18 per cent of women in the age group of 30-49 are in the menopause stage. The proportion of women in this stage is lower in urban (16 per cent) than in rural areas (18 per cent). The age-wise data exhibit variability in the proportion of women who are in menopause at different ages. In India, three per cent of the women had already reached menopause by the age of 30-34 and this proportion is higher at eight per cent for the age group 35-39. The occurrence of menopause is quite rapid after the age of 40-41. By the age of 48-49, two-thirds of women are reported to have reached menopause. At each age, the occurrence of menopause is slightly later for urban areas than for rural areas.
The analysis of state-level data indicates that large variation exists in the incidence of menopause among Indian states. Generally, an early onset of menopause is found in Andhra Pradesh, Bihar, and Karnataka, and a relatively later onset in Kerala, West Bengal and Haryana. Pre-mature menopause is also found to be quite high in India and an alarmingly high proportion of women are attaining menopause prematurely in states like Andhra Pradesh, Gujarat and Karnataka.

In order to know the variations in the onset of menopause, socioeconomic, reproduction and nutrition-related variables have been studied. It is observed that illiterate women, rural women, and women with low standard of living had earlier onset of menopause compared with their counterparts. Further, working women, especially those engaged as agricultural labourers, had early onset of menopause compared with those working in other sectors. It is also found that women who have started childbearing early, had more children, stopped childbearing early and never used contraception have all experienced earlier onset of menopause. Similarly, women with low body mass index reached menopause early compared with their counterparts.

To conclude, the results of the logit regression analysis confirm the role of socio-economic status in women attaining menopause. As India is still characterised by a larger number of illiterate women with low age at marriage and early childbearing and poor nutritional levels, the problems of early menopause may continue in the future too. Further, unlike developed countries where women enter into menopause only in their fifth decade of life, Indian women experience menopause in their forties itself. Therefore, they have longer exposure of post-menopausal time and associated consequences. At the same time, many women continue to have children even in their forties. Hence, India may have to tackle the dual problem of catering to the needs of both maternity and menopausal women.

26. Reproductive and Child Health Programmes in the Urban Slums of Bangalore City: A Study on Unmet needs for Family Welfare Services

C S Veeramatha

Reproductive and Child Health Programme (RCH) is a complete physical, mental and social well-being programme for the people. It differs from the earlier programmes such as family planning, mother and child health and safe motherhood, which had essentially focussed on specific aspects of reproductive health. Reproductive health programme incorporates all the above aspects in a broader and comprehensive manner. Thus the concept of RCH programme is to provide the beneficiaries with need based, client centred, demand-driven and high quality integrated RCH services. India has made considerable progress in developing a reproductive health package. The National Population Policy 2000 identified twelve strategic themes to be pursued in order to achieve the national socio-demographic goals by 2010. Meeting the unmet needs for family welfare services, particularly in urban slums was included among these strategic themes. In this context, it is needless to mention that about 30 percent of the poor live in urban areas mostly in slums without adequate access to clean water, sanitation and health care. The study on unmet needs for family welfare services can indicate the potential demand for family welfare services. With this background the present study was undertaken with the following main objectives:
• To understand the reproductive health programmes operating in Bangalore city slums;
• To analyse the utilisation of reproductive and child health services;
• To assess the nature of unmet need related to the RCH programme; and,
• To identify the factors responsible for the unmet need related to RCH programme in the urban slums.

Methodology

The present study was conducted in the slums of Bangalore City, which incidentally has been one of the highest prevalence of unmet needs for family welfare services. Data were collected through interviews with the heads and women of households. Six hundred and eighty currently married women in the age group of 15-44 years were contacted from one thousand selected households.

Summary of the Findings:

A majority of the people in these slums belonged to lower socio-economic classes. About 88 percent of them belonged to Hindu religion and a majority among them belonged to SC and ST communities. Most of them spoke either Kannada or Tamil. Thirty eight percent of the women were illiterates. Regarding age at marriage, it was found that about 75 percent of them had married at age less than 18 years. More than 50 percent of the married women had their first pregnancy before 20 years of age. About 40 percent of the women had three or more surviving children.

Around 60 percent of the currently married women availed maternal health services and 50 percent availed child health services for their children. Even though availing immunisation services for the children had improved over a period of time, complete immunisation was availed by around 50 percent of the children in the sample. However, diarrhoea and pneumonia were the two important diseases found common in the area, which needed to be tackled. Fifty one percent of the women in the sample used contraceptives, out of them 47 per cent depended on permanent method, while the rest were using temporary methods. The main reasons for the non-use of contraception included desire for more children, disapproval by the family members, and lack of knowledge about methods and sources, and health reasons. Reproductive morbidity of various illnesses ranged from 10 to 40 percent among the women. A high percentage of them did not seek health care at all.

There was an unmet need of 26.8 percent for family planning. This was mostly found among women till the age of 25 years. These mothers preferred mostly spacing methods, which suggest that there is a greater demand for unmet need for spacing methods in the slums.

NGOs working for development in the study area were laying stress on income generating schemes among women, for problems related to child labour, helping them in getting access to governmental programmes and HIV/AIDs programmes.

Recommendations:

Some of the important recommendations based on the major findings are:
• The family planning policy or the programme should involve participation of the husbands who should be used as instrument in propagating the programme.

• Communication gap between husband and wife has to be minimised through the programme.

• It is important to make girls and communities become aware of the legislation prohibiting marriage of girls below age 18 and the harmful health consequences of early pregnancy.

• Health workers must be trained to address the special needs of married adolescent girls with wider choice of contraceptive methods.

• It is found that the quality of basic MCH and FP services are deficient on certain aspects like:

  a) Information and counselling about women’s health
  b) Safe abortion services.
  c) Infertility and
  d) Ensuring complete dosage of immunisation for the children.

27. Functioning of Ultrasound Sonography Centres in Karnataka

M Sivakami and T S Syamala

The project on functioning of ultrasound sonography centres in Karnataka was carried out at the request of and with financial support from the Ministry of Health and Family Welfare, Government of India, New Delhi, during November 2004-March 2005. It is often hypothesised that pre-natal diagnostic techniques are used by ultrasound sonography centres as a means to determine the sex of the foetus and hence at least partly explain the declining sex ratios in the country as a whole and across states. The main objective of the study was to know how many untrained and trained doctors are using ultrasound machines and the purpose of usage. A primary survey was carried out to obtain information on type of machine, qualifications of operators, number of referrals by both allopathic and non-allopathic doctors, the purpose for which sonography tests were carried out etc. The study also used secondary information that was available from the appropriate district and state authorities.

As of December 31, 2003, there were 1,621 ultrasound sonography centres in Karnataka for which registration was granted. The distribution of sonography centres is uneven across the 27 districts of Karnataka. Bangalore Urban district has the highest number of registered sonography centres followed by Belgaum district, which incidentally has the lowest sex ratio in Karnataka. Most of the centres are registered as ultrasound clinics. One-fifth of the centres are owned by gynaecologists while one-eighth are owned by radiologists/ultrasonologists. About 46 percent of the centres are self-operated; in other words the owners themselves operate the machines. In about 44 per cent of the centres, an employed person operates the sonography machines.

Findings from the survey indicate that almost 50 per cent of the centres have more than one operator who could operate the scanning machine. In 26 per cent of the centres neither the owner nor the main operator is qualified to undertake the scanning
A majority of the operators are radiologists. Seventy per cent of sonography centres are ultrasound and imaging centres. A maximum number of clinics were registered in 2002 because of the compulsory implementation of the Pre-natal Diagnostic Technique (PNDT) Act. More than 80 per cent of the centres have scanning equipment. About 80 per cent of the centres have fixed machines, 17 per cent have on-call machines and four per cent have mobile machines. Almost one-fifth of the centres have either mobile or on-call machines. This might be an indication that these machines are being taken to remote places to conduct scanning tests. The possession of on-call/mobile machines is higher among untrained owners than among trained owners. Wipro GE is the most popular machine among both trained and untrained owners. Larsen and Tobro, Toshiba and Aloka are next in order of preference.

A majority of the centres (both qualified and unqualified ownership) have data regarding scanning tests carried out in the period of one month and one year prior to the survey. However, the trimester-wise information about antenatal care (ANC) cases is not available in most cases. The average number of obstetric scanning tests carried out one year prior to the survey was slightly higher in centres with trained owners (561 cases) than with untrained owners (522 cases). The total number of obstetric scanning tests carried out one year prior to the survey was 82,386 and 29,223 for centres with untrained and trained owners respectively. The average number of non-obstetric cases one year prior to the survey was higher in centres with untrained owners (838 cases) than with trained owners (723 cases). Most of the referral cases are from allopathic doctors whereas referrals from AYUSH doctors are almost negligible. However, more than 80 per cent of the AYUSH doctors mentioned the need for scanning machines in their line of treatment.

On the whole, the study pinpoints that implementation of the PNDT Act in Karnataka is very weak. It identifies many ways in which the Act has not been followed such as poor maintenance of records in scanning centres, lack of monthly reports, lack of qualified operators in the scanning centres and lack of supervisory visits by the appropriate state and district authorities.

28. An Enquiry into the Nature of Regional Disparities: The Context of Human Development in Karnataka

Gopal K Kadekodi, B P Vani and H K Amarnath

Human development is a process of enlarging people's choices and ability for a better quality of life or welfare. Conventionally, growth of the economy at the national, state, district or village levels is treated as a target, measured in terms of income generated. But when it comes to the distribution of ‘well being’, growth by itself does not automatically ensure social, spatial, and inter-generational equity. Among the many critical factors that can sustain this process of human well-being are, (i) long and healthy life, (ii) to be educated and empowered, and (iii) to be able to enjoy a decent quality of living on one's own. Therefore, GNP growth is not a sufficient condition for human development, but is a necessary one.

It has been well established by now to say that human development, unlike the case of material development, depends much on a catalyst of knowledge and good health. Knowledge begins with literacy; it takes various other forms at higher and higher order of its acquisition, such as education, technical skills, awareness, job training, communication skills and so on. Health is viewed as yet another virtue of
life, adding to welfare both directly and indirectly. It is a debatable matter whether access to these should be made as a matter of human rights, or should be treated as amenable on demand basis. Non-attainment of such social and individual status of well-being can be viewed by measures of deprivation, insecurity and destituteness, indignity and many other social deformities and aberrations.

The spatial dimensions of human development is yet another approach to fabricate the issues related to human development more and more visible and practical for policy purposes. It is also felt by the researchers that it is the spatial aspect of development, which seems to have worsened during the last ten years. In this context this study was initiated with the following objectives:

- To provide an overview of development trends in the state across various regions of the state
- Critically analysing regional disparities and imbalances in Karnataka within the framework of human development.
- Examining the regional variations in resource allocations to various social sectors.
- Examining the role of private institutions, PRIs, NGOs and voluntary organisations in service delivery mechanism and
- Critically analysing the present and past state interventions.

Findings:

Socio-economic development, infrastructural facilitations and income growth are all the major drives for human development. In this respect, almost all the districts of Hyderabad-Karnataka and old Bombay-Karnataka seem to be lagging far behind the state averages. Based on these, it can be reasonably inferred that all such drives have not reduced the extent of regional disparities in the state. This is a matter of serious concern, while addressing human development issues. One of the reasons commonly assigned for this continuation of disparity is the extent of resource allocation.

As far as provisioning of education is concerned, on the whole, except for the availability of teachers, the girl child and total children enrolment, other developments in the provision of schools seem to be spread fairly uniformly in different regions of the state. The disparity among the districts in terms of access to facilities seems to be highly un-equitable. The implications for performance of the education sector on human development are obvious. It is clear by now that much of the disparity in educational performances is due to basic lacunae first in access to school facilities and the lack of amenities and second, in provisioning. The fact that certain districts have been fairing very well in these respects, calls for some further investigation.

The human development factors in respect of health care provisioning and functioning are quite unbalanced across the districts in Karnataka. Secondly, these facilities seem to have a reasonable mix of both private and public facilities. Thirdly, the level of overall development does not seem to be making health aspects of human development in the state any better, be it the regional level or the state level. Fourth, backwardness of the regions seem to be the major causes for poor provisioning on health care facilities. However, access to health care seems to be relatively better in north Karnataka, though the regional disparity is still visible. But when it comes to health performance, north Karnataka seems to be still lagging behind. The social dimensions of quality of life are equally important, as much as development of health
and education in understanding and designing of policy guidelines to redress regional imbalances in human development. While some aspects of regional variations in provisioning of safe drinking water seem to have reduced, its access to required quantity and ease of getting, and others matters like access to public and personal hygiene and safe fuels seem to be still lacking in several districts, cutting across all the regions in the state. The principle has to be prioritisation of tending to the degree of deprivation, destituteness and suppression on a regional scale. As much as the concern of quality of rural life is important, it is time to address the regional dimensions of urban problems as well. The problems such as growth of slums, access to quality and assured quantity of water, safe and easy access to fuels, public hygiene etc., are not fully addressed across the regions, and are more conspicuous in their absence in north Karnataka.

Some of these findings make the understanding of regional dimensions of human development clear for prioritising the corrective actions. They are summarily stated here.

- It is possible to allocate the much needed non-plan resources, which can be targeted better to bring regional balance.
- Allocations on public health and sanitation should be better targeted. In doing so, regional characteristics such as distance of accessibility, cultural differences and mix of caste and backward groups be specifically kept in mind.
- Drinking water quality, toilet facilities, drainage, slum clearance, street lighting etc., should have adequate allocations in the panchayt raj allocations.
- Better monitoring of access and performance are necessary for major human developmental programmes, be it nutrition programme, education or health care.
- Given the fact that, parallel bodies such as SHGs, SGSY, NGO led programmes are found to be better avenues, they can be involved in identifying the human development related allocations and location of the facilities. Poverty reduction programmes can be integrated within their targets as well. They can also be involved in resource mobilisation on a participatory basis.
- Matters of resource allocation can be prioritised on the basis coefficient of variation as a regionally relevant indicator. Sectors and activities having larger variations should be given higher priority in resource allocation.
- In the decreasing order of priorities, the scheme of priorities should be on improving quality of life, education, health, resource allocation, and employment generation. The latter two are in the nature of policy drives.

29. Investment Attractiveness of States and Sectors: Manufacturing in India

Shashanka Bhide, B P Vani and H K Amarnath

Introduction

Attracting new investments has now emerged as an important responsibility of governments at the state level with a view to ensure economic growth and growth of employment opportunities within the state. This process was manifest even in the period before the economic policy reforms of the 1990s, in the attempts by the state
governments to get various public sector projects allocated under the Five-Year Plans. In the 1990s the effort got shifted to attract private sector investments particularly from investors from outside the state. At the national level, government policies have been pro-active in attracting new investments from global investors.

There are two strands of research literature on investment: one that focuses on determinants of investment at the aggregate level while the other focusses on regional or sectoral allocation of investment. However, studies that look at allocation of investment across the states in India are relatively few. This study provides an assessment of the patterns of investment across states and across sectors in the manufacturing sector in India. The data used is for the organised sector of the economy. The study uses alternative formulations of Index of Investment Attractiveness to measure the attractiveness to assess the investors’ choice of locations and sectors.

**Findings**

- The investment profiles show that there is a mis-match between advantages and the potential for investment. This mismatch indicates the need to re-assess the policies that may not be supportive of flows of investment into sectors for which there is a revealed preference.
- An assessment of determinants of choice of sectors and states for investment indicates the following specific features:
  
  i) Fiscal prudence and development of financial infrastructure play a positive role in improving the attractiveness of the states for investment after accounting for state-specific factors.
  ii) Factors such as the size of the state would matter in terms of investment opportunities available to investors.
  iii) Higher per capita GSDP also improves the attractiveness of the states for manufacturing investment.
  iv) Economic reforms of the 1990s have stressed the importance of prudent fiscal management of the states in attracting manufacturing investment.

- An analysis of the attractiveness of the sectors points to the mixed nature of the impact of the three selected variables.
  
  i) Larger average size generally increases the attractiveness of a sector upto a point beyond which the attractiveness of the sector for investment does not improve. In other words the sectors that require very large firm size may have 'niche’ markets.
  
  ii) Labour intensity appears to improve attractiveness of a sector for investment.
  
  iii) The role of export intensity has increased after the reforms of the 1990s. Higher intensity has a more favourable impact on investment attractiveness of a sector after the reforms than earlier.

- This study does not provide an explanation for the mixed nature of the impact. However, the results indicate that further analysis may show the type of sectors that
are likely to get attracted by lower income states or what the states need to do in order to attract investment.

30. At Loggerheads or Towards Sustainability?
Changing Rural Livelihood Systems and Natural Resource Management
G K Karanth, V Ramaswamy

Objectives

In a study carried out during 1994-96 three conclusions, among others, were arrived at. First, rural livelihood systems (as they are emerging) depend increasingly on external resources. This weakens the necessity for village-based natural resource management and contributes to the unsustainability of its natural resource base. Second, the on-going integration of village communities into an enlarged market economy does not further the more sustainable management of natural resources without an appropriate policy framework. Thirdly, effective village leadership in the past was perceived as the capability to organise people and to pool resources. With emerging patterns of leadership, the sustainable management of resources was lost priority in favour of tapping efficiently the external resources from governmental or non-governmental sources. These findings had been taken to a dialogue with policy makers, NGOs and other development practitioners, besides academicians from within India and elsewhere. Similar other findings from the other studies undertaken as part of an Indo-Swiss collaborative research were also placed for a dialogue. The outcome of the exercise was to carry out further studies in different geographical locations, by taking up these conclusions, some with minor modifications, as hypotheses to be tested. The study now being reported forms one such venture by the team from ISEC, which was carried out in the village Kodipalli, in Shrinivasapur taluk of Kolar district in Karnataka.

Abstract of Findings

Features of a Livelihood System in Transition

From the point of view of the village community, the major feature of a changing livelihood system is a growing autonomy of the individual and households in it. The emerging family values have provided adequate emotional basis and individual orientations to accept family separation as an inevitable process, and therefore ridden with disputes and conflicts. Private interests within the household at the level of individuals, of households at the community level therefore, predominate, the individual and collective orientations.

Nature of Dependence on External Resources

Given the nature of change as outlined above, one of the major consequences of the livelihood system is a gradual “beyond-the-village” orientation that appears to be a dependence on resources external to the village. Following the commercialisation of agriculture, most agricultural inputs are now sought from outside and procured through market relations: chemical fertilisers, pesticides, seeds, other supplementary inputs etc.
Extent of Market Integration

Raising of commercial crops which has become the main orientation of almost every farmer has resulted in almost all farmers turn curious market watchers. While the old adage to agriculture was to describe it as “a gamble of monsoons”, a new one to describe the emerging pattern may be coined as “a speculation in the wider (global) market”.

Although there has been no known cases of suicides, as elsewhere in the recent years, there have been instances of throwing away the produce or rioting before the agricultural produce marketing offices. A message attempted to be conveyed to popularise organic farming has not been finding many supporters, sadly to the experience of RORES, a local NGO. The dependence on the market has been so intense that not many farmers can withstand the shock of lessened returns, even for two consecutive crop years.

Changing Leadership

Proceeding along with a “beyond-the-village” orientation, growing individualism fuelled by politicisation of population is the changing leadership and village governance patterns. There is a lack of interest in preserving the local natural resource base. The leaders see all the forests, wastelands, pastures and the tanks as mere means of gaining popular support for holding political offices. Participatory processes, mobilised previously by the leaders, are becoming extinct. Assembling of people for any purpose seem to have a motive and that is, to project oneself as a capable leader, with clout to bring "development" oriented schemes to the people: housing project, tank rehabilitation programme, watershed development scheme, afforestation and the like. Each of these is seen as a means of obtaining a ‘contract’ for oneself or to ones supporters.

Consequences for Livelihood System and Natural Resources Management

The findings concerning the three sets of hypotheses point to a certain extent the future overshadowed by pessimism. We now encounter a livelihood system where there is a growing autonomy of individual household at the cost of the village community. The faction to which a person is affiliated largely determines the behaviour of individuals towards one another. It is the livelihood system consisting of a leadership and governance pattern, which is fragile and unsuitable. Farming which was a way of life is gradually taking the shape of leased farming: but the lessee farmer has lasting interests neither in the livelihood system of the community nor in its resource base. It is also a livelihood system, which is becoming increasingly dependent on the resources that are externally generated. Further, it is a livelihood system, which is getting further and further integrated into the wider market economy. Finally, the concerns of the ordinary farmers or of the leaders have little emotional space for the local natural resource base in the emerging livelihood system. At best it is a concern as a commodity, and for short-term gains.
31. Decentralised Governance, Representation, and People’s Participation: The Panchayats of Kerala

Anand Inbanathan

The 73rd Amendment Act, 1992, was instrumental in bringing about several changes in the panchayati raj institutions, both to ensure that they started functioning (as in some states), or to rejuvenate them in several others. Kerala is a state, which did not have an active panchayati raj prior to the enactment of the 73rd Amendment, and this Act was instrumental in pushing the state government into taking active interest in the panchayats. Following the 73rd Amendment, Kerala (under the Congress-led United Democratic Front) enacted the Kerala Panchayat Raj Act in 1994, which, however, was not considered as being very supportive of panchayats in the sense of having devolved any significant powers to these institutions. After its election to the State Legislature in 1996, the Left Democratic Front (LDF) made significant devolution of powers to the panchayats in Kerala. The LDF government had put the Kerala model of panchayati raj into the forefront of the country as regards decentralisation after undertaking many major steps such as, i) several amendments to the Panchayati Raj Act; ii) support to the People’s Campaign for Decentralised Planning in 1996; and iii) considerable devolution of powers to the panchayats, i.e., the devolution of 40 per cent of untied funds to these institutions.

This study was undertaken to examine the issues of power sharing among elected representatives, where social background, political identities and experience may have different outcomes in the context of the actual power that a person could wield, notwithstanding the otherwise uniform nature of authority as elected representatives. The other aspects of the study were the outcomes related to the measures of accountability that the state had incorporated within the panchayat system. Much was expected from these measures, primarily for greater transparency in the functioning of the panchayats, and thereby reduce corruption also. A final issue considered was that of patronage. While most democratic systems have patronage as an important means of building up and retaining political support, a political entity such as Kerala’s panchayats was considered as less likely to being influenced by patronage, keeping in view the various measures that were taken to increase accountability and participation of the people.

What was observed in the panchayats was that, even though the Kerala government took various salutary measures, decentralisation as a principle, remains with much to be accomplished. For instance, representatives and officials have circumvented measures of accountability to the extent that corruption in panchayat works still remains relatively high. The means by which local people would be involved in the implementation of projects, and thereby keep professional contractors out of panchayat activities have not been successful. Practical problems have also intervened in these matters. Local people do not normally have sufficient free time to take up such works on behalf of the panchayats, as a result contractors had to carry them out, with the attendant need to make provisions for their profits, and also the likelihood that rent-seeking and rent-sharing become more common. The transparency and involvement of people, which were crucial pillars of the functioning of Kerala’s panchayats have not borne fruit, inasmuch as a fundamental requirement for such a principle to succeed would have been the overwhelming and enthusiastic involvement of local people in the regular functioning of the panchayats, which has not been met. Even the quarterly gram sabhas are not well attended, to the extent that in most gram
panchayats, the quorum of 10 per cent has rarely been seen. Taken as a whole, however, the panchayats have functioned in a manner that leaves the possibility to suggest that with all their shortcomings, democratic institutions of local government are preferable to other alternatives.

32. Karnataka Development Report

The Karnataka Development Report was prepared by ISEC as the nodal agency and with the partnerships from Centre for Multi-Disciplinary Development Research, Centre for Public Policy of IIM Bangalore, National Institute of Advanced Studies, and Institution of Agricultural Technologies. The report is based on contributions from about eighty experts drawn from these institutions, in the fields of agriculture, industry, social development and transformation, governance, human development, technology, economic management, energy and infrastructure development and so on.

After reviewing the stages and phases of development in the state, the report puts forward several visions for the policy planning. As against riding on the principle of growth targets and investment strategies, it makes a case for internalising the strengths in the state in public-private partnership, dynamisms in technology development and good governance and delivery systems. Vision is also scooped on reducing regional imbalances in the state and show-casing Karnataka as a knowledge-cum-environmentally friendly state.

Structure of the Report

Volume I: Dynamics of Growth and Development

- Chapter 1: An Overview of Karnataka Economy
- Chapter 2: The Dynamics of Karnataka's Growth

Volume II: Drivers for Development

- Chapter 3: Natural Resources in Karnataka
- Chapter 4: Human Resources of Karnataka
- Chapter 5: Economic Infrastructure in Karnataka
- Chapter 6: Social Infrastructure in Karnataka
- Chapter 7: Financial Infrastructure: Banking, Capital Markets and Co-operatives

Volume III: Social Dimensions of the Development Process

- Chapter 8: Political, Cultural and Social History of the State
- Chapter 9: Development in Social Sector
- Chapter 10: Regional Dimensions of Development in Karnataka
- Chapter 11: Politics, Governance and Service Delivery in Karnataka
- Chapter 12: Karnataka State Finances
- Chapter 13: Environment, Biodiversity, Climate Change and Urbanisation
Volume IV : Sectoral Perspectives for Development

- Chapter 14 : Agricultural and Allied Sectors: Need for Re-Engineering
- Chapter 15 : Industrial Development in Karnataka
- Chapter 16 : Tourism, Entertainment and IT-Enabled Services

Volume V : Vision for the Future

- Chapter 17 : Visions of Development in Karnataka
- Chapter 18 : Policy Directions and Drivers for Future Development
PROJECT REPORTS UNDER FINAL REVISION

1. “Changes in Work Participation of Weaker Sections in Karnataka: A Study of Last Three Decades” (Dr. I Maruthi)

2. “Evaluation of Prime Minister Rozgar Yojana (PMRY) in Karnataka” (Dr. R S Deshpande, Dr. M J Bhende and Dr. P Thippaiah)

3. “Lokayukta and Good Governance in Karnataka” (Dr. S N Sangita).

4. “Labour in Industrial Conflict: Case Studies from Bangalore”

5. “Urban Governance in India: Mapping Partnerships in Public Service Delivery” (Dr. Madhushree Sekher).


7. “Design and Management of Social Security Benefits in Karnataka State: An Exploratory Study” (Dr. D Rajasekhar, Dr. G K Karanth, and Dr. S Madeshwaran)

8. “Comprehensive Study of Beedi Industry in Karnataka” (Dr. S Madheswaran, Dr. D Rajasekhar and Dr. K G Gayathri Devi).


10. “Human Development, Environment-Policy Nexus in India” (Dr. G K Kadekodi and Dr. L Venkatachalam)


16. “Use of Contractual Labour in Selected Enterprises in Karnataka” (Dr. Meenakshi Rajeev and Dr. Supriya Roychowdhury).

17. “Socio-economic and Ecological Feasibility Study of the Riparian Floodplain Restoration Programme for Increased Stream Flows: A Rapid Assessment of the Riparian System of the River Cauvery” (Dr. Malavika Chauhan)
RESEARCH PROJECTS IN PROGRESS

1. ‘Agricultural Policy in India: A Policy Matrix in a Federal System’ (Dr. R S Deshpande)
   Date of Commencement : December 2002
   Expected Date of Completion : May 2005

2. ‘Contract Farming in Karnataka: A Boon or A Bane’ (Dr. S Erappa)
   Date of Commencement : March 2004
   Expected Date of Completion : June 2005

3. ‘Study for Estimation of Seed, Feed and Waste Ratios for Major Food grains’
   (Dr. R S Deshpande)
   Date of Commencement : September 2004
   Expected Date of Completion : September 2005

4. ‘Cultivation of Medicinal Crops and Aromatic Crops as a Means of Diversification in Agriculture’ (Dr. R S Deshpande)
   Date of Commencement : September 2004
   Expected Date of Completion : September 2005

5. ‘Viable Entrepreneurial Role for Women in Agriculture’ (Dr. M Mahadeva)
   Date of Commencement : September 2004
   Expected Date of Completion : September 2005

6. ‘Estimation of Total Production of Broiler Meat and its Costing’ (Dr. M J Bhende).
   Date of Commencement : October 2004
   Expected Date of Completion : October 2005

7. ‘Ethical Political Leadership and Good Governance: Role of Political Parties’
   (Dr. S N Sangita).
   Date of Commencement : January 2004
   Expected Date of Completion : June 2005

   Date of Commencement : April 2004
   Expected Date of Completion : December 2005
9. ‘Panchayat Finances in Karnataka’ (Dr. D Rajasekhar).

   Date of Commencement : December 2002
   Expected Date of Completion : Ongoing

10. ‘Growing Rural-Urban Disparity’ (Dr. D Rajasekhar).

   Date of Commencement : March 2004
   Expected Date of Completion : June 2005

11. ‘New Development Model and Implications for the Human Rights of the Vulnerable Groups’ (Dr. Ajay Gudavarthy)

   Date of Commencement : September 2004
   Expected Date of Completion : September 2005

12. ‘India’s Export of Selected BPO Services: Understanding Strengths and Weaknesses’ (Dr. Meenakshi Rajeev and Smt B P Vani)

   Date of Commencement : August 2004
   Expected Date of Completion : August 2005

13. Rural Infrastructure Development: Role of Rural Infrastructure Development Fund. (Dr. Meenakshi Rajeev)

   Date of Commencement : January 2005
   Expected Date of Completion : December 2005

14. ‘Explaining the Growing Demand for International Reserves’ (Dr. M Ramachandran).

   Date of Commencement : December 2004
   Expected Date of Completion : April 2005

15. ‘A Study of Pre-Service Secondary Stage Teacher Education for Emerging Diverse Educational Contexts in Karnataka: Perspectives, Practices and Prospects’ (Dr. M D Usha Devi and Dr. A S Seetharamu).

   Date of Commencement : June 2003
   Expected Date of Completion : June 2005


   Date of Commencement : April 2004
   Expected Date of Completion : December 2005
17. ‘Rapid Assessment of Participatory Irrigation Management in Andhra Pradesh’
   (Dr. K V Raju).
   
   Date of Commencement : 2004
   Expected Date of Completion : April 2005

18. ‘Role of Market Based Instruments in Industrial Pollution Abatement: A Comparative Study of India and France. (Dr. G Sathyanarayana Sastry)
   
   Date of Commencement : January 2005
   Expected Date of Completion : November 2005

19. ‘Reproductive and Child Health Project: Rapid Household Surveys in Karnataka, Kerala and Goa’ (Dr. K N M Raju, Dr. T S Syamala, Dr. R Mutharayappa, Dr. T V Sekher, Dr. C S Veeramatha, Dr. K S Umamani, and Dr. M Sivakami).
   
   Date of Commencement : December 2002
   Expected Date of Completion : December 2005

20. ‘Lives at Risk: Discrimination of Female Children in Modern India’ (Dr. T V Sekher).
   
   Date of Commencement : December 2003
   Expected Date of Completion : June 2005

21. ‘Population Change in Karnataka – A Decadal Overview (A Talukwise study)’
   (Dr. C M Lakshmana).
   
   Date of Commencement : October 2004
   Expected Date of Completion : June 2005

22. Restructuring Local Environmental Management for Better Health Outcomes: Towards a District Level Pilot in Karnataka (Dr. Shashanka Bhide, Dr. T V Sekher and Dr. Veerasekharappa).
   
   Date of Commencement : May 2003
   Expected Date of Completion : June 2005

23. ‘Life after Land Acquisition’ (Dr. V Ramaswamy).
   
   Date of Commencement : January 2004
   Expected Date of Completion : April 2005

24. ‘The Practice of Untouchability: An Analysis of its Contextual Variations’
    (Dr. Manohar Yadav)
    
    Date of Commencement : February 2004
    Expected Date of Completion : July 2005
25. ‘Freedom Mortagaged and Future Abandoned: Bonded Child Labour in Karnataka’s Silk Industry’ (Dr. G K Karanth, Dr. D Rajasekhar, Dr. S Madeshwaran and Dr. K G Gayathri Devi)

Date of Commencement : August 2004  
Expected Date of Completion : June 2005

26. ‘Perspectives on Telemedicine in India’ (Dr. G K Karanth).

Date of Commencement : November 2004  
Expected Date of Completion : April 2005

27. ‘Urban Infrastructure Imperative and Rain Water Harvesting – Opportunities and Challenges’ (Dr. Syed Ajmal Pasha and Dr. K V M Varambally)

Date of Commencement : March 2005  
Expected Date of Completion : June 2005
ACADEMIC ACTIVITIES

Seminars/Conferences/Workshops/Training Programmes/Refresher Courses Organised

1. Workshop on ‘Evaluation Study on Feed and Fodder Development under the Centrally Sponsored Schemes in Karnataka’

A workshop on ‘Evaluation Study of Feed and Fodder Development under the Centrally Sponsored Schemes in Karnataka’ was organised on March 19, 2004, at ISEC. The workshop discussed the results of the study, sponsored by the Department of Animal Husbandry and Veterinary Sciences, Government of Karnataka. The first session was chaired by Prof. Gopal K Kadekodi, Director, ISEC; Shri Raju Premkumar, Principal Secretary, Department of Animal Husbandry and Fisheries (AHandF), was the Chief Guest. Director of AHandF, Assistant Secretaries, Joint Directors as well as Deputy Directors from all the eleven State Livestock Breeding Centres, and officials from the Planning Department, Government of Karnataka, attended the workshop. Professors G Thimmaiah, V M Rao and H G Hanumappa participated as special invitees. Prof. R S Deshpande, Head of the ADRT Unit, welcomed the participants. Dr. M J Bhende, Project Director, spoke on the genesis of the workshop, and Dr. P Thippaiah proposed a vote of thanks.

The report was presented in the second session, chaired by Prof. Thimmaiah, Former Member, Planning Commission, Government of India. Dr. M J Bhende, Prof. R S Deshpande, and Dr. P Thippaiah (Project Directors) presented the findings of the study. Shri Raju Premkumar, Principal Secretary, Department of Animal Husbandry and Fisheries, opened the discussion and commented appreciatively on the report. Shri M A Rafeeq Anwar, Director, Department of Animal Husbandry, also gave his comments and declared that the AHandF Department would try to remove the shortcomings in the implementation of the fodder development schemes. Dr. M J Bhende proposed a vote of thanks.

2. IT, E-governance and Rural Development

Ever since the policy for Promotion and Development of Information Technology (IT), and the Millennium Information Technology Policy were announced in Karnataka, several efforts have been made to have the best use of technology to eradicate poverty and women’s empowerment for a meaningful e-governance. In keeping with the growing concerns for e-governance, the ISEC organised half-a-day discussion on May 28, 2004, on the theme ‘IT, E-governance and Rural Development.’

Shri Dileep Ranjekar, Azim Premji Foundation, shared experiences of ‘Taking IT to Rural India.’ He called for de-mystification of certain myths, especially the tendency to take technological changes as co-terminus with social change. Shri M A S Rajan, former Revenue Commissioner, spoke on the success and limitations of Bhoomi Project. Shri Arvind Shrivastav (Deputy Commissioner, Dakshina Kannada, and formerly IT Advisor to the Chief Minister) spoke on the fruits of and hurdles in ‘Logging in for E-governance.’ Prof. D Rajasekhar explained the database created in respect of Panchayati Raj Institutions in Karnataka while pointing to advantages for both academic and governance interests.
3. Video-Conference

For the first time in ISEC, there was also a video-conference with Dr. Devi Shetty of Narayana Hrudayalaya Hospital, Bangalore. Dr. Devi Shetty explained the role of telemedicine in providing health care services and the potentials of health insurance programmes. Bharath Sanchar Nigam Limited (BSNL) Bangalore, facilitated the video-conference between the Narayana Hrudayalaya and ISEC. Prof. G K Kadekodi welcomed the guests and Shri S L Rao chaired and moderated the discussions. Prof. G K Karanth co-ordinated the event and proposed the vote of thanks to all participants.

4. The Development of Development Thinking

Prof. Ravi Kanbur, the Dr. VKRV Rao Chair Professor ISEC, and the TH Lee Professor of World Affairs, Cornell University, delivered a lecture on ‘The Development of Development Thinking’ at ISEC on June 10, 2004. In this lecture Prof. Kanbur considered the evolution of development thinking over the last fifty years, and explored the interaction between ideology and experience in determining the course of economic thinking and policy, based on a review of development policy and outcomes globally. The country experiences referred to included Argentina, Brazil, Chile, China, Ghana, India, Indonesia, Poland, Russia, South Korea, Zambia, and Vietnam. He argued that the last fifty years have been marked by great debate between a fundamentally statist approach and a fundamentally market-based approach to economic development policy. In the last half of this period the statist approach dominated, partly because the attitudes and ideas of the protagonists were dominated by the perceived failure of Western capitalism in the 1930s, and the perceived success of Eastern communism in the 1940s and 1950s. But the problems with this approach began to appear in the 1960s and 1970s, and during the 1980s and early 1990s there was a clear shift away from the statist model. This was a period of market fundamentalism but, just as the statist model had mixed results, so had the market model. In some countries the move away from the market model had delivered growth, in others it had not. Even in countries where there had been growth, in many countries inequalities had increased.

The striking feature of development performance in the past fifty years had been not so much its relation to a state or market orientation, although some countries had had great successes with the latter, but its variation for any given degree of state or market orientation. This variability across countries, which can be attributed to local specificities, in particular institutions and civil society, put paid to any simple ‘market versus state’ debate.

The next stage of the development of development thinking would therefore involve greater complexities and challenges than in the past fifty years, involving the interactions between state, market and civil society, in the context of history, politics and society.

5. L S Venkataramanan Memorial Lecture

Prof. Yujiro Hayami, Foundation for Advanced Studies on International Development, Tokyo, delivered the fifth L S Venkataramanan Lecture on ‘Family Farms and Plantations in Tropical Development’ at ISEC on June 23, 2004. Large-scale operation of the plantation was necessary for internalising gains from investment in infrastructure needed for opening vast tracts of unused lands. In this regard he
advocated that a better approach would be to support the initiative of the private sector to reorganise the plantation system into the contract farming system in which an agribusiness enterprise manages the processing/marketing process and contracts with small growers on the assured supply of farm-produced raw materials.

The Honourable Governor of Karnataka, Shri T N Chaturvedi, presided over the function and released three books published by the Institute.


ISEC initiated a multi-disciplinary study on ‘Design and Management of Social Security Benefits in Karnataka’ in collaboration with Department of Labour and GTZ/Micro-Insurance Project. This study aims to assess social security needs of unorganised workers, assess affordability and willingness to make contributions and suggest the design and management of social security benefits. A research inception seminar was held on July 14, 2004 with key stakeholders to discuss the study questions. About 39 persons representing government, trade unions, NGOs, insurance companies and research institutions participated in the seminar, which was chaired by Prof. G K Kadekodi, Director, ISEC. The keynote address by Mr. Sanjiv Kumar, Labour Commissioner, GoK, emphasised the need for critical assessment of needs and examination of the existing schemes in the formulation of new schemes. Mr. T R Raghunandan, Secretary, Department of Rural Development and Panchayat Raj, GoK, suggested that gram panchayats play a key role in the registration of workers, mobilisation of contributions and delivery of benefits. The study team (consisting of Prof. D Rajasekhar, Prof. G K Karanth and Dr. S Madheswaran and Ms. J Y Suchitra) presented key issues relating to the study questions.

Key stakeholders welcomed the study as this would provide a scientific base for designing social security programmes. Assuring full support and co-operation for the study, the stakeholders suggested that careful thought should be given to issues relating to affordability of unorganised workers to make contributions and the social role of the state and other agencies in the design and management of programmes.

Prof. D Rajasekhar, Decentralisation and Development Unit, co-ordinated the seminar.

7. Strengthening Public Information and Communication in ADB Projects’

ISEC facilitated the organisation of a consultative workshop on revised information and communication policy of the Asian Development Bank (ADB) on July 16, 2004. The workshop designed by ADB was organised at ISEC. The ADB had formulated a policy in 1993, which was revised in 2004. The new policy intends to strengthen the information and communication channels within ADB as well as across a variety of stakeholders including the general public in the conceptualisation, design and implementation of DB-funded projects in Asian countries. Such a measure is perceived to ensure greater efficiency, transparency, participation, accountability and effectiveness of ADB projects. The workshop was attended by a cross-section of the concerned stakeholders such as government representatives, the NGOs, academicians, intellectuals, and representatives from industry and business apart from the ADB staff and ISEC faculty. Dr. Manohar Yadav, Associate Professor, Sociology Unit, ISEC, coordinated the workshop.
8. Workshop on ‘Activity Mapping among Panchayat Raj Institutions’

Following the 73rd Constitutional Amendment and the confirming laws of states, the challenge is how to and what to transfer of the 29 matters listed in the Eleventh Schedule of the Constitution to the three tiers of panchayats. It is a formidable task to identify which of the tiers is best suited to each of these matters and the possible hurdles and problems in devolving functions for empowering panchayats.

To discuss these issues, a one-day workshop on ‘Activity Mapping among Panchayat Raj Institutions’ was jointly organised by the Union Ministry of Panchayat Raj, New Delhi, and ISEC, Bangalore, on August 27, 2004. Mrs. Sudha Pillai, Additional Secretary of the Ministry, inaugurated the workshop. This was followed by the presentation of two papers; the first was on ‘Activity Mapping among Panchayat Raj Institutions’ by Prof. D Rajasekhar, Head, Decentralisation and Development Unit, and the second was on ‘How to Operationalise Activity Mapping’ by Shri T R Raghunandan, Secretary, Rural Development and Panchayat Raj (RDPR), Bangalore. The workshop identified finances, legal process, social dimension, political parties, regional variations, parallel bodies, convergence, and method of devolution as key issues in the devolution of functions through activity mapping.

Prof. G K Kadekodi, Director, ISEC, welcomed the participants, most of whom were Secretaries and other senior officials from panchayat departments from 20 states. Prof. D Rajasekhar co-ordinated the workshop.

8. Workshop on ‘Social Security for Unorganised Workers’

As part of the GTZ-funded study on ‘Design and Management of Social Security Benefits in Karnataka,’ half-a-day workshop on Social Security for Unorganised Workers was held on September 17, 2004 at ISEC. It discussed the social security needs of unorganised workers, the risk management strategies, and strengths and weaknesses of these strategies for delineating roles for development actors in the sector. Dr. Ruediger Krech, Head, Social Protection Section, GTZ, Germany, shared the interest of his organisation in providing social security for the unorganised. Prof. G K Karanth, ISEC, discussed the social security needs of workers in agriculture, domestic and construction. Shri Sanjiv Kumar, Labour Commissioner, Department of Labour, Government of Karnataka, spoke about coverage, effectiveness and possible ways forward in the social security schemes of the government. Ms. J Y Suchitra, Research Assistant, Decentralisation and Development Unit (DDU), provided an overview of the formal and informal risk management mechanisms employed by the poorer sections of the population. Shri Gagan Bihari Sahu, Research Officer, DDU, dealt with government expenditure on social security and other social services in Karnataka.

By analysing the strengths and weaknesses of formal and informal risk management strategies, Prof. D Rajasekhar, DDU, ISEC, suggested roles of actors in the management of social security schemes. About 35 persons, representing government, trade unions, NGOs, insurance companies, and the academia, participated in the workshop. Prof. A S Seetharamu, ISEC, welcomed the participants and Dr. S Madheswaran proposed a vote of thanks. Ms. Gabrielle Ramm, GTZ, Germany, chaired the workshop. Prof. D Rajasekhar, DDU, co-ordinated the workshop.
10. Brainstorming Session on ‘Growth Centre: Measures to Prevent Migration from Urban and Rural Areas’

In collaboration with Rural Development and Panchayat Raj (RDPR) of GoK, the ISEC, hosted on October 4, 2004, half-a-day ‘Brainstorm’ meeting of experts and administration on the theme of promoting ‘Rural Growth Centres.’ Professor T Scarlett Epstein narrated the experience of a similar approach in the Latin American and African context. A plan was prepared, emphasising the growing linkage of rural artisans and small enterprises with global markets, to develop the growth centres. Shri H T Thimmegowda, Chairman and Managing Director of Cauvery Neeravari Nigama, outlined the proposal for a pilot case to be tried out in the village ‘Mangala,’ the famous ‘Wangala’ of Dr. Epstein’s classic study is Mandya. Shri Chiranjeevi Singh, Development Commissioner, Government of Karnataka, while welcoming the proposal called for keeping the lessons learnt in earlier experience of developing industrial centres. Dr. G K Kadekodi, Director, ISEC, presided over the meeting. Prof. G K Karanth was the coordinator.

11. Course on Survey Methods for Environmental Economists

A course on Survey Methods for Environmental Economists, organised jointly by SANDEE and ISEC, was conducted at Manipal County, Bangalore, during November 1 – 3, 2004. The purpose of the course was to help SANDEE researchers in designing household surveys, constructing random samples, and improving survey implementation, all in an effort to improve the quality of data collected. It is expected that improved quality of data, in turn, will help to answer research questions better.

Twenty-four participants from Bangladesh, Bhutan, India, Nepal, Pakistan, and Shri Lanka participated in the workshop. The course trainers were Dr. Shreekant Gupta of Delhi School of Economics, India, and Dr. Urvashi Narain of RFF, USA.

The Survey Method Course was followed by SANDEE’s Ninth Biannual Research and Training Workshop, held at the same venue from November 5 to 9, 2004. SANDEE grantees presented their final/progress reports of their work while new research applicants presented their research proposals before SANDEE’s Management and Advisory Committee. Fourteen resource persons and 25 researchers attended the workshop in Bangalore.

Both the workshops were co-sponsored by the Institute for Social and Economic Change (ISEC). Prof. Partha Dasgupta, one of SANDEE’s Management and Advisory Committee Members, also delivered a talk at ISEC on November 8, 2004, which was attended by 100 persons including ISEC Board Members, faculty and students.

Prof. G K Kadekodi, Director, ISEC, co-ordinated the workshops with the assistance of Dr. S Madheswaran.

12. Discussion on Challenges to Social Science Research in India

Professors A M Shah and B S Baviskar addressed the students and faculty of ISEC on November 19 and November 20, 2004, on the question of challenges to social science research in India. Prof. Shah, Chairman of the Centre for Social Studies in Gujarat, expressed concern over the declining interest among young and bright scholars in the social sciences as their area of discipline. Prof. Baviskar called for a much more rigorous interaction between undergraduate colleges, universities, and
ICSSR research institutions. In the discussion, the doctoral students pointed out some of the basic hurdles in attracting talent to social science research. Chief among them were inaccessibility to good journals and reference material at the undergraduate level, and the meagre amount of money as fellowships/scholarship.

Prof. Kadekodi, while agreeing with the guests, pointed to the efforts made in the past and also presently by ISEC as ‘outreach’ activities aimed at the undergraduate and postgraduate departments. The Journals and Monographs of ISEC are being shared with the institutions at no cost, the refresher courses, and the presence of many of ISEC faculty on the boards of studies in the various universities. He also explained that the syllabus of pre-university courses in Economics, Sociology, Education, etc., has been revamped, with contributions from ISEC faculty. The meeting was co-ordinated by Prof. G K Karanth, Head, Sociology Unit.

13. Conference on Biotechnology and India’s Development

A Conference on ‘Biotechnology and India’s Development’ was organised by ISEC during November 22–25, 2004, at the Hotel Ashok Grand in Bangalore. The conference was enabled by the Netherlands Foundation for the Advancement of Tropical Research. It was hosted in association with the Indo-Dutch Programme on Alternatives in Development (IDPAD) and the Indian Council of Social Science Research (ICSSR), New Delhi. The Inaugural Panel comprised Prof. Peter Nijkamp, Chair NOW, Mr. Hans Knijnenburg, First Secretary of the Netherlands High Commission, New Delhi, Prof. V R Panchmukhi, Co-Chair IDPAD and Chair ICSSR, Dr. Peter van der Veer, Co-Chair IDPAD, Prof. S L Rao, Chair ISEC and Prof Gopal K Kadekodi, Director, ISEC.

Participants represented a cross-section of scientists, economists, social scientists, state and central government officers, planners, industrialists and civic societies. There were sessions on development and poverty alleviation, food security, regulatory issues, drugs and pharmaceuticals, and the economics of biotechnology. The conference concluded with two intensive panel discussions. The ‘International Biosafety Protocol’ panel included Dr. S R Rao, Prof A Damodaran, and Dr. S Chaturvedi. The panel on ‘Formulation of Recommendations for Future Course of Social Science Research in Biotechnology’ included Prof. V R Panchmukhi, Prof. Peter van der Veer, and Prof. Gopal K Kadekodi.

14. Karnataka Rajyotsava Extension Lecture

The Karnataka Rajyotsava Extension Lecture was delivered in Kannada on November 26, 2004, by Shri K V Subbanna, well-known theatre personality and winner of the 1991 Ramon Magsaysay Award for Journalism, Literature and Creative Communication Arts. Speaking on the theme ‘My Concept of the Community,’ Shri Subbanna expressed concern over the diminishing human values and the fragmented concept of development. The driving force behind this kind of development being competition, he warned against its ills like aggression, envy, enmity and violence. Citing the contributions to world development by notable personalities like Buddha, Lohia, Gandhi, Vinoba Bhave, Ambedkar, and Gopal Gowda, he emphasised the values of simplicity and restraint, mutual love and co-operation for progress that should be a holistic process. He explained it as a ‘synthesis’ of old and new civilisation. His idea of community is this new synthesis or integrative way of life.
By starting NINASAM in the tiny village of Heggodu in Shimoga district of Karnataka, he has opened many avenues not only for the Indian theatre but also for the mobilisation and growth of community and culture at large. He said that he started NINASAM an institution, which he defined ‘as a civilisation, a struggle of a community to find a new way… a cultural alternative and democratic decentralisation.’ For Shri Subbanna, democracy and decentralisation are the recurring themes in the NINASAM outlook. “One day, a change will come, which will be a new way of equity, decentralised and democratic and contentment with our own way of life.” This holistic understanding is what he understood as community.

Shri Subbanna stated that he belongs to the world because he belongs to Heggodu. To belong anywhere, one must begin somewhere and for him it is this tiny village of Malnad. But it is not a ‘retreat.’ This is where he and his people engage passionately with the world and all its work’.

15. Talk on Rethinking India’s Villages

Professor Dipankar Gupta, Centre for Study of Social System, JNU, New Delhi, gave a dinner talk on December 8, 2004. Speaking on the theme of ‘Rethinking India’s villages’, he questioned the wisdom of social scientists persisting with the stereotyped image of Indian village while describing the social and economic changes. He questioned the validity of macro-data, which often failed to reflect the nature and extent of changes that were sweeping the rural hinterland. His talk was attended by a host of intellectuals in Bangalore and elsewhere. Prof. Dipankar Gupta’s lecture was organised with the support of SRTF.

16. Stanford - India Development Conference — 2004

The Stanford-India Development Conference-2004 was held at the Infosys Campus in Bangalore on December 21, 2004, co-hosted by ISEC, Infosys Technologies Limited, and the Stanford Centre for International Development (SCID) with financial support from The Indus Entrepreneurs (TiE). The goal of the conference was to enhance debate and informed discussion on the multidimensional nature, composition, process and implications of economic reforms to ensure growth and equity. The conference recognised that economic reforms and growth require the collaboration of the government, other policy makers, business community and academic researchers. Hence, the participants, numbering seventy, were invited from each of these groups. This considerable turnout suggested the success of the endeavour.

Shri N R Narayana Murthy chaired the inaugural session, and Prof. B K Chandrashekar delivered the keynote address. Shri Atul Vashistha proposed a vote of thanks.

There were four technical sessions with distinguished speakers, chairpersons and discussants. The speakers were Prof. T N Shrinivasan on, ‘Overview and Assessment of India’s Economic Reforms’; Prof. Roger Noll on, ‘Performance of Power Sector’; Shri N K Singh on, ‘Changes in Governance and Institutions in the Reform Era’; and Prof. Naushad Forbes, Anjini Kochar, and A S Seetharamu on ‘Reforms in Education and Evaluation of the Education System’. Shri T R Satish Chandran, Prof. Prakash G Apte, Shri D P Yadav, and Shri M K Panduranga Setty chaired the different sessions. The discussants comprised senior civil servants and
Prof. Gopal K Kadekodi chaired the concluding session. The invited address by Dr. Shibal Gupta was on, Comparative Analysis of State-level Development with special reference to reforms and development experiences in Bihar. Prof M R Narayana, Conference co-ordinator, proposed a vote of thanks and emphasised the need for a long-term professional collaboration between ISEC and SCID, Infosys, and TiE for sharing of knowledge and experiences. At the end of the Conference, Prof. Gopal K Kadekodi summarised the deliberations as providing some fresh thoughts to make the process a continuous one and free from political and governmental changes.

17. ‘Ecological Irreversibilities: What Do They Tell Us about Sustainable Development?’

Prof. Partha Dasgupta, FRS, Frank Ramsey Professor at Cambridge University, UK, delivered a public lecture on the above theme. Prof. Dasgupta addressed the problem of ecological irreversibility by posing three different issues. First, referring to the nexus of low-level nutrition and poverty syndrome, there is a fundamental issue of threshold level of nutrition to be crossed to break the nexus. Given the social, economic and demographic milieu of the population, there may be problems of irreversibility from low level of nutrition.

Second, he posed the question about lack of substitutes for a number of natural resources that can reverse the process of low levels of sustainability. Third, based on the classical example of over fishing beyond the replacement (or reproduction) levels from water bodies like rivers, lakes or ponds, at some point of time, the cost of harvesting may cross over the gains from exploitation rates. Then, not only would the livelihoods be affected, but the capacity to regenerate may vanish making the ecosystem totally unsustainable.

Therefore, in most commonly observed ecological problems, there is a need to watch and ward for the situations of such irreversibilities well in advance to reduce the dangers of such incapacities to be faced by generations.

18. Cambodian Delegates’ Visit to ISEC

A twelve-member delegation from Cambodia visited ISEC to discuss with senior faculty members on ‘Global Economy and Its Impact on Small Manufacturing Sector’, ‘Decentralisation and Voice for the Small Manufacturing Sector’ and ‘Governance Issues for the Small-Scale Industries’. Of the twelve members, nine represented the small-scale manufacturing units in Cambodia, while three represented The Asian Foundation, an NGO working on democracy and elections, women’s empowerment, decentralisation and economic programmes.

Professors G K Kadkodi, A S Seetharamu, G K Karanth, M R Narayana, R S Deshpande, S N Sangita and D Rajasekhar attended the meeting.

19. Nepalese Delegation Visit to ISEC

A delegation of thirty Education Officers from the National Centre for Education Development, Khatmandu, Nepal, visited ISEC on January 7, 2005. The team was led by Prof. S M A Zaidi and other faculty members of NIEPA. Dr. G K Kadekodi, Director of the Institute, welcomed the delegation. The faculty members of
the Education Unit, Prof. A S Seetharamu and Dr. M D Usha Devi apprised the
delagation of the various activities of the Education Unit, in particular, research
support provided by the ISEC to the Government of Karnataka for institutional
capacity-building and quality improvement in the field of school education. The team
members discussed on various issues relating to the role of government in institutional
capacity building and school management. This meeting was held at the request of
the Sarva-Sikshan Abiyan, Department of Education, Government of Karnataka.

20. Civil Service Reforms and E-Governance

A one-day seminar in collaboration with (Indian Institute of Public
Administration) IIIPA-Karnataka Regional Branch, Bangalore, on ‘Civil Service
Reforms and Initiatives in E-Governance in the Southern States’ was organised at
ISEC on January 8, 2005. The seminar was inaugurated by His Excellency, the
Governor of Karnataka, Shri T N Chaturvedi, and it was presided over by Shri S L
Rao, Chairman, Board of Governors of ISEC. The keynote address was delivered by
Shri A N Tiwari, Secretary, Department of Personnel and Training, Government of
India. Dr. Gopal K Kadekodi, Director, ISEC, welcomed the delegates and Shri S
Ramanathan, Chairman, IIIPA-KRB, Bangalore, made introductory remarks about the
seminar. The concluding remarks were presented by Shri S Ramanathan and Dr.
Gopal K Kadekodi.

In all, 12 papers were presented at the seminar by distinguished participants,
who included, among others, former and present secretaries and members of the IIPA
Regional Branch, academicians from Andhra Pradesh, Karnataka, Kerala,
Pondicherry and Tamil Nadu. The papers were discussed in two sessions, one on
Civil Service Reforms in Southern States, and the other on ‘E-Governance: Initiatives
in Southern States’ chaired by Shri T R Satish Chandran, and Dr. Sanjeev Reddy,
respectively.

Dr. S N Sangita, Professor and Head, Development Administration Unit, co-
ordinated the Seminar.

21. Founder’s Day Celebration

The ISEC organised its Founder’s Day on January 20, 2005. The programme
began by paying respects to Prof. V K R V Rao through garlanding of his bust by Shri
S L Rao, Chairman, Board of Governors.

Dr Gopal K Kadekodi, welcomed the gathering. Shri S L Rao gave away the
M N Srinivas Memorial Prize in Sociology to Dr. S Sudha for her thesis on ‘Society
and Religious Consciousness: Veerashaiva Movement in the Medieval Times’ and
Justice E S Venkataramiah Memorial Prize in Development Administration to Dr.
Vaidya Vibhavathi for her thesis on “Ethics in Public Service with Special Reference
to Superior Civil Services in Karnataka”. The staff members who had completed 25
years of service in the ISEC were honoured on the occasion.

Shri S L Rao, Chairman, Board of Governors, presided over the function.
Participants included others, distinguished Members of the Board of
Governors, Founder/Life Members of ISEC Society, academicians from various
universities and institutions, administrators, general public, staff and students of
ISEC.
22. Professor V K R V Rao Memorial Lecture

Prof. Ramachandra Guha, Historian and Biographer, delivered the Prof. V K R V Rao Memorial Lecture, the second in the series, on ‘Verdicts on Nehru: The Rise and Fall of A Reputation’ as part of Founder’s Day celebrations on January 20, 2005. The lecture examined the posthumous reputation of India’s first Prime Minister, Shri Jawaharlal Nehru. It sought to ask, and at least partially answer, this question - why has a man who was so greatly adored in his lifetime been so comprehensively vilified since his death? After exploring how Nehru was revered while he was alive, the essay turns to the political tendencies that opposed and still oppose him. The critics of Nehru, that the paper investigates, were those emanating from the Marxist.

23. One-Day Workshop on Micro Insurance in India: Can it be Sold Profitably?

A one-day workshop on ‘Micro Insurance in India: Can It be Sold Profitably?’, jointly organised by the International Labour Organisation (ILO), Geneva, German Development Co-operation (GTZ), Bangalore, and Bearing Point, Hyderabad, was held at ISEC on January 28, 2005. The chief objective of this workshop was to discuss the impediments to profitability faced by the insurance companies and the solutions to improve profitability. In all, 30 members, representing the insurance companies both from public and private sectors participated in the meet.

Smt. Namerta, Co-ordinator, GTZ-Micro Insurance Project, made a presentation on the experience of the GTZ in managing micro insurance projects. The presentation focussed on the role and functions of community and the intermediary organisations in providing micro insurance services. It also focussed on different lessons learnt, expectations and concerns of the client, intermediary organisations as well as insurance providers. This was followed by a presentation by Mr. Jim Roth, ILO, Geneva, on how the companies could undertake the micro-insurance business profitably.

The participants were then organised into four groups each dwelling on impediments to profitability faced by insurance companies, and solutions to overcome the impediments. The main impediments identified were lack of data, low level of awareness, poor clarity on regulations, the issue of costs, quality of intermediary organisations, lack of forum, business obligation, and the absence of a level playing field. Solutions identified to overcome these impediments were the entrustment of data collection and storage to an agency, a more active role played by the regulator in developing the sector, removal of the restriction on commission-sharing in this sector, etc. This workshop was co-ordinated by Dr. D Rajasekhar, Professor and Head, Decentralisation and Development Unit.

24. Visit of IIPS Students

As part of the teaching programme at the International Institute for Population Sciences (IIPS), Mumbai, the students of Master in Population Studies (MPS) and M. Phil and Diploma in Population Studies (DPS) visited ISEC on February 17, 2005 to familiarise themselves with the research activities at the Population Research Centre. Dr. Gopal K Kadekodi, Director, ISEC, gave an overview of the teaching and research activities of the Institute and highlighted the thrust areas of research in various units. He also briefed about various other facilities available at the Institute such as Library, Computer Centre and other infrastructural facilities facilitating research. Dr. K N M
Raju described some of the major studies carried out, methods used in data collection and statistical techniques adopted in data analysis by the PRC faculty since inception. The faculty members in the PRC summarised individually the completed and/or on-going studies. Some studies on Panchayat Raj, Public Health, Reproductive Child Health, Gender Issues and Old Age generated keen interest among the students because the visitors were also directly or indirectly contemplating research in these areas for their dissertation. Many interesting issues like organising field research - designing questionnaire, sampling and non-sampling errors were also discussed. In general, the students expressed that they benefited from the discussions and the visit was very fruitful.

25. Krishna Raj Memorial Lecture

ISEC, jointly with the Centre for Budget Policy Studies, and Hope Foundation, organised a lecture in memory of Late Shri Krishna Raj, editor, Economic and Political Weekly on ‘Globalisation – Why It Has a Human Face’ by Prof. Jagdish Bhagwati, a distinguished economist, Columbia University, USA, on February 26, 2005, at the auditorium of National Institute of Advanced Studies (NIAS), Basangalore.

Globalisation is a debated issue with more and more countries talking to it. Prof. Bhagwati in his lecture, defending the policies of globalisation, said, it is in fact the most powerful social force for social good in the world today. Though globalisation is a contentious issue, he stated that there are different forms of globalisation such as cultural, trade and financial. Although it is being opposed by trade unions, political parties and non-governmental organisations, he stressed the point that globalisation of trade and politics has reduced poverty and improved social and economic conditions of the poor all over the World. In the course of his lecture, he recalled the contributions made by late Shri Krishna Raj.

26. Budget Seminar

A seminar was organised at ISEC on March 15, 2005 to discuss the major issues relating to both the Union and Karnataka Budgets 2005-06. The Union Budget was evaluated in the light of the changing structure of the economy during the post liberalisation era. Concerns about the declining capital formation, particularly in the agricultural sector and growing revenue deficits and declining share of agriculture and manufacturing sector in the national GDP were raised in the seminar.

As far as the Karnataka Budget was concerned, the fiscal deficit appeared to be under control as there was surplus in the revenue account. Karnataka followed a revenue led model to ensure fiscal discipline, and reforms took place in the area of stamp duty, excise duty and privatisation of transport. However, it was also felt that the state budget should lay more emphasis on rural infrastructure, access to institutional credit in rural areas, efficient distribution of power for agriculture, and promoting flow of corporate investment into agricultural sector. Though the budget provided some succour to the drought-hit agricultural sector, rainfed areas were untouched. Further, multiplicity of schemes rendered a very thin spread per unit; hence, allocations could not make any significant impact.

Discussions took place concerning the possible problems of implementing the value-added tax (VAT) in the presence of other taxes like entry tax in lieu of Octroi. Concerns relating to lack of social security in the face of falling interest rates were
also raised. It was mentioned that corruption and lack of delegation of power to the lower tiers of government created a mismatch between outlays and intended outcomes.

The speakers in the seminar include Shri. S L Rao, Prof. G Thimmaiah, Shri. Gurucharan, Dr. Narendra Pani, Prof. Hemlata Rao, Prof. R S Deshpande and Dr. Ramachandran.

Prof. A S Seetharamu welcomed the participants. The seminar was co-ordinated by Drs. Meenakshi Rajeev and Devendra Babu, Economics Unit, ISEC, under the guidance of Prof. Hemlata Rao, Head, Economics Unit, ISEC.
Devolution has come to be recognised as an indispensable mechanism to make participation of the poor and marginalised substantive and governance accountable. The 73rd Constitutional Amendment delegated key development functions to the Panchayat Raj Institutions (PRIs). The challenge now is how to and what to transfer of the 29 matters listed in the eleventh schedule of the constitution to the three tiers of the PRIs. It is a formidable task to identify the tiers best suited to each of these matters and the possible hurdles and problems in implementing and empowering these institutions.

In order to discuss these issues, a one-day workshop on ‘Activity Mapping among PRIs’ was jointly organised by the Union Ministry of Panchayat Raj, New Delhi, and ISEC, Bangalore, at ISEC on August 27, 2004. There were 45 participants in the workshop, most of whom were senior officials (such principal secretaries, additional secretaries, secretaries and other officials belonging to the Panchayat Raj Department) from almost all the states. In addition, a few faculty members of ISEC and representatives of a few NGOs attended the workshop.

The presentations at the workshop called for substantive implementation and operationalisation of the provisions mentioned in Act 243G of the Constitution, and welcomed the measures by the state government to devolve functions through activity mapping become very important. They sought to allay fears in certain quarters that the specification of functions to panchayats would ‘disempower’ the state-level politicians and bureaucrats. The state-level actors would have to play a pivotal role in various technical activities such as maintaining audits and accounts. The presentations focussed on the comparative advantage of different tiers in order to overcome the problem of ‘role clarity’.

It was also argued that the issue of ‘comparative advantages’ could be comprehended only if an attempt was made to understand the 29 subjects in terms of various sub-functions such as financing, staffing, provisioning, implementation, evaluation, conflict resolution, accountability, and information sharing. Depending on the comparative advantage and principle of subsidiarity, each of the tiers could be assigned various functions. Such an activity mapping can be effective only if devolution is based on the principle of subsidiarity and backed by legislation rather than administrative orders.

The resource persons also attempted to map the various possible problems that states could face in devolving activities through activity mapping. First, the problem of political and bureaucratic will. Bureaucrats need to undergo a ‘mind-set change’ and be willing for complete devolution. They should not encourage patronage and shun from making provision for hidden funds. MLAs and other public representatives have to be told to negotiate directly with the representatives of the ZPs. Bureaucrats should concentrate their efforts on training, documenting and networking between PRIs. Similarly, activity mapping and devolution does not mean abdicating ‘technical supervision,’ i.e., technical (for instance, finance/auditing) guidelines should be given, so that no state department feels that it is completely disempowered. Second, activity mapping should be assigned on the basis of complexity of the problem/issues and not
on pecuniary limits (for instance, in Karnataka there are GPs handling funds to the extent of Rs.3 crores). Third, some of the programmes cannot be easily demarcated into functions belonging to various tiers (for instance, poverty alleviation). They need teamwork and various tiers working jointly across sectors. Fourth, encourage ‘peer learning’ to both arrive at and learn from ‘best practices.’ It is essential to organise exposure visits to other GPs. The fifth problem relates to parallel bodies. These bodies are consciously encouraged by various central and state ministries, and also multilateral and bilateral agencies to side-track funds and avoid devolution of the decision-making process. The workshop identified finances, legal process, social dimension, political parties, regional variations, parallel bodies, convergence and method of devolution as key issues in the devolution of functions through activity mapping.

It was concluded that notwithstanding the problems in operationalising activity mapping, an earnest effort should be made to delineate the functions to PRIs. In preparation for the exercise on activity mapping, the workshop attempted a comprehensive review on key economic, political, administrative and social variables for effective and meaningful devolution of functions through activity mapping. In other words, the emphasis was to look at fiscal, political and administrative decentralisation as a comprehensive programme for both democratisation of governance and empowerment of the disadvantaged. The workshop not only identified the key issues and problems but also provided suggestions for overcoming the problems to a large number of policy makers at the highest level.

2. Drinking Water Situation in Kolar City

K V Raju

The study attempts to estimate the water demand, assess water resources in Kolar town, design alternatives, and identify issues for further analysis. It involved interactions with various personnel of City Municipal Council (CMC), elected councillors, Government and various private organisations. The survey covered 950 households spread over all 31 wards of the city. The study, with support from IWMI-TATA, was carried out by Dr. K V Raju, B K Anand, Praveen Holla, and Shashidhar of the Ecological Economics unit of ISEC, Bangalore.

The study finds that demand for water in Kolar, with population density of 445 persons per hectare, is being partially met by the CMC. The total demand, as per the survey, is 7.27 MLD and, as per the CMC data, is 13.56 MLD. The total supply, as per the survey, is 3.43 MLD and as per the CMC data, is 7.1 MLD. Ammanikere, one of the surface water resources, which was serving 50 per cent of the town, has been dry for the past 18 months. Treatment units were installed in 1971. The pump has not been replaced since then. Lack of proper management and of technical personnel has contributed to the problem.

The CMC, which is supplying water from bore wells, meets 50 per cent of the demand. The groundwater quality analysis, based on 137 samples, shows that 98 per cent of the samples are contaminated and not potable.

Apart from the resource problem, there are managerial issues, which include non-availability of household data, an important element in the assessment of the water demand in the town. Despite the fact that Kolar is growing, the tax collections have not been done by the revenue department.
Technical problems are involved in the design of pipe networks from supply to distribution. Moreover, the absence of a perennial river exacerbates the problem. The people in the town are suffering from dental fluorosis, skeletal fluorosis and other waterborne diseases.

The study findings were presented at a public meeting organised by the Kolar City Municipal Council in Kolar. The local media gave wide coverage to the findings. The Deputy Commissioner and other senior officers, besides city councillors, attended the meeting. The debate was lively and an eye-opener for many of them. It has been debated in the Assembly, and the government has granted Rs.50 lakhs to improve the drinking water situation in Kolar city. Now that the new knowledge has influenced action at the state and local levels, the Kolar CMC is exploring long-term solutions with the Ecological Economics Unit of ISEC.

3. Trends in Reproductive Child Health and Fertility Preferences

K N M Raju

A Dissemination Seminar on District Level Household Survey (DLHS) under the Reproductive Child Health (RCH) project was organised jointly by the Ministry of Health and Family Welfare (New Delhi), the International Institute for Population Studies (Mumbai) and the Institute for Social and Economic Change (Bangalore) on April 16, 2005 at ISEC. The seminar was attended by the state and district level officials from the Department of Health and Family Welfare Services, GoK, Bangalore, and officials and researchers working in the area of reproductive child, health from NGOs and research institutions. In all, about 40 persons attended the seminar; at least, one senior official represented each of 27 districts in the Karnataka state.

The DLHS aimed at providing district level estimates on various parameters relating to reproductive child health, fertility and fertility preferences. The First Round of survey was carried out in 50 per cent of the districts in 1998 and the rest in 1999 in India. The Second Round survey was carried out in 50 per cent of the districts in 2002 and the rest in 2004.

From the analysis of the household data from these two rounds, the following trends could be noticed.

- Fertility was declining in Karnataka as a whole, but there were regional variations between northern and southern districts.
- The RCH indicators also showed a similar divide between north and south. However, in general, it is observed that some of the indicators of reproductive health such as safe deliveries and deliveries in the health facilities were better.
- Increasing percentage of women was seeking the services of medical or paramedical health personnel at the time of delivery. This had a positive impact on both maternal and infant mortality.
- While immunisation coverage was better, still many pregnant women were not receiving the complete package of antenatal, natal and post natal services.
Centre for East and South-East Asian Studies (CESEAS), Lund University, Sweden, approached ISEC for organising a research and training programme for their Master’s students in Asian Studies. The arrangement was cleared by ARPC of the Institute and a Memorandum of Understanding (MoU) was signed with the CESEAS Lund University. The programme involved training the Master’s students of CESEAS in research methodology, specifically focussing on the topic of their dissertation. The first batch of two students, viz, Mr. Rasmus Bay Arnbjerg and Ms. Mette Haagen, joined on September 1, 2004. They attended the specially designed course on Research Methodology and worked at the Institute for a period of two months (September 1, 2004 to October 31, 2004). Mr. Rasmus Bay Arnbjerg conducted a case study on ‘Collaboration or Collision? Identity Formations and Resource Management’ and Ms. Mette Haagen worked on ‘Misinformation and Poverty in the context of Kidney Transplantation in India.’ The first four weeks of the course covered lectures on research methodology and also special lectures in their respective areas of research, to acquaint them with the area-specific issues. This was followed by a four-week fieldwork and a final presentation and discussion on the field experiences. Prof. R S Deshpande, ADRT Unit, co-ordinated the programme. The Director of CESEAS, Dr. Jan Magnusson, expressed that he was very satisfied with the ISEC model of the training course on Applied Fieldwork and evinced keen interest in continuing the tie-up arrangement.
Seminars Presented by Visitors


**The Media and Indian Politics** — *Dr. Narendar Pani*, Senior Editor, The Economic Times, Bangalore (April 29, 2004).

**The Parampara of Social Interaction Studies: The ‘Nuts and Bolts’ of Qualitative Sociology** — *Prof. Kenneth Liberman*, Professor of Sociology, University of Oregon and Visiting Fulbright Scholar, University of Mysore (May 11, 2004).

**Growth Centres as a Tool of Regional Development: Evidence from India** — *Dr. Kala Seetharam Shridhar*, National Institute of Public Finance and Policy, New Delhi (May 20, 2004).

**Management of Asthma and Allergic Disorders** — *Dr. K. S. Satish*, Pulmonologist, Wockhardt Hospital, Bangalore (May 21, 2004).

**Remote Sensing and GIS-Based Flood Vulnerability: Assessment of Human Settlements: A Case Study of Gangetic West Bengal** — *Dr. Joy Sanyal*, Department of Geography, National University of Singapore (June 11, 2004).


**Dimensions of Spatial Inequality in China** — *Prof. Ravi Kanbur*, T. H. Lee Professor of World Affairs and Professor of Economics at Cornell University and V K R V Rao Chair Professor, ISEC (July 2, 2004).

**New Interactions, New Possibilities: Transport, New Information Communication Technology and the Reduction of Rural Social Inequalities** — *Prof. Margaret Grieco*, Professor of Transport and Society at Napier University, Edinburgh, Scotland, and SRTT Visiting Faculty, ISEC (July 3, 2004).

**Global Commons, Local Solutions: Climate Change Policies and Small-Scale Industries in India** — *Dr. Preeti Soni*, (July 12, 2004).

**Reaching The Un-Reached: Towards An Energy – Development Paradigm for Rural India** — *Dr. Shirish Sinha*, (July 14, 2004).

Socio-Economic and Ecological Feasibility Study of a Riparian Floodplain for Increased Stream Flows — Dr. Malavika Chauhan, SRTT Visiting Professor (August 26, 2004).


The Land Surface Hydrological Processes: An Evaluation Using Macro Scale Process Models and the Application of Remote Sensing and GIS in Hydrology — Dr. Venkataramana R Shridhar, Assistant Professor, School of Natural Resources, University of Nebraska, USA (November 22, 2004).

Civil Society in India and China — Dr. Van Der Veer, University of Utrecht, Netherlands (November 27, 2004).

Indian Immigrants in the United States — Dr. Gopal C Dorai, Professor of Economics, University of Maryland, Baltimore, USA (December 3, 2004).

Rethinking the Indian Village — Prof. Dipankar Gupta, Centre for Study of Social Systems, Jawaharlal Nehru University, New Delhi.

Fertility Change in South Asia — Dr. Christophe Z Guilmoto and Dr. Irudaya Rajan (December 9, 2004).

Information Technology and Urban Development: A Case of Bangalore — Prof. James Heitzman, New York University, USA (December 28, 2004).

USA Agriculture and Globalisation: Lessons for India — Prof. Ingolf Vogeler, University of Minnesota, USA (January 5, 2005).

Political Economy of Energy — Mr. John Byrne, Director, Centre for Energy and Environmental Policy, and Distinguished Professor of Public Policy, University of Delaware, USA (January 18, 2005).

The Economic Consequences of the Health Effects of Transport Emissions in Australian Capital Cities — Ms. Madhumita Lodh, Bureau of Transport and Regional Economics (BTRE), Canberra, Australia (January 19, 2005).

Current Issues in Indian Agriculture — Dr. Abhijit Sen, Member, Planning Commission, Government of India, New Delhi (January 22, 2005).

Capacity Utilisation in Indian Paper Industry — Dr. Kaustuva Barik, Reader in Economics, Indira Gandhi National Open University, New Delhi (February 4, 2005).

Economic Reforms in Russia — Dr. Oleg V Malyarov, Chief Research Officer, Centre for Indian Studies, Institute for Oriental Studies, Russian Academy of Sciences, Moscow (February 14, 2005).
Debating Development: India and Egypt – Prof. Nicholas Hopkins, Department of Sociology and Anthropology in the American University in Cairo (February 24, 2005).

Living with Pollution in Egypt – Prof. Nicholas Hopkins, Department of Sociology and Anthropology in the American University in Cairo (February 25, 2005).

Charisma and Responsibility: Max Weber and Revolution – Prof. Nicholas Hopkins, Department of Sociology and Anthropology in the American University in Cairo (February 28, 2005).


Seminars by Faculty

Structure and Determinants of Spatial and Sectoral Patterns of Investment: The Case of India’s Manufacturing Sector — Prof. Shashanka Bhide, B. P. Vani and H. K. Amarnath, RBI Unit (June 26, 2004).

Lokayukta and Good Governance in Karnataka — Prof. S N Sangita, Development Administration Unit (July 1, 2004).


Growing Rural Urban Disparity — Dr. D Rajasekhar, Decentralisation and Development Unit (July 15, 2004).

India’s Export of Selected BPO Services: Understanding Strengths and Weaknesses — Dr. Meenakshi Rajeev, Economics Unit (September 1, 2004).

Building Up of an Efficient Marketing System to Obviate the Need for Large Scale State Intervention in Karnataka — Prof. R S Deshpande, ADRT Unit (September 6, 2004).

Human Development, Environment and Poverty Nexus in India — Prof. Gopal K Kadekodi, Director, ISEC (September 8, 2004).

Menopause: Emerging Issues in India — Dr. T S Syamala and Dr. M Sivakami, Population Research Centre (September 9, 2004).
Traditional Services in a Modern Setting: The Case of Safai Karmacharis in Urban Karnataka — Dr. K G Gayathri Devi, Decentralisation and Development Unit (September 13, 2004).

Profession Tax Base: A Study of Karnataka State — Dr. Devendra Babu, Economics Unit (September 14, 2004).

Reproductive and Child Health Programmes in the Urban Slums of Bangalore City — Dr. C S Veeramatha, Population Research Centre (September 15, 2004).


Representation and Participation: Panchayats of Kerala — Dr. Anand Inbanathan, Sociology Unit (September 17, 2004).

Environmental Kuznets Curve: Evidences from India and Japan — Dr. K N Ninan, Ecological Economics Unit (September 20, 2004).


Decentralisation and Employment Generation: A Study of SGSY Programme — Prof. D Rajasekhar and Dr. K G Gayathri Devi, Decentralisation and Development Unit (October 14, 2004).


Consumer Demand for Telecom Services in Karnataka and Goa — Prof. M R Narayana, Economics Unit (October 30, 2004).

Towards Solidarity: Naxalite, Dalit and Women’s Movements in Andhra Pradesh — Dr. Ajay Gudavarthy, Decentralisation and Development Unit (November 18, 2004).

(a) Institution for Rural Infrastructure in Karnataka: A Collaborative Study of IFPRI and ISEC and; (b) Rural Water Supply: A Study of Gujarat and Karnataka — Prof. K V Raju, Ecological Economics Unit (November 25, 2004).


Development and Welfare Programme — Dr. Syed Ajmal Pasha, Ecological Economics Unit (December 2, 2004).

Institutional Alternatives for Participatory (NRM): Lessons from User-Group Self-Initiatives in Community Forest Management (CFM) — Dr. Madhushree Sekher, Development Administration Unit and Dr. Madhu Verma, Indian Institute of Forest Management, Bhopal (December 4, 2004).

Population Change in Karnataka: A Decadal Overview (A Taluk-Wise Study) — Dr. C M Lakshmana, Population Research Centre (December 22, 2004).

Rapid Assessment and Participatory Irrigation Management in Andhra Pradesh — Prof. K V Raju, Ecological Economics Unit (December 30, 2004).


Economics of Nuclear Power in India – Dr. M V Ramana, Fellow, Centre for the Interdisciplinary Study of Environment and Development (CISED), Bangalore (February 17, 2005).


Cultivation of Medicinal Crops and Aromatic Crops as a Means of Diversification in Agriculture – Prof. R S Deshpande, ADRT Unit (March 9, 2005).

Study for the Estimation of Seed, Feed and Waste Ratios for Major Foodgrains in Karnataka – Prof. R S Deshpande and Dr. I Maruthi, ADRT Unit (March 9, 2005).

Production and Cost of Broiler Meat: A Study in Karnataka – Dr. M J Bhende, ADRT Unit (March 9, 2005).

Investment Subsidy to ‘Tourism Industry’ in Karnataka: An Evaluation – Dr. L Venkatachalakam, Economics Unit (March 11, 2005).


Education and Development (Theory and Reality) – Prof. A S Seetharamu, Education Unit (March 17, 2005).
Decentralisation, Governance and Women Leaders in the Grama Panchayats of Karnataka – Dr. K G Gayathri Devi, Decentralisation and Development Unit (March 31, 2005).

**Students’ Biannual Seminar Series**

The first Biannual Seminar series for 2004 for ISEC Ph.D. Fellows was held from June 14-18, 2004. There were twenty-nine presentations, of which two were pre-submission and eight were proposal seminars; the rest were work-in-progress seminars. Prof. Ravi Kanbur, VKRV Rao Chair Professor, served as panel expert for seven Ph.D. scholars in Economics. Prof. Margaret Greico (Mrs. Kanbur) served as panelist for three Ph.D. scholars, from Sociology, Development Administration and Population Studies respectively. Prof. G Hargopal from Central University of Hyderabad, served as a panelist for five Ph.D. Scholars in Development Administration. In addition, Shri T R Satish Chandran, Prof. N S S Narayana, Prof. Abdul Aziz, Prof. B S Bhargava, Dr. M G Chandrakant, Prof D S Shivanand, and Prof. T K Jayalakshmi also served as panelists for Ph.D. scholars in Economics, Sociology, Development Administration and Education.

The Second Biannual Seminar series was held during December 6–10, 2004. There were 21 seminars by students whose work is in progress and 8 students presented pre-submission seminars.

Dr. Ravi Kanbur, VKRV Rao Chair Professor, Dr. Dipankar Gupta, Professor of Sociology, Jawaharlal Nehru University, New Delhi; Dr. S K Ray, Professor (Retired) of Agricultural Economics, Institute of Economic Growth, New Delhi, and Professor G Haragopal, Professor of Political Science, Hyderabad Central University, served as Panel Members in their respective area/s of specialisation.

Besides, there were many experts both from within ISEC and from outside, including Shri T R Satish Chandran, Prof. B S Bhargava, Prof. Abdul Aziz, Prof. M V Nadkarni, Prof. R G Desai of Bangalore University, Prof. Chandrakanth of UAS, Hebbal.

**Ph.D. Degrees Awarded**

During the year 2004-05, 12 students were awarded the Ph. D. degree. They are:

**Ms. Gayathri V** (Development Studies, 1996), by the University of Mysore in 2004, for her thesis on ‘Women, Decentralisation and Development in the Context of Gram Panchayat in Karnataka.’ Prof. G K Karanth was her supervisor.

**Mr. Jyothis S** (Economics, 1996) by the University of Mysore in 2004, for his thesis on ‘Economics of Biodiversity Conservation: A Case Study of Western Ghats Region in Kerala.’ Dr. K N Ninan was his supervisor.

**Ms. Anita Samal** (Political Science) by the University of Mysore in 2004 for her thesis on ‘Women in Development Bureaucracy: A Study in Karnataka State.’ Dr. N Sivanna was her supervisor.

**Mr. Md Nazrul Islam** (Political Science) by the University of Mysore in 2004 for his thesis on ‘Decentralised Governance and Development in India: A Study in West Bengal.’ Prof. S N Sangita was his supervisor.
Mr. Ramakrushna Panigrahi (Economics) by the University of Mysore in 2004 for his thesis on 'Environmental Costs and Regional Income Accounting.' Prof. M V Nadkarni and Prof. M R Narayana were his supervisor.

Ms. T S Jeena (Economics 1997) by the University of Mysore in 2004 for her thesis on ‘Economic and Institutional Factors in the Use and Management of Wetlands – Case Study of Cochin Backwaters.’ Dr. K N Ninan was her supervisor.

Mr. Pravakar Sahoo (Economics 1998) by the University of Mysore in 2004 for his thesis on ‘Impact of Changing Indian Federal Fiscal System on Backward States: A Study of Orissa State.’ Prof. Hemlata Rao was his supervisor.

Mr. Krishne Gowda B (Education, 1997) by the Bangalore University in 2004 for his thesis on ‘Role of Institutional Structures at District and Sub-District levels in Promoting School Quality in the Context of Universalisation of Elementary Education in Karnataka.’ Dr. M D Usha Devi was his supervisor.

Ms. Latha Nair K (Economics 1996) by the University of Mysore in 2004 for his thesis on ‘Finances and Functions of Urban Local Governments in India: A Case Study of Bangalore City Corporation.’ Prof. M Nageswara Rao was her supervisor.

Mr. M Lingaraju (Development Studies, External) by the University of Mysore in 2004 for his thesis on ‘Impermanent Migration to the City: A Survival Strategy of the Poor.’ Dr. M Johnson Samuel was his supervisor.

Ms. Mythili N (Education) by the University of Mysore in 2005 for her thesis on ‘Determinants of Quality of Schooling in Rural Primary Schools in Karnataka’. Prof. A S Seetharamu was her supervisor.

Mr. Amalendu Jyotishi (Economics) by the Bangalore University in 2005 for his thesis on ‘Ecological, Economic and Institutional Aspects of Shifting Agriculture: A Study in Orissa. Prof. R S Deshpande was his supervisor.

Dr. D M Nanjundappa Endowment Prizes

Dr. D M Nanjundappa distributed the ‘Dr. D M Nanjundappa Endowment Prize’ to two Ph. D. students, viz, Ms. Tarodi Tunga Lakshminarayana and Ms. Sarbani Mukherjee in Development Administration and in Economics respectively for the year 2003-04.

Memorial Awards

The Board of Governors has instituted two memorial awards once in five years for the best Ph D thesis of ISEC — one in Sociology in the memory of Professor M N Shrinivas and the other in Development Administration in the memory of Justice E S Venkataramiah. Dr. S Sudha’s thesis on ‘Society and Religious Consciousness: Veerashaiva Movement in Medieval Times’ (guided by Professor G S Aurora) for Prof. M N Shrinivas Memorial Prize in Sociology and Dr. Vaidya Vibhavathy’s thesis on ‘Ethics in Public Service with Special Reference to Superior Civil Services in
Karnataka’ (guided by Professor S N Sangita) for the Justice E S Venkataramiah Memorial Prize in Development Administration for the period 2000-04 have been awarded.

Young Achievers’ Awards

Shri Sachidananda Satpathy, Ph.D Student, has been selected as the finalist for the Infosys-Education World Young Achievers’ Awards, instituted by Infosys to recognise and reward talented young individuals in the areas of arts, science, music, sport, academics, technology and social work. The award received around 500 entries from India as well as outside. Eminent personalities from the fields of business, education, media and entertainment adjudged the participants.

Infosys Chairman and Chief Mentor Shri N R Narayana Murthy, told the four finalists: ‘Each one of you is here because you are outstanding in your respective field — be it art, social work, demonstration of bravery to save others, sports, science or innovation. The nation needs more role models like you. Congratulations to you all — each one of you is a winner!’
**PUBLICATIONS**

**Books**

**Aurora, G S**

**Bharadwaj, Ranganath**
Excitement at Knowing the Known (Experimental Kannada Play) The play reflects on the consequences of slow growth and low level of human resource development on the life of the people in a typical rural setting. (with CNB Rajesh) Software Development: Technology Based on Structural Methodology. Institute for Educational Research and Development. September 2004.

**Deshpande, R S**


**Lele, Sharachchandra**

**Rajasekhar, D**

**Raju, K V**


**Rao, V M**

**Sangita, S N**

**Thippaiah, P**
The Journal of Social and Economic Development is brought out by ISEC biannually, in January and July. It provides a forum for an in-depth analysis of problems of social, economic, political, institutional, cultural and environmental transformation taking place in the world today, particularly in developing countries.

In the year under review, 2004-05, the two issues that were brought out carried a total of 12 articles and 11 book reviews.

The Journal is being sent to all Life and Founder Members of the Institute, besides subscribers.

ISEC Monographs Series


Decentralised governance has been conceived as an instrument for promoting development. It is expected to facilitate effective people’s participation, enhance degree of transparency and ensure greater accountability. This paper examines the relationship between decentralised governance and transparency as well as accountability in the light of empirical evidence. The study reveals that transparency and accountability can be enhanced at the grass roots level by strengthening institutions of decentralised governance, ensuring people’s participation and accumulation of social capital.

An attempt has been made in the present study, by using the RCH data in Karnataka, to know the level of utilisation of all the services that are considered essential for safe delivery. The utilisation of the entire essential antenatal health care services is found to be only 8.5 per cent while 10.7 per cent have not received any services. The percentage of women receiving all essential antenatal health care services is higher among those living in urban areas, coastal and malnad regions, and pucca houses.

This paper examines the contribution of NGO micro-finance programmes to poverty alleviation with the help of evidence on group formation and savings and credit operations. The paper suggests that the micro-finance programmes often benefit the non-poor, monetary savings are not high enough to reduce vulnerability within member households and loan amounts are not large enough to make a dent on poverty. Many member households do not have significant access to credit. The claim that micro-finance programmes are answer to poverty alleviation is not, therefore, empirically substantiated. This suggests that in addition to micro-finance other interventions such as public expenditure, credit plus activities etc., have to be made.
Title : Citizenship, Differences and Identity: Dalit Women and Political Inclusion

Author : V. Vijayalakshmi

No. : 147

The paper examines issues related to citizenship and political participation of dalit women. The disadvantages of caste, class and gender and the exclusionary mechanisms entrenched in hierarchical social relations have had differential outcomes for dalit women in citizenship and politics. The experiences of marginality, which they encounter, defines how identity is perceived and constructed. The participation of dalit women in citizenship is constrained by high levels of deprivation, minimal participation in civil society, and low political activity of any kind.

Title : Reforms in State Public Enterprises in Karnataka: A Review

Author : Meenakshi Rajeev

No. : 148

The beginning of the year 2002 has seen some concrete reform measures concerning the state- level public sector enterprises (PSEs) in Karnataka. One of the interesting features of this new initiative is to identify enterprises for privatisation not through the measurement of profit but on the basis of the kind of activity that the unit is engaged in (commercial/non-commercial etc.). This paper reviews the status of the PSEs in the State of Karnataka, the recent restructuring measures initiated by the State Government and the issues emerged thereby.

Title : Water Rights in India and Water Sector Reforms in Andhra Pradesh

Author : K.V. Raju and C.V.S.K. Sarma

No. : 149

Water rights in India in a formal, legal manner are still under formulation. Rights based on centuries old customs and conventions currently prevail. In recent years, reforms have sought to introduce water rights through user organisations, and provide for better allocation across competing sectors. Andhra Pradesh has led in introducing water sector reforms. This paper discusses the water rights and water allocation situation in India and some implications of reforms in Andhra Pradesh for water rights.
Title : Joint Forest Management: A Case Study of Village Kotekoppa in Uttara Kannada District of Karnataka

Author : Gopal K Kadekodi, N H Ravindranath, Prabhakar R Bhat and Seema Hegde

No. : 150

This is a paper based on a field study to evaluate an on-going joint forest management project (JFM). The methodology of the evaluation is a straightforward cost-benefit analysis, while reference to other alternative methods is made in passing. Attempts are made to incorporate all the major views of the people of the village or the beneficiaries in the analysis. In doing so, an approach of “with and without” JFM in a social accounting framework has been adopted. The findings reveal that the project can yield some net benefits to the people of the village, but not without uncertainties or sensitiveness of outcomes.

Title : Is The Manufacturing Sector in India An Engine of Growth?

Author : Kaliappa Kalirajan

No. : 151

Manufacturing has been an engine of growth in India in the seventies and eighties. After the 1991 economic reforms, the engine appears to be slowing. This paper attempts to examine the reasons. The analysis reveals that manufacturing output growth in the post-reform period is ‘inputs driven’ rather than efficiency driven. The paper advocates policies to improve production efficiency through encouraging firms to invest more in RandD, technical training for workers, and technology-aided managerial processes.

Title : Performance of Public Enterprises in Karnataka: A Panel Data Analysis

Author : Meenakshi Rajeev and B P Vani

No. : 152

In the wake of the public sector reform programme, performance of public sector units in terms of profitability has become a highly debated issue in India, where major arguments given for inefficiency of public enterprises are over employment and lack of managerial autonomy. However, there is not much academic work which formally establishes these assertions. This paper considers panel data relating to 59 state level public sector firms in Karnataka and uses a random effect model to examine the possible factors contributing either positively or negatively to the performance of public enterprises.
Title : Convergence of Standards of Living Across Indian States

Author : Kshamanidhi Adabar

No. : 153

Given the limitations using per capita income in evaluating social well being, this study measures the standard of living by real per capita consumption and re-examines whether the standards of living across Indian States are converging or not. β-convergence is found for rural sectors of the states during the pre-liberalisation era. Similar result is obtained by combining the rural and urban areas of the states. In contrast, reform period shows opposite results. Furthermore, σ-convergence shows that consumption inequality has increased over time.

Title : Air Quality Management in Bangalore, India: A Preliminary Assessment

Author : Puttanna Honaganahalli and K V Raju

No. : 154

Karnataka state has taken several disconcerted regulatory and awareness measures to address the air pollution challenge in Bangalore. It is unclear if these measures can ensure cleaner air. The workings of the various departments are being reviewed in this report; policy makers and implementers were interviewed to understand the relationships among the different agencies. Lack of appreciation of the problem, institutional and personnel capacity, personnel force, sustained action and a positive attitude, are a few of the impediments to better air quality.

Title : Towards Effective Poverty Reduction: A Global Perspective

Author : V M Rao

No. : 155

The Millennium Development Goals of the United Nations and the strategy formulated by the World Bank to achieve them stress the need for a major shift from the present preoccupation of the anti-poverty strategies with meeting the minimalist poverty norms like $1 per day income. This paper explores the implications of this shift for the roles that the international community can play in helping the developing countries to cope with the emerging poverty perspectives.

Title : The Growing Rural – Urban Disparity: Some Issues

Author : D Rajasekhar and Gagan Bihari Sahu

No. : 156

The paper critically examines the understanding, approach and indicators that have been used to measure the degree of disparity. It is true that disparity exists
everywhere. However, this paper focuses on disparities existing between rural and urban areas. In this context, the paper talks about ‘why’ and ‘how’ disparities exist between rural and urban areas. The paper suggests that ‘income’ is not a sufficient indicator to capture the magnitude of disparities at any level. It is, therefore, necessary to develop some other indicators representing human resource development and infrastructure facility to understand the growing rural-urban divide.

**Title** : Growth, Inequality and Poverty: Some Hard Questions

**Author** : Ravi Kanbur

**No.** : 157

This commentary poses a series of progressively harder questions in the economic analysis of growth, inequality and poverty. Starting with relatively straightforward analysis of the relationship between growth and inequality, the first-level hard questions arise when we ask what policies and institutions are causally related to equitable growth. Some progress is being made here by the economics literature, but relatively little is known about the second-level harder questions – how a society comes to acquire “good” policies and institutions, and what exactly it is that we are buying into when we accept the number one Millennium Development Goal of the United Nations—halving the incidence of income poverty by the year 2015.

**Title** : Fifty Years of Regional Inequality In China: A Journey through Central Planning, Reform And Openness

**Author** : Ravi Kanbur, Xiaobo Zhang

**NO.** : 158

This paper constructs and analyses a long run time series for regional inequality in China from the Communist Revolution to the present. There have been three peaks of inequality in the last fifty years, coinciding with the Great Famine of the late 1950s, the Cultural Revolution of the late 1960s and 1970s, and finally the period of openness and global integration in the late 1990s. Econometric analysis establishes that regional inequality is explained in the different phases by three key policy variables—the ratio of heavy industry to gross output value, the degree of decentralisation, and the degree of openness.

**Title** : Spatial Inequality in Education and Health Care in China

**Author** : Xiaobo Zhang, Ravi Kanbur

**No.** : 159

While increasing income inequality in China has been commented on and studied extensively, relatively little analysis is available on inequality in other dimensions of human development. Using data from different sources, this paper presents some basic facts on the evolution of spatial inequalities in education and healthcare in China in the long run. In the era of economic reforms, as the foundations of education and
healthcare provision have changed, so has the distribution of illiteracy and infant mortality. Across provinces and within provinces, between rural and urban areas and within rural and urban areas, social inequalities have increased substantially since the reforms began.

Title : Promotion Of Individual Household Latrines In Rural Karnataka: Lessons Learnt
Author : Veerashekharappa
No. : 160

Poor sanitation is one of the major factors for outbreaks of communicable diseases, which have adverse impact on human resources. In India, the percentage of households with latrines in rural area is insignificant. The Government of India, under the Tenth Five-Year Plan aims to achieve 100 per cent coverage through the Total Sanitation Campaign. The investigation based on household data suggests the changes that are required at the village level in the implementation process, to achieve the set targets.

Title : Feminist Politics in India: Women and Civil Society Activism
Author : V Vijayalakshmi
No. : 161

The paper examines feminist politics in India and the various issues with which they have been engaged. The two issues that divide women and inhibit alliances among the women’s movements are the Uniform Civil Code, and the reservation of seats for women in Parliament and State Legislatures. The problem is not only differences in perspectives. It is rather the shift in the centrality of feminist politics from women’s issues alone, to identity politics of caste and religion. Women’s interests and gender justice are undermined by the identity politics of caste and religion.

Title : Do Macroeconomic Conditions Matter For Agriculture? The Indian Experience
Author : Shashanka Bhide, Meenakshi Rajeev and B P Vani
No. : 162

Macroeconomic instability, characterised by high inflation, a fragile foreign exchange position, and high rates of interest, increases the uncertainty for any investor or producer and hence slows down economic growth. While this is generally accepted, the usual perception about the agricultural sector, particularly in India, is that it is immune to general macroeconomic shocks. In this paper, we have examined this perception formally using a vector auto regressive model. By studying the significance of macroeconomic conditions to the agricultural sector, we observe that the sector is not insulated from macroeconomic shocks.
Vital statistics of a region are crucial in understanding development. Over the years, social scientists have used data on literacy as one of the criteria to understand levels of development. Significance lies in the growing levels of literacy among different groups of society. This paper is a brief appraisal of the Index of Deprivation (IOD) and Crude Literacy Development Index (CLDI) in Karnataka State for the two Census years 1991 and 2001. It attempts to show the relative status of talukwise development through literacy. Out of 175 taluks in Karnataka, Mangalore in Dakshina Kannada District has the highest CLDI (0.873) both in 1991 and 2001. Followed by Karwar, Madikeri, Sirsi, Udupi, Sulya, Shringeri, Bantwal, and Bangalore-South taluks. Yadgir taluk of Gulbarga District has the highest IOD (0.374), followed by Shahapur, Devadurga, Manvi, Shorapur, Siruguppa, Jevargi and Sedam taluks in the district of Gulbarga, Raichur and Bellary respectively.

Rent-Seeking and Gender in Local Governance

The paper examines the relationship between corruption and gender in institutions of Government in India, using a Logit model. Recent debates about women’s participation in electoral politics suggest that the presence of more women in government will engender public policy, and also tends to reduce corruption. The evidence we examined indicates that gender is not a significant factor in explaining the levels of corruption. Although nearly 40 per cent of the elective positions in the institutions of local government are occupied by women there is no significant gender difference in the attitudes towards rent-seeking and in the actual levels of corruption.

Electronic Governance and Service Delivery In India: Theory And Practice

Interest in e-governance is growing with the increasing use of information and communication technology (ICT) by government to improve the quality of governance and service delivery. Governments all over the world have been using ICTs such as internet, websites, computers and mobile phones to provide various government services in an efficient, equitable and transparent manner with less corruption (good governance). Notwithstanding these advantages, there are certain problems like poor coverage of the e-governance infrastructure, inadequate human resources, mismanagement, technical inexperience and inequitable access (digital
divide), lack of public awareness and ineffective civil society participation. This paper mainly reviews the experiences of e-governance reforms in improving the quality of governance and service delivery in India. The first section deals with the conceptual framework of e-governance. The second section focuses on e-governance initiatives in India. The third section reviews the implications of e-governance on service delivery in terms of efficiency, accountability, participation and equity on the basis of the secondary resources. The fourth section deals with the enabling conditions in promoting e-governance in India. Finally, the paper comes with the policy perspectives.

Articles Published in Other Journals/ Edited Books

Anantha, K H

Babu, M Devendra


Bharadwaj, R
Structural Method and Contemporary Experimental Theatre. IERD Working Paper, (mimeo) June 2004. To be published in the volume to be brought out in honour of Shri Rajashekar Kadamba, a noted theatre person.

Bhide, Shashanka

Deshpande, R S


**Kadekodi, Gopal K**


**Karanth, G K**


‘Replication or Dissent? Culture and Institutions among ‘Untouchable’ Scheduled Castes in Karnataka.’ In *Caste in Question: Identity or Hierarchy?* Edited by Dipankar Gupta, New Delhi: Sage Publications.

‘Experience: An Indian Viewpoint.’ In *Key Words: Experience — For Different Kind of Globalisation*, edited by Nadia Tazi (Series Editor), The Other Press (New York) [US Edition of earlier Publication].

**Lele, Sharachchandra**


**Madheswaran, S**


**Menon, Ajit**

‘Colonial Constructions of “Agrarian Fields” and “Forests” in the Kolli Hills.’ *The Indian Economic and Social History Review*, 41(3), September 2004.

**Mutharayappa, R**


**Narayana, M R**


‘Databases for State Level Analysis of WTO Implications on Small Scale Industries in India: Lessons from Karnataka’. *Journal of Indian School of Political Economy*, 16(2and3), 2004.

**Pasha, Syed Ajmal**


**Rajasekhar, D**


**Raju, K N M**


**Raju, K V**


**Rajeev, Meenakshi**


Ramana, M V

Ramaswamy, V


Rao, V M


RoyChowdhury, Supriya
Sastry, G S

Seetharamu, A S

Sekher, T V


Syamala, T S


‘Do Health Worker Female and Traditional Birth Attendant Equipped to Provide Primary Health Care in Tribal Areas? Evidences from Tribal Andhra Pradesh’. Studies of Tribes and Tribals, 2(2), December 2004.

Usha, M N
‘Linking Child Development to Human Development.’ In Seminar Volume of GB Pant Institute of Social Sciences, Allahabad.


Vadivelu, G Ananda
Venkatachalam, L


Yadav, Manohar
PARTICIPATION IN SEMINARS

Papers Presented in Seminars, Conferences and Workshops

Deepthi, A

Deshpande, R S
Globalisation: Is Agriculture at the Receiving End? At the Seminar on Coping with Globalisation organised by Centre for Public Policy and Governance, IAMR, New Delhi.

(with M G Deepika) Globalisation and Trade at the Seminar on Globalisation and Allied Issues organised by Bangalore University, Bangalore, 2004.


Devi, K G Gayathri
Researchable Issues in Gender Studies at the Workshop on Researchable Issues in Gender Studies organised by Department of Women and Child Development, NIPCID, 2004.

Atrocities on SCs and the Prevention of Atrocities Act at the Workshop on Atrocities on SCs and the Prevention of Atrocities Act organised by National Law School of India University, Bangalore.

Kadekodi, K Gopal
(with B P Vani and H K Amar Nath) "Regional Disparity and Human Development in Karnataka" at Regional Workshop on Karnataka Human Development Report-II organised by CMDR, Dharwad, 2004.

(with B P Vani and H K Amar Nath) "Regional Disparity and Human Development in Karnataka" at Regional Workshop on Karnataka Human Development Report-II organised by Karnataka Planning Department, Hotel Grand Ashoka, Bangalore, 2004.
"Dealing with Climate Change: Case of Appropriate Discount Rate" at Two-day International Seminar on India's Economic and Social Development: National and International Perspective organised by Centre for Economic and Social Studies (CESS), Hyderabad, 2004.

Karanth, G K
Challenges to Social Sciences: A Sociological Perspective at Conference' on Globalisation and the Social Sciences organised by Department of Sociology, Belgaum Campus, Karnataka University, Belgaum, 2004.


Lakshmana, C M
(with Dr. B Eswarappa). Dimensions of Literacy and Development in Karnataka - A Geographical Analysis at the XXVI, Indian Geography Congress organised by Department of Geography, MD. University. Rohtak (Haryana) India. 2004.

(with Dr. B Eswarappa). Trends in Sex-Ratio in Karnataka, A Demographic Perspective at an international seminar organised by Dept. of Demography, University of Kerala, Trivandrum, 2004.

Lele, Sharachchandra

(with Kamal Bawa) Interdisciplinarity in Action Research: An enterprise-based conservation project in the BRT Wildlife Sanctuary of Karnataka, India at the International Conference on Interdisciplinary Research and Management in Mountain Areas (IRMA), organised by Banff Centre for Continuing Education, BANFF, Canada, 2004.


Madheswaran, S


Mutharayappa, R  
Reproductive Morbidity of Women in Karnataka at the International Seminar on Demographic Changes and Implications organised by Department of Demography, Kerala University, Thiruvananthapuram, 2004.

Nadkarni, M V  

Narayana, M R  


Ninan, K N  

Pasha, Syed Ajmal  

Rajasekhar, D  
Non-Agricultural Employment for Young Women in India: Status, Opportunities and Ways Forward at the International Youth Conference organised by German Federal Ministry, GTZ, CEPA and IMCAP, Colombo, Shri Lanka, 2004.


(with Madheswaran) Wages and Productivity in Beedi Industry: A Study in Karnataka

Democratic Decentralisation in Karnataka at the Seminar on Democratic Decentralisation organised by Indian School of Political Economy, Pune, 2004.

(with Sachidananda Satapathy) Functions Undertaken By Grama Panchayats In Karnataka at the National Conference on Hundred Years of Rural Development in India organised by Department of Rural Development and Centre for Scientific Socialism, Nagarjuna University, 2004.


Affordability of Water Supply Services in Karnataka at the Conference on Improving Institutions for Pro-Poor Growth organised by Oxford University, Oxford, United Kingdom, Oxford, 2005.


(with Gagan Bihari Sahu) Flow of Funds and Deposits Mobilisation in Rural and Urban Areas: A Case Study of Karnataka at the National Seminar on Banking, Insurance and Pension Sector Reforms organised by University of Mysore, Mandya, 2005.


Rajeev, Meenakshi
(Shashanka Bhide and B P Vani) Do macroeconomic conditions matter for agriculture at the Conference on Indian Econometric Society Conference organised by TIES, Kolkata, 2005.

Raju, K V


Planning for Incorporation of Vegetation in Urban Landscape at the Seminar on Planning, Planting and Management of Trees in Urban Areas organised by Arboriculture Association of India and Dr.M.H. Marigowda Horticultural Education and Research Foundation (MHM Foundation), Bangalore, 2004.


Ramana, M V


India and Nuclear Secrecy at the Conference on Transparency as a Prerequisite of Arms Control organised by Peace Research Institute, Frankfurt, Bensheim, Germany, 2004.

Ramaswamy, V
Rao, V M

RoyChoudhury, Supriya


Sangita, S N

‘Research Issues in Political Science on Public Administration’ at a workshop on Social Science Research organised by Madurai Kamaraj University, Madurai, 2004.


‘Governance and Rural Development: Role of Civil Society’ at a workshop on Roles of Lokayukta Institution, the Media and the Citizens in Effective Implementation of Rural Development Schemes of Government organised by Lokayukta, Government of Karnataka, Bangalore, 2005.

(with Mr Bikash Chandra Dash) E-Governance and Service Delivery in India: A Critical Review at the Seminar on “Civil Service Reforms and Initiatives in E-Governance in Southern States” organised by ISEC and IIPA, Bangalore, 2005.

Governance and Rural Development: Role of Civil Society at the Workshop on Roles of Lokayukta Institution, the Media and the Citizens in Effective Implementation of Rural Development Schemes of Government organised by Lokayukta, Government of Karnataka, Bangalore, 2005.

Globalisation and Governance: State and Civil Society Response at the XXVIII Indian Social Science Congress on The Crisis of Modern Civilisation organised by XXVIII Indian Social Science Congress, Gandhigram, Dindigul, Tamil Nadu, 2005.

(with Ms T K Jyothi) Coalition Politics and Governance in India: Theory and Practice at the National Seminar on Party Politics and Coalition Governance in India organised by Karnataka University, Dharwad, 2005.

Sastry, G S

Seetharamu, A S

Sekher, T V


Health Care for the Rural Poor: Health Services Delivery in India at the Annual Conference of the Population Association of America (PAA) organised by Population Association of America, Philadelphia (USA), 2005.

Shah, Esha

‘Technological Vulnerability and Farmers’ Suicides in South India’ at the Department of Technology and Agrarian Development, TAO, at Wageningen University, The Netherlands, 2004.


Technological Vulnerability and Farmers suicides in south India at the Conference on Agrarian Distress and Farmers Suicides in India organised by Government and Policy spacees (GAPS) project, CESS, Hyderabad and Acharya Nagarjuna University, Guntur, 2005.

Local and Global Elites Join Hands: Development and Diffusion of Genetically Modified Bt Cotton Technology in Gujarat, India at the Conference on Agricultural Biotechnology organised by Centre for Globalisation and Regionalisation, Warwick University, Warwick, United Kingdom, 2005.

Sivakami, M
(with TS Syamala) Functioning of UltraSound Sonography Centres in Karnataka at the Workshop on Functioning of UltraSound Sonography Centres in Various States in India organised by Ministry of Health and Family Welfare, Government of India, New Delhi, 2005

Syamala, T S
(with M Sivakami) Menopause: An Emerging Issue in India at the International Seminar on Demographic Changes and Implications, organised by Department of Demography, University of Kerala, Thiruvananthapuram, 2004.

Thippaiah, P

Usha, M N

Veeramatha, C S
A Study on Unmet need for Family Welfare Services (The case study of Karnataka) at the International Seminar on Demographic Changes and Implicationsorganised by Department of Demography, University of Kerala, Thiruvananthapuram, 2004.
Veerashekharappa
State and Community Investment in Sanitation Services: A Case study of Karnataka at the National Conference on Hundred Years of Rural Development in India organised by Nagarjuna University, Guntur, Andhra Pradesh, 2004.

‘Promotion of Individual Household Latrines in Rural Areas: Lessons Learnt,’ at National Seminar on New Horizons in Environmental Sciences and Engineering in India, at Bangalore University, Bangalore, 2004.

Venkatachalam, L

Participation in Seminars, Conferences, Workshops as Chairman, Discussant and Rapporteur

Deshpande, R S
Participated as Chairman of the Session on Economics of Biotechnology at the Conference on Biotechnology and India's Development organised at ICSSR, Netherlands for Advancement of Tropical Research, Indo-Dutch Programme on Alternatives in Development and ISEC, Bangalore, 2004.

Participated as Chairman at the National Seminar on Rural-Urban Partnership Development organised at St Joseph's College of Business Administration, Bangalore, 2004.


Participated as Session Chairman Silver Jubilee Symposium on Governance in Development: Issues Challenges and Strategies Session on "Technologies for Indian Agriculture" organised by Institute of Rural Management Anand, Gujarat 2004.

Participated as Chairman for the Session on Role of Local Bodies and NGOs in Multi-hazard Management at the Workshop on Tsunami and Multi-hazard Management organised by Department of Science and Technology; Government of Karnataka, Bangalore, 2005.

Kadekodi, K Gopal

Participated as Chairman in the Conference on Observation of Census Data Dissemination Day, organised by Directorate of Census Operations, Karnataka, Bangalore, 2004.

Participated as Delegate at the Development Convention of Southern ICSSR Institutions organised by Centre for Economic and Social Studies, Hyderabad, 2005.
Karanth, G K

Lakshmana, C M
Participated as Rapporteur at the Seminar on XXVI Indian Geography Congress organised by Dept. of Geography M.D. University, Rohtak (Haryana), 2004.

Lele, Sharachchandra

Participated as Panel speaker at the Panel discussion on Live Debate on National Environment Policy organised by Media for Sustainable Development (Centre for Environment Education) and National Law School of India University, Bangalore, 2004.


Menon, Ajit
Discussant for the session on ‘Participation and Empowerment in Rural Local Government’ a part of a seminar on Reforming Governance - Perspectives and Experience being held at the Centre for Public Policy, IIM, Bangalore, 2004.

Nadkarni, M V

Raju, K V

Participated as Resource Person at the training course on The Links between Property Rights, Communicated Actions and Natural Resources Management, at ICRAF, Nairobi, 2004.


Participated as Expert Member of State Project Implementation Committee of Jala Samvardhana Yojana Sanga of Govt. of Karnataka in the Review Meeting organised by University of Agricultural Sciences, Bangalore, 2004.

Participated as Chairperson at the Partnership Meet on Second South India Water Partnership Meet organised by Global Water Partnership, Indian Social Institute, Bangalore, 2004.
Participated as Chairperson at the Symposium on Natural Resources Management for Sustainable Development organised by Faculty Engineering, UVCE, Bangalore, 2004.

**Rao, V M**
Chaired a session on Round Table on Employment Guarantee for Rural India at Indira Gandhi Institute of Development Research, Mumbai, 2004.

Chaired a session on International Conference on Rural Marketing at University of Mysore, Mysore, 2004.


**Roychowdhury, Supriya**
Participation as Core Member of the Group and Chairperson of a Session at the International Conference of NETSAPPE (Network of Scholars on South Asian Politics and Political Economy) at Paris 2004.

**Sastry, G S**
Participated as Resource Person at Workshop on City Revitalisation and Performance Measurements organised by City Managers Association, Bangalore, Windsor Manor, Bangalore, 2004.


Participated as Discussant at the Workshop on Revision of Syllabus of Rural Development Subject organised by Centre for Rural Development Studies, Bangalore University, Bangalore, 2005.

**Shah, Esha**

**Usha, M N**
Chaired a session on Social Sector and Human Development at a National Seminar on Human Development organised by G B Pant Institute of Social Sciences, Allahabad, 2004.

**Veerashekharappa**
Participated as Rapporteur in the National Conference on Hundred Years of Rural Development in India organised by Nagarjuna University, Guntur, Andhra Pradesh 2004.

**Venkatachalam, L**
Seminars and Training Programmes Organised

Deshpande, R S


Kadekodi, K Gopal
Organised SANDEE Conference also as a Member of Steering Committee and also as Resource Person, sponsored by SANDEE at Bangalore, 2004.

Organised and participated in the conference on "Biotechnology and India's Development" sponsored by ICSSR/IDPAD at Bangalore, 2004.

Karanth, G K

Trends and Future of Social Science Research in India, sponsored by ISEC, Bangalore, 2004.

SRTT Dinner Talk by Professor Dipankar Gupta (Professor of Sociology, Centre for Study of Social Systems, JNU, New Delhi) on 'Rethinking India's Villages', sponsored by SRTT and ISEC, Bangalore, 2004.

Lele, Sharachchandra

Rajasekhar, D


Sangita, S N
Sekher, T V  

Seminars, Conferences, Workshops and Meetings Attended

Deshpande, R S
Workshop on Farmers Suicides in Maharashtra organised by Indira Gandhi Institute of Development Research, Mumbai, 2005.

Workshop on Strategies for Drought Management in Karnataka organised by Commissionerate of Agriculture, Bangalore, 2005.

Gopalappa, D V
Brainstorming Session on Sericulture – Country Programme (India) organised by Swiss Development Cooperation, Bangalore, 2004.


Seminar on ‘Entrepreneurial Opportunities in Sericulture’ organised by Department of Studies in Sericulture, Bangalore University, Bangalore, 2004.

Kadekodi, K. Gopal
Conference on ‘Attaining the MDGs in India: Role of Public Policy and Service Delivery,’ organised by World Bank in New Delhi, 2004.


ICSSR Conference on Reforms with Human Face organised by ICSSR, New Delhi, 2004.


Round Table on "Policy Strategies for Protecting Rural Livelihoods in Desertification
Prone Areas" organised by Centre for Public Policy, Indian Institute of Management, Bangalore, 2004.


**Lele, Sharachchandra**  


Workshop on Sustainable Land Use in Drylands: Global and National Perspectives for India organised by UNDP and TERI, Delhi, 2005.


**Ninan, K N**  

**Rajasekhar, D**  


**Raju, K V**  
Seminar on Industry and Environment: Towards a Sustainable Relationship organised by Greater Mysore Chamber of Industry in association with Centre for Sustainable Development and Karnataka State Pollution Control Board, Bangalore, 2004.

Workshop on Social and Economic Indicators of Sustainable Development organised by The Energy and Resources Institute, Bangalore, 2004.

Conference on Biotechnology and India's Development organised by ISEC, ICSSR, NWO and supported by IDPAD, Bangalore, 2004.

International Workshop on Charging for Irrigation Services: Thinking through the Issues organised by DFID AND IWMI, New Delhi, 2004.


Sastry, G S

International Seminar in Connection with the World Water Day at the International Seminar on Water for Life, organised by Bangalore Water Supply and Sewage Board (BWSSB), Taj West End Hotel, Bangalore, 2005.

Sekher, T V

Workshop on Developing Human Development Curricula in Indian Universities organised by Institute of Human Development, New Delhi, and Central University, Hyderabad, 2004.


Sivakami, M


Workshop on South Zone Regional Workshop on "Preparation of the Course Curriculam on Human Development" organised by Institute for Human Development, New Delhi, Academic Staff College, University of Hyderabad, Hyderabad, 2004.

Seminar on Declining Child Sex Ratios in India organised by Vimochana, Bangalore, 2004.

Syamala, T S

Seminar on Declining Sex Ratios: A Cause for Concern, A Time to Act’ organised by Vimochana along with the Karnataka State Commission for Women and Department of Women and Child Development, Government of Karnataka, Bangalore, 2004.


**Thippaiah, P**  


**Usha, M N**  

National (UGC) Seminar on National Women’s Commission: NGO Forum organised by Centre for Women’s Studies, Bangalore University, Bangalore, 2004.

National Consultative Committee meeting and seminar on Women with Disabilities organised by CBR network and Bangalore University, Bangalore, 2004.

Meeting of Research Studies on Janshala at MHRD, New Delhi, 2004.

**Venkatachalam, L**  


**Keynote and Presidential Addresses Delivered**

**Deshpande, R S**  
‘Rural Development: Have We Staggered on the Path?’ At a seminar on Current Sociological Issues, organised by Tunga Vidyavardhaka Sangha, Shimoga, 2004.


‘Current Issues Confronting Agricultural Development’ at Special Lecture organised by Indian Statistical Institute, Bangalore, 2004.

‘Agriculture and Environmental Sustainability’ at a seminar on Integrating Environmental Sustainability with Economic Development, organised by Maharani’s College for Women, Bangalore, 2004.


‘Prof. P R Brahmananda Memorial Lecture on Union Budget’ organised by the Bangalore Social Science Forum, Bangalore, 2005.

Devi, K G Gayathri

Kadekodi, K Gopal
Inaugural keynote address on ‘Nexus Between Environment and Development’ at a UGC refresher programme in Environmental Economics organised by Maharani’s College, Bangalore, 2004.


Karanth, G K
‘Surviving the Risks and Shocks: Hurdles to Social Development of the Poor and Marginalised’ at UGC sponsored National Conference on Marginal Groups, Political Participation and Social Development, organised by the Department of Sociology, Madurai Kamaraj University, Madurai, 2005.

Lele, Sharachchandra


Nadkarni, M V
Keynote address on ‘Management of Water Resources in Agriculture’ at ICAR-sponsored Summer School on Natural Resource Economics and Management in Agriculture, at University of Agricultural Sciences, GKVK Campus, Bangalore, 2004.

Raju, K V


RoyChowdhury, Supriya
Keynote address on ‘Labour Activism and Women in the Unorganised Sector’ at a meeting on Women and Work, organised by the National Centre for Labour, at the Indian Social Institute, Bangalore, 2004.

Sangita, S N
‘Research Issues in Political Science’ at a seminar on Social Science Research organised by Madurai Kamaraj University, Madurai.


‘Public Private Partnership for Sustainable Development’ at a workshop on Public Private Partnership in Nation Building, organised by the Ecumenical Centre at the Bangalore, 2005.


Venkatachalam, L

Outreach Through Lectures, Talks and Media
Babu, M Devendra
Delivered two lectures on Resources, Resource Mobilisation and Budget preparation by Panchayat Raj Institutions at Indian Social Institute, Bangalore, 2004.

Delivered six lectures on Planning and Finances of Panchayat Raj Institutions at St. Joseph's College of Business Administration, Bangalore, 2004.


Bharadwaj, Ranganath


Lecture on ‘Use of Mathematical and Statistical Techniques in Economics: A General Overview’ delivered for UGC Refresher Course at Academic Staff College, Mysore University, Manasagangotri, Mysore, 2004.

Deshpande, R S

Delivered two lectures on Agricultural Production Functions: Method and Critique at University of Mysore, Mysore, 2004.

Delivered one lecture on Green Revolution at Dhvanyaloka Centre for Indian Studies, 2004.


Delivered two lectures on WTO and Agriculture at Bangalore University; Bangalore, 2005.


Delivered two lectures on Cultural Change Under Liberalisation at Department of Sociology, Bangalore University, Bangalore, 2005.

Talk on State Budget in Television Channel E-TV Kannada, 2005.

Delivered one lecture on Sustainable Agriculture: Economic Lessons at Indian Institute of Management, Bangalore, 2005.
Delivered one lecture on Union Budget at Gokhale Institute of Public Affairs, Bangalore, 2005.

**Devi, K G Gayathri**

Delivered a lecture on Extension Services in Sericulture at Department of Post-Graduate Studies in Sericulture, Bangalore University, Jnana Bharathi, Bangalore, 2004.

**Karanth, G K**

**Kadekodi, K Gopal**
Delivered a lecture on Budget and its Implications for Development at M.S. Ramaiah Institute of Management, Bangalore, 2004.

**Lele, Sharachchandra**


Delivered one lecture on SFM: Definitions and Measurement at the College of Forestry-Sirsi, University of Agricultural Sciences-Dharwad, 2005.

**Madheswaran, S**
Delivered a lecture on The Value of Statistical Life and Limb, in the Faculty Upgradation Programme at Institute for Economic Growth, sponsored by Ministry of Environmental Forest, New Delhi, 2005.

**Nadkarni, M V**


**Narayana, M R**
Delivered two special lectures on "Economic Theory, Research Methodology and Quantitative Methods" for participants of UGC Refresher Course in Economics, University of Mysore, Mysore, 2004.
Delivered two special lectures on "Implications of WTO agreements on SSIs in Karnataka State", for participants of UGC Refresher Course in Commerce, Bangalore University, Bangalore, 2004.

Delivered two lectures on Economics of Information at UGC Refresher Course in Economics, Bangalore University, Bangalore, 2005.

Delivered two lectures on Economics of Information and Communication Technology at UGC Refresher Course in Economics, Bangalore University, Bangalore, 2005.

Delivered two lectures on Funding Higher Education in Karnataka State at UGC Refresher Course in Education, Bangalore University, Bangalore, 2005.

**Rajasekhar, D**
Delivered one lecture on Role of Civil Society in Democratising the Society at NIAS, Bangalore, 2005.

**Raju, K V**

Delivered two lectures on (a) Environmental Thinking in India (b) Ecology and Culture at University of IOWA conducted by Dhwanyaloka Centre for Indian Studies, Mysore, 2004.

Delivered a lecture on Environmental Economics organised by Bangalore University, held at National College, Bangalore, 2004.

Delivered a lecture on Emerging Crisis in Water Management at Lal Bahadur Shastri Arts and Science College, Sagar, 2004.

Delivered a lecture on Relevance of Research to Address the Social and Economic Problems organised by Commerce Research Scholars Association of Bangalore University held at Centrel College, Bangalore, 2004.


Delivered a lecture on Clean Air Management in Bangalore at Indian Town Planners Institute, Karnataka Chapter, 2004.


**Rao, V M**
Three sessions on research methodology for students from Lund University, at ISEC,

**Sangita, S N**
One lecture on ‘Governance Issues in Development Debates’ at UGC Refresher Course at Academic Staff College, Central University, Hyderabad, 2004.

Two lectures on ‘Issues in Governance and Development’; ‘Public-Private Partnership’ for UGC Refresher Course at Academic Staff College, Mysore University, Mysore, during October, 2004.

Two lectures on ‘Democracy at Crossroads’ and ‘Ethical Values in Public Life’ Academic Staff College, Bangalore University, 2004.

Delivered four lectures (1) Paradoxes of Indian Democracy: A Critical Review (2) Paradoxes of Indian Bureaucracy, (3) Governance and Development and (4) Ethics in Public Life at Academic Staff College, Karnatak University, Dharwad, 2005.

**Sastry, G S**
Delivered a lecture on Sustainable Development at Department of Environmental Sciences, Bangalore University, 2004.

Delivered two lectures on Economic Valuation at Department of Environmental Sciences, Bangalore University, 2004.

Delivered one lecture on Sustainable Development for Urbanisation and Industrialisation at Department of Environmental Sciences, Bangalore University, 2004.


**Seetharamu, A S**

Delivered a lecture on `Ethics in College Teaching' at Surana College, Bangalore, 2004.

Delivered a lecture on `Reforms in Higher Education' at Academic Staff College, Bangalore, 2004.

Delivered a lecture on `Does TV Viewing Severely Disturb Reading Habits of People?’ at Gokhale Institute of Public Affairs, Bangalore, 2004.

Delivered a lecture on `Teacher Status in India' at RV Teachers’ College, Bangalore, 2004.

**Sekher, T V**
Delivered two lectures on Demographic Scenario of India at Department of Economics, Bangalore University, for UGC refresher course participants, 2005.
Delivered two lectures on Gender Discrimination in India at Department of Sociology, Bangalore University, for UGC refresher course participants, 2005.

Venkatchalam, L


Yadav, Manohar
Delivered a lecture on "Challenges Before Dalits in the Era of Reforms" in Mangalore University under the auspices of the 48th death anniversary observation of Dr Babasaheb Ambedkar, Mangalore, 2004.

**CAMPUS NEWS IN BRIEF**

**Fellowships and Awards**

Deshpande, R S
Visiting Fellow at University of Lund, Sweden, 2004.

Ninan, K N
Visiting Professor at Department of Agricultural and Resource Economics, University of Tokyo, Japan, 2005.

Rajeev, Meenakshi

Sekher, T V

Shah, Esha

Syamala, T S

Thippaih, P
**Offices Held in Academic/Professional/Administrative Bodies**

**Deshpande, R S**  
Member, Expert Committee on Establishing the Natural Disaster Mitigation Centre of Karnataka.

Chairman, Sub-Committee on Cost of Cultivation Study, Government of Karnataka.

ICAR Nominee Member on the Research Advisory Committee, Central Plantation Crops Research Institute, Kerala.

Member, ICAR Nominee, Management Committee, National Centre for Agricultural Economics and Policy, New Delhi.

Member, Agricultural Prices Commission, Government of Karnataka; Bangalore.

Chairman, Committee on Farm Management Studies, Department of Agriculture, Government of Karnataka, Bangalore.

Member, Expert Group on Strategies on Drought Management for Karnataka, Directorate of Agriculture, Government of Karnataka, Bangalore.

**Devi, K G Gayathri**  
Member of the Research Advisory Committee, Karnataka State Sericulture Research and Development Institute, Thalaghattapura, Bangalore.

**Karanth, G K**  
Member, Academic and Administrative Audit Committee, University of Mysore, Mysore.

**Narayana, M R**  
Member, Board of Post-graduate Studies in Economics, Kuvempu University, Shimoga.

Member, Board of Post-graduate Studies in Economics, Bangalore University, Bangalore.

**Raju, K V**  

**Rao, V M**  
Member, Board of Directors, Public Affairs Foundation, Bangalore.

**Sangita, S N**  
Member, Board of Studies in Karnatak University, Dharwad.

Member, Board of Studies in Mysore University, Mysore.

Member, Board of Studies in Kuvempu University, Shimoga.
Sastry, G S
Life Member, Regional Science Association, India.

Member, Expert Review Committee on Best Practices in Urban Environmental Management, City Managers’ Association, Karnataka (CMAK), Bangalore.

Sekher, T V
Member, International Union for Scientific Study of Population (IUSSP).

Member, Board of Studies in Population Studies, Annamalai University.

MISCELLANEOUS

Narayana, M R


Raju, K V
Participated in a meeting on Promoting Biofuel Usage, organised for the visiting delegates of Tamil Nadu and Maharashtra by Samudra Vikas, 2004.

Participated in the meetings of University of Karl Shrue, Germany, at BWSSB and BESCOM in Bangalore, 2004.

As a member of South Asia Technical Advisory Board, attended the 5th Regional Council Meeting on October 26-27, 2004, and Global Technical Committee on Global Water Partnership Meeting held at Chennai, 2004.

Prof. K V Raju earlier had prepared a strategy paper for Oxfam India to develop a long-term action research project in South Indian states. Based upon this strategy paper, Oxfam India has got funding and launched the programme from September 2004. He attended the first meeting of Oxfam India Water Programme Advisory Committee held in Bangalore, 2004.

Co-ordinated a 20-session module on Ecological Economics to the III Semester students of the Post Graduate Environmental Science Students of the Department of Environmental Sciences, Bangalore University, 2004.

Referee for the journals (a) World Development, (b) Water Policy, (c) Journal of Institutional Economics published by Cambridge University Press, (d) Indian Journal of Agricultural Economics.
Seetharamu, A S

Contributed an article on ‘Public Schools and the Pursuit of Excellence in National Life,’ for the souvenir brought out by Shri Jagadguru Renukarya Education Society, on the occasion of the inauguration of their Public School Souvenir.

Monitoring and Supervision Reports (2) of SSA in Karnataka State submitted to SSA/DOE/GOK and DEE/MHRD/GOI.
MEETINGS

Academic and Research Programme Committee
The Academic and Research Programme Committee of ISEC met on June 25, September 24, and December 24, 2004.

Annual General Body
The Thirty-second Annual General Body Meeting of ISEC Society was held on December 14, 2004.

Board of Governors
The Board of Governors of ISEC met on August 2, September 22, and December 14, 2004.

Finance Committee

Gratuity Trust
The Board of Trustees of the Gratuity Trust of ISEC met on September 7, 2004.

Provident Fund Trust
The Board of Trustees of the Provident Fund Trust of ISEC met on September 7, 2004.
APPOINTMENTS

Shri R Rameshappa, KAS, has joined the Institute as Registrar on July 5, 2004 on deputation from the Government of Karnataka.

RETIREMENT AND RESIGNATION

Retirement

1. Dr M N Usha, Assistant Professor, December 31, 2004
2. Shri B S Krishna Murthy, Assistant Registrar, March 31, 2005

Resignation

1. Dr Shashanka Bhide, Professor, RBI Unit, July 31, 2004

OBITUARIES

1. Dr. Amal Ray, Former Professor, passed away on May 31, 2004.
3. Dr. Raja Ramanna, Founder Member and Hon. Visiting Professor passed away on September 23, 2004.
4. Dr. H G Hanumappa, Former Professor, passed away on November 11, 2004.
5. Dr. H Naraminhaiah, Founder Member, passed away on January 31, 2005.
6. Dr. K H Cheluva Raju, Founder Member, passed away on February 18, 2005.
7. Dr. N S Iyengar, Life Member and Member of the Board, passed away on March 8, 2005.
LIBRARY

The Library has been functioning since the inception of the Institute, and has acquired more than 1,10,522 volumes over the years. The focus of the collection is on social sciences. Other than the ISEC fraternity, on an average about 40–50 persons visit the library from various organisations including the foreigners. About 350 professional journals, both foreign and Indian, are subscribed to. The World Bank, IIEP and other international organisations have recognised it as a Depository Library. Under the modernisation plan initiated by the Institute, involving automatisation, the following key objectives have been aimed at: i) Speedy retrieval and dissemination of library information to the reader community; ii) Reclassification from ‘Colon Classification System’ to ‘Dewey Decimal Classification System.’

The Library has completed the computerisation project successfully by developing the library database through CDS-ISIS software, and converting the existing database into LIBSYS, an integrated library software.

In addition, the Library provides the following services:

ISEC Library Alert
Important articles are scanned from recent journals received by the Library and the list of journals, newsletters, other government publications, and annual reports received as on the last date of every month.

Current Book Additions
This bulletin contains a list of various books / documents received by the Library during the month.

Press Clippings
This monthly information service aims at creating awareness and providing access to the latest topical press information published in the newspapers in which the ISEC user community is interested. The bibliographic citations selected from the newspapers are arranged under broad subject categories. For easy access to these citations, a keyword index, classified index and title index have been provided.

Current Journal Contents
This is a monthly information service, indicating the contents of journals subscribed to by ISEC Library. The contents are arranged by main subject category and alphabetically within the subject category. Information is sent to the reader community through its Local Area Network.

Search Facility of ECONOLIT on CD-ROM
The Library subscribes to EconLit, which is available on the network to all our readers.

Article database
The Library generates an article database containing about 23,000 journal articles indexed from the journals that it subscribes to. This can be searched by title, author or subject.
**ISIDRRCD**

This is a very rich source of social science information developed by the Institute for Social and Industrial Development, New Delhi (ISID). It covers 14 major newspapers and 83 journals. It has 1,00,000 journal article references and 1,50,000 newspaper articles. It also gives the latest statistics of Economic Survey, Union Government policy, budget, etc.

A DATAMAX Thermal Transfer Printer and a CCD Scanner have been installed at the circulation counter to perform charging and discharging systems through barcode technology.

**Numbers at a Glance**

- Number of volumes of books and documents acquired during the year 2004 – 2005: 2,023

- Number of journals and periodicals subscribed during the year 2004 – 2005:
  - Foreign subscription: 137
  - Indian subscription: 67
  - Complimentary: 80
  - Exchange: 36
  - Total: 320

- Number of newspapers being subscribed to by the library: 9

- Total acquisition of volumes, series and reference works as on March 31, 2005: 1,10,522
A Data Bank has been set up at the ISEC with the objective of:

Pooling, organising and maintaining the existing secondary data at a centralised location so as to avoid repetitive collection and an easy access to the users and also to facilitate access to the primary information collected by various units in connection with their different projects and further its utilisation.

Currently at the Data Bank, the ISEC has pooled the data from published documents in the field of public finance both at central and state level. Further we have also procured the computerised data from several authentic sources such as: EPW Research Foundation, National Sample Survey, Central Statistical Organisation, Population Census, National Family Health Survey etc. The main areas in which the data available are:

- Public Finance
- Macro Economic Aggregates
- Annual Survey of Industries
- Population Census
- Prices
- Money and Banking
- National Family Health Survey
- Reproductive and Child Health Care etc.

These data are available in the CD-form and are maintained at the Institute’s library for the general use.

The process of putting together the information collected through various projects taken up at ISEC has been initiated. In this connection a major achievement of ISEC is to make available important information collected on the Gram Panchayat Finances for all the 5659 GPS for two years 1999-00 and 2000-01 and the data for the later period will also become available in due course.

Data Bank is planning to index the available data in an organised manner so that the user can get access to the data by clicking the mouse. Efforts are being made to acquire the required software for the purpose.
ACKNOWLEDGEMENTS

Our Grateful Thanks to:

The Government of Karnataka and the Indian Council of Social Science Research for grants.

Ministry of Agriculture, Government of India, for supporting the Agricultural Development and Rural Transformation Unit (ADRT).

Ministry of Finance, Government of India.

Ministry of Health and Family Welfare, Government of India, for supporting the Population Research Centre (PRC).

Reserve Bank of India for supporting the RBI Endowment Unit.

Sir Ratan Tata Trust for creation of SRT Deferred Endowment Fund.

University of Mysore, Bangalore University, Karnataka University, Mangalore University, and Osmania University for their kind co-operation in the Ph. D. programme.


Sponsors of Training Courses.

Our Founder/Life Members and the President of the ISEC Society.