

# Journal of Social and Economic Development

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**Financial Development, Money, Public Expenditure and National Income in Nigeria** — *Akinlo A Enisan and Akinlo O Olufisayo*

**Correlates of Rural Out-migration in Southern Ethiopia** — *Nigatu Regassa and Ansha Yusufe*

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**INSTITUTE FOR SOCIAL AND ECONOMIC CHANGE  
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## **JOURNAL OF SOCIAL AND ECONOMIC DEVELOPMENT**

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# Financial Development, Money, Public Expenditure and National Income in Nigeria.

**A Enisan Akinlo and O Olufisayo Akinlo\***

## **Abstract**

This paper examines the effects of financial development, money and public spending on national income in Nigeria. The results of the study, obtained using the Vector Error Correction model, show weak evidence for supply-leading view of financial development. In addition, the results provide some support for the McKinnon-Shaw repressionist proposition. Finally, there is no clear evidence to support monetary and fiscal policy effectiveness in the country. Based on these findings, the paper suggests that efforts should be geared towards the development of the financial sector, in particular, further deregulation of the sector. However, financial deregulation should be done in such a manner that the rate of interest is not allowed to be too high to discourage borrowing or too low to discourage saving and engender inefficient and unproductive investment.

## **Introduction**

Economic development literature is replete with studies on the supply-leading role of financial development, repressionists' view on financial liberalisation, and monetarist-Keynesian perspectives on money, public expenditure and economic growth. However, most of the existing studies have only dealt with these three issues individually<sup>1</sup>. No attempt has been made to estimate an inclusive model for testing the relevance of the three issues identified above in most sub-Saharan African countries. Specifically, in Nigeria, no known study to our knowledge has done a comprehensive testing of the relevance of these issues together in the economy. This is a gap that our paper attempts to fill. Specifically, the paper attempts to estimate a model for analysing the impact of financial development, money, investment and public expenditure, among others, on the national income in Nigeria. Undoubtedly, findings from this study will shed light on the Nigerian macro-economic dynamics and provide useful inputs for macro-economic policy formulation in developing countries like Nigeria.

The paper adopts a vector auto-regressive framework for an analysis for several reasons. One, the macro-economic relationship underlying the three issues

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considered together in our study is complex and multi-faceted. Thus, in view of the potential strong feedback effects, there is no strong reason to assume that any of the variables in the system is exogenous. Moreover, the adoption of a vector autoregressive framework also obviates the need to specify various transmission mechanisms among various variables that are involved in structural models.

The rest of the paper is organised as follows. Section 2 provides a summary of the theoretical issues. Section 3 provides a snapshot of the Nigerian economy and financial sector development between 1960 and 2003. Section 4 discusses the model, data and methodology. Section 5 presents the results of the empirical analysis. And section 6 contains the conclusion.

### **Theoretical Issues**

This section provides a capsule summary of the theoretical literature on financial development and growth, the repressionist proposition and impact of fiscal and monetary action. However, this by no means, should be construed as a complete summary<sup>2</sup>.

#### **A. Financial Development and Economic Growth**

There are three basic hypotheses on the relationship between financial sector development and economic growth. These are finance-led growth, growth-led finance and feedback hypotheses. The finance-led growth hypothesis postulates the supply leading relationship between financial development and economic growth. Financial development is seen as contributing to economic growth in the following ways: (i) pooling and trading of risks, (ii) acquisition of information ex-ante, ex-post monitoring of management and exertion of corporate control, (iii) efficient saving mobilisation, and (iv) increased specialisation in production, development of entrepreneurship and adoption of new technology. Several studies have confirmed the positive impact of financial development on economic growth (Schumpeter 1912; Levine 1997; King and Levine 1993, and Arestis *et al* 2001).

In contrast, the growth-led hypothesis, otherwise called demand-following thesis, states that a high economic growth may create demand for certain financial instruments and arrangements, and the financial markets are effectively responsive to these demands and changes. Essentially, according to this view, financial development is seen as the 'handmaiden' of economic development, reacting positively to the demand for new financial services by a growing economy (Robinson 1952 and Stem 1989). The development in the financial sector is facilitated by the growth in the real sector of the economy. The impact of economic growth on financial development has been documented by Robinson (1952), Romer (1990) and Stem (1989).

The third view, called the feedback hypothesis, recognises a two-way relationship between financial development and economic growth. In this

hypothesis, it is asserted that a country with a well-developed financial system could promote high economic expansion through technological changes and product and services innovation (Schumpeter 1912). This, in turn, will create high demand on financial arrangements and services (Levine 1997). As banking institutions effectively respond to these demands, these changes will stimulate a higher economic growth. Thus, both financial development and economic growth are positively inter-dependent and their relationship could lead to feedback causality. A number of studies have provided empirical evidence supporting this view (Luintel and Khan 1999, and Patrick 1966).

### **B. Financial Repression and Liberalisation**

The importance of financial deepening for economic development has been emphasised in the literature (Gurley and Shaw 1955; Wai 1972), but it was McKinnon 1973 and Shaw 1973 who, independently in that year, first highlighted the dangers of financial repression in a rigorous way and argued for maximum financial liberalisation. Financial repressionists believe that the rate of return on real cash balances is the key determinant of the rate of capital formation and the high rate of growth. Therefore, according to repressionist theorists, the effect of financial development on economic growth depends on its effect on interest rate. In their view, financial markets in most developing countries are repressed as interest rates are artificially kept low through government regulations. The consequences include reduction in the flow of funds to the formal financial sector and distortion in the productive allocation of resources with an adverse effect on savings, investment and growth<sup>3</sup>. The other effects of financial repression include (i) non-economic considerations, say political connections, bribery, etc, taking priority over economic considerations in the allocation of available funds, (ii) ceiling on the loan rate often encouraging banks to lend to low quality investments, and (iii) creation of specialised institutions by the government to channel its financial resources to the so-called priority sectors of the economy, draining resources from the regulated banking sector (Ansari 2002).

Therefore, in contrast to neo-classical and Keynesian views, McKinnon and Shaw argue that a high real interest rate would raise savings and increase the volume of credit extended by the banking system. The views of McKinnon and Shaw became highly influential in the thinking of the IMF and World Bank in the design of programmes for the financial restructuring of countries as part of structural adjustment programmes.

However, many studies have challenged the view that interest rate liberalisation would lead to increased savings, investment and growth. Some of the major criticisms of the McKinnon-Shaw view include the argument that financial saving may increase as interest rates are liberalised, while the total saving remains unchanged. This is possible where agents simply make substitution between

financial assets and other assets<sup>4</sup>. Also, high interest rates can have adverse effects on costs and the level of demand in an economy, which may lead to stagflation and diversion of funds away from informal sector and, thus, reduced loan supply to the private sector<sup>5</sup>.

Essentially, the argument is that in the absence of macro-economic stability and in an environment where market imperfections are rampant, interest rate deregulation may produce quite the opposite results from those envisaged in the McKinnon-Shaw model (McKinnon 1986, 1988; Villanueva and Mirakhor 1990; Stiglitz and Weiss 1981). What seems to be the consensus based on several empirical studies on the relationship between financial liberalisation and growth is that for the former to impact positively on the latter, there must be appropriate macro-economic, financial and institutional framework as well as proper sequencing between internal and external liberalisation.

### **C. Impact of Money and Fiscal Action**

The monetarist versus post-Keynesian debate has centred on three major areas of interest to economists: macro-economic theory, economic stabilisation and economic research methodology. However, our interest in this work is on monetary and fiscal policy. Therefore, we shall focus primarily on the economic stabilisation policy, i.e. the impact of money and the impact of fiscal action. The fiscalists' view is that the creation of money does change the interest rate, which, in turn, influences the aggregate demand. Based on the empirical studies in the 1930s and 1940s, fiscalists reject money because interest rates were found to exert little influence on the aggregate demand.

In contrast, monetarists argue that money exerts a strong influence on the aggregate demand, the price level and output. Monetarists indeed considered changes in the growth of money as the dominant determinant of the trend of the nominal price level and of the gross national product. Based on correlation analysis, Friedman and Meiselman (1963) actually found that consumption is more correlated with money than fiscal variables. This, indeed, led to the claim that monetary policy is more important than fiscal policy. The study by Anderson and Jordan (1968) confirmed that the response of economic variables to monetary, compared with that of fiscal actions, is larger, more predictable and faster. However, to fiscalists, changes in public expenditure exert important influences on the aggregate demand. It is argued that growth in public expenditure through the multiplier effect causes income to increase. Hence, public expenditure becomes an important policy variable. However, in recent years, the focus has shifted from government expenditure to public investment. The study by Aschauer (1989a, 1989b) found that some public investment spending complement private investment, thus 'crowding in' rather than 'crowding out' public investment. This means that public expenditure, in general, and public investment, in particular, is stimulative (Aaron 1990; Erenburg, 1993;

Hulten 1990; Hulten and Schwalb 1991; Munnell 1992; Rubin 1991 and Tatom 1991).

## **Macro-economy and Nigerian Financial Development**

In this sub-section, we provide a highlight of macro-economic developments in the Nigerian economy and the development of the financial sector during the period, 1960-2003.

### **A. The Macro-economy**

For a long time, and till the end of the 1960s, Nigeria's economic growth and development received its stimuli and driving force largely from agricultural production for exports. Apart from employment provision, it accounted for over 50 per cent of the Gross Domestic Product (GDP) between 1960 and 1969. However, the share of agriculture in the GDP has dropped sharply since 1970s, reflecting partly the normal growth pattern<sup>6</sup> and, partly, the discovery of oil in commercial quantity that led to the neglect of agriculture. In spite of the various policies initiated by the government to diversify the economy, oil still accounts for over 80 per cent of the foreign exchange earnings.

In view of the dependence of the economy on oil and the instability in its price at the international market, the economic growth rate has been highly unstable. The average economic growth rate between 1960 and 70 was about 9.7 per cent. The corresponding figures for sub-periods, 1970-75 and 1975-80, were 8.3 and 2.9 per cent respectively. The average annual growth rate was -2.2 for 1980-85. The situation did not change significantly after the introduction of the reforms in 1986<sup>7</sup>. The GDP rate grew by an average of 2.8 per cent in the 1990s (leaving per capita growth rate at zero), but the average growth rate for 1999-2003 was about 3.6 per cent with per capita growth rate of 0.8 per cent per annum, which was far lower than the 4.2 per cent per capita growth rate needed to significantly reduce poverty. With a GDP of about \$45 billion in 2001, and a per capita income of about \$300, Nigeria has become one of the poorest countries in the world. The erratic economic performance revealed the inherent weakness in the dynamics of Nigeria's oil-driven engine of economic growth, and its susceptibility to severe external and internal shocks.

The same picture emerged in respect of real investment and savings. The investment ratio, which peaked at 31 per cent in 1976, dropped significantly to 10.6 per cent in 1984. It dropped to single digit for most years between 1990 and 2003. With an average annual investment rate of barely 16 per cent of GDP, Nigeria is too far behind the minimum investment rate of about 30 per cent of GDP required to unleash a poverty reducing growth rate of at least 7-8 per cent per annum. The average saving ratio rose from 26 per cent between 1970 and 1975, to 29 per cent between 1975 and 1980, and subsequently fell sharply to 17 per cent during the years, 1980-1985. The average for the period, 1990 to 1999, was 12.5 per cent. The

situation remained almost the same for the sub-period, 2000-2003.

The rate of inflation was consistently in double digits for most years between 1960 and 2003. During the period following its independence (1960-75), the average inflation rate of 10 per cent annually for the country was about equal to that of its trading partners. In the decade 1975-85, the respective rates of inflation diverged dramatically, as the country's average annual rate nearly doubled, reached 18 per cent as compared to four per cent growth of its trading partners. This trend continued for the sub-period, 1985-95, as Nigeria's annual average rate of inflation increased to 33 per cent. The annual average rate of inflation for the period, 1995-2003, was 20 per cent.

Other macro-economic and social indicators such as urbanisation, life expectancy, infant mortality and the adult literacy rate did not fare better during 1960-2003. The level of poverty increased dramatically during the study period. The poverty level increased to over 65 per cent, while life expectancy dropped dramatically to less than 50 years. At about 5.3 per cent annual growth rate, the urbanisation rate is one of the fastest in the world and with a stagnant secondary sector, the unemployment rate was about 10.8 per cent.

Essentially, the Nigerian economy has been characterised by persistence macro-economic imbalances and instability. Therefore, if macro-economic stability is a necessary condition for successful financial liberalisation, as being argued in the literature, then Nigeria should show evidence of a negative relation between financial development and economic growth.

## **B. Financial Sector Development**

There are several indicators of financial development<sup>8</sup>. However, in this study we concentrate on the extent of (i) financial deepening measured as the ratio of monetary aggregates to GDP; (ii) financial broadening, i.e. an increase in the number of financial institutions and financial instruments; (iii) the third is financial liberalisation, which means deregulation of interest rate, free movement of foreign capital and removal of other restrictive practices; and (iv) credit supply to the economy. Table 1 below shows the highlights of several aspects of financial sector growth in Nigeria for the period, 1960-2003. The data in the table show that nominal monetary aggregates experienced significant upward movement between 1960 and 2003. The annual average growth rates for nominal M1, M2 and quasi money for 1960-2003 were 22.11, 24 and 25.95 per cent respectively. When the nominal values were deflated by GDP deflator to obtain real values, the same growth patterns were obtained. In both nominal and real values, quasi money grew faster than both M1 and M2. The relatively fast rate of growth of quasi money (i.e. saving and time deposits) may be attributed to high income from oil.

However, to get a better picture of financial sector development we look at

the financial depth. The ratio of M1 to GDP increased from 9.21 per cent in 1960 to 19.56 per cent in 2003. This represents a 113 per cent increase. The ratio of quasi money to GDP increased from 3.13 per cent in 1960 to 12.14 per cent in 2003, representing 288 per cent increase. As regards the ratio of M2 to GDP, the percentage increased from 12.33 in 1960 to 31.23, representing 153 per cent increase. The ratio of M2 to GDP increased faster than that of M1 because of the dominance of the ratio of quasi money to GDP.

**Table 1: Financial Development for Nigeria, 1960-2003**

<b>Nominal (#m):</b>	<b>1960</b>	<b>1970</b>	<b>1980</b>	<b>1990</b>	<b>2000</b>	<b>2003</b>	<b>1960-2003</b>
<b>Growth</b>							
Narrow Money (M1)	221.0	643.0	9227.0	34540.0	649,840	1225650	22.11
Quasi Money (QM)	75.0	336	5163	23014	386,396	759,632	25.95
Broad Money (M2)	296.0	979.0	14390	57,554	103,6080	1985192	24.00
Domestic Credit (DC)	53.5	1141.8	10731.9	61,664.8	472019	1764560	29.17
<b>Real (#m) :Growth</b>							
Narrow Money (M1)	23.4	713.7	12,918	18,732	27,309	40,892	21.28
Quasi Money (QS)	80.0	373.0	7228	12,241	16,290	25,346	24.37
Broad Money (M2)	313.8	1086.7	20146	30614	43,680	66,239	22.24
Domestic Credit (DC)	56.7	1267.4	15025	32,800	19,900	58,678	27.89
Money/GDP ratio							Mean 1960- 2003
RM1 (M1/GDP)	9.21	11.44	18.15	13.25	13.25	19.59	13.21
RQM (QM/GDP)	3.13	5.98	10.15	8.82	7.88	12.14	8.00
RM2 (M2/GDP)	12.33	17.41	28.29	22.08	21.13	31.73	21.21
Domestic Credit (DC/GDP)	2.22	20.31	21.11	23.66	9.63	20.21	21.70
<b>Real rate</b>							
Discount rate	5.6	4.5	6.0	18.5	14.0	15.0	9.61
Deposit rate	3.0	3.0	5.27	19.78	11.69	11.94	9.11
Lending rate	4.0	7.0	8.43	25.30	21.27	19.98	14.33

Source: Central Bank of Nigeria: Statistical Bulletin 2003.

The interest rate was very low, particularly up to 1980. As a matter of fact, when we take the rate of inflation into consideration, the rate of interest was mostly negative for most of the period, between 1960s and 1980s. This development was the result of repressive policies like credit controls and interest rate ceilings that were implemented from 1960 to the mid-1980s. These developments in the financial

sector before mid 1980s were in line with the McKinnon (1973) and Shaw (1973) hypothesis that repressive financial policies in the midst of inflation result in the shift of assets away from banks to physical wealth, consumption and capital flight as well, reducing the saving mobilisation capacity of the financial sector.

The interest and other key rates experienced an upward movement following the financial sector deregulation. Banks were allowed to determine their lending rates for loans. The Government further introduced an auction-based system for the issue of treasury bills and certificates, both of which are money market instruments. The instruments started to carry market based yields as a prelude to the introduction of open market operations in 1993. However, in spite of the deregulation of the interest rate, the real interest rate for a few years in the 1990s still showed up negative because of a high inflation rate. What this possibly suggests in the McKinnon-Shaw framework is that the financial markets in Nigeria were repressed for most periods under investigation. This might explain the low rate of savings and investment as well as poor economic growth recorded in the country during the study period.

## **Model Estimation Method and Data**

### **A. Model**

We begin by specifying a money demand function based on the emphasis placed on the relationship between the interest rate and income in our work. The general specification of the money demand function takes the following functional relationship:

$$M^d = F(Y, R, P) \quad \dots\dots\dots(1)$$

where Y is the nominal income, R is the nominal rate of interest, and P is the price level. Adopting P as the numeraire, a real money demand function can be written as:

$$m^d = f(y, r) \quad \dots\dots\dots(2)$$

+ -

The demand for money is positively related to income but negatively related to the interest rate. The interest rate provides the link between the monetary sector and the real sector of the economy. The inverse relationship between income and interest rate derives from the relationship between the interest rate and investment. As has been noted in the literature, at a high interest rate, business expects a high rate of return to make any normal profit. And since the number of projects, which can generate high returns decreases successively, the opportunities to make profitable investment decreases as the interest rate rises. This gives the

standard downward sloping investment demand function. Thus, any decline in investment would invariably lead to a decline in income.

However, in the McKinnon and Shaw framework, most developing countries suffer from financial repression. As such, the standard money demand function seems to break down with the interest rate showing up positive as against the expected negative sign. This simply means that at a high interest rate people tend to hold more cash, precipitating high deposit, which eventually becomes a source of lending. If we invoke the principle of complementarity between money demand and investment in physical assets, the act of holding cash is also an act of saving and investing. Thus, saving eventually becomes investment. This simply means that the relation between interest rate and income becomes positive rather than negative. Since savers and investors become the same, a rise in savings means a rise in investment. This raises the investment rate (1/y), which eventually bolsters the level of income. Hence, based on this argument, the money demand function in the context of the McKinnon framework can be represented algebraically as

$$m^d = f(y, 1/y, r) \dots\dots\dots(3)$$

- - +

where 1/y is the investment ratio<sup>9</sup>. However, in addition to the investment ratio, we incorporate a measure of financial development to ascertain the validity of the supply-leading hypothesis. Hence, those variables incorporated in our model are interest rate, investment ratio, income and a measure of financial sector development.

The other variables considered in the model are money supply, inflation and government expenditure. Monetarists argue that money supply has a positive effect on output and, thus, on investment and income. However, where money supply affects output through inflation as argued by economists, inflation becomes an important variable. Government expenditure has a positive effect on income. However, the net impact on income depends on whether or not the expenditure or deficit is monetised. Where it is monetised, as often is the case in most developing countries, government expenditure would be felt through increased money supply. Under this situation, a reduction in the interest rate with increased investment will impact positively on income and output. Alternatively, where expenditure/deficit is not monetised, an increase in the interest rate will cause investment to fall which can precipitate significantly the 'crowding out' effect. This, of course, is in addition to the standard 'crowding out' effect resulting from an increase in income that leads to a rise in money demand as well as interest rate and a reduction in investment.

**B. Methodology**

In this study, we adopt the vector auto-regressive model for an analysis. We have adopted this approach as against other possible candidates for several

reasons. One, from our theoretical discussion, none of the variables in our system seems to be exogenous. Vector auto-regression appears to be the most plausible method, as it does not require a priori assumption of exogeneity of variables. Moreover, unlike bivariate causality or single equation approaches, the VAR approach is least likely to suffer from the omitted variable problem and the problem of simultaneity bias. In short, the vector auto-regressive model allows all the variables in the system to interact with itself and with each other without having to impose a theoretical structure on the estimates. More importantly, it provides a convenient method of analysing the impact of a given variable on itself and on all other variables by using variance decompositions (VDCs) and impulse response function (IRFs)<sup>10</sup>.

However, the exact specification of the model depends on the time series characteristics of the variables in the model. As an illustration, for non-stationary variables that are co-integrated, the correct specification is a vector-error correction model (VECM). However, for non-stationary variables that are not co-integrated, the correct specification is an unrestricted VAR model.

### **C. Data and Data Sources**

Annual data of the per capita real GDP, ratio of domestic investment to GDP, per capita government expenditure, credit to the economy, ratio of broad money or narrow money to GDP and interest rates were used in the study<sup>11</sup>. The real value of GDP was obtained by adjusting the nominal GDP by the Consumer Price Index (CPI). The per capita real GDP (lpdg) was generated by dividing the real GDP by the population. Nominal GDP, Consumer Price Index and population values were obtained from the International Financial Statistics (IFS) CD-Rom. The ratio of money supply narrowly defined to GDP (lm1), broad money to GDP (lm2) and domestic credit to the economy to GDP (rcr) were obtained from IFS, CD-Rom. The real values of monetary aggregates, i.e. narrow money supply (rm1) and broad money supply (rm2), were obtained by adjusting their nominal values by the CPI. The ratio of gross domestic investment to GDP (lin) was obtained by dividing the gross fixed capital formation value by the GDP. The value was obtained from IFS, CD-Rom. Real government expenditure was obtained by deflating the nominal value by CPI. To generate the per capita expenditure value (gep), we divided the real value by the population. The annual nominal value of government expenditure and the interest rate variable were obtained from the Central Bank of Nigeria (CBN) Statistical Bulletin 2004 edition.

In estimation, we tried several monetisation variables. However, only two (narrow money to GDP and credit to the economy), that performed well in our preliminary estimation, were used in our final estimation<sup>12</sup>.

**Table 2: Result of Stationarity Test with Constant & Time Trend, Sample Period: 1960-2003**

Variables	ADF(0)	ADF(1)	ADF(2)	ADF(3)	PP(3)
llpdg	-1.7545	-1.9989	-1.8129	-2.0966	-1.8385
llm1	-2.2085	-2.2325	-2.1355	-2.4709	-2.3741
llm2	-2.0051	-2.2399	-2.0246	-1.8579	-2.1043
llin	-2.1237	-2.3828	-2.2242	-2.1564	-2.1586
lrm1	-1.7177	-1.9270	-1.9512	-2.7869	-2.0341
lrm2	-1.6479	-2.1226	-1.9292	-1.8867	-1.2204
lgep	-2.2039	-1.7743	-2.0664	-2.1051	-2.2162
lds	-3.4847 <sup>c</sup>	-2.5030	-1.9727	-1.8817	-3.4377 <sup>c</sup>
lrcr	-1.9586	-2.7148	-2.3676	-1.5309	-2.1623
dllpdg	-5.9052 <sup>a</sup>	-4.9824 <sup>a</sup>	-3.2038 <sup>c</sup>	-2.8655	-5.8853 <sup>a</sup>
dllm1	-6.2421 <sup>a</sup>	-4.5156 <sup>c</sup>	-3.1338	-3.1485	-6.2365 <sup>a</sup>
dllm2	-5.6701 <sup>a</sup>	-4.5441 <sup>b</sup>	-3.9806 <sup>b</sup>	-2.9167	-5.6104 <sup>a</sup>
dlin	-5.7543 <sup>a</sup>	-4.6693 <sup>b</sup>	-3.8306 <sup>b</sup>	-2.8436	-5.7164 <sup>a</sup>
dlim1	-5.7336 <sup>a</sup>	-4.1845 <sup>b</sup>	-2.4966	-3.6006 <sup>b</sup>	-5.7801 <sup>a</sup>
dlim2	-5.1076 <sup>a</sup>	-4.3415 <sup>b</sup>	-3.5862 <sup>b</sup>	-2.9896	-5.0422 <sup>a</sup>
dlgep	-8.0101 <sup>a</sup>	-4.2722 <sup>b</sup>	-3.7088 <sup>b</sup>	-3.9026 <sup>b</sup>	-7.9641 <sup>a</sup>
dllds	-9.6173 <sup>a</sup>	-6.6372 <sup>a</sup>	-4.4512 <sup>a</sup>	-2.8833	-10.415 <sup>a</sup>
dlrcr	-4.7291 <sup>a</sup>	-4.3514 <sup>b</sup>	-5.1038 <sup>a</sup>	-3.2764 <sup>c</sup>	-4.5807 <sup>a</sup>

**McKinnon Critical Values****Constant and Linear**

Level	ADF(0)	ADF(1)	ADF(2)	ADF(3)	PP(3)
1%	-4.1865	-4.1923	-4.1985	-4.2050	-4.1865
5%	-3.5181	-3.5202	-3.5236	-3.5266	-3.5181
10%	-3.1897	-3.1913	-3.1929	-3.1946	-3.1897

**1st difference**

1%	-4.1923	-4.9824	-4.2050	-4.2119	-4.1923
5%	-3.5208	-3.5236	-3.5266	-3.5298	-3.5208
10%	-3.1913	-3.1929	-3.1946	-3.1964	-3.1913

Notes: a denotes significant at the 1% level  
b denotes significant at the 5% level  
c denotes significant at the 10% level

**Table 3: Result of Stationarity Test with Constant Only, Sample Period:  
1960-2003**

<b>Variables</b>	<b>ADF(0)</b>	<b>ADF(1)</b>	<b>ADF(2)</b>	<b>ADF(3)</b>	<b>PP(3)</b>
llpdg	-1.6746	-1.8878	-1.6506	-1.8739	-1.7949
llm1	-1.8933	-1.9046	-1.8064	-2.1243	-2.0019
llm2	-1.7219	-1.9069	-1.7636	-1.7031	-1.7583
llin	-1.2758	-1.4531	-1.2539	-1.1643	-1.3808
lm1	-1.0737	-1.2724	-1.3129	-1.8566	-1.2943
lm2	-1.0667	-1.4597	-1.3657	-1.3565	-1.8888
lgep	-2.2581	-1.8408	-2.1320	-2.1895	-2.2758
lds	-1.6639	-0.9948	-0.6259	-0.6815	-1.3258
lrcr	-1.6744	-2.1735	-1.9370	-1.5859	-1.7789
dllpdg	-5.8859 <sup>a</sup>	-4.9224 <sup>a</sup>	-3.1639 <sup>a</sup>	-2.8152 <sup>c</sup>	-5.8674 <sup>a</sup>
dllm1	-6.3216 <sup>a</sup>	-4.5885 <sup>a</sup>	-3.2011 <sup>a</sup>	-3.2425 <sup>b</sup>	-6.3162 <sup>a</sup>
dllm2	-5.7481 <sup>a</sup>	-4.6266 <sup>a</sup>	-4.0553 <sup>a</sup>	-3.0122 <sup>b</sup>	-5.6955 <sup>a</sup>
dllin	-5.7273 <sup>a</sup>	-4.6286 <sup>a</sup>	-3.7864 <sup>a</sup>	-2.8903 <sup>b</sup>	-5.6921 <sup>a</sup>
dllm1	-5.8009 <sup>a</sup>	-4.2376 <sup>a</sup>	-2.5337	-3.6641 <sup>a</sup>	-5.8439 <sup>a</sup>
dllm2	-5.1693 <sup>a</sup>	-4.4021 <sup>a</sup>	-3.6437 <sup>a</sup>	-3.0590 <sup>b</sup>	-5.1067 <sup>a</sup>
dgep	-8.0697 <sup>a</sup>	-4.2905 <sup>a</sup>	-3.6772 <sup>a</sup>	-3.8284 <sup>a</sup>	-8.0095 <sup>a</sup>
dlds	-9.7315 <sup>a</sup>	-6.7295 <sup>a</sup>	-4.5293 <sup>a</sup>	-4.5293 <sup>a</sup>	-10.525 <sup>a</sup>
dllrcr	-4.7909 <sup>a</sup>	-4.4119 <sup>a</sup>	-5.1182 <sup>a</sup>	-3.2796 <sup>b</sup>	-4.6525 <sup>a</sup>
<b>McKinnon Critical Values</b>					
<b>Constant Only</b>					
<b>Level</b>	<b>ADF(0)</b>	<b>ADF(1)</b>	<b>ADF(2)</b>	<b>ADF(3)</b>	<b>PP(3)</b>
1%	-3.5925	-3.5966	-3.6009	-3.6056	-3.5925
5%	-2.9314	-2.9332	-2.9350	-2.9369	-2.9314
10%	-2.6039	-2.6049	-2.6058	-2.6069	-2.6039
<b>1st difference</b>					
1%	-3.5967	-3.6009	-3.6056	-3.6105	-3.5966
5%	-2.9332	-2.9350	-2.9369	-2.9389	-2.9332
10%	-2.6049	-2.6058	-2.6069	-2.6079	-2.6049

*Notes:* a denotes significant at the 1% level  
b denotes significant at the 5% level  
c denotes significant at the 10% level

## Empirical Findings

### A. Results for Unit Roots and Co-integration Tests

In general, a VAR specification depends on the time series property characteristics of the dataset. In view of this, we performed stationarity tests and co-integration tests on all the variables. All the variables, except the discount rate, were transformed to natural logarithm in order to minimise the scale effect. For the stationarity test, we employed the Augmented Dickey Fuller test with a constant and a deterministic trend. The Akaike Information Criterion (AIC) and Schwartz Criterion (SC) both yielded optimal lag length of two; however, we have reported results for one to three lags. And to check the robustness of our results and to ensure that our tests are consistent with the presence of auto-correlation and heteroscedasticity in the data, we have reported the results for Phillips-Peron (PP) test for stationarity. As shown in tables 2 and 3, all the variables are integrated of order one,  $I(1)$ .

Having established that the variables are  $I(1)$ , it is necessary to determine whether there is at least one linear combination of these variables that is  $I(0)$ . In other words, does there exist a stable and non-spurious (co-integrated) relationship among the regressors? This was done by using the co-integration method first proposed by Johansen (1988) and Johansen and Juselius (1990)<sup>13</sup>. The result of  $\lambda$ -maximum and the trace tests are as shown in table 4<sup>14</sup>. The third and the fourth columns report maximum eigenvalue statistics and its critical values respectively, while the fifth and sixth columns show the trace statistics and its critical values at 95 per cent respectively. The results in Panel A of table 4 shows that the null hypothesis of no co-integration, i.e. 0, can be rejected either using  $\lambda$ -maximum or the trace test statistics. The trace and eigenvalue statistics values are both greater than their critical values. This simply means that there exists a linear combination of the  $I(1)$  variables that links them in a stable and long run relationship. The co-integrating equation (normalised on growth rate of the per capita income variable) shown in panel B of table 4 indicates that money supply and investment have positive impact sign, while real money growth, government expenditure, discount rate and growth rate of credit to the economy are negative (the signs are reversed because of the normalisation process). All the co-efficients are significant as shown by the t-ratios indicated in parenthesis.

The implication of the existence of co-integration is that any one variable can be targeted as a policy variable to bring about the desired changes in other variables in the system. Technically, co-integration means that changes in any dependent variable are a function of changes in all other independent variables. More importantly, it means that changes in any dependent variable are also a function of the degree of the disequilibrium in the co-integrating relationship, which

is captured by the error-correction term. Hence, short-term deviations from a long-term disequilibrium path will have an impact on the changes in the dependent variable in a way which brings the relationship back to equilibrium once again<sup>15</sup>.

**Table 4: Johansen Co-integration Test (with a linear trend) where r is the number of co-integrating vectors**

**Panel (A): Estimates of  $\lambda$ -max and trace tests**

Null	Alternative r	$\lambda$ -max	Critical values <sup>b</sup>	Trace	Critical values
0	1	69.62	45.28	205.97	124.24
$\leq 1$	2	44.68	39.37	136.35	94.15
$\leq 2$	3	36.78	33.46	91.67	68.52
$\leq 3$	4	24.17	27.07	54.89	47.21
$\leq 4$	5	16.44	20.97	30.72	29.68
$\leq 5$	6	13.10	14.07	14.28	15.41
$\leq 6$	7	1.18	3.76	1.18	3.76

**Panel (B): Estimates of Co-integrating vector**

llpdg	llm1	lrm1	llin	lgep	lrcr	ds
1.0000	0.1943	-0.6348	-0.3595	0.1318	0.1675	0.0103
	(2.583)	(-14.008)	(-11.367)	(3.283)	(5.295)	(3.696)

*Note:* the t ratios are in parentheses.

<sup>b</sup>Critical values at 95% level

**B. Results from Vector-Error Correction Model**

The results of the estimated vector error correction model, using an optimal lag structure of two and five co-integrating vectors with a drift and time trend, is as summarised in table 5 below. In estimation, the per capita income was used as the dependent variable. In line with the focus of the study and in order to capture the maximum impact of financial sector development, we introduced many financial variables and placed some of them first, in particular, our measure of financial development (lm1) and real money supply narrowly defined as ratio of GDP (rm1). As has been pointed out in the literature, individual co-efficients from the error-correction model are hard to interpret in the case of the vector auto-regressive model. In view of this, the dynamic properties of the model are analysed by examining the impulse response functions and the variance decompositions.

**Table 5: Vector Error-Correction Results with lpgd as the Dependent Variable**

Lag	Independent Variables						
	dlml	dlrml	dlin	dlgep	dlrcr	dds	dllpdg
1.	3.17 (0.29)	-3.39 (-0.32)	0.06 (0.54)	0.12 (1.34)	-0.02 (-0.17)	-0.02 (-2.05) <sup>b</sup>	3.42 (0.32)
2.	1.17 (0.09)	-1.51 (0.01)	0.12 (0.11)	0.01 (0.12)	0.02 (0.12)	-0.02 (-1.33)	1.15 (0.06)
<b>EC terms</b>	$v_{1-t} = -0.27$ (-0.55)	$v_{2-t} = 1.50$ (2.02)	$v_{3-t} = -0.84$ (-1.12)	$v_{4-t} = -0.21$ (-2.38) <sup>b</sup>	$v_{5-t} = -0.11$ (-0.24)		
<b>Constant =</b>	0.36 (0.11)	$R^2 = 0.22$	$AIC = -4.78$	$SC = -1.79$			

*Notes:* Numbers in the parenthesis below are the absolute t-values

<sup>a</sup>Significant at 1% level

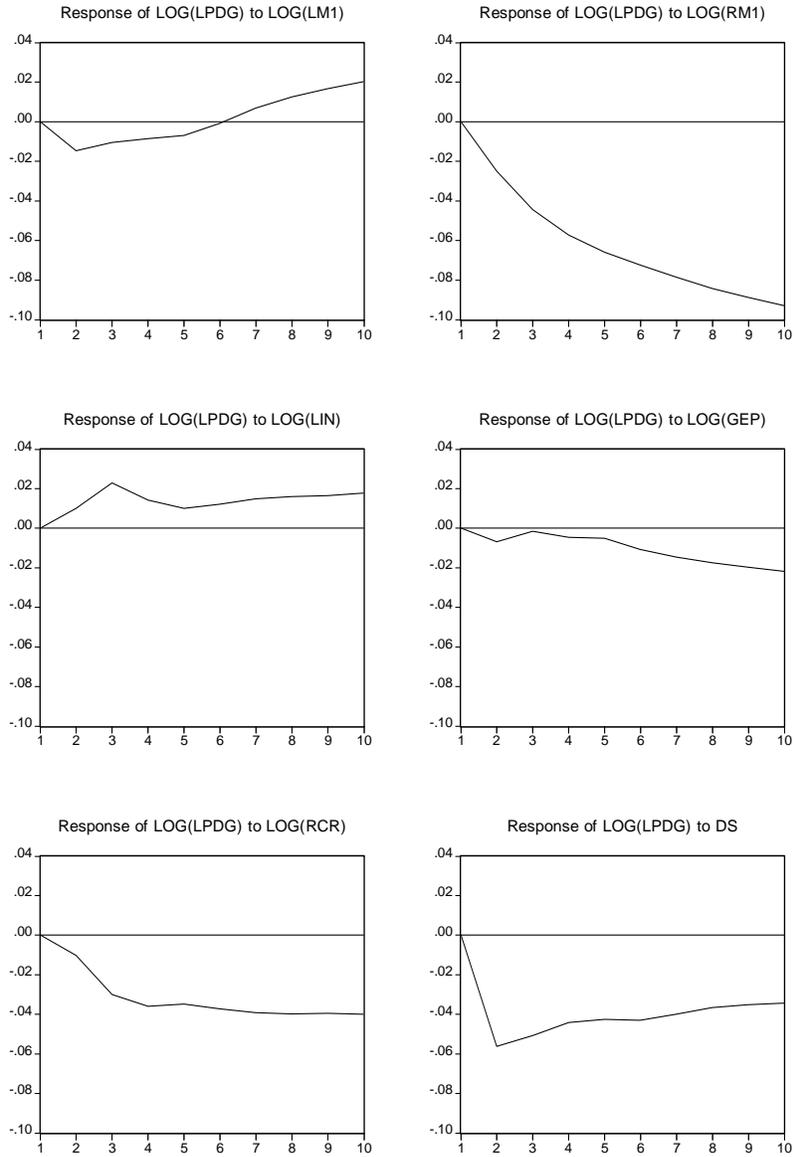
<sup>b</sup>significant at 5% level

<sup>c</sup>significant at 20% level

The impulse response functions trace the dynamic responses to the effect of shock in one variable upon itself and on all other variables, i.e. it is a tool that portrays the expected path over time of the variable to shocks in the innovations. These impulse response functions are plotted in fig. 1. As the figure reveals, a one standard deviation shock applied to lm1 produces a negative impact on lpdg in the short run but the impact turns positive in the long run. What this seems to suggest is that there is evidence in support of the supply-following view of the financial development in the Nigerian economy. However, the evidence seems rather weak.

A one standard deviation shock to money supply shows a large and persistent negative effect on per capita income but remains almost constant afterwards. This may be interpreted as an evidence of ineffectiveness of the monetary policy of Nigeria. One way of explaining this rather curious result may be that nominal money supply narrowly defined (m1) is a more appropriate measure of money supply as real money supply narrowly defined (rm1) is determined by money demand. Under this interpretation, the shock to real money supply narrowly defined (rm1) is a shock to money demand. And while a positive money supply would work to increase income, a positive money demand shock would have the opposite effect.

Similarly, a one standard deviation shock to the investment ratio is seen to  
 Response to Cholesky One S.D. Innovations



produce a slightly positive impact on income in the short run with some tendency to decline before assuming constant level in the long run. The discount rate shows a large negative impact on income in the short run but the negative impact tends to wane as the time horizon increases. All the same, the impact was still negative throughout. Taking the effects of investment and discount rate together, one might be correct to suggest that there is evidence in support of the repression hypothesis. A one standard deviation shock to government expenditure shows a slightly negative impact in the short run before a tendency to decline further in the long run<sup>16</sup>. This result seems reasonable because over the years, government expenditures on such items as food, housing and salaries of public employees have constituted a significant component of the aggregate expenditure which might have directly or indirectly crowded out private expenditures and, thus, affected output in a negative way. The impact of the credit supply variable shows a large and persistent decline.

Impulse response functions are very useful in ascertaining the direction of the effect but not its magnitude. Hence, in order to determine the magnitude of the effect, we need to analyse the variance decompositions. They indicate the proportion of the forecast error in a given variable that is accounted for by innovations in each endogenous variable. The results of the variance decompositions are as shown in table 7 below. It shows that the financial development variable had a relatively large impact on the per capita income in the short run. However, the magnitude of impact decreases with the increase in the time horizon accounting for about nine per cent of the variation in the per capita income. The decreasing magnitude of the impact of financial development on income, combined with the results from impulse response functions indicating a negative sign particularly in the short run, seems to suggest that financial development has not been a major promoter of growth in the Nigerian economy. The proportion of variance explained by money supply is extremely large in the short run. It, however, decreased sharply as the time horizon increased. The proportions explained by investment ratio and government expenditure are very low, indicating no significant impact on the per capita income. These results are quite consistent with the impulse response functions analysis.

Lastly, the results show that the discount rate had one period delay but a relatively large impact on the per capita income. The impact increased with an increase in the time horizon accounting for 10 per cent of the variation in the per capita income. In view of the fact that the estimated results can be sensitive to ordering of the variables, we re-estimated the model by reversing the order of the first and the last variables to check for robustness. The results obtained were not significantly different from the one reported here.

**Table 7: Decomposition of Variance error of lpdg from VECMa**

Period	SE	Explained by innovation						
		llm1	lrml	llin	lgep	lrcr	ds	llpdg
1.	0.14242	13.238	86.746	0.0008	0.0002	0.0009	0.0008	0.015
2.	0.22169	15.617	75.945	0.510	0.090	0.519	7.212	0.233
3.	0.27138	15.167	70.872	1.795	0.062	2.407	9.168	0.892
4.	0.31414	14.596	67.949	2.089	0.063	4.173	9.688	1.442
5.	0.35284	14.053	65.904	2.162	0.065	5.300	9.994	2.032
6.	0.38688	13.185	64.157	2.334	0.121	6.323	10.350	2.726
7.	0.41764	12.137	62.675	2.617	0.215	7.280	10.518	3.523
8.	0.44693	11.116	61.474	2.894	0.323	8.072	10.500	4.348
9.	0.47534	10.182	60.431	3.149	0.440	8.708	10.430	5.156
10.	0.50283	09.331	59.445	3.404	0.567	9.254	10.346	5.921

<sup>a</sup>Ordering lm1, rml, lin, gep, rcr, ds, lpgd.

### Conclusions

The paper has explored the role of financial development, government expenditure, the discount rate, real money supply and investment in explaining the performance of the Nigerian economy. The economy experienced serious macro-economic instability over the period 1960-2003, a condition considered inimical for successful financial sector liberalisation. After performing stationarity test and a test for co-integration, a seven-variable error-correction model was estimated. The results from the impulse response functions and variance decompositions provided weak evidence for supply leading view of financial development. This was equally corroborated by the statistical significance of the error-correction terms. There seems to be evidence of financial repression in the economy during the period under investigation. Moreover, there was no clear evidence to support either monetary or fiscal policy effectiveness.

Based on these findings, the following policy recommendations were formulated. Since results show at least weak evidence of supply leading role of financial development, efforts should be geared towards development of the financial sector to propel faster growth of the economy. Moreover, the development of the financial sector would help in ensuring the effectiveness of monetary policy in the economy. Evidence from the study further revealed the presence of financial repression, suggesting further financial liberalisation in the economy. Financial liberalisation that ensures a positive rate of interest would not only enhance the level of saving but also encourage efficient and productive investment in the economy.

Moreover, financial liberalisation that leads to optimal interest rate in the economy would enhance the effectiveness of monetary policy and also discourage capital flight. However, it needs be emphasised that financial liberalisation that leads to excessive increase in the rate of interest could cause severe problems for both the financial and corporate sectors as debt-related obligations and cost of borrowing are increased. Therefore, what this suggests is that financial liberalisation should be done in such a manner that the rate of interest is not allowed to be too high to discourage borrowing and, thus, investment, or too low to discourage saving and engender inefficient and unproductive investment. However, to achieve this would require the government to implement other complimentary policies along with financial liberalisation.

### Notes

<sup>1</sup> Studies on the relationship between finance and growth started with the work of Schumpeter, 1912. Subsequent studies on this issue include Patrick 1966; King and Levine 1993; Gupta 1984, among others. Studies on the repressionist proposition include Wai 1972; Sinai and Stokes 1972; Shaw 1973; McKinnon 1973; Fry 1988, 1991 and 1995; Villanueva and Mirakhor 1990; and Gregorio and Guidotti 1995. However, literature on the relative effectiveness of monetary and fiscal policy started with the seminal work of Friedman and Meiselman 1963.

<sup>2</sup>We have provided a capsule summary of the theoretical issues related to the subject matter for two main reasons. One, the need to conserve space. Two, a detailed treatment of these issues could be found in several previous works on each of the issues of discussion in our paper.

<sup>3</sup>As pointed out by Fry (1988), a low interest rate in the face of rising inflation encourages people to invest their savings in tangible assets such as land or gold, fuelling further inflation.

<sup>4</sup>Most studies of saving in relation to the rate of interest do not distinguish between financial saving and total saving, but where they do, financial saving is shown to be very responsive, while total saving is not (Warman and Thirlwall 1994; Hussein and Mohieldin 1997).

<sup>5</sup>Essentially, if banks are subject to reserve requirements and are forced to lend compulsorily to governments, diversion of funds away from the informal sector may lead to total supply of loans to the private sector being reduced. This is a part of the neostructuralist school (Buffie 1994).

<sup>6</sup> The normal growth pattern, based on the experience of industrialised nations, is that as an economy develops, the share of agriculture in the GDP tends to fall, while that of manufacturing tends to increase.

<sup>7</sup>Nigeria introduced an economic reform package tagged structural adjustment programme in 1986 to eliminate various distortions and crises that engulfed the

economy. Specifically, the reform package comprised two broad policies, namely stabilisation and liberalisation policies (for details of the objective, policies, instruments and effects of the reform, one could consult Akinlo 1992, 2001).

<sup>8</sup>We only provided a broad picture of developments in the financial sector for the period, 1960-2003. For a detailed review of the Nigerian financial system and a chronological list of major developments in the sub sector, one may consult Ogun (2006).

<sup>9</sup>It needs be pointed out that in the McKinnon-Shaw approach, the money demand equation could incorporate either investment rate ( $1/Y$ ) or the saving rate ( $s/Y$ ) as the explanatory variable. As an illustration, Akhtar (1974) and Harris (1979) used the investment rate. They both found only weak support for the McKinnon's complimentary hypothesis. In contrast, Fry (1978, 1988) used the saving rate and found that the national savings rate had a negative effect on the money demand function, contradicting the complementarity hypothesis. However, those that used real money balances as an argument to test the complementarity hypothesis found a positive effect of real money balances on both savings and investment (see Fisher 1981, Vogel and Buser 1976 among others).

<sup>10</sup>Several studies have indeed articulated in detail the various advantages associated with the use of VAR and the controversy surrounding its uses (for detail, one may consult Ambler 1989; Renote Jr 2001).

<sup>11</sup>We recognised the fact that the use of annual data might conceal the true nature of the relationships amongst the variables which a high frequency data would possibly reveal. However, we could not do otherwise as many of the variables in the model, e.g. government expenditure, gross fixed capital formation, gross domestic product etc., are only available on an annual basis. Any attempt to decompose them into quarterly series for use might undermine the results thus obtained.

<sup>12</sup>One may like to include such variables as exchange rate, exports price level, among others. However, we have not considered them for many reasons. One, we have considered the impact of such variables as exchange rate and price level in our previous study (see Odusola and Akinlo 2001). Two, some of them are not directly relevant to the task ahead and three, the need to conserve the degrees of freedom.

<sup>13</sup>The Johansen method was chosen over the one originally proposed by Engle and Granger (1987) because it is capable of determining the number of co-integrating vectors for any given number of non-stationary series (of the same order). Its application is appropriate in the presence of more than two variables, and more importantly, Johansen (1988) has shown that the likelihood ratio tests used in this procedure (unlike the DF, ADF tests) have well-defined limiting distributions.

<sup>14</sup>The reported results here are without constant. However, as an additional exercise we included a constant term in the procedure and carried out the entire analysis, the

results obtained were not significantly different.

<sup>15</sup>Error-correction terms provide long-term causal indication because it is derived from the long-term co-integration relationship. All the same, the error-term coefficient itself shows only a short-term adjustment made in each period to bring about the necessary correction in the long-term imbalance.

<sup>16</sup>Indeed, several economists have found negative linkages between government expenditure and economic growth (see Landau 1983; Engen and Skinner 1992; Grier 1997; Hansson and Henrekson 1994; de la Feunte 1997 and Folster and Henrekson 2001).

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# **Correlates of Rural Out-Migration in Southern Ethiopia**

**Nigatu Regassa and Ansha Yusufe\***

## **Abstract**

Ethiopia is experiencing a high population growth rate (about 2.6 per cent per annum) mainly as a result of a high fertility rate (Total Fertility Rate (TFR) of 5.9). Like in other developing nations, rural-urban migration is increasingly becoming a common phenomenon mainly as a direct response to environmental degradation and rural poverty. In this regard, some socio-economic and demographic correlates play a pivotal role in the out-migration of masses from villages.

The study is based on primary data collected from 1,258 households selected from four of the most populous districts (zone) of southern Ethiopia. The study has employed a multivariate analysis (logistic regression) to estimate the socio-economic correlates of out-migration in Southern Ethiopia. While the dependent variable of the study is “whether at least one household member out-migrated during the past 10 years or not”, about eight important independent variables were regressed against the response variable.

The rural out-migration in Southern Ethiopia is related to some non-economic and economic factors, among which are lack of land, food insecurity, household size pressure, educational and religious status.

## **Introduction**

After birth (fertility) and death (mortality), migration forms the third fundamental element in determining population growth and structure. Although the movement of people from one place to another started since antiquity in different parts of the world, the frequency and intensity of influxes of people varies from one continent to the other, and from one country to the other. Migration is usually defined as the movement of a person or a group of persons from one geographical unit to another across an administrative or political border, wishing to settle

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permanently or temporarily in a place other than the place of origin (Bauner *et al* 2004). The process of migration has diverse economic, social and environmental implications for the places of origin and destination. In the context of balanced regional development, it is important to study how internal migration affects the pattern of population distribution within a country and the quality of life of both the place of origin and destination. The spatial distribution of population is influenced by the characteristics of the sending and receiving areas in terms of push and pull factors, resulting in rural-urban, urban-urban, urban-rural and rural-rural migration flows.

As an economy transforms from a predominantly rural to an urban-based pattern, the process of urbanisation assumes a rapid pace. Individual migrants from rural to urban areas form a part of a national human capital investment decision to reap economic rewards in the form of better opportunities and benefits. The consequences of rapid urbanisation, in turn, are multi-faceted and require timely responses by development planners and policy-makers so that they can deal with pressures created on the infrastructure of large urban centres by the influx of migrants. It has become clear that migrants, most of who come with low level of skills and education, are prone to a number of social crises like unemployment, homelessness, lack of access to health and other social services. Women migrants are known to face multiple problems, including sexual harassment, labour exploitation and other forms of physical abuse.

Recently, it has been observed that migration in some developing countries like ours has started towards medium-sized urban centres in addition to big cities. However, migration should not only be seen as a negative development as it is also seen to play a positive role in the socio-economic development of a nation or region. The outflow of migrants, for instance, manifests itself in the changing labour marked scenario in the rural economy which losses the more productive members of its labour force to the urban economy. When people, particularly women, migrate for economic reasons to urban areas of a region/country, they undergo dramatic attitudinal changes, which, in turn, bring about increased empowerment and family transformation.

During the past few years, social scientists have devoted a great deal of attention to the theoretical and empirical importance of the timing and sequence of events during the life of individuals and families, particularly in relation to migration (Murphy 1996, Ezra 2001). Yet, the study of families and households, including that of in and out-migration of people, is considered to be the most under researched area in demography.

In Ethiopia, massive movements of people from place to place have taken place due to both natural and man-made disasters. Earlier researches witnessed that landlessness, agricultural policy, land fragmentation, environmental degradation, population pressure, recurrent drought and famine, war and political crises were

major factors responsible for spatial mobility (Mesfin 1986, Berhanu and White 1999). Following the demise of the military government (1991), migration (internal and external) continued as a serious problem throughout the country. The most important force that steers the direction and volume of migration is a social network. UNHCR (2002), indicating the importance of a network that can substantially influence the direction and volume of migration flows, provides information, contact, economic and social support. The resources that flow through the social network make moving more attractive and generate what has been termed as chain migration -- the phenomenon of serial, large-scale migration from one particular area to another.

Previous studies suggest that migration in most parts of Ethiopia is age and sex selective. For example, a sharp increase in female rural-urban migration was observed with the outbreak of war between the military regime and the opposition forces in the 1980s (Berhanu and White 1999). Other studies also show differentials in migration by land holdings: the smaller land holdings associated with out-migration of household members (Ezra 2001). The study has also documented that the Amhara Ethnic group is more likely to out-migrate to urban areas compared to others. A study conducted in Ethiopia, in selected kebeles of Shashemene (Juron 1985), indicated that the major reasons for in-migration are of two: economic reasons: individual are migrating to get a job, transferred by the government and trading, and *social reasons*: migrants are brought to town by relatives, divorced or married someone in town and the like. Abate (1989), in his study, indicated that the main reasons for internal migration in Ethiopia are regional inequality of development and income, the existence of population pressure, low agricultural productivity, attraction of towns, ethnic violence and other similar reasons.

Keeping in mind the pros and cons of migration within a country, it is important to note that the process of migration (especially the correlates of out-migration) should be adequately dealt with and researched. This is an empirical study aiming at examining the major socio-economic and demographic correlates of out-migration in selected administrative zones of Southern Nations Nationalities Peoples Regional State (SNNPRS), namely, *Sidama, Wolaita, Kembatta-Tembaro and Gurage*

### **Profiles of the Region**

With an estimated population of 77 million, Ethiopia is the second most populous country of Africa, next to Nigeria. Fuelled by a high fertility rate, the country is experiencing a high annual population growth rate of about 2.6 per cent. The population is estimated to increase over the decades, from 42.6 million in 1984 to 77 million in 2005.

Ethiopia is an agrarian country where agriculture accounts for more than 60 per cent of the GDP, employing about 85 per cent of the population and accounting

for about 90 per cent of the country's exports (CSA 2000). Environmental degradation and agricultural production failure have made sustainable livelihood impossible for many Ethiopian poor in rural areas. In addition to environmental problems, farmers face numerous constraints related to small and diminishing farm sizes, low tenure security, imperfect agricultural markets that together brought about an average decline of per capita agricultural production by 0.64 per cent over the past 10 years (ECA 2001). The country is one of the least developed in the world, with a per capita Gross National Product (GNP) of US \$ 98 in 2004. An indicator of the economic status of the population, household expenditure, shows very unpleasant distribution.

Among the nine federal states of the country, SNNPR, which is the concern of this study, is located in the southern part of the country. With an area of 113,539 square kilometres, it accounts for about 10 per cent of the total area of the country. The region is constituted of 12 sub-regional administrative areas called 'zones', classified on the basis of ethnicity (Sidama, Gurage, Hadya Wolaita, Bench Maji, Semen Omo, Debub Omo, Gedeo, Keficho, Kembatta, Alaba Tembaro, and Silti). In 2004, the population of the region was estimated at about 14 million with a male to female sex ratio of 98.8. The region's population accounts for 20 per cent of the total population of the country, which makes it the third populous region in the country, next to Oromia and Amhara federal states (SNNPRG 2001; CSA 2000).

The population profile of the region is characterised by a large number of children under 15 (46.7 per cent), while those in the age group 15-64 and above 64 account for 50 and 3.3 per cent respectively. The median age of the population in 2001 was estimated to be about 17 years. Out of the total population of the region in 2004, women in the reproductive age (15-49) accounted for about 3,346,993. According to a recent estimate, about eight per cent of the total population of the region resides in urban areas, while the bulk of the population (92 per cent) lives in rural areas. The overall life expectancy at birth is about 52.4 years (51.35 for males and 53.45 for females), while the other two most sensitive indicators, infant and child mortality rates, are 107 deaths per 1,000 births and 157 deaths per 1,000 children under five respectively. About 43.2 per cent of the population is estimated to be economically active

The region has an uneven distribution of population with a crude density of 123 persons per square kilometre, as recorded in 2003. The net density of the region is about 448 persons per cultivated land (per hectare). It is reported that the highlands of Gamogofa, Wolaita, Sidama, Hadya, Guraghe and KAT zones constitute about 45 per cent of the population of the region (SNNPRG 2001). Within these zones, the population density ranges between 400 and 600 persons per square kilometre. On the other hand, the sparsely populated areas of the region account for about 56 per cent of the total area with a population density of 3-10 persons, which comes to 2.5 per cent of the population of the region (SNNPRG 2001). The residential

pattern of the region's population distribution show that 8.3 per cent of the population lives in urban areas, while the bulk of the population (91.7%) resides in rural areas. About 43.2 per cent of the population is estimated to be economically active. The crude birth rate and the total fertility rate of the region in recent years have been 42.6 and 5.9 respectively (BoSP 2004). The region is experiencing one of the highest Infant Mortality Rates (113.4 per 1,000 live births), an under-five mortality rate of 192 for both the sexes and maternal mortality rate of above 850 per 100,000 live births (CSA 2000).

Poverty is one of the biggest concerns of the region, where about 56.8 per cent of the total population lives under the poverty line. It is estimated that about 46.2 per cent of the farmers in the region own 0.1-0.5 hectare of land per household, whereas the proportion of those with land size of more than two hectare per household is only 4.7 per cent. About 53.9 per cent of children are stunted, 12 per cent are severely wasted and 52.5 per cent are under-weight (CSA 2000). On top of these, the region exhibits one of the lowest health service coverages (46 per cent) in the country (SNNPRG 2001). The lack of good antenatal delivery, poor postpartum care, malnutrition, anaemia, high fertility and the like contribute to the high maternal mortality rate in the region. Moreover, sexually transmitted diseases are among the major health concerns of the region.

Like in other parts of the country, movement of people across regional and zonal boundaries is historically a common phenomenon where people migrate to small and big towns due to both economic and non-economic reasons. The phenomenon of migration carries several economic, social and cultural problems in the region. A short visit to different parts of the region shows that migration is becoming a serious problem in most small and growing urban areas. Though the trend and volume of migration may differ from one zone to the other, the process of migration takes place in nearly the same fashion across most communities in the region. Those factors affecting in- and out-migration (such as economic, social and ecological factors) are least explored in the region, and hence, its socio-economic implications are not clearly known. This study may be considered as one that takes a comprehensive (regional) look at the determinants of out-migration with a robust policy relevance and implication.

## **Data and Method**

### **Data Source**

The primary data for this study was generated from primary sources through the use of questionnaires. The study has also used secondary data sources to augment the data collected from the primary sources. Studies on migration face some methodological limitations. If a migration study is conducted in destination

areas, data can be collected only from immigrants and non-migrants in the areas where others have moved. If the study is conducted in migrant areas of origin, data can be collected only from families and relatives left at home and those who returned. This will limit the representation of the information and base the conclusions on unilaterally obtained data.

### **Sampling Design**

As mentioned in the earlier section, SNNPRS consists of about 13 zones and eight special woredas with diversified culture, language and economic activities. To begin with, the sample size required and the procedure to be followed in any study is determined by the objective of the study, the resource available, types of the study, variability of the characteristics to be measured, the precision required and the required confidence that the precision is valid. Among these resources, availability is the biggest determinant of the upper limit of the sample size to be included in the study. Whether the study be generalised for the whole population or the result be used as a good indicator of the existing situation is another important issue to be considered in determining the sample size of a given study. During the course of sample selection, thus, all efforts were made to abide by these rationales.

The process of sampling started with the listing out of all zones where population mobility across boundaries (migration) is known to be high. An informal discussion with the regional office of population revealed that four of the 13 zones are historically more vulnerable to out-migration. The four zones, namely Sidama, Gurage, Kambata-Tambaro and Wolaita were thus selected using the non-probability sampling technique called purposive sampling. As the information was planned to be collected from representative rural *kebeles* (villages), we had discussions with the zonal population office to identify the most vulnerable woredas/kebeles or segments in the selected zones. Accordingly, two rural woredas were selected from each respective zone, making it a total of eight rural woredas.

Following this, three kebeles from each rural woredas were selected using the same sampling technique, making it a total of 24 rural kebeles. We collected a list of households for selected rural kebeles from the kebele administration to randomise the selection of individuals and households. From the list of households listed for the 24 rural kebeles, as many as 1,258 households were chosen and the heads of the households interviewed.

### **Data Collection, Processing and Analysis**

The required data for the study was collected for around 20 days (January 1-20, 2006). Following the successful completion of data collection, the data was coded, entered into SPSS software, cleaned and made ready for analysis. The dependent variable in this study was “whether a household experienced at least

one out-migrant during the past 10 years' reference period or not". We conducted the analysis using the binary logistic regression model (the detailed treatment of these statistical techniques is given in the following section).

## Results and Discussions

### Background Characteristics of Respondents

Information related to the major socio-economic and demographic characteristics of non-migrants (rural respondents) was collected. Table 1 below shows that the majority of the respondents are male (88.2%), while a small proportion of them (11.8 %) are female. With regard to age, some 88.4 per cent fall in the broad range of 25-64 years (conventional adult age), while those in the age group of 14-24 (youth) and 64+ (aged) account for 2.1 and 9.5 per cent respectively.

**Table 1: Percentage Distribution of Non-Migrants (Rural Respondents) by Selected Socio-Economic Characteristics (N = 1258)**

Characteristics	Percentage
<b>Sex</b>	
Male	88.2
Female	11.8
<b>Age of respondents</b>	
14-24	2.1
25-64	88.4
Above 64	9.5
<b>Religion</b>	
Orthodox	29.8
Muslim	8.4
Protestant	53.7
Catholic	5.2
Other	2.9
<b>Marital status</b>	
Married	92.6
Single	0.6
Widowed	6.0
Divorced	0.4
Separated	0.4
<b>Marital form</b>	
Monogamous	90.7
Polygamous	9.3

(Contd.....)

<b>Household size</b>	
Less than 3 members	7.2
4-6 members	35.8
7-10 members	44.6
10 members and more	12.4
<b>Level of education</b>	
Illiterate	45.9
First cycle (1-4)	18.6
Second cycle (5-8)	24.6
High school (9-12)	10.9
<b>Zone where the respondent lives</b>	
Wolayita	28.5
Kembata-Tembaro	28.5
Gurage	28.5
Sidama	14.4
<b>Total size of land owned by a household</b>	
Less than half hectare	61.4
Half to one hectare	23.9
One to two hectare	11.4
Greater than two hectares	3.3
<b>Corrugated iron sheet roof</b>	
Yes	22.7
No	77.3
<b>Food self-sufficient</b>	
Yes	10.1
No	89.9
<b>Off-farm income</b>	
Yes	15.3
No	84.7

The marital status distribution of the respondents shows an expected pattern. Married respondents make up the majority (92.6 per cent), followed by widowed (6.0%). Single, divorced and separated account for relatively small fractions. Table 1 also presents the distribution of respondents by their religion. It is evident that Protestant Christians make up the highest proportion (53.7 per cent), followed by Orthodox Christians (29.8 per cent). Muslim and Catholic Christian respondents account for 8.4 and 5.1 per cent of the total respondents.

The distribution of respondents according to their educational status also followed the expected pattern, where the majority of non-migrants fall in the illiterate

category (45.9 per cent). Respondents in the first, second and third cycle (high school) constitute about 18.6, 24.6 and 10.9 per cent of the total respondents respectively. This variable will be used as a predictor in the analysis of out-migration in the section below.

The study also included the nature of marriage in rural households. Accordingly, about 9.3 per cent of the households are found to follow polygamy, as opposed to 90.7 per cent who follow monogamy. The proportion of polygamous households computed in this study is less than the regional average (15 per cent) of the DHS 2000. The prevalence of polygamy is expected to dwindle in most communities of the region as modernisation and urbanisation prevail.

An important indicator of the household economic status, land size, is also revealed in Table 1. It is evident from the table that the majority of the households owns either a land size of less than half hectare or no land at all (61.4 per cent). About 23.9 per cent of the households reported to own land measuring half to one hectare, some 11.4 percent owned 1-2 hectares and a small proportion (3.3 per cent) owned more than two hectares. When the average land size of all rural households is considered together, it comes to about 0.66 hectare per household. Two other economic indicators of rural households are considered in table 3.2; namely, participation in off farm activities and housing quality. With regard to the household's participation in off farm activities, it is observed in the table that only 15.3 per cent of the total households reported to generate income to augment the income generated from agriculture. On the contrary, however, the majority of the households do not have any means of income from off farm activities. Another economic indicator, the quality of housing, is measured by the type of roofing (i.e. whether it is made up of corrugated iron or grass mat). In this regard, about 22.9 per cent of the households are reported to have corrugated iron roofing house, while 77.1 per cent reside in houses made up of grass mat roofing. In a village context, where the bulk of the houses have grass roofing, corrugated iron sheet roofing can undoubtedly be used as a good indicator of the household's economic status. This variable will be treated as one of the predictors in the regression analysis of out-migration.

Household food sufficiency is also commonly used as a variable to measure the standard of living. In this regard, rural respondents were asked if their household is food-sufficient throughout all the seasons. Accordingly, only 10.1 per cent of the households are found to be food-secured, while the bulk of the households (89.9 per cent) fall in the food-insecure category. However, the proportion of households with food insecurity seems to be a bit exaggerated compared to the regional and national averages. This may be due to various factors related to the seasonal variation in data collection and partly manipulation of information by respondents in view of getting food aid.

### Correlates of Out-Migration: A Multivariate Analysis

This section employed a commonly known multivariate statistical model (logistic regression) to analyse the relationship among variables controlling the possible confounding factors.

The logistic regression technique is used when the dependent variable is dichotomous (binary), in which case the event either "occurs" or "does not occur". In this study, the dependent variable is "out-migration of at least one family member". In logistic regression, we directly estimate the probability of an event occurring. For more than one independent variable (i.e., for K independent variables  $(X_1, X_2, X_3, \dots, X_k)$ ), the model can be written as :-

$$\frac{P}{1-P} = \frac{B_0 X_0}{e} * \frac{B_1 X_1}{e} * \frac{B_2 X_2}{e} * \dots * \frac{B_n X_n}{e}$$

$$\ln \frac{P_i}{1-P_i} = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \dots + \beta_n X_n$$

When P= chance of an event occurring (for example, the probability that one family member out-migrate from a household); 1-P = chance of an event not occurring (for example, the probability that no one out-migrated from a household);  $\ln P_i / 1-P_i$  = is the probably or risk of an event occurring which is the odds of a family members out-migrating;  $X_1 = X_1, X_2, X_3, X_4, \dots, X_n$  are the regression coefficients indicating the magnitude of change (increased or decreased risk) in the independent variable. This study will use odds ratio throughout to interpret the relative risk of each independent variable.

Table 2 presents about nine predicators (independent variables), which were entered into the logistic regression model. Among these variables, five were found to have a significant relationship, i.e., they are the possible determinants of out-migration of at least one family member, controlling the effects of all other confounding factors. Since the rest of the independent variables are not found to have a significant relationship with the response variable, the following few paragraphs focus only on the five significant variables.

It is seen in the table that households with 4-6 members are 68 per cent ( $e^{0.32}$ ) less likely to experience out-migration of at least one family member compared to the reference category (i.e., households less than three members). Similarly, households with 7-10 members are 1.11 times more likely to experience at least one member out-migrating to other places. Households with more than 10 members experience out-migration of a member 1.04 times more than the reference category. In a region like SNNPR, where the family size norm is not yet established as small, pressure exerted by household members on the economic status of households is

an expected phenomenon. Labour migration from a large family is thus an alternative strategy to ease the family's economic burden.

**Table 2 Results of Logistic Regression for Selected Predicators of Rural Out-Migration in SNNPRS.**

Variables	$\beta$	SE	Sig	Exp ( $\beta$ )
<b>Marital form</b>				
Polygamous <sup>RC</sup>	-	-	-	-
Monogamous	-.065	.255	.799	.937
<b>Household size</b>				
<b>.000</b>				
Less than 3 members <sup>RC</sup>	-	-	-	-
4-6 members	-1.139	.368	.002	1.320**
7-10 members	-2.229	.366	.000	1.108***
Above 10 members	-3.236	.413	.000	1.039***
<b>Land size</b>				
<b>.057</b>				
Less than half hectare <sup>RC</sup>	-	-	-	-
Half to one hectare	-.267	.164	.103	.765
One to two hectare	-.421	.225	.061	.656
Greater than two hectare	-1.003	.527	.057	.367
<b>Educational status</b>				
<b>.000</b>				
Illiterate <sup>RC</sup>	-	-	-	-
First cycle	.707	.191	.000	2.027***
Second cycle	1.018	.179	.000	2.769***
High school	1.317	.261	.000	3.732***
<b>Zone</b>				
<b>.000</b>				
Wolaita <sup>RC</sup>	=	=	=	=
Kembatta	-.072	.193	.710	.930
Gurage	-2.299	.251	.000	1.100***
Sidama	-.158	.245	.518	.854
<b>Household food security</b>				
Self sufficient <sup>RC</sup>	-	-	-	-
Food insecure	.609	.247	.014	1.838*
<b>Religion</b>				
<b>.027</b>				
Orthodox <sup>RC</sup>	-	-	-	-
Muslim	.720	.283	.011	2.055*
Protestant	-.289	.212	.171	.749
Catholic	.010	.367	.978	1.010
Others	.277	.463	.550	1.319

(Contd.....)

<b>Off-farm income</b>				
Yes <sup>RC</sup>	-	-	-	-
No	.267	.201	.184	1.306
<b>Constant</b>	1.805	.479	.000	6.081
N= 1258	B= Regression Coefficient			
<b>-2log-likelihood ratio</b> = 1290.2	SE = Standard Error			
<b>Overall classification</b> = 74.5	RC = Reference Category			
	* = Significant at 0.05			
	** = Significance 0.01			
	*** = Significant at 0.001			

It is observed that people of Gurage ethnic origin are more likely to migrate compared to others. The odds of migration for the Gurage are about 1.1 times greater than the reference category. While land ownership is better in the Gurage zone than others, the Gurages are historically known to leave their place of origin for an economically better life.

Table 2 has also shown that there is a significant relationship between the religious status of respondents and out-migration. The odds of out-migration of at least one household member for Muslims are 2.06 times higher than that of other religions and reference categories. It is believed that most Muslim communities encourage merchandise activities, and hence, people at a younger age start leaving their place of origin for a better economic life in urban areas.

Table 2 also revealed the expected relationship between land ownership and out-migration of at least one family member. It is evident from the table that the odds of out-migration decreases as land ownership increase. Households with a land size of 0.5-1 hectare are 23.5 per cent ( $e^{0.765}$ ) less likely to experience out-migration of at least one member. Similarly, households with 1-2 hectares and those with more are respectively 34.4 per cent and 63.3 per cent less likely to experience out-migration of a family member. It is well-established that land is the most important resource base of rural people from which all other economic systems and activities are generated. When land is available in good quantity, households will naturally get the opportunity to produce more food for both for household consumption and the market. Increasing income and production, in turn, enable the household to provide better education and other social services to its members, as a result of which, the need for out-migration decreases.

One of the most striking results of this study is that the risk of migration increases as the educational status of respondents increases. It is evident from the table that respondents in 1<sup>st</sup> cycle (grade 1-4) are twice more likely to experience out-migration of at least one household member. Similarly, household heads with educational level of 2<sup>nd</sup> cycle and high school level are 2.77 and 3.73 times respectively

more likely to experience out-migration of at least one household member compared to the reference category (illiterate). With education, youths and adults tend to experience a breakdown of the traditional rural way of life, and opt for a better life by migrating to nearby towns. It is also believed that when a young man or woman, who is exposed to formal education, feels that the rural areas no more provide him/her opportunities to advance his/her education, the motivation to leave the place of origin increases.

The study has also examined the net effect of one of the most important household economic indicators, food insecurity, on the response variable (out-migration). The risk of out-migration among households who are food in-secured during the extended period of the year is 1.84 times more than the reference category (food-secured households). In the context of rural Ethiopia, labour out-migration is one of the most important survival strategies in the midst of ecological degradation and recurrent droughts. Coupled with this, land is becoming fragmented and the average household ownership is diminishing (0.66 hectare/household), which induces continuous food shortage at the household level. It is also evident from table 3.2 that only a very insignificant proportion of rural households reported to have experienced food self-sufficiency throughout the year.

### **Conclusions and Policy Implications**

On the basis of the information collected from the 1,200 rural households and taking into account all the methodological pitfalls of studying migration, this study has come up with the following plausible conclusions and policy implications:

- ◆ The study has documented that out-migration in the region is for both economic and non-economic factors. Among the economic reasons, shortage of land and food insecurity are the most important determinants. The implications of this finding are the following: First, programmes for an integrated rural development should be encouraged and policies that operate only on the demand side of the urban employment picture, such as wage subsidies, direct government hiring, should be put in place. Second, the regional government should view rural and agricultural development and restoration of proper balance between rural and urban incomes as a solution for the urban unemployment problem. Third, given the urban bias and the difficulty of reducing urban-rural real wage differentials, planners and policy makers in the region should increase urban employment opportunities continuously by investing in small and medium-scale labour intensive industries.
- ◆ It is evident from the multivariate analysis that food insecurity (which is partly a reflection of ecological degradation and recurrent drought) is found to be one of the most important determinates of rural out-migration

of at least one household member. This implies that concerted effort should be made by the regional government to curb the persistent food insecurity through sustainable agricultural revolution. One of the promising strategies to enable households to become food self-sufficient is diversification activities by building their capacity and introducing various off-farm activities. Simultaneously, market conditions should be improved.

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# Models of Measuring Targets and Results in Primary Education

**G V Satya Sekhar\***

## **Abstract**

'Primary Education' in India is yet to reach its target. The target is to achieve universalisation of primary education. In other words, achievement of 100 per cent enrolment along with 100 per cent primary completion rate is the need of the hour. This study focuses on trends in the targets of primary education in India, in general, and in Andhra Pradesh, in particular. The main barriers for achieving the targets are a high dropout rate at the primary stage and stagnation. But the impact of stagnation on the dropout rate is negligible because of automatic promotion to the next grade in the primary education system. The main reason for stagnation is absenteeism, which ultimately results in "dropouts". The target achievement lies in reducing the dropout rate at the primary stage and improving the literacy rate. Literacy and dropouts are two sides of the same coin. There are different methods to calculate the dropout rate.

In this regard, a comparative study of the Census data and results of the National Sample Survey (NSS) is necessary. Because of a variety of reasons, our education statistics are completely at variance with reality, as they overestimate the number of children in schools and underestimate the number of children out of school. Even the NSS data and the 2001 Census have their own limitations to reflect the reality. However, the Census data is being taken for the purpose of the present study.

## **Introduction**

This paper is organised in the following manner: Section I focuses on: a) the status of primary education during 1955-95 in Andhra Pradesh, b) the growth rate of enrolment, and c) trends in enrolment into Grade-I during 1977-97. Section II deals with an analysis of the targets and results. The target is the achievement of 100 per cent enrolment along with 100 per cent primary completion rate. However, targets have not been achieved so far, as there are various barriers like the dropout rate, stagnation, development factors, etc. Section III focuses on models of measuring the primary completion rate. Section IV discusses 'the progress of primary

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education during 1950-2000'. The progress is examined for every five years starting 1950. Section V deals with the identification of factors influencing the dropout rate, analysed through regression analysis.

### **Status of Primary Education in AP**

The five decadal trends in the growth of primary education are to be examined to make a performance appraisal of achieving targets. This is based on the data available from Andhra Pradesh Educational Statistics. The average annual enrolment for each five years starting 1956 is calculated and the results are presented in Table 1.

**Table 1. Enrolment in Primary Education in Andhra Pradesh During 1956-98**

<b>Year</b>	<b>Average Enrolment (in lakhs)</b>	<b>Increase (in lakhs)</b>
1956-61	26.08	-
1961-66	31.34	5.26
1966-71	31.29	0.06
1971-76	31.29	-0.11
1976-81	36.74	5.45
1981-86	46.64	9.90
1986-91	54.78	8.14
1991-95	57.11	2.33
1995-96	54.83	2.28
1996-97	56.73	1.90
1997-98	83.70	16.7

*Source:* AP Educational Statistics, State Council of Educational Research & Training, Government of Andhra Pradesh

Enrolment from 1961 to 1975 remained almost constant, around 31.3 lakhs. The growth started from 1976; the average annual enrolment increased to 36.7 lakhs during 1976-81. There is a steep increase by 9.9 lakhs per annum during 1981-86, and 8.14 lakhs during 1986-91. However, from 1991 to 1995, there is a small increase in enrolment. But during 1997-98, a tremendous growth of 16.97 lakhs per annum is observed. It may be concluded that the results of special educational drives initiated by the government, started showing only by 1997-98. The reasons for a decline in the growth of enrolment during 1991-95 and 1996-97 are to be examined. To derive the growth rate of enrolment in different periods, two cut-off points -- 1975 and 1985 -- are considered. The regression equation is estimated using two dummy variables; the first period refers to 1955-75, the second refers to 1975-85 and the third refers to 1985-95. The functional form is:

$$\text{Log } Y = b_0 + b_1 t + b_2 (t-t_1) D_1 + b_3 (t-t_2)$$

Where,  $y$  is the enrolment,  $t$  is the time in years starting from 1955,  $t_1$  is the first cut-off in 1975,  $t_2$  is the second cut-off in 1985,  $D_1$  is the dummy for the second period ( $D_1=1$  if  $t_2>0$ , and 0 otherwise) and  $D_2$  is the dummy for the third period ( $D_2=1$  if  $t_3>0$  and 0 otherwise). The values of  $b_1$ ,  $b_1+b_2$ , and  $b_1+b_2+b_3$  give the annual exponential growth rates for the three separate periods -- i.e., 1955-75, 1975-85 and 1985-95. The growth rate for the entire period is the weighted average of three periods.

The estimated regression equation is:

$$\text{Log } y = 3.4 + 0.0042 t + 0.015 (t-t_1) D_1 - 0.0131 (t-t_2) D_2$$

(5.25)      (7.33)      (3.85)

$$R \text{ square} = 0.962$$

(Figures in parentheses are  $t$  values.)

The growth rate for the first period, 1955-75, is 0.42 per cent, for the second period, 1975-85, it is 1.93 per cent and for the third period, 1985-95, it is 0.65 per cent.

It is necessary to analyse enrolment in Grade I to find whether there are any fluctuations in enrolment. The fluctuations may be due to non-enrolment or delayed admission into Grade I.

Table 2 provides information on enrolment in Grade I during the period, 1977-96. It was found that there are fluctuations in enrolment throughout this period. For instance, enrolment among boys is stagnant from 1977-78 to 1980-81.

We can observe that there is considerable improvement from 1981-82 to 1989-90, and thereafter it gradually declines. In the case of enrolment among girls, there is no such pattern in primary school. Gender disparity in enrolment persists from 1977-78. For instance, enrolment among the male population was more than that of 10 lakhs per annum during 1977-96. While, in case of the female population it is less than 10 lakhs per annum up to 1986-87. The overall highest increase in enrolment is 1.35 lakhs during 1978-79, which is followed by one lakhs during 1985-86. There is a decline in the enrolment rate from 1991-92. It may be due to a decline in the population growth or non-enrolment. Universalisation of elementary education starts with finding reasons for non-enrolment and dropouts. Popularly reported reasons for non-enrolment are: economic constraints, non-availability of schooling facility and child labour. It was surprising that the results of NSS contradict the Census results.

**Table 2. Enrolment in Grade I (Andhra Pradesh)**

(in lakhs)

Year	Enrolment			Increase		
	Male	Female	Total	Male	Female	Total
1977-78	10.11	7.27	17.38	-	-	-
1978-79	10.73	2.00	18.73	0.62	0.73	1.35
1979-80	10.71	8.02	18.73	-0.02	0.02	0
1980-81	10.79	7.94	18.73	0.08	-0.08	0
1981-82	11.33	8.38	19.71	0.44	0.44	0.98
1982-83	11.59	8.53	20.12	0.15	0.15	0.51
1983-84	12.10	9.04	21.14	0.51	0.51	1.02
1984-85	11.92	9.03	20.95	-0.01	-0.01	-0.19
1985-86	12.4	9.55	22.35	0.52	0.52	1.00
1986-87	12.9	9.81	22.71	0.34	0.34	0.84
1987-88	13.00	10.04	23.04	0.23	0.23	0.33
1989-90	13.08	10.18	23.26	0.14	0.14	0.22
1991-92	12.94	9.96	22.90	-0.18	-0.18	-0.32
1993-94	11.81	10.30	22.11	0.34	0.34	-0.79
1995-96	11.85	10.66	22.51	0.36	0.36	0.40

(Data for years 1988-89; 90-91; 92-93; and 94-95 not available in official records)

In Andhra Pradesh, persons aged below 30 years are never enrolled in school because of lack of interest in education. It was found that non-availability of schooling facility is not an important factor for dropout. It was also found that economic constraint is a reason for non-enrolment at the primary level. Other reasons, viz. failure in examination, waiting for admission etc., are barriers to achieving the targets. For instance, nearly 50 per cent males and 30 per cent females do not enroll for other reasons. However, the most dominating reason for non-enrolment among females is lack of interest (27.4 %), which is more than that of males (17 %). The pattern of distribution of people on the basis of reasons for non-enrolment in Andhra Pradesh is similar to that of Karnataka. However, in Karnataka, the main barrier for female enrolment is the lack of availability of schooling facility (15.7%). Moreover, the percentage of females attending to domestic work is much higher at 6.26% in Karnataka, whereas in Andhra Pradesh it is only 0.33%. In Karnataka and Tamil Nadu, there are other reasons as well for non-enrolment.

### **Analysis of Targets and Results**

This section deals with the methodology of computing the dropout rate and a comparative study of dropout rates derived from the Census and educational statistics. There are different methods to calculate the dropout rate based on different

sources of data, like NSS, education statistics, etc. But it is observed that there are inconsistencies in these data sources. Either they underestimate or overestimate the actual facts. Hence, the present study relies on estimates made from the Census data. The dropout rate is estimated by different methods by analysing the factors that influence the dropout rate and measuring each factor's impact on the dropout rate. The dropout rate can be calculated on the following two bases: 1) by analysing the enrolment data supplied by education statistics; and 2) by analysing the 2001 Census-educational data.

### The Basis of the Enrolment Data

There are different methods for measuring the dropout rate, such as: 1) apparent cohort method; 2) restructured cohort method; and 3) true cohort method.

#### Apparent Cohort Method

In this method, the enrolment in different grades would be compared with enrolment in grade I. If there is decrease in enrolment in other grades, it is treated as wastage. This method can be applied either for cross-section data or for time series data. When time series data is used, enrolment in Grade I in a particular year is compared with enrolment in successive grades in successive years. The Index of Wastage (IW) in grade 'g' in year is worked out as:

$$IW = \frac{E_{g+1, y+1}}{E_{gY}} \quad \text{for time series data}$$

$$IW = \frac{E_{g+1, y}}{E_{gY}} \quad \text{for cross section data}$$

The method of using time series data is an improvement over the one using cross section data because enrolment in a grade in a year is not the result of enrolment in grade I in that year but that of enrolment in grade I in some earlier year. However, both the methods have the limitation of not distinguishing the two components of wastage, viz. dropouts and repeaters. Further, the entire diminution in enrolment of successive grades is attributed to wastage, ignoring factors like deaths, migration to outside areas, etc. However, in the absence of more detailed data, this method provides an estimate of wastage. Because of the less stringent data requirements, most of the studies have adopted this method to estimate wastage.

**Reconstructed Cohort Method**

This method attempts to isolate the two components, viz. dropout and stagnation, using the year grade data on enrolment and repeaters. The number of those promoted (P) in each grade is first derived as the difference between enrolment (E) and repeaters:

$$P = E - R$$

Now the data on those promoted, repeaters and enrolment in successive years in different grades is used to derive the dropouts rate (D) as the residual.

$$D = E - (P + R)$$

The above results can be used to derive the dropout rate (DR), promotion rate (PR) and stagnation rate (SR).

$$DR = \frac{D_{gy}}{E_{gy}}$$

$$SR = \frac{R_{gy+1}}{E_{gy}}$$

$$PR = \frac{P_{g+1y+1}}{E_{gy}}$$

UNESCO, in its 1969 study, adopts the 'Restored Cohort Method'. Although measurement of the dropout rate is to some extent satisfactory, the stagnation rate, which is expected to reflect the internal efficiency, does not serve the purpose if the above method is adopted. This is because, efficiency has to be examined by considering not only the number of repeaters in each grade but also the number of years spent by different students in a grade ranges between 1 and 5 years, and then the 'Index of Stagnation' (IS) can be computed as:

$$IS = \frac{N_1 + 2N_2 + 3N_3 + 4N_4 + 5N_5}{N_1 + N_2 + N_3 + N_4 + N_5} - 1$$

Where N1 represents the number of students who spends one year in a particular grade. If each student spends only one year in a grade, the value of the index will be zero and that reflects the most efficient system. In all the other cases, the value of the index is greater than zero. The higher the value of the index, the

higher is inefficiency or the lower is the internal efficiency from the point of view of stagnation. The index can also be written as:

$$IS = \frac{\text{Actual Years}}{\text{Optimum Years}} - 1$$

Index of stagnation is also computed by using a slightly different formula:

$$IS = 1 - \frac{\text{Optimum Years}}{\text{Actual Years}}$$

Even though both the formulae explain the same phenomenon, the value of index based on the latter formula will be less. Further, this index shows the proportion of excess time in the actual time spent.

### **True Cohort Method**

Under this method, the career of a single group of pupils admitted into the initial grade is followed up till they reach the final grade of this stage. This information can be used to see how many leave school at different points, how may migrate to other schools, how many repeat the grades and with what frequency, how many die, how may get accelerated promotions, how many rejoin schools after dropping out and how long all those who complete the stage take to do so. Although this method is the most scientific one, it cannot be applied on a wide scale because of stringent data requirements. However, it can be applied for local case studies. The true cohort data can be used to measure the effectiveness or 'Internal Efficiency' (IE) of school systems as:

$$IE = \frac{\text{Effective School Years}}{\text{Actual School Years}}$$

The index will be unity for an efficient system and less than unity whenever inefficiency creeps. The IW can be computed by subtracting the IE from unity:

$$IW = 1 - IE$$

The index of wastage can also be computed by using a slightly different formula.

$$IE = \frac{\text{Actual Years}}{\text{Effective Years}} - 1$$

Gadgil and Dandekar (1955) calculated wastage by taking a batch of students in the first standard in a given year and following up in the subsequent years till they reached the last grade, ie, 5th Grade. Dropout from school before completing the final grade of primary education constitutes wastage. The incidence of wastage is computed from the proportion of the dropout rate of the initial enrolment in the first grade. The Hartong Committee (1929) suggested calculating it in terms of the percentage of 'diminution of enrolment' in the fifth grade from the 'enrolment of grade one of five years back'. This approach does not take into account various aspects, like fresh admissions, double promotions, and death among children. According to some (Chickermane 1962), a student leaving the 'fourth grade' constitutes less 'wastage' than a student leaving the 'first grade'. This approach was criticised as the 'relapse into illiteracy' among students who drop out in the fourth grade is not significantly different from those who drop out in first or second grade.

There is another method to calculate the dropout rate in the primary level. An average enrolment of children from first to fifth grades is compared with enrolment in the first standard. The difference between the average enrolment of all grades and enrolment in the first grade is the 'dropout rate'.

### **Models of Measuring Primary Completion & Dropout Rates**

The Census provides information on population according to the education level and age. This information can be used to estimate the dropout rate at primary and middle levels. Taking the 2001 Census into account, children in the age group of 12-14 years fall in the primary education age during 1980-85. (This period is taken for calculating the number of children completing primary education by 2001 Census.) We can get the 'dropout rate' by reducing the number of students who completed the primary and middle level from the total number of students. To arrive at the number of students who completed primary education, all those in the primary level and above are added. Hence, the difference between 'the total number of children in 12-14 age group' and 'children who completed primary education and above' is the number of children who dropped out of primary education.

To calculate 'the number of students who completed middle school education', all those in middle school and above are added. Thus, the difference between 'the total number of children in the 12-14 age group' and 'children who completed middle school education and above', constitutes 'the number of children who dropped out of middle school education'. This method was used to compare the primary completion rates of educational statistics and the Census data to examine the progress of primary educational achievement during 1950-2000.

The restructured cohort method is used to derive the 'primary completion

rate' from educational statistics. Hence, the difference between 100 and the primary completion rate is taken as the 'dropout rate' in primary education. The primary completion rates have been calculated for the period 1983-87, subject to availability of data.

The primary completion rates computed using the Census data and educational statistics are provided in Table 3. The primary completion rate among female children as per the Census and educational statistics is the same.

From the Table 3 we can state that there is a lot of disparity between education statistics and the Census with respect to the completion rate among the male population, whereas with respect to the female population, the disparity is less. As per the Census, the primary completion rate among male children was 76 per cent during 1996-2001, whereas it was 64 per cent as per educational statistics. Thus, it may be concluded that as per educational statistics, some 36 per cent of children drop out before completing primary education. While according to the Census data, nearly 24 per cent drop out from primary education. This may be caused due to an over-estimate of dropouts as per educational statistics or an under-estimate as per the Census.

**Table 3. Comparison between Census & Education Statistics**

Primary completion rate as per Education statistics (Restructured Cohort Method)				Primary completion rate estimated from Census data			
Year	Male	Female	Persons	Year	Male	Female	Persons
1985-1986	49	45	47	1980-1985	61	42	52
1986-1987	50	44	47	1985-1990	63	46	55
1999-2000	64	49	56	1996-2001	76	54	65

*Note:* Figures in %

### **Progress of Primary Educational Achievement**

Table 4 provides information on primary completion rates during 1950-90. This period can be divided into two phases on the basis of trends in primary completion rates. The first phase refers to 1950-75 and the second phase refers to 1975-80.

There is a sluggish growth observed during the first phase among males and females, and considerable growth during the second phase. For instance, the primary completion rate among males during 1950-55 was 32 per cent, which improved marginally to 37 per cent by 1970-75. It improved further to 49 per cent and 61 per cent during subsequent periods of 1975-80 and 1980-85 respectively. While in the case of females, the primary completion rate has been very low, with 18 per cent

during 1950-55, which improved to 29 per cent during 1970-75 and 42 per cent during 1980-85. Hence, during the four decades the percentage of students completing primary education improved by 30 percentage points. For instance, it was 25 per cent during 1950-55 and 65 per cent during 1995-2000. The primary completion rate among females was 46 per cent during 1985-90, whereas it was near about that much (49 per cent) for males in 1975-80. Hence, it may be stated that females are lagging a decade behind males in educational achievement.

**Table 4. Gender-wise Primary Education Completion Rate in AP for 1950-2000**

Year	Persons	Male	Female
1950-1955	25	32	18
1955-1960	26	31	21
1960-1965	30	35	25
1965-1970	31	33	27
1970-1975	33	37	29
1975-1980	41	49	34
1980-1985	52	61	42
1985-1990	55	63	46
1990-1995	60	71	49
1995-2000	65	76	54

Note: Figures in %

Table 5 provides information relating to sex-wise enrolment by stages/classes since 1970-71 to 2000-01. This data enlightens that enrolment is more than 100 per cent in some cases, which is far from reality.

**Table 5: Sex-wise Enrolment by Stages/Classes Since 1970-71**

(in million)

Year	Lower primary (i-v)			Higher primary (vi-viii)		
	Boys	Girls	Persons	Boys	Girls	Persons
1970-1971	35.7	21.3	57.0	9.4	3.9	13.3
1980-1981	45.3	28.5	73.8	13.9	6.8	20.7
1990-1991	57.0	40.4	97.4	21.5	12.5	34.0
2000-2001	64.0	49.8	113.8	25.3	17.5	42.8

Source: Selected Educational Statistics, 2000-01, Ministry of Human Resource Development.

The above table shows that enrolment in primary education during 2000-01 was 113.8 million. But the enrolment was only 42.8 million in secondary education.

Trends in the gross enrolment ratio reflect that there is an increasing trend. The following table reflects gross enrolment ratios in India.

**Table 6: Trends in Gross Enrolment Ratios in India Since 1970-71**

(in per cent)

Year	Lower primary (i-v)			Higher primary (vi-viii)		
	Boys	Girls	Persons	Boys	Girls	Persons
1970-1971	95.5	60.5	78.6	46.5	20.8	33.4
1980-1981	95.8	64.1	80.5	54.3	28.6	41.9
1990-1991	114.0	85.5	100.1	76.6	47.0	62.1
2000-2001	104.9	85.9	95.7	66.7	49.9	58.6

*Source:* Selected Educational Statistics, 2000-01, Ministry of Human Resource Development.

### Factors Influencing the Dropout Rate

In this section, we seek to identify dominant variables that influence the dropout rate with the help of regression analysis. To explain the influence on the dropout rate across districts, the related independent variables chosen are (i) male literacy in 25-34 years age group; (ii) the percentage of child workers to total children in 1991; (iii) the rural wage rate in 1991; (iv) the percentage of gross irrigated area to gross cropped area; (v) the percentage of scheduled castes in the total population; and (vi) the percentage of scheduled tribes in the total population.

We expect a positive relation with respect to the independent variables, viz., child labour, percentage of Scheduled Castes, percentage of Scheduled Tribes and the dropout rate. And there was a negative relation with respect to independent variables, viz., the male literacy rate in the age group of 25-34 in 1991 and irrigated area and the dropout rate. It is known that parental motivation reduces the dropout rate. To examine the impact of parental motivation, the literacy rate among males in the age group of 25-34 years is considered. Normally the average age for marriage in India ranges between 21 and 30 years. Hence, the male population in the age group of 25-34 years in 1991 expected to have children going to primary school during 1985-90. At the same time, if the percentage of irrigated area to gross cropped area enhanced, it would result in an increase in income. A higher income level is expected to bring the dropout rate down. Table 7 focuses on data relating to six independent variables across 22 districts of Andhra Pradesh, based on which regression results are generated using Excel software. The results are presented in Table 8.

Table 7: Factors Influencing the Dropout Rate

District	Dropout Rate in 1991 (per cent)			Child Labour (in lakhs)			Male Literacy (25-34 age)	Wage Rate (Field worker)	SCs (in lakhs)	STs (in lakhs)
	Male	Female	Persons	Male	Female	Persons		Rs.		
	Srikakulam	61	48	77	9.51	10.69	9.4	0.86	8.63	1.91
Vizianagaram	67	57	80	12.93	12.47	12.7	1.19	9.33	1.8	1.85
Visakhapatnam	68	57	81	11.94	11.84	11.9	0.8	7.33	1.39	4.61
East Godavari	64	58	71	10.2	4.2	7.2	1.01	10.00	6.94	1.68
West Godavari	57	50	64	11.7	8.8	10.2	1.28	18.00	5.55	0.77
Krishna	56	48	65	10.6	12.1	11.4	1.68	20.00	4.97	0.71
Guntur	57	49	68	11.8	16	13.9	1.49	11.66	4.68	1.44
Prakasam	61	48	75	8.9	12.9	10.9	1.67	10.00	5.05	0.81
Nellore	60	49	70	9.2	9.5	9.4	1.13	8.00	4.55	1.77
Chittoor	49	36	64	8.3	9	8.6	1.83	7.66	5.41	0.93
Mahabubnagar	70	60	80	15	15.6	15.3	1.02	7.33	5.12	0.4
Ranga Reddy	61	55	75	11.9	11.2	11.6	1.11	8.00	2.97	0.99
Medak	68	56	80	11.4	12.4	11.9	1.06	7.00	3.72	0.45
Nizamabad	66	55	78	8.99	12.6	10.7	1.18	14.33	2.74	2.23
Adilabad	68	56	83	10.2	12.7	11.4	1.27	9.3	3.12	0.87
Karimnagar	59	44	75	9.7	17.6	13.6	1.48	5.00	4.9	0.92
Warangal	59	47	72	9.8	12.6	11.2	1.44	10.66	4.13	1.16
Khammam	61	53	72	12.1	13.1	12.6	2.01	12.00	3.01	3.44
Nalgonda	56	42	71	9.6	10.9	10.3	2.43	10.00	4.67	0.76
Cuddapah	62	49	79	7.2	8.8	7.9	1.08	10.00	2.92	3.69
Anantapur	70	58	83	11.9	12	11.9	1.59	12.67	3.86	5.27
Kurnool	69	58	82	15.2	17.9	16.5	1.08	8.00	4.16	2.66

Source: 1991 Census

**Table 8: Results of Regression Analysis  
With the Dropout Rate as Dependent Variable**

<b>Independent variables</b>	<b>Persons</b>	<b>Male</b>	<b>Female</b>
Male literacy in 25-34 age group	-7.4115* (1.7579)	(3.1949) -5.1562*	-5.5427* (2.3279)
Percentage of workers to total children	0.692* (0.893)	(1.692) -0.2418*	0.5518* (0.945)
Rural wage rate in 1991	0.1012* (1.1037)	(0.3763) 0.3563*	0.3897* (1.258)
Percentage of gross irrigated area to gross cropped area	-0.0947* (3.0446)	(1.7829) -0.1306*	-0.2162* (2.6981)
Percentage of scheduled castes to total population	0.033* (0.8696)	(0.515) -0.7716*	0.7222* (1.2472)
Percentage of scheduled tribes to total population	0.386* (0.2860)	(1.3999) 0.3161*	0.1012* (1.1963)
Constant	65.46	55.04	87.57
R2	0.6581	0.5675	0.7471
No. of observations	22	22	22

\* Regression Coefficients and the figures in parentheses are T Values.

Factors such as the percentage of child workers and rural wage rate in 1991 are expected to have influenced the dropout rate. When there is an increase in child labour due to an increase in the wage rate, it leads to an increase in the dropout rate. On the other hand, even the social system may have a positive influence on the dropout rate. In other words, social customs are barriers for the Scheduled Castes and Scheduled Tribes to seek even elementary education.

The regression results of cross-section data relating to six independent variables of 22 districts of Andhra Pradesh are represented in the following equations.

**Equation:**

$$DR = 65.46 - 7.41 (ML) + 0.692 (CW) + 0.1012 (WR)$$

$$(1.757) \quad (0.893) \quad (1.10137)$$

**Limitation:**

The regression results are based on cross-section data relating to 22 districts in Andhra Pradesh. Hence, the sample size may be small for the purpose of interpretation.

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# **The Debate about Development in India and Egypt**

**Nicholas S Hopkins\***

## **Abstract**

Debates about development include not only statements but also actions and programmes, and constitute a discourse that both derives from the past and shapes the response to the future. The debates in Egypt and India are contrasting, along the three dimensions of conflict, cooperation and consciousness or awareness. Using three different examples (dam construction, sugar production, and the role of consciousness), this paper compares the debates about development in these two different national traditions. The discourse about development includes opposition between sets of ideas. It is subject to change as anomalies emerge that no longer fit the categories of the debate.

## **Introduction**

This paper comparing India and Egypt focuses on the issues that appear in the debate about development – how development should be fostered, and what its goals should be, as well as the social framework within which it takes place. I consider that not only academic pronouncements, but also other kinds of statements and above all actions are contributions to this debate. As Escobar has noted (1995:12), we can examine the “social forms as produced by historical practices combining knowledge and power”. The representations formed through cultural practices, such as the contributions to the debate at any one time, shape the understanding of the situation, “how reality is imagined and acted upon” (p.5). That is to say, actors in the development domain start from the “historically produced discourse”, so that the images of the past remain one of the elements that constitute the present.

While Escobar treated the construction of “development” as a product of Western culture applied to the Third World, here my focus is on the contrast between the ways in which this construction appears in two different countries,

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India and Egypt. There is a contrast between the development styles in the two countries. This reflects both the different geographic and economic starting points, and the different development cultures that have emerged from the debates in each. The end result is a contrast between development styles in the two countries.

In short, my argument is that in Egypt, the development debate is primarily about the role of the state, while in India the debate is itself a contested terrain, with, in particular, great concern for the combative aspects of development. I do not deal here with the way in which conventional development issues such as jobs or income, or even the link between development and “modernisation”, are constructed. The terrain is enormous and in this article I can only touch on a few selected examples to illustrate how I see the direction of development discourse. Both the countries have undergone considerable development in the last generation, especially linked to the shift from socialism to a market economy, but I will have to leave the evaluation of those changes to others.

In India one is struck by the three “Cs” – conflict, cooperation and consciousness. All three of these pose the question of development from the ground up. The issues are around three questions – (1) whether conflict (or, more prosaically, a social movement) is a necessary component of development, even at the village level; (2) whether the poor can best be helped by marginal material aids or by increasing their consciousness so that they take charge of their own fate and seek their own improvement (i.e., through political mobilisation); and (3) the extent to which development can work through large-scale cooperation such as in dairy or sugar processing. In a somewhat similar fashion, the debate in Egypt is around the role of the state in contrast to individual agencies. The state itself often works by creating a material reality to which people must adjust rather than by efforts to mobilise people. A type case of the contrast would be the Egyptian experience of the Aswan High Dam and the Indian experience of the Sardar Sarovar Dam on the Narmada river.

Foregrounding the role of the state in Egypt means taking a position on the three debates as expressed in India. This paper lays out and documents these different positions in the debate about development. Examples are chosen from cases of development in the two countries, and so the focus is on the intersection between the intellectual debate and the practice, as two kinds of contribution to the debate. Among many possible examples, I selected ones where there were parallels between India and Egypt: dams, sugar production and the role of consciousness or awareness.

### **The Indian Development Debate**

The great issues of development are hotly debated in India. Among the issues debated are the balance between growth and equity; centralisation versus

local participation; what group (or class) to target; what to do about historical patterns in inequality (caste, women); when to use, when to avoid, and when to subvert the local power structure; how to combine development with a concern for the environment; whether the strategy should be incremental (reform) or totalising (revolution); whether the starting point should be consciousness or income growth; whether the initiative should come from the state or from local (political) movements; what the link is between development in India and India's place in the world system; and how to handle corruption and "vested interests".

The issues are debated in both words and action. Indian academic experts and professionals from universities and research institutes offer their opinions and analyses, while at the same time there are "activists" (including some academics) who design and carry out projects under a wide range of conditions and circumstances. Many of these activists present their projects as so many "models" or "experiments", with the implication that they can be replicated to solve the problem on a wider scale.<sup>1</sup> Thus, even when activists do not verbalise their own contributions, their actions constitute a contribution to the debate about development.

I am to some degree conflating development and rural development here because it strikes me that the debate about development in India has largely taken the rural as its terrain. This does not mean that scholars have neglected the conceptual and practical issues of urban development, or the links between the two (including the issue of whether they are really separate). But in practice the focus is on rural development.<sup>2</sup> Rural development is also taken as including not only various programmes of uplift for the rural populations, but also agricultural development. The two are not seen as antagonistic here (though they are in some Indian writing) but as part of a single process. The counterpart of this focus on rural development in India is that urban developments were sometimes overlooked.

Much of the debate about rural development in India has echoes in other countries, including the so-called developed ones. Doubtless both the arguments and the silences are replicated elsewhere. There are nonetheless some specific features to the Indian experience. A non-exclusive list might include:

- (1) The Gandhian ideology, with its stress on service to the poorest, appropriate technology, and moral commitment, almost a kind of anarchism (Hopkins 1998).
- (2) The enduring features of traditional Indian society, notably the caste system, and including the pressures to eliminate 'untouchability' – along with a strong pattern of stratification in rural India there are official state attempts to erase it.

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<sup>1</sup> The notion of "experiment" is one of the key metaphors in the discourse. Fox (1989) pointed out that Gandhi subtitled his autobiography, "My Experiments with Truth".

<sup>2</sup> For an overview of the present state of Indian villages, see Gupta (2005), which accepts the links between rural and agricultural development.

- (3) The presence of an electoral democracy that is admittedly imperfect (but whose is perfect?), but one that requires would-be parliamentarians to seek the maximum of votes in an unpredictable context. One of the implications of this electoral competition is that the government permits, if not encourages, various private sector organisations, NGOs, cooperatives, movements, etc., to be active in development work, albeit with limits.
- (4) India's distinctive position in the international arena: it attracts both governmental and private donors from the West and Japan; it has strong protectionist instincts, yet ultimately it has to compete with other countries in an international marketplace; and is under considerable pressure to "open" itself (political pressure from the US, competitive pressure from the market); it is a third world ("developing") country that has strong features in both industry and agriculture and is self-sufficient in a number of domains.
- (5) In recent years, an increasingly sharp contrast is becoming visible between parts of the country that are prospering in development, and those that remain behind. This came to the fore in the 2004 election.

Thus an examination of India starts from the idea that the experience of the entire country can be treated as a "model" or an "experiment", with potential value in whole or in part for other countries. This is enhanced by the prestige of India in this domain: other countries are likely to take India seriously, to accept "lessons" from India.

One can thus speak of the "culture of development", the nexus of values and beliefs about "development" seen in the context of a social organisation. The locus of this culture is in its scattered practitioners and stakeholders. My purpose is not to produce a homogenised summary of the debate about development, but to underscore the arguments, the contentious issues, the differences of opinion and action. That there is a variety of viewpoints should be no surprise, and of course is an indication that the debate evolves. My purpose is neither to endorse one viewpoint over another, nor to determine what, in fact, is actually happening in rural development in India. The latter, at least, requires a different methodology and a background that I lack. I am not in a position to determine, for instance, whether the great milk and sugar cooperatives are successful or not (see, Baviskar 1997), or whether the class alliances of the large farmers are with the small farmers and agricultural workers or with the urban middle class. These and many others are valid questions, and ones which many Indian and non-Indian writers have made valiant efforts to answer. My concern here is rather with the way in which these issues are culturally constructed, even with the disagreement about how they should be culturally constructed, and with the implications of different viewpoints for action. This is a kind of meta-anthropology of development.

## **Now Egypt**

In the 1970s, the structure of Egypt was essentially what it had become during the socialist '60s, with strong government dominance over all activities, both urban and rural. The country had barely begun its "open door" policy, though there had been hints since the 1967 defeat. There was (and remains) serious concern that the rapid growth of population would undercut any development policy, and notably such activities as the building of schools and clinics.

What is the nature of Egyptian development? First of all, there is the highly significant role of the government (state). The most significant development projects in Egypt have been government initiatives — roads, dams, canals, legal changes like land reform, government role in the external relations that affect development such as export and import policy, international migration policy, and the like. Much of the debate centres around what government should do, and around such issues as the functioning of government, the role and path of foreign aid, and the links between foreign donors and the Egyptian government policy. One continuing issue here is "privatisation", or the break-up of the public sector created during Egypt's socialist years. Although economic liberalisation began with the proclamation of the Open Door policy by Sadat in the 1970s, the process has certainly not yet been completed.<sup>3</sup> Linked to the breakup of the public sector is the discussion of the "safety net" that could or should be established to protect poor individuals from suffering too much as a result of liberalisation.<sup>4</sup>

Land reform is another issue that highlights the role of the state. The first land reform in 1952 was essentially a political decision taken by a small group of urban intellectuals and army officers (Hopkins 1995). The main, though not the only, motivation was to uproot the old ruling class. The subsequent step in agrarian reform, in 1961, is sometimes linked to the need to consolidate after the rupture of the United Arab Republic (union with Syria) in 1961, but it was also consistent with the intellectual trends of the time. The maximum holding size was reduced, and village cooperatives became mandatory. Throughout there was no peasants' movement worthy of the name; the issues were fought out by urban intellectuals anxious to influence government policy. By the 1980s there was considerable pressure to reverse this policy, and the reversal came in 1992, again without any substantial input from ordinary farmers (Saad 2002). This is a complicated issue, and there are many lessons, but surely one of them is that a key issue for agricultural development (access to land) was settled through elite negotiations and then imposed through

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<sup>3</sup> In 2003, the minister of economy commented that the process was then only just beginning.

<sup>4</sup> This debate resurfaced in 2006 with the publication of the 2005 Egypt Human Development Report, which argued for a massive state investment to bring the country to the threshold of development by targeted subsidies and other pro-poor policies (Handoussa 2005).

the law on the country. Of course, farmers always went ahead and made their own arrangements outside and around the law, so that knowledge of the law itself is a poor guide to the situation on the ground (Hopkins 1987).

From the grass roots point of view, several points emerge. One is that many of those involved insist that local initiatives should or must be carried out with the collaboration of government officials, and perhaps in conformity with a government policy. Some leaders in this area explicitly say that they cannot develop against the government, only with it. Many of the development projects of which we are aware are “top-down” projects, are organised and carried out by small groups of the urban elite on behalf of the poor. From this point of view, one can look at the various projects in the *zabbalin* (garbage collectors and recyclers) community in Cairo, or an income-generating project for female-headed households, as well as various village projects established by urban figures, who typically work through local agents. Other projects are not very different, but are initiated and organised by international agencies, bilateral agencies or international NGOs. One similarity between Egyptian initiatives and international activities is that top Egyptian personnel are drawn from the same class and educational background, and in fact, they often move around among them. Another, to return to the initial point, is that all these activities are top-down and carried out with the acquiescence, if not the cooperation, of the government. Perhaps the stress on the state is not surprising in the light of elite predominance in the activities of development.

Another theme is that the effort to analyse society, break it down into various components, is poorly developed. There is an essentialist approach that assumes that society is uniform in both space and time, and that prior analysis is not necessary to a development effort. What one needs to know, one already knows. If analysis should precede development, we are in poor shape. There is also a lingering fear that analysis portends division, or that it might hamper decisions already made.<sup>5</sup>

Yet another is the stress put on “awareness”. This, at one level, corresponds to the Indian concern for “consciousness raising”, yet I hear the implications as being less open-ended. In Egypt, the sense is clearly that you must raise or arouse the awareness of others, and that the end result is that those others will see things the way you do. There is sometimes the implication that one must tell those who lack awareness what to think, and if they are told properly then they will listen and accept. It is thus a top-down concept. This was, for instance, the idea

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<sup>5</sup> Shortly before the death of Nasser, the French Marxist Maxime Rodinson noted (1973:636), “Forced to admit a necessary internal social struggle, Nasser has seen it only as an unpleasant inevitability that unleashes bad instincts. The good is national cohesion, the evil, division. This is exactly the opposite of the Marxist conception. For the Marxists, it is the internal struggle that is healthy, that brings out the noblest qualities.”

behind the encounters that were set up in the 1990s between Islamic scholars and young Islamic radicals: the scholars would tell the young men what the story was; they would listen, and be reformed. The preference for one-way communication also lurks behind efforts to improve public health: you tell people what to do about their health, and so perhaps they will do it. The anthropologist, Hind Khattab, phrased it this way (1992:54), and noted the double approach, first to the elite and then to “women”:

“We must create awareness by breaking the barriers of silence and endurance, not only among women, but also by raising the awareness of the public – men, policy-makers and health providers – so that women’s health concerns are brought to the forefront. Creating awareness should be followed by information, education and the communication of health messages.”

### **First Example: Dam Development**

An interesting comparison can be made between the debate over the Aswan High Dam (AHD) on the one hand and the Sardar Sarovar Dam (SSD) on the other. It is piquant to note the parallel imagery: Nasser referred to dams like the Aswan High Dam as “new pyramids”<sup>6</sup>, while Nehru referred to dams as the “temples of modern India” (Kothari 1995).

The AHD blocks the Nile near Aswan in southern Egypt. The old Aswan Dam was built here in 1902 and was raised to its present height in 1933, but it only partly blocked the river. The coffer dam for the new High Dam was completed, and the water blocked in 1964. The dam was fully completed in 1971. The lake stretches about 500 km, and contains about 162 billion cubic metres of water. The financing of the dam came largely from the Soviet Union as a result of Cold War rivalries. Roughly 200,000 people were resettled as a result of the dam, about half in Egypt and half in Sudan. Almost all were Nubians, a “minority” in the Egyptian context. (Nubians in Egypt are distinguished by language, customs and habitat, but share the nationally dominant religion of Islam and Egyptian citizenship.) The dam is located in Egypt, and so is most of the lake, but it extends well into Sudan. The command area is the entire Nile valley north of Aswan to the Mediterranean. The Aswan Dams are the only dams in Egypt; other barrages along the Nile serve primarily to divert water into irrigation canals.

The SSD on the Narmada river was first conceived in the same period, and Nehru laid a cornerstone in 1961. Serious construction, however, began only in 1987, with the first submergence in the early 1990s. The lake stretches upstream

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<sup>6</sup> The full quote is: “Nasser frequently remarked: ‘In antiquity, we built pyramids for the dead. Now we will build new pyramids for the living.’” (Heikal 1973:62)

about 200 km. Initially the World Bank agreed to fund a large part of the costs, but after protests of various kinds began it desisted. In addition to the 100,000 oustees from the submergence zone, there were others along the path of the canals and other water works in the command area. The majority of the oustees (about 60 per cent) were “tribals”, i.e., a form of minority in the Indian context. The dam is located in Gujarat, and most of the beneficiaries are in Gujarat, but the submergence area is in Madhya Pradesh and Maharashtra. The dam is one of several thousand major and medium dams in India. The SSD was conceived as the first in a series of dams and other water control measures along the Narmada river (see, Fisher 1995 and Drèze, Samson, and Singh 1997).

The AHD was taken up as a national project by the government that emerged from a military coup that overthrew the Egyptian monarchy in 1952. The political goal was to contain within the political boundaries of Egypt as much as possible of the infrastructure needed to guarantee Egypt’s water supply. The irrigation goals were largely achieved, although there were some negative consequences, notably along the Mediterranean coast. The dam has served to protect Egypt from the consequences of drought in Ethiopia and elsewhere upstream, and this alone justified the cost.

The SSD is justified on the grounds that it provides irrigation and drinking (domestic) water to several sectors of Gujarat, with a little bit in Rajasthan. The most needy area is Kutch, also the most distant from the dam, and there is some question whether sufficient water will ever reach so far. The rationale for the dam stresses the poverty of some of the intended beneficiaries, though doubtless others not so poor will also benefit.

The AHD was somewhat controversial when it was built. The debate, however, was primarily or only among experts – for instance, involving hydraulic engineers such as Abdelaziz Ahmed (Waterbury 1979) who then suffered for his divergent opinions. It was taken for granted that the Nubians would have to resettle, and reasonably good arrangements were made for this. The Egyptian Nubians were resettled north of Aswan, in relatively familiar territory, whereas the Sudanese Nubians were resettled far to the south, along the Ethiopian border, in a radically new setting. Our sense of how successful the resettlement was is spotty at best, especially on the Egyptian side. On both sides, it seems that many Nubians did not devote themselves to agriculture anymore but used their new homes as a basis for migrant labour – and many prospered in the oil economy. There is no record that the Nubians collectively protested about their resettlement, although they were clearly distressed. However, they did bargain with the Egyptian authorities on how they would be resettled – for instance, they asked that village units be kept together. And they frequently reminded the Egyptian authorities of their sacrifice to extract schools, clinics and other infrastructure.

“From relocation to the present time the displaced people have developed a tendency to function as a pressure group on the local settlement administration through a sharp and widespread complaint technique with the nation’s top officials. The Egyptian Nubians justify such an attitude toward the government on the grounds that development, as a local leader once put it, is a ‘Nubian right rather than a government favour.’” (Fahim 1981:72)

All of this took place in the context of one-on-one meetings, or local political activities (see Kennedy 1977). No NGO activity is reported.<sup>7</sup>

The SSD became very controversial in the late 1980s. The first issue was to ensure that the oustees would be properly resettled. The Indian record on this is poor, so when it looked unlikely that these oustees would fare any better, the question turned to the advisability of the dam. People who came to help the oustees resettle stayed to protest against the dam altogether. The techniques were familiar in the Indian context, mostly versions of *satyagraha* or non-violent resistance. In January 1991, for instance, a march into Gujarat was halted at the border, and then some of the leading figures undertook a hunger strike. In the meantime, the issue of this dam was taken up by development specialists in urban India who felt that dam-building represented an erroneous philosophy of development. These specialists, in New Delhi, then connected with other non-governmental organisations outside India to mobilise pressure against the World Bank and other donors. Eventually this pressure succeeded in persuading the World Bank to withdraw, but the Indian central government provided funds for the completion of the dam. Much of the resistance to the dam at all levels was organised through non-governmental organisations, notably the Narmada Bachao Andolan, that brought together various local groups. On the Gujarat side, there were other non-governmental organisations that either held to the goal of proper resettlement of those who would have to move, or simply mobilised people in support of the project. The struggle over the dam was thus an overtly political one (Dreze, Samson, and Singh 1997).

Thus, in both the cases, a somewhat marginalised population was required to bear most of the human cost of the dam by losing their homes and sacred places. In the Egyptian case, the reaction was bargaining on an individual or small group level, while the power of the state was accepted. In the Indian case, non-governmental organisations, mostly with roots outside the area, opposed the SSD, indeed the whole project, and used well-tested techniques of public protest as well as networking with like-minded organisations within and outside India. This mobilisation was at least partly successful (Oommen 2006). There was vociferous argument, and the truth was approached through argument.

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<sup>7</sup> In 2006, a discussion began in the Egyptian press over the continued sense of dispossession of some Nubians; forty years after the resettlement resentment lingered.

## **Second Example: Sugar Cooperatives in Maharashtra; Sugar Factories in Upper Egypt**

Among the crops that Egypt and India share is sugarcane. The technical demands of growing sugarcane, and preparing sugar, distinguish cane from other crops (Mintz 1985). In India, this has led, especially in Maharashtra, to sugar cooperatives for the pressing of cane (Baviskar 1980). In Egypt, pressing factories are one of the remaining segments of the public sector. The industry has been centralised since its grand expansion under royal patronage in the 19<sup>th</sup> century.

Let us look at some examples, among the 175 or so cooperative sugar factories in western Maharashtra. The examples given here are probably two of the most successful examples of sugar factories, from their inception to the present. Warana, started in 1959, represents one of the earliest cooperative sugar factories, while Shri Datta, which began 15-20 years later, represents a somewhat later generation. That they are both “successful” cooperatives is shown by the fact that they have expanded regularly. This expansion is, in fact, part of the “miracle” of development that they represent. These factory-communities are both close to Kolhapur. We have collected information on them from their promotional material and site visits.

These are technically cooperatives of sugarcane growers with the main purpose of running a sugar factory to process cane into sugar as rapidly as possible after the harvest. They are thus distinct from the cane supply co-operatives of northern India, (Baviskar and Attwood 1995) which supply to private or state factories. What is relevant about this “model of development”, this experiment, is that “cane growers created a co-operative sugar sector” (Attwood 1988): in other words, the initiative came from farmers themselves. There is a history of the synergy between cane growers and cooperative sugar factories (Baviskar 1980). The first cooperative sugar factory was founded in Ahmednagar District in 1951. The early history also has to take account of the fact that many early cane growers, and especially the larger ones, came from minority castes such as the Mali, yet in the end it was the dominant majority caste of the Maratha which took over.

The Shri Datta Shetkari Sahakari Sakhar Karkhana Ltd, in Shirol (dist. Kolhapur, Maharashtra), was registered on 9 June 1969, after a process that began about 1960. According to their literature, this factory was started to service small farmers who could not join any of the existing factories. Regular sugar production started from the 1972-73 season, and went slowly for the first couple of years because of drought. It covers 98 villages, including 13 in Karnataka.

The initial startup procedure was to collect money from prospective cooperative members. On the basis of this capital, the state then made a loan to the organisers. The organisers also had to get a licence (permit) for the factory, and clearly political connections were useful here. Increasingly, the best sites for sugar

factories were taken, and the new ones coming along had to settle in more and more marginal settings.

In 1991, Shri Datta included a sugar factory, while a paper mill and a distillery for alcohol made use of its by-products. There was also a department store where farmers' urban needs were taken care of. The managers were especially proud of their rose garden and palm grove. There were also a soil testing laboratory and a clinic. An administration building housed the clerical staff; some worked on computers, and there was a guest house. The sugar factory had 1,000 workers, the paper mill 450, and the distillery 50, including office workers. I did not see any women working.

The membership rose from 1,932 in 1969 to 13,661 around 1990. Of those, 513 were Scheduled Castes (3.8 per cent) and 266 were Scheduled Tribes (1.9 per cent). Members lived within a radius of 40 km, extending into Karnataka. The total area in sugarcane was estimated at around 30,000 acres, for an average of around 2.2 acres per member. Farmers paid an initiation fee of Rs 1,000 to join. The annual fee was calculated on the basis of Rs 1,000 per acre of sugarcane; those who wanted to supply larger amounts consistently held more shares. This fee entitled them to five kg of sugar at concessional prices, access to the cooperative hospital and store, and to claim advance payment for their cane (a form of borrowing). These factories do not pay dividends but claim that their profits are plowed back into the system so that growers get better payment.

The farmer was supposed to farm cane for two years, and something else for a year before returning to cane. The cooperative's agricultural staff collected soil samples which the soil testing bureau analysed; appropriate advice was then given the farmer, who "always" followed it. The farmer had to plant, irrigate, weed, apply fertilisers and so on to raise sugarcane. But toward the end he was only responsible for irrigation. The factory took charge of harvesting and transport of the cut cane to the factory. Harvesting was done by work gangs who generally came into the area from outside and were paid piece rates. Transportation was also generally done by outsiders. They used trucks, tractor-drawn wagons and bullock carts. The laden bullock carts were often organised in batches of 10-20 which headed together for the factory. Harvesting and transport were scheduled in such a way that the cane be delivered to the factory on a regular basis, both to keep the factory supplies on and minimise the time lapse between cutting and crushing at the factory. Delay meant loss of sugar content. The cane was then loaded onto a conveyor belt, which leads into a machine that squeezed out the juice, and left the residue for the paper mill. The juice was then boiled and treated until crystals formed and sugar emerged. The sugar was then loaded into 100-kg bags for transport. The whole process required about 24 hours.

The Shri Datta factory was fairly highly mechanised and was not an ideal work environment: it was quite noisy. The factory functioned about six months in a

year, around the clock, and the workers spent the remaining six months cleaning and getting ready for the next season.

The chairman of Shri Datta Cooperative gave us his vision of its future: he wanted to expand the cooperative domain so that the people could live entirely in the cooperative sphere. His vision of an all-cooperative future was perhaps better represented for now by the Warana Cooperative Sugar Factory, which was about 15 years older than Shri Datta. Here an entire community of nearly 10,000 people has grown up around the sugar factory and its related activities. These include a major dairy cooperative (see, Apte 1988), a poultry cooperative, a cooperative bank, a college of arts, sciences, and engineering, a consumers' cooperative, various cooperatives for women who make papads or containers for the dairy cooperative, a technical school and a children's orchestra.

In 1988-89, the Warana Cooperative had 12,500 members, up from 1,768 in 1959-60, cultivating 16,000 acres of sugarcane, so the average holding was 1.3 acres. Nearly 20 per cent of these members belonged to Schedule Castes or Scheduled Tribes. Every producer-member had to hold at least 0.5 acre of sugarcane, with a lower limit for weaker sections and backward class farmers. Small land holders, owning sugarcane land of less than 2.5 acres, comprised 86 per cent of the members. Members came from 80 villages within a radius of 15 km. The crushing capacity of the factory had risen from 1,000 tonnes daily in 1969 to 4,000 tonnes in 1989. The "miracle" of the factory was its increase in capital value, capacity, etc., while also remaining highly efficient.

The Warana Cooperative, like many other such institutions, had a somewhat mythologised account of its origin. According to a document circulated by the Cooperative Sugar Factory, Warana was founded in the 1950s by Shri V A alias Tatyasaheb Kore.<sup>8</sup> Kore was born in 1914 in Kodoli, and entered the village cooperative society in 1935. In 1938-39, he joined the Praja Parishad to fight for the freedom of Kolhapur State and was active in the Quit India movement in 1942. He was elected president of Kodoli Municipality in 1940, and in 1950, he founded an educational society in the town. The Warana brochure says: "Due to early demise of his parents, he had to leave his school to shoulder the responsibilities of family being the eldest among all brothers. With hard work and persistent efforts, he brought up the whole family through difficult times."

After Independence, in 1954, Kore got the idea of a sugar cooperative to help the area's farmers. After much effort in raising money, the society was registered on September 27, 1955. From the beginning, the idea was to foster the development of the area, not just crush cane. "Thus the seeds of today's revolutionary picture were sown 30 years back and the concept of rural social welfare was rooted in the organisation at birth itself."

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<sup>8</sup> In both the countries, but somewhat more in India, there is a tendency to personalise the achievement of the founder of an enterprise. This is a common trope.

Kore's ideal was that the cooperative should not only provide economic services but should be a centre of development for the area as well. Thus, he encouraged the growth of a range of cooperatives and other services in Warananagar. On the one hand, each family should have a certain minimum income: "It is a dream of our Chairman Shri Tatyasaheb Kore that every family in the area should have at least five cattle and 100 poultry birds which should assure a minimum annual income of Rs.10,000 to the family". On the other hand, income is not development:

"Financial prosperity is but one aspect of human life. This alone would not achieve the all-round development aimed at. The orthodox and traditional social system has to undergo change to meet the challenge of changing times. The Independent Indian Nation has adopted Democratic Socialism as its aim. The Society must shed the shackles of casteism and such orthodox and obsolete principles of age-old customs, blind superstition, moral and social values and must adopt a modern scientific outlook and values to achieve the goal of social justice and socialism".

Thus, for instance, in addition to income generation and education, the cooperative also took charge of organising marriages for poor couples so as to reduce the expenses related to weddings. The cooperative also sponsored a "Mahatma Gandhi Medical Trust" to build a hospital, and a rural and agricultural development trust was established in 1986.

The factory's brochure concludes:

"Thus, 'Co-operative principles' are put into use in real sense of words for an integrated development of rural society. Still, a lot more is required to be achieved for a real 'Ramrajya' but the wheels are moving in the right direction and dreams of a prosperous and happy life are slowly coming within reach of rural society".

These ideals were similar to those expressed at Shri Datta:

"The aim and objective of the Cooperative Sugar Factory is to secure social justice and impart modern technology in agricultural operations... the other prime motive is to improve the economic conditions of agriculturalists through cooperative processing and marketing of their products, especially sugarcane and its by-products".

These statements express a certain set of ideals, and make clear that in addition to the economic role of cooperatives a wide range of other development issues was also involved: in Warana, there was also a reference to the Hindu ideal of "Ramrajya" in addition to the cooperative ideals. In some respects, the material cited here may represent a high point for these cooperatives which confronted competition and other problems in the 1990s and beyond.

## Sugarcane Factories in Egypt

This crop is mostly cultivated in Upper (southern) Egypt. Most Egyptian agriculture has historically been tied to the government, the provider of credit and the provider of innovative technology. This is even truer of sugarcane. Sugarcane is considered a “strategic crop” and is subject to close supervision and regulation by the state. Most sugar factories are state-owned, and they provide the only market for farmers who grow cane. Farmers borrow money to finance agricultural activities during the year and sell the cane to the factories. Factories deduct the money needed to repay the credit and pay the balance to the farmer. For many years, growers would borrow money from the network of village cooperatives and banks; now some of this is privatised. Village cooperatives played a minor facilitating role rather than a dominant one as in India.

Sugarcane is planted once every four or five years and is harvested once a year. Harvesting is the most labour-intensive part of the operation. The farmer is responsible for cutting the cane and transporting it to, and loading it on, the train that will carry it to the factory (these are networks of narrow-gauge railroad only for sugarcane transport). Although the farmer is not responsible for the actual transport, he is liable for any losses due to accident or delay. The cane is weighed inside the factory, and the farmer cannot be present. He exercises no control over the weighing (in contrast to the situation in the Maharashtra cooperatives).

Farmers like growing sugarcane because it is profitable and it does not require much care. It is considered an “easy” crop, and allows growers time to devote to other jobs. Among those other jobs are working in the transport of cane and in the factories themselves. Sugarcane farming requires a lot of water, and thus may be highly vulnerable. (Saad personal communication).

In the 1990s, the Egyptian government approved and implemented a new “owners and tenants” law that changed the conditions of access to agricultural land for many. Land rentals were made subject to market forces with a preference for an annual contract. An annual contract was poorly suited to a multi-year crop like sugarcane. Moreover, at the moment of transition from the old law of guaranteed tenure to the new law, cane was likely to be a standing crop, and this added to disputes between owners and renters (Abdel Aal 2004; Bach 2002). That these factors were not taken into consideration by the lawmakers shows their distance from the realities on the field.

Sugarcane in Egypt is currently the best example of state involvement in agriculture because sugar factories are state-owned. Farmers growing other crops have been more able to free themselves from state control<sup>9</sup>.

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<sup>9</sup> Much of this material on sugar-cane in Egypt is based on a personal communication from Dr Reem Saad.

### **Third Example: Consciousness/Awareness and Development**

#### **A. Consciousness in India**

One question in the Indian debate about development is whether the goal should be to improve the material circumstances of the poor or to raise their consciousness and make them capable of defending their own interests. Some argue that until people are comfortable about their material circumstances, they are not ready for “participation”. On the other hand, people will not be able to retain their material gains in the face of exploitation if they lack self-confidence. Others argue that marginal material gains can distract people from the real goal, which is to build a just society based on new attitudes. And some activists get impatient when the rural poor soon opt for economic improvements over a new consciousness or outlook on life. Here are examples from four different parts of India where activists working through non-governmental organisations, although with various intellectual starting points, have tried to create awareness about rural development at some point by raising consciousness.

##### **(1) The ‘Rural Harijan Agricultural Development Association’, Tamil Nadu**

In the early 1970s, a group of Christian Harijans in Chingleput, Tamil Nadu, started a project to raise the consciousness of other “ex-untouchables” in that area, where over a quarter of the rural population is Harijan<sup>10</sup>. This group trained themselves and then contacted the villages (Von der Wied and Poitevin 1981). They were inspired by Freire, but also by Gandhi, Marx and the American social organiser, Alinsky. The goal was to use music, theatre and discussion to raise the consciousness of the rural oppressed (p.110-114), and to redefine the situation. There was an explicit concern not to let the project degenerate into mere economic uplift activity. “From the very beginning, one of the dominant themes was, ‘We want participation in power, even control of power’, as against any aims of simple economic development” (p.131). “Since the most pressing need of the Harijan community is that of economic uplift, the leaders may be tempted to let the movement drift towards a programme of economic assistance, such as the creation of a cooperative farm with the help of a funding agency” (p.171). The overall conclusion is that “the un-armed, non-violent struggle through conscientisation processes within the rural masses seems, at any rate, to promise better hopes of success than a full-fledged warring struggle.” (p.199).

In fact, most of the activities were in the normal range of development activities, apart from helping Harijans start and win strikes (p.45-7). The writers conclude that most Harijans are satisfied with modest economic gains, and do not

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<sup>10</sup> “Harijans” or “ex-untouchables” now often prefer the term “Dalit”. Here I follow the terminology of the original authors.

share the wider goals of the organisers (p.151), perhaps because they have no “body of full-time ideological specialists” (p.63). Women were only involved in traditionally female activities like sewing and embroidery.

The effort culminated in the creation of RHADA in January 1977. Because this was during the emergency of 1975-77, the association could only be a caste-based one, although the leaders would have preferred a more political class-based one (p.192-195). But soon after its establishment, the membership dropped sharply; there is some suggestion that perhaps the outside organisers pulled out too soon. The focus on raising consciousness rather than income did not endure in this poor rural community.

### **(2) The Vedcchi Intensive Area Scheme (Gujarat)**

This scheme began with Gandhian ideals, giving primacy to moral values over material conditions and aiming to construct village communities which would be non-violent, self-governed and self-sufficient so far as the basic necessities are concerned. The primary concern was to develop human values and the personality of man (Shah and Chaturvedi 1983). The project set to work in a primarily tribal area of south Gujarat. However, before long, the organisers realized that they could not really aim at the entire community, and in the 1970s, they shifted from *sarvodaya* (general uplift) to *antyyodaya* (helping the poor first). Thus the organisers began talking about “organising the rural poor and launching struggles against injustice” (Shah and Chaturvedi 1983). Again there seems to be a shift from consciousness to economic benefits.

### **(3) Social Work and Research Centre in Tilonia (Rajasthan)**

Sanjit Roy in Tilonia (Rajasthan) reached somewhat the same conclusions. Also initially inspired at least partly by the Gandhian movement, Roy and his associates came to the conclusion after a number of years that they had to target the “weaker sections” – “small and marginal landless peasants, rural artisans, such as leatherworkers, potters, carpenters, weavers, and blacksmiths, rural women and children, scheduled castes and tribes and Harijans” (Roy 1987). Since this would put them at odds with the rural power structure, they calculated that “change comes only out of conflict” (hopefully non-violent) (see p. 371). The organisation accepts that sometimes changes in awareness, a growth of confidence, are a necessary basis for economic change.

However, in the SWRC and VIAS projects, there was more than a shift to economic goals. There was also a discovery that focusing on the entire community could lead to a project controlled by local elites, so that the project focuses its efforts on the poorest, and is ready to contest the issue with the elites whose position might be weakened.

#### **(4) The Bihar Dalit Vikas Samiti (Bihar)**

The Bihar Dalit Vikas Samiti from the early 1980s worked with various sections of the population around Barh, east of Patna. The zone of operation includes some 350 villages. The main focus is on working with the Dalits as the best example of the oppressed. The project reflects some ideas from the Catholic liberation theology. The stress was on the need for struggle and raising consciousness, while avoiding confrontation and violence. In their literature, the organisers note that “societal change involved painful and relentless struggle from below”, on the one hand, to improve economic conditions and, on the other, to develop self-confidence so that people can stand up for themselves. One key word is participation.

“One of our aims... is to improve the economic resources of the people in such a way that they will be able to become economically self-reliant and be able to contribute to the running of their local organisations and gradually contribute to the central organisation.”

The focus of the BDVS is thus on consciousness-raising and dignity, even though the significance of material issues is recognised.

#### **B. Awareness in Egypt**

In Egypt, the concept of “awareness” is roughly comparable to “consciousness”, but as indicated above, there are some different implications. Efforts in Egypt to start from a change in consciousness have often been taken as politically motivated, that is, as directed against the state, and so they have been suppressed. Thus, for instance, voluntary organisations are monitored to ensure they do not overstep (Ibrahim 1997; Abdel Rahman 2004). Egyptian organisations therefore tend to focus on “awareness”. On the one hand, this reflects the control of society by the elite so that development is seen as a matter of transmitting a proper awareness of the issue at hand from the elite to the people. Environmental issues, for instance, are often seen as a problem of lack of awareness of the poor, rather than one of the kinds of awareness that they have (Hopkins *et al* 2001). The elite find this comforting because they do not question their own “awareness” and choices. On the other hand, this means that the cultural aspect of development, the relationship between values and choices of action, remains under control. If the Indian idea of “consciousness” implies a struggle, the Egyptian idea of “awareness” implies a need to emulate and reinforces the centralising tendency in society. The idea of consciousness admits a certain diversity in society; that of awareness prefers a uniformity of outlook, at least at the level of the ideal. The notion of “awareness”, in other words, reflects the ideological hegemony of the elite.

Egyptian movements focus on an effort “for” something, often a physical improvement (Ibrahim 1996), while in the Indian cases, there is often a consciousness of opposition. From Alinsky (1989) to Oommen (1990), the need to mobilise people

“against” something has been noted. So the Egyptian examples are ones of quiet organisation, while in the Indian case, a more public demonstration of opposition – to the government, but more likely of one segment of the community to another – is present. The notion that consciousness is formed in conflict recurs.

### Conclusion

The three “Cs” — conflict, cooperation/cooperatives and consciousness — appear very differently in the debates about development in the two countries. India appears more decentralised, with more scope for “grass roots” development (even when that grass roots involves a local elite), while in Egypt, state-centred development continues to dominate. In a nutshell, the contrast between these two great examples is that in India, it is accepted that development can easily arise through conflict (or at least argument), while in Egypt, the understanding is that conflict impedes development, so that negotiation and marginal gains are the best mode. Consciousness is seen in the framework of conflict, i.e., as consciousness of one’s place in society and the need to struggle for one’s interests, while in Egypt, the concern is with awareness of the right way to do things that is handed down from somewhere near the top of the society, and the need to negotiate with the central powers. Consciousness should (but does not always!) lead to collective action and cooperation. Awareness leads to a respect for hierarchy, from which the attitude is adopted. This picture is clearly over-simplified, for contrast always leads to exaggeration, and we cannot draw final conclusions before a much more comprehensive study has been made.

I started off this article with a reference to Escobar’s effort to show that development is a historically produced discourse, and a domain of thought and action. Those involved in development start from the construction of reality they find. However, the actions and thoughts involved in development also reflect the social and cultural circumstances where people find themselves, and this effort to accommodate what Thomas Kuhn (1962) called the ‘anomalies’ produces change. Thus the ‘discourse’ is not a straitjacket process but simply an orientation that can be inflected. The political economy of India has changed more in the past decades than that of Egypt, and so one would expect that the discourse would also be evolving. But that is another chapter.

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# **Programmes of Poverty Alleviation: A Case of Sampoorna Grameen Rozgar Yojana in Maharashtra**

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## **Abstract**

This paper is based on a research study on factors affecting the implementation of Sampoorna Grameen Rozgar Yojana (SGRY), which was carried out in Maharashtra during 2004-05. The survey results revealed that as a direct intervention programme, SGRY meets certain considerations in the choice of interventions with some success. These interventions are: providing maximum benefits for the target groups, causing minimum disincentives to participants, and ensuring cost effectiveness and minimum leakages. While SGRY satisfies the first two criteria, there is further scope to enhance both the requirements, particularly the second one, by making the scheme more attractive to women. As far as the third criterion is concerned, there is some cause for concern regarding the cost effectiveness of the scheme. There is a need to make it more cost effective and pass on the benefits to workers. As for the last benchmark, the programme ensures minimum leakages to a great extent by virtue of being self-targeting and non-discretionary.

## **Introduction**

The high incidence of poverty in rural India is directly related to the prevalence of large-scale unemployment and under-employment. The majority of the rural population is landless and sustains entirely on wage employment. In fact, the rural workforce population continues to suffer due to excessive seasonality of employment, lack of wage employment opportunities and low wage rates. Further, national calamities like cyclone, flood and irregular rainfall in the country have added to the problem of unemployment in rural areas. In this context, poverty alleviation for the rural force assumes high priority in developmental planning. To provide additional wage employment to the landless, agricultural labourers, marginal farmers and other rural poor during the lean period, several poverty alleviation programmes have been in operation in India since 1980. All these programmes were

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introduced to take care of food security, additional wage employment and rural infrastructure development at the same time. SGRY is one among several nationwide poverty alleviation programmes presently being implemented. This programme was launched in 2001 and was made operational during 2001-02 all over India. The present study evaluates the factors affecting the implementation of SGRY in Maharashtra.

SGRY, the largest rural poverty alleviation programme of the Government of India, was launched on September 25, 2001, after merging the erstwhile EAS (the only additional wage employment scheme for rural areas) and JGSY (a rural infrastructure development scheme). The programme was started with the primary objective of generating additional and supplementary wage employment for the unemployed and the under-employed in rural areas and providing food security and improving nutritional levels in rural areas. The secondary objective is the creation of sustained rural employment by strengthening rural economic infrastructure as also assets in favour of the rural poor for direct and continuing benefits and improvement in the overall quality of life in rural areas. The programme is being implemented on a cost-sharing basis of 75:25 between the Central and the state governments. The programme is open to all rural poor who are in need of wage employment and ready to do unskilled manual work. It provides employment preference to SCs, STs, agricultural wage earners, marginal farmers etc., and 22.5 per cent of the annual allocation at the district and block level and 50 per cent at the Panchayat level are earmarked for the SC/ST population. Some 30 per cent of employment opportunities are reserved for women.

At the district level, the allocation of funds is made on the criteria of backwardness formulated on the basis of rural SC/ST population and the inverse of per capita agricultural productivity. Fund allocation in the Village Panchayat accords 60 per cent weightage to the SC/ST population and 40 per cent to the general population. In the implementation of the programme, contractors and middlemen are not permitted to execute any of the works. The programme is to be implemented by the department only. Muster rolls are to be maintained for every work separately showing details of wages paid to workers and foodgrain distributed. Wages under SGRY are paid partly in foodgrain and partly in cash. The wages for both skilled and unskilled labour are not to be less than the minimum notified wage in the state and equal wages are to be paid to both men and women. With an annual outlay of Rs. 10,000 crore (in terms of cash and foodgrain), the programme completed three years in September, 2004. It, therefore, became imperative to assess the extent to which persons from the target group got employment, the level to which their food and nutritional requirements were met, the types of assets created, the arrangements made for their maintenance and the problems encountered in the programme implementation.

## **Review of Literature**

Hitherto the findings of the study on efficacy and effectiveness of the 'food for work' programme (SGRY) in Assam (NERC 2004), revealed that the programme had been effective to a large extent in making an impact on rural areas of the state. The study highlighted that the efficiency of the SGRY programme has been greatly deterred by the inadequate availability of foodgrains in the Food Corporation of India (FCI) godowns in time and the number of problems connected to the lifting and distribution of foodgrains for the benefit of labourers at the work site. The Maharashtra EGS has been cited as a major programme in the debate on 'wage employment generation' type poverty-reduction programmes (Acharya 1990; Baret, Holden and Clay 2004; Basu 1981; Dandekar and Sathe 1980; Dev 1996; Dreze 1991; Gaitha and Imai 2000, and Ganesh Kumar *et al* 2005). The earlier studies were considered a success in the 1980s despite its limitations compared to the need and non-implementation of the compensation clause. Doubling of wages in 1988 without adequate budgetary support led to fall in employment by one-third (Ravallion, Datt and Chaudhuri 1993). Indeed, one major point in the debate on EGS and similar other schemes has centred on the level of the right wage rate - the minimum at which the very poor might be offered work or a higher wage that could be considered decent enough to lift the beneficiaries above the poverty line. One major advantage, cited by advocates of EGS or FFW programmes, is its self-selection nature in the sense that it would normally attract participation from the poor who would otherwise not get sufficient employment opportunities in the normal economic activities. But if such a wage rate happens to be very low, it might go against the objective of lifting the poor above the poverty line. A higher wage rate, on the other hand, could defeat the self-selection objective as it might attract people who are employed in normal economic activities and increase the error in targeting. Rationing the available volume of employment would mean that the poorest of the poor would have to compete with those around or above the poverty line with the latter having greater chances of selection. Another study in Maharashtra is an evaluation of the food-for-work component of SGRY in Satara, Aurangabad, Gadchiroli and Akola districts (Manoj Panda, Srijit Mishra, Sangita Kamdar and Mallikarjun Tondare 2005). The findings of the study are: the timing is crucial for the success of SGRY; demand for regular public works is high during the period February to June; unless sufficient food and funds are available during these months, it leads to out-migration creating a labour force with less bargaining power. The recent study in Andhra Pradesh (Deshingkar P, Johnson C and Farrington J 2005) documents the different ways in which design faults, administrative management and local politics can undermine the delivery of public resources intended for the rural poor.

### **Gaps in Knowledge**

The review discussed above did not give much importance to institutional arrangements, the pattern of wages in cash and kind, and asset creation under SGRY. Some studies had noted employment generation and the impact of income but not given importance to how SGRY helped beneficiaries to cross the BPL (below poverty line) status. The present study tries to trace the factors contributing to effective implementation of SGRY in two districts in Maharashtra, namely, Ratnagiri and Sangli.

### **Objectives**

In view of the above and at the instance of the Ministry of Rural Development, the National Institute of Rural Development (NIRD) undertook a nation-wide study of SGRY (for which the authors were involved extensively and intensively) with the following objectives:

- To study the institutional arrangements for the implementation of SGRY.
- To assess the extent to which SGRY could improve the employment (income) level, thereby, the nutritional levels.
- To identify the factors responsible for the performance of SGRY in the study state.

### **Hypotheses**

- The programme has made larger dents in states where there is greater awareness level.
- The demand from labourers for foodgrains is an indication of the quality of good grains supplied.
- The gap between the market wage and the minimum prescribed wage influences the participation level of the workforce.

### **Methodology**

To examine the objectives set, the study relied upon secondary data maintained at the state and district levels and also on discussions with government officials who are concerned with the implementation of SGRY. However, primary data were also collected mainly to know the perceptions of workers about the scheme and the quality and quantity of foodgrains supplied. The selection of districts as well as blocks and villages was made based on a district-wise performance rating under the poverty alleviation programme for 2003-2004. After discussions with officials of the Panchayati Raj and Rural Development Department of the Government of Maharashtra, two districts, namely, Ratnagiri and Sangli, were selected for this study. Two blocks from each of the two districts were selected in consultation with the respective DRDA officials, and two Gram Panchayats each

were identified from each of the four selected blocks based on the feedback of block officials (see Figure 1). A sample of 20 respondents in each village, who participated in SGRY during 2003-04, was selected based on muster rolls maintained by the Panchayat Secretary at Gram Panchayat. But in the sample village of Malwadi, Miraj block of Sangli district, only 11 were interviewed instead of the desired sample of 20 due to non-availability of beneficiaries during the field visit. The reasons are many. Thus, the total number of respondents to be covered for the study was 151.

**Figure I: Sampling Distribution:**

Sl. No.	District	Block	Village and Sample
1.	Ratnagiri	1. Lanja	1. Deode (20) 2. Gobani (20)
		2. Gohaghar	1. Kotluk (20) 2. Abloli (20)
2.	Sangli	1. Miraj	1. Samdoli (20) 2. Malwadi (11)
		2. Tasgoan	1. Badagoan (20) 2. Salwaz (20)

### **Limitation**

Precaution has been taken to avoid the danger of drawing inferences based on the limited data set. The findings of the study are, therefore, limited to the number of cases upon which these are based.

### **Profile of Sample Respondents**

Men constitute 79 per cent of the sample respondents and women form the rest (21 per cent). SCs constitute 54 per cent of the sample respondents, while OBCs make up for 18 per cent and others 27.3 per cent. Wage labour, both agricultural and non-agricultural, was found to be the primary source of income for a majority (63 per cent) of the respondents (see Table 1A). But curiously enough, 44.4 per cent of the sample respondents were officially recognised as BPL, while the majority (55.6 per cent) belonged to the non-BPL category. This also shed light on the faulty categorisation of families as BPL in rural Maharashtra in the 1997 BPL survey. Our field experience provided further proof of it. A large number of deserving rural poor in the study areas expressed their frustration at being excluded from the official BPL list. Their claims had the full backing of the Panchayat. But it could hardly do anything for them at this stage. Some 21 per cent of the respondents were illiterate, while 43 per cent had studied up to the primary level and 18 per cent up to the secondary level (see Table 1B). While 46.4 per cent of them had kutcha houses, four per cent of them lived in huts; some 18 per cent lived in pucca houses built for them

by the government and another 18 per cent had their own pucca houses. Around 38 per cent had only a cycle, while 18 per cent had a radio (see Table 2A & 2B). The overall material deprivation of beneficiaries was unmistakably evident. With regard to landholding, it was found that 97 per cent possessed less than one acre of irrigated land and 68 per cent possessed less than one acre of dry land (see Table 3). The annual average household income of the sample beneficiaries came to Rs 19,785.79 (see Table 4). However, the share of SGRY income to the total annual average income is merely 16.7 per cent. Considering the rural unemployment scenario in Maharashtra, wage employment programmes like SGRY are expected to provide relief to the unemployed rural poor and have an impact on the aggregate unemployment and the rural labour market (see Table 5). They are also expected to enhance the labour absorption capacity of the rural economy through investment in and creation of durable and income-generating rural infrastructure. Such programmes help in creating public goods and externalities. Unlike schemes distributing subsidised credit or housing like in IRDP/SGSY or IAY, the primary strength of SGRY is the manual labour paid at the rate of government pre-determined minimum wages. By virtue of being "self-targeting", the "leakage" rate can be expected to be low in relation to many other public anti-poverty programmes.

**Table 1A: Basic Profile of Sample SGRY Workers (Percentage respondents)**

Districts	Sex			Caste					BPL Status		
	Male	Female	Total	SC	ST	O B C	O C	Total	BPL	Non-BPL	Total
Ratnagiri	68.7 (55)	31.3 (25)	100 (80)	85.0 (68)	1.3 (1)	3.8 (3)	10.0 (8)	100 (80)	50.0 (40)	50.0 (40)	100 (80)
Sangli	90.1 (64)	9.9 (7)	100 (80)	18.3 (13)	-	33.8 (24)	47.9 (34)	100 (80)	38.0 (27)	62.0 (44)	100 (80)
Overall	78.8 (119)	21.2 (32)	100 (151)	53.6 (81)	0.7 (1)	17.9 (27)	27.8 (42)	100 (151)	44.4 (67)	55.6 (84)	100 (151)

Note: Numbers in parenthesis are total respondents

**Table 1B: Workforce Participation and Literacy Levels of Sample SGRY Workers (Percentage respondents)**

Districts	Occupational Status				Literacy levels			
	Agri. labour	Non-Agri. labour	Cultiva-tors	Total	Illiterate	Literate up to Primary	Literate up to Secondary	Neo-literate
Ratnagiri	27.5(22)	23.8(19)	48.7(39)	100(80)	18.8(15)	46.3(37)	10.0(8)	2.5(2)
Sangli	67.6(48)	8.5(6)	23.9(17)	100(71)	22.5(16)	39.4(28)	26.8(19)	-
Overall	46.4(70)	16.6(25)	37.1(56)	100(151)	20.65(31)	43.0(65)	17.9(27)	1.3(2)

Note: Numbers in parenthesis are total respondents

**Table 2A: Asset Status of Sample SGRY Beneficiaries - House**

Districts	Housing Structure					
	Hut	Kutcha	Partly Kutcha and Partly Pucca	Pucca (self-built)	Pucca (Govt. allotted)	Rented
Ratnagiri (% of HH)	4.2	45.1	23.9	8.5	16.9	1.4
Sangli (% of HH)	3.8	47.5	2.5	26.5	18.8	1.3
Overall (% of HH)	4	46.4	12.6	17.9	17.9	1.3

Source : Field Survey

**Table 2B: Asset Status of Sample SGRY Beneficiaries - Consumer Durables**

Districts	Consumer Durables						
	Moped/ Scooter	Cycle	Radio	Fan	TV	Gas Stove	Any Other
Ratnagiri (% of HH)	0.0	16.3	20.0	12.5	6.3	3.8	1.3
Sangli (% of HH)	1.4	63.4	15.35	5.6	2.8	1.4	0.0
Overall (% of HH)	0.7	38.4	17.9	9.3	4.6	2.6	0.7

Source : Field Survey

**Table 2C: Asset Status of Sample SGRY Beneficiaries - Livestock**

Districts	Livestock					
	She Buffalo	He Buffalo	Cow	Sheep/Goat	Poultry	Others
Ratnagiri (% of HH)	26.7	15.5	21.1	9.9	0.0	11.3
Sangli (% of HH)	2.5	5.0	37.6	2.5	15.0	30.1
Overall (% of HH)	14.6	10.25	29.35	6.2	7.5	20.7

Source : Field Survey

**Table 3: Landholding Pattern of Sample Beneficiaries (Acres)**

Districts	Landholding Pattern							
	Wet Land (Owned)		Wet Land (Operational)		Dry Land (Owned)		Dry Land (Operational)	
	0.00 to 1.01 & 1.0 above		0.00 to 1.01 & 1.0 above		0.00 to 1.01 & 1.0 above		0.00 to 1.01 & 1.0 above	
	1.0	above	1.0	above	1.0	above	1.0	above
Ratnagiri	93.8	6.4	93.8	6.4	66.3	33.8	77.5	22.6
(% of household)	(75)	(5)	(75)	(5)	(53)	(27)	(62)	(18)
Sangli	100	0.0	100	0.0	70.4	29.5	70.4	29.5
(% of household)	(71)	(0)	(71)	(0)	(50)	(21)	(50)	(21)
Overall	97.0	3.4	97	3.4	68	31.8	74	25.9
(% of household)	(146)	(5)	(146)	(5)	(103)	(48)	(112)	(39)

Source: Field Survey

**Table 4: Average Annual (in Rs) Household Income of Sample Respondents**

Income Source	Ratnagiri	Sangli	Overall
Non-agricultural Self-Employment	2446.50	1718.31	2082.50
SGRY Wage	3504.80 (18.2)	3072.11 (15.3)	3301.35 (16.7)
Non-SGRY Wage	8604.69	12,919.72	10,762.20
Agriculture	4726.25	2415.49	3639.74
<b>Total</b>	19,282.24 (100)	20,125.63 (100)	19,785.79 (100)

Source: Field Survey

**Table 5: Unemployment Rate (%) (Daily Status): Maharashtra and All India**

Year	Maharashtra Rural		All India Rural	
	Male	Female	Male	Female
1972-73	7.80	12.70	6.80	11.20
1987-88	2.90	3.50	4.60	6.70
1993-94	4.60	4.00	5.60	5.60
1999-2000	6.30	6.90	7.20	7.00

Source: Government of Maharashtra, 2001.

### Entitlement vs Welfare: The EGS & the SGRY

1. EGS, a fully Government of Maharashtra funded rural public works programme, having statutory support in the Maharashtra Employment Guarantee Act 1977, became operational from January 26, 1979. SGRY, a centrally sponsored rural wage employment scheme launched in September, 2001 (it became operational in Maharashtra from January, 2002), has no statutory backing in terms of an Act of Parliament. The rights-based approach of EGS, which makes employment an entitlement, thus fundamentally differs from the welfare orientation of the SGRY. EGS imposes the responsibility on the state to provide employment to the job-seeker within 15 days, failing which the applicant is entitled to an unemployment allowance of Rs. 2 per day. No such provision exists under SGRY.
2. While EGS is open to all adult residents of villages and "C" class municipalities in Maharashtra, the target group of SGRY includes all rural poor in the country. In the decentralised implementation of SGRY, the PRIs, particularly Panchayats/Gram Sabhas, are expected to play a key role in the ZP/DRDA's performance in the overall co-ordination and supervision functions. In the rather centralised administration of the EGS, the Revenue Department under the District Magistrate is charged with the overall coordination and supervision of works, being implemented by the line departments.
3. Though both EGS and SGRY are mainstream rural employment and infrastructure development programmes, more often than not, it is the former which emerges as a

more pro-women scheme. While wage payment under EGS is made on piece-rate basis, it is made on time-rate basis under SGRY.

## **Institutional Arrangements**

### **A. Administrative Structure of SGRY**

At the state level, the secretary, SGRY and EGS manage the SGRY fund and budget expenditure for each of the state's districts under the overall authority and supervision of the Principle Secretary, Panchayat Raj and Rural Development. The structure of the SGRY administration at the district level can be described as an organisational matrix. Direct links between the technical departments mostly responsible for executing SGRY work (i.e., Public Works, Irrigation, Forestry, Agricultural and Soil Conservation) are usually tenuous. The Zilla Parishad/DRDA discharged the overall co-ordination and supervision functions. The matrix organisational structure is particularly well-suited for an organisation with competing objectives, each a key to the overall success. In the case of SGRY, the objectives of providing jobs to the unemployed rural poor and efficiently creating productive assets can and do potentially create conflict. The administrative matrix of SGRY ensures that neither is neglected. Similar is the case in the foodgrains components of SGRY. Two parallel systems can be noted here. Foodgrains lifting is carried out by the civil supplies department working under the overall supervision of the District Collector. Fair price shops under the Public Distribution System operate as the nodal distribution point from where SGRY beneficiaries obtain foodgrains in exchange for food coupons provided to them by ZP/DRDA. It was also observed that sometimes lack of co-ordination between the Revenue and DRDA administrations creates problems. There is a need to evolve a proper co-ordination mechanism at the district level to tackle timely distribution of foodgrains. Alternately, DRDA/ZP, in addition to its task of foodgrains distribution through coupons, can be entrusted (as provided in SGRY guidelines) with the lifting and supply of foodgrains to GPs with effective safeguards to avoid leakages.

For effective implementation of the programme, a schedule for inspection, which prescribes the minimum number of field visits for each supervisory level functionary from the state to the block level, has to be prepared and strictly adhered to. A copy of the inspection schedule should be sent to the state and central government. But surprisingly, in Maharashtra, no inspection schedule was prepared for state-level officials and no state-level official had made any inspection visit to SGRY work sites in rural areas during 2003-04. This is a serious lacuna on the part of the state administration and clearly violate programme guidelines. But the situation at the district and block levels seems to be better, with the preparation of the necessary inspection schedules and the undertaking of visits by concerned officials. Despite repeated, and sometimes justified, claims about government overstaffing

in India, the rural development staff seems to be indeed overburdened with work. Contrary to assertions of some neo-liberals of the public choice school and the findings of Robert Wade (1988) on the role of "street level bureaucracy" in India, we found no instance of a scheme that existed only on paper. It's a mistake to assume that public officials in India are intent on maximising the rents they can extract from the misuse of a public office.

### **B. Role of PRIs in SGRY**

SGRY is designed as a process oriented anti-poverty intervention with grassroots participation built into the planning, implementation and monitoring of the projects undertaken. The guidelines assign a pivotal role to PRIs in the programme strategy, with resources (both funds and foodgrains) distributed in the ratio of 50:30:20 among the Village Panchayat (GP), Intermediate Panchayat (PS) and District Panchayat (ZP). PRIs at the three levels are expected to prepare an annual action plan for SGRY works to be undertaken in their areas. The Gram Sabha in respect of GP and the respective general bodies in the case of other two tiers of PRIs have to approve the prepared action plan after a thorough discussion. Thus, theoretically at least the villages have been given a pre-eminent role in the identification and prioritisation of project in their areas.

To ensure social audit and vigilance, the programme guidelines also stipulate the constitution of a Village Monitoring Committee, selected by the local beneficiaries to oversee the work. It verifies the physical assets created and ensures that wages are appropriately paid and material properly purchased. SGRY work can only start after the formation of the Monitoring Committee, which acts as a kind of civil society watchdog body. The final report of the Committee attached with the completion certificate of the work has to be placed before the Gram Sabha before the release of the final payment. Throughout, the money sanctioned for individual projects should be made public at the time of implementation and immediately after completion of the work, the project accounts and other details should be placed before the respective Gram Sabhas to ensure transparency, accountability and social control. Thus described, the SGRY guidelines propose a change in the relationship between the Government and the rural poor in the monitoring of rural development programmes. Instead of exclusively relying on the top-down bureaucratic command and control, SGRY provides space for popular participation and local accountability. The role of PRIs in SGRY implementation in the state cannot be understood in isolation from the larger socio-economic and political context. One of the best starting points is provided by Subrat K. Mitra's four-fold typology of PRIs in India (see Table 6). According to Mitra, Maharashtra is a typical type 3 case of paternalistic and managerial mode, where PRI functionaries are aware of the institutional power of local bodies and have taken charge of them, but positions of power remain closed to the poor and lower social classes. The

situation has apparently changed after the 73rd Amendment Act, with reservation of seats for SCs/STs and women. But a typical case of the paternalistic pattern came to light in the Badagaon GP in the Tassgaon block of Sangli district. The GP Pradhan, who happened to be a Scheduled Caste woman, remained an invisible and rubber stamp head of the GP, being overshadowed by the de facto Maratha leader of the area. This kind of de facto and de jure exercise of power by the dominant landed caste came to light in other villages also. This affects the implementation of SGRY.

**Table 6: Awareness and Power of Local Institutions**

Awareness		Social Closure	
		High	Low
Awareness and Power of Local Institutions	Low	Type 1 (Feudal)	Type 2 (Anomic, Fragmented)
	High	Type 3 (Paternalistic and Managerial)	Type 4 (Democratic)

The non-constitution of the Village Monitoring Committee even in a single study village, which is a matter of serious concern in itself, provides further proof to the paternalistic and managerial style of functioning of the local elected bodies in rural Maharashtra. The high level of awareness about SGRY among the beneficiaries (93%) was a redeeming feature. Moreover, GPs emerged as the primary sources of information in most of the cases (98%). The high level of ignorance among the sample workers (64%) about the notified the minimum wages under SGRY is again a matter of serious concern. The role of GP in spreading awareness was conspicuous by its absence. Even most of the GP Pradhans and members were not aware of the notified minimum wage in the state. The complete neglect of the training and capacity building of GP members involved in SGRY works had taken its toll on the implementation of programmes. There needs to be proper utilisation of the earmarked fund for capacity building. While 58 per cent of the respondents had attended GP meetings during the past one year, just about 48 per cent attended Gram Sabha meetings. Here, it's essential to mention that the Panchayat is only the executive agency of the Gram Sabha. The latter, as the smallest statutory unit of the Indian democracy, is designed as a platform to realise the classical Greek ideal of communitarian democracy at the grassroots level. But the emerging pattern, wherein the Gram Sabha was given lesser importance than the GP in the scheme of things of the rural poor, fits quite well into the classification of Maharashtra Panchayats as being paternalistic and managerial. Here the executive body matters more than the general body of the rural people. About 69 per cent of the sample beneficiaries reported that discussions on SGRY did take place in Panchayat meetings, while not a very insignificant proportion, i.e., 31 per cent, replied in the negative. But when it comes to a discussion on SGRY in Gram Sabha meetings, just about 48 per cent of the respondents confirmed it. This again goes to highlight the declining importance

of the Sabha vis-à-vis the Panchayat. There is a pressing need to enlighten the rural poor about the importance of Gram Sabha meetings and to motivate them to effectively participate in it.

### **Generation of Employment and Income**

One of the key objectives of this study was to assess the extent to which SGRY had helped in providing employment and income to people in the target group. The assessment is made here based on the information pertaining to employment generation in terms of man days (as per the existing monitoring schedule) was available at all levels. In terms of the absolute amount of employment generated, and an increasing trend is noticeable for SGRY, at a time when Maharashtra's much acclaimed Employment Guarantee Scheme (EGS) seems to have lost steam, with a possible rationing of employment, due to the upward revision of wage rates. During 2002-03 (SGRY was launched in Maharashtra in January 2002), some 74.34 lakh man days were generated under SGRY stream I and 77.37 lakh man days under stream II, and this went up to 314.26 lakh man days under stream I and 310.44 lakh man days under stream II respectively in 2003-04. While compared to the magnitude of the Maharashtra EGS - for example, EGS generated 111 millions man days of employment (111,000,000 lakh man days), more than five times of what was generated under the erstwhile centrally sponsored EAS (22 million man days) - the SGRY figures tend to pale. This nevertheless augurs well for this scheme as well as for the rural poor of the state. But the 18.14 lakh man days generated in Ratnagiri under SGRY during 2003-04 compared poorly with the 48.27 lakh man days created under EGS in 1999-2000. But in Sangli the SGRY figures of 9.22 lakh man days is slightly higher than the EGS figure of 8.40 lakh man days.

An analysis of the state-level data reveals that the percentage achievement, in terms of man days of employment generated for SCs/STs, was more than the percentage utilisation of funds to the total expenditure. With just 25.62 per cent of the total expenditure on SCs/STs, their share in the total employment generated constituted 49 per cent in 2003-04 (see Table 7a and 7b). Thus, the physical achievement had shown better results as compared with financial performance, which needs a closer look. But an analysis of the district-level data gives a more coherent picture. In Ratnagiri the percentage of SCs/STs in total employment generated constitute 25.69 per cent, with an expenditure of 28.44 per cent to the total expenditure. The corresponding figures for Sangli are 32.65 per cent against an expenditure of 32.36 per cent to the total expenditure (see Table 8). As per the field findings our sample workers got, on an average, it came to 42 days of employment under SGRY during 2003-04. SGRY was, thus, found contributing to just 19 per cent of the total number of employment days for the sample beneficiaries (the annual average employment days for sample beneficiaries being 218 in 2003-04). The sample respondents were also found to be getting an average of 102 days of wage

employment from non-SGRY sources in 2003-04, which is more than double the amount of SGRY work. While on paper it was claimed that SGRY works were carried out during November-May, in practice it was generating less than one and a half months of work for the beneficiaries. This highlights the need to further expand the scope and volume of SGRY work.

**Table 7a: Financial Progress of SGRY in Maharashtra (2003-04) (Rs in Lakhs)**

	Receipt of Funds				Total Funds	Total Expenditure	Percentage Utilisation of Funds	Expenditure on SC/ST works	Percentage of Col.5 to Col.3
	Opening Balance	Central Release	State Release	Interest /Others					
	1	2	3	4	5	6	7	8	9
Stream -I	3734.77	15,313.73	5124.50	1794.28	25967.28	23,857.27	91.87	5441.33	22.80
Stream-II	1897.70	16,926.48	5217.53	648.86	24,690.57	23,580.27	95.50	6710.49	28.46
<b>Total</b>	<b>5632.47</b>	<b>32,240.21</b>	<b>10,342.03</b>	<b>2443.14</b>	<b>50,657.85</b>	<b>47,437.54</b>	<b>93.65</b>	<b>12,151.82</b>	<b>25.62</b>

Source : Department of PR & RD, Govt. of Maharashtra

**Table 7b: Employment Generation under SGRY in Maharashtra (2003-04) (Lakh man-days)**

Sl.No.	Social Group	Stream - I	Stream- II	Total
1	SC	82.33	87.71	170.04 (27.2)
2	ST	67.64	67.81	135.45 (21.7)
3	Others	164.29	154.92	319.21 (51.1)
4	Total	314.26	310.44	624.70 (100)
5	Women	96.55	100.39	196.94 (31.5)
6	Landless	110.53	111.16	221.69 (35.5)

Source: Department of PR & RD, Govt. of Maharashtra.

**Table 8: Employment Generated among SC/ST, Women and Landless Labourers under SGRY in 2003-04 (Man-days of employment)**

District/State	Percentage of Employment Generated for		
	ST/SC	Women	Landless labourers
Ratnagiri	25.69	26.63	0.31
Sangli	32.65	12.47	0.00
Maharashtra	48.90	31.44	35.49

Source: Field Survey

The findings highlight the fact that the coverage of SCs/STs in terms of man days generated in the two study districts is way below the state average. One of reasons might be the lower percentage of SC/ST population in the two districts. The percentage of SCs in Ratnagiri in 1991 was 1.77 and in Sangli it was 12.56, against the state average of 11.09. The percentage of STs in Ratnagiri during the same period was 0.96 and in Sangli it was 0.49 against the state average of 9.27. But the case of Sangli seems a bit intriguing considering the fact that it has a larger percentage of SC population than the state average. In case of women, it is evident that while the state has just managed to meet the required percentage, the two study districts are far behind in attaining the guidelines requirements of providing 30 per cent employment opportunities to women. Unlike EGS where the women participation rate ranged between 73 per cent in 1998-99 to 58 per cent in 2001-02, SGRY could not attract women to the work sites in large numbers (the percentage of women participation in both streams averaged 32 per cent during 2002-03 and 31.44 per cent during 2003-04). The female participation rate in our sample was even lower at 21 per cent. The study districts of Ratnagiri and Sangli have had lower than the state average of female participation rate in SGRY work at 26.63 and 12.47 percentages respectively, against the state average of 31.44 in 2003-04. This contrasted sharply with the achievements of EGS in these two districts as per as employment generation for women is concerned. During 1999-2000, women constituted 47.57 per cent of the total of 48.27 lakh man days generated in Ratnagiri and 60 per cent of the 8.40 lakh man days generated in Sangli. In Sangli, for example, during 2003-04, the percentage of women in the total SGRY employment was as low as 14.89 per cent in stream I and 12.17 per cent in stream II. Similarly, in Ratnagiri, the figures during 2003-04 were 24.89 per cent and 28.52 per cent in stream I & II respectively.

Of the 12.7 millions women working in rural Maharashtra, some 89 per cent are in agriculture and 48 per cent in agricultural labour. More women than men work as agricultural wage workers - 1,311 women per 1,000 men and among cultivators, there are less women than men - 789 female per 1,000 men. This negates the stereotype image of "the farmer as a man" in Maharashtra. In Konkan and Western Maharashtra division (in the study district), the proportion of female agricultural workers to 1,000 male workers is more than the state average - 1,338 & 1,434 respectively. In the study district of Ratnagiri, there is heavy male out-migration and women here shoulder the responsibility of agricultural operation to a large extent and the worrying trend is an increase in the proportion of women agricultural workers vis-a-vis cultivators. Their lack of skill, education, material resources and the burden of reproductive functions, households chores and the attendant immobility force them to engage in short-term unskilled employment offered by schemes like SGRY and EGS.

The following design features of SGRY will help draw women workers to it:

- Provision of work within the village (this is the case in all our study areas) and the advantage of working along side the family (45 per cent of sample respondents doing so)
- Provision of unskilled manual work
- Apparent lack of discrimination in recruitment and wage payment
- Provision of shelter, drinking water and crèche for children (none was provided in the study areas) and
- Overall 30 per cent women quota for employment opportunities.

Despite such apparently egalitarian features, the failure of SGRY to attract female workers, calls for serious probing and corrective measures. Landless agricultural labourers constitute another prime target group of SGRY work. While during 2003-04, the percentage of employment generated for landless agricultural labour was 35.49 for the state as a whole, it came to a depressing 0.31 per cent in Ratnagiri district and an alarming 0 per cent in Sangli. While one explanation for this low coverage of landless agricultural labour might be the low incidence of landlessness in these districts, yet this lacuna cannot be just wished away. In Maharashtra, the number of people engaged as agricultural labour stands at 83,13,223. The average SGRY wage rate of Rs. 47 per man day of employment (including the imputed value of foodgrains) was much lower than the prevailing market wage rate of Rs. 60-70. They were, of course, at par with the minimum notified wage rate in the state of Rs 45-50. And, in fact, in many cases it was found that the workers were getting an amount (inclusive of the imputed value of food grains), which was higher than the minimum wage rate. Denoting SGRYW for SGRY wage rate, MW for market wage rate and MNW for minimum notified wage, the prevailing situation can be depicted as follows:

$MNW \leq SGRY < MW$ .

Under SGRY, a non-discretionary scheme, which is universally available within a restricted category, i.e., the rural poor, and not requiring particular administrative decisions, as to whether a person qualifies, the wage rate was set deliberately at a level lower than the market wage rate to ensure self targeting. Our field observations suggested that SGRY employment did not prove to be unduly unattractive because it offered a wage rate below the market wage rate. This, thus, partially disproved our hypothesis that the gap between the market wage and the minimum wage influences the participation level of workers. It nevertheless acted as a deterrent. But one of the key reasons, cited by the GP Pradhans and the beneficiaries themselves, for attracting villagers to SGRY work was the feeling of working for the development of one's own area (village or part of it). In all the sample cases (100%), it was found that the work was taken up in the village only. The wage amount, it was argued, was of secondary consideration. Notwithstanding,

the problems associated with the SGRY wage rate, the chief merit of the wage policy, from a gender perspective, seems to be the near removal of gender discrimination in wage payments. The female component of household earnings is especially important among the poor, though the gender distribution of control over the female earning component has not been systematically researched. As already pointed out, the failure of SGRY to attract the fairer sex in the study areas, remains a serious lacuna.

It was found from the field survey that the maximum amount the sample workers got from non-SGRY wage work came to around Rs. 76.32. The total annual household income of the sample worker during 2003-04 from SGRY work came to Rs. 3301.35 and that from non-SGRY sources (including both self-employment and wage employment) came to Rs. 16,492.39. Thus, on an average, the SGRY wage constitutes just 16.77 per cent of the total annual household income of the sample beneficiaries. Another aspect that needs to be looked into here is the mode of wage payment in SGRY. The mode of wage payment affects its value. Kind wages (of the type paid in terms of raw foodgrains) or kind component is less deflectable than cash. It must be noted that the real wage is net of the calorie cost of activity, which may reduce its value by up to 25 per cent (Rodgers 1984). Programme guidelines state that the distribution of foodgrains as a part of wages under SGRY is based on the principle of protecting real wages of workers, besides improving the nutritional standards of rural poor families. But considering the kind of backbreaking manual work SGRY workers engage in and the attendant calorie cost of the activity, there is a need to further look into the guidelines' claim of "protecting the real wages of workers".

### **Food Security**

Employment generation against the payment of wages partly in cash and partly in kind (foodgrains) through public works has a long history in India. The genesis of this programme can be traced to famine relief measures. Programmes like SGRY are especially important at a time when the cyclical scarcity in off-season or drought years aggravates the problem of nutritional deficiency. With the accumulation of "surplus" food stock, it's been easier to combat such cyclical nutritional deficiencies. Maharashtra's EGS is an outstanding example of this kind. Cyclical and seasonal food insecurity of the rural poor is expected to be tackled by the ambitious nationwide programme. The purpose of the programme is to utilise the foodgrains surplus to employ the unemployed and under-employed rural labour in the off-seasons, so as to ensure physical access to foodgrains during critical periods. As per SGRY guidelines, workers are entitled to a minimum of five kg of foodgrains and a minimum of 25 per cent of wages in cash per man day in such a manner that they are assured of the notified minimum wages. Foodgrains are provided free of cost by the Union Government to the State Government. In Maharashtra, five kg of foodgrains (wheat and rice) is made available per man day to the worker

at the rate of Rs.5 per kg of wheat and Rs. 6 per kg of rice. Our field findings suggest that sample workers were getting a slightly higher amount of foodgrains as part of wages i.e., 5.26 kg. The balance wages were paid in cash after deducting the cost of foodgrains.

As our field findings suggest, in relation to the stock of aggregate employment and income generated by normal development activities, SGRY's role is insignificant. While these factors rule out any significant nutritional impact on the rural poor, its achievement cannot be belittled given the constraints of fund and other factors. Its positive aspects include - good quality of foodgrains (confirmed by all the sample respondents), higher than average off-take and utilisation of the food component (an average of 86 per cent off-take at the state level and 100 per cent at the selected district, block and Gram Panchayat levels and 90 per cent utilisation at the state level, some 86 per cent at the sample district level and almost 100 per cent at the block and GP levels), a fair access of the poor to their food entitlement under SGRY and little or no mismatch between the grains demanded and the grains supplied, as also between the entitled and received amount (about 70 per cent of the sample beneficiaries confirming the same, with just four per cent replying in the negative). There is further supporting evidence to prove the above point. Almost all the sample workers (99.3%) used the foodgrains for domestic consumption, despite the fact that they had the freedom to sell the food coupons in the open market. Theoretically, at least this mode of payment enhances the exchange entitlement of poor workers, by giving them good quality foodgrains at the BPL price. But it has its downside as well, in terms of the time and money cost it imposed on the rural poor. No wonder then that 20 per cent of workers expressed their dissatisfaction with the foodgrains distribution arrangement and another 22 per cent expressed their desire to take the entire wage amount in cash only. In one exceptional case in the Malwadi GP of the Miraj block in Sangli district, the entire group of 11 SGRY workers had not received their foodgrains entitlement and had to be paid in cash.

On the whole, the objective of providing food security and improving the nutritional status of the target groups via wages in kind does appear to have been realised, but to a limited extent. About 40 per cent of the sample respondents reported to have experienced some perceptible improvement in their nutritional status, consequent to participation in SGRY work. But the potential for enhancing food security and the nutritional status does exist, provided the practical problems associated with a limited coverage, lack of proper inter and intra-district resource allocation, payment of wages in kind etc., are taken care of and efforts are made to improve the proportion of female employment in the programme. While there is no direct evidence, a declining income variability of the vulnerable sections defined as the landless, SCs etc. can be expected to have some impact in reducing seasonal malnutrition. That SGRY played some role in combating seasonal troughs in income

is also indicated by the qualitative evidence gathered during field work. The findings also lend credence to our hypothesis, albeit indirectly, that foodgrains off-take and distribution under SGRY is higher in food deficit states like Maharashtra. There is further confirmation of the hypothesis that the demand for foodgrain (from labourers) was a result of the quality of foodgrains distributed. There is ample evidence in the study areas to prove it. The quality of foodgrains supplied at the BPL rate was one of the primary reasons for the higher rate of domestic consumption among workers.

### **Asset Creation**

The types of assets created - their quality and usefulness as also arrangements made for their maintenance -- was one of the key components of the study. For this purpose, in addition to the perusal of secondary data, the field survey also collected information on assets created and arrangements made for maintenance at the selected Gram Panchayat level. In the process, the quality of some of the assets could also be assessed after physical verification and usefulness ascertained through observation and interviews at the Gram Panchayat and beneficiary levels (see Table 9). Different types of assets reported to have been created at the state, selected districts and Gram Panchayat level during the reference period, 2003-04. But, the table reveals an intriguing fact. There is considerable mismatch between the state list, on the one hand, and the district and Gram Panchayat list, on the other. The assets created at the district and GP level notwithstanding their quality, at least confirm to the illustrated list of the programme guidelines. The field data revealed that at the district and Panchayat level, the illustrated list of items of work given in the programme guidelines had become the exhaustive list for monitoring/progress reporting purposes at the operational levels. A number of Gram Panchayats had reported assets creation under the category "other work and drainage work", which appeared to have been done to meet local needs. The quality of some of the assets was assessed in our study during field visits at the GP level. It was observed that the quality of the assets created leaves a lot to be desired in a number of cases. In order to ascertain the usefulness of the assets created at the Gram Panchayat level, an attempt was made to elicit views of the selected beneficiaries. Out of the 151 selected beneficiaries almost all (149 or 99%) had expressed satisfaction over the usefulness of the assets created. However, in a minority of the cases, factionalism came in the way of realising its usefulness. In the creation of assets, the role of contractors and middlemen is banned. In our study areas, no case of involvement of contractors or middlemen in SGRY work was found (see Table 10). At the selected Panchayat level, in 60 per cent of the cases, PRIs were found to be the executing agencies and in the rest 40 per cent of cases the concerned line departments were the executing agencies.

**Table 9: State, Selected District and Gram Panchayats Reporting the Types of Assets Created during 2003-04 (Percentage in parentheses)**

Sl. No.	Types of assets created	State	Districts (Total -2)	Gram Panchayats (Total -8)
1	Soil & Moisture Conservation	--	2 (100.00)	2 (25.00)
2	Minor Irrigation	--	1 (50.00)	2 (25.00)
3	Drinking Water Source Rejuvenation (groundwater augmentation)	1 (100.00)	2 (100.00)	2 (25.00)
4	Traditional Water Harvesting Structures	--	2(100.00)	--
5	Village Tanks Desiltation	--	1(50.00)	--
6	Rural In-road	1 (100.00)	1 (50.00)	1 (12.5)
7	Farm Road linking with Agricultural Fields	1 (100.00)	1 (50.00)	--
8	Drainage Work	1 (100.00)	2 (100.00)	4 (50.00)
9	Afforestation (Social Forestry)	--	2 (100.00)	--
10	School Building Construction, Dispensaries & Community Hall	1 (100.00)	3 (50.00)	--
11	Market Shed	1 (100.00)	1 (50.00)	--
12	Works Benefiting SCs/STs	1 (100.00)	2 (100.00)	8 (100.00)
13	Any Other	1 (100.00)	1 (50.00)	4 (50.00)

**Table 10: Executing Agency for SGRY work (as per Sample Worker Participation)**

Agency	Number	Percentage
Line Department	61	40.4
PRIs	90	59.6
Total	151	100.00

Source: Field Survey

As mentioned earlier, capital assets like roads, water sheds, market sheds etc., were created under this programme with a view to filling in the critical infrastructural gaps in rural areas and enhancing the quality of life of rural people. As such these assets require regular, adequate and timely maintenance and keeping this in view, the guidelines provide for a 15 per cent maintenance fund for the assets created. During the course of the field work, it was observed that adequate importance was not given for the maintenance of the assets in the study districts and Gram Panchayats. The Gram Panchayat had been made responsible for the upkeep of the assets sans adequate resource provision. This had taken a toll on the quality of assets maintenance at the village level. Building up of productive rural infrastructure represents the long-term component of SGRY. Well-designed and

demand-driven rural infrastructure is expected to alleviate rural poverty by expanding mainstream job opportunities through higher productivity of land and labour, agricultural diversification and expansion of allied activities. Their proper integration into the overall development plan of the district and the state is also essential to derive synergy. But SGRY policy guidelines reflect the conflict between the twin objectives of assets creation and employment generation with primacy given to the later. This tension is also reflected on the field with an ad-hoc approach adopted in most of the cases for assets creation and maintenance. This view is also shared by most of the programme implementation officials, including the majority of BDOs (Block Development Officers) in the study areas.

The short-term component of SGRY by taking an upper hand over the long-term component has forced it to continue as a "relief measure" only. The fears expressed by Dantwalla (1973) in another context, applying with equal force here also, the perpetuation of a dualistic economy where a host of assetless rural poor would continue to depend on public work, while the well-endowed would participate in the mainstream labour market. Apart from the quantum of assets created, the long-term impact of SGRY on rural poverty also depends crucially on the quality of the assets created and their utility to the rural poor. The assets created should play a catalytic role in generating mainstream employment opportunities for the rural poor. That's why the policy guidelines stipulate the deriving of synergy between SGRY and PMGY and other such related scheme. But our field findings suggest that no attempt has been made to derive synergy between these programmes. Also there have been no efforts to integrate SGRY assets with facilities for self-employment programmes like SGRY. The primacy given to the construction of drainage work in better off areas of villages, particularly in the Sangli district, may be demand-driven and may also contribute towards enhancement of the quality of life, but it has no long-term employment generation capacity. This calls for a need to strike a fine balance between the short-term need of villages and the long-term needs of the poor.

This leads us straight to the next point, i.e., the utility and accessibility of the assets to the rural poor. Theoretically, asset building under SGRY benefits all sections of the rural population, poor and non-poor alike. But taking into account the rural socio-economic dynamics and the nature of the assets created, it was found from our field observations that the benefits accrue more to the land-owning sections of the rural population - the large (non-poor) and the small and marginal farmer (poor) - than to the hardcore poor of landless SCs and backward communities, eking out a precarious existence on manual wage labour. The possibility of creating other kinds of assets with the potential of generating non-farm employment like agro-processing, re-cycling enterprises, waste land development, etc. need to be seriously explored. Creation of community assets like land reclamation under

wasteland development or bio-drainage projects (like in Sangli district) or social forestry and tree plantation under SGRY, that meet poor women's resource requirement and awarding the ownership of such created assets to women groups, can also be tried out.

### Factors and Problems in Implementation

Another primary objective of the study was to identify factors affecting SGRY performance in Maharashtra. This, in effect, involves an analysis of the factors facilitating and inhibiting the implementation of the programme in the state. For this purpose, information with regards to various administrative, financial, technical and other problems faced by the implementing agencies were collected at the state district and Gram Panchayat levels. Views of officials, our own assessment and comments of the selected beneficiaries were obtained for identifying the problems and suggesting improvement in the programme. As far as awareness about the scheme is concerned, it was found that 93 per cent of the sample beneficiaries were aware of it and the Panchayat was found to be the source of awareness in a majority of cases.

**Table 11: Problems in Implementation of SGRY at the ZP/Intermediate Panchayat Level**

<b>I</b>	<b>Administrative, Financial, Technical and Others</b>	<b>ZP/Intermediate Panchayat</b>
1	Inadequate Staff for Auditing GP Accounts	Ratnagiri & Sangli
2	GP Pradhans not Well Versed with SGRY Guidelines	Ratnagiri & Sangli
3	The Jurisdiction of Gram Sevaks and Panchayat Secretaries is More	Ratnagiri & Sangli
4	Present Ceiling on Administrative Cost is Inadequate	Ratnagiri & Sangli
5	Inadequate Funds	Ratnagiri & Sangli
6	Sometimes Delay in Release of Funds, Particularly the State Matching Grant	Ratnagiri & Sangli
7	Low Wage Rate	Ratnagiri & Sangli
8	Technical Staff like JEs Inadequate at Block Level	Ratnagiri & Sangli
9	Complete Ban on Use of Labour Displacing Machines in Hard Rock Areas	Ratnagiri(Gohagarh)& Sangli(Tassgaon)
10	Delay in Finalising Action Plans at the GP Levels	Ratnagiri & Sangli

Source: Field Survey

**Table 12: Problems Encountered in the Implementation of SGRY at the GP Level  
(Percentage in parentheses)**

<b>I</b>	<b>Administrative, Financial, Technical and others</b>	<b>No. of GPs: 8</b>
1	Panchayat Secretary & Gram Sevak Over-worked	4 (50.00)
2	Preparation of Plan and Estimate by Block	2 (25.00)
3	Funds Inadequate	8 (100.00)
4	Release of Funds/Matching Grants Delayed	6 (75.00)
5	Wage Rate Lower than Market Rate	8 (100.00)
6	Larger Operational Areas of JEs	3 (37.5)
7	Lack of Technical Guidance	4 (50.00)
8	GP Pradhan/ Secretary not Trained	6 (75.00)
9	Lack of Adequate Monitoring	3 (37.5)
10	Factions in GP	2 (25.00)
11	Lack of Awareness/Publicity Among People	3 (37.5)
12	Non-constitution of Village Monitoring Committee	8 (100.00)

*Source:* Field Survey

#### **Problems at DRDA, Panchayat Samiti and Gram Panchayat levels**

The present ceiling on administrative cost (2%) is inadequate (see Table 11). The table also reveals the lack of adequate knowledge of GP Pradhans about SGRY. It also highlights the inadequacy of technical staff, like the JE and accountant, in monitoring the programme. It shows that the Panchayat secretary and the Gram Sevak are overburdened with work. The financial problems include inadequacy of funds and late receipt of funds. In the technical category, the ban on the use of labour-displacing machines is creating problems in the hard rock areas of the study districts. The inadequacy of funds and the wage rate being below the market rate were cited as major financial problems (Table 12). Sometimes the estimation prepared by the block for Panchayat work and the overload of work on the Panchayat secretary and Gram Sevak emerged as the main administrative problems. The proper maintenance of muster rolls and the non-employment of contractors in SGRY work were the major positive points. But the non-constitution of the Village Monitoring Committee seemed to be a major lacuna in the implementation of SGRY at the village level.

#### **Comments of beneficiaries on the working of SGRY**

The views of the beneficiaries as primary stakeholders in the programme have much significance. The following table presents in a summarised form their views on the working of the programme. The table shows that the majority of the sample worker (87%) was not happy with the short duration of work undertaken in SGRY (see Table 13). But the above table also highlights many positive points, like

the taking up of need-based work within the village, preference to village labour the absence of complaints regarding the non-payment of due wages, and availability of work during the lean agricultural season. Some of the areas of concern highlighted by the beneficiaries include the fortnightly payment of wages (which violates the guidelines provision of weekly payment of wages), the distribution of foodgrains not being done at the work site (this again is a violation of the guidelines provision). We have also elicited the views from the Gram Panchayat functionaries and the beneficiaries for the improvements of the programmes.

The suggestions offered at the GP level are listed in tables 14 & 15. These suggestions include enhancement of wage rate, regular employment and long duration of work be undertaken.

**Table 13: Comments of the Beneficiaries on the Working of SGRY  
(Percentage in parentheses)**

Sl. No.	Comments	No. of beneficiaries= 151
1	Irregular/Short Duration of Work	131 (87.00)
2	Foodgrains not Provided	11 (7.28)
3	Programme Beneficial for the Community	151 (100.00)
4	Payment Delayed	52 (34.44)
5	Not aware of SGRY	11 (7.3)
6	GP as the Source of Awareness	140 (92.7)
7	Weekly Payment of Wages	3 (2.0)
8	At least Two Household Members in the Programme	66 (43.7)

Source: Field Survey

**Table 14: Suggestions for Improvement in the Functioning of SGRY at the  
Selected GP Levels (Percentage in parentheses)**

I	Administrative, Financial, Technical and Others	No. of GPs 8
1	Additional Staff for Planning and Execution	8 (100.00)
2	Jurisdiction of Gram Sevak /GP Secretary be Reduced	4 (50.00)
3	GP be Involved in Monitoring Fair Price Shops Distributing Foodgrains	7 (88.00)
4	No Delay in the Release of Funds/Matching Grants	8 (100.00)
5	Provision of Adequate Funds	8 (100.00)
6	Wage Rate should not be Less than the Market Wage Rate	8 (100.00)
7	Jurisdiction of JEs be Reduced	4 (50.00)
8	GP Pradhan may be Trained Adequately	8 (100.00)
9	Awareness to be Created Among People	4 (50.00)
10	Maintenance of Assets be Taken up on a Priority Basis	4 (50.00)
11	Constitution of Village Monitoring Committee be Ensured	2 (25.00)

Source: Field Survey

**Table 15: Suggestions for Improvement in the Working of SGRY as Reported by the Selected Beneficiaries (Percentage in parentheses)**

<b>Sl. No.</b>	<b>Suggestions</b>	<b>No. of beneficiaries =151</b>
1	Regular Employment be Provided	127 (84.00)
2	More Work/Long Duration Work be Undertaken	131 (87.00)
3	Proper Inspection and Monitoring be done	65 (43.00)
4	Wages be Paid Daily	50 (33.00)
5	Wage Rate should be Increased	151 (100.00)
6	Beneficiaries Selected Monitoring Committee be Constituted	97 (64.23)
7	Foodgrains be Distributed at the Worksite/Within the Village	35 (23.18)

Source: Field Survey

### **Overall Impact Assessment**

By virtue of the inter- and intra-state funds allocation based on the backwardness index, SGRY redistributes employment and resources and helps to reduce uneven development. By providing supplementary employment to agricultural labourers at times when there is no work in the fields, SGRY frees land owners from the traditional obligations to retain workers during the slack season. The other specific impacts claimed include mitigation of rural unemployment/under-employment at the aggregate level, though on a very small scale, an increase in the average income and reduction of income variability and food insecurity during slack seasons. Our field findings furnish evidence for most of these inferred effects, though to a very limited extent. As a direct intervention programme, SGRY has had limited success in meeting the following considerations in the choice of interventions. They are maximum benefits to the target groups, minimum disincentives to participants, cost effectiveness and minimum leakages. While SGRY satisfies the first two criteria, there is further scope to enhance both the requirements, particularly the second one by making the scheme more attractive to women. As far as the third criterion is concerned, there is some cause for concern regarding the cost effectiveness of the scheme. During 1999-2000, the cost per person days of employment generated (at current prices) under EGS it worked out to be Rs. 52.05, while under SGRY it came to about Rs.76 in 2003-04. There is a need to make it more cost effective and pass on the benefits to workers. As far as the last benchmark is concerned, the programme ensures minimum leakages to a great extent by virtue of being self-targeting and non-discretionary.

### **Conclusions**

The positive aspects of field findings reveal that SGRY wage rate was found to be in conformity with the notified minimum wage rate in the state.

Distribution of foodgrains through food coupons, the hallmark of Maharashtra SGRY, enhances the exchange entitlements of the rural poor, by giving them quality foodgrains at BPL price. It has been observed that a major part of the available funds at the state level, i.e., nearly 96 per cent, were spent by village Panchayats for creating community assets. The survey revealed that in all the selected Panchayats (100%), muster rolls were maintained and readily available. This is very encouraging as the muster roll is an important document for assessing employment generation. PRIs were found to be the executing agencies in 60 per cent of cases and concerned line departments in the rest. About 75 per cent of the workers were satisfied with the benefits received under the programme and about 80 per cent expressed satisfaction with the mode of wage payment, including cash and foodgrain. Some improvement in the nutritional level of the participating workers can be inferred from the fact that almost all the respondents (99.3%) used the foodgrains for domestic consumption and 40 per cent replied in the affirmative about improvement in nutritional level.

Despite these positive aspects, however, there is a need to address issues like asset creation under SGRY, which emerged as a grey area. The construction of houses and latrines for SC/ST beneficiaries, which as per guidelines provision need to be taken up by the district/intermediate Panchayat under exceptional circumstances and need to be given lesser priority vis-à-vis the creation of productive asset for beneficiaries to ensure their sustainable livelihood, has been given undue importance by GPs. The fund utilisation pattern of GPs is marked by great variation - ranging from a low of 27 per cent to a high of more than 100 per cent. This aspect needs to be looked into seriously. The training and capacity building of GP Pradhans and other members with regard to SGRY work emerged as a highly neglected area. There is a need for more orientation of GP members and heads to training programmes. Of the total employment generated in the two study districts, the share of women was just 21 per cent. As per SGRY guidelines, women need to benefit from 30 per cent of the total employment opportunities created. The Village Panchayat cited shortage and late receipt of funds as major financial problems that hamper SGRY work. Generally, the Village Panchayat is expected to utilise locally available material for various works undertaken by them. However, it was found that the use of locally available material was not very appreciated. Lack of co-ordination between the revenue and DRDA administration is a cause for concern in case of delivery of foodgrain to the beneficiaries. The non-constitution of Village Monitoring Committees, designed as civil society watchdog bodies, calls for more stringent policy provisions. The lack of proper maintenance of asset created and ambiguity at the DRDA level on the utilisation pattern of the 15 per cent asset maintenance fund cast doubts on the sustainability of the asset. The merger of SGRY to kind of employment guarantee scheme as mentioned in NREGS Act and the provision of wage payment both in cash and kind is to be maintained, since all the labourers involved in SGRY are either BPL or agricultural labourers.

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## Book Reviews

**Vandana Desai and Robert Potter. *Doing Development Research*. New Delhi: Sage Publications. 2006. Pp 324 + xi. Rs 480.**

Doing Development Research is a timely intervention in an era when the very category of development and its associated practices have come under increasing attack. This book attempts to deal with the problem of doing empirical research in the multi- and inter-disciplinary field of development studies that presumes the rejection of the mainstream concept of development, criticising it as meta-theoretic and meta-narrative. The book asks: How would one do empirical research in what the editors of the book refer to as the post-structuralist and post-modernist terrain in which not one but multiple development theories thrive and contest with one another? To appreciate the contributions and weaknesses of the book, it is imperative to first comprehend the reasons for rejecting the mainstream development paradigm. The following critique prizes open the alternative methodological plane within which *Doing Development Research* steps in.

The attack on mainstream development (from now on, simply called development) is two-fold. First, it is pointed out that development is a continuation of the colonial discourse. Its paradigm is principally founded on the category of 'the third world' as a de-valued representation of the 'traditional' non-capitalist economies in direct contrast to the Westernised, modernised, capitalist economies. This way the former (say, represented by agriculture, formal, etc.) is inferiorised as a 'lacking other' of the latter (say, represented by industry, formal and so on) and, once so represented, development comes to be defined as the 'progressive' transformation of the third world 'traditional' economy to a modern, capitalist economy that is already presumed to have been achieved in the West. Critiques have pointed to a host of logical as also explanatory fallacies of such a deterministic representation of the Southern context as 'the third world' and of its transition. Second, such a representation of South as 'the third world' has had a telling consequence on an array of adopted developmental practices. For example, various kinds of policies were conceptualised and deployed keeping in mind the above-described development model and the teleological set path of transition. Furthermore, to enable the legitimisation of the development model and its associated policy interventions, a host of techniques were developed to enable data collections and data interpretations. It is notable that such data collections and data interpretations were not taking place in a theoretical vacuum but importantly in the epistemological context of the development paradigm that fixed the questions, the techniques and the groups to be accessed and researched. Not only were the types of groups to be accessed and analysed determined by the logic of the development model, but how they were to be accessed and analysed was preset as well. Finally, what was so

profound about the mainstream development imagination is that along with policy makers, bureaucrats and, generally, the ruling elite, the 'top down' development imagination soon appropriated within its ambit a large segment of the population through the expanding and modulating networks and apparatus of development practices. Development, by creating a certain mindset, produced the development subject as well, who learnt to look at his own existence as de-valued and saw liberation in his transformation into the alien other of the modern that was waiting to arrive.

Taking cognizance of both the above features, it was revealed that development reflected a biased understanding of the South in terms of the modernised West. The logic of development capturing the purported transitional path of the South telescoped the march of Westernised modernism which indeed was the projected goal of the civilising mission during the colonial period. Other than the methodological lacuna of this development model, that has by now been heavily criticised for being deterministic and historicist taking the interchangeable and substitutable methodological forms of, at times, rationalism and empiricism, the development model has also come to be criticised on the following counts: (i) the seemingly apolitical march of development masks the political idiom of capitalism since transition under development telescopes the transition towards modernity qua capitalism, (ii) the development logic encapsulates the hidden yet pre-given superiority of the West and since it is presumed that the West is already modernised, the transition of a posited inferior third-worldist South becomes pre-destined to mimic the march of Westernised modernity (a point that was the subject of criticism of both Gandhi and Tagore, albeit differently), (iii) third-worldism within the development logic decries and devalues the 'traditional' economies and leaves no room to rethink development from within such communities (even through government help), and (iv) the enormous social costs of development practices which have generally been drowned out amidst the hype concerning the march of development (for example, in the twentieth century, more people have been dislocated and paradoxically made poor by development projects pertaining to the logic of industrialisation than by war).

The editors of *Doing Development Research* and the contributors would stand convinced of the above criticisms as good enough reasons to substantiate their rejection of the mainstream development paradigm and start rethinking on newer approaches to development. That way the above critique constitutes the point of reference and departure for the subsequent interventions laid down in the book. Given that rethinking of the development paradigm is an ongoing process, the contributors in the book sought to take a different look at the issue of doing empirical research in the background of the changed understanding of development. Rejection of the meta-theories and meta-narratives coupled with the reversal of the top-down approach associated with the mainstream development paradigm means

that the emphasis shifts towards producing little stories and devising new methods of accessing, hearing, filtering and disseminating voices of the diverse experiences of the researched. Due to the importance attached to relaying the experiences of the people concerned, more emphasis is placed on field surveys, focus groups, diaries, case studies, participatory methods, extracting indigenous local knowledge and literature, using images, films and photography and so on. Not only is there an emphasis on shifting the methodology of *doing development research* but even how the researched are to be approached, interviewed and analysed are now subjected to ethical considerations. It is argued that cultural differentiation pertaining to race, ethnicity and identity as also group differentiation concerning women and children must be taken into account and internalised within the research methodology. Articles are also available in the book on the methods of dealing with institutions such as the government, educational bodies, NGOs and so on so that the researchers are able to carefully tread a thin line to preserve their research freedom. *Doing Development Research* captures well the changed situation under which both the researched as also the researchers should ideally find themselves in. The intended readers of the book are budding researchers who are contemplating doing empirical research on development in the South. In so far as its targeted group is concerned, I believe that the simplicity with which the contributors detail each of the points will be extremely helpful to the reader.

While the attempt the book makes is laudable, refreshing and also useful, there are two disturbing features that I would like to conclude with. I begin by asking: If the mainstream development paradigm is rejected, then what alternative development paradigms are the authors referring to? Indeed, as the editors say, multiple epistemologies and hence diverse development paradigms co-exist. Accordingly, doing empirical research too would vary depending upon the purported development paradigm that is considered. If we grant the obvious point that no empirical research is theory-free, the question persists: whose 'development research' are we talking about? The answer to this troubling scenario could be that one should take a pragmatist approach depending upon the situation. However, the methodology of pragmatism, too, has its limitations which takes us to the second point. It is well-known that the overwhelmingly dominant development paradigm within the South remains the mainstream version of development. In that context, third-worldism does not simply signify a top-down approach but also where the subjects are already development subjects. Their responses to the bottom-up post-structuralist and post-modernist researchers could accordingly show complicity with the apparatuses and meanings that are already embedded within the social environment which forms the 'third world' development subjects. Third world subjects are not simply objects of development but they are also subjects of development, that is, ones who see themselves as embodying and personifying to a great extent the teleological march of development. Given such a hegemonic hold

of the master sign of development, we wonder how could the response of the researched be outside of the already embedded mainstream development imagination. In a situation where the issue of formation of the development subjects is left unaccounted for, what would the usefulness of the so-called alternative development research paradigm be that chronicles the voice of the researched who are already subjects of development? Aren't we in danger of re-inscribing the subjects as 'third world' development subjects through the backdoor? Any self-proclaimed research methodology must find ways to confront this thorny issue. I am not saying that the critique of mainstream development is invalid. Far from it, my argument refers to the simple point that that pragmatism is not the answer to hegemonic hold of mainstream development. Post-structuralism and post-modernism of this hue are good in opposition but not in proposition. The pertinent question for us is: what alternative development paradigm or paradigms can we propose that will rethink in one turn and not turn by turn the issues of development imagination, development subject, development apparatus and development politics not just in a critical mould but also within a recast development theory or theories of transition and progress, albeit anti-deterministic and de-historicised? While *Doing Development Research* gets us going in the direction of alternative research methodology, where we continue to rethink on empirical research in the context of alternative development paradigm, the debate over development must also switch to a debate over that path of rethinking.

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**Thirumaavalavan. *Talisman: Extreme Emotions of Dalit Liberation*. Kolkata: SAMYA. 2003. Pp 185 + xxviii. Rs 200. With comprehensive introductions by Gail Omvedt and the Translator Meena Kandasamy**

#### **Intellectual Assertion of Dalits**

Dalits' assertion in the ideological sphere in Tamil Nadu dates back to the nineteenth century. Iyothee Thass (1845-1914) emerged as an icon of Dalits in the nineteenth century. He launched a magazine called *Dravida Pandian* along with Rev. John Rathinam in 1885. He started a paper called *Oru Paise Thamilan* in 1894. Thass launched a weekly called *Tamilan* in 1907 and published it till his demise in 1914. Here, he devoted his energies in critiquing the Swarajya politics of the Congress. Thass was the driving force behind the establishment of several

'panchama' schools in Chennai. On his return from Sri Lanka after the *diksha*, he established the Sakya Buddhist Society in Chennai with branches in many places, including Karnataka. The contemporary Tamil Dalit movement has rediscovered its Buddhist roots through Thass. He focused on education and the issue of land. His writings attracted the attention of Tamil scholars of the day. The activities and writings of Iyothee Thass are believed to be the beginning of the rationalist movement of Tamil Nadu.

Iyothee Thass had indicated at the beginning of this century that the task awaiting all those opposed to Brahmin prowess and authority required the making of a grand fraternity of people which would be animated by ethical and philosophical ideals, which guaranteed freedom, mutuality, equality and self-worth. The Justice Party brought to the table considerable political acumen. Taking a thread from here, it is believed, Periyar carried forward the unfinished agenda. It was Periyar and his young supporters (largely Dalits) who with unbounded energy and imagination defined the Justice Party agenda in terms of governance and rule. He wanted Dravidians to educate themselves in vast numbers, populate state services and claim what was due to them by virtue of their being the producing and labouring communities.

The sincerity, transparency of intent and lucid imagination of Periyar commanded respect from all sections of the Sudras and Dalits. His public addresses would make his audience think, analyse and judge the truth of what they had heard. He cajoled, persuaded, threatened and warned his listeners. This generated a good number of communicators in the movement besides Periyar -- men and women of immense learning who could argue their points of view with skill. They could write on and discuss a range of subjects. To mention a few, Bharathidasan, Jeevanandam, Gurusamy are in the list that goes on and on. Thus, the intellectual legacy of Dalits got reinvigorated with Periyar's rationalist movement. Similarly, Erattaimalai Srinivasan, M C Rajah, N Sivaraj and L Elayaperumal were some of the stalwarts associated with the movement at various stages.

Today, there are many contemporary Dalit intellectual groups like Dalit Intellectuals Collective, Sakya Foundation and many other regional or city-level discussion forums for Dalit youths. This intellectual assertion enabled Dalits to come out of their victim syndrome to assert their cause as one of entitlement and fundamental human rights. There are many intellectuals in the contemporary Dalit movement. One among them who gives both intellectual and political leadership to Dalits of today is the Talisman, Thol. Thirumaavalavan. He has his own view on the developments of quotidian social and political issues. He differs significantly from the views of contemporary Dalit intellectuals on Periyar and Gandhiji. No one can deny that OBCs and Dalits are now able to provide intellectual and cultural leadership that influences policies in favour of affirmative action in Tamil Nadu because of the cultural transition brought about by the Periyar movement and Gandhiji.

### **About the Book**

The book under review is a translation of his writings in the Tamil version of *India Today* for nearly two years from August 2001 to February 2003. It has an all-inclusive foreword from Gail Omvedt and a comprehensive introduction from the translator, Meena Kandasamy. It has 34 articles that transcend the issues of Dalit uprising, rule of casteist forces, internal security acts and religious fundamentalism to international issues such as the Sri Lankan ethnic strife and 'super cop' George Bush. These articles have been organised according to the sequence of their publication. Though a thematic classification has been done for each chapter, it has not been organised in that way. As a result, it takes us to a sequence of events from August 2001 to February 2003 and the stand of the author on that particular point of time.

Talisman is anyone/thing whose presence exercises a remarkable or powerful influence on human feelings or actions. It is an object marked with magic signs and believed to confer on its bearer supernatural powers or protection. Thol. Thirumavalavan commands remarkable respect and magical powers on Dalits in the whole state. Thus, the book is appropriately titled after him.

He takes strong positions on various issues like the anti-conversion bill, the Sri Lankan ethnic issue, women's empowerment and atrocities against Dalits. Similar to Kanshi Ram and Ram Vilas Paswan, he takes a balanced view on all the issues though with a judicious mix of militancy and statesmanship. He does not take the stand of the Tamil Nadu Sakyans who are on a malicious campaign against Periyar and Gandhiji. His stand on Sonia Gandhi's foreign origin shows his consistency in thinking. He vehemently criticises the religious forces and Jayalalitha's views on Sonia Gandhi's foreign origin by raising powerful questions like, "whether the government is to protect the religion or its people?", "AIADMK is not a Periyar Movement, It is a Periyavaal Movement".

In the first article, he compares the existence of variety among birds and animals, from sparrows to kites, which exist without any discrimination and exploitation against each other. There is, however, one difference between them and us, and that is the absence of the sixth sense in them. The sixth sense is supposed to enlarge the human faculty so that they can respect the culture and institution of others, for every group has "otherness" befitting their metaphysical and socio-epistemological existence. Otherwise, those who practise superiority by birth have immature and undeveloped sixth sense. They have a degenerated existence below that of birds and animals.

### **Women's Empowerment**

He underscores that women in Tamil epics, like Kannagi, Nalayini and so on, were used as whips by men to oppress and repress women, and as protective

fortresses of the hegemonic mindset of men. Kannagi is seen increasingly as a symbol of male domination. He questions the wisdom of Kannagi who allows Kovalan wandering in search of Madhavi and Nalayini who carries the leper husband in a basket to a prostitute's house in the name of chastity. He frowns upon stories in the epics that make women approve of male domination by justifying impropriety of men. He maintains that chastity is only a violence fabricated by men. The devadasi system, which was promoted by the kings, brought in a one-sided code of chastity. He questions the wisdom of kings in promoting devadasis -- "the impropriety of men must not be restrained, but women's chastity must also not be spoilt". Interestingly, he concludes by saying that Kannagi should be revered high for her militancy to uphold justice, but not for her chastity. He observed that this internalisation should be the first step towards empowerment of women.

### **Oppression of Dalits**

Even after the initiatives by Periyar's movement and many years of democracy, the continuation of social massacres from Venmani incident in the '60s to Melavalvu in the '90s in Tamil Nadu reiterates the need for a broad-based political mobilisation of Dalits. Though intellectualism among Dalits has, to a certain extent, drawn attention to the issue in the mainstream, the ignorant intellectuals from the other social groups do not subscribe to it at all. Hence, the voices and writings of Dalits often fall on deaf ears. Neither the DMK nor the AIADMK want to antagonise any major social group in Tamil Nadu for political reasons. Another major reason is the lack of unity among Dalit groups, making them insignificant players in vote-bank politics. Though some polarisation is taking place among Dalit youths through Viduthalai Chiruthaigal and Pudhiya Tamizhagam, it is not yet sufficient to win elections or even make themselves a sought-after-partner of any major alliance. Thus, the voices of Dalit parties do not reach the power centre in Tamil Nadu, and oppression continues.

His views on police terrorism and terrorism of law indicate that the police and the law are against the downtrodden Dalit. The internal security acts such as MISA, TADA and POTO have infringed upon the basic human freedom of speech and are used for political vendetta against the opponents. He is of the view that these draconian laws have created rather than eliminated more terrorists, be it in Punjab, Kashmir, Assam or even in Tamil Nadu. "Law will bend itself for the powerful. It will kick the poor!" He reiterates, "The police are only a legally approved and uniformed rowdy gang," quoting a judge from Allahabad High Court. To please the ruling party, they are prepared to carry out any type of rowdy acts, like attacks on Law College students, the Thamarabharani River Tragedy, torture of tribal people during the search for Veerappan, custody rapes and deaths in police stations. Instances abound to justify the rowdiness of the police. Political parties in power encourage and instigate them to trounce their political rivals. Thus, they approve

violations, rowdiness and high-handedness of the police. The nexus between political parties, anti-social elements in society and the police scrounges the governance of democracy and the rule of law like a cancerous growth. Though the Viduthalai Chiruthaigal have agitated vehemently against police atrocities against women and the poor, the political class always comes to the rescue of the police. This shows up the *bona fide* instrumental agents of violence and crime against women and the poor in Tamil Nadu.

In the article, 'Who Rules the Nation: Law or Casteism?', he elucidates how caste sways in rural areas and politics. The rule of law changes itself in Tamil Nadu, according to the whims of the dominant castes and always plays against the subaltern groups. The incidence of election-related violence in the reserved constituencies speaks volumes of the rule of law and human rights violation. During these times, the police, the rules and implementing agencies are nowhere in sight. The police and the political powers did not exercise their power nor did they ensure the rule of law during the massacre of Venmani, Melavalavu, the elections in the reserved panchayats in Papparpatti, Keeripatti, Nattarmangalam, and so on. The law-enforcing authorities emerge only after a lot of damage has already been done. The police force comes out in full strength only to stop the retaliatory attacks and to quell the subaltern people.

Thus, the rule of law is against the subaltern, Dalits and women. The police, political parties and casteist forces rule the nation and hold sway over the downtrodden. Caste and religion are man-made evils to rule the ignorant. The Constitution and rule of law should not be used to protect caste and religion. The democratic government should protect all the people.

Periyar, reacting to a Supreme Court Bench's observation on a case on appointing people from all castes as *Archagars* in temples in Tamil Nadu (that "...for the Hindu, the idol was a sacred object of immense significance. The devout Hindu would not countenance anyone but a traditional priest to touch the idol, for his faith was clear on this matter...") stated that the Indian nation was not interested in all those who were condemned by the Hindu religion to be less than human. A similar view is reiterated by Thirumavalavan. This shows that he differs in his views from the Sakyan and Dalit intellectuals, particularly the Pondicherry group. They believe that mudslinging against genuine leaders could be the beginning of displacing one set of leaders with another. Rather, Thirumavalavan believes in leadership emerging forthrightly, not at the cost of some other leaders who were transitional and transformational figures. Periyar and Gandhi were held together in alterity. Both were great transitional figures, both were convinced of the need to transform and revolutionise consciousness and the need to address questions of caste, rights and faith. Attacking Periyar and Gandhi represented gratuitous disorder, a waste of energy and a betrayal of reason. Similarly, views of Thirumavalavan also reflect the

relevance of intellectual contributions through popular publications and political mobilisations to bring the issue to the mainstream. It makes him a Talisman of Dalits. His views and intellectual writings make him the Talisman of the community. The book significantly varies from a non-Dalit sympathiser analysing the quotidian problems of Dalits and their socio-economic status. It is a quotidian report with a perspective of the subaltern for the two reference years -- from August 2001 to February 2003. The thematic presentation of the articles would have powerfully highlighted his perspectives on each of the issues. He is a radical, one who compromises with other political parties due to electoral compulsions and an intellectual. All these reflect his views on various issues without losing sight of the main focus of Dalit empowerment. It gives a new perspective to subaltern studies. It is a useful addition to subaltern studies by a Talisman of Dalits.

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**Vasudha Dhagamvar, Subrata De and Nikhil Verma (eds). *Industrial Development and Displacement: The People of Korba*. New Delhi: Sage Publications. 2003. Pp 384. Rs 590.**

Development projects have always attracted a great deal of attention, one school of thought supporting them for the cause of furtherance of development, the other opposing them for the adversities associated with such projects. Complete adherence to either of the two stands will stall the development of a nation and this realisation has gradually been seeping into their thinking. Hence, there has been changing perception and acceptance of development as a necessary evil by placing new demands such as inclusive planning for the rehabilitation of people affected by projects in such development pursuits. While for long displacement caused by dams and reservoirs was the only concern area, now displacement due to industrial projects is also attracting a lot of public criticism and attention. Vasudha Dhagamvar and others address the issues of displacement caused by such industrialisation in their book, *Industrial Development and Displacement*. While doing so, the authors clearly delineate industry-related displacement from those caused by dams and justify that it does not serve well to replicate the dam rehabilitation model for those displaced for industrial projects. They elaborate on the need and the manner in which the issues of industrialisation-related displacement should be addressed.

The book comprises 11 chapters in all, touching upon all important social and economic issues of industrialisation and addressing the issue of alternative strategies. The authors have provided a detailed account of the socio-economic impact of the industrialisation process in Korba in the first nine chapters, examining

the changes in areas such as demography, family, economy, infrastructure and environment. The authors provide a very objective and descriptive account of the opinion of people representing all the stakeholders. The discussion presented in each one of these sections speaks of the changing socio-economic setup of the Korba region. Although the change cannot be attributed in its entirety to the industrialisation of the region, which the authors admit at a couple of places, it should be looked at as a part of the general transition occurring in other parts of the country as well.

Korba offers a good case for the different kinds of development strategies to be adopted in the country, which is highly diverse in terms of its resource endowments. The Korba region, as the discussion in the book suggests (Chapter 5, Economic Changes), was predominantly an agrarian economy before industrialisation began. However, the authors argue that its agricultural production was always below the district average and that was due to unfavourable soil texture and lack of irrigation. It is observed that only 34 per cent of the total area was available for cultivation. Given this, enhancing the region's economic development by promoting agriculture alone did not appear to be a fetching proposition. On the other hand, the area has good coal resources, offering potential for thermal power generation and, thus, industrial development. Certainly, these advantages needed to be harnessed to the best extent possible for the economic development of the Korba region. The authors have observed a radical change in the economy of the region, which is reflected in their statement: "Korba has undergone a lot of change since the 1950s and occupies a pride of place in India's industrial map today. With its wide-ranging industries, power plants, aluminium industry, coal mining, explosives manufacturing and so on, it is an area with one of the highest concentrations of investment. This inflow of money into industry has increased employment opportunities in the area." (p 91, Chapter 3.) While there is no dispute about the fact that such development should not affect the welfare of the natives of the Korba region at large, it is very essential to embark on the right strategy in the development pursuit. The government has a very significant role to play in the choice of the appropriate development strategy as well as the mitigation of any welfare loss caused by the development pursuits. These critical issues did not escape the attention of the authors.

The authors have in Chapter 10 addressed the issue of alternative strategies, in which an attempt has been made to frame some practical solutions for the problems that a typical industrial displacement could cause. This has been attempted in a very objective manner by taking into consideration the interest of all the stakeholders. The issue of optimal use of resources and optimisation of benefits are addressed very well when the authors suggest the need to synchronise civic amenities and infrastructure requirements of multiple projects. This is especially true of regions such as Korba with investments in the power sector, wherein industrial investments

do not become a one-time affair and they flow in over a period of time. The authors rightly suggest that the benefits of civic amenities should be extended to the local people. That could certainly enhance the tolerability of the local communities that otherwise feel left out of the entire development process. In addition, this would aid in preventing fraudulent use of such benefits. Another set of useful suggestions that emerge from the discussion relate to the absorption of the local available labour force by creating the necessary awareness and training wherever required regarding the various jobs associated with industrialisation and urbanisation, not necessarily the ones that get them into the industries themselves. This would not only help rehabilitate the project-affected people but would also aid in the sustainable development of the region. Carrying out some of these suggestions to their logical conclusion is largely dependent on the willing participation of all the stakeholders and the government. Over and above, all the proper planning should start right at the stage of initiation of such projects. These approaches would lay the path for better development that Amartya Sen calls 'freedom'. The book certainly provides a good reading and is of immense value for policy purpose.

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**Natalia Dinello and Lyn Squire (eds). *Globalization and Equity Perspectives from the Developing World*. Cheltenham, UK, and Northampton, MA, USA: Edward Elgar. 2005. Pp 253.**

Few concepts evoke such strong responses as 'globalisation'. Views range from eulogising its virtues and benefits, to harsh condemnation of its hidden agendas and its marginalisation and immiseration of the vulnerable, especially in the developing world. Is there a relationship between globalisation and equity? Is there hard evidence that globalisation is causing distress in many parts of the world? What is the position of researchers in the developing and transition economies on this debate? These, and other questions, are sought to be explored and answered in this volume.

The book is built around a set of papers that explores the relationship between globalisation and equity from the perspectives of seven regions - the Commonwealth of Independent States, Central and Eastern Europe, East Asia, Latin America, West Asia and North Africa, South Asia and Sub-Saharan Africa. All the chapters were presented at the Fourth Annual Global Development Conference held in Cairo in January 2003, which was organised by the Global Development Network (GDN), an organisation "with the dual mission of building

research and policy, with a particular focus on the developing world". The contributors to the volume represent GDN's seven network partners in the developing and transition economies.

In a nutshell, the book endeavours to examine the links between globalisation, growth and equity, and to suggest actions that could alleviate inequality and promote new opportunities. The contributors describe and analyse the principal topics and currents of discussion on globalisation and equity in various regions of the developing world, outlining methodological approaches, the results of empirical research and their implications for policies and strategies. The book reflects a consensus that seems to have emerged at the Cairo Conference - the *Cairo Consensus* - that signified a broad agreement on two key points: first, to escape the fate of marginalisation and isolation, states should actively involve themselves in the global economy, and second, to maximise benefit from globalisation, states must fully consider local circumstances and vigorously address the undesirable side effects of the phenomenon.

How exactly can this be done? Many contributors to the volume link the success of these efforts to the quality of national institutions. Using evidence from the Commonwealth of Independent States, Ksenia Yudaeva contends that strong institutions, together with a strong government commitment to secure a favourable investment climate, are essential for successful globalisation. (p 187). S Ibi Ajayi emphasises that the benefits of global integration for Africa are contingent on the continent's ability to improve institutions and initiate policy changes. His list of recommendations includes an improvement of macro-economic fundamentals and the acceleration of structural reforms, the development of human capital and private sector development and the improvement of infrastructure and governance. (p 88) Writing about the failure of Latin America to improve its income distribution, Roberto Bouzas and Ricardo Ffrench-Davis state that domestic institutions and policies are critical for reaping the benefits of deeper integration into the world economy. (p 216) Even though they acknowledge that globalisation restricts the range of policy choice at the disposal of public sector officials, they observe that the reduction in policy discretion has been uneven across countries, thus indicating that globalisation cannot be an excuse for the lack of will on the part of national governments to act. (p 233)

The programme of necessary government actions endorsed by Chia Siow Yue includes improvement of efficiency and cost competitiveness as well as innovation in both the national and regional contexts, while making a special provision for groups at the greatest risk of distress (p 133). Her proposal reflects the experience of the 1997 East Asian financial crisis, which disproportionately hit low-income groups.

Sisira Jayasuriya argues that in the context of South Asia, comparable to Sub-Saharan Africa in its concentration of the poor, economic growth is sustainable

only under conditions of public action intended to decrease inequality. He, therefore, suggests public action to provide less privileged households, communities and regions with broader access to resources such as education and skills, transport and communication infrastructure, as a means to control both economic and political volatility (p 158).

In the summary, all contributors to the book, including the editors, share the belief that globalisation helps rather than hurts equity in the world. A point to be noted is that even the negative experience with globalisation in the developing world has not managed to invalidate the vital message reinforced in the Cairo Consensus. And that is, to survive and prosper in the contemporary world, countries should whole-heartedly participate in the process of globalisation, while simultaneously ensuring that safeguards for the vulnerable and the marginalised are put in place.

A major problem with the book is its obsession with economics and economic growth and development. In its understanding and interpretation of the two central concepts, globalisation and equity, it is the economic dimension that dominates. Another problem is that the dichotomous nature of globalisation with its inclusive/exclusive dynamics, is taken as a given in the book. While accepting the fact that billions of people all over the world are being left behind by the forces of globalisation, the book's panacea is even more globalisation and economic integration, while simultaneously ensuring that safety nets and safeguards are in place. Very strange logic, indeed!

Merely tinkering with a system that is producing and promoting inequality and social exclusion will not achieve much. We need to take a fresh look at both statism and neo-liberalism. While one seeks to subordinate the market to the state and the other, the state to the market, both subordinate society's will and expression. Can we not find an alternative that subordinates both state and market to society?

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**Nisha Srivastava and Pravesh Sharma (eds). *The Role of Social Safety Nets: Protecting the Vulnerable Poor in India*. New Delhi: World Food Programme. 2006. Pp 260.**

It is disturbing to see a widening gap emerging between expanding anti-poverty programmes and its almost imperceptible impact on the conditions of the poor. Sixty years after Independence and after over three decades of direct attack on poverty with a wide range of special programmes, India seems to have failed even in the very basic task of providing a credible foundation to its anti-poverty

strategy. This is the main message one gets from the volume under review that contains 11 selected papers from among those presented in a national workshop on the theme of safety nets for the vulnerable poor organised by the World Food Programme, the World Bank and the Lalbahadur Shastri National Academy of Administration in October, 2004. Before pointing out the overall implications of the findings of the workshop for the policy of providing safety nets for the vulnerable poor, let us have a quick look at the papers themselves.

The papers have been arranged in three parts: Part I contains two papers. In his paper, K P Kannan (Chapter 1) emphasises the need for comprehensive safety nets for the vulnerable poor to cover both the "problems of deficiency and adversity...(with) basic social security to take care of deficiency and contingent social security to meet contingencies...." Reviewing historical experience in this respect and the prevailing situation in the developing countries like India, he emphasises the need for a pro-active role of the state in developing safety nets suitable for the conditions in these countries and implementing them with a sense of urgency. He draws our attention to the requirement that safety nets to meet contingencies need a strong foundation of safety nets to eliminate deficiencies. S Mahendra Dev (Chapter 2) presents an overview of "safety nets for the poor and vulnerable sections in India". A very revealing glimpse given by the chapter is the extremely weak state of these nets, particularly those dealing with deficiencies which, as K P Kannan argues, are of fundamental importance in providing protection to the poor. For example, PDS is seen to provide at the national level only nine per cent of total consumption of rice and wheat by the poor in the latest year - 1999-2000 - for which the relevant data is given in the chapter. The contribution of PDS was practically nil in BIMARU states of Bihar, Madhya Pradesh, Rajasthan and Uttar Pradesh. Incidentally, it needs to be noted that data on such crucial indicators of effectiveness of safety nets becomes available with a lag of over six years - data for 1999-2000 is cited in this volume published in 2006!

Part II contains five papers focusing on food-based safety nets. There is a substantial overlap in these papers and, hence, we pick up points from them that help in indicating the overall message of the volume later in this review.

Naresh C Saxena (Chapter 3), a retired senior administrator with an insider view of policy-making on safety nets, laments: "Improving the economic access of the poor to food... is not so much a matter of additional resources as (it is) of... commitments from both the Centre and the states to improve programme management." Further, "the concept of stakeholder monitoring is unknown. No indicators exist for assessing public participation or public awareness..., information (collected) is not used for taking corrective action.... Vested interests in administration are served through bogus reporting."

Pravesh Sharma (Chapter 4) reviews the working of PDS in three selected districts - Koraput, Jhabua and Banswara. The paper develops a detailed agenda of

reforms but pleads that if the reforms are to succeed, it is essential to "impart basic training in PDS management to all levels of the apparatus associated with it... (and have a) campaign to create awareness about PDS on a continuing basis targeting remote areas and vulnerable groups".

Amitabh Kundu (Chapter 5) argues that PDS "accentuates inequality between small and large farmers due to its bias towards the latter. Regional targeting is important for successful coverage of vulnerable populations.... The food procurement policy (needs) a decentralised setup for a more effective PDS".

R Radhakrishna, S Indrakant and C Ravi (Chapter 6) take a critical look at the Integrated Child Development Services (ICDS) programme. While acknowledging the positive results of ICDS, the authors conclude, "achievements fall short of the desired expectations.... Community participation in the programme would not only reduce the cost but also make the programme more effective".

Nisha Srivastava (Chapter 7) reports the findings of an "innovative food-for-work intervention being implemented as part of the Chhattisgarh Tribal Development Programme.... (They) provide pointers for the potential and necessary enabling conditions for participatory processes to work". It is important that the experiences obtained in such grassroots-level projects are adequately documented, as is done in this chapter, to make their lessons as widely known as possible among policy-makers and researchers.

Part III has four papers on other safety nets: Ravi S Srivastava (Chapter 8) looks at "a range of public poverty reduction programmes in Uttar Pradesh in the context of the role of PRIs.... The PRIs are at best partially effective and face several constraints: not the least being lack of skills and functional capacity, political manipulation and financial malpractices".

Pradeep Srivastava (Chapter 9) assesses the status of delivery of credit to the poor. Based on "a recent World Bank-NCAER survey of 6,000 households in Andhra Pradesh and Uttar Pradesh", he concludes, "the achievements in this area are still far short of the desired targets, with formal lending limited in reach and mismatched with household demands. As a result, households continue to cope with risks by falling back on their own meager savings or informal borrowing".

Indira Hirway (Chapter 10) highlights the potential of employment programmes. She argues that "remunerative employment can become a sound safety net for the vulnerable poor in India as it can reduce poverty and distressed migration, and thereby enable the poor to gain access to health, education and welfare opportunities, and promote pro-poor economic growth". Many of her suggestions find a place in the National Rural Employment Guarantee Programme now in operation in 200 most backward districts in the country.

S Irudaya Rajan (Chapter 11) estimates that the number of senior citizens (age 60 and above) in India will increase from 77 million in 2001 to 179 million in 2031 and 301 million in 2051. In his analysis of the present status of safety nets for senior

citizens, he estimates that 25 per cent of them would be beneficiaries of social assistance schemes, including the National Old Age Pension scheme and Annapurna. The implication is that the coverage of beneficiaries, which is currently about 20 million out of the 77 million of senior citizens, would have to increase to over 300 million by 2051!

Considered together, these points present a far from reassuring picture of the present status of safety nets for the poor. To put it bluntly, the nets hardly seem to operate, particularly in areas and groups that need them the most. The papers offer detailed analyses and policy agendas but it is the disheartening overall picture that is likely to linger with the reader. Saxena's remarks on policy makers given above contain a clue but not the full answer. How do politicians and administrators enjoy all the privileges and luxuries of their office while neglecting their basic and primary duty towards the poor? The puzzle is best left to the reader to grapple with.

Coming back to the volume, the editors have been generous enough to include papers with an astounding measure of overlap and repetitions. Had they provided an introductory overview of the papers, they would have surely observed this problem. Another minus point we see is the absence of a list of acronyms to help the reader when strange-looking combinations of capital letters stare at him. The book would have been easier to read had acronyms been explained. Despite these shortcomings, the volume is a timely and useful addition to the literature on the important theme of safety nets.

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***V M Rao***

## **Books at a Glance**

**E T Mathew. *Employment and Unemployment in India: Emerging Tendencies during the Post-Reform Period*. New Delhi: Sage Publications. 2006. Pp 166. Rs 295.**

One of the major fallouts of globalisation has been the slowing down of employment. Only a few comprehensive studies are available on the analyses of changes in employment that took place during these eventful decades. Making use of an extensive database, this small monograph provides excellent reading on changes in employment and unemployment during the 1980s and the 90s. The author has utilised the data from various NSSO Rounds and analysed critical aspects of employment in a systematic manner. It is pointed out that the annual rate of growth of employment declined during the 1990s and the structure of employment also underwent significant changes during the period. The trends in unemployment and under-employment indicate the impact of the slow-down in the process of growth and the emergence of casualisation and feminisation of labour force. The author has also analysed employment elaborately in the context of Information Technology and other sectors. In sum, the monograph is a unique contribution and very little comparable work is available on this topic. The comprehensive reading the book provides on the changes in employment makes it an invaluable reference work for those who deal with the subject.

**Stuart Gillespie and Lawrence J Haddad. *The Double Burden of Malnutrition in Asia: Causes, Consequences and Solutions*. New Delhi: Sage Publications. 2003. Pp 235. Rs 280.**

The book is an outcome of a study collaboratively undertaken by the International Food Policy Research Institute (IFPRI), the Asian Development Bank (ADB) and their other partners. It focuses on one of the topical themes of human development, namely, malnutrition. There are seven chapters in the book, each highlighting different aspects and issues relating to malnutrition. In the first chapter, the authors discuss the status of malnutrition, its determinants and cost implications across Asian countries, and other related issues, including the emerging nutrition problem of obesity and overweight. The second chapter focuses on specific interventional strategies for combating various kinds of malnutrition problems and their impact and efficiency in large-scale operations as revealed through various country-specific evaluations. Based on these, the authors highlight the need for evolving monitoring mechanisms, the information system and ensuring effective community participation. The third chapter discusses the capacity development strategies and the institutional mechanisms for effective nutrition action that are

presently available across Asian countries and the perspectives for strategic management of the nutrition sector. The fourth chapter critically analyses the policies relating to food security, women's education, improvement in the health environment and argues how they can either support or undermine the scaling-up process of nutrition interventions. The authors also discuss the implications of other related instruments such as the WTO rules, food fortification policy, agricultural technology, food price/subsidy policy, micro-finance etc., on the nutrition interventions and argue for effective monitoring mechanism for achieving the desired results. In chapter 5, the authors discuss the contextual dynamics of nutrition-relevant action within the emerging scenario of globalisation, urbanisation, decentralisation, aging and the HIV/AIDS among the Asian countries. They assess the impact of globalisation on the labour market and its consequences on poverty and nutrition and the need for better allocation of public resources for health and nutrition as private investments are considered unviable by capital markets. Chapter 6 underscores the need for not only prioritising public expenditure on health and nutrition, but also providing cost-effective interventions for improving the status of health and nutrition in the Asian region. It highlights the fact that nutrition is a public good and generates large externalities and is of particular importance for equity. In the final chapter, the authors stress on the need for evolving an action strategy to address the problem of malnutrition in the Asian countries and the overriding considerations such as economic potential, social and regional developmental features, the severity of problems and the kinds of interventions that need to be kept in mind while planning for such action strategies. Overall, the book may be of interest to all development practitioners and scholars working in the area of health economics as it provides useful data and critical perspective.

**Brij Kothari, P G Vijay Sherry Chand and Micheal Norton (eds).**  
***Reading Beyond the Alphabet: Innovations in Lifelong Literacy.***  
**New Delhi: Sage Publications. 2003. Pp 282. Rs 350.**

This compilation contains as many as 14 papers by different authors under six different themes. It begins with an introduction that provides an analytical and conceptual perspective of literacy. The theme on 'Empowerment and Literacy' attempts to demonstrate how post-literacy activities, when linked to livelihood support systems, can bring about social and economic empowerment among the illiterates of the marginalised, as illustrated by the Van Dhan literacy programme in Bastar district of Madhya Pradesh. Similarly, while the Ankur's initiative in Delhi slums portrays the efficacy of different methods and media in promoting skill accomplishment among neoliterate adolescent girls, the village-level mapping for land use strategy in Assam underscores the importance of participatory village mapping activity to enable neoliterate women to develop their critical mental faculties

besides helping them in acquiring basic literacy skills. The next theme on 'Reading Matter for Early Literates' emphasises the need for incorporating new ideas and innovations in the reading materials for neoliterates in the emerging context of rapid change and development, as argued by Sushma Merh-Ashraf's paper. It also stresses the need for making the reading material both the medium of communication and resource tool for neoliterates to enrich their literacy and critical thinking skills, as revealed by Pitara's experiences described by Shalini Joshi and Gujarati magazine, *Ujjas*, edited and managed entirely by neoliterate women, as revealed by Preeti Soni's paper.

The next theme, 'Promotion of Reading Culture and Publishing for Rural Areas', focuses on the need for inspiring and sustaining reading culture among the rural neoliterates. The paper on post-literacy campaigns in Virudhunagar district of Tamil Nadu and the UK-based NGO's initiative for enhancing access to books and promoting reading culture among the rural neoliterates in Andhra Pradesh through adoption of relevant strategies and publishing affordable books and making them accessible to the rural neoliterates, illustrate this theme.

The theme on 'Libraries and Literacy' discusses the important role played by libraries in promoting literacy among the neoliterates. Sarah Kamala's paper on the extended role played by libraries in the changing context of Andhra Pradesh cites the broader goals of overall rural societal transformation by way of meeting information needs of all local people and increasing its resource base. Rajani Paranjape recounts the efforts made by the mobile library in spreading and in the retention of literacy skills among slum-dwellers in Mumbai. Saraswati Roy's paper informs the readers how libraries opened in Kolkata slums have been able to contribute to the growth of reading population and, in the course of time, have become sustainable institutions themselves because of the various meaningful strategies that have gone into planning and managing these libraries in realising the end goals.

The theme on 'Media and Literacy' highlights how popular media such as television can enhance literacy skills among the neoliterates if the audio-visual media entertainment is combined with the same language subtitles. The experiment conducted in primary schools of Gujarat and the impact the post-literacy newspaper Velugubata (in Chittoor district of Andhra Pradesh) had made on the neoliterates in terms of enhancing their reading habits illustrate this theme. The theme on 'Bridging People's Math and Formal Literacy' includes a lone paper by Anita Rampal who makes a critique of the curriculum design for adult illiterates under the literacy campaigns. She highlights the mismatch between the learning strategies of adults and the pedagogical principles followed in teaching them mathematical skills under the literacy campaign. She provides several illustrations to demonstrate the association between linguistic and auditory patterns of mathematical computations and emphasises the need for changing teaching strategies for illiterate adults for

effectively building connections with their rich living experiences so that they are in a position to make a better sense out of numbers.

In the concluding Chapter VIII, Vijay Sherry Chand attempts to draw implications for literacy and educational policy making from the variety of experiences presented across different papers compiled in the book. He emphasises the need for evolving thorough conceptual foundations based on the past thinking and for harnessing political will for promoting innovations in literacy and linking it with basic schooling for achieving better results. He also recognises the need for the civil society to build a favourable policy environment by creating public spaces for newly literate people.

The book is indeed a rich reference material for all those concerned with policy making as well as those engaged in deeper research in the field of literacy and education development.

**S H Hasbullah and Barrie M Morrison (eds). *Sri Lankan Society in an Era of Globalization: Struggling to Create a New Social Order*. New Delhi: Sage Publications. 2004. Pp 296. Rs 560.**

Sri Lanka is one of Asia's critically strife-torn developing countries. Social cohesion has been a long ulcerating problem here due to ethnic plurality as well as political tensions. With the advent of globalisation, the country has taken significant strides towards development and these are mirrored in its achievements despite the prevailing uneasy social atmosphere. For decades, ethnic tensions have left Sri Lankan society weak and, therefore, building a cohesive, tension-free society remains a formidable challenge. The editors of the book have carefully assembled a full review of the situation from 1948 up till recent years to provide a blueprint for confronting the challenges in the troubled society. The book opens with an authoritative first section delineating the challenges and arguing for societal re-organisation. This is followed by a section by a group of authors analysing different aspects of class, caste and ethnic tensions in the perspective of individual freedom. The Tamils' as well as the Singhalese stands are well analysed.

The third section of the book deals with requirements for a better life and a better society. Interestingly, Self-Help Groups, Sarvodaya as well as labour problems are analysed quite effectively. The last section of the book charts out the wider problems facing the beleaguered society and concludes on a very positive note stating that 'the options created by the new structures of globalisation help dissolve prior authoritative relations and may help stimulate the formation of new institutions and these will provide required opportunities to the state for development'. This volume not only helps the students of Sri Lankan studies in understanding the nuances and issues of social cohesion, but also offers institutional alternatives as the solution.

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