

## Scramble for ethereal women's seats

Govt must eschew unilateral approach

**N**OT even a fortnight has passed since the ruling four-party alliance leaders unveiled a plan to expand the size of the parliament. Yet, the corridors of power are rife with lobbying for berths in the proposed 50-seat reserve quota for women in the Jatiya Sangsad. Such is the lure of political power and self that even a unilateral proposal for additional number of seats for women has evoked an instant response within the ruling party even though it is clearly premature at this stage.

We have so far commented on the government's arbitrary decision to raise the number of parliament seats from 300 to 450. Nobody contests the necessity for expanding the parliament's strength. In the context of the population growth as reflected on the changed demography of the 300 constituencies we have had since independence, an increase in the size of the parliament has not only become imperative but highly desirable, too. But what we are opposed to is the arbitrary and the unilateral manner in which the ruling party has set about doing it, knowing fully well that other political parties have stakes in it. The question of fresh delimitation of constituencies does not only involve the interest of the political parties but also that of the electorate at large.

But here we are particularly concerned with the news of lobbying for women's seats which creates an impression of the government going ahead with its plan since the 30 approved seats for them have remained vacant without a constitutional ratification of the relevant provision.

But the government must not take any precipitate action. The big question of women's representation hangs fire. They constitute 50 per cent of the population, so that one-fifth of the seats is hardly a proper representation for them. Furthermore, there has been a strong demand for direct election of women to the parliament by women's activists groups and civil society leaders. The government must consult them as they earnestly initiate a dialogue with the political parties to forge a national consensus on this issue. They cannot act unilaterally.

## Powell's doubts

Bush and Blair should acknowledge the truth

**N**OW the doubters are clearly outnumbering the believers. US Secretary of State Colin Powell, who was known for his very clear position on the toppled regime of Iraq, has also been influenced by the coalition troops' inability to find any trace of WMD in Iraq. He is in doubt about what is generally perceived as the greatest driving force behind the war -- Saddam's acquiring the weapons of mass destruction.

That indeed weakens President Bush's case. Curiously, British Prime Minister Tony Blair is still unmoved, being convinced that the weapons of mass destruction will be found today or tomorrow. It is a sad aspect of today's world politics, that leaders of established democracies, which have made significant contributions to human civilisation, are following policies not endorsed by the international community at large. And even when the policies are found to contain glaring flaws, they refuse to accept the truth. They have even made attempts to shape things according to their own needs. This sets an example not worth emulating, to say the least.

The moral burden of not finding WMD in Iraq could be enormous for the US and Britain, the chief proponents of WMD theory. The world has witnessed what the coalition forces have done to Iraq. Nevertheless, the thought of WMD ending up in the hands of a dictator was a neutralising factor as far as the opposition to the war was concerned. But what President Bush and Prime Minister Tony Blair are left with when such weapons have not been found in Iraq?

The psychological and moral victory that the two world leaders were so eagerly looking forward to -- after the fall of Baghdad -- may elude them for ever. That is what one has to surmise from Colin Powell's words.

# Farm size and productivity: Old debate in new context



ABDUL BAYES

**T**HE debate on the relationship between farm size and productivity is old. During the Conference of the International Association of the Agricultural Economists (IAAE) held in Durban in August 2003, a review of the issues was made by two of the eminent economists, Shennigan Fan and Connie Chang-Kang. Succinctly summarising the pros and cons of the debate, the authors felt that the debate seemed to have completed a circle. Allow me to draw upon that paper and give it a tutorial type of approach.

### Signs and swings

In the 1960s, small farmers were thought to be efficient in terms of land productivity on the grounds that, first, they could fully utilise family labour, and second, they had the capacity to closely monitor their production activities. That view prevailed for a pretty long time till, in the 1970s and the 1980s, when the pendulum swung in favour of large farms. Small farms were considered as constricting the process of industrialisation and urbanisation undertaken by some of the Asian countries. The squeeze on small farms,

reportedly, came from two fronts. First, industrialisation leads to increased demand for labour from rural areas and thus comes into conflict with labour intensive practices of small farms. On the other hand, by providing cheaper modern inputs such as machinery, industrialisation made the increase in farm size possible by relaxing the labour constraints

### Review of literature

A popular stylized fact in development economics is that there exists a strong Inverse Relationship (IR) between farm size and land productivity. The pioneering paper produced by AK Sen in 1962 argued that small farmers were more productive per unit of land than large farms. Other economists also echoed

tions pertain to India as the literature mostly focused on India. Of course, they have emphasised different aspects in reaching the respective conclusions. For example, G.A. Cornia attributed higher yields observed on small farms to greater application of inputs and to a more intensive use of land. Again, B.N. Benarjee observed that smaller farms in the districts

by Mahabub Hossain and others seems to suggest that in Bangladesh small farms have some edge over the large farms in terms of the land productivity. However, in the early stages of technology adoption, large farms gained the edge following their access to credit and other infrastructure facilities. With the passage of time, small farms duly embarked upon seizing the

## BENEATH THE SURFACE

**A**ssuming that most of the researches point to the increased productivity of small farms, the policy question is: should we go for land reforms to transfer lands from the large to the small? This question of land reform still looms large among a section of academics and politicians... Rural infrastructural development could go a long way in paving paths for the small farms.

during the peak season. Therefore, there was a call for large farm size during the decades: large is laudable!

Then again, in the 1990s, the laudability of the large farms received a backlash and the view that "small is beautiful" began to gain prominence. It has been argued that with growing diversification of agriculture especially from grains to cash crops, from crops to livestock and horticulture products, small farms earn distinct edge over the large ones. Mostly labour intensive and less input intensive as most of these crops are, the inverse relationship is not difficult to detect. There was another allegation against the large farms: they tend to use more fertilizers and pesticides and thus contribute to the degradation of natural resources and environment.

the same sentiment arguing that because of the advantage in using family labour and hence facing a lower labour transaction costs, small farmers fare better than their counterparts. Michel Lipton came out with the implication of the observation: it entails that any type of land reform that reduces landholdings inequality will have a positive effect on productivity.

Since Sen's seminal (sensational tool) observation on the efficiency of the small farms, a large number of literature began backing up the issue of IR but, unfortunately, with no consensus. The supporters to the hypothesis of Sen include, among others, economists like R. Heltberg, D. Majumdar, K. Bharadwaj, S. Bhalla, A.K. Ghose etc. Noticeably, most of the economists and their observa-

tions in West Bengal use their land and fertilizer inputs more intensely than the large farms. Another economist B.N. Benarjee took the analysis a step forward and showed that the cost per unit of output is directly related with the size holdings, but inversely related with the value of output.

This finding implies that small farms are using their variable resources more efficiently than bigger farms yielding to higher output per hectare. In Bangladesh, DR Mahabub Hossain submitted his thesis on IR pointing to village study at Phulpur, Mymensingh. The IR was strongly observed as supporting the hypothesis that small is efficient. Some other economists also followed the footprint.

The forthcoming book on "Rural livelihood systems in Bangladesh: Changes and challenges"

opportunity and optimally utilised family labour to turn the tide in their favour.

### Other view

But the IR hypothesis was contested by many. It has been argued that the transformation of agriculture towards a science-based approach, reduced the role of family labour in shaping land productivity while other cash inputs played a pivotal role. Particularly, concerning the issue of Green Revolution, the critics contend that use of HYV requires inputs that embody higher cash costs. In the presence of capital imperfections and collateral constraints, the large farms tend to lead the revolution while the small farms lag behind. Opponents of IR hypothesis argue that the earlier adoption of new technology by

large farms have reduced or even reversed the yield advantage of small farms. For example, A.B. Deolalikar found that inverse size productivity relationship cannot be rejected at lower levels of agricultural technology but could be rejected at higher levels. This means that IR could be valid for traditional agriculture but not for agriculture experiencing technical change. M. Chattapadhyay and A. Sengupta found that the IR was observed in the developed region of West Bengal compared to the relatively under developed regions. S. Bhalla and P. Roy concluded that the stylized fact of the IR might be due to the difference in soil quality.

### Conclusion

Assuming that most of the researches point to the increased productivity of small farms, the policy question is: should we go for land reforms to transfer lands from the large to the small? This question of land reform still looms large among a section of academics and politicians. Of course, the political pains of pursuing such a policy should be in mind considering the class character of the ruling oligarchs. Less painful could be the tenancy reforms and institutional changes to provide more access for the small farms to credit and other facilities. Especially, rural infrastructural development could go a long way in paving paths for the small farms.

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## India shining or dimming?

### Saffron spin vs reality



PRAFUL BIDWAI  
writes from New Delhi

**S**ENSEX tops 6000! Agriculture is booming! Kisans are smiling! IT is expanding! Growth touches 8 percent! Shopping malls are gleaming! India is shining!

BJP Sultans of Spin have never before translated their irrational euphoria into a multi-billion-rupee ad campaign like this. Nor has a ruling party so blatantly used public money to promote its narrow agenda. Never before have we witnessed a personality cult built through hundreds of complimentary advertisements (congratulating Mr Vajpayee on his birthday) mostly paid for by cash-rich public companies.

Is India really shining? The claim is based on GDP growth of 8 percent in July-September, and a metropolitan consumer boom, in which sales of cars, mobile telephones, household gadgets, etc, have reached double-digit growth.

Both facts are incontrovertible. (This Column discussed the consumer boom in November.) The 8 percent quarterly growth is attributable to an excellent

monsoon -- after a drought year in which kharif output fell by 19 percent.

Is this a massive "achievement", as BJP spin-doctors claim? In truth, the last three years have seen the *lowest* growth in a decade -- an average of 4.8 percent.

Even if this year ends up with 8

IT, insurance, even higher echelons of government. This is a *minute* minority, concentrated in about one-quarter of India's 35 states, which absorb two-thirds of all investment.

There are some positive macro-economic indicators like the much-tom-tommed \$100 billion foreign exchange

Forex reserves have burgeoned largely because of interest-rate differentials between the US and India, which may not last. The reserves are held mainly in US government bonds, with interest of under 2 percent. India is borrowing at 8-10 percent to maintain them!

The investment momentum

Yields of all major crops have stagnated -- reversing a 30 year-long trend. Costs of water, fertiliser, pesticide, seeds and power have risen. With declining public agricultural research, the farmer has become dependent on costly private seeds.

Higher cultivation costs aren't offset by support prices. "Such

**T**his is India dimming, not shining! Even more shocking is the trend towards social retrogression in the "progressive" (high-growth) states. Female foeticide has sent the 0-6 age sex-ratio plummeting to 800 (girls per thousand boys). There is growing sex slavery and dowry-taking. Child labour is rampant. Economic servitude is growing. Communalism and intolerance are on the rise. And casteism is persistent. This doesn't speak of a society on the move towards modernisation, equality or progress.

percent, the average for the NDA's five years would be 5.5 percent. This would be *lower* than the average recorded during the 1980s and *much less* than the 6.7 percent between 1992-93 and 1996-97.

Eight percent growth in one year isn't unprecedented. We clocked 8 percent-plus in 1967-68, 1975-76 and 1988-89 and very nearly in 1996-97. In the consecutive three years preceding the NDA, India registered 7 percent-plus.

Mere GDP growth has never made a society "shine" or boosted public confidence. Nor has it catapulted parties to power.

Yet, the top 10, at most 15, percent of India's people *have never had it so good*: industrialists, traders, executives, people working in services like telecom,

reserves, low inflation and interest rates. But beneath the facade, there are disturbing trends.

The Centre's fiscal deficit is running at 5.5 percent of GDP. The combined deficits of the Centre and States are 10 percent. Even worse is the Centre's 3 percent-plus revenue deficit.

Put simply, the government is going bankrupt; it's less and less capable of providing public services.

Today, the ratio of government debt to GDP is nearly 80 percent, up from 60. At this rate, roughly 5 percent of GDP is spent annually on *interest payments* alone. A Central government that collects about 10 percent of GDP as tax and spends half of it on interest and the rest on itself can *do no good to the people!*

has slowed. Gross capital formation, 27 percent of GDP in the mid-1990s, is down at 23 percent. Banks are flush with funds: industry isn't borrowing.

Greater foreign investment hasn't made Indian industry competitive. Research and development expenditure in relation to GDP has declined by 20 percent! Such weak foundations can't sustain high industrial growth.

India's worst economic reality is the *agrarian crisis*, which affects 700 million people. The post-1996 period has seen a decline in returns from agriculture -- to the point that cultivation has become commercially *unviable* in many parts of India.

Behind the suicides of thousands of farmers are rising input costs, stagnant crop prices, and physical collapse.

prices benefit a small minority in traditionally food-surplus states like "Punjab", says Professor Abhijit Sen, former chairman of the Commission on Agricultural Costs and Prices. "The FCI rarely procures grain from Bihar or Karnataka. Non-procurement squeezes the bulk of farmers in cruel ways. They exploit their own family labour harder: they have no choice."

Where farmers have a choice, they quit agriculture as an occupation. "Contract farming" is growing in Punjab, Haryana and Andhra. The farmer is passing on his losses to even poorer peasants!

The farmer's plight has worsened because falling returns have coincided with imports of agricultural products whose global prices fell in the 1990s. This is a *double whammy*. The

farmer's paying heavily for the dismantling of quantitative restrictions on 1,400 items before President Clinton's 2000 visit -- a concession to the US farm lobby.

To compound matters, rural unemployment is mounting. Ten years ago, a 10 percent increase in agricultural output would produce 7 percent more employment. This has fallen to just one percent.

India creates only about 30 lakh jobs a year. But labour-market entrants are *five times* higher.

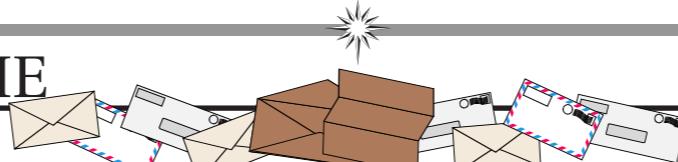
This is India dimming, not shining! Even more shocking is the trend towards social retrogression in the "progressive" (high-growth) states. Female foeticide has sent the 0-6 age sex-ratio plummeting to 800 (girls per thousand boys).

There is growing sex slavery and dowry-taking. Child labour is rampant. Economic servitude is growing. Communalism and intolerance are on the rise. And casteism is persistent. The other day, Dalits were denied entry into Rajasthan's Nathdwara temple.

This doesn't speak of a society on the move towards modernisation, equality or progress. It speaks of sickness and disease. The BJP should be made to pay heavily for celebrating the sickness as "good governance".

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## TO THE EDITOR TO THE EDITOR TO THE



## EDITOR TO THE EDITOR TO THE EDITOR

Letters will only be considered if they carry the writer's full name, address and telephone number (if any). The identity of the writers will be protected. Letters must be limited to 300 words. All letters will be subject to editing.

### Tragic

What is going on in Bangladesh? Another temple has been burnt down? It all looks like a land grab against minorities. It is another attempt to uproot minorities in Bangladesh. This time the police are being blamed for setting the temple to fire.

The Jalil Estate is saying that it bought the land in 1948 - what had it been doing since then? Why did the Jalil Estate not occupy the land in the last 54 years? American and British lawmakers are saying that minorities in Bangladesh are not safe. The ruling party should take a very strong position on the issue. It all appears to be a total breakdown of law and order.

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### Chicago

**Wasim Akram as an Indian coach**

Superstars are not bound by the rigid geographical boundary or their nationality. Teaching how to counter reverse swing to the rival batsmen cannot be considered immoral.

An unsporting Javed Miandad has no right to preach anything to the unofficial/official (cricketing) coaches about ethics, morality and the dividing line.

Bishen Singh Bedi even coached the then Pakistani spinner Iqbal Qasim (that too) "during the 1986 Bangalore Test" between India and Pakistan which (ultimately) helped Imran's team to beat India in India.

Why is that the Pakistani selectors, cricketers, media and nationals who've relentlessly humiliated/insulted Wasim (and sometimes even) doubted his talent and integrity, are raising a hue and cry?

If Wasim's one hour of coaching can mould Irfan into a potent speedster, one can imagine what type of results his months of training of potential Indian speedsters can produce.

Either the BCCI or the (Chennai based) MRF Pace Academy should appoint Wasim as an official bowling coach who can pick and train budding Indian pace bowlers so that they can send shivers down the spine(s) of all the opposition batsmen worldwide, even before the first ball is bowled.

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