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Manufacturing Sector Productivity in West Bengal across Phases of Liberalisation During 1981- 97

Maniklal Adhikary and Ritwik Mazumder

In this paper, the authors study how different policy regimes affected factor productivity growth (partial and total) in the manufacturing sector as a whole in West Bengal during the period 1981-97. First, strong liberalisation (1991-92 to 1997-98) experienced a remarkable positive impact on growth rates of value added, employment and average products of labour and capital. The study has favoured the premise that strong liberalisation programme of 1991 resulted in the growth of labour in excess of capital, leading to a sharp fall in capital-intensity growth. Second, Total Factor Productivity Growth (TFPG) exhibited a rising trend all through the 17-year period starting from 1981. Growth rate of TFPG was the highest during the period of strong liberalisation. But the absolute TFPG figures were indicative of poor industrial performance. Third, technical progress was labour-intensive in nature during the post-1991 period. Finally, the apprehension that strong liberalisation would result in absolute decline in employment levels in the manufacturing sector seemed unfounded for the manufacturing sector in West Bengal.

Applying NOAA Recommendation: A Contingent Valuation Study of Desirable Quality Water in Kolkata, India

Chirodip Majumdar and Gautam Gupta

Contingent Valuation (CV) surveys ask the respondents about their monetary values for non-market goods contingent upon the creation of a hypothetical market and the means of payment. Though CV as a method to value non-market goods has gained acceptance over time, it has also raised various debates on its applicability to put a value on non-market goods. The review panel of National Oceanic and Atmospheric Administration (NOAA) has made several suggestions to make a CV survey more effective and reliable. The present study applies NOAA guideline to estimate 'willingness to pay (WTP)' for the desirable quality water supplied by a private operator. The study is based on a survey of 500 households in Kolkata, India. The average WTP expressed by the respondents is found to be Rs 59.68 and Rs 49.28 per month per household for the dichotomous choice and open-ended follow-up question respectively. This paper examines how well the study followed the practices suggested by NOAA panel.

Economics of *Gajni* Farming under Different Farming Systems in Coastal Floodplains of Karnataka, India

Ganesh B Keremane and Balachandra K Naik

Indian coastline is vulnerable to sea-level rise and the tidal ingress, and pushing up of saline water on to inland results in submergence of crop lands. As a result, these lands, particularly the low-lying agricultural lands, become unfit for crop production. Such lands are found all along the Indian coastline, including the Karnataka coast, where they are locally referred to as *gajni* lands. This study was carried out to identify the different farming systems practised in the *gajni* lands, analyse the economics and compare the allocative and economic efficiencies of these systems. The objective was achieved through a random sample of 160 *gajni* farmers who were personally interviewed using a comprehensive questionnaire. The production function analysis revealed that all the resources included in the production process had a positive impact on gross returns in case of paddy mono-culture. However, the farming systems were not allocatively efficient in input utilisation and farmers are not aware of efficient use of inputs. Farmers were most economically efficient in the two modern farming systems as the net returns were the highest. Both paddy

mono-culture and mixed farming exhibited increasing returns to scale while the paddy/prawn rotation system and semi-intensive prawn farming were characterised by diminishing returns to scale.

Rural Poor: Who Are They and Why? A Case Study of Madhya Pradesh

Amit Thorat

An attempt has been made in this paper to examine, identify and characterise the poor not only on the basis of their economic parameters but also by their social background. In this direction, specific economic features of the households have been identified first, which determine their standard of living. In addition, the social background of these families has been examined to understand if these have any poverty extenuating consequences over and above their economic handicap and well-being. A logistic regression exercise has been undertaken to point out specifically the effects of the economic and social variables of the households, on their income, separately as well as the combined effect of various combinations of these two types of household variables. In this exercise it is ascertained that the likelihood / odds of a household coming under poverty is greater either with a specific economic or social characteristic of the household or a combination of these two. In addition, a simple regression exercise has estimated the increments or deductions in monthly per-capita consumption expenditures of individuals for given changes in their economic, social and regional characteristics.

Capacity Building of Community-Based Organisations for Participatory Development: Need, Approach and Strategy

K P Kumaran

The approaches to development through participation have been undergoing change. In the '70s, the stress was on popular participation and in the '80s, it was participatory development, and subsequently in the '90s, there was further shift from participatory development to capacity building. During the '70s and '80s, it was the NGOs who stressed on the people's participation for effective implementation of poverty alleviation programmes. However, since the '90s, the concept has been increasingly adopted by other development agencies as well as the government.

Experiments have shown that participation of community members in any developmental programme is essential for its sustainable development. To ensure their participation, development initiatives should be made by forming viable people's organisations with bottom-up approach. To achieve this, the government is providing a conducive atmosphere through decentralisation of power and by encouraging private and public partnership which facilitates developmental process at the cutting-edge level. Such an environment is paving the way for the emergence of Community-Based Organisations (CBOs) in the rural areas. In this context, the question generally asked is whether the groups promoted by various agencies have the capacity and capability to perform the required tasks. This paper tries to examine the need, approach and strategy for capacity-building of CBOs for empowering the poor to enable them to participate in developmental programmes for their sustainable development.