

India Development Report 2002. Kirit S. Parikh and R. Radhakrishna (eds). Indira Gandhi Institute of Development and Research, and Oxford University Press, YMCA Building, Jai Singh Road, New Delhi 110 001. 273 pp. Price: Rs 375.

The process of reforms, started in 1991, has many positive effects on the national development and economy, but has not delivered according to expectations of many. The India Development Report (IDR) 2002 focuses on important issues influencing the development process in the last decade. Choosing right independent variables for understanding the behaviour of a dependent variable (development) is a difficult and complex task which has been ably performed. IDR has selected poverty, health, literacy, employment, wage rates, GDP growth, industrial growth, agriculture production, food and nutrition security, social infrastructure, climate change, power situation and development of financial sector as main independent variables to put forward a holistic picture. Unlike other similar reports on the global situation, this one has kept away from prescribing indices for understanding the absolute or comparative process of growth, leaving much to readers for making their own assessment. Perfect competition is often considered essential by many for an era of liberalization to bloom. This report also takes a similar stance. However, many events taking place in a developing country like India cannot be explained only on the basis of non-existence of competition. A convenient argument is that things do not happen as perfect competition does not exist. One important feature of competition is privatization and the protagonists of competition (liberalization) often believe that privatization is panacea to most of the problems. The experience in India with Enron does not infuse all that great confidence in privatization or liberalization. There is a need to revisit the whole issue with a new perspective, which blends the prevalent social, cultural and economic conditions. There is hardly any private initiative, including that by large farmers, in creating food storage facilities. Large farmers politicize and influence procurement prices of foodgrains and power subsidies in their favour. High procurement prices lead to overstocking of foodgrains and lowering of investment on agriculture, and high subsidies contribute to the losses of already losing power boards. The ineffi-

ciency of the boards is in no way being overlooked. The cost of storage has gone up and the growth in food production has come down, but overstocking continues. We are all aware about the huge quantity of grains spoiled during storage. Use of efficient technologies is essential to reduce wastage and also to bring down the cost of storage. For example, irradiation of grains would significantly help in reducing the problem of rotting and this technology is well within our reach. One of the obvious choices of dealing with overstocking is to find an export market. To be competitive in the global market, price is no longer the sole criterion. Foodgrains and other agricultural products have to meet certain quality standards, which need to be addressed right from the beginning. For example, in case of grains, the quality of seeds, fertilizers and pesticides used would determine the suitability for the export market.

Illiteracy is a disease and its burden on the society in short and long terms is very heavy. This issue has been dealt with extensively. Similarly, the need for investment in higher education to meet the global challenges has been well articulated. We are likely to lose in the global trade in services if our degrees are not recognized in other countries. Therefore, the call for an accreditation system both for school and higher education is timely. Financial resources, subsidies, etc. are needed for increasing enrollment and reducing the number of dropouts. It is high time that we give some thought to the education of children with special needs, such as children having some disabilities; they constitute a substantial population. Power-sector reforms and possible remedies have been boldly stated in the sense that subsidies could be reduced if the vote bank politics and policy of pleasing the rich farmers could be shelved. 'We cannot expect politicians to save us from politicians', is an interesting statement made in the book and can have many interpretations and meanings. Delhi appears to have the second highest transmission and distribution losses which is disappointing as Delhi, as a capital, must set a better example. As stated aptly in the report, human development would require increase in energy consumption, but the route for higher energy consumption needs to be mapped out. Reduction of emission of greenhouse gases cannot be achieved through more and more thermal power plants. Nuclear energy is much more cleaner and may be considered as a good

alternative. Transfer of technology under the Clean Development Mechanism will not be easy as this would be decided by trade considerations, specially after refusal by USA to sign the Kyoto Protocol.

The fall in public investment in industry has been attributed to many reasons with the main emphasis on non-availability of funds. Relating the industrial growth only to finances may be an oversimplification of the situation. The question to be asked is whether the industry really has plans which need investment? Opportunities to get licensed technologies are shrinking. The industry in the country is still not ready to take any risk on development of new products and processes; dependence on foreign sourcing can only lead to the present situation if not worse. Financial institutions and the industry will have to learn to spend in research and development, which is a precursor to healthier growth of the industry. Temporary means of cutting down subsidies or raising resource through disinvestments may not provide the right answers.

Poverty in the country has declined as suggested by the data. The report concludes that there is no evidence to establish that reforms and deregulation have negatively affected the process of decline in poverty. One does feel elated to hear such inferences, but deaths due to starvation and pitiable standards of living of many of us say a great deal about our achievements. We do not deserve any applause for this decline, what we deserve is shame!

The report is rich in data, analysis, interpretation of different situations and also synthesis of a complex subject. The editors need to be congratulated for daring to take up this subject and fearlessly condemning ourselves for being lethargic, unprincipled and selfish in achieving the goal of democracy 'for the people, by the people and of the people'. The report should be read by the scientific community, especially those involved in science policy-making and planning, to determine scientific and technological interventions to be made for reducing poverty, improving education, enhancing food security, improving infrastructure, management of funds and upholding democracy.

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