

SOME KEY ECONOMIC POLICY ISSUES IN INDIA IN THE 1970'S

by
Dr. Martin E. Abel
Program Advisor in Economics

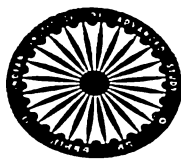
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PREFACE

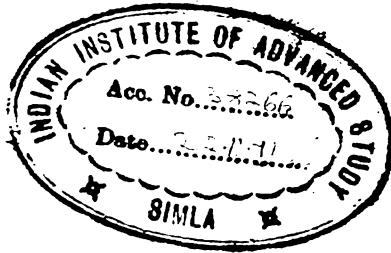
This is one of twelve volumes representing the culmination of a major effort begun by the India Field Office of the Ford Foundation several months ago. At that time, a staff decision was taken to have the Foundation's Program Advisors, with the maximum inter-disciplinary involvement of the entire Foundation Program staff, engage in a mind-stretching exercise. Our objective was to look at India in the 1970's and to do so without regard for any role or relationship for the Foundation. Ours has been and continues to be a quest for understanding India as a culture and as a nation committed to socio-economic equality and social justice.

If we are to achieve our objectives of gaining understanding about India's development prospects in 1970, we clearly need help from our Indian friends. One of the volumes, "Poverty in India", was especially prepared for the Foundation by Professor V.M. Dandekar, Director, Indian School of Political Economy, Poona, for inclusion in this series. While all the other papers were prepared by the Foundation staff, they have the benefit of considerable informal interaction with Indians.

In our quest for maximum understanding of India as it moves into the decade of the 1970's, we are now sharing these twelve volumes with a very small circle of Indian colleagues. Through this sharing with our Indian friends, we hope to further true up our own thinking and thus better anticipate India's major problems and priority needs for the future.

In addition to this volume, the other eleven volumes on India in the 1970's are:

- Volume I. "India and the 70's" - An Overview, by
Dr. Douglas Ensminger.
- Volume II. "Poverty in India" by Professor V.M.
Dandekar.



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- Volume III. "Indian Agriculture in the 1970's" by Dr. A.A. Johnson and staff.
- Volume IV. "Agricultural Development in India in the 1970's"(1) by Dr. Martin Abel.
- Volume V. "Water Use and Development in India in the 1970's"(2) by Donald A. Williams.
- Volume VI. "India's Family Planning Program in the 1970's" by the Family Planning Staff.
- Volume VIII. "Indian Education in the 1970's" by Harold Howe II.
- Volume IX. "Indian Politics, Policy and Public Administration in the 1970's" by Edward A. Kieloch.
- Volume X. "Human Resources Development and Utilization in the 1970's" by George Tobias.
- Volume XI. "Indian Urban and Regional Planning in the 1970's" by C. Preston Andrade.
- Volume XII. "Trends in Indian Culture in the 1970's" by Artur Isenberg.

Douglas Ensminger
 Representative in India
 New Delhi, July 21, 1970

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- (1) Made available, by request, for publication in the March issue of Economic and Political Weekly under the title, "Indian Agriculture in the 1970's".
- (2) Made available, by request, for publication in the June issue of Economic and Political Weekly, Vol.V. No. 26, under the title, "Water Management in the Seventies."

SOME KEY ECONOMIC POLICY ISSUES IN INDIA IN THE 1970's

This paper attempts to do two things; put forth some of the key economic issues that India will have to deal with in the 1970's and attempt an assessment of the state of the economics profession with respect to its possible contribution to the resolution of these issues through research and policy formulation. We will not attempt either to forecast or project the performance of the Indian economy in the decade of the 1970's ^{1/} or to discuss the state of teaching of economics in the social science programs of Indian universities generally. We assume that the latter subject will be covered by the papers being prepared on education, and former subject is beyond the resources and competence available to us.

India does not now have a comprehensive integrated and forward looking set of economic policies. Admittedly this is a harsh statement that implies an extremely high standard of performance. There are probably very few, if any, of the developed countries whose economic policies would fully meet the test of being simultaneously comprehensive, integrated and forward looking. It is not our intention to be overly intolerant of imperfection. Rather, our aim is to

^{1/} One exception is the paper, Agriculture in India in the 1970's.

highlight the more marked weaknesses of Indian economic policy in order to focus on some of the most important economic issues in the 1970's that need tending to and to suggest needed new directions for research and policy formulation.

Assumptions

India is very likely to experience a considerable degree of political instability in the 1970's. By this we mean the lack of a stable, dominant single party rule at Centre and an uncertain set of political relationships between Centre and individual States. The particular forms that this instability may take will be hard to predict. We shall not try to do so. What is important, however, is that an orderly approach to decision-making will become increasingly more difficult. Attention will be given by politicians to political questions of immediate concern and their attention to economic affairs will focus mainly on those matters that have reached some "crisis" stage. Longer-run planning and program discussions tend to suffer in this type of political environment. A corollary is that since the national leadership is assumed to be preoccupied with day-to-day affairs, little attention will be given to identifying the problems of the future nor will sufficient advanced thought be given to how to handle them.

The second assumption is that there is a growing sensitivity, and in some quarters resentment, to the advice of outsiders on how to plan for India's economic development and how to manage its economy. It is not assumed that this feeling will take extreme forms; i.e. preclude all outsiders from working with and advising government and research institutions on economic policy and related research matters. It is assumed, however, that Indians generally will be more circumspect in the future with respect to who assists them and the form of such assistance.

The third premise is that economic research, necessary as it is, will not come fast enough to provide highly analytical and objective bases for economic policy decisions in many key areas of development. This should in no way detract from the importance of good research. It does mean, however, that many policy decisions will have to be made on the basis of fragmentary information. Sound judgement relevant to Indian conditions and India's problems will become an ever more valuable input into the development planning process.

It goes without saying that the validity of these assumptions determines in large measure the validity of the discussion that follows.

Priority Areas

A number of what we think are the more important policy areas for India in the 1970's are listed in this section. The list is in no way complete. Other areas of importance will undoubtedly be suggested in subsequent discussions of this paper. Also, there are a number of major policy areas of unquestionably high priority such as population policy that are not discussed here only because they are being dealt with in other papers.

The development of India's natural resources, particularly the land-water complex, is certainly a high priority area. It represents one of the keystones of agricultural and rural development during the next several decades. One could also include the future development of mineral and forest resources. Both of these areas are important not only in terms of the future employment that can be generated from their development, but also in terms of their contribution to a more favorable trade picture for India either through expanded exports or through import substitution at reasonable costs.

We would also consider policies governing industrial pricing, investments and output to be of great importance. Rapid industrial development and all the benefits that would flow from it cannot be expected so long there exists an

environment inimical to the efficient use of capital in a country where capital is scarce. Poor investment choices and the inefficient operation of too many public sector enterprises represents a serious drag on the growth of industrial development and employment in India. The past emphasis on capital intensive types of industries has not contributed greatly to employment and has gone against the use of one of India's greatest assets -- an abundant supply of unskilled and semi-skilled labor. This is not to argue that capital-intensive investments are not necessary for a balanced industrial development program for India. What is at issue is the over-emphasis on certain basic industries at the expense of others which are more compatible with India's resource endowments. Also, policies that have acted against the development of a vigorous private industrial sector have yielded the same undesirable results.

With the increased priority being assigned to achieving a rapid rate of growth of exports, the inefficiencies that have been built into industrial development in India assume even greater importance. Indian planners are probably correct in assuming, as they have done in the Fourth Five Year Plan (Draft), that the annual levels of gross foreign aid will not increase. It may even be optimistic to assume that they will continue at present levels. Since the levels of debt repayment will increase at a rapid rate, the volume of net foreign aid will decline sharply in the 1970's --

by as much as 50 percent during the Fourth Five Year Plan period. A sharp rise in exports will be required to generate sufficient external resources required to achieve even a modest rate of growth in economic activity. A seven percent annual rate of growth in exports is targeted for the Fourth Five Year Plan period. The competitiveness of Indian exports in terms of both price and quality, in addition to other efforts made to promote exports, will play critically important roles in determining the practicability of the established export target.

Finally, India must do a much better job in the decades ahead in generating employment opportunities for the millions of under and unemployed. The policy areas listed above can deal partially, but significantly, with this problem. More, however, will be required. A large scale rural works program, as suggested and discussed in Agriculture in India in the 1970's, would go a long way toward providing employment for many millions of Indians who have not yet shared in the benefits of two decades of economic development. Such a program would also be highly complementary to the development of India's natural resources since many of the investments required for better resource development can be highly labor intensive.

The Situation

It is not our intention to either forecast the course of development of the Indian economy or to analyse specific economic

issues and recommend better policies and programs.^{2/} Neither time nor staff competence would enable us to do this. Besides, these are the things that the Government of India and organizations like the IBRD and U.S. AID are doing or should be doing. What we can do is to suggest what might be done in India, by Indians to get the key economic issues of the 1970's mooted and better understood.

We must start our discussion of what needs to be done by pointing out that the Indian economics profession and its orientation toward policy has grown steadily since Independence. The number of well-trained Indian economists concerned with economic policy research and policy formulation is larger today than at any other time. An excellent survey of policy research work' by both Indian and non-Indian economists has been done by Bhagwati and Chakravarty.^{3/} The amount of work done in economic policy fields is impressive. The dilemma which we all face is that what would be a large professional involvement in any other developing country turns out to be relatively small in the largest democratic developing country of the world -- India. Absolute progress somehow never seems to come near the rate of progress required relative to India's size, and the size of its economic problems and the rate at which they are growing.

2/ For data on past performance of the Indian Economy see, Data on the Indian Economy: 1951 to 1969, The Ford Foundation, New Delhi, January 1970.

3/ Jagdish Bhagwati and Sukhamoy Chakravarty, "Contributions to Indian Economic Analysis: A Survey", The American Economic Review, Supplement, Vol. LIX, No.4, Part 2, September 1969.

A professional concern with and understanding of India's economic problems has grown quite rapidly. It is questionable whether the same is true for the political and public opinion leadership of the country. It is this gap between economist and policy maker that should be of grave concern. The politicians have not seemed to grasp the importance of sound economic policies.

India has had a long history of formally planned economic development. In recent years, there has been widespread disillusionment with the development planning process, primarily because of the growing disparities between plans and performance. There is an urgent need for the general acceptance at both the political and administrative levels of the idea that performance is what really counts. Ideologies and slogans do not bring about economic development. Neither does an economic planning process which pays insufficient attention to plan implementation or one where the economic planners do not have sufficient political or administrative authority to effectively implement development plans, assuming they have the desire to do so. There is no question that the selection of many plan projects have been made on political rather than economic grounds and that resources have been wasted through poor plan implementation. Some of this we would expect as the natural outgrowth of the political process. But a poor country cannot afford too much of it.

In addition to this set of weaknesses, we must add a set of economic policies which have lead to the same end. They are too numerous to discuss all of them in this paper. However, a few will be mentioned, not necessarily in order of importance. First, there is the system of licensing by government of new industrial ventures and the expansion of old ones. This procedure suffers from at least two major defects. The licensing procedure has been strongly tied to government policies about which industries should be in the public sector and which should be in the private sector. More emphasis has been given to the question of public-private sector balances than to efficiency. The history of India's fertilizer industry is a good case in point. Also, the licensing system under the best of circumstances cannot foresee all the complementary relationships which will evolve among different industries. Industrial balance, such as it is, is maintained more by administrative procedures than by market forces. This has resulted in the retarded growth of many industries because of shortages of inputs from other industries which are not yet on the scene in adequate measure.

Second, restrictive and cumbersome import policies and programs have caused a great measure of uncertainty in the availability of imported raw materials, spare parts, and components. Although there has been considerable improvement in this area, much more remains to be done.

Third, there has been a strong urge almost an obsession -- with self-reliance through domestic manufacture resulting in a strong import substitution policy. On this score, India is no

different than a large number of other developing countries and, along with them, is paying a high price in the form of many protected and inefficient industries. This area also represents a major stumbling block to India's efforts to achieve a more rapid rate of growth of exports, primarily in manufactured products.

Finally, pricing policies in India leave much to be desired. One could argue with impunity that many public goods and services and many goods and services produced in the private sector under regulated prices are underpriced. They are underpriced in terms of what the market is willing to pay as well as in terms of the real cost of providing them.

It is unfortunately true that the leadership of India does not generally recognize the importance of sound economic policies and programs. The concept of performance or "getting things done" does not rank very high with the political leadership. It is, however, important to a number of leading economists who are concerned with important economic development issues and do participate, in one way or another, in attempts to formulate economic policy. One can and should ask why Indian economists have not had more influence in shaping economic policies.

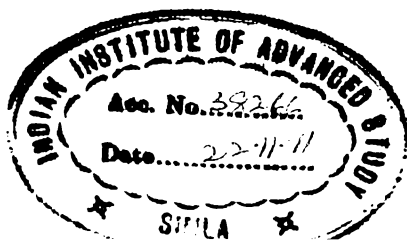
There are unquestionably many reasons for this state of affairs. It is our judgement that probably the most overriding reason is the lack of a set of institutions whose terms of reference permit an ever increasing number of trained analysts to (a) raise and debate the important economic issues that face India today and which must be dealt with in the future, and

(b) provide the research materials and hard analytical basis upon which sound economic policy formulation must be built.

If economic policy formulation is to be useful to and compatible with the political process and views of politicians it must be able to (a) state as clearly as possible the multifarious objectives that economic planners and developers are trying to achieve; (b) relate systematically the numerous policy instruments -- taxation, savings, investment, legal structure, administrative structure, etc. -- available to the achievement of these objectives; and (c) point out the inherent economic and possible political conflicts that exist among the objectives and among the policy instruments. It is only when these things are done that it is possible to determine the costs and benefits to society of alternative courses of action and to assess the realism of achieving different sets of objectives.^{4/} In its most simplified form, you can't always have both guns and butter. The relevant question is how much of each? To be more specific, you cannot have a development strategy that simultaneously maximizes both the rate of growth and the level of current consumption.

Growth requires savings and investment. Savings, in turn, represent the proportion of current income that is not consumed, but invested to create a higher level of future income.

4/ See B.S. Minhas, Fourth Plan: Objectives & Policy Frame, Commerce Pamphlet 20-21, Vora & Co. Publishers Private Ltd., Bombay, September 1969, for a discussion of this matter as it relates to the Fourth Five Year Plan (Draft).



Maximum growth means maximizing savings and investment, i.e. you reduce current consumption in order to create a higher future level of consumption. Maximizing consumption, on the other hand, denies the savings required to maximize growth and, therefore, future consumption. The underpricing of goods and services, both public and private, which stimulates consumption and reduces savings is incompatible with growth objectives. So too is the neglect or absence of an efficiency principle. You can't achieve a high rate of economic growth when, for example, so many public sector enterprises keep returning losses at ever increasing levels year after year. And, you can't achieve your growth objectives when, you have a set of tax policies and institutions for implementing them that operate to drive savings into consumptive uses or relatively unproductive investments.

We want to be clear at this point that we are not arguing for a simple set of economic policies and programs whose sole objective is to maximize the rate of economic growth. The way in which the benefits of economic growth are distributed are also important and in certain circumstances may be of overriding importance. This may very well be the situation in the area of employment. A much higher level of employment particularly in rural areas, would undoubtedly involve a slower rate of growth of savings and a higher rate of growth in consumption for some period of time. What we are saying is that one should have a fairly clear idea of the trade-off between the two sets of objectives so that one knows

how much growth is being sacrificed to achieve a given equity objective.^{5/} Suffice it to say that questions of this type are not now being asked by policy makers nor could they now be answered if they were asked. To explain why this is so we must look at the historic roles of two of the major institutions responsible for economic policy formulation in India -- the Ministry of Finance and the Planning Commission.

The Ministry of Finance, being true to the tradition of organizations of its type, has been concerned primarily with economic stabilization policies and has paid little attention to economic development issues. Therefore, the primary problems it has dealt with are price stability, money supply, foreign aid, and the management of foreign exchange reserves (balance of payments). One need look only at the historical record to see how blatantly true this statement is. Questions of economic growth have consistently been sacrificed on the alters of price stability and balance of payments. And, the Ministry of Finance has always been a powerful force in determining government's economic policies; possibly as powerful a force now as it has ever been.

^{5/} For an excellent discussion of this point see Louis Lefebvre, "Planning in a Surplus Labor Economy", The American Economic Review, Vol. LVIII, No. 3, Part I, June 1968; and Louis Lefebvre, Trade and Minimum Wage Rates, The Ford Foundation, New Delhi, Dec. 1969.

The Planning Commission -- the other major institution for policy making -- has had varying degrees of influence in the formulation of economic policy ranging from very high during the 1950's to moderate at the present time. Its primary concern has been to achieve a structural transformation of the Indian economy towards modernization and diversification with emphasis on maximizing the long-term rate of growth of the economy. Most of the debate within the Planning Commission has dealt with issues like the quantity of resources available for financing each Five Year Plan and how those resources are to be allocated among sectors and among States. These are important questions, but not the only important ones.

The great weakness of the Planning Commission in formulating economic policy is that it has never really come to grips with a whole set of questions dealing with alternative paths of development and what they mean. As one reads all the Five Year Plans for India, one is struck with the simplicity with which economic issues are treated. The Plan objectives are stated more or less clearly and it is assumed the targets will be achieved. Alternative sets of objectives are not presented and discussed. One has no alternatives from which to pick and choose. Also, the planning process never discusses alternative courses of action called for as a result of shortfalls in plan achievement. What is to be done if the economy is not favored by good weather and good crops; if the foreign aid resources are less than what was planned for; or if there is too much or too

little productive capacity in one industry or another? One is left to guess, because things like these do not appear in the Five Year Plans of India. To be sure, these questions must be mooted internally in the process of evolving each Plan. But there is where the debate remains, invisible to the broader groups of people concerned with economic development.

In the approaches to economic development historically taken by the Ministry of Finance and the Planning Commission, several elements of economic policy that bear directly on the pattern of development and performance of the economy have been neglected. Some of these have already been discussed as key issues for the 1970's. One area of neglect has been the issue of employment vs. growth. Another is plan implementation with emphasis on the efficient use of capital and labor resources. There are numerous examples that range all the way from key manufacturing activities to minor irrigation projects. Thirdly, questions of pricing efficiency in terms of profitability and savings on the one hand, and cost structure, efficiency and relations to world market conditions on the other have not received the attention they deserve.

The approaches to economic policy by both Ministry of Finance and the Planning Commission have also had a major impact on the nature of economic policy research done outside of government. Major economic research institutions in India are heavily if not totally dependent upon government for their resources. Many have responded well to requests by government

to do research on a wide variety of economic matters. Yet none, to our knowledge, has seen fit, as an institution to engage in organized policy research that would in any way represent a fundamental questioning or challenging of governmental policy. This position has been reiterated to us by the heads of several major economic research institutes.

On the other hand individuals with some of these same institutions have seen fit to either initiate or jump into economic policy debates.^{6/} That they do this is good. However, it suffers from the weakness that they appear as lone voices which do not carry the weight and prestige of established institutions and the groups of people which such institutions can or might represent, nor are their arguments always based on sound economic analysis.

Several aspects of the total set of problems related to improving economic policy making can be illustrated by briefly discussing some of the major economic policy decisions taken by the Government of India over the last few years.

Let us first look at the new agricultural strategy that was initiated in 1965. This new approach to agricultural development involved several new policy decisions: (1) the

^{6/} A recent example of this is some of the members of the AICC Panel on Economic Policy. See Report of the AICC Panel on Economic Policy, 15 Windsor Place, New Delhi, December 1969.

recognition that many cultivators were responsive to price incentives and that prices for many agricultural products, particularly food grains, were kept too low to provide cultivators with an incentive to use new inputs; (2) recognition that it was going to take more than compost and exhortation to boost agricultural production significantly; and (3) a commitment to provide farmers with the resources they needed -- fertilizer, improved seeds, etc. -- to get agriculture moving at a faster pace. The rapid change in agricultural policy that took place and its subsequent success can be distilled into three major factors. First, there was on the scene an extremely intelligent, capable and forceful Minister of Agriculture who (a) understood the issues, (b) was willing to fight at the highest political levels to get government headed in the right direction, and (c) brought excellent people into key positions in the administrative structure and saw to it that performance was given high priority. Second, there was a sizeable research base in both the economic and biological science fields that proved useful in developing and implementing the new agricultural strategy. And, many of the people who developed this basic information participated directly in launching the new agricultural strategy. Thirdly, economic conditions had reached a "crisis" stage so that the nation could no longer turn its back on agricultural development. This was probably as ideal a set of circumstances as one could hope for. Yet it must be stressed that the leadership role of the Minister of Food and Agriculture was probably the most critical. After all,

the other things were on the scene before he became Minister in mid-1964, and yet nothing was done. There is no substitute for understanding of the problem and willingness to lead at the highest political level. These are the qualities that make economists concerned with policy matters look good.

The second major policy decision that we discuss is the devaluation of the rupee in June 1966 and the import and export reforms that were a part of this action. This was an extremely complex change in Indian economic policy that (a) was not well understood by many key Indians and (b) was more forced upon India by the members of the India Aid Consortium than sought generally by the Government of India. For a variety of reasons the "expected" benefits from devaluation did not occur and there was a certain measure of frustration and ill-will all round. Some of the complicating factors were: (a) devaluation was followed by two serious drought years that put a terrible drag on economic growth, (b) the Government of India, acting in a very complex economic environment, took a number of steps to suppress previous export incentives and imposed export taxes on a wide range of goods which worked to counteract the beneficial effects of the devaluation; and (c) the aid donors who pushed hard for devaluation and promised the necessary financial backing did not fully keep their promises. Lack of strong internal and external political commitment, incomplete analyses and a measure of bad luck in the form of two severe droughts all worked to confuse and, to some extent, discredit what was otherwise a sound policy decision. The ensuing sensitivities in many quarters

prevented a vigorous implementation of the new policy and much time was lost in realizing the benefits of this major policy change. More systematic study and discussion of such complex policy matter could only have contributed to a more effective pursuit of the benefits of devaluation, once the decision was made.

What Might be Done

What might be done to improve economic policy making processes in India? Several possible lines of action are suggested for consideration.

First, priority must be given to the development of the idea within government that sound economic policies and their effective implementation are important. Various individuals and institutions have been working at this both within and outside of the Government of India. The group of nations and the IBRD comprising the India Aid Consortium have been working at it. So have some of the private foundations and a large number of individual development economists. Some results have been achieved, although not always in a neat and tidy fashion. More effort will have to be made. But these efforts should not be directed solely at key administrators, and scholars outside of government. Much more effort should be placed on dealing with the political leadership directly; after all, this is where the real power lies. We are talking here of a long term educational program. However, it will probably be more difficult

in the future for outside organizations to have access to the political leadership and to get them to focus on important economic matters. The daily preoccupation with political affairs related to the growing political uncertainty assumed at the beginning of this paper will work against leadership spending sufficient time on economic matters. Also, the advice that "outsiders" have given in the past has not always been either correct or relevant to India's problems. The growing professional sophistication and feeling of nationalism in India will likely lead to an increased scrutiny of outside advice and outsiders. This is not necessarily bad.

Second, there is the need for a more effective economic policy structure at the highest levels of government; one that will study and debate the key economic issues, stimulate and support such debate and needed research within and outside of government, and generally be an institution that can act with authority and entice others to carry out searching inquiries into key issues. Such an organization should play something like the combined roles of the Council of Economic Advisors and the Bureau of the Budget in the United States. It is not clear how such an organization fits into a parliamentary system of government. At least theoretically there is no reason why it cannot exist, just as the Planning Commission has existed and

functioned as an organization with different status than that of the various Ministries.^{7/} An institutional approach to economic policy formulation may assume even greater importance in an environment of political instability. It could be a vehicle for ensuring continuity of policies and actions, and also one that could force issues to the top for resolution where in other circumstances these issues would tend to get neglected until they reached some critical stage. It could also be a mechanism for systematically getting the best informed judgements on the nature of economic issues and what might be done about them. This could be a practicable alternative to the lack of an adequate research base.

One thing must be made clear. An organization such as the one we have suggested must function as a permanent staff organization to the Office of the Prime Minister with sufficient authority to force discussion of differences of opinion among individual Ministries and to ensure that policy decisions are implemented.

There are a number of other partial approaches that should also be considered. One is continued development of research capabilities within several Ministries of government. The new Economic Cell in the Ministry of Food and Agriculture has made a modest start in the direction of policy oriented work,

^{7/} A similar idea has already been suggested by the Administrative Reforms Commission. See, Interim Report of the Study Team on the Machinery for Planning, Administrative Reforms Commission, March 1967.

although most of it at the present time is aimed at short-term economic problems. The work done to date on short-term economic forecasting has been of good quality and useful to the administrative leadership of the Ministry of Food and Agriculture, and to some extent to the Ministries of Commerce and Finance in that commodity price and supply problems have been accurately forecast six months to a year in advance. These forecasts brought emerging problems to the attention of key administrators and contributed to their thinking about these problems before they hit in full force. The Economic Cell has also provided a vehicle for getting discussions going within government about the importance of doing much more research on the economic problems of small farms and landless labor with a view toward using this research to help design meaningful policies and action programs.

Still another approach represented by the State Planning program. In this program the emphasis is on improving the competence to effective project analysis at the State level. This is one way of emphasizing the importance of economic efficiency to achieving rapid economic development.

Another possibility is to develop one of the major economic research institutions into an economic policy-oriented instrument. This was the long-run design, in some quarters, for the National Council of Applied Economic Research (NCAER). But it has not occurred. The present Director has explicitly stated that he does not want NCAER to do economic policy research. There may be some albeit meagre hope that this view will change in the future.

In summary, we have identified some of the key economic policy issues that India will have to face in the 1970's and suggested some partial means for dealing more effectively with them. But, we have not been able to suggest a wise and workable approach that would result in a rapid change in the way major economic issues are handled in India.

