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**Folder ID:** 1552912

**Series:** Project Managers' Research Project Files

**Dates:** 11/01/1977 - 08/03/1981

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671-72  
GROWTH, POVERTY AND BASIC NEEDS  
VOL. I



The World Bank Group  
**Archives**



**1552912**

R1990-056 Other #: 4 61868B

Research Product Output (RPO) # 671-72 - Growth, Poverty and Basic Needs - Volume  
1

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LT/RCA

PAGE 1 OF 1 EXTENSION 61271 MESSAGE NUMBER TEST NUMBER (FOR CASHIER'S USE ONLY)

START  
2 HERE

TO: B.S. MINHAS, SECRETARY GENERAL,  
 AFRO-ASIAN RURAL RECONSTRUCTION ORGANIZATION (AARCO), C  
 117-118 DEFENCE COLONY, NEW DELHI 110 024, INDIA. LAST  
 DECEMBER I WROTE TO YOU SAYING THAT WE NEEDED EITHER TO OBTAIN  
 A FIRM TIMETABLE FOR THE COMPLETION OF THE RESEARCH PROJECT  
 "GROWTH, POVERTY AND BASIC NEEDS" OR TO CANCEL THE PROJECT. I  
 ASSUME THAT IF THE FORMER WAS A POSSIBILITY YOU WOULD HAVE LET  
 US KNOW BY NOW. THIS IS JUST TO LET YOU KNOW I NOW FIND  
 MYSELF WITH NO OTHER BUREAUCRATIC OPTION BUT TO CANCEL THE  
 PROJECT. WITH BEST REGARDS, TIMOTHY KING

END  
OF  
TEXT

NOT TO BE TRANSMITTED

|                                   |   |       |
|-----------------------------------|---|-------|
| CLASS OF SERVICE:                 | TELEX NO.:  | DATE: |
| SUBJECT:                          | DRAFTED BY:<br>TKing:dp   |       |
| CLEARANCES AND COPY DISTRIBUTION: | AUTHORIZED BY (Name and Signature):<br>Timothy King <i>Timothy King</i> |       |
|                                   | DEPARTMENT:<br>Development Research                                     |       |
|                                   | SECTION BELOW FOR USE OF CABLE SECTION<br>CHECKED FOR DISPATCH          |       |

RECEIVED

1954

1954

The following information was received from the  
 office of the State Department on 10/15/54  
 regarding the activities of the Communist Party  
 in the United States. It is noted that the  
 CP has been active in the field of labor  
 relations and has been successful in  
 organizing a number of unions. The CP  
 has also been active in the field of  
 education and has been successful in  
 organizing a number of schools. The CP  
 has also been active in the field of  
 culture and has been successful in  
 organizing a number of cultural organizations.

1954

1954

## OFFICE MEMORANDUM

TO: Research Project Supervisors

FROM: Christine I. Wallich, VPD *CW*

SUBJECT: Commitment/Expense Reports - June 1981

DATE: August 3, 1981

1. The attached commitment reports show your final expenditures for FY81 as reported to us by P&B. Please review them carefully, and report any errors or omissions to P&B. Unless we hear otherwise, we will assume that budget balances can be determined by the expenditure figures shown in these reports.
2. I am also attaching the status reports and would appreciate your completing them for each of the research projects listed below. The information provided should be current as of June 1981.
3. For your information, I am also attaching the Time Recording Forms for these projects, forwarded to us by P&B, to wit, the Paid Manpower Accounting Report for FY81 and Consultants Positions for FY81.
4. To avoid delay, I would appreciate your completing and returning the reports to me by Friday, August 14, 1981.

| <u>Project Code</u> | <u>Staff Member Responsible</u> |
|---------------------|---------------------------------|
| 670-86              | R. Norton                       |
| 670-87              | B. Balassa                      |
| 671-08              | M. Ahluwalia                    |
| 671-17              | C. Bell                         |
| 671-27              | G. Pyatt                        |
| 671-35              | B. Balassa                      |
| 671-43              | P. Scandizzo                    |
| 671-45              | J. Dulo                         |
| 671-58              | A. Meeraus                      |
| 671-72              | M. Ahluwalia                    |
| 671-89              | T.N. Srinivasan                 |
| 672-24              | W. Candler                      |
| 672-25              | G. Pyatt                        |
| 672-29              | G. Feder                        |
| 672-36              | B. Balassa                      |

attachments:

CW:aa

APR 23 1981

## OFFICE MEMORANDUM

APR 23 1981

cc Change

TO: Mr. J.H. Duloy (DRC)

DATE: April 14, 1981

FROM: Graham Pyatt (DRC) GP

SUBJECT: Growth, Poverty and Basic Needs RPO 671-72

I discussed completion of the above RPO with Bagicha Minhas. His position is that he cannot do anything further on this project before November 1981. However, he will then be able to give attention to it and expects to have a first draft available on the Sri Lanka/Kerala section by May 1982.

Bagicha also informed me that the research assistant whom he previously hired has now been laid off. Incidentally, this research assistant previously worked with Bagicha on this project in Washington.

GP:nr

1. cc Waide.
2. File

(F)

A. n 2 v

April 14, 1981

Mr. B.S. Minhas  
Secretary General  
Afro-Asian Rural Reconstruction  
Organization (AARRO)  
C-117/118 Defence Colony  
New Delhi 110 024  
India

Dear Bagicha:

Having just returned to Washington Alison and I very much like to thank you for your hospitality during our visit. It was good to see you again.

Since returning I have discussed our understanding with Jack Duloy who concurs in my acceptance of the position as we discussed it, viz. that there will be little or no further work until November of this year. Thereafter you should have time to return to your Sri Lanka/Kerala materials with a view to completing a first draft by May 1982. This draft would then be finalized in the light of comments and discussion which we will arrange for at the relevant time.

Incidentally, the unintelligible part of Jack's cable was to convey to you that one of the Executive Directors particularly commended your RPO study during the course of the annual debate on the Bank research program.

I am sorry we did not get further in our discussion on prospect for collaboration between the NSS and the LSMS. However, I hope you will let me know if you are going to be in England during May and that we can continue our dialogue in this area.

With very best wishes.

Yours sincerely,

Graham Pyatt  
Senior Adviser  
Development Research Center

GP:nr  
cc: Mr. Duloy (DRC)



# Record Removal Notice

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|---|--------------------------------|--|---|--------------------------------|
| <b>File Title</b><br>Research Product Output (RPO) # 671-72 - Growth, Poverty and Basic Needs - Volume 1  |                                | <b>Barcode No.</b><br><br>1552912  |   |                                |
| <b>Document Date</b><br>January 30, 1981  | <b>Document Type</b><br>Letter |  |   |                                |
| <b>Correspondents / Participants</b><br>To: Dr. John H. Duloy, Director, Development Research Center<br>From: B.S. Minhas, Indian Statistical Institute |                                |  |   |                                |
| <b>Subject / Title</b><br>[Notification of new position and request for payment]  |                                |  |   |                                |
| <b>Exception(s)</b><br>Personal Information   |                                |  |   |                                |
| <b>Additional Comments</b>  |                                | The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information or other disclosure policies of the World Bank Group. |   |                                |
|   |                                | <table border="1"><tr><td><b>Withdrawn by</b><br/>Kim Brenner-Delp</td><td><b>Date</b><br/>August 29, 2023</td></tr></table>   | <b>Withdrawn by</b><br>Kim Brenner-Delp | <b>Date</b><br>August 29, 2023 |
| <b>Withdrawn by</b><br>Kim Brenner-Delp   | <b>Date</b><br>August 29, 2023 |  |   |                                |



JAN 16 1981

January 16, 1981

File → RPO 671-72

Dr. B. S. Minhas  
Indian Statistical Institute  
7 Sansanwal Marg  
New Delhi 29  
India

Dear Bagich,

Thanks for your letter of January 1, 1981 and your greetings for the new year. I hope that 1981 proves a productive and happy year for you and Raj also.

I am pleased to learn that your new responsibilities will not stand in the way of completing the project. This is good news, indeed, and I look forward to seeing a draft in October/November 1981. We can then agree mutually on the timing of your visiting Washington to discuss the results and effect revisions.

Kind regards.

Yours sincerely,

*Jack*

John H. Duloy

✓ cc: S. Acharya (VPD) (with 1/c)

# INDIAN STATISTICAL INSTITUTE

Telegram : STATISTICA, New Delhi  
Telephone : 664741, 664532  
664789, 664330



Delhi Centre  
7, S.J.S. Sansanwal Marg,  
New Delhi-110029

1st January, 1981.

Dr. John H. Duloy,  
Director, D.R.C.  
The World Bank  
1818 H. Street, N.W.  
Washington, D.C. 20433  
U.S.A.

Dear Jack,

Let me, first of all, wish you a very happy new year. I am sorry that I could not keep my promise of sending a full reply to your letter of October 17, 1980 by end November. I am, nevertheless, taking this matter as the first order of business in 1981.

As you know, I left the IRC and Washington at the end of June, 1979. Between July 1979 and February 1980, I did not contract any new responsibilities which could have compromised my single-minded pursuit of Sri Lanka-Kerala Project. Your organization, however, did not show any urgency to negotiate a contract with me to finish the project. It was only during my visit to Washington in May 1980 that a contract was offered that could be signed. As per our earlier reckoning of June 79, the project was supposed to be completed by June 1980. By the time contract was signed in May 1980, almost a year had been lost and I had entered other commitments which were to allow me no spare time till October 1980. Since early November 1980, I have been putting in the equivalent of one and a half days of work every week on this project. I have also engaged a Research Assistant.

Your appreciation of my work responsibilities in India is quite correct. I cannot devote as much time to the project as would seem necessary to finish it by June 1981. In full awareness of the known constraints on my time, I am, however, reasonably certain to have a first draft ready by October/November 1981. I shall be working on the Project over the weekends and almost half time during the summer recess. I could visit Washington to discuss the results in early December, 1981.

Your contract does not envisage making any payments until such time when the draft report is submitted. By closing out the study now, the only losses that can be cut is a lumpsum amount of 2000 dollars which is provided for

contd... 2/p...

- 2 -

the services of a Research Assistant plus some marginal travel money. Kindly let me know at your convenience your decision whether you would like to close out the Project now to cut losses or allow it to be continued as per the revised time table sketched out above. In choosing the later course, there is undoubtedly a positive likelihood of a bigger loss for your organisation. My investment in the project nevertheless has been so large that I am bound to bring it to a finish with or without any further support from the D.R.C.

With best wishes for the New Year to Rachel and Philip Jack,

Yours sincerely,

*Bagich*

( B.S. Minhas )

INCOMING MAIL UNIT  
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October 17, 1980

File -> RPO ( )

671-72 ?

Dr. B.S. Minhas  
Indian Statistical Institute  
7 Sansanwal Marg  
New Delhi 29  
India

Dear Bagich,

I am sorry that we did not succeed in getting together during your recent visit to Washington. Since then, Rachel has given birth to a son, Philip Jack. Both are well, and are now settling down to a routine.

You will recall that when we spoke in New Delhi, you agreed to provide me with a timetable for the various steps involved in completing your study. I can understand that taking responsibility for NSS puts heavy demands upon your time. Does it mean that, realistically, the chances of completing the study are slender? If so, we should recognize that fact and cut losses now. If, on the other hand, you consider that you can still complete the work, I would, of course, be delighted. If this is the case, I would appreciate receiving a revised timetable, including a visit to Washington to discuss results. You will understand that I need to keep the Research Committee informed on progress and, if there are delays, the reasons for them.

Best regards,

Yours sincerely,

*Jack*

John H. Duloy

cc: S. Acharya (VPD)



# Record Removal Notice

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| <b>File Title</b><br>Research Product Output (RPO) # 671-72 - Growth, Poverty and Basic Needs - Volume 1  |                                | <b>Barcode No.</b><br><br>1552912  |   |                                |
| <b>Document Date</b><br>July 18, 1979   | <b>Document Type</b><br>Letter |  |   |                                |
| <b>Correspondents / Participants</b><br>To: Mr. B.S. Minhas, Indian Statistical Institute<br>From: Hendrik Groen, Personnel Management Department |                                |  |   |                                |
| <b>Subject / Title</b><br>[Letter of consultant appointment]  |                                |  |   |                                |
| <b>Exception(s)</b><br>Personal Information   |                                |  |   |                                |
| <b>Additional Comments</b>  |                                | The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information or other disclosure policies of the World Bank Group. |   |                                |
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| <b>Withdrawn by</b><br>Kim Brenner-Delp   | <b>Date</b><br>August 29, 2023 |  |   |                                |

OFFICE MEMORANDUM

TO: See distribution below.

DATE February 2, 1979

FROM: M. A. Hazzah, VPD *M. A. Hazzah*

SUBJECT: Status Report Reminder

The Status Report requested several weeks ago is overdue. Would you please see that it is completed and submitted to this office (F 1219) no later than Friday February 9. Thank you.

|               |                       |                  |
|---------------|-----------------------|------------------|
| Distribution: | Mr. J. Duloy          | (671-45)         |
|               | Ms. G. Stout          |                  |
|               | Mr. Kutcher/Scandizzo | (670-73)         |
|               | Mr. R. Norton         | (670-86)         |
|               | Mr. B. Balassa        | (670-87)         |
|               | Mr. M. Ahluwalia      | (671-08; 671-72) |
|               | Mr. P. Hazell         | (671-17)         |
|               | Mr. G. Pyatt          | (671-27)         |
|               | Mr. B. Balassa        | (671-35)         |
|               | Mr. A. Meeraus        | (671-58)         |
|               | Mr. T. Srinivasan     | (671-62)         |

cc: Mr. S. Bery

671-72

# OFFICE MEMORANDUM

DATE: January 4, 1979

TO: Mr. J. R. Duloy, DRC

FROM: Mona A. Hazzah, VPD *mk*

SUBJECT: Research Project Status Report

1. I would appreciate it if you could have the attached Status Reports completed for each of the research projects listed below. The information provided should be current as of December 31, 1978. To this end, I attach where necessary a copy of the latest Commitment Report printout, which provides a summary and itemization of expenses recorded through November.

2. Since this Status Report covers only two sections of the Report (I and II), I urge you to complete and return the report to this office (F 1219) no later than Friday, January 26, 1979.

3. I would appreciate it if you could attend to this matter as soon as possible to avoid unnecessary delays.

| <u>Project Code</u> | <u>Staff Member Responsible</u> |
|---------------------|---------------------------------|
| 670-73              | Kutcher/Scandizzo               |
| 670-86              | R. Norton                       |
| 670-87              | B. Balassa                      |
| 671-08              | M. Ahluwalia                    |
| 671-17              | P. Hazell                       |
| 671-27              | G. Pyatt                        |
| 671-35              | B. Balassa                      |
| 671-43              | Hazell/Scandizzo                |
| 671-45              | J. Duloy                        |
| 671-58              | A. Meeraus                      |
| 671-62              | T. N. Srinivasan                |
| ✓ 671-72            | M. Ahluwalia                    |

cc: Ms. G. Stout (w/att.)  
Mr. S. Bery

Attachments  
MHazzah:tr

# OFFICE MEMORANDUM

TO: Mr. J. Duloy, DRC

DATE: April 18, 1979

FROM: Suman Bery, VPD *AKB*

SUBJECT: Research Project Status Reports

1. I would appreciate it if you could have the attached Status Reports completed for each of the research projects listed below. The information provided should be current as of March 31, 1979. To this end, I attach where necessary a copy of the latest Commitment Report printout, which provides a summary and itemization of expenses recorded through March.

2. Also attached is a PAB form to be completed and returned to us together with the Status Report, indicating whether or not you desire corrections.

3. Since this Status Report covers only two sections of the report (I and II), I urge you to complete and return the report to this office (K-3501) no later than Friday, May 11, 1979. Also please make sure that Section I.c. is completed. A number of Status Reports omitted this information in the last round.

Project Code

Staff Member Responsible

|               |                   |
|---------------|-------------------|
| 670-73        | Kutcher/Scandizzo |
| 670-86        | R. Norton         |
| 670-87        | B. Balassa        |
| 671-08        | M. Ahluwalia      |
| 671-17        | C. Bell           |
| 671-27        | G. Pyatt          |
| 671-35        | B. Balassa        |
| 671-43        | Hazell/Scandizzo  |
| 671-45        | J. Duloy          |
| 671-58        | A. Meeraus        |
| 671-62        | T.N. Srinivasan   |
| <u>671-72</u> | M. Ahluwalia      |

cc: Ms. G. Stout (with attachments) *n/att*  
Mr. S. Bery



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August 28, 1978

Dr. Upali Fernando  
Chief Research Engineer  
Building Research Institute  
State Engineering Corporation of Sri Lanka  
99/1, Jawatta Road  
Colombo 5, Sri Lanka

Dear Dr. Fernando:

A copy of your letter to Mr. Andrew Kamarck dated June 15, 1978 has arrived on my desk with a request that attempt to respond. First though, I apologise for this delay, a result of our normal travel schedules.

The points you make in para 3 of your letter are true. The development of low cost housing within the conventional parameters of research on day lighting, thermal and accoustic comfort personal and public security are in conflict. To a certain extent the expectancy of solutions "just round the corner" as a result of new methods and processes, has probably had a restricting effect on exploring alternatives at a more 'grass-roots' level. The so-called energy crisis in the post 1974 era has helped focus a lot of thinking on more relevant issues. For example: Is conventional planning legislation at fault? Are building codes properly concieved and adopted for use in climatic conditions, that are totally different from their original source? Can local building materials be more effectively used in creating or modifying the micro-climate? Can building facades and heights be used to insulate more effectively the inside, and equally create shaded walkways. Can groups of buildings with certain walls exposed to excessive solar heat, gain be used to generate or accelerate the wind tunnel effect for cooling pedestrians in the street? Will the detailed design of window, door openings and other ventilation have similar effect internally? Given the rapid growth can trees and grass between buildings not become financially and environmentally a more successful design solution for reducing heat radiation, glare, moise transmission pylons and paving slabs associated with "development"? Can the discharge rain water in urban areas become less of a liability? E.g. young children washed away/ drowned; erosion from flooding due to blocked drains, mosquito breeding puddles in open drains etc. Would a system of pools integrated with the buildings and landscape (and thus controlled and maintained) serve as balancing ponds for flash floods or normal storms, at the same time be an asset for emergency firefighting and dry season garden watering?

There are whole new areas (or more correctly old areas) that need reviewing, rethinking and research. Unfortunately, at this stage I am not aware of any one group or institute researching these issues from this aspect. However, I would be glad to send to an extensive bibliography in which some aspects have been touched upon. Perhaps your own Institute could spearhead some of this research. I would be pleased to hear your views.

AUG 29 1978

Dr. Upali Fernando

- 2 -

August 28, 1978

In the meantime you may wish to obtain a copy of a Report<sup>1/</sup> for U.N. Environment Program Headquarters in Nairobi dated February 1975 in which I deal with the above and other aspects from an overview of environment and architecture.

You may also wish to contact other agencies involved in developmental research in tropical countries to enquire on similar programs if any. One I can think of immediately is the U.N. Regional Housing Center, J. Tamansari 84 Bandung, Indonesia (Mr. Kartahardya).

Please keep in touch.

Sincerely,

Braz O. Menezes  
Urban Division 3  
Urban Projects Department

Messrs. Jaycox, McCulloch, Cook (URB); A.M. Karmarck (EDI)

BMenezes:sa

---

<sup>1/</sup> UNEP Headquarters, a preview into the environmental factors by Braz Menezes, ARIBA MRTPI MAAK UN 1975. Your request can be made to P.O. Box 30552, Nairobi, Kenya.

## OFFICE MEMORANDUM

TO: Mr. John H. Duloy, DRC

FROM: Mona A. Hazzah, VPD

SUBJECT: Research Project Status Report

DATE: August 10, 1978

1. I would appreciate it if you could have the attached Status Reports completed for each of the research projects listed below. The information provided should be current as of June 30, 1978. To this end I attach where necessary a copy of the June 1978 Commitment Report printout, which provides a summary and itemization of expenses recorded through June.

2. Since this Status Report covers all expenses incurred throughout FY78, I would be grateful if you could complete all four sections of the report and return to this office (F1219) no later than Monday September 11, 1978.

| <u>Project Code</u> | <u>Staff Member Responsible</u> |
|---------------------|---------------------------------|
| 670-01              | B. Balassa                      |
| 670-06              | M. Ahluwalia                    |
| 670-73              | G. Kutcher                      |
| 670-83              | M. Ahluwalia                    |
| 670-86              | R. Norton                       |
| 670-87              | B. Balassa                      |
| 670-94              | M. Ahluwalia                    |
| 671-08              | M. Ahluwalia                    |
| * 671-17            | P. Hazell                       |
| 671-27              | G. Pyatt                        |
| 671-29              | W. Candler                      |
| 671-35              | B. Balassa                      |
| 671-36              | M. Ahluwalia                    |
| 671-43              | P. Hazell                       |
| 671-45              | J. Duloy                        |
| 671-58              | A. Meeraus                      |
| 671-62              | T. N. Srinivasan                |
| ✓ 671-72            | M. Ahluwalia                    |

Attachments

cc: Ms. G. Stout (w/att.)



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| <b>File Title</b><br>Research Product Output (RPO) # 671-72 - Growth, Poverty and Basic Needs - Volume 1                  |                                | <b>Barcode No.</b><br><br>1552912  |   |                                |
| <b>Document Date</b><br>May 15, 1978  | <b>Document Type</b><br>Letter |  |   |                                |
| <b>Correspondents / Participants</b><br>To: Mr. B.S. Minhas<br>From: Sheila C. Wilkerson, Personnel Management Department |                                |  |   |                                |
| <b>Subject / Title</b><br>[Letter of consultant appointment]  |                                |  |   |                                |
| <b>Exception(s)</b><br>Personal Information   |                                |  |   |                                |
| <b>Additional Comments</b>  |                                | The item(s) identified above has/have been removed in accordance with The World Bank Policy on Access to Information or other disclosure policies of the World Bank Group. |   |                                |
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| <b>Withdrawn by</b><br>Kim Brenner-Delp   | <b>Date</b><br>August 29, 2023 |  |   |                                |

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Class of Service: **TELEX OR FULL RATE**

Date: **JULY 7, 1978**

Telex No.:

Originators Ext: **7-4228**

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1) DR. W.M. TILAKARATNA  
SECRETARY  
MINISTRY OF FINANCE AND PLANNING  
COLOMBO, SRI LANKA.

~~SECMINFINPLAN~~

2) MR. S. VELAYUTHAM  
DIRECTOR  
EXTERNAL RESOURCES DEPARTMENT  
MINISTRY OF FINANCE AND PLANNING  
COLOMBO, SRI LANKA.

~~FORAID~~

LC

JUL 12 1978

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Class of Service: TELEX OR FULL RATE Date: JULY 7, 1978

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1 TO

FOR DR. TILAKARATNA, SECRETARY, MINISTRY OF FINANCE AND  
PLANNING, INFORMATION MR. VELAYUTHAM, DIRECTOR, EXTERNAL  
RESOURCES DEPARTMENT. REF. SRI LANKA - BASIC NEEDS RESEARCH.

FURTHER TO MR. WAIDE'S LETTER OF APRIL 10, 1978, AND  
MR. ROBLESS/MR. LATEEF'S DISCUSSIONS WITH YOU ON JUNE 23,  
1978, DR. B.S. MINHAS IS NOW PLANNING TO ARRIVE IN SRI LANKA  
ON AUGUST 21 FOR A PERIOD OF ABOUT TEN DAYS. AS NOTED  
IN MR. WAIDE'S LETTER AND IN THE OUTLINE OF THE RESEARCH  
PROPOSAL SUBMITTED TO YOU BY MR. LATEEF, DR. MINHAS WILL BE  
UNDERTAKING, ON BEHALF OF THE BANK, AN INVESTIGATION OF THE  
EXPERIENCE OF THE PUNJAB, KERALA, AND SRI LANKA IN MEETING  
THE BASIC NEEDS OF THEIR RESPECTIVE POPULATION. WE WOULD  
BE MOST GRATEFUL IF YOU COULD INFORM US AS TO WHETHER THIS  
MISSION IS CONVENIENT TO THE GOVERNMENT. WARM REGARDS,  
SHIBUSAWA.

CITY/COUNTRY

MESSAGE  
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TEXT

**NOT TO BE TRANSMITTED**

SUBJECT:  
**Sri Lanka - Basic Needs Research**

CLEARANCES AND COPY DISTRIBUTION:  
cc: Messrs. Waide, Minhas

DRAFTED BY:  
*RG* **RGAbbott:mc**

AUTHORIZED BY (Name and Signature):  
**A.H. Shibusawa, Chief** *Shibusawa*

DEPARTMENT:  
**South Asia Programs**

SECTION BELOW FOR USE OF CABLE SECTION  
CHECKED FOR DISPATCH

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# Record Removal Notice

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| <b>File Title</b><br>Research Product Output (RPO) # 671-72 - Growth, Poverty and Basic Needs - Volume 1                  |                                | <b>Barcode No.</b><br><br>1552912  |   |                                |
| <b>Document Date</b><br>March 20, 1978  | <b>Document Type</b><br>Letter |  |   |                                |
| <b>Correspondents / Participants</b><br>To: Mr. B.S. Minhas<br>From: Sheila C. Wilkerson, Personnel Management Department |                                |  |   |                                |
| <b>Subject / Title</b><br>[Letter of consultant appointment]  |                                |  |   |                                |
| <b>Exception(s)</b><br>Personal Information   |                                |  |   |                                |
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|   |                                | <table border="1"><tr><td><b>Withdrawn by</b><br/>Kim Brenner-Delp</td><td><b>Date</b><br/>August 29, 2023</td></tr></table>   | <b>Withdrawn by</b><br>Kim Brenner-Delp | <b>Date</b><br>August 29, 2023 |
| <b>Withdrawn by</b><br>Kim Brenner-Delp   | <b>Date</b><br>August 29, 2023 |  |   |                                |

Mr. J. Duloy, DRCDR

February 23, 1978

I. M. D. Little, VPD

Research Committee Action on the Research Proposal:  
"Growth, Poverty and Basic Needs, Development  
Policies - Sri Lanka, Kerala, Punjab"

1. At its meeting on February 17, the Research Committee approved funding for this proposal as requested, on the understanding that there is suitable coordination between Mr. Minhas and Mr. Waide of the South Asia Region during the course of this research.

2. The project identification code and authorizations are as shown below:

|       |                             |               |
|-------|-----------------------------|---------------|
| (i)   | Identification Code:        | 671-72        |
| (ii)  | Total Authorization:        | \$80,000      |
| (iii) | FY Allocations - FY78:      | \$10,400      |
|       | - FY79:                     | \$69,600      |
| (iv)  | Date Final Report Expected: | December 1979 |

3. Please use the identification code in all financial documents and other communications concerning this project, including letters of appointment to consultants.

cc: Messrs. Ahluwalia, Minhas, Panickaveetil, Benitez  
Ms. Stout, Mrs. Hazzah

AMChoksi:gm

## OFFICE MEMORANDUM

TO: Mr. A. Choksi

DATE: February 2, 1978

FROM: Edward V. K. Jaycox

SUBJECT: Growth, Poverty and Basic Needs, Development Policies--  
Sri Lanka, Kerala, Punjab

1. The Review Panel consisting of Messrs. Burki, Dervis, Rajapatirana, Walters and Jaycox (chairman) met on January 30 to discuss the subject proposal for research. Also in attendance were Messrs. Ahluwalia, Pyatt, Minhas, Little and Choksi.
2. The Panel considers the subject of the research to be of obvious interest to the Bank, fitting closely with and complementing the initiatives of DPS and CPS in policy and operational work. The main questions raised about the proposal had to do with the definition of the research approach and methodology; the range of topics to be covered; and the choice of regions to be studied. In the end the Panel was satisfied with the clarification presented by Prof. Minhas and Messrs. Pyatt and Ahluwalia, and recommends approval by the Research Committee.
3. The Panel recognized from the outset that research of this nature must start from a broad approach on available historical, economic, political and social data to gain insights into the hypotheses that will be subject to further research. The methods of economic analysis in a historical and institutional context will be applied. The research will attempt to adduce what interesting generalizations will emerge. What is needed first is initial classification and comparison of the evidence. The Panel stressed and Prof. Minhas agreed that the "complementarity statement" on page 3 of the proposal should not be taken as axiomatic but as an important hypothesis to be examined in this work. It was also agreed that adequate attention should be paid to "initial conditions" and to the political/social determinants of policy formulations over time in the three regions.
4. Prof. Minhas, responding to questions about possibly limiting the range of topics to be covered, said that these would of course be limited somewhat as the research proceeds. He would, however, hold as a bare minimum four main areas about which all other topics would be grouped:
  - (a) What happened in all three areas with respect to all aspects of levels of living, i.e., set the historical record as straight as possible given present data, and make this record as relevant to policy analysis as feasible;
  - (b) Food production, pricing and procurement; an analysis of the policies, investment packages, distribution system, and pricing regimens in terms of the resulting supply and consumption patterns; holding out the possibility of isolating the food programs in Sri Lanka and Kerala for analysis of their impacts;

- (c) Complementarity of basic needs elements in food, health, water and education; are they complementary or not; which are most important; are sequential approaches effective; these questions are susceptible to analysis since in each of the three areas, stops and starts on elements of the "packages" occurred over time; and
- (d) Sustainability; given the very low economic growth rates in Sri Lanka and Kerala, are the gains in levels of living sustainable over time.

5. The Panel was impressed with Prof. Minhas' grasp of his objectives and his pragmatic approach.

6. Prof. Minhas strongly and convincingly defended the choice of Sri Lanka, Kerala and Punjab as the regions to be studied. The areas are eminently comparable in terms of their culture, their "reformist" political climates, their levels of income and the policy tools they in fact used and had at their disposal. All of the interesting areas for analysis, agricultural investment and production, water, health and education are "state subjects" in India. All three areas had excellent documentation and Prof. Minhas was personally very familiar with the data. In the light of the above considerations, the Panel favored the comparisons suggested by Prof. Minhas as against an alternative proposal to compare Sri Lanka with Malaysia.

7. The budget for the project looks reasonable, as do the arrangements with respect to support and Bank supervision.

8. The Panel recommends Committee approval of the proposal as it stands.

cleared with and cc: Messrs. Burki, Dervis, Rajapatirana, Walters  
cc: Messrs. Ahluwalia, Little, Pyatt, Minhas

EVKJaycox/pab

## OFFICE MEMORANDUM

TO: Those Listed Below

FROM: Armeane M. Choksi, VPD

SUBJECT: Changes Associated with the Review of the  
Research Proposal: Growth, Poverty and  
Basic Needs: Development Policies -  
Sri Lanka, Kerala and Punjab

DATE: January 19, 1978

Please note the following changes with respect to the review panel meeting for the Basic Needs research proposal:


1. The meeting will now be held on Monday, January 30 at 2.30 p.m. in Room D556.
2. Mr. S. Rajapatirana will substitute for Mr. C. Robless on the panel.

Distribution: Messrs. Ahluwalia, Burki, Dervis, Duloy, Jaycox, B. King, Little, Minhas, Pyatt, Rajapatirana, Robless, Walters

OFFICE MEMORANDUM

TO: Those Listed Below

DATE: January 17, 1978

FROM: Armeane M. Choksi, VPD 

SUBJECT: A Panel to Review a Research Proposal

1. A panel consisting of Messrs. E. V. K. Jaycox (Chairman), S. Burki, K. Dervis, C. Robless and A. Walters has been established to review the attached research proposal on Thursday, January 26 at 10 a.m. in Room A720.

| <u>Proposal</u>  | <u>Staff Responsible</u>     |
|--|------------------------------|
| Growth, Poverty and Basic Needs:<br>Development Policies - Sri Lanka,<br>Kerala and Punjab | M. S. Ahluwalia<br>B. Minhas |

2. The panel is expected to consider issues such as: (i) Is the proposed research of interest to the Bank? (ii) What is the expected usefulness of this research for Bank operations? (iii) Is the study designed to deal with the issues that it raises? A set of guidelines designed for the preparation and submission of research proposals is attached. It highlights many of the issues that may be relevant for the panel discussion. It may, therefore, be a useful aid in considering this proposal.

3. The recommendations of the panel should be sent to me by Thursday, February 2.

Attachments

Distribution: Messrs. Burki, Dervis, Jaycox, Robless, Walters, Little, B. B King  
 cc (guidelines only): Messrs. Ahluwalia, Minhas  
 cc (information): Messrs. Duloy, Pyatt

## OFFICE MEMORANDUM

TO: Armeane Choksi, VPD  
FROM: Graham Pyatt, DRC *GP*  
SUBJECT: Minhas Research Proposal

DATE: January 13, 1977

The paper herewith requests support for a research proposal of which Bagich Minhas is the primary architect. It has been discussed within the DRC, including a seminar at which the South Asia Region was well represented. Also, I understand that an earlier draft has been discussed within the region and you will know that Bevan Waide has subsequently put down on paper the region's initial reaction. The revisions which have gone into preparation of the present draft hopefully clarify some of the points.

It would seem most helpful if a panel could be convened at an early date to pursue this proposal and advise on the revisions or clarifications which might be made before putting the proposal to the Research Committee. Since I envisage regional representation on the panel, it has not been appropriate for us to ask for explicit regional endorsement at this juncture. Moreover, we would welcome the opportunity to discuss this proposal further in the panel context. Methodologically, it is of a somewhat different character from the proposals we are accustomed to submitting. Therein potentially lies its attraction, together with the fact that in researching a new approach we feel it is a great advantage to have Professor Minhas as the prime mover.

cc: M. Ahluwalia  
J. Duloy  
B. King  
B. Minhas  
B. Waide

Attachment

## OFFICE MEMORANDUM

671-72

TO: Mr. Jack Duloy, Director, DRC

FROM: E. Bevan Waide, ASNVP *EW*

SUBJECT: Basic Needs Research - India and Sri Lanka

DATE: January 9, 1978

Further to our remarks at the DRC meeting last week, I think it would be useful if I were to note South Asia's initial reactions to the Minhas research proposal.

Firstly, we think there is merit in this practical effort to learn from experience; a lot of the research on basic needs now being done is highly abstract, or micro-level, but there is very little at the level of general strategy for a particular region or sub-region, of a kind useful for policy analysis. While welcoming the proposal in principle, we would nevertheless stress the need for practical policy conclusions to emerge. This is mentioned on Page 12, but we would hope that the research could be designed to give more weight to policy output. The Bank is, after all, committed to a greater basic needs effort and hopefully research will help indicate how best to follow up.

Secondly, there are questions of methodology. In order to see the relevant variables at work, it will clearly be necessary (in looking at the kinds of subjects mentioned on Page 10) to have a fairly rigorous framework in which many other variables are held constant. If this is not done there is a risk that results would be in the form of interesting anecdotal economic histories from which few useful policy generalizations can be drawn. As Oktay Yenal has pointed out (his cable is attached) this would suggest it would be useful at least initially to narrow down the range of topics on which analysis and comparisons would be made.

This brings up the question of choice of regions. We are inclined to suggest that it may be difficult to compare Sri Lanka with Indian states. Sri Lanka controls its own policies, whereas in India the centre retains strong powers; there are significant differences in public finance, also. Moreover, there are many similarities between Kerala and Sri Lanka, including a similar commitment to meeting basic needs. Would there be some merit, therefore, in considering a comparison of different states within India - e.g. it would be possible to take the Punjab (a high growth example) along with, say, Bihar or Orissa (low-growth) plus Kerala (high basic needs). Alternatively, it might be possible to compare, say, the Sri Lankan experience with that of Malaysia. Throughout it would seem to us essential to go in detail into the question of the determinants of economic growth. For example, would it have been possible to achieve more rapid growth in Sri Lanka if fewer resources had been devoted to basic needs, or would Punjab's growth been any the less had they devoted more effort to basic needs, i.e. is the growth rate determined mainly by other factors?



Lastly, on the question of coordination, we would like to be assured that this research, both in design and in the field, is coordinated with other work that has been done or is proposed, such as the paper by Arun Shourie, the recent economic mission to Sri Lanka (on which Paul Isenman was looking at basic needs) and the proposed comparative study of Kerala and Sri Lanka on determinants of fertility decline. We would propose to seek the views of the Government of India (and that of Sri Lanka if chosen) on this research and would like to know whether any local collaboration is planned. Since the approach will inevitably require judgements to be made about the impact of each region's political economy on the achievement of growth and welfare, clearly the study should be conducted, and written up, with discretion. If a research project is approved, we would seek the opportunity to review major outputs before they are circulated outside the Bank.

Att.

cc: Messrs. B.B. King, I. Little, B. Minhas, M. Ahluwalia,  
O. Yenai, S. Burki, A. Choksi, R. Grawe  
Blobel/Pilvin/Jansen, Picciotto/Rajagopalan/Rowe,  
Alisbah/Wall/Taylor, Shibusawa/Robless/Lateef

INCOMING TELEX: New Delhi, January 6, 1978

For South Asia Region

Attention: Grawe, re Minhas Research

I have seen the research proposal by Minhas dated November 1977 and had briefly discussed it with Duloy and Srinivasan. Basically it is an interesting approach to the causes of social welfare differentials under similar income conditions. The identification of the initial conditions of the charting of major socio-economic variables in Punjab, Kerala and Sri Lanka during the last 25 years in order to assess the importance of the historical factors can be a useful contribution. Beyond this, it is less clear how the efficacy of the programs and social organizations in these three areas will be analyzed. Each topic mentioned on page 11 (of the November draft) would need an ambitious research effort. Since Minhas will undertake the study we can expect interesting insights on most of these angles, but there is the risk that conclusions will again be impressimistic and not take the debate any further. Narrowing the study to fewer topics or making the present study a first phase to explore possible methodologies might improve the project.


Regards Yenai.



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| <b>Document Date</b><br>January 12, 1978   | <b>Document Type</b><br>Form   |  |   |                                |
| <b>Correspondents / Participants</b><br>Professor Bagicha Minhas   |                                |  |   |                                |
| <b>Subject / Title</b><br>World Bank Research Program Project Proposal                                   |                                |  |   |                                |
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| <b>Withdrawn by</b><br>Kim Brenner-Delp  | <b>Date</b><br>August 29, 2023 |  |   |                                |

## OFFICE MEMORANDUM

TO: Armeane Choksi, VPD  
FROM: Graham Pyatt, DRC   
SUBJECT: Minhas Research Proposal

DATE: January 13, 1977

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cc: M. Ahluwalia  
J. Duloy  
B. King  
B. Minhas  
B. Waide

Attachment

GROWTH, POVERTY AND BASIC NEEDS:  
DEVELOPMENT POLICIES IN SRI LANKA, KERALA AND PUNJAB

Outline for a Case Study

by

B.S. Minhas

January 1978

Part I : Background

Evolution of Development Thinking

The most prominent concern of development thinking as well as development practice in the 1950s and 1960s was with the problems of achieving sustained economic growth in the poor, underdeveloped regions and countries of the world. Although the new environment in some critical aspects, such as population pressure, technology and politics, was unlike that in which the industrialized Western countries entered the stage of rapid growth, yet it was often asserted that the problems facing the poor countries are similar to those that the developed countries faced in the past. These differences in the new environment were noted only to underscore the importance of outside help and the need for a "big push" to start up economic growth. It was believed that once growth has been built in as a regular and inherent feature of the underdeveloped economies, and has been continuing for some time, the observable differences between the developed and the underdeveloped countries would begin to appear as differences in descriptive detail rather than in substance. The "trickle-down" and the "spread" mechanisms known to have been associated with the process of economic growth, if growth were fast enough, would solve, it was hoped, the problems of poverty, human welfare and income distribution in the underdeveloped countries. This attitude, which I have characterized elsewhere<sup>1/</sup> as "more of the same but at an accelerated pace", prevailed, with minor exceptions, from the mid-1950s to the publication of the Pearson Commission Report in 1969.

After the mid-1960s, a number of complex and interacting factors<sup>2/</sup> converged to restrict the scope for a big outside push to raise significantly

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<sup>1/</sup> "The Current Development Debate", paper read at the Rothko Chapel Conference held at Houston, Texas, 3-5 February 1977.

<sup>2/</sup> An analysis of these factors has been attempted in the above cited paper.

the overall growth of GNP in many poor countries. Serious questions also began to be raised about the viability of the proposition that higher levels of employment and improved living standards for the poor would automatically result from undifferentiated growth in aggregate income. By the early 1970s, arguments from many diverse quarters began to be advanced for a fundamental redirection of development strategy to focus directly on the employment and productivity problems of the poor and weakly-endowed producers. The poverty-ameliorating role of basic social services such as sanitation, clean drinking water, health care and education came to be better appreciated. Plans for the expanded social provision of these services started to figure in the national programmes of development. Nonetheless, the basic thrust of the new anti-poverty strategy was seen to consist primarily in the modification of production and income generation processes -- modifications that would place adequate real purchasing power in the hands of the poor, but the poor would determine their consumption patterns, by and large, through their private decisions in the market place.

Sufficient time and intellectual effort has not yet been put in to digest fully the implications of this strategy for development policy. One cannot find many examples of countries where the inter-relationships and trade-offs between the objective of poverty eradication and other objectives such as growth and its continuance have been worked out in relevant detail. Instead, serious apprehensions about the relevance of these inter-relationships and trade-offs for the objective of poverty removal have already begun to be expressed. A significant section of the developmentalist lobbies, some international organizations and aid donors have now started to advocate the so-called Basic Human Needs approach to development.

Basic Needs

The new (Basic Needs) perception of development seeks to place minimal reliance on the income generation process. It would rather bypass it and instead place primary emphasis on the production and delivery of a basket of basic goods and services directly to the target groups. It is being argued that market imperfections and failures are so pervasive that the mere redistribution of purchasing power alone may not be sufficient to assure basic needs to the poor. It is further claimed that through selective direct interventions in production and distribution, the basic needs of a country's population can be satisfied at much lower levels of per capita income in contrast with other anti-poverty strategies which seek primarily to raise the incomes of the population and permit the market to determine the patterns of consumption. The complementarities and positive interactions among different components of the basic needs basket (food and nutrition, safe drinking water, sanitation, health care, education and literacy, etc.) are assumed to be so significant and overwhelming that it is considered of little significance to discuss the trade-offs among different basic needs. It is the package, as a whole, so it would seem, that makes each component element of itself socially cost effective. The package is also considered to have desirable impact on fertility, infant mortality, length of life and labour productivity.

The People's Republic of China is cited as an outstanding example of a country, which, in an environment of poverty, has achieved success in the provision of basic needs to her population as an integral part of its



development strategy. Revolutionary China, however, has the peculiar advantages of a special case. It has a significantly different concept of basic freedoms. Her structure of sanctions and incentives to get work out of people does not run up against the kind of difficulties which the welfare states and the mixed economies often experience. There are no simple ways to transplant the Chinese experience into other ideologically very different environments, or to draw policy conclusions for them from the Chinese experience.

Leaving aside the special case of China, attention is being drawn to the experience of other countries, such as Sri Lanka, or regions within a country, such as Kerala in India. It is being suggested that the direction and content of development policy in these two areas over the last two decades has approximated quite closely the basic perception of the basic needs strategy of development. While some useful leads to development thinking at the most general level are contained in these examples, a systematic evaluation of the development experience and policies of Sri Lanka and Kerala is not yet available. Neither has the experience of these two areas been compared with some other region in South Asia where the course of development may have had somewhat different character. A comparative case study of the course of development in the past quarter century in Sri Lanka, Kerala and Punjab, if done within the next couple of years, could make a useful contribution to our knowledge of development strategy and policies.

Initial conditions and Profiles of Change

The content and direction of socio-economic development in a country, or a region, is shaped by many complex factors. The size, quality and distribution of resources, technology, institutions, patterns of public expenditure, the ideological orientation of the government and the degree of social mobilization of the people are considered to be particularly important. Variations in these factors, along with differences in initial conditions of different regions, produce observable differences in patterns of development.

Sri Lanka and India have shared a common colonial heritage. The broad ideological orientation in both countries since the early 1950s has been essentially reformist. Both have favoured redistributive policies without revolutionary preconditions. The governments in the two countries have generally been coalitions, formal or informal, of diverse socio-economic groups, with the elites in dominant leadership roles.

Of the two units of Federal India, included in the study, the policy orientation of the state governments and the nature of electoral pressures in Kerala appear to have had more in common with the governments in Sri Lanka than those in the Punjab. There has been intense competition among political parties both in Sri Lanka and Kerala and since the 1950s different political parties and coalitions have formed governments at different times. Punjab, on the other hand, was ruled by the same party until late 1960s: the Akali Party emerged as an effective alternative to the Congress only in 1967. In other words, competitive radicalism had a better habitat in Sri Lanka and Kerala and should have had a better chance to develop its policy teeth.

Significant examples of effective social mobilization of their populations for development have been conspicuous by their absence in all the three regions. Nonetheless, there have been differences, particularly in the degree of politicization and organisation of labour, both rural as well as urban. In part this difference may be due to the existence of plantation agriculture in Sri Lanka and Kerala and its absence in the Punjab. However, in the matter of construction of public assets with mass participation, the record of Punjab has been good. All land needed for the rural roads network and almost all the labour for dirt work on these roads was contributed by the local village communities of the Punjab.

A deeper analysis may show significant differences in ideology and in the degree of social mobilization among these three regions, and these differences in turn might have had their impact on the patterns of public expenditure and other socio-economic policies. Nonetheless, on a preliminary view, the broad ideological orientation in these three regions would appear not to have been so dissimilar as to vitiate inferences which one might wish to draw in regard to the impact of the observed variations and differences in other, more easily identifiable, factors.

If Sri Lanka, Kerala and Punjab were ranked according to their respective levels of per capita income in the early 1950s, Sri Lanka would have been on top, Punjab in the middle and Kerala not far behind. The average per capita income in each of these three areas then was less than \$100.<sup>3/</sup> In the past twenty-five years income as well as agricultural production per head has been growing at an average rate of 2.5 to 3.0 per cent per year in the Punjab. The corresponding rate of growth in Sri Lanka has been between 1.0 to 2.0 per cent; and less than 1.0 per cent in Kerala. The per capita product in the Punjab in the middle 1970s is around \$200; it is less than \$140 in Sri Lanka and Kerala still continues to be below \$100.

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<sup>3/</sup> A more precise quantitative underpinning of these statements, of course, is a matter for research in this study.

All the three areas in the late 1940s and early 1950s were net importers of foodgrains. Punjab, since the late 1950 and particularly in the 1960s, has emerged with a big surplus of foodgrains. Although rice productivity per acre in Sri Lanka and Kerala is fairly high, the size of landholdings in both is much smaller than in the Punjab. Just as in the early 1950s, both Sri Lanka and Kerala are heavily specialised in the production of export crops, particularly the plantation crops and have been more exposed to disturbances in international terms of trade. However, both have continued to be deficit areas in foodgrains.

Sri Lanka and Kerala have been managing their food problems, right from the early 1950s to the present day, by designing and maintaining a food distribution system in the public sector. The nature of food distribution system, however, has been different in the two areas. Nearly one-half earlier, and approximately one-quarter now, of all rice consumed in Sri Lanka was distributed free of charge and the remaining one-half (one-quarter now) was supplied at subsidized prices. Besides free mid-day meals programme, covering some three-fourths of the school children between the ages of 6 and 10, and some other, rather small, nutrition programmes, there has been no free distribution of food in Kerala. Nevertheless, almost the entire population of Kerala is covered by the system of fair price shops and, in the 1960s, approximately 50 per cent of the total foodgrains consumed in Kerala were provided through public distribution at varying rates of subsidy. The magnitude of subsidies on food in Kerala has been far less in comparison with Sri Lanka.

The proportion of agricultural laborers or employees in the rural working force has been far less in the Punjab than in Sri Lanka and Kerala - nearly a third of Sri Lanka and less than one-half of Kerala. The food distribution system in the Punjab has been an off and an on affair, virtually non-existent or confined only to big urban centres.

The levels of crude birth and death rates and infant mortality rates in Sri Lanka and Kerala, in the early 1970s, are significantly lower than in the Punjab; expected length of life at birth and levels of literacy, particularly the latter, are considerably higher than in the Punjab[See tables 1, 2, 3 and 4]

Between 1969 and 1973, the crude birth rate in Sri Lanka has varied between 30.4 and 27.8; the crude death rate between 7.5 and 8.1 and the infant mortality rate between 43.0 and 53.0. The expectation of life at birth in 1971 was 64.0 years for males and 66.9 for females; 85.2 per cent of males and 70.7 per cent of females in Sri Lanka were literate in 1971.

In the Punjab, between 1970 and 1974, the crude birth rate estimates fell between 32.0 and 34.6; death rates between 10.4 and 12.6; infant mortality rate in 1971 was estimated to be 104.9 for rural and 74.4 in urban areas. Only 33.67 per cent of Punjab population was literate in 1971 - 40 per cent of males and 26 per cent females.

The crude birth and death rates in Kerala in the early 1970s were similar to Sri Lanka - only slightly higher. Infant mortality rate in 1971 was estimated to be 58 in rural and 45 in urban areas. Expectation of life at birth in 1971 was 60.57 years for males and 61.16 for females; 66.62 per cent of males and 54.31 per cent of females were literate.

Table 1: Crude Birth and Death Rates

|           |      | 1946-52 | 1953-62 | 1963-70 |      |      |      |      |      |      |      |
|-----------|------|---------|---------|---------|------|------|------|------|------|------|------|
|           |      | 1941-50 | 1951-60 | 1961-70 | 1970 | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 |
| Sri Lanka | B    | 39.0    | 36.5    | 32.0    | 29.4 | 30.1 | 29.7 | 27.8 | 27.3 | 27.4 |      |
|           | D    | 13.7    | 9.7     | 8.1     | 7.5  | 7.7  | 8.0  | 7.7  | 8.9  | 8.5  |      |
| Kerala    | B    | 37.4*   | 38.9    |         | 31.6 | 31.1 | 31.2 | 29.2 | 26.8 | 28.0 |      |
|           | D    | 18.0*   | 16.1    |         | 9.2  | 9.1  | 9.2  | 8.5  | 7.8  | 8.4  |      |
| Haryana   | B    |         |         |         |      | 42.1 | 40.5 | 39.4 | 39.5 | 38.0 |      |
|           | D    |         |         |         |      | 9.9  | 11.7 | 12.1 | 12.6 | 12.3 |      |
| Punjab    | ** B | 41.2    | 44.7    |         | 33.8 | 34.2 | 34.6 | 33.4 | 32.0 | 31.8 |      |
|           | D    | 26.3    | 18.9    |         | 11.2 | 10.4 | 12.6 | 12.1 | 10.6 | 10.8 |      |
| India     | B    | 39.9    | 41.7    | 41.2    | 36.8 | 36.9 | 36.6 | 34.6 | 34.5 | 35.2 |      |
|           | D    | 27.4    | 22.8    | 19.0    | 15.7 | 14.9 | 16.9 | 15.5 | 14.5 | 15.9 |      |

Notes: \* Figures relate to Travancore-Cochin.

\*\* Figures for 1950s and 1960s include Haryana.

(1) All figures for Sri Lanka up to 1973 are from *The Population of Sri Lanka*, Department of Census and Statistics, Colombo (1974), pp. 116-117; the entries for 1946-52, 1953-62 and 1963-70 are computed mean rates for the relevant census periods. Figures for 1974 and 1975 are from *Sri Lanka: Country Economic Memorandum*, World Bank Report No. 1425-CE, Feb. 28, 1977.

(2) Computed mean birth and death rates for the periods 1941-50 and 1951-60 for Kerala, Punjab and India are from S.P. Jain, "State Growth Rates and Their Components", in *Patterns of Population Change in India: 1951-61*, by A. Bose (ed.), Allied Publishers (1967), p. 25. The vital rates for the 1970s are taken from the *Sample Registration Bulletin*, Registrar General of India, New Delhi, January 1975, April 1975 and January 1977.

Table 2: Expectation of Life at Birth in Years

|         | <u>Sri Lanka</u> |                | <u>Kerala</u> |               | <u>Punjab</u> |               | <u>India</u> |               |
|---------|------------------|----------------|---------------|---------------|---------------|---------------|--------------|---------------|
|         | <u>Male</u>      | <u>Female</u>  | <u>Male</u>   | <u>Female</u> | <u>Male</u>   | <u>Female</u> | <u>Male</u>  | <u>Female</u> |
| 1920-22 | 32.7<br>(37.5)   | 30.7<br>(39.0) |               |               |               |               |              |               |
| 1921-30 |                  |                | 29.5          | 32.7          | 28.0          | 26.6          | 26.9         | 26.6          |
| 1945-47 | 46.8<br>(47.2)   | 44.7<br>(48.7) |               |               |               |               |              |               |
| 1941-50 |                  |                | 39.9          | 42.3          |               |               | 32.5         | 31.7          |
| 1952    | 57.6             | 55.5           |               |               |               |               |              |               |
| 1951-60 |                  |                | 46.2<br>48.3* | 50.0          |               | 47.5*         | 41.9         | 40.6          |
| 1962-64 | 63.3             | 63.7           |               |               |               |               |              |               |
| 1967    | 64.8             | 66.9           |               |               |               |               |              |               |
| 1961-70 |                  |                |               |               |               |               | 46.4         | 44.7          |
| 1966-71 |                  |                | 60.6          | 61.2          | (in dispute)  |               | 48.2         | 46.0          |
| 1971    | 64.0             | 66.9           |               |               |               |               |              |               |
| 1971-76 |                  |                |               |               |               |               | 50.7         | 49.3          |

Notes: (1) All figures for Sri Lanka [except for those in parentheses which are taken from N.K. Sarkar, *The Demography of Ceylon* (1957) and the numbers for 1971 which are from S.L.N. Rao, "Mortality and Morbidity in Sri Lanka", published in *Population Problems of Sri Lanka*, University of Sri Lanka (1976)] are from T. Nadarajah, *Life Tables CEYLON 1962-70*, (1970), Department of Census and Statistics, Colombo.

(2) Data for Kerala are from R.S. Kurup as quoted in *Poverty, Unemployment and Development Policy: A Case Study of Selected Issues with Reference To Kerala*, United Nations (1975), p. 136.

(3) Data for India are due to B.B. Lal in the *Sample Registration Bulletin*, (April 1974), Registrar General of India, New Delhi, p. 31. Figures for 1966-71 and 1971-76 are projections provided by an expert committee.

(4) Figures for Punjab are census actuary estimates, quoted in Pravin Visaria, *The Sex Ratio of the Population of India*, Office of the Registrar General of India, New Delhi (1971), p. 42.

\* As reported by S.P. Jain in *Patterns of Population Change in India*, by A. Bose (ed.), Allied Publishers (1967), p. 25.

Table 3: Infant Mortality Rates

| Period/Year | Sri Lanka  | India      |       |        | Kerala     |       |        | Punjab     |       |        |
|-------------|------------|------------|-------|--------|------------|-------|--------|------------|-------|--------|
|             | Both Sexes | Both Sexes | Male  | Female | Both Sexes | Male  | Female | Both Sexes | Male  | Female |
| 1921-30     | 132.3      | 240.7      | 248.7 | 232.3  | 210.3      | 220.0 | 200.0  |            |       |        |
| 1943        | 140.0      |            |       |        |            |       |        |            |       |        |
| 1941-50     | 115.9      | 132.7      | 190.0 | 175.0  | 152.7      | 160.0 | 145.0  |            |       |        |
| 1951        | 82.0       |            |       |        |            |       |        |            |       |        |
| 1955        | 71.0       |            |       |        |            |       |        |            |       |        |
| 1956-60     | 62.3       |            |       |        |            |       |        |            |       |        |
| 1958/59     | 61.0       | C          |       |        |            |       |        |            |       |        |
|             |            | R 145.9    | 153.2 | 138.3  | 88.9       | 82.7  | 95.1   | 122.7      | 118.1 | 127.4  |
|             |            | U          |       |        |            |       |        |            |       |        |
| 1955        | 55.1       | C          |       |        |            |       |        |            |       |        |
|             |            | R 114.5    | 118.6 | 110.1  | 55.3       | 63.5  | 46.4   |            |       |        |
|             |            | U 79.9     | 38.7  | 70.5   | 46.1       | 31.5  | 61.7   |            |       |        |
| 1969        | 52.7       | C          |       |        |            |       |        |            |       |        |
|             |            | R 139.9    | 132.3 | 148.1  | 56.3       | 64.8  | 48.5   | 97.6       | 80.9  | 115.9  |
|             |            | U          |       |        |            |       |        |            |       |        |
| 1970        | 47.5       | C 125.0    |       |        |            |       |        | 103.6      |       |        |
|             |            | R 133.0    |       |        |            |       |        | 108.4      |       |        |
|             |            | U 86.0     |       |        |            |       |        | 83.4       |       |        |
| 1971        | 43.1       | C 122.0    |       |        | 56.1       |       |        | 98.9       |       |        |
|             |            | R 131.0    |       |        | 58.1       |       |        | 104.9      |       |        |
|             |            | U 81.0     |       |        | 45.0       |       |        | 74.4       |       |        |
| 1974        | 48.5       |            |       |        |            |       |        |            |       |        |

- (1) All data for Sri Lanka are taken from A.M.A. Abeyesundere in *Population Problems of Sri Lanka*, ORTU, Univ. of Sri Lanka, Colombo (1977) pp 58-59.
- (2) Indian figures for 1921-31 and 1941-51 are from Census Actuary Reports as quoted in *Infant Mortality in India*, SRS Analytical Series, No. 1 1971, Registrar General of India, New Delhi, p. 4. Figures for Kerala for the same two periods are from M.K. Namboodiri, *The Changing Population of Kerala*, Census of India 1961, Monograph No. 7 (1968) p.30. The data for 1958/59 and 1964/65 are respectively from the 14th and 19th rounds of the NSS. Figures for 1969, 1970 and 1971 are based on the sample registration scheme and are taken from various issues of the *Sample Registration Bulletin*, Registrar General of India. The civil registration data for India are not considered reliable and have not been used here.
- (3) 1958-59 data for Punjab relate to PUNJAB (including Haryana), Delhi and Himachal Pradesh together.
- (4) C, R and U, respectively denote estimates for combined, Rural and Urban areas.
- (5) Figures for both sexes for India and Kerala during 1921-30 and 1941-50 have been estimated on the assumption that the sex ratio at birth was 106 males per 100 females.



Table 4: Literacy Rates (Per Cent)

|           | <u>Sri Lanka</u> |              |                | <u>Kerala</u>  |              |                | <u>Punjab</u>  |              |                | <u>India</u>   |              |                |
|-----------|------------------|--------------|----------------|----------------|--------------|----------------|----------------|--------------|----------------|----------------|--------------|----------------|
|           | <u>Persons</u>   | <u>Males</u> | <u>Females</u> | <u>Persons</u> | <u>Males</u> | <u>Females</u> | <u>Persons</u> | <u>Males</u> | <u>Females</u> | <u>Persons</u> | <u>Males</u> | <u>Females</u> |
| 1946      |                  |              |                |                |              |                |                |              |                |                |              |                |
| All ages  |                  |              |                |                |              |                |                |              |                |                |              |                |
| 10 & over | 57.8             | 70.1         | 43.8           |                |              |                |                |              |                |                |              |                |
| 1951      |                  |              |                | 40.7           | 50.2         | 31.5           | 15.2           | 21.0         | 8.5            | 16.6           | 24.9         | 7.9            |
| All ages  |                  |              |                |                |              |                |                |              |                |                |              |                |
| 10 & over | 65.4             | 75.9         | 53.6           | 51.0           | 64.2         | 38.5           | 17.7           | 24.8         | 9.2            | 19.9           | 29.6         | 9.4            |
| 1961      |                  |              |                | 46.8           | 54.9         | 38.9           | 24.2           | 32.9         | 14.1           | 23.9           | 34.3         | 12.9           |
| All ages  |                  |              |                |                |              |                |                |              |                |                |              |                |
| 10 & over | 71.6             | 79.3         | 63.2           | 60.1           | 71.9         | 48.7           | 30.7           | 42.1         | 17.2           | 30.1           | 43.6         | 15.5           |
| 1971      |                  |              |                | 60.4           | 66.5         | 54.3           | 33.7           | 40.4         | 25.9           | 29.5           | 39.5         | 18.7           |
| 10 & over | 78.1             | 85.2         | 70.7           |                |              |                | (26.9)         | (37.3)       | (14.9)         |                |              |                |
|           |                  |              |                |                |              |                |                |              |                | 36.2           | 49.2         | 22.1           |

- Notes: (1) a. Sri Lanka figures are for 1953  
 (2) b. Sri Lanka figures are for 1963  
 (3) Punjab figures for 1951 and 1961 include Haryana; whereas for 1971 the crude literacy rates (all ages) in Haryana are separately shown in parentheses underneath the Punjab figures.  
 (4) Figures of literacy rates in population aged ten and over for Kerala, Punjab and India are estimated from the one per cent sample data of 1971 Census, ten per cent sample data of the 1951 Census and the full count of the 1961 Census of India.

The computed mean values of birth and death rates for the decade, 1951-61, were 38.9 and 16.1 in Kerala and 42.9 and 20.5 in the Punjab. Although the overall mortality rates have fallen sharply over the past 20 years, the difference in infant mortality rates between Kerala and Punjab in mid-1970s is surprisingly large. In Haryana, which has a part of the Punjab until 1966, the birth rate of 39.4 in 1973 was still very high. Kerala's literacy level had reached 47 percent in 1961; the corresponding value for the Punjab in the same year was less than 25 per cent.

It must, however, be noted that birth, death and infant mortality rates in Sri Lanka in mid-1950s were already lower than the ones estimated for the Punjab in 1970s. Expectation of life at birth in Sri Lanka in 1953 was 57.8 years for males and 55.7 for females - the values that are being projected for the Punjab in mid-1970s. Nearly 58.0 per cent of Sri Lanka's population aged 10 and over was literate in 1946, whereas barely one-third of the people of Punjab (all ages) were reported to be literate twenty-five years later in 1971.

Part II : A Proposal

The Research Proposal

The arguments presented in Part I establish at least that Sri Lanka, Kerala and Punjab - three very poor areas with broadly similar framework of political and economic institutions - in the last quarter century, undoubtedly, have experienced sharply contrasting patterns of growth and development. The central purpose of the proposed study is to evaluate the extent to which these contrasts in development have been a function of differences in initial conditions as they prevailed around 1950 and to what extent they have been consequences of other factors and differences in public policies pursued during the past 25 years.

The first research task, in which some progress has already been made in the last four months, is the preparation of a comparative picture of the three study areas in the early 1950s. This task consists of collection, collation and evaluation of data on a number of variables from the available sources of information. Particular attention need to be devoted to levels of per capita income, agricultural production per acre and per head of population, size and distribution of landholdings, and the terminal conditions, the composition of output and employment, particularly the employment in small industry, the patterns of consumption/income distribution, availability of food and its distribution, patterns of mortality and birth rates, the state of medical care and health services, the levels of literacy, educational services; and, most importantly, the size and content of public expenditures and investments.

The guiding principle for this part of the work is that growth of per capita incomes and development in the sense of rising living standards are not the same thing. But to what extent the different indices of development tell the same story is a research question which will be addressed at an early stage.

The patterns that the data reveal are likely to contain profiles of change for some sets of development indices which may differ between the three regions of immediate interest. The question must then be asked: Why do certain variables hang together differently in the different cases, and to what extent are these attributable to major socio-economic policies or environments? Attempting to answer this type of question would be the major research task of this study.

At an early stage the size and patterns of public expenditure and investment in the three regions will be related to indices and patterns of performance. Besides investigating the direct links between public expenditure and achievements in different sectors, efforts will be made to assess quantitatively the extent to which performance differences in the three regions were due to (a) missed opportunities in the exploitation of inter-relations and links among related packages of expenditures, and (b) differences in degree of social mobilization and organisation to the extent they can be clearly related to effectiveness of public expenditure. Particular attention will be devoted to the inter-connected complex of food, nutrition, health, medical care and education, where conceivably large externalities are presumed to be available for internalization through coordinated, simultaneous public action in a number of areas.

The impact of food distribution and pricing policies on equity as well as on incentives to agricultural production and investment will be analyzed. Significant differences among the three regions in the planning and administrative execution of programmes, such as family planning, public health; medical care and elementary education, will be scrutinized for drawing replicable policy lessons.

The analysis of sharp differences in the past rates and patterns of growth and investment among these three low-income areas should help us to understand not only the elements of conflict and complementarity between overall output growth and poverty eradication objectives, but also furnish some leads for future perspectives and policies in regard to both. Since different components of the basic needs basket appear to have been packaged differently and delivered in different sequences and amounts over varied lengths of time - with Punjab at one end of the spectrum and Sri Lanka on the other, the historical and comparative analysis should help us to fathom the nature and magnitudes of trade-offs and inter-relationships among different basic needs. This knowledge could be useful for designing public policies and projects relating to basic needs in these and other similar regions.

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#### Methods of Analysis

The broad methodological orientation of the study will be to create a blend of history, policies and economic analysis of the development experiences of Sri Lanka, Kerala and Punjab since late 1940s. Attempts will be made to isolate distinct segments and sequences of development experience, their policy correlates, developmental inputs and the relevant indices of performance. All statistical and computational techniques, which might help in the preparation of data and in the analysis,

interpretation and evaluation of development experience and policies, are envisaged to be used. Our search would be to identify observed consequences of known policy interventions and inputs during the quarter century of development experience in each of the three regions. Although it is often difficult to isolate a particular causal element from its surrounding circumstances, attempt will be made to compare like with like in all the three regions except the factor or policy element whose impact we wish to isolate. The rigour and the relevance of the policy conclusions derived from this study will consist largely in the degree of success which might be achieved in the isolation of causal elements rather than in the processing of masses of data supposedly for the purpose of testing some pre-conceived hypotheses.

The approach to research which is described here does not permit a closed, formal statement. However, there is some evidence that the issues being addressed are not amenable to a highly structured approach, and that where it has been tried, the results have been disappointing. From a policy-makers point of view this is not surprising since formal modeling techniques can only work well when the dimensions and conceptual issues germane to a problem have been identified. This is not the case in the field with which this proposal is concerned. Accordingly the approach must seek out opportunities for the use of analytic methods, rather than have these prescribed from the outset.

Organisation of the Research

The research is to be conducted by Professor Minhas who is available as a resident consultant in Washington on a part-time basis until June 1978, and for twelve months on a full-time basis thereafter. Securing his services is the major budget item.

It is proposed that Professor Minhas will undertake desk-research (part-time) between now and June, at which time he will make a visit to Sri Lanka and relevant points in India. This will afford an opportunity for discussions with appropriate Government and University personnel. It will also be the occasion for arranging for project collaborators to undertake specified tasks of data collection and processing.

Following this visit, the work will be undertaken in Washington with the support of a Research Assistant. Preliminary results will be available by March, 1979, when a follow-up trip to Sri Lanka and India is envisaged. A first-draft final report is expected by June, 1979.

The case study outlined in this proposal would have some common interface with a number of other areas of research that are being pursued in the Bank. The ESCAP-IBRD project on Income Distribution, for instance, includes Sri Lanka among a large number of Asian countries for which data relating to income distribution issues are being generated. Some of these data will be useful for some aspects of this study. The Population and Human Resources Division of the Development Economics Department have a proposal to study the Determinants of Recent Fertility Decline in Sri Lanka and South India: its focus will be on demographic change and, particularly, on the

development strategy. Revolutionary China, however, has the peculiar advantages of a special case. It has a significantly different concept of basic freedoms. Her structure of sanctions and incentives to get work out of people does not run up against the kind of difficulties which the welfare states and the mixed economies often experience. There are no simple ways to transplant the Chinese experience into other ideologically very different environments, or to draw policy conclusions for them from the Chinese experience.

Leaving aside the special case of China, attention is being drawn to the experience of other countries, such as Sri Lanka, or regions within a country, such as Kerala in India. It is being suggested that the direction and content of development policy in these two areas over the last two decades has approximated quite closely the basic perception of the basic needs strategy of development. While some useful leads to development thinking at the most general level are contained in these examples, a systematic evaluation of the development experience and policies of Sri Lanka and Kerala is not yet available. Neither has the experience of these two areas been compared with some other region in South Asia where the course of development may have had somewhat different character. A comparative case study of the course of development in the past quarter century in Sri Lanka, Kerala and Punjab, if done within the next couple of years, could make a useful contribution to our knowledge of development strategy and policies.



Initial conditions and Profiles of Change

The content and direction of socio-economic development in a country, or a region, is shaped by many complex factors. The size, quality and distribution of resources, technology, institutions, patterns of public expenditure, the ideological orientation of the government and the degree of social mobilization of the people are considered to be particularly important. Variations in these factors, along with differences in initial conditions of different regions, produce observable differences in patterns of development.

Sri Lanka and India have shared a common colonial heritage. The broad ideological orientation in both countries since the early 1950s has been essentially reformist. Both have favoured redistributive policies without revolutionary preconditions. The governments in the two countries have generally been coalitions, formal or informal, of diverse socio-economic groups, with the elites in dominant leadership roles.

Of the two units of Federal India, included in the study, the policy orientation of the state governments and the nature of electoral pressures in Kerala appear to have had more in common with the governments in Sri Lanka than those in the Punjab. There has been intense competition among political parties both in Sri Lanka and Kerala and since the 1950s different political parties and coalitions have formed governments at different times. Punjab, on the other hand, was ruled by the same party until late 1960s: the Akali Party emerged as an effective alternative to the Congress only in 1967. In other words, competitive radicalism had a better habitat in Sri Lanka and Kerala and should have had a better chance to develop its policy teeth.

Significant examples of effective social mobilization of their populations for development have been conspicuous by their absence in all the three regions. Nonetheless, there have been differences, particularly in the degree of politicization and organisation of labour, both rural as well as urban. In part this difference may be due to the existence of plantation agriculture in Sri Lanka and Kerala and its absence in the Punjab. However, in the matter of construction of public assets with mass participation, the record of Punjab has been good. All land needed for the rural roads network and almost all the labour for dirt work on these roads was contributed by the local village communities of the Punjab.

A deeper analysis may show significant differences in ideology and in the degree of social mobilization among these three regions, and these differences in turn might have had their impact on the patterns of public expenditure and other socio-economic policies. Nonetheless, on a preliminary view, the broad ideological orientation in these three regions would appear not to have been so dissimilar as to vitiate inferences which one might wish to draw in regard to the impact of the observed variations and differences in other, more easily identifiable, factors.

If Sri Lanka, Kerala and Punjab were ranked according to their respective levels of per capita income in the early 1950s, Sri Lanka would have been on top, Punjab in the middle and Kerala not far behind. The average per capita income in each of these three areas then was less than \$100.<sup>3/</sup> In the past twenty-five years income as well as agricultural production per head has been growing at an average rate of 2.5 to 3.0 per cent per year in the Punjab. The corresponding rate of growth in Sri Lanka has been between 1.0 to 2.0 per cent; and less than 1.0 per cent in Kerala. The per capita product in the Punjab in the middle 1970s is around \$200; it is less than \$140 in Sri Lanka and Kerala still continues to be below \$100.

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<sup>3/</sup> A more precise quantitative underpinning of these statements, of course, is a matter for research in this study.

All the three areas in the late 1940s and early 1950s were net importers of foodgrains. Punjab, since the late 1950 and particularly in the 1960s, has emerged with a big surplus of foodgrains. Although rice productivity per acre in Sri Lanka and Kerala is fairly high, the size of landholdings in both is much smaller than in the Punjab. Just as in the early 1950s, both Sri Lanka and Kerala are heavily specialised in the production of export crops, particularly the plantation crops and have been more exposed to disturbances in international terms of trade. However, both have continued to be deficit areas in foodgrains.

Sri Lanka and Kerala have been managing their food problems, right from the early 1950s to the present day, by designing and maintaining a food distribution system in the public sector. The nature of food distribution system, however, has been different in the two areas. Nearly one-half earlier, and approximately one-quarter now, of all rice consumed in Sri Lanka was distributed free of charge and the remaining one-half (one-quarter now) was supplied at subsidized prices. Besides free mid-day meals programme, covering some three-fourths of the school children between the ages of 6 and 10, and some other, rather small, nutrition programmes, there has been no free distribution of food in Kerala. Nevertheless, almost the entire population of Kerala is covered by the system of fair price shops and, in the 1960s, approximately 50 per cent of the total foodgrains consumed in Kerala were provided through public distribution at varying rates of subsidy. The magnitude of subsidies on food in Kerala has been far less in comparison with Sri Lanka.

The proportion of agricultural laborers or employees in the rural working force has been far less in the Punjab than in Sri Lanka and Kerala - nearly a third of Sri Lanka and less than one-half of Kerala. The food distribution system in the Punjab has been an off and an on affair, virtually non-existent or confined only to big urban centres.

The levels of crude birth and death rates and infant mortality rates in Sri Lanka and Kerala, in the early 1970s, are significantly lower than in the Punjab; expected length of life at birth and levels of literacy, particularly the latter, are considerably higher than in the Punjab [See tables 1, 2, 3 and 4]

Between 1969 and 1973, the crude birth rate in Sri Lanka has varied between 30.4 and 27.8; the crude death rate between 7.5 and 8.1 and the infant mortality rate between 43.0 and 53.0. The expectation of life at birth in 1971 was 64.0 years for males and 66.9 for females; 85.2 per cent of males and 70.7 per cent of females in Sri Lanka were literate in 1971.

In the Punjab, between 1970 and 1974, the crude birth rate estimates fell between 32.0 and 34.6; death rates between 10.4 and 12.6; infant mortality rate in 1971 was estimated to be 104.9 for rural and 74.4 in urban areas. Only 33.67 per cent of Punjab population was literate in 1971 - 40 per cent of males and 26 per cent females.

The crude birth and death rates in Kerala in the early 1970s were similar to Sri Lanka - only slightly higher. Infant mortality rate in 1971 was estimated to be 58 in rural and 45 in urban areas. Expectation of life at birth in 1971 was 60.57 years for males and 61.16 for females; 66.62 per cent of males and 54.31 per cent of females were literate.

The computed mean values of birth and death rates for the decade, 1951-61, were 38.9 and 16.1 in Kerala and 42.9 and 20.5 in the Punjab. Although the overall mortality rates have fallen sharply over the past 20 years, the difference in infant mortality rates between Kerala and Punjab in mid-1970s is surprisingly large. In Haryana, which has a part of the Punjab until 1966, the birth rate of 39.4 in 1973 was still very high. Kerala's literacy level had reached 47 percent in 1961; the corresponding value for the Punjab in the same year was less than 25 per cent.

It must, however, be noted that birth, death and infant mortality rates in Sri Lanka in mid-1950s were already lower than the ones estimated for the Punjab in 1970s. Expectation of life at birth in Sri Lanka in 1953 was 57.8 years for males and 55.7 for females - the values that are being projected for the Punjab in mid-1970s. Nearly 58.0 per cent of Sri Lanka's population aged 10 and over was literate in 1946, whereas barely one-third of the people of Punjab (all ages) were reported to be literate twenty-five years later in 1971.

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The first research task, in which some progress has already been made in the last four months, is the preparation of a comparative picture of the three study areas in the early 1950s. This task consists of collection, collation and evaluation of data on a number of variables from the available sources of information. Particular attention need to be devoted to levels of per capita income, agricultural production per acre and per head of population, size and distribution of landholdings, and the terminal conditions, the composition of output and employment, particularly the employment in small industry, the patterns of consumption/income distribution, availability of food and its distribution, patterns of mortality and birth rates, the state of medical care and health services, the levels of literacy, educational services; and, most importantly, the size and content of public expenditures and investments.

The guiding principle for this part of the work is that growth of per capita incomes and development in the sense of rising living standards are not the same thing. But to what extent the different indices of development tell the same story is a research question which will be addressed at an early stage.

The patterns that the data reveal are likely to contain profiles of change for some sets of development indices which may differ between the three regions of immediate interest. The question must then be asked: Why do certain variables hang together differently in the different cases, and to what extent are these attributable to major socio-economic policies or environments? Attempting to answer this type of question would be the major research task of this study.

At an early stage the size and patterns of public expenditure and investment in the three regions will be related to indices and patterns of performance. Besides investigating the direct links between public expenditure and achievements in different sectors, efforts will be made to assess quantitatively the extent to which performance differences in the three regions were due to (a) missed opportunities in the exploitation of inter-relations and links among related packages of expenditures, and (b) differences in degree of social mobilization and organisation to the extent they can be clearly related to effectiveness of public expenditure. Particular attention will be devoted to the inter-connected complex of food, nutrition, health, medical care and education, where conceivably large externalities are presumed to be available for internalization through coordinated, simultaneous public action in a number of areas.

The impact of food distribution and pricing policies on equity as well as on incentives to agricultural production and investment will be analyzed. Significant differences among the three regions in the planning and administrative execution of programmes, such as family planning, public health, medical care and elementary education, will be scrutinized for drawing replicable policy lessons.

The analysis of sharp differences in the past rates and patterns of growth and investment among these three low-income areas should help us to understand not only the elements of conflict and complementarity between overall output growth and poverty eradication objectives, but also furnish some leads for future perspectives and policies in regard to both. Since different components of the basic needs basket appear to have been packaged differently and delivered in different sequences and amounts over varied lengths of time - with Punjab at one end of the spectrum and Sri Lanka on the other, the historical and comparative analysis should help us to fathom the nature and magnitudes of trade-offs and inter-relationships among different basic needs. This knowledge could be useful for designing public policies and projects relating to basic needs in these and other similar regions.

#### Methods of Analysis

The broad methodological orientation of the study will be to create a blend of history, policies and economic analysis of the development experiences of Sri Lanka, Kerala and Punjab since late 1940s. Attempts will be made to isolate distinct segments and sequences of development experience, their policy correlates, developmental inputs and the relevant indices of performance. All statistical and computational techniques, which might help in the preparation of data and in the analysis,



interpretation and evaluation of development experience and policies, are envisaged to be used. Our search would be to identify observed consequences of known policy interventions and inputs during the quarter century of development experience in each of the three regions. Although it is often difficult to isolate a particular causal element from its surrounding circumstances, attempt will be made to compare like with like in all the three regions except the factor or policy element whose impact we wish to isolate. The rigour and the relevance of the policy conclusions derived from this study will consist largely in the degree of success which might be achieved in the isolation of causal elements rather than in the processing of masses of data supposedly for the purpose of testing some pre-conceived hypotheses.

The approach to research which is described here does not permit a closed, formal statement. However, there is some evidence that the issues being addressed are not amenable to a highly structured approach, and that where it has been tried, the results have been disappointing. From a policy-makers point of view this is not surprising since formal modeling techniques can only work well when the dimensions and conceptual issues germane to a problem have been identified. This is not the case in the field with which this proposal is concerned. Accordingly the approach must seek out opportunities for the use of analytic methods, rather than have these prescribed from the outset.

### Organisation of the Research

The research is to be conducted by Professor Minhas who is available as a resident consultant in Washington on a part-time basis until June 1978, and for twelve months on a full-time basis thereafter. Securing his services is the major budget item.

It is proposed that Professor Minhas will undertake desk-research (part-time) between now and June, at which time he will make a visit to Sri Lanka and relevant points in India. This will afford an opportunity for discussions with appropriate Government and University personnel. It will also be the occasion for arranging for project collaborators to undertake specified tasks of data collection and processing.

Following this visit, the work will be undertaken in Washington with the support of a Research Assistant. Preliminary results will be available by March, 1979, when a follow-up trip to Sri Lanka and India is envisaged. A first-draft final report is expected by June, 1979.

The case study outlined in this proposal would have some common interface with a number of other areas of research that are being pursued in the Bank. The ESCAP-IBRD project on Income Distribution, for instance, includes Sri Lanka among a large number of Asian countries for which data relating to income distribution issues are being generated. Some of these data will be useful for some aspects of this study. The Population and Human Resources Division of the Development Economics Department have a proposal to study the Determinants of Recent Fertility Decline in Sri Lanka and South India: its focus will be on demographic change and, particularly, on the

determinants of fertility at the micro-level. The scope of the study proposed here, however, is very different and there is little duplication between the two. Some work on Basic Needs is also at various stages of investigation in the Bank. The comparative study of development policies and the patterns of socio-economic development in Sri Lanka, Kerala and Punjab over the past quarter century, as proposed here, may provide a broader historical perspective for strategic thinking on development policy options in poverty-stricken regions of Asia. It could enhance an overall appreciation of the practical need for a balance among objectives of growth, employment and poverty eradication and the provision of basic human needs.

GROWTH, POVERTY AND BASIC NEEDS:  
DEVELOPMENT POLICIES IN SRI LANKA, KERALA AND PUNJAB

Outline for a Case Study

by

B.S. Minhas

January 1978

Part I : Background

Evolution of Development Thinking

The most prominent concern of development thinking as well as development practice in the 1950s and 1960s was with the problems of achieving sustained economic growth in the poor, underdeveloped regions and countries of the world. Although the new environment in some critical aspects, such as population pressure, technology and politics, was unlike that in which the industrialized Western countries entered the stage of rapid growth, yet it was often asserted that the problems facing the poor countries are similar to those that the developed countries faced in the past. These differences in the new environment were noted only to underscore the importance of outside help and the need for a "big push" to start up economic growth. It was believed that once growth has been built in as a regular and inherent feature of the underdeveloped economies, and has been continuing for some time, the observable differences between the developed and the underdeveloped countries would begin to appear as differences in descriptive detail rather than in substance. The "trickle-down" and the "spread" mechanisms known to have been associated with the process of economic growth, if growth were fast enough, would solve, it was hoped, the problems of poverty, human welfare and income distribution in the underdeveloped countries. This attitude, which I have characterized elsewhere<sup>1/</sup> as "more of the same but at an accelerated pace", prevailed, with minor exceptions, from the mid-1950s to the publication of the Pearson Commission Report in 1969.

After the mid-1960s, a number of complex and interacting factors<sup>2/</sup> converged to restrict the scope for a big outside push to raise significantly

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<sup>1/</sup> "The Current Development Debate", paper read at the Rothko Chapel Conference held at Houston, Texas, 3-5 February 1977.

<sup>2/</sup> An analysis of these factors has been attempted in the above cited paper.

the overall growth of GNP in many poor countries. Serious questions also began to be raised about the viability of the proposition that higher levels of employment and improved living standards for the poor would automatically result from undifferentiated growth in aggregate income. By the early 1970s, arguments from many diverse quarters began to be advanced for a fundamental redirection of development strategy to focus directly on the employment and productivity problems of the poor and weakly-endowed producers. The poverty-ameliorating role of basic social services such as sanitation, clean drinking water, health care and education came to be better appreciated. Plans for the expanded social provision of these services started to figure in the national programmes of development. Nonetheless, the basic thrust of the new anti-poverty strategy was seen to consist primarily in the modification of production and income generation processes -- modifications that would place adequate real purchasing power in the hands of the poor, but the poor would determine their consumption patterns, by and large, through their private decisions in the market place.

Sufficient time and intellectual effort has not yet been put in to digest fully the implications of this strategy for development policy. One cannot find many examples of countries where the inter-relationships and trade-offs between the objective of poverty eradication and other objectives such as growth and its continuance have been worked out in relevant detail. Instead, serious apprehensions about the relevance of these inter-relationships and trade-offs for the objective of poverty removal have already begun to be expressed. A significant section of the developmentalist lobbies, some international organizations and aid donors have now started to advocate the so-called Basic Human Needs approach to development.

Basic Needs

The new (Basic Needs) perception of development seeks to place minimal reliance on the income generation process. It would rather bypass it and instead place primary emphasis on the production and delivery of a basket of basic goods and services directly to the target groups. It is being argued that market imperfections and failures are so pervasive that the mere redistribution of purchasing power alone may not be sufficient to assure basic needs to the poor. It is further claimed that through selective direct interventions in production and distribution, the basic needs of a country's population can be satisfied at much lower levels of per capita income in contrast with other anti-poverty strategies which seek primarily to raise the incomes of the population and permit the market to determine the patterns of consumption. The complementarities and positive interactions among different components of the basic needs basket (food and nutrition, safe drinking water, sanitation, health care, education and literacy, etc.) are assumed to be so significant and overwhelming that it is considered of little significance to discuss the trade-offs among different basic needs. It is the package, as a whole, so it would seem, that makes each component element of itself socially cost effective. The package is also considered to have desirable impact on fertility, infant mortality, length of life and labour productivity.

The People's Republic of China is cited as an outstanding example of a country, which, in an environment of poverty, has achieved success in the provision of basic needs to her population as an integral part of its

development strategy. Revolutionary China, however, has the peculiar advantages of a special case. It has a significantly different concept of basic freedoms. Her structure of sanctions and incentives to get work out of people does not run up against the kind of difficulties which the welfare states and the mixed economies often experience. There are no simple ways to transplant the Chinese experience into other ideologically very different environments, or to draw policy conclusions for them from the Chinese experience.

Leaving aside the special case of China, attention is being drawn to the experience of other countries, such as Sri Lanka, or regions within a country, such as Kerala in India. It is being suggested that the direction and content of development policy in these two areas over the last two decades has approximated quite closely the basic perception of the basic needs strategy of development. While some useful leads to development thinking at the most general level are contained in these examples, a systematic evaluation of the development experience and policies of Sri Lanka and Kerala is not yet available. Neither has the experience of these two areas been compared with some other region in South Asia where the course of development may have had somewhat different character. A comparative case study of the course of development in the past quarter century in Sri Lanka, Kerala and Punjab, if done within the next couple of years, could make a useful contribution to our knowledge of development strategy and policies.



Initial conditions and Profiles of Change

The content and direction of socio-economic development in a country, or a region, is shaped by many complex factors. The size, quality and distribution of resources, technology, institutions, patterns of public expenditure, the ideological orientation of the government and the degree of social mobilization of the people are considered to be particularly important. Variations in these factors, along with differences in initial conditions of different regions, produce observable differences in patterns of development.

Sri Lanka and India have shared a common colonial heritage. The broad ideological orientation in both countries since the early 1950s has been essentially reformist. Both have favoured redistributive policies without revolutionary preconditions. The governments in the two countries have generally been coalitions, formal or informal, of diverse socio-economic groups, with the elites in dominant leadership roles.

Of the two units of Federal India, included in the study, the policy orientation of the state governments and the nature of electoral pressures in Kerala appear to have had more in common with the governments in Sri Lanka than those in the Punjab. There has been intense competition among political parties both in Sri Lanka and Kerala and since the 1950s different political parties and coalitions have formed governments at different times. Punjab, on the other hand, was ruled by the same party until late 1960s: the Akali Party emerged as an effective alternative to the Congress only in 1967. In other words, competitive radicalism had a better habitat in Sri Lanka and Kerala and should have had a better chance to develop its policy teeth.

Significant examples of effective social mobilization of their populations for development have been conspicuous by their absence in all the three regions. Nonetheless, there have been differences, particularly in the degree of politicization and organisation of labour, both rural as well as urban. In part this difference may be due to the existence of plantation agriculture in Sri Lanka and Kerala and its absence in the Punjab. However, in the matter of construction of public assets with mass participation, the record of Punjab has been good. All land needed for the rural roads network and almost all the labour for dirt work on these roads was contributed by the local village communities of the Punjab.

A deeper analysis may show significant differences in ideology and in the degree of social mobilization among these three regions, and these differences in turn might have had their impact on the patterns of public expenditure and other socio-economic policies. Nonetheless, on a preliminary view, the broad ideological orientation in these three regions would appear not to have been so dissimilar as to vitiate inferences which one might wish to draw in regard to the impact of the observed variations and differences in other, more easily identifiable, factors.

If Sri Lanka, Kerala and Punjab were ranked according to their respective levels of per capita income in the early 1950s, Sri Lanka would have been on top, Punjab in the middle and Kerala not far behind. The average per capita income in each of these three areas then was less than \$100.<sup>3/</sup> In the past twenty-five years income as well as agricultural production per head has been growing at an average rate of 2.5 to 3.0 per cent per year in the Punjab. The corresponding rate of growth in Sri Lanka has been between 1.0 to 2.0 per cent; and less than 1.0 per cent in Kerala. The per capita product in the Punjab in the middle 1970s is around \$200; it is less than \$140 in Sri Lanka and Kerala still continues to be below \$100.

<sup>3/</sup> A more precise quantitative underpinning of these statements, of course, is a matter for research in this study.

All the three areas in the late 1940s and early 1950s were net importers of foodgrains. Punjab, since the late 1950 and particularly in the 1960s, has emerged with a big surplus of foodgrains. Although rice productivity per acre in Sri Lanka and Kerala is fairly high, the size of landholdings in both is much smaller than in the Punjab. Just as in the early 1950s, both Sri Lanka and Kerala are heavily specialised in the production of export crops, particularly the plantation crops and have been more exposed to disturbances in international terms of trade. However, both have continued to be deficit areas in foodgrains.

Sri Lanka and Kerala have been managing their food problems, right from the early 1950s to the present day, by designing and maintaining a food distribution system in the public sector. The nature of food distribution system, however, has been different in the two areas. Nearly one-half earlier, and approximately one-quarter now, of all rice consumed in Sri Lanka was distributed free of charge and the remaining one-half (one-quarter now) was supplied at subsidized prices. Besides free mid-day meals programme, covering some three-fourths of the school children between the ages of 6 and 10, and some other, rather small, nutrition programmes, there has been no free distribution of food in Kerala. Nevertheless, almost the entire population of Kerala is covered by the system of fair price shops and, in the 1960s, approximately 50 per cent of the total foodgrains consumed in Kerala were provided through public distribution at varying rates of subsidy. The magnitude of subsidies on food in Kerala has been far less in comparison with Sri Lanka.

The proportion of agricultural laborers or employees in the rural working force has been far less in the Punjab than in Sri Lanka and Kerala - nearly a third of Sri Lanka and less than one-half of Kerala. The food distribution system in the Punjab has been an off and an on affair, virtually non-existent or confined only to big urban centres.

The levels of crude birth and death rates and infant mortality rates in Sri Lanka and Kerala, in the early 1970s, are significantly lower than in the Punjab; expected length of life at birth and levels of literacy, particularly the latter, are considerably higher than in the Punjab [See tables 1, 2, 3 and 4]

Between 1969 and 1973, the crude birth rate in Sri Lanka has varied between 30.4 and 27.8; the crude death rate between 7.5 and 8.1 and the infant mortality rate between 43.0 and 53.0. The expectation of life at birth in 1971 was 64.0 years for males and 66.9 for females; 85.2 per cent of males and 70.7 per cent of females in Sri Lanka were literate in 1971.

In the Punjab, between 1970 and 1974, the crude birth rate estimates fell between 32.0 and 34.6; death rates between 10.4 and 12.6; infant mortality rate in 1971 was estimated to be 104.9 for rural and 74.4 in urban areas. Only 33.67 per cent of Punjab population was literate in 1971 - 40 per cent of males and 26 per cent females.

The crude birth and death rates in Kerala in the early 1970s were similar to Sri Lanka - only slightly higher. Infant mortality rate in 1971 was estimated to be 58 in rural and 45 in urban areas. Expectation of life at birth in 1971 was 60.57 years for males and 61.16 for females; 66.62 per cent of males and 54.31 per cent of females were literate.

Table 1: Crude Birth and Death Rates

|           |      | 1946-52 | 1953-62 | 1963-70 |      |      |      |      |      |      |      |
|-----------|------|---------|---------|---------|------|------|------|------|------|------|------|
|           |      | 1941-50 | 1951-60 | 1961-70 | 1970 | 1971 | 1972 | 1973 | 1974 | 1975 | 1976 |
| Sri Lanka | B    | 39.0    | 36.5    | 32.0    | 29.4 | 30.1 | 29.7 | 27.8 | 27.3 | 27.4 |      |
|           | D    | 13.7    | 9.7     | 8.1     | 7.5  | 7.7  | 8.0  | 7.7  | 8.9  | 8.5  |      |
| Kerala    | B    | 37.4*   | 38.9    |         | 31.6 | 31.1 | 31.2 | 29.2 | 26.8 | 28.0 |      |
|           | D    | 18.0*   | 16.1    |         | 9.2  | 9.1  | 9.2  | 8.5  | 7.8  | 8.4  |      |
| Haryana   | B    |         |         |         |      | 42.1 | 40.5 | 39.4 | 39.5 | 38.0 |      |
|           | D    |         |         |         |      | 9.9  | 11.7 | 12.1 | 12.6 | 12.3 |      |
| Punjab    | ** B | 41.2    | 44.7    |         | 33.8 | 34.2 | 34.6 | 33.4 | 32.0 | 31.8 |      |
|           | D    | 26.3    | 18.9    |         | 11.2 | 10.4 | 12.6 | 12.1 | 10.6 | 10.8 |      |
| India     | B    | 39.9    | 41.7    | 41.2    | 36.8 | 36.9 | 36.6 | 34.6 | 34.5 | 35.2 |      |
|           | D    | 27.4    | 22.8    | 19.0    | 15.7 | 14.9 | 16.9 | 15.5 | 14.5 | 15.9 |      |

Notes:

\* Figures relate to Travancore-Cochin.

\*\* Figures for 1950s and 1960s include Haryana.

(1) All figures for Sri Lanka up to 1973 are from *The Population of Sri Lanka*, Department of Census and Statistics, Colombo (1974), pp. 116-117; the entries for 1946-52, 1953-62 and 1963-70 are computed mean rates for the relevant census periods. Figures for 1974 and 1975 are from *Sri Lanka: Country Economic Memorandum*, World Bank Report No. 1425-CE, Feb. 28, 1977.

(2) Computed mean birth and death rates for the periods 1941-50 and 1951-60 for Kerala, Punjab and India are from S.P. Jain, "State Growth Rates and Their Components", in *Patterns of Population Change in India: 1951-61*, by A. Bose (ed.), Allied Publishers (1967), p. 25. The vital rates for the 1970s are taken from the *Sample Registration Bulletin*, Registrar General of India, New Delhi, January 1975, April 1975 and January 1977.

Table 2: Expectation of Life at Birth in Years

|         | <u>Sri Lanka</u> |                | <u>Kerala</u> |               | <u>Punjab</u> |               | <u>India</u> |               |
|---------|------------------|----------------|---------------|---------------|---------------|---------------|--------------|---------------|
|         | <u>Male</u>      | <u>Female</u>  | <u>Male</u>   | <u>Female</u> | <u>Male</u>   | <u>Female</u> | <u>Male</u>  | <u>Female</u> |
| 1920-22 | 32.7<br>(37.5)   | 30.7<br>(39.0) |               |               |               |               |              |               |
| 1921-30 |                  |                | 29.5          | 32.7          | 28.0          | 26.6          | 26.9         | 26.6          |
| 1945-47 | 46.8<br>(47.2)   | 44.7<br>(48.7) |               |               |               |               |              |               |
| 1941-50 |                  |                | 39.9          | 42.3          |               |               | 32.5         | 31.7          |
| 1952    | 57.6             | 55.5           |               |               |               |               |              |               |
| 1951-60 |                  |                | 46.2<br>48.3* | 50.0          |               | 47.5*         | 41.9         | 40.6          |
| 1962-64 | 63.3             | 63.7           |               |               |               |               |              |               |
| 1967    | 64.8             | 66.9           |               |               |               |               |              |               |
| 1961-70 |                  |                |               |               |               |               | 46.4         | 44.7          |
| 1966-71 |                  |                | 60.6          | 61.2          | (in dispute)  |               | 48.2         | 46.0          |
| 1971    | 64.0             | 66.9           |               |               |               |               |              |               |
| 1971-76 |                  |                |               |               |               |               | 50.7         | 49.3          |

Notes: (1) All figures for Sri Lanka [except for those in parentheses which are taken from N.K. Sarkar, *The Demography of Ceylon* (1957) and the numbers for 1971 which are from S.L.N. Rao, "Mortality and Morbidity in Sri Lanka", published in *Population Problems of Sri Lanka*, University of Sri Lanka (1976)] are from T. Nadarajah, *Life Tables CEYLON 1962-70*, (1970), Department of Census and Statistics, Colombo.

(2) Data for Kerala are from R.S. Kurup as quoted in *Poverty, Unemployment and Development Policy: A Case Study of Selected Issues with Reference To Kerala*, United Nations (1975), p. 136.

(3) Data for India are due to B.B. Lal in the *Sample Registration Bulletin*, (April 1974), Registrar General of India, New Delhi, p. 31. Figures for 1966-71 and 1971-76 are projections provided by an expert committee.

(4) Figures for Punjab are census actuary estimates, quoted in Pravin Visaria, *The Sex Ratio of the Population of India*, Office of the Registrar General of India, New Delhi (1971), p. 42.

\* As reported by S.P. Jain in *Patterns of Population Change in India*, by A. Jose (ed.), Allied Publishers (1967), p. 25.

Table B: Infant Mortality Rates

| Year    | Sri Lanka  | India      |       |        | Kerala     |       |        | Punjab     |       |        |
|---------|------------|------------|-------|--------|------------|-------|--------|------------|-------|--------|
|         | Both Sexes | Both Sexes | Male  | Female | Both Sexes | Male  | Female | Both Sexes | Male  | Female |
| 1921-30 | 132.0      | 240.7      | 248.7 | 232.3  | 210.3      | 220.0 | 200.0  |            |       |        |
| 1941-50 | 115.9      | 182.7      | 190.0 | 175.0  | 152.7      | 160.0 | 145.0  |            |       |        |
| 1951    | 82.0       |            |       |        |            |       |        |            |       |        |
| 1955    | 71.0       |            |       |        |            |       |        |            |       |        |
| 196-60  | 62.8       |            |       |        |            |       |        |            |       |        |
| 68/69   | 61.0       | C          |       |        |            |       |        |            |       |        |
|         |            | R 145.9    | 153.2 | 138.3  | 88.9       | 82.7  | 95.1   | 122.7      | 113.1 | 127.4  |
|         |            | U          |       |        |            |       |        |            |       |        |
| 64/65   | 55.1       | C          |       |        |            |       |        |            |       |        |
|         |            | R 114.5    | 113.6 | 110.1  | 55.3       | 63.5  | 46.4   |            |       |        |
|         |            | U 79.9     | 38.7  | 70.5   | 46.1       | 31.5  | 61.7   |            |       |        |
| 69      | 52.7       | C          |       |        |            |       |        |            |       |        |
|         |            | R 159.9    | 132.3 | 148.1  | 56.3       | 64.3  | 48.5   | 97.6       | 80.9  | 115.9  |
|         |            | U          |       |        |            |       |        |            |       |        |
| 70      | 47.3       | C 125.0    |       |        |            |       |        |            |       |        |
|         |            | R 133.0    |       |        |            |       |        | 103.6      |       |        |
|         |            | U 86.0     |       |        |            |       |        | 108.4      |       |        |
| 71      | 43.1       | C 120.0    |       |        |            |       |        | 83.4       |       |        |
|         |            | R 131.0    |       |        | 56.1       |       |        | 98.9       |       |        |
|         |            | U 61.0     |       |        | 58.1       |       |        | 104.9      |       |        |
| 72      |            |            |       |        | 45.0       |       |        | 74.4       |       |        |
| 74      | 46.3       |            |       |        |            |       |        |            |       |        |

All data for Sri Lanka are taken from A.W.A. Abeyesundere in *Population Problems of Sri Lanka*, ORCU, Univ. of Sri Lanka, Colombo (1977) pp 58-59.

- (1) Indian figures for 1921-31 and 1941-51 are from Census Actuary Reports as quoted in *Infant Mortality in India*, SRS Analytical Series, No. 1 1971, Registrar General of India, New Delhi, p. 4. Figures for Kerala for the same two periods are from N.K. Sampodan, *The Changing Population of Kerala*, Census of India 1961, Monograph No. 7 (1968) p. 30. The data for 1958/59 and 1964/65 are respectively from the 15th and 19th rounds of the NSS. Figures for 1968, 1970 and 1971 are based on the sample registration scheme and are taken from various issues of the *Sample Registration Bulletin*, Registrar General of India. The civil registration data for India are not considered reliable and have not been used here.
- (2) 1958-59 data for Punjab relate to PUNJAB (including Haryana), Delhi and Himachal Pradesh together.
- (3) C, R and U, respectively denote estimates for combined, Rural and Urban areas.
- (4) Figures for both sexes for India and Kerala during 1921-30 and 1941-50 have been estimated on the assumption that the sex ratio at birth was 106 males per 100 females.

Table 4: Literacy Rates (Per Cent)

|               | <u>Sri Lanka</u> |              |                | <u>Kerala</u>  |              |                | <u>Punjab</u>  |              |                | <u>India</u>   |              |                |
|---------------|------------------|--------------|----------------|----------------|--------------|----------------|----------------|--------------|----------------|----------------|--------------|----------------|
|               | <u>Persons</u>   | <u>Males</u> | <u>Females</u> | <u>Persons</u> | <u>Males</u> | <u>Females</u> | <u>Persons</u> | <u>Males</u> | <u>Females</u> | <u>Persons</u> | <u>Males</u> | <u>Females</u> |
| 1946 All ages |                  |              |                |                |              |                |                |              |                |                |              |                |
| 10 & over     | 57.8             | 70.1         | 43.8           |                |              |                |                |              |                |                |              |                |
| 1951 All ages |                  |              |                | 40.7           | 50.2         | 31.5           | 15.2           | 21.0         | 8.5            | 16.6           | 24.9         | 7.9            |
| 10 & over     | 65.4             | 75.9         | 53.6           | 51.0           | 64.2         | 38.5           | 17.7           | 24.8         | 9.2            | 19.9           | 29.6         | 9.4            |
| 1961 All ages |                  |              |                | 46.8           | 54.9         | 38.9           | 24.2           | 32.9         | 14.1           | 23.9           | 34.3         | 12.9           |
| 10 & over     | 71.6             | 79.3         | 63.2           | 60.1           | 71.9         | 48.7           | 30.7           | 42.1         | 17.2           | 30.1           | 43.6         | 15.5           |
| 1971 All ages |                  |              |                | 60.4           | 66.5         | 54.3           | 33.7           | 40.4         | 25.9           | 29.5           | 39.5         | 18.7           |
| 10 & over     | 78.1             | 85.2         | 70.7           |                |              |                | (26.9)         | (37.3)       | (14.9)         | 36.2           | 49.2         | 22.1           |

- Notes: (1) a. Sri Lanka figures are for 1953  
 (2) b. Sri Lanka figures are for 1963  
 (3) Punjab figures for 1951 and 1961 include Haryana; whereas for 1971 the crude literacy rates (all ages) in Haryana are separately shown in parentheses underneath the Punjab figures.  
 (4) Figures of literacy rates in population aged ten and over for Kerala, Punjab and India are estimated from the one per cent sample data of 1971 Census, ten per cent sample data of the 1951 Census and the full count of the 1961 Census of India.



The computed mean values of birth and death rates for the decade, 1951-61, were 38.9 and 16.1 in Kerala and 42.9 and 20.5 in the Punjab. Although the overall mortality rates have fallen sharply over the past 20 years, the difference in infant mortality rates between Kerala and Punjab in mid-1970s is surprisingly large. In Haryana, which has a part of the Punjab until 1966, the birth rate of 39.4 in 1973 was still very high. Kerala's literacy level had reached 47 percent in 1961; the corresponding value for the Punjab in the same year was less than 25 per cent.

It must, however, be noted that birth, death and infant mortality rates in Sri Lanka in mid-1950s were already lower than the ones estimated for the Punjab in 1970s. Expectation of life at birth in Sri Lanka in 1953 was 57.8 years for males and 55.7 for females - the values that are being projected for the Punjab in mid-1970s. . . Nearly 58.0 per cent of Sri Lanka's population aged 10 and over was literate in 1946, whereas barely one-third of the people of Punjab (all ages) were reported to be literate twenty-five years later in 1971.

Part II : A Proposal

The Research Proposal

The arguments presented in Part I establish at least that Sri Lanka, Kerala and Punjab - three very poor areas with broadly similar framework of political and economic institutions - in the last quarter century, undoubtedly, have experienced sharply contrasting patterns of growth and development. The central purpose of the proposed study is to evaluate the extent to which these contrasts in development have been a function of differences in initial conditions as they prevailed around 1950 and to what extent they have been consequences of other factors and differences in public policies pursued during the past 25 years.

The first research task, in which some progress has already been made in the last four months, is the preparation of a comparative picture of the three study areas in the early 1950s. This task consists of collection, collation and evaluation of data on a number of variables from the available sources of information. Particular attention need to be devoted to levels of per capita income, agricultural production per acre and per head of population, size and distribution of landholdings, and the terminal conditions, the composition of output and employment, particularly the employment in small industry, the patterns of consumption/income distribution, availability of food and its distribution, patterns of mortality and birth rates, the state of medical care and health services, the levels of literacy, educational services; and, most importantly, the size and content of public expenditures and investments.

The guiding principle for this part of the work is that growth of per capita incomes and development in the sense of rising living standards are not the same thing. But to what extent the different indices of development tell the same story is a research question which will be addressed at an early stage.

The patterns that the data reveal are likely to contain profiles of change for some sets of development indices which may differ between the three regions of immediate interest. The question must then be asked: Why do certain variables hang together differently in the different cases, and to what extent are these attributable to major socio-economic policies or environments? Attempting to answer this type of question would be the major research task of this study.

At an early stage the size and patterns of public expenditure and investment in the three regions will be related to indices and patterns of performance. Besides investigating the direct links between public expenditure and achievements in different sectors, efforts will be made to assess quantitatively the extent to which performance differences in the three regions were due to (a) missed opportunities in the exploitation of inter-relations and links among related packages of expenditures, and (b) differences in degree of social mobilization and organisation to the extent they can be clearly related to effectiveness of public expenditure. Particular attention will be devoted to the inter-connected complex of food, nutrition, health, medical care and education, where conceivably large externalities are presumed to be available for internalization through coordinated, simultaneous public action in a number of areas.

The impact of food distribution and pricing policies on equity as well as on incentives to agricultural production and investment will be analyzed. Significant differences among the three regions in the planning and administrative execution of programmes, such as family planning, public health, medical care and elementary education, will be scrutinized for drawing replicable policy lessons.

The analysis of sharp differences in the past rates and patterns of growth and investment among these three low-income areas should help us to understand not only the elements of conflict and complementarity between overall output growth and poverty eradication objectives, but also furnish some leads for future perspectives and policies in regard to both. Since different components of the basic needs basket appear to have been packaged differently and delivered in different sequences and amounts over varied lengths of time - with Punjab at one end of the spectrum and Sri Lanka on the other, the historical and comparative analysis should help us to fathom the nature and magnitudes of trade-offs and inter-relationships among different basic needs. This knowledge could be useful for designing public policies and projects relating to basic needs in these and other similar regions.

#### Methods of Analysis

The broad methodological orientation of the study will be to create a blend of history, policies and economic analysis of the development experiences of Sri Lanka, Kerala and Punjab since late 1940s. Attempts will be made to isolate distinct segments and sequences of development experience, their policy correlates, developmental inputs and the relevant indices of performance. All statistical and computational techniques, which might help in the preparation of data and in the analysis,

interpretation and evaluation of development experience and policies, are envisaged to be used. Our search would be to identify observed consequences of known policy interventions and inputs during the quarter century of development experience in each of the three regions. Although it is often difficult to isolate a particular causal element from its surrounding circumstances, attempt will be made to compare like with like in all the three regions except the factor or policy element whose impact we wish to isolate. The rigour and the relevance of the policy conclusions derived from this study will consist largely in the degree of success which might be achieved in the isolation of causal elements rather than in the processing of masses of data supposedly for the purpose of testing some pre-conceived hypotheses.

The approach to research which is described here does not permit a closed, formal statement. However, there is some evidence that the issues being addressed are not amenable to a highly structured approach, and that where it has been tried, the results have been disappointing. From a policy-makers point of view this is not surprising since formal modeling techniques can only work well when the dimensions and conceptual issues germane to a problem have been identified. This is not the case in the field with which this proposal is concerned. Accordingly the approach must seek out opportunities for the use of analytic methods, rather than have these prescribed from the outset.

Organisation of the Research

The research is to be conducted by Professor Minhas who is available as a resident consultant in Washington on a part-time basis until June 1978, and for twelve months on a full-time basis thereafter. Securing his services is the major budget item.

It is proposed that Professor Minhas will undertake desk-research (part-time) between now and June, at which time he will make a visit to Sri Lanka and relevant points in India. This will afford an opportunity for discussions with appropriate Government and University personnel. It will also be the occasion for arranging for project collaborators to undertake specified tasks of data collection and processing.

Following this visit, the work will be undertaken in Washington with the support of a Research Assistant. Preliminary results will be available by March, 1979, when a follow-up trip to Sri Lanka and India is envisaged. A first-draft final report is expected by June, 1979.

The case study outlined in this proposal would have some common interface with a number of other areas of research that are being pursued in the Bank. The ESCAP-IBRD project on Income Distribution, for instance, includes Sri Lanka among a large number of Asian countries for which data relating to income distribution issues are being generated. Some of these data will be useful for some aspects of this study. The Population and Human Resources Division of the Development Economics Department have a proposal to study the Determinants of Recent Fertility Decline in Sri Lanka and South India: its focus will be on demographic change and, particularly, on the

determinants of fertility at the micro-level. The scope of the study proposed here, however, is very different and there is little duplication between the two. Some work on Basic Needs is also at various stages of investigation in the Bank. The comparative study of development policies and the patterns of socio-economic development in Sri Lanka, Kerala and Punjab over the past quarter century, as proposed here, may provide a broader historical perspective for strategic thinking on development policy options in poverty-stricken regions of Asia. It could enhance an overall appreciation of the practical need for a balance among objectives of growth, employment and poverty eradication and the provision of basic human needs.

## OFFICE MEMORANDUM

TO: Messrs. B. Waide (ASNVP) and B. King (VPD)

FROM: Montek S. Ahluwalia (DRCID Chief) *MSA*

SUBJECT: Minhas' Research Proposal on Basic Needs

DATE: December 28, 1977

K3700

1. There will be a discussion of Bagich Minhas' research proposal entitled "Growth, Poverty and Basic Needs: Development Policies in Sri Lanka, Kerala and Punjab: Outline for a Case Study" in the DRC Conference Room K3700 on Friday, January 6 at 3 p.m. We hope to submit the proposal to the Research Committee in January. Mr. King has agreed to call a special meeting of the Research Committee for this purpose.

cc: DRC Staff




ED BANK / INTERNATIONAL FINANCE CORPORATION

# OFFICE MEMORANDUM

TO: Mr. B. Waide (ASNVP)

DATE: November 30, 1977

FROM: Montek S. Ahluwalia (DRCID) 

SUBJECT: Research Project on Basic Needs

1. The attached research proposal prepared by Bagich Minhas is being circulated for comments. It would be very useful if we could meet with a few people from the South Asia Region to discuss the draft before submitting it to the Research Committee. May I suggest a meeting sometime in the week of December 19-23?

cc: DRC Staff  
O. Yenai (New Delhi)  
C. Taylor (ASA)  
S. Lateef (ASA)

GROWTH, POVERTY AND BASIC NEEDS:  
DEVELOPMENT POLICIES IN SRI LANKA, KERALA AND PUNJAB

Outline for a Case Study

by

B.S. Minhas

November, 1977

## Evolution of Development Thinking

The most prominent concern of development thinking as well as development practice in the 1950s and 1960s was with the problems of achieving sustained economic growth in the poor, underdeveloped regions and countries of the world. Although the new environment in some critical aspects, such as population pressure, technology and politics, was unlike that in which the industrialized Western countries entered the stage of rapid growth, yet it was often asserted that the problems facing the poor countries are similar to those that the developed countries faced in the past. These differences in the new environment were noted only to underscore the importance of outside help and the need for a "big push" to start up economic growth. It was believed that once growth has been built in as a regular and inherent feature of the underdeveloped economies, and has been continuing for some time, the observable differences between the developed and the underdeveloped countries would begin to appear as differences in descriptive detail rather than in substance. The "trickle-down" and the "spread" mechanisms known to have been associated with the process of economic growth, if growth were fast enough, would solve, it was hoped, the problems of poverty, human welfare and income distribution in the underdeveloped countries. This attitude, which I have characterized elsewhere<sup>1/</sup> as "more of the same but at an accelerated pace", prevailed, with minor exceptions, from the mid-1950s to the publication of the Peason Commission Report in 1969.

After the mid-1960s, a number of complex and interacting factors<sup>2/</sup> converged to restrict the scope for a big outside push to raise significantly

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<sup>1/</sup> "The Current Development Debate", paper read at the Rothko Chapel Conference held at Houston, Texas, 3-5 February 1977.

<sup>2/</sup> An analysis of these factors has been attempted in the above cited paper.

the overall growth of GNP in many poor countries. Serious questions also began to be raised about the viability of the proposition that higher levels of employment and improved living standards for the poor would automatically result from undifferentiated growth in aggregate income. By the early 1970s, arguments from many diverse quarters began to be advanced for a fundamental redirection of development strategy to focus directly on the employment and productivity problems of the poor and weakly-endowed producers. The poverty-ameliorating role of basic social services such as sanitation, clean drinking water, health care and education came to be better appreciated. Plans for the expanded social provision of these services started to figure in the national programmes of development. Nonetheless, the basic thrust of the new anti-poverty strategy was seen to consist primarily in the modification of production and income generation processes -- modifications that would place adequate real purchasing power in the hands of the poor, but the poor would determine their consumption patterns, by and large, through their private decisions in the market place.

Sufficient time and intellectual effort has not yet been put in to digest fully the implications of this strategy for development policy. One cannot find many examples of countries where the inter-relationships and trade-offs between the objective of poverty eradication and other objectives such as growth and its continuance have been worked out in relevant detail. Instead, serious apprehensions about the relevance of these inter-relationships and trade-offs for the objective of poverty removal have already begun to be expressed. A significant section of the developmentalist lobbies, some international organizations and aid donors have now started to advocate the so-called Basic Human Needs approach to development.

Basic Needs

The new (Basic Needs) perception of development seeks to place minimal reliance on the income generation process. It would rather bypass it and instead place primary emphasis on the production and delivery of a basket of basic goods and services directly to the target groups. It is being argued that market imperfections and failures are so pervasive that the mere redistribution of purchasing power alone may not be sufficient to assure basic needs to the poor. It is further claimed that through selective direct interventions in production and distribution, the basic needs of a country's population can be satisfied at much lower levels of per capita income in contrast with other anti-poverty strategies which seek primarily to raise the incomes of the population and permit the market to determine the patterns of consumption. The complementarities and positive interactions among different components of the basic needs basket (food and nutrition, safe drinking water, sanitation, health care, education and literacy, etc.) are assumed to be so significant and overwhelming that it is considered of little significance to discuss the trade-offs among different basic needs. It is the package, as a whole, so it would seem, that makes each component element of itself socially cost effective. The package is also considered to have desirable impact on fertility, infant mortality, length of life and labour productivity.

The People's Republic of China is cited as an outstanding example of a country, which, in an environment of poverty, has achieved success in the provision of basic needs to her population as an integral part of its

development strategy. Revolutionary China, however, has the peculiar advantages of a special case. It has a significantly different concept of basic freedoms. Her structure of sanctions and incentives to get work out of people does not run up against the kind of difficulties which the welfare states and the mixed economies often experience. There are no simple ways to transplant the Chinese experience into other ideologically very different environments, or to draw policy conclusions for them from the Chinese experience.

#### The Need for a Case Study

Leaving aside the special case of China, attention is being drawn to the experience of other countries, such as Sri Lanka, or regions within a country, such as Kerala in India. It is being suggested that the direction and content of development policy in these two areas over the last two decades has approximated quite closely the basic perception of the basic needs strategy of development. While some useful leads to development thinking at the most general level are contained in these examples, a systematic evaluation of the development experience and policies of Sri Lanka and Kerala is not yet available. Neither has the experience of these two areas been compared with some other region in South Asia where the course of development may have had somewhat different character. A comparative case study of the course of development in the past quarter century in Sri Lanka, Kerala and Punjab, if done within the next couple of years, could make a useful contribution to our knowledge of development strategy and policies.

A case study of these three regions could provide answers to a number of questions which are being raised with regard to the viability as well as the relevance of the basic needs strategy in an environment of poverty.

It could throw light on the nature of trade-offs and interactions among different components of the basic needs basket, the consequences of different sequencing of development efforts in these regions and the more general question of relationships between the objective of growth and poverty eradication.

In view of the World Bank's strong interest in the current state of development thinking and development policies, particularly the antipoverty policies in South Asia, the Bank may wish to sponsor/undertake a case study of development policies of Sri Lanka, Kerala and Punjab.

#### Scope of the Study

The content and direction of socio-economic development in a country, or a region, is shaped by many complex factors. The size, quality and distribution of resources, technology, institutions, patterns of public expenditure, the ideological orientation of the government and the degree of social mobilization of the people are considered to be particularly important. Variations in these factors, along with differences in initial conditions of different regions, produce observable differences in patterns of development.

Ideological Setting: Sri Lanka and India have shared a common colonial heritage. The broad ideological orientation in both countries since the early 1950s has been essentially reformist. Both have favoured redistributive policies without revolutionary preconditions. The governments in the two countries have generally been coalitions, formal or informal, of diverse socio-economic groups, with the elites in dominant leadership roles.

Of the two units of Federal India, included in the study, the policy orientation of the state governments and the nature of electoral pressures in Kerala appear to have had more in common with the governments in Sri Lanka

than those in the Punjab. There has been intense competition among political parties both in Sri Lanka and Kerala and since the 1950s different political parties and coalitions have formed governments at different times. Punjab, on the other hand, was ruled by the same party until late 1960s: the Akali Party emerged as an effective alternative to the Congress only in 1967. In other words, competitive radicalism had a better habitat in Sri Lanka and Kerala and should have had a better chance to develop its policy teeth.

Significant examples of effective social mobilization of their populations for development have been conspicuous by their absence in all the three regions. Nonetheless, there have been differences, particularly in the degree of politicization and organisation of labour, both rural as well as urban. Labour would seem to be better organised to fight for its interests in Sri Lanka and Kerala than in Punjab. In part this difference may be due to the existence of plantation agriculture in Sri Lanka and Kerala and its absence in the Punjab. However, in the matter of construction of public assets with mass participation, the record of Punjab has been good. All land needed for the rural roads network and almost all the labour for dirt work on these roads was contributed by the local village communities of the Punjab.

A deeper analysis may show significant differences in ideology and in the degree of social mobilization among these three regions, and these differences in turn might have had their impact on the patterns of public expenditure and other socio-economic policies. Nonetheless, on a preliminary view, the broad ideological orientation in these three regions would appear not to have been so dissimilar as to vitiate inferences which one might wish to draw in regard to the impact of the observed variations and differences in other, more easily identifiable, factors.



- Initial Conditions and Profiles of Change

If Sri Lanka, Kerala and Punjab were ranked according to their respective levels of per capita income in the early 1950s, Sri Lanka would have been on top, Punjab in the middle and Kerala not far behind. The average per capita income in each of these three areas then was less than \$100.<sup>3/</sup> In the past twenty-five years income as well as agricultural production per head has been growing at an average rate of 2.5 to 3.0 per cent per year in the Punjab. The corresponding rate of growth in Sri Lanka has been between 1.0 to 2.0 per cent; and less than 1.0 per cent in Kerala. The per capita product in the Punjab in the middle 1970s is around \$200; it is less than \$140 in Sri Lanka and Kerala still continues to be below \$100.

All the three areas in the late 1940s and early 1950s were net importers of foodgrains. Punjab, since the late 1950 and particularly in the 1960s, has emerged with a big surplus of foodgrains. Although rice productivity per acre in Sri Lanka and Kerala is fairly high, the size of landholdings in both is much smaller than in the Punjab. Just as in the early 1950s, both Sri Lanka and Kerala are heavily specialised in the production of export crops, particularly the plantation crops and have been more exposed to disturbances in international terms of trade. However, both have continued to be deficit areas in foodgrains.

Sri Lanka and Kerala have been managing their food problems, right from the early 1950s to the present day, by designing and maintaining a food distribution system in the public sector. The nature of food distribution

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<sup>3/</sup> A more precise quantitative underpinning of these statements, of course, is a matter for research in this study.

system, however, has been different in the two areas. Nearly one-half earlier, and approximately one-quarter now, of all rice consumed in Sri Lanka was distributed free of charge and the remaining one-half (one-quarter now) was supplied at subsidized prices. Besides free mid-day meals programme, covering some three-fourths of the school children between the ages of 6 and 10, and some other, rather small, nutrition programmes, there has been no free distribution of food in Kerala. Nevertheless, almost the entire population of Kerala is covered by the system of fair price shops and, in the 1960s, approximately 50 per cent of the total foodgrains consumed in Kerala were provided through public distribution at varying rates of subsidy. The magnitude of subsidies on food in Kerala has been far less in comparison with Sri Lanka.

The proportion of agricultural laborers or employees in the rural working force has been far less in the Punjab than in Sri Lanka and Kerala - nearly a third of Sri Lanka and less than one-half of Kerala. The food distribution system in the Punjab has been an off and an on affair, virtually non-existent or confined only to big urban centres.

The levels of crude birth and death rates and infant mortality rates in Sri Lanka and Kerala, in the early 1970s, are significantly lower than in the Punjab; expected length of life at birth and levels of literacy, particularly the latter, are considerably higher than in the Punjab.

Between 1969 and 1973, the crude birth rate in Sri Lanka has varied between 30.4 and 27.8; the crude death rate between 7.5 and 8.1 and the infant mortality rate between 43.0 and 53.0. The expectation of life at birth in 1971 was 64.0 years for males and 66.9 for females; 85.2 per cent of males and 70.7 per cent of females in Sri Lanka were literate in 1971.

In the Punjab, between 1970 and 1974, the crude birth rate estimates fell between 32.0 and 34.6; death rates between 10.4 and 12.6; infant mortality rate in 1971 was estimated to be 104.9 for rural and 74.4 in urban areas. Only 33.67 per cent of Punjab population was literate in 1971 - 40 per cent of males and 26 per cent females.

The crude birth and death rates in Kerala in the early 1970s were similar to Sri Lanka - only slightly higher. Infant mortality rate in 1971 was estimated to be 58 in rural and 45 in urban areas. Expectation of life at birth in 1971 was 60.57 years for males and 61.16 for females; 66.62 per cent of males and 54.31 per cent of females were literate.

The computed mean values of birth and death rates for the decade, 1951-61, were 38.9 and 16.1 in Kerala and 42.9 and 20.5 in the Punjab. Although the overall mortality rates have fallen sharply over the past 20 years, the difference in infant mortality rates between Kerala and Punjab in mid-1970s is surprisingly large. In Haryana, which has a part of the Punjab until 1966, the birth rate of 39.4 in 1973 was still very high. Kerala's literacy level had reached 47 percent in 1961; the corresponding value for the Punjab in the same year was less than 25 per cent.

It must, however, be noted that birth, death and infant mortality rates in Sri Lanka in mid-1950s were already lower than the ones estimated for the Punjab in 1970s. Expectation of life at birth in Sri Lanka in 1953 was 57.8 years for males and 55.7 for females - the values that are being projected for the Punjab in mid-1970s. : Nearly 58.0 per cent of Sri Lanka's population was literate in 1946, whereas barely one-third of the people of Punjab were reported to be literate twenty-five years later in 1971.

The Research Tasks

Sri Lanka, Kerala and Punjab - three very poor areas - in the last quarter century, undoubtedly, have experienced sharply contrasting patterns of socio-economic development. The central purpose of this study is to evaluate the extent to which these contrasts in development have been a function of differences in initial conditions as they prevailed around 1950 and to what extent they have been consequences of other factors and differences in policies pursued during the past 25 years.

The first research task, in which some progress has already been made in the last two months, is the preparation of a comparative picture of the three study areas in the early 1950s. This task consists of collection, collation and evaluation of data, on a number of variables, from the available sources of information. Particular attention need to be devoted to levels of per capita income, agricultural production per acre and per head of population, size and distribution of landholdings, the composition of output and employment, particularly the employment in small industry, the patterns of consumption/income distribution, availability of food and its distribution, patterns of mortality and birth rates, the state of medical care and health services, the levels of literacy, educational services; and, most importantly, the size and content of public expenditures and investments.

Profiles of changes in these variables from the early 1950s to mid-1970s will have to be constructed and analyzed in relation to major socio-economic policies which might have been relevant to this course of change. This would be the major research task of this comparative study.

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The size and patterns of public expenditure and investment in the three regions will be related to indices of performance. Besides investigating the direct links between public expenditure and achievements in different sectors, efforts will be made to assess the extent to which performance differences in the three regions were due to (a) missed opportunities in the exploitation of inter-relations and links among related packages of expenditures, and (b) differences in degree of social mobilization and organisation to the extent they can be clearly related to effectiveness of public expenditure. Particular attention will be devoted to the inter-connected complex of food, nutrition, health, medical care and education, where conceivably large externalities are presumed to be available for internalization through coordinated, simultaneous public action in a number of areas.

The impact of food distribution and pricing policies on equity as well as on incentives to agricultural production and investment will be analyzed. Significant differences among the three regions in the planning and administrative execution of programmes, such as family planning, public health, medical care and elementary education, will be scrutinized for drawing replicable policy lessons.

The analysis of sharp differences in the past rates and patterns of growth and investment among these three areas should help us to understand not only the elements of conflict and complementarity between growth and poverty eradication objectives, but also furnish some leads for future perspectives and policies in regard to both. Since different components of the basic needs basket appear to have been packaged differently and delivered in

different sequences and amounts over varied lengths of time - with Punjab at one end of the spectrum and Sri Lanka on the other, the historical analysis should help us to fathom the nature of trade-offs and inter-relationships among different basic needs. This knowledge could be useful for designing public policies relating to basic needs in these and other similar regions.

#### Methods of Analysis

It is difficult to suggest, at this stage, which particular methods of analysis will be used, or which methods will not be used, in this comparative case study. All techniques, which might help in the interpretation, analysis and evaluation of comparative development experience and its policy correlates will have to be used. The broad methodological orientation of the study will be to create a blend of history, policy and economic analysis of the development experiences of Sri Lanka, Kerala and Punjab since early 1950s. No new surveys for collection of primary field data are envisaged at this moment. However, some field trips, to all the three areas, for collecting already available data and documents and for discussions with knowledgeable people, will be necessary. One set of visits will have to take place fairly soon and another 12-15 months later when the study would have entered the completion and writing stage.

#### Inter-Face With Other Bank Research

The case study outlined in this proposal would have some common interface with a number of other areas of research that are being pursued in the Bank. The ESCAP-IBRD project on Income Distribution, for instance, includes Sri Lanka among a large number of Asian countries for which data

relating to income distribution issues are being generated. Some of these data will be useful for some aspects of this study. The Population and Human Resources Division of the Development Economics Department have a proposal to study the Determinants of Recent Fertility Decline in Sri Lanka and South India: its focus will be on demographic change and, particularly, on the determinants of fertility at the micro-level. A lot of work on Basic Needs is also at various stages of investigation in the Bank. The comparative study of development policies and the patterns of socio-economic development in Sri Lanka, Kerala and Punjab over the past quarter century, as proposed here, may provide a broader historical perspective for strategic thinking on development policy options in poverty-stricken regions of Asia. It could enhance an overall appreciation of the practical need for a balance among objectives of growth, employment and poverty eradication and the provision of basic human needs.