

O.4. KHAN, N.K AND S.A ANSARI, “Application of New Institutional Economics to The Problems of Development: A Survey.” *Journal of Social and Economic Development*, Jan.-June, 2008; Vol.10, No (1), pp. 1-32.

Institutions not only structured the economic forces but to large extent responsible for expending human choices. New Institutional Economics emerge as an exciting and challenging paradigm to answer many of economic problems which remain unsolved in the Neo-Classical economics. This presents a survey of the application of the NIE to the problems of development. NIE is a highly diversified field and increasingly gaining importance in economics, political science, law strategy, history and other disciplines. Both qualitative and quantitative study confirms that the quality of institution and development outcome are strongly correlated. In selected application of NIE to specific development problems it has been found that the three major themes of NIE i.e. transaction cost, property rights and collective action can effectively address the issues that have remained, more or less puzzles, when analyses using the conventional approaches. More it has the ability to explain and analyze the problems that are left out in the traditional mainstream economics. The paper concludes with optimistic view of wide possibility of application of NIE to solve economic problems but at the same time it argues that it not fully developed. Lack of comprehensive theory and models is one of the weaknesses of NIE. But at the same time it offers challenges to the scholars to develop theory and model on NIE.

O.4. MADHUSUDAN GHOSH, “Economic Reforms, Growth and Regional divergence in India”, 2008; *Margin-The Journal of Applied Economic Research*, Vol. 2:3, pp. 265-285.

This paper tries to examine whether regional economic disparity has increased or decreased in India after Neo Economic Policy reforms in 1990s. Although the Five Year Plans and Indian Constitution put strong emphasis upon the issue of regional balance, regional inequality is still persisting in India and causing severe obstacles for achieving national integration, political stability and economic viability. This paper examines the economic performance

of 15 major states in India from 1960-61 to 2001-02 and tries to find out whether divergence in real per capita net state domestic product across states has increased or decreased after liberalization. The results suggest that Indian states have diverged in per capita income over the above mentioned period, and this divergence got enhanced after the initiation of economic reforms. The reasons for growing divergence in per capita incomes across states may be associated with inter-state variations in human capital, production structures, and infrastructural developments. Hence government intervention in these areas can be expected to fetch some long-run benefits for the backward states. Increasing income inequality from mid-1980s can also be responsible for worsening the picture. Thus overall policy measures through proper regional policies and inter-governmental transfers are required to tackle the issues of regional imbalance. Although the paper deserves credit for attracting attention towards a serious problem of economic development in India, it would be more interesting if it had addressed why economic reforms actually ended in widening disparity among states and made some comments about the role of Planning Commission and Finance Commission in this regard.

O.4. NIRMAL KUMAR CHANDRA, "Tata Motors in Singur: A Step towards Industrialisation or Pauperisation?" *Economic & Political Weekly*, Vol. 43, No. 50 December 13, 2008; pp. 36-51.

The paper made an attempt to show the regressive feature of the abandoned Singur "model" of industrialisation by Tata motors in west Bengal. the project outcomes may lead to a highly capital-intensive production structure with overall employment often shrinking rather than expanding And the subsidies have an adverse impact on budgetary outlays on public sector investments and on social sectors like health, education and so on The author discuss much about the economic and political fault lines of the pattern of "industrialisation" in contemporary India. In order to get the Tata company project, The left front government offered more subsidies that made a threat to the peasants. The government made blunder mistakes such as offering agricultural fertile lands as well could not provide the required amount of land that the company required. It made mistakes in land acquisition such as forcing the landowner to

surrender the land and provided very less amount as a compensation for the acquired land. Inappropriately usage of the land acquisition act was carried out by the government in the name of industrialization process. The author concluded that The Left Front Government's "unique selling point (USP)" of the Singur plant would have created adverse effects with little advantage over the automobile industry but could have resulted with a multiplier unfruitful effect over time on investment, output and employment. The author suggested promoting big industry in private hands through central or state subsidies will result in adverse consequences for the state's social sectors and the peasantry of west Bengal