

II.B.3. Functioning of River Basin Water Markets: Implications on Sustainability of Resource Use and Farming Systems

V. K. Viswanathan

Junior Scientist (Eco.), Economic Research Division, Rubber Research Institute of India, Puthuppally, Kottayam - 686 009, Kerala

Development theorists consider institutional intervention by the state as indispensable in the process of economic development and such interventions were effected through various public investment programmes. Massive allocations earmarked for the development of major irrigation systems in India in the post-independence era is a case in point. But in due course, the publicly funded major irrigation systems were proved to be ineffective in delivering water to the target group, who remain heterogeneous in terms of endowment, cropping practices and accessibility to the resource base. Further, growing environmental concerns over the negative externalities and costs of large scale water development projects have stimulated, more and more local level institutional initiatives as effective mechanisms in the development, distribution and management of water resources at the local level.

It is against this backdrop that the paper attempts to explore the important local level institutional interventions in the distribution of river basin water and their implications on the sustainability of resource use, farming systems and local level environment. The major objectives of the paper are to: (a) understand the functioning of the river basin water delivery systems and their impact on the agrarian performance of the village economy; (b) examine the socioeconomic and environmental implications of the systems; and (c) evaluate the efficiency of the systems in terms of stability, productivity and sustainability. In sum, the paper underline the scope for further research on local level institutional imperatives for development, distribution and management of water resources.