

## ABSTRACT

When it comes to sharing of water resource issues related to it also joins hand with it, one of such important issues is the Cauvery River sharing issue. There has been a conflict between Tamil Nadu and Karnataka regarding this issue for more than a century now. It has political background also which fuels the issue. This paper gives a brief insight about the reason for the issue between these two parties, the role of the central government in this issue, how was the British rule in India played a vital role in this issue. Further, this paper gives an empirical analysis using time series data on how the flow determines the agricultural productivity in Tamil Nadu and Karnataka and how much land use for agricultural cultivation has changed in the last two decades. The command on the river has changed hands in the recent years from Tamil Nadu and Karnataka, this paper also talks about what triggered that change and how is it affecting the involved parties. This paper also gives few suggestions to overcome this long lasting issue.

*Keywords: Transboundary conflict, Cauvery basin, Paddy cultivation, river flow*

JEL Codes: C22, H41, H55, Q25, Q28