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BOOK REVIEWS

Agricultural Product Prices. By WILLIAM G. TOMEK and KENNETH L. ROBINSON. (Cornell University Press, Ithaca and London, 1990.) Pp. 360, ISBN 0-8014-2451-8.

I have used Tomek and Robinson's text, *Agricultural Product Prices* for some years as a reference both in the preparation of lectures and in marketing research. The first edition of the book appeared in 1972 and, after its considerable success, a second edition appeared in 1981. In 1990, the third edition of the book was released. I recommend the new edition to agricultural economists and students who do not already own the second edition. However, while the new edition has some changes from its earlier versions, these changes are not substantial and thus members need not view any updating of their private libraries with the third edition as a matter of urgency.

The new edition retains the same general format as earlier editions with four major sections. These sections respectively cover: principles of price determination which gives a good clear theoretical coverage of price determination; price differences and variability which focuses on linkages in the marketing chain; pricing institutions; and an elementary introduction to empirical price analysis.

For those who are not familiar with earlier editions of the book, *Agricultural Product Prices* provides a coverage of the topic that is comprehensive to an intermediate level and rich in detail. The treatment of elasticities and flexibility coefficients and the parallel discussion of concepts such as the Engels Condition, symmetry and homogeneity is clear, to the point and an excellent source either for the preparation of lectures or for refreshing one's memory when reading. The same is true for the sections on marketing margins and price variability. The text is again detailed and comprehensive up to an intermediate level with clear explanations of how margins behave under a range of conditions and of how economists conceptualise such behaviour. The same can be said for the treatment of institutions in which a good introduction to the microeconomics of the Farm Bill and other interventions is provided. The book is designed as an intermediate level text and hence does not provide frontier or advanced treatments of topics. However, it does provide excellent background and a serious starting point for consideration of a range of problems.

The Preface of the new edition heralds new (or improved) sections on overshooting, macro linkages, factor markets and options markets. The significant additions of these four are the latter two, factor markets and options markets.

The new section on factor prices is in the form of an appendix at the end of chapter four. It contains several useful diagrams and fills a gap

in the earlier editions. The section on options markets provides a description of how options markets operate, useful definitions of *puts* and *calls* and a brief introduction to the determinants of option prices. However, the treatment does not have the depth of some other parts of the book. For example, it does not provide hints on possible option pricing formulae and, generally, the sound intuition provided elsewhere, for example, in the treatment of futures markets, is missing.

In appraising the third edition, the reference point is inevitably the second edition and a simple list of new sections or parts of the book does not do justice to the work that has been undertaken by the authors in its updating. The most conspicuous aspect of the update from the second to the third editions has actually been in changing the style of the text. A substantial amount of effort has gone into increasing the readability of the book. This has taken the form of a greater degree of generalisation in the presentation of ideas and a broader approach. The third edition reads far less like a specifically agricultural economics text than earlier editions and far more like a general economics text. This has been achieved with some subtle changes in emphasis and re-ordering of paragraphs and sentences. For the most part, this has not led to changes in content.

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A Poverty Focus for Australian Aid. J. V. REMENYI (ed.).
(Australian Development Studies Network, Canberra, 1990.)
Pp. 138. ISBN 7315 0917X.

This rather slim volume contains papers presented at a national symposium held at Deakin University in 1989. The eight or so papers included are of very variable length and quality. There are a few gems but, perhaps inevitably given the origins of the publication, there is a lack of balance and cohesion in the whole work.

After a brief introduction there is a paper by Peter McCawley, then Deputy Director General of AIDAB, on 'Aid and poverty; how Australia's aid program helps the poor'. This is familiar McCawley stuff in recent time — a forceful, well-argued and presented piece of propaganda leading to the conclusion that, while aid is not the answer, Australia's aid program can and does help alleviate poverty in developing countries in a worthwhile way. This conclusion seems to be sharply at odds with the case made in some subsequent papers, leading this reviewer to wonder whether there was any fierce debate at the symposium that didn't get reported in the publication.

After a brief and largely factual description of how European aid is allocated, by Katherina Focke from the European Parliament, there is a paper by Mark McGillivray and Joe Remenyi in which the actual allocation of Australian aid is contrasted with what it would have been

had the aid been allocated with a poverty focus. The authors find large discrepancies, prompting one to wonder whether the complex calculations reported were really necessary to establish such an unsurprising conclusion.

Chapter 5, by Ruth Callanta of the Asian Institute of Management, is a comprehensive and informed review of poverty problems in the Philippines. The author identifies who the poor are before discussing the alleviation measures needed. While some of the specific suggestions could well be contentious, the overall discussion is impressive.

Chapter 6 is a paper by Senator Bob McMullon of the ALP on building community support for aid. Australia's aid has declined as a proportion of GDP for many years now, and the prospect is for a still sharper decline if there is a change of government in the Federal Parliament. Senator McMullon has some advice for those ambitious enough to want to reverse this trend.

In the next Chapter, Pamela Thomas of UNICEF reviews the importance of targeting women and children in aid efforts and specifically in Thailand, Indonesia, Pakistan and Cambodia. She emphasises the well-known fact that measures which target the poorest of the poor, especially poor women, can be very effective, yet little aid is directed to these groups. She suggests that the explanation of this anomaly lies in the invisibility of the poor — nobody wants to see them.

David Burch of Griffith University has a short chapter of the poor and Australia's Development Import Finance Facility (DIFF). He argues that the DIFF reduces the poverty focus of aid and is scathing of the way the DIFF has been used, citing an example from Bangladesh where, he says, it is difficult to imagine a more irrelevant aid project than a \$39 million aircraft hanger complex. He urges that the DIFF should be counted as aid to Australian industry, not to the recipient developing countries.

The final chapter by Randall Baker of the University of Indiana examines the problem of environmental degradation and the responses to that question. He uses experiences in Kenya to show that the technocratic approach fails to come to grips with the environmental crisis and argues that the cause (and hence presumable the solution) lies in the prevailing social, economic and political norms. His case is persuasive, but it is less clear what needs to be done, and by whom. Certainly, few clear lessons are drawn for Australian aid.

Although marred by careless editing, with many typographical errors, this is an interesting collection that those concerned with the problems of poverty will find useful.

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