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REVIEWS IN BRIEF

Keynes and Post-Keynesian Economics, R.D. Gupta, Revised and Enlarged Edition, Kalyani Publishers, Ludhiana, 1977. Pp. xv + 903 + v. Rs. 36.00. (Distributors: Lyall Book Depot, Ludhiana.)

This textbook deals with the contributions made by J. M. Keynes to the development of economic thought with reference to income and monetary theories including theories of trade cycles and economic growth and presents an evaluation in the light of criticism of Keynes' General Theory of Employment, Interest and Money by eminent economists. The chief merit of this book lies in sifting the different ideas and critiques on Keynes' General Theory from diverse sources and wielding them together in a lucid style with the help of illustrations, diagrams and simple mathematical equations. The subject matter of the book is presented in nine sections comprising 42 chapters. Section I describes the economic ideas expounded by Keynes in his General Theory, examines the criticisms whether the General Theory is general and dynamic and discusses micro-and macro-economics and their limitations. Section II on national income and social accounts discusses the contribution of Keynes to national income analysis and post-Keynesian developments in national income, and the different methods of estimation of national income and the problems in its computation. It also describes and analyses the main features and types of social accounts, the importance of and special considerations in preparing social accounts in developing countries. Section III critically examines the classical theory of employment and Keynes' contribution to the development of the theory and discusses the general theories of consumption function, the Keynesian theory of investment multiplier and classical and neo-classical theories of interest and the current thinking on the subject. Section IV develops a general equilibrium model with the help of the rate of interest, examines the influence of wage rates on the level of employment, restates and evaluates the Keynesian theory of income, output and employment and the applicability of Keynes' ideas either in an extended or modified form to the under-developed economies. Section V deals with monetary theory and discusses the relative merits and demerits of the classical and neo-classical approaches to and Keynes' and post-Keynes' versions of the quantity theory of money, and inflation and deflation. This section also appraises the functions of central banks, describes the methods of credit control and the objectives of central banking in developing economies. Chapter VI analyses the theories of trade cycles while Chapter VII deals with the macro-dynamics of growth process and critically evaluates the different growth models. Section VIII examines the roles of monetary policy, fiscal policy and incomes policy and other measures as well as their limitations in a macro-economic context in promoting full employment and economic stability. The last section deals with the balance of payments and the operational problems relating to international liquidity. The author has freely drawn on the writings of many leading economists in the preparation of this book which is massive in size. The presentation of the main ideas at the end

of each chapter greatly enhances its utility. It includes a glossary of different concepts, a select bibliography on the subject and an index. Though the book has been written primarily for the benefit of university students, it will prove of immense value to those appearing in professional and competitive examinations. That the book is moderately priced is an additional plus point.

Appropriate Technologies for Developing Countries, Richard S. Eckaus, National Academy of Sciences-National Research Council, Washington, D.C., U.S.A. 1977. Pp. xiii + 140.

This report was prepared for a special panel of the Board of Science and Technology for International Development in co-operation with the Office of the Foreign Secretary, National Academy of Engineering, Commission on International Relations, National Research Council under a contract with the U.S. Agency for International Development to study the issues inherent in the concept of 'appropriate' technologies. It examines the role of technology in developing countries to determine the content and methods of appropriate technological decisions and arrives at generalisations about the character and consequences of such micro-economic decisions. The subject matter of the report is discussed in eight chapters. Chapter 1 presents the summary of the report. Chapter 2 discusses the development processes and the role of technology to provide a general background for the later more detailed analysis of the relations between technological decisions and economic and other social goals and policies. Chapter 3 describes and analyses alternative criteria of appropriateness of technological decisions. The next two chapters review respectively the state of information with respect to technological alternatives and the methods of transferring technological knowledge and the processes through which decisions are actually made. Chapter 6 surveys some of the unique features of the development processes in the agricultural sector and examines their significance for the choice of appropriate technologies. Chapter 7 considers the issues related to the choice of appropriate technologies and small-scale and service establishments. The last chapter suggests technological, economic and institutional policies for promoting the choice of appropriate technologies. The appendix contains critical comments by one of the panel members on the conceptual framework about technology used in the report.

The report recognizes that little detailed quantifiable information about the characteristics of technology is readily available for policy formation. Recognition of the essential role of technology in development does not imply a technological determinism. Not only can alternative products and methods be chosen, but the wider effects of these choices depend strongly on the political and economic environments in which they are implemented. The major goals enunciated for development which are examined and interpreted as criteria for appropriateness of technological decision include maximization of net national output and income, maximization of the availability of consumption goods, maximization of the rate of economic growth, reduction

in unemployment, redistribution of income and wealth, regional development, reduction in balance of payments deficits, promotion of political development and national political goals and improvement in the quality of life. These criteria are not only alternative but also competitive in many circumstances. The report outlines three general areas of policy action for dealing with the issues related to appropriate technologies. The first is concerned with economic policies that will improve the technological selection process by operating on the price, tax, and subsidy incentives affecting the relative use of resources. The second concentrates specifically on technological developments that will expand the scope of choice in directions suitable to developing countries. The third policy area is institutional change, which deals with the dissemination of knowledge and the organization of production activities. The report makes a useful contribution to the understanding of the interaction among many factors essential for the rational selection of technology.

The Fourth World Food Survey, FAO Food and Nutrition Series No. 10, Food and Agriculture Organization of the United Nations, Rome, Italy, 1977. Pp. viii+128.

This survey is published after an interval of 14 years, the third world food survey having been issued in 1963, preceded by the first and the second world food surveys in 1946 and 1952 respectively. One of the objectives of the survey is to promote the improvement of the data base for the study of world food problems. It thus makes an attempt to update the review of recent trends in food production and supply against the background of increasing population and recent evidence regarding the incidence of undernutrition and malnutrition. Divided into two parts, Part I of the survey reviews the trends relating to food supplies since 1961 and Part II seeks to identify the vulnerable population groups in the world, estimates the total magnitude of the undernourished and reviews the methods of calculating the size of the calorie deficit.

Analysis of food production and population growth trends indicated that the world food production since the 1960s has been greater than that of population, the respective annual rates of growth being 2.4 per cent and 1.9 per cent during 1970-76. However, the margin between the two, *i.e.*, the growth of food production per capita has tended to shrink from 0.8 to 0.5 per cent per annum between the two periods 1961-65 to 1970 and 1970-76. In the developed countries, the growth rate of food production and per capita production remained more or less constant during the two periods at about 2.3 per cent and 1.4 per cent per annum respectively because of a marginal decline in the rate of growth of population. In the developing countries, the average annual rate of growth of food production declined from 3.1 per cent to 2.7 per cent with a decline in per capita food production from 0.7 to 0.3 per cent between the two periods. Disaggregating the data further, the serious deterioration of certain developing countries is highlighted. During the 1960s, 56 out of 128 developing countries had growth rates of population higher than that of food production, leading to a decline in

their per capita food production. During the 1970s, the number rose to 69, which included highly populated countries such as India, Pakistan, Mexico and Egypt. As a result of continuous growth in agricultural population and labour force, growth rates of agricultural output per person and productivity per worker are estimated to have been low in the developing regions—less than 2 per cent in most cases. On the other hand, agricultural productivity per person/worker in the developed countries was, on an average, more than nine times higher than in the developing countries in 1964-66 and more than 13 times in 1974-76.

On a conservative basis, the number of persons undernourished in the developing countries is estimated at 400 million in 1969-71, excluding the Asian centrally planned economies. Between 1969-71 and 1972-74, the number of undernourished increased by more than 50 million in these countries, reflecting the growth of population as well as fluctuation in crop production and consequently in the food supply. More than 60 per cent of the total estimated number of persons in the developing market economies at serious risk of undernutrition are in the Most Seriously Affected (MSA) countries and most of these countries are in the Far East and Africa. Assuming that (i) the average per capita per day supply of calories would be raised to at least 2,500 calories by the year 1990 for all developing countries where it was below this level in 1972-74, (ii) the standard deviation of the distribution of the food supplies would be reduced to 600 calories by that time and (iii) the objective is to reduce the proportion of undernourished to not more than 5 per cent of the total population, an attempt is made to quantify the increase in food supplies in wheat equivalents with a reduction in the degree of inequality of food distribution. The study has shown that many countries, particularly MSA countries would need to achieve growth rates in food supply of over 4 per cent per annum between 1972-74 and 1990 if the average food supply is to reach 2,500 calories per capita per day by that year. In wheat equivalents, these countries would need to increase the total of their food supply by about 363 million tons for the period upto the year 1990 or at an average annual increase of about 21 million tons, of which India's share alone accounted for one-third. The survey stresses the need to tackle the inequalities in food distribution as a necessary concomitant to increasing total world food supplies. It includes a wealth of data at the country level and presents estimates of the magnitude of the food problem for many individual countries.

Catalogue of Research Literature for Development—Volume II: Food Production and Nutrition, Development and Economics, Education and Human Resources, Health, Selected Development Areas, Division of Documentation and Information, Bureau for Development Support, U.S. Agency for International Development, Washington, D.C., U.S.A., 1977. Pp. viii + 597.

This second and final volume of the Catalogue of Research Literature for Development identifies and cites 3,700 titles produced under research and

development programmes of the former Bureau for Technical Assistance of the Agency for International Development (A. I. D.) between 1962 and 1977. The coverage of this volume extends beyond food production and nutrition which is the focus of Volume I and includes education and human resources, health, development assistance, economics and selected areas in both the physical and social sciences. The arrangement of the contents in this volume is the same as in Volume I. Titles are first grouped with broad subject chapters in Section I and then sub-grouped under appropriate keywords. Sections II and III present respectively an author index and an institutional index where titles are listed under individual contracts, grants and/or issuing offices. Section IV gives the full addresses of all contractors, grantees and issuing offices along with a thesaurus of keywords used in Section I. Copies of all titles indexed are available from the A.I.D. Research and Development Report Distribution Center, Ann Arbor, Michigan, U.S.A., on a pre-paid basis. This Catalogue is enriched with source materials relating to the subject areas covered therein and will prove useful to researchers and students of agricultural and development economics.

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