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BOOK REVIEWS


The book is an attempt to describe, analyse and interpret the significant development of the new economy of China against the background of a people's movement. This is done with enthusiasm which even the Chinese Communist may envy. The author has evidently great admiration for the way in which social and economic growth is being ushered in China as well as its result. The student of agricultural economics will particularly find the chapters on Land Reforms, New Pattern of Rural Economy and Trading Co-operatives interesting—and useful, if he has the maturity to guard against ideological predilections. There is much that one can learn from the Chinese experiment; and it would be a folly to close one's mind to the literature on the subject. Dr. Gyan Chand writes from personal experience gained through a six months' stay in China and has, with his well known zest for details, spared no effort to gather every available information on the subject, though he has been highly selective in the use of the material, and glossed over plenty of 'self-criticism' in which the Chinese indulge rather freely. Programmes and policies, however, change rather quickly and unexpectedly in totalitarian regimes, leaving their friends and admirers gasping for breath.

M. L. DANTWALA


In recent years, the influence of population changes on the economic development of low-income areas has attracted considerable attention. These areas have had rapidly declining death rates with birth rates remaining at a comparatively high level; this means that population growth is or is becoming very rapid. Further, there has been of late in the areas a noticeable trend in the rise in aspirations brought about by the implementation of programmes of planned economic development. As the authors of the study under review point out, India was selected as the area of study partly because its demographic and economic data are relatively plentiful and partly because from the analytical point of view, the relation between economic development and population change in India seems comparatively clear. India's population is very large in relation to its resources particularly agricultural land and it has a large potential for rapid growth in the near future.

The study under review is the second of the major studies sponsored by the Office of Population Research at Princeton to deal primarily with India, its predecessor being 'The Population of India and Pakistan' by Kingsley Davis. Unlike its predecessor which covered a general analysis of the demographic position with special emphasis on the sociological aspects of the problem, the present study is a sharply focussed attempt to give as concrete an answer as possible to a specific question, "What difference would it make in economic terms if the birth rate instead of remaining unchanged declines by as much as fifty per cent
in the next twenty-five years?" In this context, it is the first study of its kind undertaken so far. Indeed, the authors have made every endeavour to make their analysis highly specific and to carry it out in quantitative terms as far as possible; in fact, it is in the exploration of dynamic numerical models for both the economy and the population that this study contrasts most sharply with other attempts to evaluate economic consequences of alternative trends in human fertility. The authors deserve to be congratulated for the highly original demonstration they have made of the way in which careful factual analysis can illuminate the vital inter-relations between economic and population changes.

The study comprises of five parts. Part one summarises the most prominent theories of how economic development and population influence one another and explores the degree to which these theories apply to the low-income countries of the world embarking today on a course of economic development. Part two describes the recent, current and future (alternative) population of India in terms of size, age composition, growth rate, birth and death rates, giving the likely upper and lower limits to population growth during the next twenty-five years. The upper limit would be reached on the assumption of unchanging fertility while the lower limit is decided by the assumption that the fertility would decline by as much as fifty per cent during this period. Part three outlines the changes which are likely to occur in the Indian economy in the next two or three decades, emphasising the determinants of development that are related to changes in population. Part four shows how economic development would be influenced by the trend of population — upper and lower — that is actually followed. The authors are, however, careful and cautious when they add that their illustrative economic projections should not be considered as an appraisal of Indian Plans or as a prediction of the future rate of economic growth. Part five examines the demographic and economic relations in other low-income, high fertility areas differing from India in size, current levels of mortality and growth, state of economic advance and general strategy of development; here the authors have devoted considerable attention to the conditions in Mexico which is taken as the main area for illustrating the wider applicability of the analysis made by them.

On the assumption that the fertility would decline by as much as fifty per cent in the next twenty-five years, the projected population of India would be 589 millions in 1986 while with the assumption of unchanging fertility, it would be 775 millions by the same year. The authors admit that in the absence of a precedent in estimating the extent to which government-sponsored family planning programme like the one undertaken in India, can affect fertility, there is little more than guesswork behind such an assumption. In spite of this limitation of the assumption, it serves its main purpose, viz., of laying down a lower limit to population projection in clear contrast to the assumption of unchanging fertility. Such a contrast in the course of fertility makes it easier to bring out the nature of the economic effect of alternative population courses. Moreover, there are precedents for national fertility declines of this order caused by forces other than a government programme. Thus, Japanese fertility was halved between 1930 and 1954; in the experience of Hungary, Germany, Norway and Sweden also there has been a similar decline in fertility in no more than twenty-five years. The potential effects of a state-sponsored programme of family limitation cannot be judged on the basis of information currently available; in spite of this limitation, however, it
would be quite surprising if actual developments were to fall very far outside the upper and the lower limits assumed by the authors.

In estimating the probable course of mortality in India, the authors have been guided by two main considerations; the first was the experience in Ceylon in implementing an anti-malarial campaign while the second was the improvement in mortality rates in the recent experience of other low-income areas where public health campaigns other than anti-malarial have been launched. Thus, it is estimated that the death rate would by stages decline from 31 in 1951 to 14.3 in 1986. The authors are aware that their neglect of India’s economic prospects while estimating the future course of mortality should be only provisional, for, although it is granted that in other low-income countries, pronounced improvements in mortality have occurred without any appreciable rise in the per capita income, it is very doubtful whether mortality declines could materialise if per capita consumption—especially of food—fell off markedly from current levels. The other assumption made by the authors, namely, that no further mortality improvements above age five will occur after 1971 and in childhood after 1981, fits in well with the general tendency for mortality reduction to become less steep as rates are reduced.

While describing the factors determining economic growth, the authors examine the prospects of Indian agriculture and arrive, by and large, to quite hopeful conclusions. On the basis of programmes and plans now in operation or envisaged and the resources available, the authors look forward to an approximate doubling of total crop output within the next twenty-five years. This rate of development exceeds the most rapid growth of population envisaged by them. As agriculture is the way of life of nearly 70% of India’s population and accounts for almost half of the national product, the authors hasten to add that progress in this sector of the economy is naturally a pre-requisite to successful development of the Indian economy as a whole. They then proceed to assess the differential economic significance of sustained as opposed to reduced fertility. Higher fertility means more births and larger populations; thus, for many years, the difference in numbers in the projected populations is concentrated in the childhood ages. As a result, the authors find that the larger projected population has almost no advantage over the smaller in terms of potential working force until 1986 and even then the difference is small. Further, when the other determinants of national output are examined, it becomes clear that total output would grow faster with reduced fertility than with continued high fertility. With high fertility, a smaller total product must be divided among many more consumers than would be the case under low fertility. A more rapid increase in the number of consumers, mostly children, under conditions of high fertility, is the ultimate cause of the slower rise in total output. Thus, the illustrative calculations made by the authors show that the income per consumer would attain a level of about 40 per cent higher by 1986 with reduced fertility than with continued high fertility. These calculations are based on certain reasonable assumptions about savings rates, capital output ratios and the like. When the assumed values of the numerical parameters are altered, the projected trend of economic growth is, of course, changed for both projected populations. However, this does not markedly affect the comparative results under high as compared to low fertility; thus, in all instances, the fertility population has a calculated per-consumer income at least 38 per cent larger in 1986. Also in all instances, the calculations show a much more rapid growth rate of total output in 1986 with low fertility. A typical pair of values (projection1)
is 4.5 per cent per annum growth in total output with reduced fertility and 3.5 per cent per annum with unchanged fertility; these rates imply per-consumer income growing respectively at 3.4 per cent and less than 1 per cent. How much extra austerity would be needed to off-set the effects of a continued high level of fertility? The answer to this very interesting question is given by the authors by making a calculation based on the same simple model used in projection 1) 46 per cent instead of 30 per cent of increases in income per consumer would have to be channelled into private investment and public outlays. The syphoning off of the rising income would thus need to be half again as great to offset the effects of a more rapid population increase; this is indeed a significant conclusion which emphasises the great and the urgent need for the adoption of family planning in India on a mass-scale.

B. S. Bhir


This publication is destined to have a long life as a textbook for graduate students and will serve as a useful compendium for teachers and researchers in the field of agricultural economics. It opens with a sketch of Prof. John D. Black’s academic life by his intimate student, J. K. Galbraith. There are as many as thirteen parts of the book, (with over seven hundred pages), discussing various aspects of agricultural economics. They range over production economics, land use, forestry, tenure, credit, marketing, co-operation, price analysis, consumption, food supply and population, place of agriculture in the economy, agricultural policy, and research method. Each part has an introduction written by Prof. Black’s students who are known in their respective fields for their contributions. The introductions which bring out Prof. Black’s contributions in the respective fields, are followed by excerpts selected by the authors, from Prof. Black’s profuse writings. This is a difficult task but it is well performed.

The publication reflects fully Prof. Black’s personality, versatile, sympathetic, understanding, sincere, tenacious and full of spirit of pioneering. There is hardly any aspect of agricultural economics which has not received Prof. Black’s attention. To use his own terminology, he has ‘opened out’ several fields. This is an apt description because to most of the fields he attended, he has made a distinct contribution. One can see Prof. Black’s personality reflected more in the human touch he has given to all he studied and worked on; and probably it is this which explains his major occupation with agricultural programmes and policies. He has made a significant contribution in their formulation and remoulding at various stages. For instance, the middle A of the AAA — Agricultural Adjustment Act — belongs to him.

Prof. Black entered the field of agricultural economics when this branch of economics was just making a beginning. Those in the field at that time were primarily concerned with providing detailed accounts of various rural institutions which made agriculture what it was. In Prof. Black’s writings, especially those selected for this publication, one finds a clear break from the set pattern of his time. To him agricultural economics is mainly a study to understand the applica-
tion of basic principles of economics. In this regard, Prof. Black's major contribution contained in the book is in crystalising certain concepts and in evolving new ones. For instance, he has discussed with remarkable analytical skill and originality the concept of marginal and submarginal land. (One would consider the issue now almost settled but if one goes through current journals, one occasionally comes across the discussion of this concept probably in essence in the form not different from one espoused by Ricardo). Some of the concepts and ideas now in use can be traced to him, such as area planning, forest farms and farm forests, servicing of credit loans (which in effect comes very close to the concept of service co-operatives). In regard to the field of marketing, he deplores the tendency to treat this branch as description of marketing functions rather than study of different marketing agencies, marketing areas and efficiency. He pleads for the measurement of creation of possession, form and time utilities for marketing efficiencies. On the whole, for his approach to agricultural economic problems he accepted the general frame of economic analysis as given by Marshall. His contribution lies in giving it a concrete form as applied to agriculture. He initiated the study of diminishing returns, principle of substitution and measurement of demand and supply elasticities. The last one led him to the field of research methodology and statistics which widened his base of operation and understanding.

Though many of the contributions of Prof. Black are likely to outlive him, the era he represented seems to have come to an end. 1 He was mainly concerned with the firm, (the farm) and the family. Whether it was production and supply or demand he was mainly interested in the behaviour of the micro unit, its problems and remedies. When he broke away from his predecessors, he immediately came to be interested with farm cost studies and farm management problems and evolving budgeting methods with a view to helping individual farmers to improve their productive efficiency. He might be aware of the schism separating micro economics from macro one, but that is not reflected in his writings selected for the present publication. The era of macro-approach in agricultural economics dawned in the post-World War II period which has now expanded its interest from the problem of stability to the problem of development.

Prof. Black's contribution may be best judged in the historical perspective and when judged thus it is no exaggeration to say that the agricultural economics grew with Prof. Black and he has left a definite mark on the sands of time. The present publication is therefore a fitting memento to the invaluable service to the science of an unforgettable person.

C. H. Shah


In the existing literature on agricultural marketing, there are few publications which have such a direct bearing on policy formulation as the one under review. It would not be far from the truth to say that most of the present literature on agricultural marketing has restricted itself to description of the marketing

1. It only means that macro economics does not occupy a predominant position in agricultural economics now, as it did then.
process and analysis and estimation of marketing costs. As for the more important aspects of the problem, such as implications of the economic reorganisation of the marketing industry on the basis of welfare criteria, the role of marketing in controlling agricultural production cycles and the problems of monopolistic or imperfect competition, the literature on marketing has very little to say, much less to prescribe, to help formulate a rational marketing policy. As such the publication under review is an important contribution on marketing research, and shows how tools of economic theory could be fruitfully employed to analyse complex market situations.

After stating the scope of agricultural marketing policy in the first chapter, the author discusses in the subsequent four chapters economic uncertainty and fluctuations in production. In chapter 6 is set out a detailed analysis of changes in marketing margins with the help of data relating to horticultural products. Chapter 7 provides the basic framework of principles for marketing policy. The subsequent three chapters illustrate the application of these principles to the problems faced by the British agricultural marketing system. In chapter 11, a detailed account is given of actions required to influence producers’ price and output expectations for controlling production cycles. Thus the scope of the book is wide enough to appeal to three groups of readers—economists, policy makers and students of agricultural economics.

A few of the important aspects of marketing policy discussed in the book may be noted. Analysis of uncertainty of prices and its effect on agricultural costs is lucidly brought out. One would agree with the author that every step should be taken to eliminate or at least to reduce this uncertainty facing the agricultural industry and that this could be done by measures such as guaranteed prices or cheap credit, which would not involve modification of the marketing system.

Detailed and critical analysis of the Cobweb Theorem is another salient feature of the publication. Barring the solitary exception of F. G. Hootan’s article on ‘Risk and Cobweb Theorem’ in the Economic Journal, March 1950, little thought has been given to the Cobweb problems ever since M. Ezekiel published the ‘Cobweb Theorem’ in the Quarterly Journal of Economics, 1938. The re-examination of the theorem in the light of actual fluctuations in farm production as well as its limitations are interesting features of the book. To students of agricultural economics a study of chapter 3 is indispensable.

Equally interesting is the detailed analysis of changes in marketing margins with the help of data relating to fruits and vegetable products. The author’s overall conclusion on marketing margins is that marketing costs are sticky in most countries and for most commodities. However, their stickiness, he warns us, is not the result of restrictive practices or of effectively limited competition. Although inflexible margins accentuate Cobweb effects, other methods of stabilisation, he adds, would be far more effective than direct attempts to make markups proportionately as variable as producer’s prices. For the most part, inflexible margins are unavoidable facts of economic life in agricultural marketing and it is hard to see how any reasonable economic intervention could do more than slightly modify this situation.
Chapter 7 in which principles of public policy on marketing costs are discussed is perhaps the most important chapter in the book. The discussion in this chapter provides a basic framework for most studies concerned with the real cost of marketing. It sets out principles and also gives detailed factual support for various arguments. However, one cannot help feeling that while the case for monopoly and oligopoly and the importance of social heterogeneity for ensuring competition are sufficiently elaborated, sections dealing with 'choice versus growth' and 'marketing and supply of savings' could have been further amplified. Sections dealing with conditions required for securing full benefits of vigorous competition and of countervailing power make interesting reading.

In general, it can be said that this publication covers some very important but comparatively neglected aspects of agricultural marketing and should, therefore, inspire further thinking on the subject.

S. S. Madalgı


_An Economic Survey of Shamaspur Village (District Shaharanpur, Uttar Pradesh) — A Case Study in the Structure and Functioning of a Village Economy, S. C. Gupta, Agricultural Economics Research Section, Delhi School of Economics, University of Delhi, Asia Publishing House, Bombay, 1959. Pp. viii + 148. Rs. 11.00._

An Indian village with all its components has already earned abundant recognition as a separate entity in the study of rural or agricultural economy. There is now-a-days a growing realization of the truth that a complete understanding of the economic process operating in the rural sector of India's economy can never be derived from mere statistical estimates prepared on the basis of sample survey of households cutting across a large number of villages scattered all over a region or the country as a whole. The growth of the Indian rural economy can be fully understood only when it is studied in the context of the multitude of structural factors constituting the village-entity.

"A Pilot Survey of Fourteen Villages in U.P. and Punjab" and "An Economic Survey of Shamaspur Village" are illustrations of efforts towards appreciation of this proposition. The first report embodying the results of investigation into 14 villages spread over U.P. and Punjab is professedly an experiment in methods of investigation. It is composed of two parts, each part being devoted to an analysis of the structure and functioning of the village economy in Western U.P. and in the Punjab respectively. Each part is divided into two sections which give information relating to (A) all households and (B) selected households. Section A deals with general information about the villages; population characteristics and occupational pattern; land and other assets; and non-agricultural occupations; while Section B gives particulars of the selected households; land and
other assets; stocks and financial assets and liabilities; production and current economic transactions. Besides the Foreword by Prof. B. N. Ganguli, the Introduction gives an idea of the scheme of the study. The concluding chapter is devoted to a discussion of the methodology used in the investigation.

It is by itself interesting to observe the differences in occupational structure, pattern of land distribution, pattern of various economic transactions among different villages both in respect of direction and degree brought out by cross-sectional studies. Though the dependence upon agriculture for livelihood is an outstanding fact of Indian life, the report clearly shows that the villages under study differ a great deal from each other in respect of the extent of dependence upon agriculture. Striking differences are also pointed out in other aspects of economic life. Though the Report throws considerable light on the structure and functioning of the rural economy it cannot claim to have achieved the objective of "revealing the forces which promote or retard economic growth" as announced in the "Foreword." Moreover, a probing reader will not be confused between index of rural change and its evaluation. Index of change is nothing but a description of change. Both the analysis and the investigation could be carried beyond a mere description of change towards discovery of an index for evaluation of change. The index of change does not clearly indicate whether the change has been progressive or retrogressive. Nor does it by itself throw any significant light on the causal process of change.

The other report entitled "An Economic Survey of Shamaspur Village" is naturally more detailed as it is confined to the study of one village only. The methodology used as basis of the present investigation has also been tested by experimentation in the previous survey. Both the surveys share the merits and demerits of each other.

Occupational distribution in both the surveys has been based upon taking household instead of the individual as unit of enumeration. In this way the difficulty of distinguishing primary occupations of individuals from their subsidiary occupations due to their having joint occupations has been got over. This is also carried to its logical conclusion in the approach adopted in combinations of occupations on household basis rather than on the basis of individuals. All this is obviously a simplification. But the gain in simplification derived from this approach is lost in obscuring the role of the individual in a household economy which is likely to be sharpened with economic advancement. It thus sacrifices the dynamic view in favour of the static one. Possibly a better approach would have been to show by means of two-way table how far the occupation of the head of the household is being pursued by other members. Cases of separate occupations of individuals in a household, though small in number, are not altogether absent. To ignore this fact is to ignore the dynamism of an economy.

The report furnishes valuable and detailed information relating to shifts in occupation and land distribution within one generation, variation in other resources including livestock apart from land, pattern of transactions in various assets, variation in cropping pattern among households of various holding groups and finally economic flows between different classes as well as between the village and outside.
One is, however, still left with a degree of uncertainty about the final implications of such factual informations and is led to the conclusion that the actual results of the investigation are still short of its professed objective. For example, one may try to understand in vain the significance of occupational change in the form of an increase in the number of households with more than one occupation and decrease in the number of households having single occupation during the course of a generation recorded in the survey of Shamaspur village (page 27). It is not clear whether the change is the result of economic progress or simply due to a growth of population accentuating the struggle for escape from deterioration of the standard of living, though the general view expressed by the author is in favour of the latter tendency. It is not also clear whether the much-vaunted "proportion of purchased consumption" is an index of progress while there is a tendency on the part of the richer farms to attain self-sufficiency as reported (p.91.)

Whatever may be the type of analysis presented in the reports under review, it is still no more than a statistical analysis or estimation which is much short of an economic analysis. The coveted objective of a continuous study of rural change awaits fulfilment through the tracing of the causal process of economic change, the discovery of the effect of structural or institutional changes of the rural economy or society on production, income, consumption and physical capital formation and also the estimation of the comparative importance of the forces promoting progressive changes leading to enhancement of real social income. One in search of special justification of continuous village surveys with a view to assessing rural change cannot but be committed to statement of the above-noted task whatever the extent of difficulty with which it is beset. This implies special emphasis on selected items of investigation even within the framework of a multipurpose survey.

G. C. Mandal


Pilot Project, India, is a record of the first endeavour in community development undertaken by the U. P. Government in Etawah District, under the inspiration and guidance of Albert Mayer, an American engineer and town planner. The project was launched in late 1948 after two years of exploration, discussion and planning. Within a period of three years, the movement covered over three hundred villages of Etawah and was also introduced in four other centres in the same State. When the Planning Commission drew the First Five-Year Plan, it incorporated in it the Community Development Programme as a method for the development of the countryside and adopted, by and large, the programme and the organisation structure under experimentation in Etawah.

The book gives an account of the inner story of the Project, spread over a period of 10 years, between 1946-1956. Albert Mayer is the chief story-teller and in editing the book M. Marriot and Richard L. Park, who have knowledge of rural India, collaborated with him. As a 'retrospect and prospect' of community development in India, the book not only gives a faithful account of the origins
and the development of the ideas underlying the project and evaluates its achievements but also lays down the conditions to be fulfilled if the movement is not to end in a failure, as with many early experiments. The excerpts from the confidential letters and newsletters of Mayer, the periodical reports on the various aspects of the project and the accounts given by the development workers on the various problems which beset them and how they tackled them, while giving a chronological account of the development efforts, also support the various observations made by the author at several places in the book.

Etawah was a new experiment in planning and administering rural development, under which the task of securing a better life for the villagers and the development of the community was to be undertaken by the villagers themselves. For the first time, the inter-connection between the varied problems of rural development was perceived in its true perspective and a programme with a suitable administrative machinery to execute it was drawn up. The aim at Etawah was to make maximum progress by improving physical productivity and by developing people's own capacity and initiative. For deciding upon the items to be included in the programme three main criteria, viz., felt needs, confidence building and know-how were applied, and both individuals and groups were approached depending upon the nature and type of the activity undertaken. The two case studies on 'Road Building' and 'Housing' narrate how self-help was fostered and the project completed with little financial assistance from government. The programme was to be worked out within the framework of the traditions of the community and at the same time to bring about a desirable change in the tradition. The approach made by the development workers to convince the leaders of Ikari village about the utility of san-hemp as a green manure for increasing agricultural production without making them feel that they would be acting against their belief, aptly illustrates the point.

The skill and aptitude of developmental workers and their adequacy in number are the basic requirements for the successful operation of a programme of community development. Mayer stresses the need for training the new-type of worker. "The most important element for the trainee to learn and understand is the new approach required — the new thoroughness, systematic planning and organisation, village outlook, practice of effective human relation, self-reliance and resourcefulness, and teamwork."

People's participation is the crux of the programme and Mayer's ideas on the need for developing village institutions like the Panchayat and the co-operative, and development of local leadership seems to have developed only after the project was in operation for nearly four years. Mayer explode the prevailing notion about the withdrawal of development workers from the blocks after a period of 10 to 12 years. "There seems to be a tacit assumption that the kind of help which characterises projects of which this work is a part is temporary and can be withdrawn in a few years. This is a misapprehension. This kind of service is what any modern state gives its citizens." He was also quick in pointing out the necessity of a Planning Research and Action Institute for purposes of evaluation and research in new methods and ideas. The U.P. Government set up such an institute. The need for such an institute in every State needs no emphasis as it could not only evaluate the work done in the blocks in the light of the policy and programme
formulated by the State government but also develop new methods and pro-grammes to suit the need and the genius of the local people.

On the Problems of Expansion, Mayer observes that "More money often produces helter-skelter attitudes and activities that are the negation of sound planning and development." He also cautions against an over-speeded programme of community development. "It is relatively easy to multiply the mechanics of the early prototypes, but not so easy to multiply and reproduce their inner content. And unfortunately it is easy to be unaware in the rush that one is doing the former at wonderful speeds at the expense of latter." The experience of community development over the past 7 years to a certain extent bears out Mayer's statement.

Concepts like the multi-purpose village level worker, felt needs and their satisfaction, the principle and practice of concentration, the methods of realistic targeting and time-tabling, and ways of stimulating inner development and self-propulsion, to mention a few, were evolved by the author to explain a new subject.

Shri Govind Ballab Pant, Home Minister to the Government of India has written a preface to the book. The Etawah Project was launched in U.P. when he was the Chief Minister of that State. The programme adumbrated in the project had his approval and support and also that of Prime Minister Nehru and Mahatma Gandhi.

(Mrs.) Indira Anantharam Iyer