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Book Review

Neelam Kumar Sharma (2002 AD) (2058 B.S.) *Economics of Development and Planning,* Pairabi Prakashan, Ramsaha Path, Kathmandu, pp 349 including selected references, price NRs 175.

The book under review is writtern by Neelam Kumar Sharma, covering the subject matter of Economics of Development and Planning and is targeted to the Master level students of Economics and Public Administration. The author claims that the book covers the syllabus of M.A. Economics, Eco. 503 and Master of Public Administration, DA 623, however, the coverage suggests that it has been written basically incorporating the topics under the syllabus for Master of Arts in Economics under Tribhuvan University.

The book is divided into eight chapters, chapter one dealing with the concept of economic development, chapter two with factors affecting development , chapter three with theories of development, chapter four with policy issues in development, chapter five with tools and techniques of planning, chapter six with concept and types of planning, chapter seven with development planning on the SAARC countries and at last chapter eight dealing with planning implementation, evaluation and techniques, the author ends the book with selected references.

Over the past fifty years development economics has undergone substantial change. Emphasis has shifted from growth in GNP per capita, to creation of employment, to redistribution of income and basic needs of human beings. So, today development strategy has been to comply the quality of development process which compass the economic development as the process where by the real percapita income of a country increases over a long period of time subject to the stipulation that the number of people below poverty line does not increase and distribution of incomes does not become more unequal or uneven. Reference to this context in chapter one author has conceptualised the development concept very clearly, but he left to note that economic development is the determinant of economic growth, where development means : a) economic social and institutional changes that lead to change in techniques of production, social attitudes and institutional behaviours; while economic growth means : b) expansion in labour force quality, expansion in capital, expansion in volume of trade and expansion in consumption hence economic growth is measurable.

Coming to the constraints and prospects of development with reference to SAARC and ASEAN countries the author has explained the diversified economic character of the SAARC and ASEAN nations, but here also he missed to include that world economy witnessed unprecedented crisis in the 1980s. Trade regarded as engine of growth receded fast. Continued recession in the developed world, mounting debt burden in developing countries, volatility of exchange rates, highly volatile capital market, high real interest rates, collapse of the commodity prices are signifitent factors causing sluggish growth for developing countries. Reference to this context the sensitivity of economies in SAARC, which came into existence in 1985, and ASEAN, which came into existence in 1976, to the macro economic situations and policy clearly indicate that SAARC and ASEAN have significant economic centres of activites in the North with evolution of multipolarity in the South and with these of interdependence taking primacy as against the historical facts of dependency and center- periphery relations. Thus the problems and prospects of development in the SAARC and ASEAN are in respect of (1) savings sterms (2) foreign exchange affluency (3) resource endowment and (4) resource quality.

Coming to the factors affecting development the author has dealt the importance of capital, human resource, technology to accelerate the development at length. However, he has not mentioned that despite respectable achievements in rates of growth, the persistance of absolute poverty has reoriented the development economists to view the development with a positive aproach i.e. growth of out put is attributed in number of countries to unexplained residiual factors. In this respect values and institutions are much more vital for motivational efficienty, shaping production and consumption behaviour and drive for dynamic effeciency that determine the course of development.

Dealing with the theories of development the author has explained different theories of development in nutshell. But the author here also has failed to deal the factors rerponsible for the origin of these theories. Modern development economics arose in the late 1940s as an economic counter part to the political independence of the emerging countries of Asia, Africa and the Caribbean. Its influence spread rapidly to Latin America and other low income areas. The regions that had been considered in the eighteenth centuary as *rude and barbarous*, in the nineteenth centuary as *backward*, and the prewar period as *underdeveloped* now become the *less developed countries* or the *poor countries* and the *emergent countries* and *developing economies*. The new development economics has some relation to the old economics of classical economists, Smith, Malthus, Ricardo i.e. Laissez-Faire, Capital Accumulation, the key to progress, but there was pessimision regarding the extermal conditions of development and the export of primary product: low price elasticities of demand, low income elasticities of demand, fluctuations in export revenue, deteriorating terms of trade, all these pessimistic view regarding product exports reinforced inward looking import substitution policies. A "Big Push" or "Critical Minimum Effort" was believed necessary to break out of a low level equillibrium trap. An increase in proportion of national income investment above 10 percent was advocated for a "Take Off" with industry as a leading sector. "Balanced

Growth", the synchronized application of capital to a wide range of industries was advocated by Nurkse. Hirschman, however, advocated "Unbalanced Growth" inorder to maximise induced decission making and to take advantage of forward and backward linkages in the production process.

In alternative perspective of development the author has not dealt Dependency Theories in depth. Unlike the neoclassical economists, who assumed a smoothy working market price system, some of early development economists adopted a more structuralist approach to development i.e. they attempted to identify specific rigidities, lags, shortages and surplus, low elasticity of supply and demand. Their view was also pessimistic about the responsiveness of agents to price signals and incentives, Myrdal, Perbish and Singer were specially prominent reinforcing the pessimistic view with respect to export of products .

Similarly the author has excaped from dealing in depth the People's Participation Approach. This approach, based on conviction that none can develop others, one can only stretch or diminish others by trying to develop them, shifts development theory from capital centered development efforts to people centered. So to alleviate barrier of *cultural silence* in development people's particiption in dicision making, participation in inplementation, participation in evaluation and participation in benifit sharing must be involved. Without these people's all resources remain latent untapped potentials.

The book has these lacunae, however, the subject of Policy Issues in Development, Tools and Technique of Planning, Concept and Types of Planning have been dealt in right and desired perspective except with some ambiguity in dealing development planning in the SAARC countries, whether it is of mandatory or recomendatory nature. To summarise, the book provides primary introduction of the subject matter which makes the reader more inquisitive towards the literature of development and planning.

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