

supply – demand cross (Theory of Partial Equilibrium) and the modern version of Smith's Invisible Hand Theorem (Theory of General Equilibrium and Welfare Economics) have been discussed.

The first half therefore, develops the main edifice of the Theory of Markets and develops the theoretical case of unfettered markets as agents of sound economic decision making. This has been the theory that is often involved in policy discussions where the efficiency of markets is touted and promoted. Many authors treat General Equilibrium Theory as the culmination of Microeconomics, but in this book it has been considered only as a theoretical midpoint.

The second half of the book (Chapters 8 – 12) points out the main ways in which the theory of efficient markets fail to apply in practice. Starting with situations involving uncertainty, the author considers markets where competition is not perfect, but rather where the markets have been dominated by powerful monopolists or oligopolists. Finally, the problem of externalities and public goods, goods for which it is impossible to have normal markets has been discussed. The author feels that, in all these cases, the free market solutions failed to be efficient and corrective government intervention in one form or another is called for.

The long list of 'market failures' discussed in the second half of the book might provoke one to question the desirability of using a market-based system to organise the economy. On the other hand, it is possible that the suitable use of government interventions can be used to adequately correct

imperfections in an otherwise sound system. This book emphasises the policy applications of Microeconomic Theory, and the second half of the book focuses on finding the appropriate policy responses to market failures. It is the identification of best forms of government intervention that makes Microeconomics a subject truly worthy of study, and it is hoped that, by the end of the book, the reader would feel equipped with the basic knowledge necessary to identify these best forms of intervention.

This book will be useful to the students, researchers, teachers, academicians, development workers, planners and policy makers and is reasonably priced at ₹ 495.

Dr. P. Kesava Rao

Economics of Development: Toward Inclusive Growth by Syed Nawab Haider Naqvi (2015), pp.224, Sage Publications India Pvt Ltd, New Delhi, Price : ₹ 325.

This is a highly informative and remarkably insightful book on economic growth of countries, presented alongside policies that are reflective of social justice, education, health, freedom from hunger, poverty and human deprivation. It is fascinating to note that the author has put together 25 years of his research works for a wider readership. The book is presented in 26 brief chapters. The focus is on showing the three-way relationship between fast growth of per capita income, the distribution of income and wealth between the rich and the poor, and poverty reduction. The author is taking the readers through several decades of development policies starting from (i) the

Industrial Revolution when humankind learnt for the first time how to grow fast; (ii) through liberalism which the author calls a 'dangerous idea' because of the unpredictable course it takes; and (iii) to the new human development paradigm of the UNDP, which favours inclusiveness.

The main thesis of the author is that substantial game-changing in economic landscape comes about only when per capita income doubles in about a decade or so with due emphasis on the inclusivity of the development effort. He shows a virtuous circle where high growth dramatically reduces poverty and creates social space for making the necessary structural changes required to make distribution of income and wealth more equitable. Growth is inclusive when GDP per capita is growing at a fast enough clip to change the economic landscape in a decade or so and when it is associated with a greater equality of income and wealth and dramatic poverty reduction. The process of inclusive growth when sustained for long periods of time will transform people and not just the economies. The author cites examples of countries such as Korea, Singapore, and Hong Kong that have succeeded in making the transition from low income to high income countries, as well as making inclusiveness as top priority.

Throughout the book the author has made constant reference to research-based evidence to prove his thesis, or has brought in popular theories / models / hypotheses like the Lewis' Two-sector Model, the Big-Push Hypothesis, Kuznets Inverted-U Hypothesis, the Sufficiency Hypothesis, the Trickle-down Effect,

etc., in order to generate discussion on the points he has raised. This is an interesting feature of this book. The data he used, often, spans over half a century providing a clear survey of the occurrences and how each of these phenomena has impacted on economic growth, social development, poverty reduction, and, inequalities in income levels across countries and regions. This is an insightful textbook written for students of 'economics of development' at undergraduate and post-graduate levels.

With regard to the depth of analysis, and the range of countries covered, and the time period in reference, this book definitely deserves a grand reception compared to the books available on development economics. The central theme of analysis and discussion throughout the book is on policy measures and efforts on poverty reduction, and reducing the gap in socio-political and economic inequality. The final chapters of the book touch upon two important aspects. They are: (i) moral motivation for inclusive growth strategy; and (ii) the international covenant on economic, social and cultural rights and the universal declaration of human rights, which reinforces national policies on social justice and inclusivity.

The author established clearly that wherever growth has been sustained for long enough periods of time, poverty declined dramatically. The reverse is also true, i.e., poverty has not declined where growth has been low, sporadic and not sustained over long period of time. The text is highly readable and insightful, yet the dense printing with lack of attention on paragraphing (which is very

unusual for Sage Publications) makes it difficult to take a glance and read. Certainly, however, the readers stand to gain from this splendid work.

Dr. R. Ramesh

Rural Livelihoods in India – Issues, Measurement and Policies, Edited by Biswajit Chatterjee and Asim K. Karmakar, Concept Publishing Company, Price : ₹ 1356.

This book is a basket of collection of 19 different selective articles/chapters by reputed economists of the country as well as by young scholars. These selective articles are distributed into three major sections, viz Conceptual issues, Determinants of Livelihoods and Case Studies with relation to glimpse about the progress and problems of rural livelihoods in India. This edited book is an attempt to capture the various issues of rural livelihoods in India, and the State of West Bengal in particular.

Section-I : The Conceptual Issues– Both the editors brought different chapters prepared by various authors mainly focusing on conceptual issues for rural livelihood programmes. The State-specific effects are not robust for all types of relationship postulated as classified into push as well as pull factors. In second chapter author clearly explained that understanding the livelihood system of the poor is crucial to effective poverty reduction. Livelihood of the poor can never be understood in any one-track logic – be it economic, social, technical, cultural and political. An integrated, multi-dimensional and holistic approach to poverty eradication efforts is crucial to preserve and enhance the livelihoods of the poor. Under the chapter “Globalisation and Rural Livelihoods” – the

authors tried to explain through three-sector model (Industrial sector, a non-traded traditional agricultural sector and export-oriented agricultural sector) by adopting General Equilibrium Model to examine effects of globalisation on factor price, income distribution and sectoral composition of output which have profound bearing on rural livelihoods. The fourth chapter of the first section is an assessment of rural development efforts that have been incited in past, recent years in India. However, poverty persists because of limited and equitable access to productive resources. The papers focused on Ninth to Eleventh Plan-wise rural poverty alleviation programmes. In the last chapter under conceptual issues section, the authors attempted to compile information relating to the overall context in which livelihoods, particularly rural livelihoods in India, need to be understood.

Section-II : Determinants of Livelihoods - In the first chapter under this section, through field level survey the authors suggested that the organised sector is not employment intensive and organised, self-employment through the formation of sustainable SHGs is the only opportunity to provide for multiple livelihood opportunities in the rural sector especially among the socially and economically disadvantaged groups. The author Debasis Mukopadhyay in his chapter examined the changing faces or rural livelihoods in India and the role of the SHGs which come to the rescue of the poor. In the chapter “Impact of MGNREGA on the Rural Livelihood of West Bengal”, the authors explained through district level study that MGNREGA is the world’s biggest welfare