

METHODOLOGICAL SURVEY OF THE APPLICATION OF INPUT-OUTPUT IN DEVELOPING COUNTRIES*

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Introduction

The present preoccupation with the Economics of Growth—motivated largely by the problems of the so-called developing countries—has given rise, understandably, to a revival of capital theoretic controversies. An important outcome of the current debate in this connection appears to be a growing awareness of the inadequacies of certain kinds of aggregative analytical devices and an increasing movement towards the adoption of more general, economy-wide, interdependent, disaggregative models, to investigate theoretical and empirical problems of economic development. Customarily, the beginnings of such intersectoral models is traced, in the literature, to the work of the famous French economist Francois Quesney. Among other early classical writers, Karl Marx exploited the analytical tool of intersectoral economic model to investigate the problem of accumulation and reproduction in terms of investment and consumption sectors. Subsequently, a number of writers, notably of the Lausanne School, contributed significantly to the refinement of such models. However, it is only after the publication of Wassily Leontief's work in the 'thirties that inter industry economics came into prominence and acquired empirical content. During the last three decades this tool had been substantially sharpened and it now forms one of the prized possessions of an economists' tool kit. While in the beginning effort was mostly directed to the construction of tables depicting quantitative input-output relations, interest has shifted, since a decade or so, to an investigation of some of the subtler analytical aspects of input-output models. The contributions, especially of Arrow, Koopmans, Mathur, Morishima, Samuelson, Solow, Sraffa and Von-Neumann have greatly helped our understanding of the

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