

## STUDIES IN THE ECONOMICS OF WELFARE MAXIMISATION\*—a Review

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Dr. Brahmananda's book on "Studies in the Economics of Welfare maximisation" is based on his thesis submitted for the Ph.D. degree of the Bombay University. The book attempts to present the Welfare aspects of the problem of inter-relationship between economic policy, resource allocation and economic growth, in a framework of an interdependent economy. The book is divided into four parts. Part 1 deals with classical thought on economic policy and development. Part 2 evaluates the Marshall-Pigou framework of Welfare theory. The first two parts deal with the historical evolution of the classical and neo-classical thinking on the subject. Parts 3 and 4 deal with certain applications and conclusions respectively.

The publication of the book is timely when interest in the problems of growth and welfare have gained a new meaning and consequence in the context of a planned economy of a socialistic pattern. Few Indian authors have attempted theoretical studies in economics and certainly the author's wide reading and scholarship facilitated the task. Further, the preference for Marshallian approach in Welfare economics is refreshing in the context of everincreasing volumes in contemporary Welfare theory, some of them having reached "the limit of usefulness" (Prof. Carter's review of Prof. Hicks "Revision of demand theory").

The author appreciates the familiar but difficult problem of evolving an agreed basis in regard to values or valuation, for a political community as a whole, due to interpersonal comparison of utilities and interpersonal weights, in a society consisting of non-identical individuals. It is emphasised that welfare is a product of total conditions and not merely a matter for marginal adjustment. Hence it is not possible to provide a quantitative basis for aggregation of satisfactions (p. 518). Yet the author believes that the hope for the future of welfare economics lies in the line of Marshall-Pigou tradition. He recognizes the existence of involuntary infra-optimal situations in underdeveloped economies due to imperfect knowledge, lack of foresight and appropriate organizations. Attention is drawn to the need for a collective perspective in lifting the community from the "morass of involuntary infra-optimal situations," which means in substance the existence of low levels of equilibrium situations in an underdeveloped economy. The infra-optimal situations are deplored because of the potentialities and need

\* Brahmanand P. R., *Studies in the Economics of Welfare Maximisation*, University of Bombay Publication No. 8, 1959, pp. 518.