

ECONOMIC THEORY AND AGRARIAN ECONOMICS

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ACCORDING to some recent studies, more than 1.3 billion people still live in a self-subsistence economy, that is, as peasants. Most of these also live on the verge of starvation. Asia and Africa, which together represent more than 60 per cent. of the world's population, produce only a little more than 30 per cent. of the world's agricultural output. Conservative estimates show that if basic nutritional needs for the entire population of the world are to be met, it is necessary that the food production be increased by at least 30 per cent.¹ Neither the overwhelming numerical importance of peasant economy nor the scarcity of food is a new economic development peculiar to our own time.

In spite of all this, agrarian economics—by which I mean the economics of an overpopulated agricultural economy and not merely agricultural economics—has had a very unfortunate history. Non-capitalist economies simply presented no interest for Classical economists. Marxists, on the other side, tackled the problem with their characteristic impetuosity, but proceeded from preconceived ideas about the laws of a peasant economy. A less known school of thought—Agrarianism—aimed at studying a peasant economy and only this. An overt scorn for quantitative theoretical analysis prevented the Agrarians from constructing a proper theory of their particular object of study, and consequently from making themselves understood outside their own circle. There remain the Standard economists (as a recent practice calls the members of the modern economic school for which neither neo-Classical nor General Equilibrium suffices as a single label). Of late, as economic development has become tied up with precarious international politics, Standard economists have been almost compelled to come to grips with the problem of underdeveloped economies, and hence with non-capitalist economics. But in their approach they have generally committed the same type of error as Marxists.

Thus, the agrarian economy has to this day remained a reality without a theory. And the topical interest of a sound economic policy in countries with a peasant overpopulation calls for such a theory as at no other time in history. But one cannot aspire to present a theory of a reality as complex as the peasant economy within the space of an article. My far more modest aim is to point out the basic features that differentiate an

¹ The above data are found in W. S. and E. S. Woytinsky, *World Population and Production*, New York, 1953, pp. 307, 435 *passim*.