
The Sociology of Development: Iran as an Asian Case Study by Norman Jacobs. New York: Frederick A. Praeger, 1966. Price \$17.50. Pp.i-vii+541.

The Sociology of Development is an ambitious attempt at developing a model of Asian societies which will explain succinctly the reasons why Asian nations

have not developed economically, why sociologists working in underdeveloped areas are not effective in their attempts to expedite social change, why economists can do nothing about economic development, and among other questions why foreign aid is of no value to economic development. Indeed, Professor Jacobs' "shotgun" approach to the sociology of development touches briefly on so many aspects of economic development that one can only wish that an attempt had been made to equip the gun with a full choke.

Briefly, the book may be seen to consist of three parts. The first part consists of a single introductory chapter which attempts to do several things within the space of 18 pages. First, it is argued that Iran is selected as only a case study of the entire problem of economic development in Asia, yet neither in this chapter nor in subsequent chapters is an extended attempt made to draw similarities between Iran and other countries in Asia. The most important reason for the selection of Iran, a Middle Eastern nation, seems to be that the author spent two years, 1959 to 1961, in Iran.

A major part of Chapter 1 is devoted to explaining the methodological and technical aspects of the study. The method employed in the study is referred to as *model analysis*. This is perfectly consistent with the recent sociological interest in model construction. Yet economists and sociologists whose interest lies in formal theory and mathematical models will be sorely disappointed in Professor Jacobs' model of Iranian society, for the author eschews any quantification. Instead he favours a "model" which emphasizes the qualitative aspects of Iranian society. Moreover, those whom Professor Jacobs labels as "pendants" will, as he predicts, question his "science".

The author indicates that he will use a "postulational model", which is defined as a model in which all logically related statements—postulates and derived statements—are worked out in advance. These postulates, seven in number, are presented for the first time in Chapter 10 after the data is presented to add clarity to the argument. These seven postulates consist of seven statements about what the author identifies as the seven social institutions necessary for the survival of any society: namely, authority, economy, occupation, stratification, kinship, religion, and an integrated and stable social order. Sociologists may find it difficult to accept Professor Jacobs' definition of a social institution (crucial problems which all societies must solve) as well as his unique list of societal prerequisites.

From a scientific point of view, the puzzling issue in this first chapter and the entire book is the quality of the data used to "test" this model. Professor Jacobs points out that no inside or official information has been used, but he supplements his major source of data with documentary evidence, books and

newspapers. This documentation appears in the form of footnotes printed separately at the back of the book. The footnotes dealing with supplementary data take up 51 pages and consist predominantly of articles printed in an Iranian newspaper, the *Tehran Journal*, which is cited 637 times excluding the references appearing on several pages which were left out of the book. The use which is made of these articles is intriguing. For example, the following statement is made by the author:

If. . . the people are not convinced that a polity is serving their interests, they will engage in the Iranian national pastime of blaming a government for every social ill, real or fantastic, and will respond to the policies of the polity with cynicism, apathy, and even passive resistance.

The support for this statement is given as an article from the *Tehran Journal* entitled "What is Wrong with Tehran Traffic?"

One need not quibble with the lengthy footnotes and frequent citation of a newspaper which will be difficult to locate in most libraries, for the author is only using this material in a *supplementary* way. The *major* source of data is what the author *observed and was told by Iranians*. Thus, we have three important sources of data: the author's observations, what he was told by Iranians during his extended two-year tour, and the newspapers. The author is an extremely self-confident researcher for nowhere do we find reference to the techniques developed by cultural anthropologists and sociologists to ensure the validity and the reliability of their observation. Reliance upon reports from Iranians is thrown into question when the author argues, "The Iranian's ability to exaggerate and his lack of veracity are notorious." Finally, the author's confidence in the validity of the press is heroic. Apparently the author feels capable of separating fact from fiction, but the techniques might be difficult to duplicate for no indication is given as to how the author accomplished this monumental feat.

On the basis of these sources of data, the author generates eight data chapters which constitute the second major part of the volume. These correspond singly to the seven social institutions around which the "postulational statements" will be formulated along with a final chapter on interpersonal relations. The data chapters are extremely uneven, ranging from 75 pages on the economy to 6 pages on kinship.

Despite the amount of space devoted to discussing the data, the reader who expects to find specific and concrete information about Iranian society and Iranian economy will be sorely disappointed. The economists, for example, will find little information on gross national product, investments, imports, exports, etc. In fact, the available quantifiable information is practically nil. This,

however, is consistent with the author's argument that what is critically important is the qualitative rather than the quantitative aspects of Iranian society. The author is wise in avoiding any quantifiable information, however, since he is prone to error when he strays into a potentially quantifiable realm. For example, Professor Jacobs argues that. . . "economically developed societies, as for example New Zealand, are not highly urbanized percentage-wise, while some underdeveloped societies, such as Iran, are highly urbanized". Yet the actual rate of urbanization, percentage-wise, is twice as high in New Zealand (64 per cent, 1961) as in Iran (31 per cent, 1955).

In the third section of the volume, Professor Jacobs presents his "postulational model" and outlines an alternate model of the institutional structure of a country which might be able to develop. The heart of the argument is that the institutional structure of Iran—and presumably all other Asian countries save Japan—is inimical to economic development, negating any possibility of economic development until the entire "quality"—system of values—of the social structure is changed. The author's basic thesis is that the values inherent in the institutional structure of Iranian society have prevented in the past, and continue to prevent today, the economic development of Iran. Changing these values is a necessary condition, but the author ignores the question of whether such a change is a sufficient condition of economic development.

The logical question which should be asked at this point is whether a similar set of values existed in Western countries or in Japan prior to their economic development. The author's experience and earlier writing on Japan leads him to raise this question and answer it by suggesting that the values extant in Japanese society of the 19th century were entirely different from those extant in Iran, and did not stand in the way of economic development. Whether or not the values of Iranian society can be changed to promote an atmosphere consistent with a programme of planned development seems to be the next question. Here the author has little to offer. His major argument is that only the Iranians themselves can make such a change. The author's prognosis is pessimistic. Professor Jacobs argues that the Iranians totally fail to understand that economic development implies only the generation of a national, self-generating economic system (sic), that their institutional values are in conflict with such a goal and that only they can/will such a change.

In the next to the last chapter of the volume, the author quixotically attacks almost every possible theory, explanation, or device associated with economic development. Professor Jacobs is again pessimistic at this point finding little value in any of the theories of economic development or social change. Indeed, the writing in this later section is a bitter attack on many things Iranian, in-

cluding a particularly pointed jab at Iranian students who felt that their foreign advisor-teachers were incompetent.

The last chapter of the volume is repetitious, dealing with various issues which have been raised again and again in the volume. Indeed even the author is confused on this point. He does not seem to know that he is considering or reconsidering a particular issue, something like 39 times in the last chapter.

As a final caveat, not only is the book over-priced (\$17.50) but the workmanship of the publishers and their editorial assistance is shoddy. Entire pages of footnotes are missing. Footnotes are not organized by chapters, so that when a reference appears in one of the last chapters referring back by the *op. cit.* notation to the full citation, one has to thumb through as many as forty pages of footnotes to find the full citation.

However, on balance, Professor Jacobs' book does offer some insight into the forces behind economic development of Iran and the Iranian society. Surely social values are related to the probability of successful economic development; the values extant in the Middle East may be particularly negative as far as economic development is concerned; and Professor Jacobs may well have found the source of many of the problems. He offers certain extremely interesting hypotheses, though not a consistent scientific model, of Iranian society. Although the empirically oriented sociologist or economist will find little of interest here, this book is recommended for anyone interested in journalist interpretation of Iran.

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The Currency Ratio in Developing Countries by J. Daniel Khazzoom. New York: Frederick A. Praeger, 1966.

This book is a welcome contribution since it makes available basic information on currency ratios in developing countries. The book under review provides a set of hypotheses, which focuses upon some important aspects of the behaviour of currency ratio in developing countries, and uses these hypothetical relationships as the basis for empirical observations, primarily in the context of thirtysix developing countries.

The set of hypotheses examined in the book concerns mainly with the behaviour of currency ratio, defined alternatively as:

- $c_1 = C/C + DD \dots\dots\dots (i)$
- $c_2 = C/C + DD + STD \dots\dots\dots (ii)$
- $c_3 = C/C + DD + OE \dots\dots\dots (iii)$
- $c_4 = C/C + DD + STD + OE \dots\dots\dots (iv)$

where C stands for currency in circulation outside banks;

DD for demand deposits held by the private sector;

STD for saving and time deposits held by the private sector; and

OE for demand deposits held by official entities.

The author starts out with an investigation of the behaviour of all the four currency ratios but there is very little discussion of the last two ratios, *i.e.*, c_3 and c_4 . No mention is made either of the rank of these ratios in selected countries, or the level and the relationship of these ratios with income velocity of money. Only in one or two places c_3 and c_4 ratios are discussed but with no adequate analysis. In the opinion of this reviewer, the discussion of c_3 and c_4 ratios could be easily dispensed with without doing any damage to the main line of analysis.

The author sets out to investigate the following important hypotheses:

- i) there is an inverse relationship between the level of the ratios and the degree of economic development for which real GNP per capita is taken to be the proxy variable,
- ii) there is a direct relationship between the rate of change and the initial level of the ratios,
- iii) there is direct relationship between the currency ratios and the income velocity of money.

With the help of familiar statistical techniques of regression and correlation analysis, the following important conclusions are reached in this study.

First, double-logarithmic function indicates that a measure of the inverse relationship does, indeed, exist between the level of the ratio and the level of development. Thus, because of the higher level of the ratio the underdeveloped countries tend to have a lower multiplier than the more advanced ones which enables them to expand the central bank's monetary liabilities to compensate for the shortage of funds. But this conclusion has to be modified, as the author suggests, because the trend has a declining tendency and shows short-term variability over the recent past which is smaller for c_2 relative to c_1 .

Secondly, in general, the tendency of the ratio to move in either direction was not materially associated with its initial level. Thirdly, correlation exercises do not contradict the hypothesis of direct relationship between the currency ratio and the income velocity of money. This suggests that, in view of the heavy reliance of the underdeveloped countries on currency for financing transactions, controlling the flow of currency to dampen the rise in velocity may be considered as an important restrictive measure. These are important conclusions and have important implications for policy-making.

These conclusions could be made more explicitly by the following argument.

Let us define, as the author does, c_2 and v_2 as:

$$c_2 = C/C + DD + STD \dots\dots\dots (1)$$

$$v_2 = Y/C + DD + STD^* \dots\dots\dots (2)$$

where v_2 is income velocity of money, Y is GNP, and other items are the same as noted above. From (1) and (2) it follows that:

$$c_2/v_2 = C/Y \dots\dots\dots (3)$$

$$\text{or } Y = C.[v_2/c_2] \dots\dots\dots (4)$$

Now, if v_2 and c_2 have a mutually strong positive correlation, as the author estimates, then a change in the flow of currency, C , in underdeveloped countries will have direct effect on Y (*i.e.*, the GNP). Expression (4) has important policy implications. If the percentage change of v_2 is greater than the percentage change of c_2 in the same direction, then for a given desired dampening effect on Y , we need to depress the flow of currency, C , *less* than what it would be necessary if the two percentage changes were the same. On the other hand, if the percentage change of v_2 is less than the percentage change of c_2 in the same direction, then in order to obtain a given desired dampening effect on Y , the flow of C must be restricted by *more* than would be the case if the two percentage changes were equal.

On the whole, the book is very well-organized and treats the subject quite systematically. It would be a helpful reading for those who are interested in the problems of central-banking operations and effectiveness of monetary management in developing countries.

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*There is a misprint on page 90: v_2 is defined as:

$$v_2 = C/C + DD + STD$$

This must read as:

$$v_2 = \text{GNP}/C + DD + STD$$