



AgEcon SEARCH
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search

<http://ageconsearch.umn.edu>

aesearch@umn.edu

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

No endorsement of AgEcon Search or its fundraising activities by the author(s) of the following work or their employer(s) is intended or implied.

ETHICAL ISSUES AND INTERNATIONAL DEVELOPMENT: NEW CHALLENGES FOR THE AGRICULTURAL ECONOMIST

James R. Simpson

"Analytic effort is of necessity preceded by a preanalytic cognitive act that supplies the raw material for the analytic effort... This preanalytic cognitive act will be called vision" (Schumpeter). "But as soon as truly 'ultimate' problems are at stake, the ends are not given. With this, we come to the final service that science can render" (Weber). The 1980s will witness serious questions about distribution of income, cost-benefit relationships of development programmes, and ethical relationships in the use of scarce resources due to the energy crisis, a drastic cut in the world food balance, the accelerated depletion of many scarce resources, and rapid population growth (Survey; and Meadows and others). Parallel with the surfacing of these development issues has been a natural concern by planners about the effect their efforts have on individuals, communities, regions, and countries. This concern has brought about renewed interest in explaining the terms "development," "being developed," and "the good life" (Simpson). In effect, there is a growing interest in ethical aspects as they relate to goals, means, and economic theory in national and international development (Heilbroner). The conservation movement of the early 1900s, socialism in the 1930s, and the ecological movement of the 1960s are earlier manifestations of concerns about ethics and economics.

Support for the contention that we need to concentrate to a greater extent on theories relating economics and equity are available from many sources. A recent example is Carter and Johnston. In their words, "The recent concerns expressed about the 'global reach' of multinationals, conglomerates, and other actions that transcend markets and countries lead one to believe that our traditional kit of tools comes up short. Furthermore, efficiency measures judged against a competitive model say little about external effects on equity and quality of life considerations with alternative structural/organizational/control figurations" (pp. 738-739).

The depletion of many of the world's resources, in juxtaposition with an expressed desire to improve the well-being of the world's poor and along with a questioning about whether economic growth leads to "the good life," has important implications for agricultural economists (Adelman and Morris). Now, more than ever, there is a substantial and growing demand for economists to do research on topics which have major ethical components. An example of economists' recognition about the need to work on issues with major ethical considerations is the 160 acre limitation problem in California (Ip and Stahl; and Stanton).

This paper deals with some considerations which economists might find useful in deriving personal and collective philosophies about ethically related issues found in international development. The objective is to demonstrate that economists have a whole new area open to them, and that they are well equipped to objectively meet the task.

Ethical Issues in International Development

The following are 22 issues with major ethical components. The list is not exhaustive; rather, attention is focused on the variety of problems which have relevance to agricultural economists concerned with international development.

Issues Between Developed and Developing Countries

1. The rise of ever greater affluence (along with the failure to eliminate poverty) in the developed countries while massive poverty exists in most

developing countries.

2. Imminent scarcity of many natural resources, focusing on the flow of resources from developing to developed countries.
3. The right of one person or country to influence another country's norms and values.
4. The question of whether multinational development aid should be given primarily to those countries best prepared to use it (in terms of a benefit-cost ratio) or whether other criteria should be employed.
5. The amount of technical and financial resource flows to developing countries.
6. The role and obligation of multinational corporations.
7. Periodic shortages of food at the world level.
8. The trade-not-aid concept in trade concessions.

Issues Fundamentally Related to Developing Countries

1. The extent to and rate at which special efforts should be made to achieve income redistribution.
2. The right to form cartels for export products.
3. The proper mixture of popular participation in decisionmaking.
4. The form of political and economic systems to adopt.

Issues Mainly Relating to a Worldwide Development Strategy

1. Worldwide austerity as a development philosophy.
2. Brain drain to the more advanced countries.
3. Creation of a world technological expertise pool.
4. Dissolution of international borders.
5. A worldwide concern with ecology and use of certain resources such as the sea.
7. Creation of a "no growth" society or "steady state" economy.
8. Population control.
9. Use of labour intensive techniques versus introduction of greater mechanization.
10. Quality of food and life versus efficiency. A related issue is the extent to which public policy leads to a deviation from the "social optimum" in the use of capital or labour.

Economists and Ethical Considerations

The first thesis in the paper is that many, if not most, key international development issues are ethical and political as well as economic in nature. The apparently simple decision to increase the economic well-being of a certain group means that an ethical decision has been made. But what are ethics?

Moral philosophy (ethics) is a branch of philosophy which critically examines, clarifies, and reframes the basic concepts and presuppositions of morality. Philosophers devoting themselves to ethical relationships reflect on questions of good or bad and right or wrong within human conduct. Care must be taken not to confuse ethics with morality. Whereas ethics is a branch of philosophy which examines concepts in its inquiry for truth about morality, the term morality refers to a system of morals or rules for moral conduct. Close examination of the definition of ethics clearly indicates the desire for objectivity, which is exactly the methodological goal of agricultural economists.

The specific problems of ethics can be divided into three classes (McGreal). First are problems of duty which treat questions like rights or duties of developed nations vis-a-vis developing nations. The second class of problems deals with the highest good. For example, is anything good for its own sake, quite apart from any value it might have as a means to something else? Defining "development" or "progress" and relating them to means fit in this area. The third topic relates to value. An example is defining whether value is a matter of opinion, interest, attitude, custom, or law.

A second thesis is that ethical factors are best handled by economists involved with development projects by viewing the factors as constraints in studies. It cannot be overstressed that agricultural economists are well equipped to work on issues which have major ethical overtones, as the economist's training is oriented toward objectivity (Johnson and Zerby). Many of the discipline's forefathers had strong ties to ethics as a branch of philosophy. Some examples are Adam Smith who was a professor of moral philosophy, and John Stuart Mill who wrote widely on economics and ethics. Other major figures who explicitly acknowledged the need to relate economics and ethics are Alfred Marshall, John Maynard Keynes, and Frank Knight.

Perhaps most important, economists think in terms of evaluating alternatives--an orientation which is generally not stressed in other social science disciplines such as philosophy and anthropology. Furthermore, it is asserted that economists should not be concerned about working on normative issues, for this class of problems can be treated as objectively as can questions dealing with positive data (Moore). Economists have a long history of dialogue on this point. The problem is avoiding the advocacy of prescriptions even though the delineation of prescriptions is encouraged.

Visions versus Goals

A third thesis presented is that a vision (of the preanalytic type described by Schumpeter) of the terms "development" and "being developed" is necessary; that is, the "ends" of the economic and social processes must be envisioned before the means can be discussed. If agricultural economists are to collaborate effectively on development efforts or individual projects, they need to have an overall vision of what is to be accomplished in terms of improving society. A vision is very different from goals, as the latter are used in setting targets for specific projects or certain efforts. For example, one component of a development vision is that people should be able to have equal opportunities to achieve the life style they desire (within reasonable bounds, of course). Another part of the vision might be that it is good to have farms as family enterprises (and limited in size), or that large corporations are bad. These are ethical problems.

Once a vision is developed, shorter term goals can then be adapted to it. For

example, current measurements such as increases in total income generated in a town may be completely inconsistent with a larger vision of a quiet, peaceful life. Then, we have conflicts in goals which require measuring tradeoffs. Certainly, setting forth the ethical bases of different types of economic systems (capitalism and economic liberalism, or socialism and communism) can be very fruitful for the agricultural economist who is truly interested in international development. In other words, in order to get at the real issues, we must pause and ask why the issue is good or bad. In this way we can carefully examine the basic premises of visions, goals, and policies. Premises are the starting point in any deductive reasoning.

If the concept is accepted that a vision is useful prior to setting forth goals, then it also follows that an ethic of international development is greatly needed as a first step in setting forth a vision of development. Agricultural economists are in a unique position to work with philosophers, political scientists, and others on such an ethic, as economists are well versed in the cold realities of real world constraints. Setting forth an ethic is fine, but it must be practical. As some futurists seek a world without borders, and others advocate a steady state economy (Boulding), the economist is constantly being asked to work on new and challenging issues (Knight). The question is: Will the demand be met, or will the time worn cliché, "Oh, I don't work on those issues," be heard?

Economics and Building for a Better Life

Our changing world is characterized by unparalleled improvement in some peoples' purchasing power. Nevertheless, the conundrum of defining progress still confronts the analyst. Increasingly, our attention focuses on noneconomic criteria impelled by predictions about imminent deficits of many goods that we have come to regard as necessary for an adequate life style. Concomitantly, there is a desire of socially conscious people in both the developed and developing countries rapidly to improve the living standards for countless millions left behind in the mad dash for economic growth. The result is an impending moral controversy about the desirability of economic forces as a major determinant of resource allocation, for many people are becoming convinced that there should be greater political intervention to achieve proper levels of living.

Scarcity of some natural resources also enters as a major factor in relations between industrialized nations (which are the principal consumers of the world's resources) and the developing countries (which in many cases are net exporters of raw materials). Consequently, there is an urgency about obtaining a certain level of economic development in which industrial or agricultural production supplements the export of raw materials as a major source of foreign exchange. More than simple international tariff regulations are involved, for this problem is also interwoven with moral overtones. In the few decades since World War II, the approach to development has changed from determining how much capital was required and where to invest it for economic development of the country as a whole to improving the quality of life for the lowest income groups given the newly recognized and generally accepted constraints. As a consequence, there is a shift toward tempering economic questions with a strong component of moral philosophy in the search for in-depth solutions.

The changing emphasis from concentrating only on maximizing growth to concerns about how growth relates to the quality of life has left the Third World leaders in a quandary as they seek a development model. A feeling of vulnerability is natural in determining where they fit in vis-à-vis the industrialized countries. It can be persuasively argued that economic and political goals have taken precedence over the objective of improving peoples' happiness and that while a steady increase in per capita GNP is undoubtedly desirable it should not be the outstanding goal but rather only one measurement of progress.

The key is to help people achieve their own goals, with the state and society assisting when appropriate. The emphasis in this philosophy thus changes from economic development at any cost (that is, growth in GNP) to a focus on people.

A caveat is in order. The philosophy expounded does not mean that development programmes should be reduced. Indeed, each one should be evaluated according to its benefit-cost ratio. Rather, what is meant is that we need to ask what the programmes' effects are on the overall vision and whether they push or steer people. It is recognized that most countries' development plans explicitly mention social goals such as improving health. Economists also usually mention in passing that social and ethical aspects must be considered. But this is not enough, for I am prepared to argue that this is simply lip service being paid because it is the right thing to do.

Conclusion

Moral philosophy is of greater relevance today than ever before as the world becomes increasingly technologically oriented. Ethics is not an abstruse academic study far removed from everyday life. On the contrary, it is precisely the philosopher who is needed to help chart a course out of labyrinth of social tensions and international confusion about mankind's future. The message in this paper is that moral philosophy can be taught and its principles incorporated by agricultural economists in the solution of real world problems. Relevance means understanding the issues which, in turn, requires careful examination of premises and constraints. Many of these issues relate to problems of values and how they fit in the higher social purpose. In recent years, it has been fashionable to argue for greater interdisciplinary research. I agree, but strongly add that moral philosophy has too long been neglected by too many agricultural economists.

An appropriate manner to close this paper is an example of the need for a vision. One example is a paper by Gardner. He observed, "Consider finally the larger purpose of policy. What is it that the Administration wants to attain in farm food programs? For both Ford and Carter, I believe that there is no well defined goal, no ideal that policy is striving toward." We could inquire that if the richest country in the world is operating in a rudderless fashion, reacting to political exigencies of the moment, how is it possible to expect the developing countries to have a vision? Nevertheless, it is rather obvious that some feeling is required about where the ship of development is headed. Assisting in determining the destination as well as charting alternative courses is a challenge which agricultural economists would do well to consider accepting. Philosophy is everybody's business.

References

Adelman, I.; Morris, C. T. (1973) Economic Growth and Social Equity in Developing Countries. Stanford, California, USA; Stanford University Press.

Boulding, K. E. (1973) The economics of the coming spaceship earth, in Toward A Steady-State Economy (edited by H. E. Daly). San Francisco, California, USA; W. H. Freeman and Co.

Carter, H. O.; Johnston, W. E. (1978) Some forces affecting the changing structure, organization, and control of American agriculture. American Journal of Agricultural Economics, 60 (5) 738-748.

Gardner, B. (1978) Comments on emerging agricultural policies of the Carter administration. Southern Journal of Agricultural Economics, 10 (1) 50.

Heilbroner, R. (editor) (1969) Economic Means and Social Ends. Englewood Cliffs, New Jersey, USA; Prentice Hall.

Ip, P. C.; Stahl, C. W. (1978) Systems of land tenure, allocative efficiency, and economic development. American Journal of Agricultural Economics, 60 (1) 19-28.

Johnson, G. L.; Zerby, L. K. (1973) What Economists Do About Values. East Lansing, Michigan, USA; Department of Agricultural Economics, Michigan State University.

Knight, F. (1922) Ethics and the economic interpretation. Quarterly Journal of Economics, 36, 458.

McGreal, I. P. (1970) Problems of Ethics. Scranton, Pennsylvania, USA; Chandler Publishing Co.

Meadows, D. H.; and others (1972) The Limits to Growth. New York; New American Signet.

Moore, G. E. (1903) Principia Ethica. Cambridge; Cambridge University Press, 1956 edition.

Schumpeter, J. (1954) History of Economic Analysis. Oxford; Oxford University Press.

Simpson, J. R. (forthcoming) Toward a Third Alternative: Ethics and International Development.

Stanton, B. F. (1978) Perspective on farm size. American Journal of Agricultural Economics, 60 (5) 727-737.

Survey of International Development (1975) 12 (1) 1.

Weber, M. The Methodology of the Social Sciences.

OPENER'S REMARKS--Norman J. Beaton

The topic of Simpson's paper certainly coincides with the general theme of this conference, but his paper is more abstract, in a positive sense, than many of the other papers in a number of ways. It is futuristic, it has a global perspective, and it challenges the thought processes of agricultural economists as it stresses the viewpoint that we may be too pedestrian in our approach to the scientific method if we do not further integrate the precepts of moral philosophy into our work.

Simpson points out that, in the forthcoming decade, the issue of allocating scarce resources among the people of the world will become increasingly significant. In essence, he attributes this situation to the energy crisis and an ever expanding world population. He stresses that ethical issues will become much more prominent in achieving the goals of both national and international development.

The central theme of the paper is that agricultural economists can and should incorporate ethics into their problem solving tasks. Simpson feels that economists' training in objectivity will enable them to deal adequately with problems that have some ethical constraints. I would question whether the leap from training in objectivity to actually dealing with ethical constraints is that simple. This difficulty has been recognized in part by Simpson and others who have expressed the viewpoint that the tools of economists are not adequate to deal properly with ethical issues. By what process do agricultural economists acquire a formal knowledge of moral philosophy, or is such a knowledge necessary? How are they to learn to integrate this knowledge of moral philosophy into the basket of tools that they already possess? Does this integration have implications for the discipline of agricultural economics as a whole and the teaching of courses in research methodology in particular?

The apparent change in emphasis from maximizing growth rates to improving the quality of life has caused a great deal of concern in many developing countries. In the past, economic and political goals were of prime importance. Simpson states that the key is helping people to achieve their own goals with the state and society assisting when appropriate. What happens in countries where the objectives of the state are foremost? Other than perhaps being given lip service, how compatible would the concept of helping people to achieve their goals be in those countries? For example, what implications does the imposition

of martial law have? The goals of the state may be different than the views of a large segment of the population. This poses a particular problem to the agricultural economist working in the field of international development.

I somewhat question the central theme of this paper which implies that we agricultural economists do not utilize moral philosophy (or at least not enough of it) in our work. A strict positivist might take this viewpoint. I would argue that we implicitly utilize ethics (maybe in a very informal way) in all of our work. This is especially apparent in earlier writings as Simpson acknowledges in his paper. On most applied problems, especially in international development, it would be very difficult to separate the normative from the positive aspects.

RAPPORTEUR'S REPORT--Philip J. Thair

Everyone is involved with moral questions. But why deny the title of agricultural economist to someone who works in the area of "what is, will be, or could be"? Value judgments are often concealed in constraints, and constraints may be used as a means of avoiding value judgments.

In earlier days we had many normative schools, but a heterogeneity of value bases. What you know, and how you know what you know, were major questions. Now we must establish such a dialectic toward truth. Today, education of agricultural economists is very homogeneous, and we must struggle with problems of values and moral philosophy. Whose vision are we to address, that of people as a whole, or that of the policymaker? How many are for the vision, and how many against it?

Simpson responded that philosophy is everybody's business. We must recognize that we must become more aware that many questions involve a philosophical basis. As we go through time, more and more issues will have a philosophical overtone. He did not look at vision in particular. He argued that we talk about goals or targets. These are part of one's vision of how society should be organized. More specifically, we must recognize that the people are the state, and the state is for the good of the people.

Contributing to the discussion were Rufus O. Adegboye, James T. Bonnen, Denis K. Britton, John D. M. Hardie, and George T. Jones.