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## Johnson's "Disarray" Revisited

*World Agriculture in Disarray. Second edition*  
By D Gale Johnson New York St Martin's Press,  
1991, 365 pages

Reviewed by Robert L. Paarlberg

Readers of the first edition (1973) of D Gale Johnson's classic treatise against agricultural protectionism have a right to ask Why a second edition? Were not the arguments clear enough the first time around? Are not some classics better left unaltered?

Fortunately, Johnson's second edition incorporates so much new material as to be of value in its own right It may actually be of greatest value to those who are most familiar with the first edition

The first book is deeply appreciated by serious scholars because it bravely challenged what in the 1970's was a powerful (nonscholarly) consensus that the world was soon to run out of food Johnson's book argued the opposite Industrial countries, he said, were embracing policies destined to generate excessive production by keeping too many resources in agriculture Johnson's view was never carefully refuted at the time It was simply dismissed as politically incorrect President Carter's *Global 2000 Report*, for example, mostly ignored the Johnson view, and went on to forecast a future of tight rather than slack world market conditions

Johnson's vindication was not long in coming International commodity prices returned to trend levels after 1981, and the strength of Johnson's arguments was suddenly apparent to all Some of the same politicians who earlier had excused their own protectionist farm programs through references to a "world food crisis" began looking anxiously for ways to reform those programs They soon found themselves jointly promoting precisely the course of action that Johnson had earlier recommended a multilateral liberalization of farm programs through GATT They even usurped a Johnson term, *disarray*, to describe the international farm market structures they were now trying to alter

While Johnson's second edition understandably devotes some time to documenting the prescience and

accuracy of his earlier views, he offers much more The price fluctuations of the 1970's and 1980's are explained by showing how the policies he criticizes, which are designed to promote price stability within states, will naturally lead to exaggerated price instability in international markets The macroeconomic sources of these price fluctuations are also treated briefly in this new addition (yet they remain something of a secondary consideration in Johnson's style of analysis)

He recognizes the large and important body of scholarly work which has modeled and quantified various international market distortions since 1973 Professional economists will likely find this information to be the most interesting feature of the second edition Johnson's contribution here is his practical taste for describing market distortion in language useful to politicians and policymakers, not just professional economists

This new volume speaks directly to contemporary policy concerns by discussing prospects for farm market liberalization in the continuing Uruguay Round Johnson wants the Uruguay Round to bring industrial countries toward a systematic liberalization of current policy He proposes gradual multilateral support reductions and a "transition programme" of decoupled income supports, plus investments in improved education and alternative job training for rural farm youth

Each reader will find points of disagreement with some of Johnson's stronger arguments My own view is that Johnson has placed far too much faith in GATT as a promising venue for farm policy reform Johnson's belief (p 302) that policy reform will come only through *multilateral* actions (presumably in GATT) is not supported by any recent historical evidence Both the United States and the European Community, under severe budget pressures, have recently undertaken significant support reductions unilaterally, and Japan has negotiated bilaterally with the United States, all this outside of GATT The most significant consequence of trying to reform agriculture in the Uruguay Round, so far, has been a negative one to paralyze all non-agricultural progress in the Round

Johnson's emphasis also remains (as in the 1973 edition) too heavily focused on the EC Beyond Europe, efficient farm trade expansion is still possible without the kind of liberalization that so concerns Johnson In Japan, and especially among East Asia's newly developed countries, farm trade

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has recently expanded through rapid income growth and dietary enrichment. One suspects that Johnson, if he had spent time examining such countries, would have faulted them for their high nominal rate of protection, rather than congratulating them for the spectacular trade expansion that their rapid income growth has recently made possible.

By focusing so heavily on farm sector protection in the developed countries, Johnson implies that most

of the "disarray" in world agriculture would end if policies in these rich countries could only be reformed. Most of the world's farmers, however, live in poor countries, which tend to tax the farm sector excessively, rather than provide protection. Here, it could be argued, are the agricultural policies that most need reform. From the perspective of social justice as well as efficient resource use, a treatment of disarray ought to say more about these government constraints.

## Local Organization Helps Make Sound Land Reform

***Agrarian Reform and Grassroots Development: Ten Case Studies.*** Edited by Roy L. Prosterman, Mary N. Temple, and Timothy M. Hanstad. Boulder, CO: Lynn Rienner Publishers, 1990, 339 pages, \$34.

Reviewed by William C. Thiesenhusen

Land reform may not be fashionable these days, but it remains a component of sound agricultural policy in many countries. The 10 case studies featured in this book make that abundantly clear. The urgency of agrarian reform is stated succinctly, if in exaggerated fashion, by Jannuzi and Peach: "The technical knowledge needed to increase food (and nonfood) production significantly in Bangladesh already exists. [W]idespread poverty in Bangladesh is not primarily due to a population that has grown too large, a scarcity of natural resources, or the constraints of an unalterable production possibilities frontier. The primary impediment to economic progress in Bangladesh is the traditional system of relationships of people to the land" (p. 78).

The authors illustrate the shortcomings of present agrarian reforms in Bangladesh. Especially valuable is their discussion of the traditional system of a "layered" hierarchy of rights in which many workers are accommodated on one piece of land. Those with prime authority acted on behalf of the state as revenue-collecting agents (*zamindars*). Beneath them figured various categories of tenants who paid rents and had specified conditional rights in land. The system was complex and stratified. The land reform legislation of 1950 abolished *zamindars* as rent collectors for the state, but installed them as *maliks*, or landholding tenants of the state, which changed the system little.

Without precautions, old elites often become new elites after reform. Controlling the post-reform behavior of these notables is difficult, because they are skilled in exploiting new situations for their own benefit. The world over, reform does not blunt opportunism. After the Bolivian agrarian reform, for example, some expropriated landlords became oligopsonists in beneficiary output marketing.

The Bangladesh situation also illustrates that intended beneficiaries of reform are often bypassed in fact (a point supported by the meager Latin American land reforms of the 1960's and 1970's, which provided estate workers with land, but seldom rewarded the landless wage laborer).<sup>1</sup> Bangladeshi sharecroppers and agricultural laborers did not obtain land in the reform either. Indeed, only minor changes were made to the basic land reform law after Bangladesh was split from Pakistan, and none of them altered the land system significantly. Legislation of one type or another was passed but not implemented. As *maliks* appropriated land, half of all rural households became functionally landless with the number growing. Land reform in Bangladesh was a Potemkin village, existing only on paper.

Contrasting with Bangladesh is Herring's study of Kerala, India, where land reform broke the back of landlordism and gave rise to a new group of landlords (*jenmis*) who were former tenants. "The new *jenmis* are nothing more nor less than petty capitalist farmers maximizing profits" (p. 69). Herring concludes, "The obvious parasitism of the rentier is not matched by the newly landed proprietors, who know agriculture and organize production" (p. 69). Herring carefully traces the birth of land reform in Kerala, explaining why it is so different from

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<sup>1</sup>For more information, see *Searching for Agrarian Reform in Latin America*, ed. William C. Thiesenhusen, Boston: Unwin Hyman, 1989.