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## PRESIDENTIAL ADDRESS

DENIS K. BRITTON

### *Fifty Years of Agricultural Economics –and What Next?*

This is the fiftieth anniversary of the first International Conference of Agricultural Economists, held at Dartington Hall, England from 28 August to 6 September 1929. Today, in this place and at this hour, seems to be the right moment to look back to that small but auspicious beginning of an unbroken chain of events which explains our coming together now in Banff, from all corners of the world – the right moment to look back over the intervening years and to look forward into the future.

Let us first recall some of the personalities of those early days, and their declared aims. By the invitation and generosity of Mr and Mrs L.K. Elmhirst, fifty people attended that first conference, from twelve countries. The programme planners were Orwin (Oxford), Currie (Dartington Hall) and Ladd (Cornell), and it is interesting to note that the triangle Oxford – Dartington – Cornell appears to have formed the operational base of subsequent activities for a number of years, with Elmhirst at the centre of gravity – somewhere in mid-Atlantic, one might say.

The purposes of the first meeting (as recorded in the foreword to the Proceedings volume which was printed as a hardback book of 356 pages, including a photograph of the participants, in that same year) were: to bring together agricultural economists from many countries to discuss research results and research methods that were of common interest; to discuss national and international problems in the field of agricultural economics; and to promote a more effective and more rapid exchange of agricultural economics information. Elmhirst was a strong believer in the value of exchanging experience and information. His travels, principally in Asia, and his residence for several years in a rural area of India, had convinced him that people doing similar work in different countries should know more of what was being done elsewhere. Thus I am sure that he would approve if we choose to spend most of our time here telling each other what we are doing, and that he would wish that our paper-reading and other activities should not impede such discussion. He said that we should measure the success of our conferences by the quality of the relationships we establish with one another.

In preparing that first meeting our founders had emphasized the need

for an *informal* gathering, and informality certainly seems to have been the keynote of the pre-war conferences which to some extent we may have lost because of our much greater numbers and the organizational problems to which they give rise. We have moved away from the intimate conversational atmosphere, so conducive to what one member in 1929 described as “amiable disagreement”, to that of the vast auditorium; the carefully prepared statement with its lack of the excitement of spontaneity; the mediation of professional interpreters; and the hard-headed advice of consultants on conference techniques.

Those high-minded and dedicated men of 1929 (there were no ladies in those days, or if there were they were kept out of the official photograph) also persuaded each other that it was necessary to meet “away from the distractions of the great cities”. Just what distractions they had in mind and whether we shall entirely escape them in Banff I am not sure, but it is a fact that most of our seventeen conferences have taken place, if not away from cities, at least within easy reach of rural areas which our members were able to visit, no doubt in a mood of quiet contemplation. It is recorded that they also played cricket and baseball, though these games were not to everybody’s taste. Arthur Ashby for one – the man who, incidentally, did more than anyone else to get me started in agricultural economics – confessed at the second conference held at Cornell in 1930 that when he felt the need to “get away from these eighty papers” he would “find his way down to the creek and listen to the drip and murmur of the falls”.

Indeed, while we do honour, as is certainly our duty and pleasure today, to the memory of Leonard Elmhirst, I hope we shall not forget the contribution made by Arthur Ashby who was another of our founders. It was to him that was entrusted the task of drafting our constitution, much of which has survived to this present day. He was also elected chairman in 1930 of a committee to make plans for future conferences. Besides taking on these administrative duties, he delivered a paper in that year on “Agricultural Economics as Applied Economics” which still rings true and indeed could be said to have been prophetic in some respects. He had no hesitation in embracing normative studies, even if he did not call them that. He stressed the underlying assumption of all applied sciences that the results of study will lead to desirable change, to development and progress. He spoke not of elegant solutions to problems confined within very specific and often highly artificial sets of assumptions, but of the need to formulate a course of action leading to “intelligent modification of existing forms and conditions”. He saw that weaknesses discovered in those forms and conditions should be given greater attention than evidences of strength or of stability. He would therefore have found himself to be entirely in tune with our chosen theme for 1979 of Rural Change; yet he was far-sighted enough to envisage that the time might come, as the science developed, when “knowledge would lead quite as clearly to preservation or conservation as to change”. Meanwhile, being acutely conscious as were many others of that generation, quite as much as our

own contemporaries, that rural people generally had been neglected and deprived a due share of the benefits of economic progress, he affirmed that “the outstanding fact . . . about agricultural economics is that its knowledge will be used for purposes of manipulative or directive acts in the sphere of economics or politics”. He was sceptical of the classical economic philosophy because it afforded no guarantee that all people would receive a proper share of the benefits of civilized life.

In that same 1930 paper Ashby observed that our problem, as agricultural economists, is that of “combining the pursuit of least cost with that of the highest possible degree of order and security”; or, as we might say today, of making efficiency objectives compatible with equity objectives. He perceived and feared that the pursuit of efficiency standards by farmers might lead only to the enrichment of other people. During and after Ashby’s time we have tended to persist in giving much more attention to efficiency than to equity, and I would venture to suggest that this is because we believe that the former is more amenable to quantitative analysis and therefore more respectable from a scientific point of view. We tend to forget that efficiency can only be considered relative to a stated goal or goals. There is little point in devoting much of our time to minimising the cost of achieving low-priority objectives. To do so is almost as irrational as to suppose that high-priority objectives must be pursued, and can be attained, without counting the cost and without any regard to the implications for secondary objectives.

If I have dwelt rather long upon certain ideas expressed fifty years ago it is because I am convinced of their relevance today. Our founders laid down certain guide-lines, and they were profoundly conscious of what they were doing. We would do well to consider whether we have heeded their guide-lines, or whether we have modified or discarded them as our subject has grown, and if so, whether we should revert to them. In particular I suggest that we recall today that the first objective of our Association, as set down in the Constitution, is “to foster the application of the science of agricultural economics in the improvement of the economic and social conditions of rural people and their associated communities”. The deliberate focusing of attention upon the improvement of human situations in rural areas is basic to the original conception of our purpose in holding these conferences, and if we have at any time moved away from it we should recognize the fact and be ready to justify it. This reference point should prove valuable, for instance, when we are discussing, as we do from time to time, whether our studies should embrace the whole complex of agri-food industries; whether fish-farming comes within the purview of agricultural economics; and whether our university departments should abandon the label “agricultural economics” in favour of “resource economics” or “food energy economics”. Disputes about demarcation of intellectual territory can, of course, be a great waste of time and are often quite unnecessarily acrimonious; and I acknowledge that in the long-run most people will contrive to study what interests them, regardless of the label. Nevertheless I think that labels

should have a fairly consistent and widely-accepted meaning, and should not be altered too readily to satisfy fashions or aspirations which may prove to be short-lived.

What could we in the agricultural economics profession today show to our founders by way of achievement? We could, I suppose, proudly parade our statistics of increased attendances at conferences and our exponential growth in membership of the Association. We could point to a shelf full of bound volumes of conference proceedings. No doubt our founders would be duly impressed, and rather pleased with themselves at having fathered such a numerous and distinguished looking lineage. But being the men they were, for whom the quality of life meant so much, they would not be taken in by mere numbers or bulk. They would ask for evidence of the real value of our efforts, in terms of the progressive advancement of knowledge and what they called "the economical provision of the material requirements of the good life for rural people".

As regards the first criterion, the progressive advancement of knowledge, I am very glad that this gives me the opportunity to mention that since we last met, at Nairobi in 1976, a very significant landmark has appeared in our ever-widening field of activity. I refer to the monumental *Survey of Agricultural Economics Literature* which has been published in three volumes under the auspices of the American Agricultural Economics Association and edited by Lee R. Martin. I should like to express my admiration and gratitude, personally and I hope on behalf of you all, for the imagination and perception of need which put this enterprise in hand; the sound organizational basis of consultation, selection and appraisal on which it was constructed; and the depth of knowledge, sustained intellectual effort and wise judgement of those who were primarily responsible for drafting the respective parts of this massive work. As I wrote in my review of Volume I of this *Survey of Agricultural Economics Literature* (in the *European Review of Agricultural Economics*, Vol. 4 No. 4, 1977), "it gains a great deal from the fact that the authors have felt free to give their own comments on the adequacy of the research which has so far been accomplished in our field; they frequently draw attention to unresolved conflicts of evidence or opinion; and they make suggestions for future research into relatively neglected areas".

The cumulative effect and level of achievement which these three volumes describe are impressive indeed, and I am confident that even the most critical of our founders would pay his respects. If they wanted still more evidence of our progress in research and of our comprehensive coverage of an ever-widening field, we could refer them to other scholarly review articles such as those contained in various issues of the *Australian Review of Marketing and Agricultural Economics* and the *British Journal of Agricultural Economics*. We could also confront them with just one year's output of the *World Agricultural Economics and Rural Sociology Abstracts* (WAERSA) and its recent offshoots, *Rural Development Abstracts* and *Rural Extension, Education and Training Abstracts*. To those who wished to trace the evolution of ideas in agricultural economics in the

context of Europe, we could transmit a copy of Joosep Nou's encyclopaedic study published in 1967, though this would not give any indication of the rising flood of studies resulting from the establishment of the European Community and its common agricultural policy.

Despite all this testimony to the activity of one and a half generations of agricultural economists who have been working since 1929, the task which the present generation inherits is undiminished. We are probably more conscious of its sheer magnitude than they were, because of our greatly increased liability to exposure to the needs of others through our much higher travel-mileage per member and our self-imposed elaborate information network, which makes it relatively easy to assemble or gain access to visual and statistical evidence of the human condition. All this evidence points to a deterioration for much of the world's population. There is no positive relation between the rate of economic growth and the reduction in rural poverty; and economic growth itself is slowing down. On the second criterion of our founders, that of promoting "the economical provision of the material requirements of the good life for rural people", we would therefore have to admit to a notable lack of success.

As one conference follows another we pass on this undiminished task, throwing new light on some of its aspects, breaking off chunks of it for separate study, reassembling other parts which call for a more multi-disciplinary approach, redefining concepts here, discarding untenable theories there, removing layers of ignorance or obscurity only to discover new strata of problems of unsuspected depth and intractability. Even if agricultural economists may have had a powerful positive influence, the negative forces have been too strong for us. It therefore seems inappropriate for me to spend more time today in trying to chronicle our successes when so much remains to be done.

On behalf of our Association I recently attended, along with our President-Elect Professor Dams, the World Conference on Agrarian Reform and Rural Development which was organised by FAO and took place in Rome. Among the national delegations we were pleased to find our former President, Professor Westermarck, our Vice-President, Professor Nazarenko, and the former President of the European Association of Agricultural Economists, Professor Barberi. It would be wrong, however, to give the impression that agricultural economists had a major rôle to play in that conference. Fundamentally it was concerned with the need for changes in the power structure surrounding and permeating the rural economy, and clearly this is an issue which will have to be resolved mainly by politicians, for whom the exercise and distribution of power are vital considerations. Yet because power has economic as well as political muscle, we cannot abdicate all interest in this particular manifestation of the twentieth-century world-wide power struggle. I therefore propose to make a few comments on it.

In its documentation and in the speeches of delegates this FAO Conference repeatedly emphasized the imbalance which is to be found in almost all rural communities. This imbalance, usually but not exclusively

expressed in terms of disparity of incomes, is to be found between urban and rural people and between rich and poor within rural communities, as well as internationally between the more developed and the less developed nations. Priorities in national planning have too often neglected the rural sector. Insufficient efforts have been made to build the rural infrastructure which agricultural development requires. In some countries a small, dynamic modern element has established itself in the rural community, but it is greatly outnumbered by the great majority for whom the traditional patterns of poverty persist, so that the progressive élite may be more of an aggravation than a source of benefit. Landlessness is increasing. Fair rent laws are not enforced. Rural people have borne a disproportionate burden in the financing of general economic development, whether the discrimination against them be through pricing, taxation or the unfavourable terms of trade. In several countries agricultural production has slowed down while population increase has accelerated; production per caput was thus lower in the 1970s than in the 1960s. About 500 million people in the world have "less than the critical minimum energy intake", and their number is increasing, in spite of FAO's categorical but somewhat distracting statement that total food supplies could meet the nutritional needs of the world's population if properly distributed.

The underlying concern, rightly or wrongly, is with equity and not with productivity. The point was most forcibly and persuasively made by President Nyerere of Tanzania. Claiming that national and international action over the past fifteen years had provided a lesson in how *not* to succeed in tackling rural poverty, he maintained that the fundamental division is that between those with and without access to resources. Effective land reform must be accompanied by giving the poor access to credit, to improved seeds and tools and to new knowledge. Any rural production surplus above immediate needs must not be "extracted" for use in urban centres, but must be re-invested in rural development, which is people's development of themselves. They cannot do it if they have no power to mount effective pressure nationally and to participate in the determination of priorities.

President Nyerere admitted that such transfers cannot be done painlessly, and that they require a revolution in the present patterns of government expenditure and of taxation. What he calls the "flow of wealth towards wealth" has to be stopped and reversed.

Whether this line of thought will prevail at our present conference here in Banff remains to be seen, but clearly it is one which cannot be ignored. The debate will continue, probably more vigorously than before, between those who put wealth creation as the first priority, even if it means some widening of the gap between the richest and the poorest, for only so can the necessary welfare services be financed; and those who put distributive justice and reform of the social structure first, even if it means some lowering of material standards for considerable numbers of people. Economists will no doubt continue to be found in both groups. As I have

already indicated, Ashby and others saw the dilemma fifty years ago, and did not shrink from the need to contemplate and promote change in economic and social systems if these failed to give expression to the aptitudes, abilities and desires of large sections of the population.

The line-up of economists in the current world-wide debate may be partly a matter of temperament, or of attitude to their work. On the one hand there may be those who, by training or by habit, are mainly concerned to find ways of making the best of a given situation, where most of the major factors are considered to be exogenous; on the other hand there may be those who are mainly concerned with creating a different (and better) institutional framework within which optimising behaviour can then begin to operate to better effect. The latter are bound to be more politically involved than the former. They are probably also more numerous, relatively as well as absolutely, than they were in the days of our founders; for one can discern a general mood in the post-war world of questioning outmoded systems, whereas in the 1930s there seems to have been a stronger inclination to accept the *status quo* and work within it.

Glenn Johnson put his finger on this same division of activities within agricultural economics when he wrote a review article on developments in the field of production economics for the *Australian Journal of Agricultural Economics* in 1963. Too much concentration on the theory of equilibrium, with its insistence on equating returns at the margin, had distracted economists from the really relevant farm problem of inadequate resources – of “getting ownership of enough property and command over enough skill to earn a decent living.” This critique can be linked directly with the re-ordering of priorities which President Nyerere and others are now demanding in rural development.

What, then, of our professional rôle in the future? Once again I find a rich source of ideas in the *Survey of Agricultural Economics Literature*, in which the contributing authors were invited to indicate research priorities in their respective fields. I cannot do justice today to their very positive and fruitful response to that invitation, but will pick out a few general areas of activity which particularly caught my attention.

Harald Jensen, reviewing the field of farm management and production economics, argued that our science is not yet sufficiently effective in solving current social problems. Increasing the complexity of our models does not result in delivery of solutions which have a strong practical appeal. Farm management, as well as exploring certain narrowly-defined fields in depth, must also continue to draw on various neighbouring disciplines in its problem-solving activity. It must help farmers to define their multiple goals, and cope with situations in which various parties with diverse interests and objectives enter into a decision-making process.

Ben French, reviewing the field of analysis of productive efficiency in agricultural marketing, was also looking for a shift of emphasis away from the efficiency of the individual firm to the attainment of an optimum structure of firms within the industry. He anticipated that “efficiency in marketing” might tend to disappear as a separate study and be merged



with questions of production and price policy on a commodity level.

G.E. Brandon, looking over the field of policy studies for commercial agriculture, emphasised that there would be a continuing need for accurate knowledge of how the agricultural economy works, reliable quantification of key relationships within the system and an awareness of the political processes by which policy is made. One specific topic which I am sure is ripe for study in many countries is the analysis of the difficulties which family businesses experience in transferring ownership from generation to generation, and the policy measures needed to reduce these difficulties. Brandon also calls for more studies of the personal distribution of income and wealth, both in a descriptive sense and as a criterion for farm policy. Should we be actively designing policy instruments which would scale down the benefits going to the wealthier producers? How would they affect efficiency and total output?

Looking at agricultural price analysis and outlook studies, William Tomek and Kenneth Robinson ask some pertinent questions about our provision of economic forecasts, and specifically, why do equations with high  $R^2$ s and seemingly logical coefficients provide poor forecasts? Policy-makers will continue to look to us for indications of the likely consequences of alternative decisions. Tools of analysis and methods of forecasting must be improved and must be able to cope with new types of questions.

These are only a few examples from selected fields, and I must leave the specialists among you to consider other major fields which I have not even mentioned. I would like to round off this brief sketch of some suggested priorities and research criteria by going back to Harald Jensen's concluding remarks, in which he quoted with approval the following passage from an article by D.R. Fusfeld in the *Saturday Review*.

A humane economy requires more than prosperity and economic growth, more than efficient allocation of resources. It demands changes in the framework of economic institutions to achieve greater equality and freedom. It requires dispersal of the economic power and governmental authority that support the present disposition of income, wealth and power. It requires a social environment that brings a sense of community and fellowship into human relationships. It demands compatibility among man, his technology, and the natural environment. And all these things must be done on a world-wide scale. These are the goals of the future, to which economists and everyone else will have to devote their energies.

The IAAE is neither a pressure group nor an action group. Our founders did not intend to forge such an instrument. We have not come to Banff to pass resolutions, nor to try to organize some dramatic piece of world-wide collective activity which with one supreme effort will heave our shipwrecked humanity higher up the beach to a place of safety. As economists we should appreciate the value of a less conspicuous contribution which aims at marginal increments of improvement at the points of

greatest opportunity and greatest need, increments which individually may have no impact which is perceptible beyond a restricted locality but which cumulatively may generate enough leverage to move the world.

None of us, I trust, has come here with an exaggerated idea of the net benefit of our deliberations to the rest of mankind. But we have a rare opportunity to give to and obtain from one another a better personal orientation, both vertically and horizontally: vertically, in the sense that we can lift our range of vision to see world-scale problems and place our national and local preoccupations in proper relation to them; horizontally, in that we can increase our awareness of work in other countries than our own on the problems which interest us, whether these are specific or general, local or global, methodological or operational in character.

Our Vice-President in charge of the programme of this conference, Glenn Johnson, has prepared for us with great care and forethought and not without considerable trouble, a feast of intellectual food, with many courses to suit all tastes. I am sure that it is not necessary for me to wish you *bon appétit*; I only trust that your digestion will be sufficiently robust to meet the challenge. And I will close by repeating the hope expressed by G.F. Warren at the Cornell Conference in 1930, that “the intellectual stimulus will be a spur to more work and clearer analysis”.