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THE W.K. KELLOGG FOUNDATION LECTURE

ERIC M. OJALA

Accomplishments and Opportunities of Agricultural Economists Working in International Agencies

This is the first time that international agricultural economists have been invited to give an account of themselves to the profession, as represented by this Conference. I have to declare at once that I am biased after twenty-five years in service with international agencies, mostly with the Food and Agriculture Organization of the United Nations (FAO). I have, however, supplemented my experience and judgement by inviting opinions from agricultural economists in other international agencies. I am most grateful for their contributions, but accept full responsibility for my interpretation.

OBJECTIVES

For most agricultural economists, the goals of their work are set in the framework of national policies and of individual farm or firm objectives.

For international agencies, the objectives of nations and enterprises are still basic elements, but the role of agriculture is focused more sharply on the needs of mankind, and the emphasis is on international cooperation and regional or world-wide action. This is illustrated in the Preamble to the Constitution of FAO:

The Nations accepting this Constitution, being determined to promote the common welfare by furthering separate and collective action on their part for the purposes of

- raising levels of nutrition and standards of living of the peoples under their respective jurisdictions,
 - securing improvements in the efficiency of the production and distribution of all food and agricultural products,
 - bettering the condition of rural populations,
 - and thus contributing toward an expanding world economy,
- thereby establish the Food and Agricultural Organisation of the United Nations . . . through which the members will report to one another on the measures taken and the progress achieved in the fields of action set forth above.

It is in the framework of these objectives – and their counterpart in other bodies – that the achievements and opportunities of agricultural economists working with international agencies have to be assessed.

INTERNATIONAL AGENCIES EMPLOYING AGRICULTURAL ECONOMISTS

FAO was preceded by the International Institute of Agriculture (IIA) started in 1905 in Rome on the initiative of an American, David Lubin. The human misery in farming which Lubin saw in many lands in the economic depression of the 1890s fired his determination to work for some effective international machinery for agriculture. The IIA functioned usefully for forty years, mainly in Europe, through statistical and scientific information services, before being absorbed into FAO in 1945.

After the establishment of FAO, the United Nations, created in 1946, soon set up regional economic commissions – in Europe, Latin America, Asia and (much later) in Africa and the Near East. All these regional commissions established agriculture divisions as joint units with FAO. They were staffed by FAO and UN agricultural economists, who set to work, with their national counterparts, on the economic problems of agricultural development in their respective regions.

In 1946 the World Bank came into being, but only over the last five years has it become a major source of international financing for agricultural and rural development. Regional development banks were subsequently set up by the governments of Latin America, Asia, Africa and the Near East, and agricultural lending has always been an important part of their activities.

The year 1961 saw the birth of the World Food Programme (WFP), sponsored jointly by FAO and the United Nations. This agency performed the miracle of converting an international liability – food surpluses – into an international resource for development. Its activities now commit over 300 million dollars of aid annually, mostly to the food and agricultural sector of food deficit countries.

The only international financing agency committed solely to the agricultural sector came into being in 1977, as one of the more tangible results of the 1974 World Food Conference. This is the International Fund for Agricultural Development (IFAD) which has a large component of funding by oil exporting countries. Its purpose is to combat hunger, and it is therefore focusing on projects to bring small farmers and landless workers into the development process.

At the other end of the relative income scale, the OECD (Organization for Economic Co-operation and Development) whose members are all developed countries, has an important Food and Agriculture Directorate. Because agriculture is one of the more troublesome sectors in the relationships among these countries, the agricultural economists of OECD have been particularly active in the analysis of agricultural policy.

Less comprehensive in their geographical coverage are the regional groupings of governments which have committed themselves to varying degrees of co-operation in development. Most notable are the European Community in Western Europe and the COMECON in Eastern Europe, but there are a growing number of such regional groupings among developing countries, particularly in Latin America and South East Asia.¹ In Africa such attempts have been less successful. Because of the rigidity of its national structure, and the proportion of population involved, agriculture poses special problems in the implementation of regional economic integration policies.

A potential if not actual international workplace for agricultural economists is the World Food Council, set up by the UN to co-ordinate intergovernmental efforts to solve the world food problem.

International and about to become inter-governmental is IFPRI, the International Food Policy Research Institute based in Washington, DC, a very recent establishment, where agricultural economists are developing a programme of world-wide studies in the many facets of food policy.

One of the most promising international initiatives for world agricultural development in recent times has occurred in research in the developing regions on food production, an area long neglected by scientists. I refer to the Consultative Group on International Agricultural Research (CGIAR), an international body of donors sponsored by FAO, the World Bank and the United Nations Development Programme, established in 1971. CGIAR now supports nine regional research centres² investigating methods for raising yield and quality of basic food crops, improving livestock production, combating major diseases and pests, and generally trying to intensify and spread the "green revolution". Most, if not all of these centres, have engaged agricultural economic staff, to study the farming systems in which food is produced and identify the economic and social obstacles to the adoption of research results. The aggregate budget in 1979 amounts to 103 million dollars.

The international trade agencies, UNCTAD and GATT, employ a few agricultural economists, as do the specialized commodity bodies, such as the International Wheat Council, the International Sugar Organization, the International Coffee Organization and the International Cocoa Council.

The largest group of international agricultural economists (around 200) is almost certainly to be found in the FAO, which is the only global agency charged with comprehensive responsibility for food and agriculture. Agricultural economists account for about 20 per cent of the regular professional staff, with many more at work in the field service. The World Bank employs another large group. Of some 500 professional staff working in agriculture and rural development in the Bank, about 150 are agricultural economists. The numbers in these and other agencies include some economists who can be described as "agricultural" by the nature of their work, rather than by specific training.

ACCOMPLISHMENTS

Training – in addition to individual qualities – may help to explain the relatively high representation of “true” agricultural economists among senior administrative posts in some big agencies. In the World Bank, for instance, three of the six Regional Vice-Presidents are experienced agricultural economists, and so are two of the six Project Directors. In the Asian Development Bank the Director of Agricultural Projects is an agricultural economist. In FAO the Deputy Director General was for many years an agricultural economist, and the heads of the operational and investment wings are currently agricultural economists. There are no doubt other instances in other agencies. The positions held by members of the profession in international agencies are surely acceptable as one indicator of “accomplishment”.

Beyond this, it is difficult to separate the achievements of the agency staff from those of the member governments and of the agency itself. In practice, in most inter-governmental agencies there is a constant dialogue between staff and delegates, and between international and national professional staff, which contributes to the decisions of the governing bodies. It is the agency as a unit which makes achievements. In FAO the position of the secretariat is relatively strong, because the Constitution gives to the permanent head, the Director General, the prerogative of proposing the agency’s programme of work and budget to the member governments, for their consideration and adoption. In bodies such as the European Community, the secretariat’s position is much stronger, because the Community can make decisions binding on its members.

Member governments expect the staff of an international agency to propose to them possible lines of international policies and actions in pursuit of the agency’s objectives. An agency with an inactive staff will have few achievements, although it may pass many resolutions.

In this spirit I propose to look for the main achievements of international agencies to which agricultural economic staff contributed significantly. I have to be selective and have put main emphasis on global international co-operation. The fields I have chosen are: international information on food and agriculture; international food policy and international commodity policy; and national and international approaches to agricultural policy.

International information

The assembly, analysis and dissemination of information about food and agriculture on a world basis has been a charter responsibility of FAO from the beginning. In 1946 FAO prepared its first World Food Survey. Others followed, and the fourth was published in 1977. In 1948 began the regular publication of the FAO statistical yearbooks on world agricultural production and trade, on forestry and fisheries, and the annual analytical report on The State of Food and Agriculture. Starting in 1950, FAO sponsored a world programme of censuses of agriculture every ten

years, which have successively improved the reliability and comparability of national agricultural statistics. The agricultural economists, statisticians and nutritionists of the Organization have collaborated closely, especially in more recent years, to solve the problems of standardization, consistency and interpretation that have to be overcome before a vast array of national data can be meaningful in studies of the performance of the world's agricultural sector. FAO's statistical data bank is now available on computer tapes, and these have gained acceptance as the starting point for global studies by national agencies such as the United States Department of Agriculture, and by other international agencies, including the World Bank.

The significance of the FAO information services over the years can hardly be over-stated. By documenting current problems and identifying trends, the FAO Secretariat alerted the nations to the urgency of new or larger action on behalf of the world's needy farmers and hungry peoples. In many cases, governments responded by intensifying the agricultural impact of existing development institutions or starting new ones to meet new needs, e.g. WFP, IFAD, World Food Council. The wide educational impact of the UN World Food Conference in 1974 was largely due to the universal acceptance of the FAO documentation on which it was based. Agricultural economists usually have the influential information function in all international agencies with an agricultural wing.

International food policy

It was in this area that the FAO staff launched, in 1946, their first great international policy initiative. I refer to Lord Boyd Orr's proposal as FAO Director General, for a World Food Bank. This proposal failed. It called for too much international co-operation in food policy before the nations had gained experience in co-operating on practical issues in this sphere. Nevertheless it was an historic concept and some of the functions envisaged for the World Food Board were later assumed, in part, by other agencies.

Thus, after refusing to create the World Board to stabilize prices by buffer stock schemes, and to hold a world food reserve against famine, the governments of the day subsequently negotiated successive international wheat agreements under which prices were stabilized by stocks held in North America which – for nearly twenty years – effectively constituted a world food reserve against famine.

When this system broke down in the 1970s and the world ran out of grain stocks, the agricultural economists of FAO devised the concept of an international undertaking on world food security. This approach was based on the idea of an internationally co-ordinated network of national grain stocks, not excluding some international food reserve if the food trading nations could agree to establish it, the whole adding up, through the organized exchange of information on stock levels and targets, to an informal international food security system. The programme was supported by the FAO governing bodies and the World Food Conference,

and a special inter-governmental Committee on World Food Security has been established to oversee its implementation. The system is far from complete, but it has been launched, and various approaches to further progress are being widely explored.

Boyd Orr's concept of an international institution to finance the transfer of food surpluses to needy people had to wait fifteen years. First preliminary was to overcome the concern of food trading nations that such transfers would harm the flow of normal trade. In 1955 FAO set up a consultative machinery in Washington to monitor all such transactions, against guidelines contained in the agreed Principles of Surplus Disposal. The drafting, negotiation and general acceptance of these Principles by governments constitute a major achievement in the realm of international food policy. The consultative machinery is still working satisfactorily, serviced by agricultural economists.

Next came acceptance of the concept that food could be used as capital for development in food deficit countries with a high degree of under employment. The theoretical basis for this acceptance was developed in a path breaking piece of research led by one of the most distinguished of FAO agricultural economists, Dr Mordecai Ezekiel. The study was published by FAO in 1955 under the title "Use of Agricultural Surpluses to Finance Economic Development in Underdeveloped Countries – a Pilot Study in India".

Thus, when in 1960 the United Nations General Assembly requested FAO to study the feasibility and acceptability of an arrangement to mobilize and dispense food surpluses through the United Nations system, the Director General was able to submit a positive report. He invited outside agricultural and development economists to assist him in the study, and his report³ was drafted by staff agricultural economists. It was this report which focused the goodwill of the United States Government and led, in the same year 1961, to the establishment of the World Food Programme. It is a more modest institution than that envisaged by Boyd Orr, but it had the virtue of being created. It has worked, and channels an increasing proportion of total food aid into development uses.

International commodity studies

In this area there has been more achievement in documentation of issues than in international policy. Thanks to the persistent efforts of international agricultural commodity economists in a number of organizations, no interested person can claim ignorance of the basic workings of any of the important agricultural commodity markets. This is a worthwhile achievement, providing a basis for both national and international policy making, including the negotiation of a number of useful international commodity agreements.

In addition, distinctive contributions of FAO have been its programme of successive long term commodity projections and analyses of the factors shaping supply and demand, and the initiation of informal types of international commodity arrangements for products such as tea, jute and

hard fibres, on which governments were unwilling to make formal commitments.

National agricultural policy analysis and advice

International agricultural marketing economists, most of them with FAO, quickly adapted to the environment of the developing world. Their contribution, through reports, manuals, technical assistance and active promotion, to the improvement of marketing systems, often linked with credit, processing and supply networks, has been impressive, as evidenced in two papers presented to this Conference. In agrarian reform FAO, UN and ILO have given notable leadership, and were actively promoting rural development programmes in many developing countries long before this concept became fashionable.

When national economic planning was spreading in newly independent countries in the 1950s, international agricultural economists worked closely with national economists towards more systematic approaches to planned development of the food and agricultural sector. This work was first focused in the UN regional economic commissions, where FAO and UN economists collaborated fruitfully. More recently, scores of agricultural economists of different specializations have been engaged by FAO to assist governments, on request, to improve their planning for the agricultural sector.

The major recent achievement of the agricultural staff of the World Bank, in response to a new overall policy orientation of the institution, has been the enormous absolute and relative expansion of the Bank's lending for agriculture. The proportion of loans for agriculture has risen from 12 per cent of its total operations in 1970 to a likely 33 per cent in 1979. Along with expansion has gone a major shift in emphasis from resources to people. The Bank's agricultural staff have succeeded, in a relatively short time, in converting rural development from a concept into an investment strategy for the world's biggest financing institution. This reorientation of the Bank's approach to agriculture, bearing in mind the influence of the Bank on other agencies, as well as the magnitude of its own efforts, is one of the most hopeful recent changes in favour of the world's rural poor, assuming that the new types of projects achieve their goals.

In the context of national policy, nutrition is another area where international agencies have contributed to a new thinking. In the 1970s vigorous leadership from FAO has transformed the international approach to nutrition improvement from one of protein or other dietary supplements to national food policy and planning. The same approach is also being developed in the World Bank, and sponsored by the World Food Council.

The successive reviews of agricultural policies undertaken by the OECD secretariat are among the more objective and creative works of international agricultural economists, bearing in mind the sensitivities of developed country governments in this area. In the face of such difficul-

ties, this secretariat has managed over the years to make a positive contribution to national agricultural policy thinking. In many respects the agricultural policies of industrialized countries are as backward looking and as trade restricting as ever, but at least there is now more open debate on alternatives. FAO analyses of agricultural adjustment in developed countries have also stimulated discussion of more rational approaches to agricultural policy.

International framework for national policies

This may seem a rather high-sounding concept, but the Common Agricultural Policy of the European Community demonstrates what a forceful reality it can be under some conditions. In fact, in all regional integration schemes one of the aims must be to arrive, sooner or later, at some common framework for national policies in agriculture, as in some other sectors.

The European Community has gone furthest in this direction and a paper on the achievements of its agricultural economists would have been of great interest to this Conference. The structure of the Community entails for its staff an involvement in international decision-making, in implementation of the Treaty of Rome, which is beyond that open to the staff of most other international bodies. A key aspect of the challenge to its agricultural economists is how to implement a common agricultural policy in the absence of a common economic policy.

Nevertheless, it is easier to conceive of an international framework for national policies at the regional level, where the governments concerned are inclined to set their course to secure advantages for their own farmers, usually at some cost to farmers in other countries.

The idea of a *global* framework for national policies is a much more difficult one, involving as it does a sharing of the burdens of adjustment, in the search for a larger total good. I see the FAO Principles of Surplus Disposal as an effective instance of an informal international framework for national policies, in the sensitive but narrow field of food aid. In the wider area of agricultural policies, a mild beginning has been made, which in my view rates as an accomplishment – one in which agricultural economists play a major role.

During the latter 1960s the Director General of FAO mobilized the knowledge of the Organization to prepare the Indicative World Plan for Agricultural Development, a major analysis of longer-run issues and options in world food supplies, agricultural development and commodity trade.

Governmental discussion of the Indicative World Plan focused on the harmful effects on developing exporting countries of the agricultural policies of the developed countries. In response to this discussion, FAO prepared a programme for international agricultural adjustment in favour of the developing world. Eleven guidelines for national policies were drafted and accepted by FAO member governments, designed to promote a gradual shift of world agricultural production, consumption

and trade expansion towards the developing countries. The secretariat is required to report progress in terms of the agreed guidelines every two years, for review by the FAO Conference. This is the only broad consensus approach to international action in this difficult area. It is a voluntary programme, without “teeth”. But how else, except through information, education, opinion-building and mutual persuasion can international co-operation advance? Beginnings are all-important – and it is a beginning which can be built on progressively. The work of OECD in analysing the external effects of the agricultural policies of the developed countries is an important element in this global strategy.

OPPORTUNITIES AHEAD

The above accomplishments are illustrative only. I have not been able to do justice to the work of agricultural economists in all the agencies, especially the regional ones. But even if the list could be completed, I suspect that the result would still be a thin stream of real achievements in international co-operation per decade. If this result has been relatively small so has the input, in terms of the proportion of national income which governments have been willing to contribute towards international co-operation.

Moreover, international co-operation in agriculture is not determined by the vision and output of international agricultural economists. Indeed, it is not their function to publish research papers and articles.⁴ Their role is rather to keep in touch with research done elsewhere and distil its conclusions in terms of policy options relevant to the changing concerns of governments. In any case, a staff position paper or policy document of the highest professional standard does not move governments when they have no will to move. Even when governments are not averse to common action, a staff position paper has to demonstrate not only professional quality but also a fine tuning to the potential political consensus if international action is to result. I always found the latter requirement to be the most stimulating challenge, as an international civil servant.

For whatever reason, the international accomplishments of the past have not been enough. Millions more people will have to die of hunger or hunger-induced disease before the answers are found. The problems that the FAO and other agencies were established to deal with are still rampant. Thus, 15 per cent of mankind, according to FAO, still exist in constant hunger, and the rate of increase in world food production is now slower than in earlier decades since the war. Some 500 million agricultural producers live in absolute or relative poverty, according to the World Bank. More and more of world trade in important temperate zone agricultural products consists of subsidized exports from the highest cost countries, which displace exports from lower cost suppliers. Although the developed countries produce more cereals than they need or can sell, they are still unable to construct a rational world food reserve. And despite

their costly income support programmes, most of their farmers have incomes well below the average of urban incomes.

If the international agencies did not exist they would have to be invented to establish means through which governments could discuss and solve these problems of food, agriculture and rural change in which they all have a vital interest.

There are several types of service which international agencies can provide to member governments: technical assistance; investment or aid flows; policy analysis; forum for international policy formulation; information. Agricultural economists have a part to play in all these, through the various institutions mentioned earlier.

Technical assistance

With the rising complement of well-trained national agricultural staff in the larger developing countries, the scope for the individual resident foreign advisor is likely to diminish. The demand is increasing for higher specialized consultants for short periods. FAO, for instance, experiences a continuing demand from governments for consultants to undertake perspective studies of agricultural development. This work is led by agricultural economists and mobilizes FAO's technical competence as well as all the concerned national units. The visiting team helps the national staff to determine how to mobilize the domestic resources and institutions to achieve the national agricultural development objectives, with optimum effectiveness. Implementation rests with the national authorities. The emphasis in this and other technical assistance, will be increasingly on multidisciplinary approaches, including bilateral contributions.

Investment

If world agriculture is to fulfil its role to feed humanity adequately, the current rate of increase in food production in developing countries needs to be accelerated by about 40 per cent overall. The total international financial flow to agriculture is well below the estimated requirement for this acceleration. The twin scourges of humanity – hunger and poverty – now reside mainly in the rural areas of developing countries. Hence the type as well as the rate of agricultural development is crucial. So far the WFP, the World Bank and the IFAD have adopted the rural development approach, which should become widespread among development agencies. To support this approach IDA should be adequately replenished to supply funds for concessional lending to agricultural and rural development. Adequate investment outside agriculture is also essential to enlarge demand for food and other farm products. The role of agricultural economists in helping to promote the optimal development use of the available international resources, in effective projects and programmes, is a crucial one.

Policy analysis

Governments seldom accept advice from international agencies on what their development policies should be, and the agencies do not offer it – except perhaps the IMF and the World Bank. Nevertheless governments often request international agencies to review progress in important policy areas, from agrarian reform to price policies.

International agencies are particularly well qualified to undertake such policy analyses, because of the experience of their staff with a wide range of conditions and approaches in many countries, and their objectivity. In my view the slow progress of agriculture in developing countries is a failure of policy. This highlights the importance of such analyses. International agencies including FAO, have probably not done enough of this work or not with the right sense of priorities. Budget stringency is only partly to blame. Some topics which cry out for more analyses by international agencies and agricultural economists are: the linkages backwards and forwards between agricultural and non-agricultural development in developing countries, case studies of rural development projects; food and agricultural price policies in developing countries; incentives and disincentives for farmers at village level in developing countries; agricultural support policies in industrialized countries and the impact on farmers, consumers, taxpayers and trade; the experience with agriculture in regional economic integration schemes, in both developed and developing country groupings.

Some of the most sensitive of these areas have been rather neglected by national agricultural economists. Have they become reconciled to national policies which seem at first sight to be indefensible on economic and social criteria? Analyses by national and international agricultural economists could be mutually supporting, especially as regards national policies which unduly diminish trade.

International policies

In this type of international action the agencies provide the forum, and in many cases the working documents, for negotiation among governments. International staff work on specific proposals is ruled out until the respective governing body has requested it. But there are a number of areas where beginnings have been made by governments, which are open for further development. Some are mentioned below.

World food security

With the growing dependence of developing countries on imports, it is not acceptable for supplies of the world's major food grain – wheat – to be rationed by price in times of relative shortage, which are bound to recur. High priority therefore attaches to the negotiation of an international wheat arrangement with price ranges, food aid commitments and stock management provisions. Until an international reserve is established, food deficit countries should continue to receive assistance to acquire and manage their own reserves in the framework of their food and agricul-

tural policies. An effective world food security system should be a minimum expectation in this age.

International commodity policy

Agricultural trade remains the source of major fluctuations in the economies of many countries. The introduction of international frameworks for the more orderly management of commodity markets is likely to be extended. The possibility of having one framework for many commodities is being debated. In any case, the international agencies concerned have a constructive task to identify commodity problems, analyse alternative solutions in terms of the interest of producers, consumers and world development, and facilitate the process of compromise in negotiations. Objective studies of comparative costs of production and opportunity costs in different countries could help to orient the negotiated sharing of managed markets among producers.

World fertilizer policy

The FAO Commission on Fertilizers should move further towards a world fertilizer policy, involving governments, industry and development agencies. Farmers, especially in developing countries, should have adequate and regular access at reasonable prices to fertilizers, on which the success of the "green revolution" depends. Elements of the policy should include more orderly expansion of production in line with demand; more self-sufficiency in developing countries where appropriate; more economic research on fertilizer use and alternative plant nutrients; and an international fertilizer aid scheme.

More information about world agricultural performance

The FAO data base, holding no secrets, should become accessible on computer terminals to all member governments. The main gaps are data about rural people, rural welfare, rural institutions and these should be progressively filled. The food information system of FAO should be improved and strengthened. Remote sensing by satellite will offer the technical possibility of regular monitoring of the world's grain crops. Such information should become a multilateral service.

The basic agricultural data of FAO and other agencies should be progressively integrated with the economic and social data of the relevant agencies, so that international data for agriculture can be set in the world economy as a whole.

Above all, information is a potent force for change, even policy change. It must become a much stronger force for international co-operation for world development. For this, the statistical and other information needs to be presented in a policy framework. Not just statistical yearbooks, but also derived statistical series with development impact. Fortunately, the universal agreement of Governments in FAO on goals and guidelines for a better adjusted world agricultural development, and the decision to monitor progress towards them, provides such a policy framework. It is

valid not only for FAO, but also for other agencies with a policy role including the World Bank, the IMF, UNCTAD, the inter-governmental commodity bodies, OECD, EC, and COMECON.

The current FAO perspective study of world food and agricultural trends up to 2000 is another instance of a policy framework for presenting information about the global performance of agriculture, in the evolution of a new international economic order.

Our President in his opening address drew attention to the scope for world-wide action if needed rural change is to be achieved on a broad human front. The current levels of international co-operation are not adequate to permit the world's agricultural resources to be mobilized in time to match the needs – let alone the hopes – of mankind. The alternative to more co-operation will surely be a world food disaster beyond anything so far experienced. The main weaknesses are in the realms of policy, national and international. Valid ideas that exist are not being implemented decisively, and there is a dearth of new ideas with development and convergent force. The opportunities before international agricultural economists are indeed clamouring.

As I said at Minsk some years ago⁵ agricultural economists cannot themselves take the development decisions that will change the world. But whether working in national or international environments they can, through research, analysis, creative imagination and communication, illuminate the choices, and inform the opinion to which policy decision makers respond.

NOTES

¹ Central American Common Market, Caribbean Common Market, Andean Group, Latin American Free Trade Association, Latin American Economic System, Association of South East Asian Nations (ASEAN).

² e.g. IRRI, Philippines; CIMMYT, Mexico; CIAT, Colombia; IITA, Nigeria; ICRISAT, India; ILRAD, Kenya.

³ "Development through Food – A Strategy for Surplus Utilization," FAO, Rome 1961.

⁴ But see "FAO Studies in Agricultural Economics and Statistics 1952–1977"; FAO, Rome 1979, for an historical selection of published FAO staff papers.

⁵ Ojala, E.M. "The Agricultural Economist and World Agriculture", *14th International Conference of Agricultural Economists*, Oxford 1971.

DISCUSSION OPENING – ELMER L. MENZIE

The paper by Dr. Ojala does an excellent job of describing the location and activities of agricultural economists within a number of international organizations. The FAO, employing about 200 agricultural economists, and the World Bank with 150, obviously are the dominant agencies both in terms of their international role and in the employment of agricultural economists.

Basic to Ojala's evaluation is the statement of the objectives of the

FAO as given in the Preamble to its Constitution. These include:

- 1 raising levels of nutrition and standards of living,
- 2 improving efficiency of production and distribution of foods,
- 3 improving conditions of rural populations,
- 4 contributing toward an expanding world economy.

Attainment of these objectives is used as a measure of accomplishment of agricultural economists working in the various international agencies.

Dr. Ojala examines the activities of organizations such as the FAO, the World Bank, the Asian Development Bank, the OECD, and the International Food Policy Research Institute. A number of examples are cited: the development of information and communications systems; work on international food policy including surplus disposal guidelines, the world food security plan and international commodity schemes; the implementation of improved World Bank lending practices focusing on agriculture and rural development. The fact that agricultural economists, in many cases, hold positions of influence in the international organizations is taken as some evidence that they are providing valuable contributions.

I do not wish to belittle the contributions of agricultural economists but I do find it a bit difficult to conclude from the evidence presented that they have made a major contribution to the objectives as stated. The focus is largely on the contribution of the agencies and it is extremely difficult to extrapolate from that to conclusions about individuals or groups. However, I am more concerned about the lack of evidence to demonstrate that the objectives are in fact being attained. At least some evidence seems to suggest that development progress in the past twenty years, in terms of the FAO objectives, has been extremely slow and not always positive.

If the results have indeed been small, as suggested even by Dr. Ojala, part of the problem undoubtedly lies in the general climate in which agricultural economists operate. In the First Elmhirst Memorial Lecture in 1976, Professor Schultz stated: "Most of the high priests of national and international policies, whether they speak for the first, second or third world, are at heart contemptuous of economics".¹ Professor Schultz further noted a significant tendency for economists to become "yes-men" and not to question the objectives of their respective governments or agencies. He stated, "Needless to say, agricultural economists are not renowned for their critical evaluation of the economic effects of various political institutions on agriculture".² This position is supported also by Charles Capstick in stating that: "... apart from occasional examples, policy decisions have not been greatly influenced by studies which analyse existing policies and go on to volunteer assessments of the economic consequences of feasible alternative policy options".³ Professor Thimm in a paper at this conference states "there is no evidence teaching of agricultural economics has influenced any major agricultural policy decision in Europe".⁴ These conclusions seem to me to be rather harsh but certainly suggest the existence of a real problem for the profession.

Dr. Ojala attributes the slow progress in developing countries to “a failure of policy”. By the same token he states, “. . . international cooperation in agriculture is not determined by the vision and output of international agricultural economists”.

Part of the lack of progress may be also that the inputs are too small and/or too widely dispersed in international agencies. Certainly the world-wide distribution of economists in the FAO would suggest that a fairly limited impact might be expected, even with a staff of 200. If there is a low level of acceptance, is this at least partly due to a failure of economists to understand the problems fully? Are the basic assumptions regarding the requirements for development correct? Are agricultural economists adequately trained for a role of leadership, including an adequate understanding of the political process necessary to establish a high level of acceptance? I also suspect a major contributing factor lies in agricultural economists’ relatively poor record of communication.

While work must continue by agricultural economists in policy analyses, data development and various other important activities outlined by Ojala, a real challenge lies in increasing the level of credibility and acceptance. This is obviously a problem for all agricultural economists and not just those in international agencies. Surely it is worthy of considerable effort on the part of the profession to assess the situation accurately and to institute any corrective measures considered desirable and appropriate.

NOTES

¹ Schultz, Theodore W. “On Economics, Agriculture, and the Political Economy”, *Proceedings, Sixteenth International Conference of Agricultural Economists*, 1976, p. 16.

² *Ibid.*, p. 17.

³ Capstick, Charles W. “Agricultural Policy and the Contribution of Agricultural Economics Research and Analysis”, *Proceedings, Sixteenth International Conference of Agricultural Economists*, 1976, p. 49.

⁴ P. 594.

GENERAL DISCUSSION – RAPPORTEUR: WILLIAM V. LACEY

In the general discussion it was asked if Dr Ojala would comment upon the response that has occurred within FAO following the post-Pearson reports. It was felt that part of the problem within the international agencies was the fact that they were administered by non-agricultural personnel. Had the quantity and quality of work prepared by agency staff been affected by short duration contract schemes? The belief was expressed that the competence and initiative shown by field staff within these agencies is commensurate with their preparedness or otherwise to be outspoken in their views.

Dr Ojala in reply re-emphasized his view that agricultural economists should attempt to influence policy, while recognizing that the policy

decisions were finally taken by others. The comment made that the failure of agricultural economists to stimulate sufficient progress indicates a failure of the profession as a whole, might be correct; but in his paper he had been asked to present achievements, limited though they might be. The essential objective of international agencies was international cooperation to solve problems, and he reaffirmed his opinion that at this level, agricultural economists had made a real contribution to progress. This might not always be apparent to outsiders, since it was proper to attribute achievement to an agency as a whole, rather than to particular groups of staff. However, he had conceded that progress proceeds at too slow a pace, and he would not absolve agricultural economists of blame. He accepted that economists can tend to become "yes men", but considered this to be more likely at the national than the international level. He believed that the agricultural economist had a responsibility to present facts and alternatives to the policy-makers, so that the possibilities for better policy decisions did not pass by default.

Dr Ojala did not consider that it would be suitable for him to comment on the post-Pearson developments in the field organization of FAO, as three years had passed since his personal involvement with the agency. His impression was that any serious difficulties encountered in the field were not due to the system as such but rather to particular people in particular country situations.

Participants in the discussion included Deryke G.R. Belshaw and Elmer L. Menzie.