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POLICIES, PLANNING
AND MANAGEMENT
FOR AGRICULTURAL DEVELOPMENT

PAPERS AND REPORTS

FOURTEENTH
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OF AGRICULTURAL ECONOMISTS

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Synoptic View II

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India

The Conference authorities in their wisdom have asked two persons—one from a developed country and the other from a developing country—to present at the end of the conference a synoptic view of the proceedings. They were obviously hoping that a stereoscopic picture would emerge from such a bifocal exercise.

It is not easy to take a single synoptic view of a conference whose coverage has been as wide as of this. To take two synoptic views under such conditions without overlapping and blurring the image is a well nigh impossible task. I would, therefore, caution you at the very outset not to be surprised if no stereoscopic picture eventually emerges from the two views which Dr. Bergmann and I shall be presenting this morning.

The papers and discussions on the main theme of the conference 'Economic Policies, Planning and Management' presented during the last 10 days have provided a varied fare, some very rich and some rather commonplace. But in a large gathering like this, where the participants come from such different backgrounds, one cannot justifiably apply any simple or single standard of value. And in some cases, where the requisite theoretical sophistication seemed to be lacking, valuable personal experience often made up for the deficiency. During the first 2 or 3 days of the conference, these differences in background also created difficulties about communication of ideas. At one stage it looked like a blind man playing a violin and a deaf person painting a picture trying to convince each other of the excellence of their respective arts. But soon the wise advice given by the President, Nils Westermark, produced a healthy effect and the eyes and ears were opened to the special situations and background of each other and significantly better understanding emerged.

Those who came with the idea that there was only one truth—one they themselves believed and no other—are now going away with the feeling that there may be some truth also in what the other side said. And this is no small gain. For it is from such questionings that a significant scientific progress follows.

The papers presented at the plenary sessions were supposed to set out the broad features of the more important aspects of the main theme of the conference, and those at the sectional meetings to permit a more detailed consideration of a number of subjects related to the plenary sessions. Unfortunately they did not always satisfy this salutary requirement. Nevertheless, the very free and frank exchange of views which took place in some of these sessions, and particularly in the discussion groups, turned out to be the most interacting and, therefore, most stimulating.

There was in addition a special group of nine contributed papers on related

subjects and selected from a total of 60 submitted by young economists. They not only gave evidence of high technical competence but also brought a whiff of new thinking which was both refreshing and promising.

Our sincere thanks are due to Professor Raeburn for organising the first two, to Mr. Emerson Brooks for the third and to Professor Keith Campbell for the fourth.

In the short time available for presenting a synoptic view of the conference, it is not possible to do justice to the large number of issues considered and views expressed. The presentation has necessarily to be highly selective and, therefore, subjective.

Dr. Bergmann has already told you what struck him to be important. I shall now present my own impressions, not so much to supplement what Dr. Bergmann has said, but simply to emphasize a few points which seem particularly important to an economist from what is sometimes called the Third World.

The conference has discussed in detail a variety of issues relating to policies, planning and management in the context of both market economy and socialist systems.

Policies are equally important for both the systems, although their nature and scope and procedures for formulation and implementation differ considerably between the two.

So far as planning and management are concerned, there is not only the overall difference between the two systems as such, but also an additional difference in their roles at the macro and micro levels. Nevertheless while planning at national, regional and farm levels presents different conceptual and methodological problems under the two systems, the discussions which took place at the conference also led to the realisation that each side has a lot to learn from the methodology evolved and experiences gathered by the other.

The policy issues discussed ranged over a very wide field, e.g. social and economic goals, strategy for development of material and human resources, rural-urban relations and land systems, income, prices, credit, marketing, agro-business, trade, aid, education and research. Differences of opinion, especially in the discussion groups, were fairly sharp to start with. But in course of discussions, a consensus emerged on a significantly large number of issues and even where differences persisted, there was a better appreciation of the basic reasons which gave rise to these differences. On most policy issues, especially those relating to developing countries the final conclusions were not very novel. They were mostly in line with what has been said in some of the earlier conferences. After all on basic policy issues one cannot be expected to say startlingly novel things at every new conference. But the emphasis in certain cases was significantly different.

Four basic issues in the policy area, which although not quite new, were highlighted in a special way in this conference and deserve a special mention here.

In his characteristically forthright opening paper, Gunnar Myrdal, drew pointed attention to the serious problem of 'dualism' in developing countries,

to the growing gaps between the favourably placed and other regions and between the modernising and backward social groups within these regions and highlighted the urgency of certain basic changes in the economic and social policies, especially land policies of developing countries, and aid and trade policies of developed countries. Sushil Dey also drew attention to the same problems of 'dualism' and poverty, both within nations and between nations, but suggested somewhat different remedies by way of special trading arrangements between groups having equal economic power and development of intermediate technology, based on his practical experience at the macro level with the World Food Programme and at the micro level with a village exchange scheme in India.

There was expectedly sharp criticism of their points of view as being rather simplistic or even naive, but no worthwhile alternative suggestions seemed to emerge. One member emphasized that unadulterated *laissez faire* was the only solution, preferring to ignore the various imperfections that existed in the economic world, including the restrictions on the movement of labour from developing countries that existed in his own country. A constructive approach came from Don Paarlberg who had the experience of 'dualism' even in the richest nation on earth. The socialists remained silent apparently convinced that their system provided the only solution, although one does not quite know whether some sort of 'dualism' does not exist in their economics also.

The discussions on price policy sought to break some new ground. The nature of differences between market prices, administered prices and shadow prices in market economies and between administered and shadow prices in socialist economies could have been, however, examined in some greater depth with a healthy impact on the fundamentalists on both side. Since in the so-called market economy countries also we are now getting an increasing proportion of administered prices, it would have been useful to have a paper on the formalisation of administered prices in market economy countries enabling a comparison with the methodology of price formation in U.S.S.R. that Lukinov presented.

Aid, trade and commodity policies provided another field for very interesting discussion. Sisler's paper on international trade policies and Gerda Blau's paper on commodity agreements left in one a feeling of considerable discomfort in spite of all the optimistic claims about the U.N. development decade that one hears these days, and makes one rather dubious about the advisability of depending on the working of 'enlightened self interest' alone, especially in the foreseeable future.

Land policies and urban-rural relations attracted considerable attention, prompted by Gunnar Myrdal and Leonard Elmhirst's remarks. A number of useful suggestions emerged but one was left in considerable doubt as to how many of them were likely to be effectively implemented in most of the developing countries in the near future.

Leonard Elmhirst's significant contribution in this context was to put 'MAN'—the subject of study of all social sciences,—right back in the middle of technical exercises of economic as well as physical planners which often gave

the impression that the living human being was no more than an inanimate pawn in the game.

On methods of overall planning considerable use of econometric models was claimed by planners from both market economy and socialistic countries. However, in the discussion groups and corridor talks one got the impression that there was a significant difference between what was claimed and what was actually practised. Both planning methodology and basic data requirements were interdependent and inter-acting. Necessarily starting from a rather crude basis, they became progressively more refined in each successive plan. The magic of econometrics, however, soon became so absorbing that in one of the discussion groups, some of the participants from both market economy and socialist countries forgot all about agriculture and soared into the high heaven of mathematical expositions.

Nevertheless, a significantly constructive contribution in the field of regional planning was made by Waardenburg. Although some strong hints about regional planning were available in papers and statements of Maskevitch, Rumyantsev and Kravchenko, they did not enable a comparative study to be made of the methodologies elaborated in the market economy and socialist countries. It appeared, however, that the presentations made represented what the authors felt ought to be done. What was actually done in practice was still a mixture of judgement by policy makers and relatively simple balance sheets of benefits and costs. It was, however, generally agreed that regional planning could greatly benefit from econometric analysis at least at the initial stages, i.e. before the physical planners started their operations. The models, which were discussed, were, however, not quite adequate to take care of the problems of 'dualism' and endemic poverty of the type that Myrdal and Sushil Dey were referring to and which was becoming such a serious problem for many a developing country. J. P. Bhattacharjee's down-to-earth paper on the 'Peasant and Planner' provided a useful reminder of some of the non-quantitative factors which no planner can ignore without peril.

It was in the field of planning and management of large farms that the participants from all the three groups, socialist, developed and developing, felt that they had much to learn from one another. The papers of Reisch and Kravchenko attracted considerable attention from all the groups in regard to the planning and management problems of large farms. The problems of small farms were discussed more in terms of farm management and extension problems, than in terms of econometric analysis. Discussions on the development of managerial and executive skills, education, teaching and extension proved both illuminating and useful, especially to the developing countries.

Research, both crop based and area based, was discussed at some length. The second generation problems thrown up by the so called Green Revolution were highlighted. It was emphasised that the need for research, both fundamental and adaptive, will become progressively greater as agriculture in developing countries gets modernised. Results of technological research, however, need to be carefully evaluated from the economic standpoint before they are accepted for purpose of planning.

This synoptic view of the conference will perhaps remain incomplete if I did not take note of what the better halves of some of the participants saw and heard in course of what was called the Ladies' Programme. I have an impression that they may have had a really better view than we had. In any case while visiting homes and schools, shops and farms they certainly had a better opportunity to understand the basic human situation than those who clung only to their papers and earphones. They were all the time doing, what Leonard Elmhirst was exhorting us to do, namely, keeping in view 'MAN'—which, of course, in legal terminology also embraces woman.

All in all, in spite of its apparently difficult start, this Fourteenth International Conference of Agricultural Economists ended up as one of the most stimulating that I have attended. It also marked a second basic change in the career of the conference, the first having been at Mysore, 12 years back. Thanks to these two changes, the conference has now added two new dimensions as it were to itself, namely the developing and socialist countries, and from a rather narrowly based international conference of the earlier days, it has now been transformed into a truly world conference.