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INSTITUTIONAL PLANNING AS PART OF AGRICULTURAL PLANNING

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Introduction: Planning for Increased Productivity

Agricultural development in most less-advanced countries cannot be separated from general economic development. In the majority of African, Asian and Latin American countries, where 75-90 per cent of the whole population is engaged in rural pursuits, agricultural development is almost synonymous with general progress. Savings, labour force, food and industrial raw materials, which make industrial advancement possible, are largely derived from the agricultural sector of the economy. Agricultural planning, therefore, has to be the hard core of economic planning; it will in the main be planning for agricultural production and distribution, but it would be very poor planning if at the same time it did not aim at increasing productivity. To this extent it will be primarily institutional planning.

With the need for emphasis on productivity, a new element enters into our considerations, which is quite distinct from the world of physical factors. It would be true that an increase of the productivity of land could be achieved, at least to a certain extent, by the application of fertilizers and irrigation even if the human factor is neglected. But an increase of production per man-hour will only be obtained if the human element has sufficient motivation to produce more. This means that the producer has to be convinced and satisfied that additional effort will bring him greater returns. Even fertilizer programmes and irrigation systems have proved to be a failure in the long run when cultivators were not interested and mentally prepared to make proper use of available new resources. The archives of F.A.O. are full of reports of experts who emphasize that purely technical advice on the right application of physical factors in agricultural production will bring results only up to a certain point and that the lack of co-operation of the cultivators is the limiting factor.

The desperate poverty of the cultivator, together with his lack of knowledge, have established strong barriers to the application of the results of science and technology. The defeatism of the cultivator being the result of economic and social stagnation reinforces poverty, ignorance and economic serfdom and adds to his economic hopelessness and the humiliation of human dignity.

THE CONCEPT OF INSTITUTIONAL PLANNING

Here is the starting point for that part of planning which we might call institutional planning. It centres round the human factor and one of its main objectives

* A paper on "Aspects of Institutional Planning as Part of Agricultural Planning" has been submitted by the author to the Conference on Comprehensive Planning of Agriculture in Developing Countries at Rehovoth, Israel in August 1963. The present article is based on this paper.

is to provide the producer with the motivations and instruments needed to make additional efforts for increased production and the raising of the level of living of the farming population.

The pre-war world did not fully recognize the problem in this light. National and colonial administrations might have been welfare-minded but the concepts which were generally accepted at this time did not always lead them to make the proper combination of human and physical factors which we are endeavouring to do today. In the past, the economic development of under-developed areas was to a considerable extent undertaken by private capital investments in the form of plantations, extracting industries and trading enterprises and, of course, through building up the infra-structure serving this system. Governments, commercial banks and industry had not to appeal, as in the case of the U.N. agencies today, for the co-operation of millions of peasants in the execution of development programmes. Our problem is now to give the rural people great motivation for active participation in progress, since we need their voluntary partnership and not merely their response to instructions. Institutional planning has to provide the motivations which the peasants need in order to participate actively in the development of their communities.

The Human Factor — the Centre of Institutional Planning

This approach, which I would like to call the "human factor-first" approach, has established a dividing line between two very distinct ways of thinking. Before the Second World War, the welfare of the people might also have been important and economic history includes remarkable features marked by humanitarian and welfare spirit. But these features were side aspects of economic development and little more than tolerated additions to hard efficiency and exploitation calculations, focussed on production, and production only. All over Asia, Africa and Latin America large low production areas significant for their economic stagnation and poverty are found besides booming commercial agricultural enterprises. There exist, of course, also exceptions and one of the most significant ones is the Gezira scheme where institutional planning has raised the cultivator to the level of partnership and co-operation.

The human factor has too long been considered a tool, perhaps an essential tool functioning in the big economic machine. Where this system was enlightened and humanitarian-minded, the tool was well cared for and gradually civilized and educated as we have seen in the rubber plantations in Malaya and in some sugar estates in Indonesia. Nevertheless the human factor remained even under such conditions a tool and not a partner. At the same time, the peasants in Lower Burma were not considered an essential part of the production combine and were gradually economically down-graded and impoverished.

Modern development strategy considers the human factor not as a tool, but rather its economic and social rise as the final objective of development. Institutional planning is intended to ensure the achievement of this objective. The human factor in the production pattern of under-developed countries is the peasant, in his capacity as an agricultural producer, consumer and potential worker in a developing industry. Institutional planning, therefore, has to comprise the total

of these three aspects and has to establish the proper balance in the interest of economic differentiation and development.

This, of course, is a very difficult task in a world which still produces too little food and where the choice between the interest of the farming families in a relatively high economic and social status, and that of the society as a whole in the greatest possible production of food is not always easy. An example might illustrate this point. In a settlement area it might be argued that economic-sized holdings, providing the possibility of large-scale operations and ensuring a higher level of living to the farming families than under-sized farms can do, are preferable to somewhat under-sized holdings in spite of the fact that the latter would guarantee a home and a small but secure existence for a greater number of landless peasants.

An agrarian policy focussed on the human factor therefore can have very different shades and its successful formulation will depend on the merits of the individual case. The extent to which planning should make allowance for physical factors will be determined by the degree of pressure on the land, the possible choice of crop patterns, livestock production, etc. It is quite easy to state in a general way that institutional planning will place the emphasis on a solution most favourable to the human factor within the framework of economic reality but it is the proper interpretation of this statement in the individual case which involves the greatest difficulties for the planner.

Consequently, a clear analysis of the "economic and administrative realities" is a pre-condition for successful institutional planning. A survey of the economic and social conditions which surround the human factor in a definite area is no less necessary for the institutional planner than a resource survey for the technical planner of land and water development. Such a survey should provide information on the economic resources of the area in relation to the people concerned; greatest attention has to be given to the actual availability of and the access to the resources for the individual and to the kind of resource utilization; institutions and creeds which govern availability of and access to resources are equally subject of the survey. Investigations of this type will not only state the actual income distribution but also explain the reasons for it. On the strength of the findings of such an institutional survey the planner can proceed to the design of institutions which could support economic and social progress in the area concerned.

Institutional surveys are needed in all cases of resource development and should not be restricted to the so-called "institutional reforms" such as agrarian reform, settlement schemes, credit surveys, etc. It has to be clearly understood that in a developing country with a rigid agrarian structure any development of land and water resources will necessarily affect the whole economic and social situation even if it is intentionally restricted to development of physical resources. If such a programme ignores the problems of institutions it will not only consolidate and strengthen the prevailing agrarian structure but actually increase inequality and injustice with the final result that the share of the under-privileged groups in the national income will be further reduced. But if the development programme is supplemented by a comprehensive institutional reform programme, including land tenure reform, resettlement, education, credit, and co-operative and marketing organization, the whole programme will become a release mechanism for economic and social progress based on a fundamental change in income distribution.

The failure of so many apparently well-conceived technical development programmes and the often unsatisfactory result of our development policy can rightly be traced to the wrong concept, that progress is possible without institutional advancement or with a mere lip service to social aspects. If it is allowed to use an over-simplification to illustrate this point very clearly, many of our planners suggest only expansion of production without providing the basic means for increasing productivity.

ELEMENTS OF INSTITUTIONAL PLANNING

The most important elements of institutional planning which affect the complex relationships of the peasant to the various spheres of his life are:

- (a) in relation to central and local government;
- (b) in relation to land: land tenure and settlement;
- (c) in relation to the financing of agricultural activities: agricultural credit;
- (d) in relation to the disposal of agricultural produce: marketing;
- (e) in relation to co-workers: co-operation;
- (f) in relation to improved production practices: research, education and extension.

Institutional planning will have to deal with these aspects in order to provide the most favourable conditions for the human factor in agricultural production. In his final solution, however, the planner has to reconcile the peasant's position with the economic realities of the country concerned.

The following are a few explanations with respect to those five fundamental aspects which so strongly affect the various sphere of the peasant's life.

(a) *Administration*

Administration is considered as a function of State sovereignty and local government which reaches the subject by the medium of legislation and execution of law. In exercising these functions the State should be as "neutral" as possible—this at least is the general opinion. The institutional planner, however, is interested in government administration having a "positive" role in promoting general economic and social development. He will wish the administrative machinery to be geared to the provision of service to the peasant with a view to strengthening his ability to withstand the superior economic forces which have suppressed him before. To a very considerable extent institutional programmes and therefore also economic progress have to be identified with an intentional change of the administrative machinery in its attitude to the peasant, to whom it will have to provide the services he needs, such as credit, extension, etc. Land policy must be executed in a spirit favourable to the peasant or progress will hardly be possible. This change in the concept of administration will need more than an expansion of staff. A full review and if needed reorganization of the executive machinery is

necessary with a view to inviting active participation of the peasant in development activities by strengthening their co-operative organizations and associations, by securing equal access to resources and by providing adequate education and extension services. Price and tax policies have to be planned and executed as a means to this end. Without the realization of such a progressive concept of administration which will gradually lead to decentralization, the other parts of institutional policy which are mentioned above, will largely remain on paper.

In order to strengthen the administrative machinery, an effective system of accountability and evaluation is necessary which provides the administration with a true account of progress, achievements, and failures; and thus the basis for adjustment in legislation and the improvement of government services. This system has to be adjusted to the specific needs of the individual types of institutional programme; it might, for instance, differ in the organization of evaluation for educational and land reform programmes.

The failure of the administrative machinery in many countries to carry out legislation in the light of its clearly defined objectives and to provide appropriate services to the rural producers is to a considerable degree responsible for the failure of large and expensive development programmes. There has to be established, for instance, a proper balance between the land reform programme and the taxation policy; otherwise a low level of land assessment and land tax may support an unrealistically high price of land which will make land reform and land settlement so expensive that their implementation would be almost impossible.

Another important point is that a well-organized administration will assign its staff resources to individual programmes in accordance with the right sequence of priorities and fit the various reform activities into a homogeneous and well balanced system.

(b) *Land Tenure and Settlement*

The close relationship between agrarian structure and power in the State is well known. Franz Oppenheimer was the author of the famous words "he who owns the land has the power"; and history has proved him to be correct. Since to a large extent history can be identified with the relationship of man to land, historians frequently have tried to describe whole historical periods in terms of land policy.

If the struggle for land and the right to use it on fair terms is a part of human destiny, it is obvious that the institutional planner must give specific attention to problems of land tenure and settlement. Even a superficial survey of agrarian conditions in developing countries will very quickly reveal that defective agrarian structures are almost synonymous with the state of under-development. The institutional planner therefore has to design a scheme suitable for the initiation of change in order to establish a release-mechanism for economic and social progress. Since agricultural, economic, and social conditions and human reaction to change differ so widely throughout the world there can be no standard blueprint for agrarian reform. The institutional planner, therefore, must make an analytical approach to the fundamental issues of agrarian development and carry

out a careful survey of existing conditions and attitudes before schemes for land reform are undertaken. He has to make it clear from the outset what methods must be applied and in the interests of what social group, the old agrarian relationships can and should be modified.

Owing to the complex character of agrarian reform programmes the approach of the land reform planner has to be a very broad one. General economists, sociologists, anthropologists, agricultural economists, statisticians, legal experts and administrators all have their place in the planning and implementation of agrarian reform programmes. It is the agrarian policy's aim and particularly that of agrarian reform programmes, to adjust the agrarian structure to changing technological needs and to the needs of the man on the land. Reform programmes, therefore, should eliminate much of the immobility of agrarian life and accelerate adjustments to changes in the economic, social, and technical environment. It is generally agreed today that in terms of economic and human values it is too expensive to accept immobility and retarded adjustments to technical advance and to changes in demographic pattern.

This is not the place to deal with details of agrarian reform programmes. It might be sufficient to mention that the equipment of the institutional planner in the field of land reform is very complex and that he has the possibility to adjust his policy to the specific needs of individual countries. Redistribution of land, joint farming operations, consolidation of holdings, cadastral surveys, and land registration, changes in owner-tenant relationship, adjustments of indigenous tenure systems, land settlement and resettlement, are suitable measures for the establishment of an effective agrarian structure. The planner may choose either a separate application of individual measures or a suitable combination. But in the planning of an agrarian policy the proper timing of measures and of their right combination are also of considerable importance, but unfortunately up to now we know very little about this aspect.

Three specific aspects in the field of planning agrarian reform may be briefly mentioned :

1. The implementation of the programme and the whole set of institutional services has already to be considered at the *planning* stage and not later as a necessary follow-up. In the institutional field, and particularly in the field of agrarian reform, planning and implementation are closely integrated and cannot be separated from each other.

2. With respect to *land settlement*, it is urgent to examine the relationship of the projected settlement to the existing economic and social pattern of the region *prior* to undertaking the scheme. Settlement policies should be consistent with overall development plans since the provision of superior settler facilities through public efforts can be accepted only within the framework of general development plans.

3. In areas with tribal tenure arrangements, the proper adjustment of the tribal systems to agricultural progress is of great importance. The basic problem is *what* arrangement shall replace the outdated tribal order. In the case of Africa

it can hardly be denied that the success or failure of agriculture will largely depend on the choice of the appropriate tenure arrangement. In Africa the institutional planner will have to attempt to reconcile the process of individualization with customary concepts where they are still strong and valid. Individualization of tenure with a view to establishing full or even restricted property rights should proceed only in those regions where the property concept has matured. Land policy programmes everywhere and particularly in Africa should be flexible and have a high capacity for adaptation from one production pattern to the other, since such adaptation is necessary for agricultural and economic progress.

An institutional planner should not be an ideologist with a ready-made scheme but should rather be a practical operator without prejudice but with a capacity for human understanding. Israel is the best example for the possibility of co-existence of various tenure systems and the usefulness of such co-existence from the point of view of agricultural progress. No tenure system in history has been an infallible guarantee for agricultural efficiency and a variety of tenure systems has been found suitable for specific periods of economic and social development.

The success of agrarian reform programmes usually depends on the well-timed and adequate application of complementary measures such as farmers' co-operatives, provision of agricultural credit, extension and marketing services. In some areas it might be necessary to link agrarian reform with land conservation programmes, irrigation and draining arrangements. The planner in the field of land reform therefore will have to recognize the need to co-ordinate tenure requirements and planning of land use. The application of co-operative will help to overcome the disadvantages of scale associated with small farms and make large-scale operations possible. Agrarian reform correctly planned and closely co-ordinated with agricultural and general economic development will help to ensure that nobody will be able to enslave the man on the land by unfair restrictions on the supply of land. At the same time agrarian reform can help towards ensuring the peasant security, a decent income, and human dignity.

(c) *Agricultural Credit*

The lack of financial resources of any kind is one serious obstacle for the advancement of the peasant in developing countries which has to be attacked by a comprehensive approach including the total of institutional aspects and particularly the structural, educational, administrative and co-operative ones. Institutional planning in the field of agricultural credit is concerned with the methods of increasing the supply of credit through rural savings; promoting the smoother flow of additional funds from other sectors of economy or from abroad into agriculture; lowering the costs of credit; and improving the terms under which it is given with respect to security and risk. The organization of appropriate credit agencies and procedures is of equal importance. The basic need is to make further savings possible by increasing rural incomes and fortunately agrarian reform measures generally have this effect in the longer run. Furthermore, the institutional planner will have to provide the incentives for saving. Education and propaganda must explain the advantages of saving, and convenient administrative arrangements must be made to facilitate savings by the peasants. Here again the inter-relationship of the various types of institutional arrangements and the mutual strengthening

which they, if well organized, can provide to each other can be noted. Indeed the success of institutional planning is inconceivable if planning is restricted to *one* aspect only.

Efforts to promote savings have a better chance of success if the peasant feels that his savings are available for local purposes and are not going to other areas. This is especially the case when saving schemes are part of overall development and betterment plans, as in community projects. In some agrarian reform areas it will be necessary to establish generous credit schemes including the necessary supervisory machinery to provide the new owner with adequate credit facilities. The need for the kind of credit previously provided by landlords and moneylenders will then disappear. The co-operative aspect is also of great importance in the field of agricultural credit. Co-operative credit societies, often combined with co-operative purchasing of supplies and marketing of crops, are particularly suitable for the provision of short-term credit, and can at the same time exert an important educational effect on the peasants.

The great importance of adequate credit arrangements is illustrated by examples of very important agrarian reform programmes, which have failed because the credit aspect had been neglected. In the beginning of this century, for instance, the redistribution of the land of the Church estates in the Philippines ended in failure since the new owners were not supported by an agricultural credit programme. In Western Java, the shortage of credit compels small farmers to rent their plots of land to operators for whom they themselves work as labourers. Little imagination is needed to recognize this situation as a first step to the establishment of large estates unless the credit needs of the small farmers are satisfied at an early stage.

(d) *Marketing*

The marketing problem is intimately related to the structural conditions of agriculture. As long as the agrarian system of the country does not encourage farmers to organize efficient credit and marketing co-operatives, the middleman will remain an economic necessity. The farmers will not be in a position to take advantage of the competition amongst the middlemen and raise selling prices of the crop or livestock as they are always in urgent need of cash and compete amongst themselves for the highest cash advance on their produce. The solution to the marketing problems in developing countries, therefore, is not exclusively a matter of increased funds, training and experience but mainly one of profound structural changes.

The development of co-operative organizations has to be timed and co-ordinated in close context with the structural progress. The institutional planner might also recommend co-operative or other institutional control in the case of processing of products *before* marketing, since processors are often in a position to depress prices to the farmer. The main objective, of course, should be the systematic organization by the farmers themselves with a view to processing and selling their produce on a fully co-operative basis.

Due to the structural obstacles, co-operative marketing organizations in most of the developing countries are still hampered by inadequate capital and smallness

of operations, similar to the credit organizations. They seldom reach the level of the most urgent need, *i.e.*, that of the deeply indebted tenant-cultivator who is bound to sell his produce to whom he is in debt. The institutional planner, therefore, taking all structural inter-relationships into consideration, might give his specific attention to organizations combining marketing and credit activities which provide short-term loans, market the produce of their members and from the returns of the marketing transactions pay off the credit advanced. One of the greatest problems of institutional planning will be to free the cultivator completely from the grip of the shopkeeper and moneylender, who offers more ample and conveniently timed credit and advances on the standing crop or growing livestock.

Experiences have proved that the marketing, like the credit problem, cannot be solved in isolation and that the principle of co-operative and institutional services can be applied effectively only as an integral part of a thorough institutional programme.

(e) *Co-operatives*

Co-operation between farmers has proved to be successful in all fields where the co-operation can achieve better results than isolated action. This has been true particularly in the so-called "external" co-operation (service co-operatives) but is also valid in the field of "internal" co-operation, *i.e.*, in the field of agricultural production where land or labour has been the limiting factor or where security reasons have compelled the people to work together. The institutional planner, therefore, will have to give great attention to the creative possibilities of farmers' co-operation. In his planning, however, he will have to relate the co-operative device to the specific stages of economic and social development in order to achieve positive results. It has been emphasized that in a peasant society dominated by large and wealthy farmers and eventually by commercial interests, the so-called "service co-operatives" will not function to the advantage of the small farms, and unfortunately this is the case in many developing countries. On the other hand, in densely populated areas with minute holdings, where farming has lost its economic meaning, co-operation in the field of production might be to the advantage of the small farmer through permitting a better division of labour, facilitating large scale operations, providing a short cut for extension activities, and increasing the saving capacity of the peasants.

In the field of co-operation the institutional planner again should be flexible and adjust his policy to the social and cultural background of the people with whom and through whom he has to work. It will not be useful to transplant Western co-operative concepts to areas to which they are not applicable, and it might be advisable to associate co-operative concepts with time-honoured concepts of mutual aid based on the cultural inheritance of the people concerned. If this is done in an effective way the cultivator might be awakened to a more active role in the management of his own farm and even to a real partnership in development planning and execution.

(f) *Extension and Education*

If institutional arrangements can provide motivations for increased production there can be no doubt about the importance of educational programmes for

rural progress. Agricultural advance is impossible without inculcating in the younger generation a positive attitude to rural life and to making them understand that additional efforts and open-mindedness to the value of innovations will pay. To achieve this, intensive education is necessary.

Highly respected educational institutions have existed in developing countries for centuries, but unfortunately education in these institutions was mainly used as a means of escaping from the rural environment. What is needed are educational systems which facilitate rural progress and economic and social advancement for the man who works and intends to continue working in agriculture. The institutional planner therefore will have to pay great attention to an education programme which is focussed on rural progress: he will have to review existing educational institutions from this point of view and to base the expansion of the educational system on the recognition that rural progress is decisive for economic and social development. The actual education programme for rural and therefore general progress must be viewed in the context of the resources which are available for economic development programmes as a whole. Furthermore, it must be related to the other institutional reforms, as for instance agrarian reform, credit and co-operatives, and has to be adjusted to the agricultural and technical needs of the people concerned.

The institutional planner in the field of education should be ambitious, but he should take into consideration that the resources to be used for the educational programme should be in proper proportion to the resources available for development in other sectors of the economy. If a disproportionate part of the resources is allocated for education, the educated people will neither find a proper place in agriculture nor elsewhere in the economy. The general educational programme therefore should not absorb too large a proportion of available resources which are required for productive investment and thus restrict the expansion of demand for the skills and knowledge which are in urgent need. The elementary school shall provide a type of education which will be also useful for the peasant who later on might find a place in the developing urban industries and services. The main emphasis, however, should remain on rural progress. The reorganization of elementary education, which in most developing countries is necessary, ought to be so planned as to make the school, with its teacher, the centre of rural development. Girls and boys should have the same education at the elementary level since the education of the female population has proved to be a very significant step towards economic and social development.

The planner, however, will put the main emphasis on the agricultural education for adults. This has to be done for reasons of economy as well as because the chances of lasting success are likely to be highest if the main emphasis of an expanded agricultural education programme is concentrated on the mature generation. The training for adults will produce a cadre of workers who can form the nucleus of agricultural advance and demonstrate with the help of the agricultural education organizers the great advantage of new methods of production. In view of the fact that in many cases even rather modest improvements of production techniques may yield considerable results, it is not necessary to ask at the start for very high qualifications of the extension workers, which would delay urgently needed action. The next step would be the establishment of close co-

operation between the extension service at the village level and adult education. Adult education to lessen illiteracy should be organized around the practical task of improving welfare in the village, preferable as an element of a community development programme.

One of the great difficulties of agricultural extension in some of the developing areas is the fact that the profit motive is not yet existing and cannot function in favour of the application of better knowledge. The results of extension therefore are largely dependent on the persuasiveness and reasonableness of the educational effort. Besides elementary and adult education, the institutional planner should not neglect the higher education for agricultural progress. This part of the educational programme is the most expensive one and in some of the developing regions, particularly Africa, great advantages could be obtained by regional co-operation and providing specialized higher education facilities and especially in the practical application of the results of research. A group-country or regional approach can be used in the planning of training centres and courses which would considerably reduce expenses and facilitate education by mutually comparing the methods used.

In the whole educational progress students have to become acquainted with the importance of the institutional aspects for the development of agriculture. Specific attention has to be given to the introduction of the trainees to the details of agrarian reform programmes, including agricultural credit and co-operative arrangements. This is particularly valid for those trainees who will later work at the village level as extension workers or in close association with them.

CONCLUSIONS

Institutional planning can be considered as the clearest expression of the new approach to development since it is largely concerned with the proper placing of the human factor in the economy. It is, therefore, the very heart of planning. It can be stated without exaggeration that planning in all sectors of the economy has to be appraised in the light of the impact which it makes on the human factor.

There is an urgent need to emphasize the close inter-relationship of the various fields included in the institutional approach, and to stress the advisability of an integrated comprehensive institutional programme to be carried out by teams of experts. Of greatest importance, however, is the fact that the administrative machinery has to serve all parts of the institutional programme, and has to provide both its foundation and the tools for its realization. Two points illustrate most clearly the importance of the part which the administration has to play in this context. In the field of *landlord-tenant relationships*, regulations present very complicated problems due to the inferior bargaining capacity of the tenant and his traditional fear of the consequences of insisting on his rights. The establishment of village committees under the chairmanship of a government official has proved to be an effective device for the implementation of tenancy regulations. Village committees adequately established can take over the management functions of the landlord, the collection of rents, etc., and thus help to avoid the open clash of group interests or the exertion of superior economic and social pressure on the tenant by the landlord. Another important field where new administrative and co-operative

approaches have to be tried is the *adjustment of tribal tenure systems* to the conditions of agricultural and economic progress. The individualization of tribal tenure arrangements is a gradual process, closely related to the process of differentiation, which is always associated with economic and social development. In its course, some new administrative and co-operative forms have to be developed which correspond to the needs of the people and to the stage of economic and social development. To say that the process of individualization of land has to end in the recognition of ownership rights is an over-simplification of a historical process which leads to misinterpretation and, quite possibly, to wrong conclusions. The full recognition of property rights might lead to the loss of the land by the cultivator, and the institutional planner therefore has to design new co-operative and administrative arrangements which are in harmony with cultural conditions and the prevailing concept of rights in land. In such ways institutional planning will have to develop its own type of administration which probably will have very strong co-operative features. Without such machinery, institutional planning would be self-defeating and would not have much chance of success.

Economists and sociologists of our generation have the great satisfaction that they are called upon to plan for the tremendous task of developing large regions which up to now have not participated in economic and social progress of the world. Institutional planning presents the dividing line between development policy of the traditional type which was largely concerned with the exploitation of physical resources and the new planning for progress which places the human factor in the focus of development.