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ETHICAL ISSUES AND INTERNATIONAL DEVELOPMENT:
NEW CHALLENGES FOR THE AGRICULTURAL ECONOMIST

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"Analytic effort is of necessity preceded by a preanalytic cognitive act that supplies the raw material for the analytic effort.... This pre-analytic cognitive act will be called vision." (Joseph Schumpeter, History of Economic Analysis).

"But as soon as truly "ultimate" problems are at stake, the ends are not given. With this, we come to the final service that science can render." (Max Weber, The Methodology of the Social Sciences).

The decade ahead will witness serious questions about distribution of income, cost-benefit relationships of "development" programs, and ethical relationships in the use of scarce resources 1/ due to the "energy crisis", a drastic cut in world food balance a few years ago, the accelerated depletion of many scarce resources, 2/ and rapid population growth. Parallel with the surfacing of these development issues has been a natural concern by planners about the effect their efforts have on individuals, communities, regions and countries. This concern has brought about renewed interest in explaining the terms "development", "being developed", and "the good life". 3/ In effect, there is a growing interest in ethical aspects as they relate to goals, means and economic theory in national and international development. 4/

Support for the contention that we need to concentrate to a greater extent on theories relating economics and equity are available from many sources. A recent example is Carter and Johnston. In their words, "The recent concerns expressed about the "global reach" of multinationals, (Barnet and Miller) (Sic) conglomerates, and other actions that transcend markets and countries leads one to believe that our traditional kit of tools comes up short. Furthermore, efficiency measures judged against a competitive model say little about external effects on equity and quality of life considerations with alternative structural/organizational/control figurations" (pp. 738-739). 5/

The depletion of many of the world's resources, in juxtaposition to an expressed desire to improve the well-being of the world's poor, along with a questioning about whether economic growth leads to "the good life" 6/ has important implications for agricultural economists. Now, more than ever, there is a substantial and growing demand for economists to do research on topics which have major ethical components. 7/

This paper deals with some considerations which economists might find useful in deriving personal and collective philosophies about ethical related issues found in international development. The objective is demonstrating that economists do have a whole new area open to them, and that they are well equipped to objectively meet the task.

1. Ethical Issues in International Development

Following are 22 issues with major ethical components. The list is not exhaustive; rather, attention is focused on the variety of problems which have relevance to agricultural economists concerned with international development.

A. Issues Between Developed and Developing Countries

1. The rise of ever greater affluence (along with the failure to eliminate poverty) in the developed countries while massive poverty exists in most lesser developed countries (LDC's).
2. Imminent scarcity of many natural resources, focusing on the flow of resources from LDC's to developed countries (DC's).
3. The right of one person or country to influence another country's norm and values.
4. The question of whether multinational development aid should be given primarily to those countries best prepared to use it (in terms of a benefit/cost ratio) or whether other criteria should be employed.
5. The amount of technical and financial resource flows to LDC's.
6. The role and obligation of multinational corporations.
7. Periodic shortages of food at the world level.
8. "Trade not aid", concept in trade concessions.

B. Issues Fundamentally Related to LDC's

1. The extent and rate to which special efforts should be made to achieve income redistribution.
2. Right to form cartels for export products.
3. Proper mixture of popular participation in decision making.
4. Form of political-economic systems to adopt.

C. Issues Mainly Relating To A Worldwide Development Strategy

1. Worldwide austerity as a development philosophy.
2. Brain drain to the more advanced countries.
3. Creation of a world technological expertise pool.
4. Dissolution of international borders.
5. A worldwide development plan.
6. Worldwide concern with ecology and use of certain resources such as the sea.
7. Creation of a "no growth" society or "steady state" economy.
8. Population control.
9. Use of labor intensive techniques versus introduction of greater mechanization.
10. Quality of food and life versus efficiency. A related issue is the extent to which public policy leads a deviation from the "social optimum" in the use of capital or labor.

2. Economists and "Ethical Considerations"

The first thesis in the paper is that many, if not most key international development issues are ethical and political as well as being economic in nature. The apparently simple decision to increase economic well-being of a certain group means that an ethical decision has been made. But, just what is ethics?

Moral philosophy, or ethics as it is also termed, is a branch of philosophy which critically examines, clarifies and reframes the basic concepts and presuppositions of morality. Philosophers devoting themselves to ethical relationships reflect on questions of good or bad, and right and wrong within human conduct. Care must be taken not to confuse ethics with morality. Whereas ethics is a branch of philosophy which examines concepts in its inquiry for truth about morality, the term morality refers to a system of morals or rules for moral conduct. Close examination of the definition of ethics clearly indicates the desire for objectivity; exactly the methodological goal of agricultural economists.

The specific problems of ethics can be divided into three classes. ^{8/} First are problems of duty which treat questions like rights or duties of developed nations vis-à-vis LDC's. The second class of problems deal with the highest good. For example, is there anything good for its own sake, quite apart from any value it might have as a means to something else. Defining "development" or "progress" and relating them to means fit in this area. The third topic relates to value. An example is defining whether value is a matter of opinion, interest, attitude, custom or law.

A second thesis is that ethical factors are best handled by economists involved with development projects by viewing the factors as constraints in studies. It cannot be overstressed that agricultural economists are well-equipped to work on issues which have major ethical overtones as the economist's training is oriented toward objectivity. ^{9/} Many of the discipline's forefathers had strong ties to ethics as a branch of philosophy. Some examples are Adam Smith who was a Professor of Moral Philosophy, and John Stuart Mill who wrote widely on economics and ethics. Other major figures who explicitly acknowledged the need to relate economics and ethics are Alfred Marshall, John Maynard Keynes and Frank Knight.

Perhaps most important, economists think in terms of evaluating alternatives, an orientation which is generally not stressed in other social science disciplines such as philosophy and anthropology. Furthermore, it is asserted that economists should not be concerned about working on normative issues, for this class of problems can be treated as objectively as can questions dealing with positive data. ^{10/} Economists have a long history of dialogue on this point. The problem is avoiding the advocation of prescriptions even though the delineation of prescriptions is encouraged.

3. Visions versus Goals

A third thesis presented is that a vision of the preanalytic type described by Schumpeter ^{11/} is necessary about the terms "development" and "being developed", i.e. the "ends" of the economic and social process

before the means can be discussed. If agricultural economists are to collaborate effectively on development efforts or individual projects, they need to have an overall vision of what is to be accomplished in terms of improving society. A vision is much different than goals as the latter are used in setting targets for specific projects or certain efforts. For example, one component of a development vision is that people should be able to have equal opportunity to achieve the life style they desire (within reasonable bounds of course). Another part of the vision might be that it is "good" to have farms as family enterprises (and limited in size), or that large corporations are "bad". These are ethical problems.

Once a vision is developed shorter term goals can then be adapted to it. For example, current measurements such as increases in total income generated in a town may be completely inconsistent with a larger vision of a quiet peaceful life. Then we have conflicts in goals which requires measuring tradeoffs. Certainly, setting forth the ethical bases of different types of economic systems (capitalism and economic liberalism, or socialism and communism) can be very fruitful for the agricultural economist who is truly interested in international development. In other words, in order to get at the "real" issues we must pause and ask why the issue is good or bad. In this way we can carefully examine the basic premises of visions, goals and policies. Premises are the starting point in any deductive reasoning.

If the concept that a vision is useful prior to setting forth goals is accepted, then it also follows that an ethics of international development is greatly needed as a first step in setting forth a vision of development. Agricultural economists are in a unique position to work with philosophers, political scientists and others on such an ethic as economists are well versed in the cold realities of real world constraints. Setting forth an ethic is fine, but it must be practical. As some "futurists" seek a world without borders, and other advocate a steady state economy ^{12/}, the economist is constantly being asked to work on new and challenging issues. ^{13/} The question is: Will the demand be met, or will the time-worn cliché, "Oh, I don't work on those issues", be heard.

4. Economics and Building for a "Better" Life

Our changing world is characterized by unparalleled improvements in some peoples purchasing power. Nevertheless, the conondrum of defining progress still confronts the analyst. Increasingly our attention focuses on non-economic criteria impelled by predictions about imminent deficits of many goods that we have come to regard as necessary for an "adequate" life style. Concomitantly, there is a desire of socially conscious people in both the developed and developing countries to rapidly improve the living standards for countless millions left behind in the mad dash for economic growth. The result is a moral controversy looming on the horizon about the desirability of economic forces being a major determinant of resource allocation, for many people are becoming convinced that there should be greater political intervention to achieve "proper" levels of living.

Scarcity of some natural resources also enters as a major factor in relations between industrialized nations who are the principal consumers of the world's resources, and the developing countries who in many cases

are net exporters of raw materials. Consequently, there is an urgency about obtaining a certain level of economic development in which industrial or agricultural production supplements the export of raw materials as a major source of foreign exchange. More than simple international tariff regulations are involved, for this problem is also interwoven with moral overtones. In the few decades since World War II the approach to development has changed from determining how much capital was required and where to invest it for economic development of the country as a whole. Now, the concern is for improving the quality of life for the lowest income groups, given newly recognized and generally accepted constraints. As a consequence there is a shift toward tempering economic questions with a strong component of moral philosophy in the search for in-depth solutions.

The changing emphasis from only concentrating on maximizing growth, to concerns about how growth relates to quality of life has left the third world leaders in a quandary as they seek a development model. A feeling of vulnerability is natural in determining where they "fit in" vis-a-vis the industrialized countries. It can be persuasively argued that economic and political goals have taken precedence over the objective of improving peoples' happiness and that, while a steady increase in per capita GNP is undoubtedly desirable, it should not be the outstanding goal but rather only one measurement of "progress". The key is helping people to achieve their own goals with the state and society assisting when appropriate. The emphasis in this philosophy thus changes from "economic development at any cost" (i.e. growth in GNP) to a focus on people.

A caveat is in order. The philosophy expounded upon does not mean that development programs should be reduced. Indeed, each one should be evaluated according to its benefit-cost ratio. Rather, what is meant is that we need to ask what the program's effects are on the overall vision and whether the program pushes or steers people. It is recognized that most country's development plans explicitly mention social goals such as improving health. Economists also usually mention in passing that social and ethical aspects must be considered. But this is not enough, for I am prepared to argue that the references are simply lip service being paid because it is "the right thing to do."

5. Conclusion

Moral philosophy is of greater relevance today than ever before as the world becomes increasingly technologically oriented. Ethics is not an abstruse study which is academic and far removed from everyday life but, on the contrary, it is precisely the philosopher who is needed to help chart a course out of a labyrinth of social tensions and international confusion about humankind's future. The message in this paper is that moral philosophy can be taught and its principles incorporated by agricultural economists in solving real world problems. Relevance means understanding the issues which, in turn, requires careful examination of premises and constraints. Many of these issues relate to problems of values and how they fit in the higher social purpose. In recent years, it has been fashionable to argue for greater interdisciplinary research. I agree, but strongly add that moral philosophy has too long been neglected by too many agricultural economists.

An appropriate manner to close this paper is an example of the need for a vision. One example is a paper recently published by Bruce Gardner on United States farm policies. He observed, "Consider finally the larger purpose of policy. What is it that the Administration wants to attain in farm food programs? For both Ford and Carter I believe that there is no well defined goal, no ideal that policy is striving toward." 14/ Now, we could inquire, if the richest country in the world is operating in a rudderless fashion, reacting to political exigencies of the moment, then how is it possible to expect that LDC's will have a vision? Nevertheless, it is rather obvious that some feel is required about where the ship of development is headed. Assisting in determining the destination as well as charting alternative courses is a challenge which agriculture economists should well consider accepting. Philosophy is everybody's business.

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comments.

NOTES

1/ See for example, Survey of International Development, 12, No. 1, (July-August, 1975): 1.

2/ Donella H. Meadows, et. al., The Limits to Growth, (New York: The New American Signet, 1972).

3/ This whole area is the subject of a book in process by James R. Simpson tentatively titled, Toward A Third Alternative: Ethics and International Development.

4/ Heilbroner, Robert (ed.), Economic Means and Social Ends, (Englewood Cliffs, N.J.: Prentice Hall, 1969). The "conservation movement" of the early 1900's, socialism in the 1930's and the "ecological movement" of the 1960's are earlier manifestations of concerns about ethics and economics.

5/ Carter, Harold O. and Warren E. Johnston, "Some Forces Affecting the Changing Structure, Organization and Control of American Agriculture", Am. J. Agr. Econ., 60 (1978): 738-748.

6/ Numerous books and articles deal with this subject. A recent treatment is Irma Adelman and Cynthia Taft Morris, Economic Growth and Social Equity in Developing Countries, (Stanford, Calif.: Stanford Univ. Press, 1973).

7/ An example of economics recognition about the need to work on issues with major ethical considerations is the 160 acre limitation problem in California. There are at least 10 papers in the 1978 American Journal of Agriculture Economics (Vol. 60) on that problem and land tenure in general. Two examples are P.C. Ip and C.W. Stahal, "Systems of Land Tenure, Allocative Efficiency and Economic Development", (Feb., pp. 19-28), and B.F. Stanton, "Perspective on Farm Size", (Dec., pp. 727-737).

8/ See Ian Philip McGreal, Problems of Ethics, (Scranton, Pennsylvania: Chandler Publishing Co., 1970), pp. 15-16.

9/ Johnson, Glenn L. and Lewis K. Zerby, What Economists Do About Values, (East Lansing, Michigan: Dept. of Agr. Econ., Michigan State University, 1973).

10/ Moore, G.E., Principia Ethica, (Cambridge, England: Cambridge at the University Press, 1956). This book was first published in 1903.

11/ Schumpeter, Joseph, History of Economic Analysis, (New York: Oxford University Press, 1954), pp. 41-47.

12/ See Kenneth E. Boulding, "The Economics of the Coming Spaceship Earth", in Herman E. Daly, Toward A Steady-State Economy, (San Francisco: W.H. Freeman & Co., 1973).

13/ This whole theme has been examined at various points in the past. See for example Frank Knight, "Ethics and the Economic Interpretation", Quarterly Journal of Economics, 36 (1922): 458.

14/ Gradner, Bruce, "Comments on Emerging Agricultural Policies of the Carter Administration", Southern Journal of Agricultural Economics, 10:1, July, 1978, p. 50.