AGRICULTURE, DEVELOPMENT & "THE ENDURING ERROR"

by Sudhir Sen

At a special gathering of the General Assembly, the Food and Agriculture Organization of the United Nations celebrated its thirty-ninth birthday. At the same time, the Assembly observed the annual World Food Day, which was inaugurated by an FAO conference four years ago. This year’s keynote speaker was Professor John Kenneth Galbraith. The subject he chose was characteristically titled: "The Agricultural System and the Enduring Error."

Galbraith’s address, predictably enough, was stimulating, provocative, and controversial. His credentials, as he modestly reminded the audience, are unusual: a first university degree in animal husbandry, many years of research and teaching in the theory and practice of economic development at Harvard, and considerable field experience in India and elsewhere. He spoke as a private citizen, not as a government representative or a spokesman for any "confining ideology."

Galbraith starts with what he calls the "central error" of our view of economic development in the past few decades, in seriousness second only to the failure to perceive fully and act on the consequences of nuclear conflict. The error consists of believing that the advanced industrial countries, socialist or capitalist, can serve as "a guide and model" for the less-advanced countries of the world; and he attributes this error largely to the failure of the industrial countries to understand their own history and the "wellsprings" of the progress and prosperity they enjoy today.

Economic life, Galbraith argues, is a process with its own dynamic and a given, if not quite invariable, sequence. For each stage in this long sequence there is an appropriate policy and course of public action that dictates what is essential and should be done today as well as what should be avoided now because it is relevant only to a later phase of development.

In all the earlier stages of development, he goes on to say, "the appropriate and efficient and necessary emphasis is on agriculture." So it was in Europe before the Industrial Revolution, in the United States in the last century, and later in what is now the Soviet Union. The reason for this emphasis on agriculture, according to Galbraith, is "simple and forthright: The first essentials of life are food and textiles, which agriculture provides or provided."

He then cites the example of the United States in the last century. When it turned to economic development, foremost in the public mind was the best design for the tenure and use of public lands; education with special emphasis on rural schools; agricultural experiment and education leading to legislation that established a country-wide network of agricultural experiment stations and agricultural colleges; building a canal and a rail transportation system primarily to serve agriculture; and, a little later, creation of agricultural extension services. Not that industrial development was ignored or considered unimportant, but it took a decidedly secondary place because at that particular stage in the development process agriculture was "rightly seen as having the highest claim."

This is what happened in the United States, but the historical pattern is essentially the same for other industrial countries. The differences are only in detail, not in substance.

Galbraith blames the other industrial lands for having "largely forgotten" this part of their experience. In considering the design for development in the developing nations, they look at their present industry, not at their past concern for agriculture. "Agriculture is already there," and so the growth of urban industry is regarded as the true test of economic development, though it runs counter to the requirements of the historical process.

Next, Galbraith turns to the second error, which he considers even more serious: the modern ideological attitudes emanating from the older industrial nations and reflected in the advice they give for economic development. The Western democracies press the case for free enterprise, "still called capitalism by the courageous." The socialist world insists that development must proceed within a socialist framework. Proponents of each system see only what they now have, extol its virtues, and promote it abroad in predominantly agricultural lands.

Again, there is "neglect of history," says Galbraith. Capitalism or socialism became an issue only after the advent of urban industry. It was not a serious concern in eighteenth-century Europe or nineteenth-century Russia, or postcolonial America. The economic debates in the preindustrial stage centered on problems relating to agriculture, such as methods of cultivation, the scale of hold-

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ings, farming by independent proprietors or tenants, forms of tenantry and its exploitation. These are the basic questions that once shook France, jolted Mexico and Cuba, and are now agitating Central America. They, and not capitalism or socialism, are what is relevant to the agricultural stage of development.

Agriculture, to paraphrase Galbraith, has its own imperatives and therefore its own pattern; it has nothing to do with the debate between capitalism and socialism. And, as he reminds us, citing Karl Marx, the debate between the two can be relevant only after, not before, there is capitalism. Hence, he insists, we must accept an “earlier third system—the agricultural system.”

Such a system might well have found a secure place in the armory of economic thought but for an “accident—or error—of history.” In late eighteenth-century France a group of philosophers led by Francois Quesnay developed what came to be known as the Physiocratic, or agricultural, system. But before it could grow and mature, it was “swept into discard” by the march of Industrial Revolution and the rise of urban capitalism. The competitive prestige of the newborn industrial system was too great for it to withstand. As a result, the world has been deprived of what could have become a system of economic and social thought relevant to agriculture. At this point, Galbraith gallantly offers to fill in the blank, suggesting its essence had it not prematurely succumbed to the march of historical forces.

PRECEDING AND ANTICIPATING

That system’s first essential is the cultivator-operated land holding—the farm unit presided over by the man or woman who works it. Its scale is related to what the operator can accomplish with his or her own labor and intelligence. This is the basic design. It is socially stable and economically efficient; and for the same reason, it is the only agricultural structure that, “if existing, no one seeks to change.”

This underscores the importance of land reform to establish cultivator-operated land holdings. Here Galbraith hits hard the melancholy fact that has characterized our times and lies at the root of our troubles. Land reform, he says, is “widely celebrated in principle to our day, but it is wonderfully resisted in practice.” In these last decades there have been far more land reforms in legislation than in fact. This has been the case where the political power structure reflects the landed interest and has remained intact—in effect, in almost all developing countries. In talking about land reform, we must distinguish “between what is on paper and what is real,” for it is “the second that counts.”

The next major requirement is education. It has a “critical role” to play in the basic owner-operated proprietorship—more so than in the modern industrial system or on the large landed holding. The level of education and intelligence needed for workers on big holdings (or for tenants and sharecroppers) is “modest”: from the landlord’s angle it may even be better if his people are “not inconveniently intelligent”—a Galbraithian euphemism for the blunt truth that it is easier to exploit the weak and the ignorant. By contrast, the independent proprietor must be intellectually alert and competent, for only then can he choose and use the right techniques for his operations.

Here, according to Galbraith, the more mature industrial countries have “gravely misunderstood” their own history. In the early stages of their progress and development, their foremost emphasis was not on steel mills but on schools. Schools were rightly treated as a “natural counterpart” of an improving agricultural system.

Over the years Galbraith has consistently upheld the importance of education, a sine qua non for lifting agriculture from its primitive state. In the 1960s, while serving as the U.S. ambassador to India, he stressed the same thesis with the remark that nowhere in the world has agriculture progressed when the peasants are illiterate, just as nowhere in the world has it failed to progress when they have been made literate. For the grave default in this field Galbraith did not spare the aid-givers of the developed world. “No error in the advice given to the new countries in recent decades,” he says like a prosecutor, “has rivaled that which places investment in industrial apparatus ahead of investment in human capital.”

Of course there must also be industrial investment in the agricultural stage of economic development, and Galbraith is by no means oblivious to it. But such investment must have a “strong agricultural orientation,” such as roads and transportation facilities, storage facilities, irrigation works, fertilizer plants. The list could no doubt be expanded to include other essential items like rural electrification, tools and equipment, seed industry, nurseries, hatcheries, and a host of processing industries. The main point is that such agri-oriented investments must be given the appropriate priority. This was duly recognized by the older industrial countries, whose early investments—in turnpikes, canals, railroads, dams, grain elevators—were intended primarily to serve agriculture.

Here, Galbraith makes two other points that are worth noting. First, it is immaterial whether these investments are made under public or private auspices. This issue did not arise in the agricultural stage of today’s industrial countries, nor should it be an issue in the developing ones. For them what matters is that the requisite facilities are actually created with speed and efficiency by whatever means feasible.

Second, with a touch of subdued sarcasm, Galbraith speaks of one investment that is “shouldered” by many agricultural countries today but with which the industrial nations were not burdened in their agricultural stage: investment in complex military hardware. The drain this imposes on the limited resources of developing countries is colossal—and senseless. What, then, is the remedy? Galbraith argues that the industrial countries should be persuaded not to sell such weaponry to the new nations and that the countries of the agricultural system should show a renewed determination not to buy.

Galbraith next underscores the need for price-support policies in agriculture to ensure the producer a stable and predictable return on his or her effort and investment. This is a standard—indeed, universal—practice in the industrial countries; and it has also proved its value in a country like India. But many new nations, by contrast, keep their agricultural prices low as a concession to urban workers and dwellers or because it is politically expedient. One must react “with extreme unease” to such a policy of keeping food cheap by public action, for, in effect, it exchanges future shortages for present short-run advantages. It is better to pay the needed price now to encourage greater
production later.

The food problems of many countries are a matter of grave concern, and this is particularly true of those in sub-Saharan Africa. Here is a challenge to the conscience and compassion of food-surplus countries like the U.S. But Galbraith strongly urges against any policy intervention that denies the cultivator the full market return for his products, since it would “sacrifice the future to the present” and thus prove counterproductive. This, it seems, is an implicit criticism of the United States’ Food-for-Peace Program, which in practice in too many cases badly hurt the producers in the developing countries.

Finally, Galbraith turns to the “role of women in agriculture,” which was the keynote for the last World Food Day. Development under an agricultural system, he says emphatically, must be “for all people in agriculture.” But a grave anomaly—and injustice—stubbornly persists in almost all developing countries: In most cases it is the women who do the back-breaking farm work to a disproportionate extent and the men who enjoy the social and political privileges, along with preferential treatment in education, living standard, and whatever leisure rural life may offer. In the Western world it was clearly recognized that slavery, peonage, and serfdom acted as brakes on agricultural development and related technical progress. So too does a system where women are consigned to “subordinate, abject, and unenlightened toil.”

In conclusion, Galbraith reiterates his main thesis: Economic life is a continuing process of transformation. This has practical implications that we “systematically deny.” Countries in the later stages of development, both socialist and capitalist, are charmed by their past achievements, admire their own ideological design, and press it as a model on countries in the earlier stages. The latter, in their turn, view them with some envy, assume that their policies and actions are transferable, and rush to import them to hasten their own progress. The result is, as it were, “a conspiracy of error.”

Galbraith’s is a remarkable address, both critical and constructive, rich in ideas, and, not surprisingly, packed with sly and shrewd obiter dicta. Yet it too suffers from some “neglect of history,” and the “enduring error,” as presented here, itself errs on several counts.

THE DRUDGERY FACTOR

In the course of his General Assembly address, Galbraith once again gently airs his aversion to the agricultural life. Agriculture, in his view, has been all along, and still is, a life of drudgery. He was happy to escape from it himself, and he has enough generosity of soul to wish the same good luck to others.

But the farm of today is quite a different place from the farm of Galbraith’s youth. Thanks to amazing advances in science and technology, agriculture has undergone revolutionary changes. Productivity has soared, both per acre and per man-hour, while old-time drudgery has been drastically reduced. Rural electrification: a wide variety of machines, tools, and gadgets, coupled with the supply of utilities and amenities; and the revolution in transportation and communication have changed farm life beyond recognition.

As a result, it no longer makes any sense to speak of agriculture and industry in antithetical terms. Modern agriculture is, indeed, a major industry in its own right; in addition, it is the foundation of a vast array of processing, distributing, and servicing industries. The greatest task before the developing nations is to modernize—or, rather, industrialize—their primitive, low-yield, and drudgery-filled agriculture as fast as possible and to elevate it to the present scientific age.

It is a common fallacy to compare primitive agriculture with modern factory industry—something that has been responsible for a good deal of confusion and for wrong diagnoses leading to wrong prescriptions. Surely the only truly valid comparison is between traditional agriculture and old handicraft or cottage industries, on the one hand, and modern, well-equipped agriculture and full-fledged factory industry, on the other. The drudgery factor need not be any greater on the modernized farm than in a modern factory, where operations can be quite monotonous and soul-killing, if not worse. Fritz Schumacher drew pointed attention to these facts. Much of what he said in his posthumously published Good Work is incontrovertible. Small-scale farming can, indeed, be more rewarding in terms of both income and job satisfaction than the single-motion, monotonous tasks of most assembly-line operations.

Third World agriculture will, of course, take time before it is transformed into an industry worthy of this scientific age, though the process can be considerably telescoped through an imaginative, yet down-to-earth, action program. Meanwhile, one must not forget that there is something incomparably worse than drudgery: the life-threatening poverty and hunger from which countless millions would be only too happy to escape, even if into a life of toil on the farm.

THE THIRD SYSTEM

The “undoubted pleasures” of the debate between socialism and capitalism are irrelevant for Third World countries, says Galbraith, since they are still in an “earlier third system—the agricultural system.” They must therefore identify and pursue the policies that are relevant to it.

For several reasons it is misleading—an “error,” if you like—to speak of a third, namely agricultural, system. True, all societies were agrarian, sprinkled with crafts and guilds in various degree, before the wheels of Industrial Revolution first began to turn in England slightly over two hundred years ago. It is also true that agriculture had been radically transformed prior to the advent of the factory industries, the most conspicuous changes being three: the abolition of the feudal system, the emancipation of the serfs, and the accelerated growth of transportation. These changes added up to an agrarian revolution that, as a precursor of the Industrial Revolution, greatly helped the latter’s forward thrust in its early stages. Later, they reinforced and complemented each other, and that relationship has continued to this day in various forms.

These, then, are the historical facts. It does not follow, as Galbraith pleads, that today’s developing countries must exactly replicate this sequence of events, far less that they must concern themselves exclusively with the “third” system at their present stage of development. His plea, in its present form, is needlessly provocative, apart from being palpably one-sided. It is tantamount to asking the developing countries to concentrate their efforts on agriculture and to forget industries—something they had heard ad
nauaein in the colonial era. As Galbraith himself admits, industrial investment is essential even at this stage, though it should have an "agricultural orientation"—to develop, for example, roads and transportation facilities, storage facilities, irrigation works, and fertilizer plants. Would it not be far better and more logical, then, to speak of and plead for agri-centered development than to press for an agricultural system implicitly antithetical to an industrial system?

CAPITALISM AND FEUDALISM

Has capitalism or socialism any relevance to the developing nations? Not at the present stage of their development, says Galbraith, just as it was not a "compelling issue" in eighteenth-century Europe, nineteenth-century Russia, or postcolonial America. The "error" here, we are told, lies in assuming that what is relevant for industry is relevant for agriculture.

Galbraith does not stop to ask why this "error" is so widespread, at times even "compelling." Nor does he ask why, historically, Marxism has spread not in industrial but in agricultural lands (including Russia, which at the time of the Bolshevik Revolution was overwhelmingly agricultural); and not according to the Marxian script, through the rise of the industrial proletariat, but in a conspicuously un-Marxian fashion, through the rebellion of the peasants or tenants organized by well-knit but small Communist parties. In two instances he comes pretty close to the answer, but then veers away from it. In one place he speaks of the "persistent and eloquent efforts of landlords" over the centuries to make the case for "large and personally rewarding holdings" and to proclaim "their affection and compassion" for workers, sharecroppers, and tenants, underscoring the latter's need for "a superior guiding intelligence" that they alone could provide. But judged in terms of efficiency and stability, or of intelligence, the landlords have failed to make the case, he asserts.

Galbraith then goes on to speak of the role of education in the agricultural system as opposed to the modern industrial system. Workers on large landed holdings need no more than "modest" education and intelligence, and the same is true of tenants and sharecroppers. From the landlord's angle, matters may even be "better" if his people are not "inconveniently intelligent," and, Galbraith adds parenthetically, "Landlords have rarely been diligent proponents of schools."

What all this means when stripped of Galbraithian circumlocution and mildly morbid sarcasm is a simple truth: There is much exploitation under a landlord-dominated system that perpetuates all-around backwardness. It is this exploitation factor that links feudalism to capitalism and makes them close cousins. That is why the spirit of Marx comes alive so easily in a preindustrial agrarian society and why the ideological issue of Marxism or socialism is not quite as irrelevant as might appear at first blush. The rise of the industrial proletariat against capitalism, as envisaged in vintage Marxism, is slightly amended and turned into a neo-Marxist slogan, namely, the rise of the rural proletariat against feudalism.

EDUCATION AND LAND REFORM

Galbraith's comments on education call for two qualifications. Landlords, he reminds us, have been averse, if not hostile, to the very idea of setting up schools and providing education to their tenants and sharecroppers (which, incidentally, is not unlike the way colonial masters treated the question of popular education). However, history has one conspicuous exception—Japan, and particu-
larly after the Meiji Revolution of 1867. The domination of landlords continued through World War II, but education of the people at all levels was given the topmost priority. This no doubt was a major factor in catapulting Japan to the status of a great economic power.

Galbraith has stressed the importance of education in owner-operated agriculture, but the role of education ought to be conceived in much broader terms. For it is basic not only to agriculture but to all economic, social, and political activities. It is, indeed, the foremost prerequisite for progress in general.

Socialist or Communist countries accept this almost as an axiom. Education-for-all has always been a major plank in their development planning, and so too jobs-for-all, primary health service-for-all, and man-and-woman-power mobilization for nation-building activities. These factors go a long way to explain why the new countries tend to gravitate toward socialism, which Mr. Galbraith treats as irrelevant to their stage of development.

The most constructive part of Galbraith’s paper relates to land reform. He extols what he calls the “cultivator-operated land holding,” which is the “one basic design” of the agricultural system that has proved “both socially stable and economically efficient”—the one and only “agricultural structure that, if existing, no one seeks to change.”

This leads to what should be the central question in any discussion of the agricultural system: land reform, which is “widely celebrated in principle, but is wonderfully resisted in practice.” As a result, there have been “far more land reforms in legislation than in fact.” This, Galbraith points out, has been especially so where “the political power that reflects the landed interest has remained intact.” In saying so, he introduces, however unwittingly, the very ideological question he so strongly urges the new countries to eschew. Still, he is right when, referring to agriculture under a socialist system, he notes that “there are serious problems of efficiency and motivation in the large-scale state farm or collective.”

How these problems have be-deviled Soviet Russia’s agriculture to this day is now common knowledge. State-run, collectivized farming remains the Achilles heel of the entire Soviet system.

What Galbraith has been driving at in a rather tortuous fashion can be restated as two simple propositions. First, developing countries have been decolonized; they must also be defeudalized. This is the foremost precondition for building a modern high-yielding agriculture and for progress in general. Here, the developing countries must take a leaf from the history of the Western nations, where, as mentioned earlier, abolition of feudalism and emancipation of the serfs preceded, and paved the way for, the Industrial Revolution.

Second, developing countries must beware, and carefully steer clear, of an ideological trap: the socialist brand of agriculture. Otherwise they will end by swapping a feudal inferno into a bureaucratic quagmire. Still, Galbraith’s views on land reform, heartening as they are, warrant two major caveats. He speaks of “cultivator-operated land holding” and soft-pedals the question of ownership. Apparently he is trying to accommodate within his model the British system of tenancy, where tenants are assured of secure, long-term lease. It is at least doubtful that this system, inherited from Britain’s imperial past, best serves even that country’s own needs today. In any case, what is quite clear is that the British model is impractical, and therefore irrelevant, for the developing countries.

The question of land ownership is vital. Only when farms are actually worked by land-owning peasant families will they ungrudgingly pour what Fritz Schumacher used to call TLC—Tender Loving Care—in profusion into the soil, the crops, the animals, and a host of collar-type processing industries. There is magic in ownership, and that magic has for too long been denied to the vast majority of the cultivators in the developing nations.

The second caveat relates to farm size. The farm unit, according to Galbraith, should be one over which responsibility lies with the man or woman who works it—one which in scale is related to what the operator can accomplish with his or her own labor and intelligence. Now, what an operator can accomplish depends, to a large extent, on what he grows and the degree of mechanization that goes with it. Grain farms, to take an obvious example, can be much larger than mixed farms or orchards. It is even more important, however, that farm size be related to the size of the population in a particular country. Where the land-population ratio is very low, as in most countries of Asia, small holdings intensively cultivated with modern science and technology must be the common pattern—as in Japan, South Korea, and Taiwan—to ensure maximum benefit in terms of production, income, and job creation per acre. In such cases, agriculture will inevitably come closer to gardening or horticulture.

One example should suffice to illustrate the point. India’s total arable land is around 350 million acres. In 1947, at the time of independence, its population was around 350 million; the land-population ratio was roughly 1:1. By now the population has more than doubled, to some 735 million, and by the end of the century it will almost certainly hit the billion mark. This means that every acre of land will have to be worked correspondingly harder to support the mounting mass of population.

Can this be done? It will certainly not be easy. But the only way India can cope with it is to restructure its agriculture after the Japanese pattern—with small holdings intensively cultivated with modern science and light equipment by an army of land-owning peasant families. This is the only way India could ever expect to realize a food-for-all and a jobs-for-all program.

The foregoing underscores a paradoxical fact: Though agriculture is the oldest industry of mankind, and also the most vital, it has long been a victim of superficial—even wrong—thinking, and it remains so even today. Both Classical and Marxian schools of economics, which have dominated our thinking in this field for a century or more, missed or misunderstood some of its most essential characteristics. Both have therefore failed, sometimes grievously, to identify the imperatives that must be satisfied to build a modern, flourishing agriculture. Galbraith bravely set out to dispel what he called the “enduring error” about agriculture. He has illuminated some of its aspects, but in the process he has also obfuscated others; and so the error, by and large, still endures.