

REVIEWS

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In the last chapter the authors introduce a research project to be undertaken, in the form of "action research". The intention of this project is to involve from the beginning the organizers of study-service schemes, and to establish a dialogue and a permanent exchange of experiences among the different schemes, thus assuring "direct and immediate" benefits for the organizations being looked into. Research here becomes one form of mutual technical assistance.

The paper reflects a solid position, selective in describing organizations and in favouring practical approaches. It invites discussion. It appears, through its careful phrasing, a bit too technical, though it could have included the dimension of national and international development policy, even with the material it uses. For instance, they could have linked study-service explicitly with undisputably necessary educational reforms: as far back as 1966 the Report of the Education Committee of India underlined the importance of the right *quality* of education for national development. This report included among its practical proposals for better quality, the introduction of "work experience as an integral element of general education". There is evidence that educational reforms could be influenced strongly or even preceded by well-organized study-service.

Another problem which should at least have been mentioned is the following: universities have often become elitist ghettos in developing countries. A service based on such "ghetto institutions" could easily over-rate the study and education aspect and under-rate the importance of the local, in most cases rural, community, its needs and its potential as the basis for national balanced development. If development and change have to come from inside society and if the universities are rather extensions of westernized efforts of civilization, then a focal problem of study-service is whether it is able to re-integrate students into their own civilization, making the development service element the most important, or whether it just assists in producing a better adapted westernized ruling class.

Fussell and Quarby have shown in their practical work that they are aware of these problems, and they should have been reflected in their paper, the merit of which remains, however, to draw attention to a new development service movement, to pose important questions to it, to expose problems, to dwell on aspects of its potential, and to set a framework for discussion and research.

Commentary

A time for Intelligent policies

by M. S. Rao

The rapid deterioration in the world food situation since the latter half of 1972 has been of serious concern for the world as a whole and to food-deficient developing countries in particular. This has given rise to wideranging discussions, pessimistic predictions and speculations regarding the race between population and food supply. Thus, we have prominent people proclaiming that the world's food supply may never again be as abundant or its price as "cheap" as it was in the 20 years preceding 1972. We have environmental groups asserting that we have reached or nearly reached the limit of the world's ability to feed even our present numbers adequately, and predicting that the chances of increasing the world's food supply per capita to be poor. We have groups of meteorologists claiming that the climatic conditions in North America and the rest of the world were extremely favorable for crop production during the three decades preceding 1972 and warning that these conditions would change for the worse during the next 30 years, as we move toward the trough of the climatic cycle. Some of these also claim that they can perceive signs that the ice cover over the Northern Hemisphere is extending southward and some others opine that the deserts are on the march—swallowing large areas of agricultural land. These views have received wide currency and undue degree of acceptance, because the atmosphere was already charged with related concerns and predictions about the environment and the limits to the supply of non-renewable resources.

At the other extreme, we have the more pragmatic view, that, *at least* for the next decade or two the chances of world food production keeping ahead of population (even slightly) are very good. However, this does not preclude the possibility that there may be times and places where critical shortages may occur as has been the experience in the past. The former view the current

situation as foreboding a permanent change in the world food supply-demand balance while the latter consider it as primarily a temporary aberration that can be corrected by intelligent policies. The latter view seems to command more credence in light of recent history—the world food crises of the late forties and mid sixties have been followed by substantial increases in food production per person and a more abundant supply of food at cheaper prices. According to this view, the current high prices and limited supplies of food and fertilizer are likely to continue for the next year or two. However, in the longer-term, prices of food relative to prices of other goods and services can be expected to decline from current high levels, but may remain somewhat higher than in the sixties.

Several factors, circumstances and long-term trends have coincided to bring about the current crisis. In the late sixties and early seventies, the food exporting developed countries have restricted their food production to reduce their surplus stocks. By the late sixties, the fertilizer industry had emerged with excess capacity. The green revolution has taken hold in a few countries of South Asia and brought about a quantum jump in their foodgrains production. Thus, the world was enjoying abundant food and fertilizer supplies at cheap prices.

Then in 1972, world production of grains declined for the first time in over two decades, due to shortfalls in grain production in Canada, the Soviet Union, Australia, China and Africa. As a result, the USSR which was a net exporter of grain during the preceding two years purchased large quantities of grain (30 million tons.) during 1972 and 1973. The developing countries increased their import demand for grains in 1973-74. These purchases quickly depleted the reduced stocks of major exporting countries, especially U.S.A. Even though grain production reached a record high in 1973, grain prices

remained high and carry-over stocks low. Contrary to expectations, 1974 proved to be a poor crop year, especially for grain production. The pressure on food supplies has been heavy since 1972, not only because of the decline in production in that year, but also because of growth in grain consumption. The resultant upsurge in food imports and the drawdown in stocks, coupled with rapid inflation, growth in demand and currency adjustments, produced a dramatic rise in the prices of virtually all agricultural commodities. The most severe impact was on the major foodgrains—wheat and rice. Wheat prices have more than tripled from \$60 per ton in the second quarter of 1972 to \$210 per ton in the first quarter of 1974, while rice prices have quadrupled (from \$132 to \$570 per ton) during the same period.

The relative impact of the food price increase differed widely not only among producers and different strata of consumers within countries but also among countries. In food-exporting developed countries, higher prices were reflected in higher farm incomes, and increases in the cost of the consumer food basket. However, the impact on the consumers pocket-book has been relatively modest as food accounted for between 20 and 30 percent of the consumer budget. On the other hand, in the developing countries where food prices were not controlled, the impact of high food prices was most severe, especially for the poorest segments of the population as expenditure on food accounts for between 50 to 80 percent of total consumer expenditure.

By 1972, when the anxiety over food supplies led to an expansion of crop area in North America and increased needs for fertilizer in developed and developing countries, fertilizer demand began to overtake supply. The rise in grain prices in late 1972 gave further impetus to fertilizer demand and prices of fertilizer began to increase by leaps and bounds. Thus, the price of bagged urea increased almost eight-fold from \$45 to \$350 per ton between 1971 and 1974. The increase in petroleum prices was reflected in higher prices of other agricultural inputs such as gasoline, diesel and other petroleum products used in the developed as well as developing countries. Thus, while high prices for food, fertilizer and petroleum impose a heavy burden on the developed countries, this burden has been staggering on most developing countries that import large quantities of these commodities.

The food situation has worsened in 1974-75. The supply-demand balance is even tighter than in the

preceding two years. Cereals production has declined by 50 million tons and per capita output of all foods is lower than 1973-74. Stocks of grain in major exporting countries are expected to decline further to less than 100 million tons. On the other hand, the slow-down or stagnation in the economies of major industrial countries should reduce some of the demand pressure on food. However, pressure of demand on exportable supplies of cereals has increased. Export controls of some sort or other are in existence in all major grain exporting countries. Thus, the present world food situation is serious and production efforts during 1975-76 may be handicapped by fertilizer shortages.



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In the longer-term, the gap between grain production and demand for grain—the “food gap”—of the developing countries is expected to increase from about 15 to 20 million tons in the early seventies to between 45 and 85 million tons by 1985, if past production and consumption trends continue. Effective action programs are needed to narrow or eliminate this gap. There do not seem to be any immutable forces or circumstances that are not amenable to change through intelligent policies. The supply of inputs does not appear to be a limiting factor on future increases in food production. At least twice as much land is potentially suitable for crop production as is presently being used and the costs of bringing new land into production are not prohibitive. Also, there is a large gap between agricultural potential and agricultural practice in the developing countries. Even with existing technology, productivity could be increased three- or four-fold. In order to exploit this yield potential effectively, significant increases and improvements in the supply of inputs are needed. These

include irrigation, fertilizer, improved seeds, credit and extension.

There is also the gap between food harvested and food eaten. Losses in storage, processing, transportation and distribution are significant and these can be reduced if appropriate measures are instituted. Agricultural research effort to adapt new varieties and evolve appropriate production and post-harvest technologies have to be strengthened significantly both at the regional and country levels.

A revamping of development priorities to accord a larger share of resources to increasing food production in the developing countries is necessary. The major initiative for such action rests with these countries. At the same time, bilateral and multilateral donors have to provide more food, fertilizer and financial aid as well as technical assistance to alleviate present hunger and to increase food production in the developing countries.

It has been argued that the affluent should reduce their consumption of livestock products in order to release some grain for the hungry. This does not seem to be either an effective or efficient means of providing grain. The main stumbling block to transferring food from developed exporting countries to needy developing countries was not the availability of grain, but the sharing of the burden among donors. Thus, the meeting of grain exporters and importers in Rome on November 29, 1974 was successful in securing promises regarding the availability of grain for food aid, but was unable to procure the financial aid to purchase and transfer the grain to the hungry.

The current food crisis has touched the imagination and the pocketbook of the common man in the developed world while it also touched the stomach of the poor in the developing countries. The short-term outlook is for tight supplies to continue, but the situation is amenable to improvement through concerted policy action. In the longer-term, there do not seem to be any immutable forces or circumstances that stand in the way of increasing food production to feed the growing populations adequately. The main barriers to achieving these objectives seem to be political in nature. The World Food Conference has tried to grapple with the issues and recommended the establishment of a World Food Council to mobilize the political support for implementing its resolutions. The Council was established last December and its success in tackling the problem depends on the political and financial support that would be forthcoming. There is reason to hope that these would be significant.