

DRAFT

SMALL FARMERS AND BIG AGENCIES: THE RELEVANCE OF
MICRO-STUDIES TO POLICY, PLANNING, AND PROGRAM
IMPLEMENTATION

by

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The Civic Participation Division's state-of-the-art papers and workshops will encourage social scientists who are experts in in-depth case studies, participant observer techniques and micro data to see how they can help make and carry out broadly participatory development policies and programs; policies and programs in which existing forms of social, cultural and economic organization among low income peoples are seen as a resource rather than as a constraint on development.

We shall find out how the fine focussed, in-depth approach of these experts can be used by AID so that U.S. Foreign Assistance can be more effective in each of the specific ecological, institutional, and cultural contexts where it is applied.

This paper discusses the need for our effort, the major problems involved, and the expected benefits.

The Need

There is a growing contradiction between development theory and development practice. On the one hand, we recognize in theory and rhetoric that development programs must be addressed to the actual needs and interests of their intended beneficiaries. On the other hand, we know that large agencies have been unable to absorb and efficiently use information about local ecological, social, economic and political-economic conditions which shape these needs and interests.

The contradiction between development theory and development practice is to a large extent the result of a major shift in the way we think about development; more specifically, a shift in our assumptions about the agricultural, economic and demographic behavior of low-income peoples, including peasants, pastoralists, fishermen, and other groups who share the dubious distinction of belonging to the poor majority. This shift has not been fully articulated in terms of theory and is not accepted by all concerned with development.

Until recent years, it was assumed by those responsible for shaping development assistance that: (1) peasants'^{1/} agricultural practices are governed by tradition; (2) that

^{1/} For the sake of economy the term peasant or small farmer will be used as a gloss for all low income rural people.

their economic behavior is non-rational or at least significantly less rational than that of "modern man"; (3) that peasant societies are static; and (4) that development requires the destruction of traditional institutions since they are constraints that prevent peasants from pursuing their rational self interest.

Today, by contrast, leading scholars in diverse disciplines, including agricultural and land economics, economic anthropology, cultural ecology, economic history, human geography, and rural sociology, recognize that: (1) peasant agricultural systems are usually much better adjusted to local ecological, economic and political economic conditions (and their fluctuations) than was previously believed; (2) that peasants make conscious and recurrent decisions about the use of productive assets, the organization of labor, marketing, savings and investment; (3) that agricultural experimentation, innovation and calculated risk taking are commonplace practices, even in communities uninfluenced by extension services; (4) that in economic and demographic terms most peasant societies for which information is available have been dynamic and have undergone continuous adjustments or changes;^{2/} and (5) that rural development is unlikely to

^{2/}The idea that peasant behavior is reasonable once its institutional context is understood is not in itself new. It was thoroughly documented by A.V. Chayanov with respect to the Russian peasant family during the early decades of the century. What is new is the widespread acceptance of the idea by a significant segment of the Western development community.

occur unless it succeeds in building on existing ecological, socio-cultural, and economic systems since these systems represent effective and responsive ways of controlling access to productive assets, organization of production, averting risk and accretional capital formation.^{3/}

The "discovery" of small farmer reasonableness has profound implications for development policy and programs, though these have not been widely realized in practice. If peasant behavior is the product of reasonable decisions (from the peasants' point of view, though not necessarily from that of the government official, the expatriate advisor, or "the economic system") and if peasant asset management reflects an optimization strategy rather than the sheer weight of tradition, then development programs must place for more emphasis on identifying and making available new crops, technology and opportunities that are of substantive value in the context of the circumstances particular farming groups face and less emphasis on generalized "improvements", salesmanship, and "enlightenment."

^{3/}That existing forms of organization are effective ways of coping with the ecological, economic, and political conditions that face peasants is not to say that innovations on technology and improvements in infrastructure are not needed or that changes in existing institutions will not or should not occur; rather, it is to recognize that existing local institutions persist because they are ways of organizing peasants interests and activities and that new organizational forms will be accepted only if they meet these needs more effectively.

The recognition of peasant rationality does not simplify the task of development planning. On the contrary, it makes it more complex; for the ecological, social, micro-economic and political-economic context in which peasants make reasonable decisions are highly variable through time and with region and even with locality. The response of a farmer to a high yield, short stemmed variety of wheat may depend, among other things, on the extent to which he or she is dependent on straw to bring his oxen through the critical dry season. The farmer's willingness to adopt row planting will depend on his estimate of the opportunity costs of the additional labor inputs. The farmer's response to credit or employment opportunities may be affected by membership in local social groups that regulate access to productive assets, credit or labor as well as by an assessment of more obvious factors such as expected returns, farm-gate prices, the rate of inflation, local (i.e., non-modern) opportunities for savings and investment and whether or not increased cash income will contribute to an increase in prestige power or status in the community. Similarly, a peasant's willingness to send a child to government school will be affected by farm labor requirements, assessment of the practical value of education in the local community and an estimate of probable remittances or support in old age should the child leave the community; and the desire to sire, foster or "put out" a child are affected to local conditions.

From the perspective of development planning, the effect of such variation in the context of peasant decision making is crucial; for without taking some account of it it is not possible to predict the impact of a program. Identical policies, programs, and projects may have very different impacts in differing ecological, ethnic, economic, and political-administrative environments. The observable high degree of uncertainty in development planning is thus logical and expectable.

Inconvenient as it is for the operation of development agencies or host country development planners, it is evident that in order to be efficient in carrying out a broadly participatory development strategy (in even the narrowly economic sense of the term), it is necessary to take account of rather detailed information on local conditions in the particular areas to be affected by planned change. This is equally true whether the program concerns integrated rural development or resettlement activities, infrastructure projects such as marketing or rural roads, or the establishment of priorities for agricultural research at a national or regional center.

None of the major development agencies has the capacity to absorb and use, much less generate the type of information required to carry out broadly participatory development programs.

Problems In The Use of Social Science and Area Studies

There are a number of factors internal to AID that limit our capacity to absorb the findings of social science and area studies. The chief obstacles are: (1) the absence of an institutionalized procedure to assure continuing and high level social science and area study input into the operations and policy formulation of the regional bureaus; (2) the failure of many AID officials to realize that the New Directions are based on a new understanding of development; (3) the "anti area studies" and "anti specialization" bias of the Department of State including AID...a bias that is reflected in recruitment, training and the career system;^{4/} (4) the organizational dynamics of a large agency;^{5/} and (5) perceived uncertainty as to future size, scope, and geographic location of AID's development assistance program.

Here, however, I am concerned with a problem, or rather a paradox that is intrinsic to the social sciences rather than to the Agency. The paradox is that the in-depth micro-study approaches which yield the richest data on small farmer decision making in particular settings are generally time consuming, expensive, and of unknown representativeness;

^{4/}For a further discussion of this problem, see Hoben discussion paper "Basic Problems in USAID Staffing and Accountability and Africa paper.

^{5/}This problem is discussed at length in Judith Tendler's Inside Foreign Aid.

while social science approaches based primarily on surveys, classification, and correlation, are comparatively quick, inexpensive, and have broad geographical coverage, but often produce little accurate information on the actual problems, interests, and motives of intended beneficiary groups. It should stress that the dichotomy between these approaches does not correspond neatly to the decisions between disciplines but cross cuts them.

If the micro-study is analytically sound, and not merely descriptive, it has explanatory power and is directly relevant to the design of an optimal development program in the particular context under study at a high initial cost in time and money. The comparative, typologizing, and correlational approach, by contrast, provides a quick and less expensive "diagnosis" of the situation and prescription for development activity at a high cost in relation to program effectiveness for the prescriptions are based on inaccurate assumptions about local conditions, informed by analogy rather than by analysis.

Typologizing, categorizing, and factor analysis approaches have generally informed program planning and project identification by major donor agencies.^{6/} As has been noted, in

^{6/}At present much AID project identification is based on seat-of-the-pants analogy rather than the systematic application of any method.

large part this is because they are compatible with organizational and political pressure to "move ahead" and to commit funds.

Unfortunately, while it is not an intrinsic property of their methodology, most typologizing approaches to development theory are in reality grounded on the simplistic dichotomy between traditional and modern man (and society) discussed above. This leads to a general confusion of cause and effect...of symptom and substance. For example, extended kin-groups are seen (inaccurately) as integral to traditional society and as constraints on savings, capital formation and entrepreneurship. That such kin groups where they exist, normally have risk aversion, production organization, and capital formation functions that are often critical in fostering economic development is simply ignored ab initio.^{7/} Similarly, existing farming systems are assumed to be traditional and inefficient and hence are generally not analyzed prior to the introduction of major inputs which are all too often irrelevant to the actual problems faced by low-income producers.

Clearly, there is a role for both approaches to social research in development programs. While both of them require further sophistication in techniques of data collection,

^{7/}The economic and developmental functions of extended kin-groups have been well documented in Africa and Asia.

methods and theory, I believe that the most pressing immediate need from the perspective of the development practitioner is to bridge the gap between them.

AID is currently funding several research efforts aimed at closing the gap between macro analysis and micro research. Most of these, including the Rand-Yale-NBER family decision making survey are informed by a top down, typologizing set of methodological and theoretical assumptions and introduce ecological, social and cultural variables only in so far as they are forced to by their interest in refining techniques of data collection or an elaboration of typologies.

Valuable as this approach may prove to be, it is also possible, and the Civic Participation Division believes essential, to explore ways of working from the bottom up; that is of building more powerful generative models of decision making based on in-depth research in particular households communities and regions and then trying to understand the ways these decision making processes are (and through simulation will be) affected by changing parameters including: environmental change, economic change, administrative and legal change and changing demographic pressures.

One object of the Civic Participation Division's state-of-art series is to encourage outstanding scholars who have worked in the case oriented micro-research tradition on problems of

intrinsic interest to development planning to turn their attention towards assessing the ways their knowledge and skills could be brought usefully to bear on development policy.

Expected Benefits

While each state-of-the-art paper and workshop is concerned with a specific set of issues, the series has four general types of objectives.

1. Assessment of Substantive Knowledge

a. What is generally known and agreed upon by experts conducting research on this topic that applies to all geographic and ecological regions?

b. What are the agreed upon major differences between major geographical regions and ecological differences within these geographical regions?

c. In regard to issues that exhibit a high degree of variability in relation to geographic, ethnic, ecological, and other conditions, is it possible to a hierarchical or tree-diagram-like set of priorities that will help the Agency focus its substantive investigation or research efficiently on key issues?

d. To what extent and in what situations is it possible to view existing local institutions as resources

that can build upon to link local decision making structures into regional and national structures?

e. To what extent and in what ways can the understanding of indigenous cultural systems of cognitive and evaluative classification contribute to development planning (e.g., classifications of soils, crops, illness)?

2. Assessment of Methodological Issues

a. To what extent are available methods and models capable of "generating" or predicting socio-economic variation in local organizations within a homogeneous ethnic region in relation to variations in a few major parameters such as ecology, access to market and man to land ratios?

b. How adequate are available methods for relating changes at the household and community levels?

c. How adequate are available in-depth research methods for identifying reliable surrogates of production, income distribution, nutrition, and demographic data that can be used to establish data collection systems for monitoring and evaluation in project and adjacent non-project areas?

d. What are the core data that should be collected on an on-going or periodic basis in order to measure intermediate and long term demographic, ecological and economic trends at the local level?

3. Establish Research Priorities

In light of the substantive and methodological assessments made under headings 1 and 2 above, what are the most important policy relevant research priorities on this issue?