

## BOOK REVIEWS

*The Hour of the Fox. Tropical Forests, the World Bank, and Indigenous People in Central India.* By ROBERT S. ANDERSON and WALTER HUBER. (University of Washington Press, Seattle and London, 1987.) Pp. 158, ISBN 0 295 96603 3.

This book provides its reader with an inside view of an issue which has found its entry in the literature in recent years: Why is so little attention paid to the livelihood of tribal people in the design and implementation process of development projects?

Anderson and Huber use the case of the Bastar district in Madhya Pradesh, India, to illustrate how from the middle of the last century the aboriginal tribes of Bastar lost their rights to the forests as a result of outside interference culminating in the Bastar Forestry Project which was jointly funded by the World Bank and the Indian Government in 1975. The objective of the project was to develop and industrialise this 'backward' region through commercial forestry operations, while dealing at the same time with the problem of national balance of payments. Project promoters proposed a pulp and paper mill in Bastar to produce 100 000 finished tons per year. Raw material for the mill was to come from large-scale industrial plantations of Caribbean pine (*pinus caribaea*) for which the natural forests had to be cleared. For the implementation of the project the Madhya Pradesh Forestry Development Corporation (MPFDC) was created.

After a brief introduction on Bastar and the problems of tropical forests in general, the reader learns about the different stakeholders in the project and their views and interests. There was the corporation (MDFDC) for which trees are resources to be grown and cut for profit; the forest department which views the forests as a capital that needs to be protected from intruders, especially the tribals; the planners and experts who are interested in the technical issues of supplying raw material for the mill; the general public, to whom forests are part of the environment; and the tribal people for whom the natural forest with its vegetation and wildlife is an important source of income and sustenance, and therefore means survival during times of hardship.

Though project planners and governmental officials knew about the vital importance of the forests for the tribal people and foresaw their suspicion and lack of interest in cooperation, little scientific attention was directed towards the conditions and the views of the people whose environment was about to disappear. Since the provision of employment was unacceptable to the tribal people as compensation for their losses, they resisted the commercial penetration into their environment. Instead of committing itself to a full-scale social impact assessment, the World Bank set no funds aside for the investigation of the potential impact on the tribals' way of living and their livelihood. This part of the project was left to the Indian government and was, if implemented at all, always a low key issue.

The authors of the book leave no doubt that from their point of view it was only a matter of time for the project to be terminated. It is their understanding that in addition to unresolved technical issues (pine

growth and survival rates, forest classification issues, falling prices for pulp in the early eighties, the lack of private investment, paper and pulp mill organization, etc.), the negligence of the implementing agencies to involve the tribal people in the project and their unwillingness to understand the tribals' way of life, as well as the indifference of the tribals were catalysts to the failure of the project. The tribals' suspicion, resistance and hostility finally prompted the government to terminate the pine plantation project. It had realised that the decision to convert natural forests to industrial plantations could possibly satisfy the needs for higher revenues which may or may not be used for the welfare of the people living in the forests, but it would certainly deprive them of an output from the forests which they depended on.

There is no doubt that the World Bank has to be blamed partially for its role in the project. The representatives of the Bank are responsible for the sound planning of a project and its implementation. Since social issues were part of the Bastar forestry project, the negligence of tribal issues indicates a lack of understanding of development issues.

The title of the book suggests that all the blame could be laid on the World Bank. This, however, is a wrong impression. Anderson and Huber themselves stress that both before the pine plantation project and after its termination, penetration into the natural forests has taken place in the name of development. And in none of the projects were the tribal people's point of view asked, nor their cooperation sought in a meaningful way.

This book is of interest to those who would like to learn more about the interaction between stakeholders involved in development projects. It serves as a good introduction to the problems of tropical forestry and indigenous people whose lifestyles and their struggle against the intruders into their environment is described in great detail. It leaves the reader with the question of whether economic development is possible in cases where a project itself threatens the status of tribal people.

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*Agricultural Research and Technology Transfer.* By I. ARNON. (Elsevier, London, 1989.) Pp. 842, ISBN 1 85166 275 8.

For someone managing agricultural research this is a powerful treatise of the current state of art. From the end of the sixteenth century Britain to present day Indonesia, from a rich developed Japan to a poor developing India, from tropical Brazil to arctic Norway, from the open market economy of USA to the centrally planned economy of USSR, here is an account of the agricultural research systems, the human and physical resources required for efficient management and the potential for technology transfer. No other book has covered this vast area so lucidly. The major audience would be agricultural research administrators, extension directors, international research centre managers and research program coordinators, central planners and policy makers. A comprehensive list of references adds to the value of the book.

The development of new technologies and their efficient transfer to the majority of farmers is a complex process, dependent for its success on many political, social, economic and institutional factors. The current issues are self sufficiency and over production, lower income from agriculture, part-time farming, declining numbers of farms and farm labour force, decline in the political power of the farming community, protectionist agricultural policies, and deterioration of the environment. In the developed countries the major research challenge now is to develop technologies that increase efficiency and productivity through decreasing costs of production, rather than by increasing yields. On the other hand, in the developing countries, because of their rapid population growth and urbanisation, the immediate need is to increase yield and total production. However, developing countries are severely constrained in their efforts because of low budget. For example, USA, UK, West Germany, France and Holland spend 50–100 times per capita more on agricultural research than India, Malaysia, Sri Lanka, Chile and Tanzania. Such comparisons, however, ignore the opportunity cost of capital, the welfare weights and the need to address the more immediate problems such as health and education in many developing countries.

Some of the more novel discussions are on the principles of research management, procedures for evaluation of research proposals, the scientist as a research administrator, human resources in extension and the negative effects of agricultural research. The last category includes the pollution of soil, air, water and food products, increased urbanisation through labour-saving technologies, and marginalisation of some farming communities through changes in relative prices of substitutable products.

There are some quibbles. First, there is no detailed discussion of the impact of extension services. For example, there was a need to assess the success or otherwise of extension services on increasing agricultural productivity through diffusion of technology. Second, the mechanistic description of the national agricultural research systems and extension services of a large number of countries. These parts are real yawners! Perhaps a better way would have been to concentrate on key themes – for example, a synthesis of European experience, those of West Africa and so forth, drawing out the key lessons of experience. These could then have been used as possible prescriptive policies for some of the newly emergent developing countries.

The improvement of agricultural production is important for maintaining and improving the standard of living in all countries. To this end Arnon's book makes an important contribution to agricultural research and technology transfer.

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*The Economics of Livestock Systems in Developing Countries: Farm and Project Level Analysis.* By JAMES R. SIMPSON. (Westview Press Inc., Boulder and London, 1988.) Pp. 297, ISBN 0 8133 7510 X.

It seems that the old adage about not judging a book by its cover needs to be widened to include the book's title. Let me explain. Wouldn't you feel upset if you'd bought a book called 'The Meaning of Life' and found it to be sub-titled 'Personal and Community Level

Analysis'. Why must we rely on sub-titles to tell us what a book is about? Surely the title 'Analysing the Meaning of Life' would have conveyed it all.

I am interested in the economics of livestock systems in developing countries. Had I seen the main title of this book in a catalogue I would have bought the book – and been disappointed. I would have been expecting an up-to-the-minute book about what the title says the book is about, instead I would have got a farm management text which uses various forms of livestock farming as examples. I don't want such a book and I wonder if those who do would have purchased this one from its title. They may have if they were better observers and interpreters of sub-titles than I. Surely, 'Analysing the Economics of Livestock Systems in Developing Countries' would have ensured that everybody could make their choice without resorting to the small print.

Having got that off my chest I should add that for those who want a text on farm management and project management based on livestock systems in developing countries, this is a useful and instructive volume. There are the usual chapters on economic principles, whole-farm budgeting, partial budgeting, capital budgeting, simulation, linear programming and the like. These chapters are addressed directly to the livestock specialist and use (mostly) well-chosen examples from a variety of countries, types of livestock systems and types of livestock (but surprisingly little on avian livestock). I believe the author has achieved his purpose of 'setting forth frameworks and methods for evaluation of investments and associated economic decision-making in the livestock industries of developing countries'. I agree with the author that the largest audience ought to be livestock scientists and administrators.

As with many books of this ilk, the author shows his developed country origins in his choice of some examples. The challenges in analysing livestock systems at the present time in some developing countries do not lie with 100-cow herds and anabolics and ionophores in feed-lot cattle, rather they lie in one-cow herds grazing, or having cut for them, low quality pasture with a heavy involvement of child labour; or they centre around mum and her few pigs or chickens. But if it is the author's intent to arm the administrators of the future with the techniques to analyse the former options when confronted by a banker with a good line of soft credit, then he has done a good job.

Not surprisingly, some of the fascinating but difficult things to analyse are given fleeting comment. Analysing the effects of risk on farmers' decision making about livestock production (particularly in those one-cow herds), livestock as part of a farmer's process of forming capital and the village institutions under which livestock are owned and raised seem destined to be in the 'very hard' basket for a while longer.

I'm still waiting for the sort of book that I want. It will give extensive coverage to these issues but probably in a fairly descriptive way because our practical techniques of analysis lag behind our definition of problems. Maybe the next (revised) edition of *Livestock in Asia: Issues and Policies* by J. C. Fine and R. G. Lattimore (International Development Research Centre, Ottawa, 1982), if it ever eventuates, is where I'll need to look.

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*Agricultural Trade and Natural Resources: Discovering the Critical Linkages.* By JOHN D. SUTTON (ed). (Lynne Rienner Publishers, Boulder and London, 1988.) Pp. 245, ISBN 1 55587 090 2.

The definition of a specialist as one who knows more and more about less and less is well known. This book is directed at two groups of specialists, those interested in international agricultural trade and those concerned with issues in the economics of natural resources. The objective of the book 'is to initiate a dialogue between agricultural trade and resource economists such that their conceptual and theoretical differences may be recognised and implications for remaining with or narrowing these differences may become more clearly understood' (p. 4). To meet this objective the book consists of eight contributions looking at the linkages between natural resource economics and international agricultural trade with five chapters of discussion or summary. As the contributors and discussants all deal with closely related issues the best way to summarise the topics covered seems to be to identify the major themes that recur throughout the book.

One major theme, which recurs in several contributions, is the reason for the rise and fall in land values, particularly in the United States, over the 1970s and 1980s. An early chapter by Abbott and Haley motivates their general theoretical discussion of the links between trade theory and the theory of externalities by instancing the importance in the agricultural policy debate of changes in land prices. A later chapter by Sutton and Webb returns to the issue with some empirical data relating movements in farmland prices to wheat prices and interest rates for several countries. This chapter is the most empirically oriented in the book but its empirical analysis is only loosely tied to the theory and the results are presented as suggestive rather than as formal tests of hypotheses derived from the theories set out in other chapters.

A second theme in the book is of the links between environmental and trade policy. Chapter 4 by Runge, Houck and Halbach discuss the role that environmental regulations may play in determining trade patterns. One idea discussed is that if the quality of the environment is a high income elastic good one will expect to see more environmental regulations in rich than in poor countries. In so far as these regulations change relative private cost this may affect trade patterns. The authors argue that actual policy in meeting both environmental and trade objectives is inefficient while their discussants, Ogg and Sutton, disagree. The central issue is how domestic externalities created by pollution and soil conservation problems link with external distortions created by trade policy. The authors bring out well how one set of policies may influence two objectives, for example, soil conservation and export pricing, usually treated as distinct in the policy debate.

A third theme which recurs is the need to link trade models with natural resource models. Standard trade theory is expounded at several points in the book; in some detail in chapter 3 and briefly elsewhere. An intertemporal maximisation problem is set up in both chapters 3 and 6 where the formal conditions that the time paths of the variables must follow are derived. Both these chapters show the potential importance of discount rates and international prices for decisions about

agricultural output and resource use. The model in chapter 3 by Antle and Howitt is the most ambitious building a hybrid model intended to capture the interaction of natural resource depletion with trade concerns. However no model in the book is formally tested. Indeed as Antle and Howitt note 'the general importance of resource-trade linkages remains an open empirical question' (p. 88) which the book does not resolve.

The problem posed for the reader by the book is not a reluctance to agree that in general there are important linkages between the two areas of economics surveyed but that the various chapters of the book rarely go beyond such generalities. In the concluding chapter Gardner identifies four topics where interplay between the two specialisms would potentially be useful, 'welfare economics of trade with externalities, measurement of comparative advantage when externalities exist, technical change in traded commodities and movement of resources themselves across national borders' (p. 236). One could argue that two at least of these topics are part of the specialism of the welfare economics of imperfect market economies, a topic which is mentioned but not developed at several points in the book. The book is suggestive that gains to trade across these specialisms exist but the demonstration that the gains are large must await work that brings the models and data more closely together.

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*Lords of Poverty.* By GRAHAM HANCOCK. (Macmillan, London, 1989.) p. 234, ISBN 0 333 43962 7.

Mr Hancock is not the first critic of aid – official aid, that is – and will not be the last, but he certainly is one of the angriest (and most entertaining too). The ambit of his book is well specified by its sub-title: 'The free-wheeling lifestyles, power, prestige and corruption of the multi-billion aid business'. In his introduction, Mr Hancock states that his explicit purpose is to 'question aid as such' (p. xv), and concludes that aid is '*inherently* bad, bad to the bone, and utterly beyond reform' (p. 183). He singles out the personnel of the bi-lateral and multi-lateral aid agencies for particular vilification; the language is strong and he makes no apologies. The charities or non-governmental organisations (NGOs) come off lightly. The intended readership are the taxpayers in the donor countries, since all official aid is financed out of tax revenues.

In Part I, captioned 'Masters of Disaster', the author develops the theme that disasters (e.g., famines, floods, earthquakes and dramatic influxes of refugees) in the Third World, presented with the appropriate media hype, can be real money-spinners for even the charities. But the proportion of the donation that gets sent overseas varies from group to group; ranging from 3 to 72 per cent. The difference stays in the donor country. Disasters also tend to strengthen public support for official aid, but quite often in relief work, supplies arrive at their destination very late or, are quite inappropriate. Sometimes, too, the inexperience or arrogance and paternalism of field workers can exacerbate the suffering. Here, the author refers to some experience in Somalia.

Part 2 is devoted to 'Development Incorporated', a term the author coins to represent that complex industry financed by the official aid money of rich countries and mandated to promote 'development' in the poor ones. For the general reader, the type of aid the author is attacking is delimited here. It is 'Official Development Assistance' – ODA – which excludes finance provided by NGOs. To be classified as ODA, a transfer of resources (whether in cash, in kind, or in the form of expertise) must also meet the following tests: (a) it must be administered 'with the promotion of the economic development and welfare of developing countries as its main objective', and (b) it must be 'concessional in character', containing 'a grant element of at least 25 per cent' (p. 42). We are informed that recent annual ODA flows vary between 45 billion and 60 billion dollars US, and a breakdown by donor country is given for the year 1986.

A portion of the aid budget in any one donor country is channelled through that country's own bilateral aid agency; the balance is channelled through the multilateral development organisations. The key 'bilaterals' are listed and a fairly detailed account of the resources, mandates, philosophies and inter-relationships of the 'multilaterals' is provided. The primacy of the World Bank and its ever-increasing ties with the International Monetary Fund (IMF) – which is not an aid agency – are delineated. The author echoes the controversial IMF conditionality that unduly burdens the poor and the vulnerable in the Third World.

The author devotes Part 3 to illustrate his allegations of over-compensation, corruption, mediocrity in staff performance, nepotism, duplication, bickering and cover-up in the U.N. agencies. In Part 4, Mr Hancock rightly questions the enduring practices of using expensive foreign experts even when less expensive local expertise is available, hasty and short field visits by the experts, and non-involvement of the supposed beneficiaries in project preparation and appraisal. The World Bank is criticised for its penchant for big and expensive projects, many of which have turned out to be white elephants. But that giant institution is given a thorough dressing-down over two big resettlement schemes: the Polonoroeste in Brazil, and the transmigration program in Indonesia. Hancock professes that it was \$250 million of the Bank's money that paid for the speedy paving of Highway BR-364 that facilitated the penetration and destruction of the ecologically important rainforests of the north-west of Brazil. Likewise, by 1986, the Bank had committed no less than \$600 million directly to support the transfer of millions of peasant farmers from overcrowded Java to the more thinly populated outlying islands. In both cases, lessons from past projects were ignored and the cost in terms of environmental degradation and human misery is nothing short of tragic.

Aid is given for a potpourri of reasons, but because of the strong self-serving element in it, Hancock tells us in Part 5 of his book, the real winners (apart from the bureaucrats) are the farmers and companies in the north whose products are purchased and passed on; the real losers are the poor in the south. But there is another class of 'winners' – the corrupt government officials and presidents of the south. The cases of Marcos in the Philippines, 'Baby Doc' Duvalier in Haiti and President Mobutu Ses Seko of Zaire provide mind-expanding reading on the nexus between greed and power. One wonders with Hancock how

leaders with records such as those three continued to enjoy Western aid for as long as they did or have. Certainly poverty alleviation is not as central to aid as we are made to believe.

This is not a book that pretends to present an unbiased or objective analysis of aid; it is decidedly an arsenal for the anti-aid lobby. The narrow focus of the author means that he is showing us only one side of the coin – the tarnished side. (The Green Revolution and its instigators, for example, go unmentioned.) But aid, like most endeavours in life, presumably yields both benefits and costs. The author does not allow the reader the luxury of independent judgement by providing evidence from both sides. The main strength of the book lies in its numerous instructive insights into how aid and its self-serving bureaucracies too often operate in the real world.

In the end, having got it all off his chest, the author contradicts himself. He claims aid is 'inherently bad' because it has given rise to the 'lords of poverty' who must be ousted for 'people to rediscover ways to "help" one another directly...' (p. 193). Presumably, in that undefined new framework, the 'help' would still mean transfer of resources from the rich north to the poor south. 'Aid', 'help', call it what you may, what is the difference? Is it going to be different human beings who will be involved or is it going to be the same old – as he sees them – opportunistic, hypocritical humans that Mr Hancock knows too well. Given the evolution that we have witnessed in the aid industry, what guarantees are there that 'help' would not give birth to its own 'super-lords of poverty'? Who now, in the estimation of Mr Hancock, has the requisite expertise to operate efficiently in that new framework of a *desideratum*? And if the present apparatus were to be dismantled, what would be the cost of severance of those real people entitled to compensation? In not pondering the scope for raising the benefits and reducing the cost of aid but simply advocating outright abolition of the present apparatus without any concrete alternative, Mr Hancock has only demonstrated how easy it is to compile a litany of failures from a radical standpoint but not how difficult it is to proffer credible and workable alternatives. Aid can, and should, be made to facilitate development. In particular, it should concentrate more on the basic growth catalysts of human capital development and agricultural research, and far less on the delusionary Big Fix of Grand Projects, thereby recognising the reality that development takes time and cannot happen without indigenous effort.

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