

Conservation: The Answer's in the Soil



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Sustainability and Degradation in Less Developed Countries

Ashgate, Hd.bk. pp.226, £40



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DESPITE two decades of frenetic interest in the philosophy of the sustainable use of land, we are not much closer to understanding the institutional underpinnings of the abuse of nature. That we need a solution is dramatically emphasised by the fact that there are nearly 800m chronically under nourished people in the world even though we have the capacity to produce enough food for everyone.

The most depressing recent development amounts to a confession that

the experts still do not understand the basis of the unsustainable use of nature. The World Bank has orchestrated an agreement to focus the search for a solution in the realms of science and technology. Agreement has been reached between organisations as diverse as biochemical corporations and Greenpeace to search for solutions.

They will fail. The World Bank is leading them along a path that terminates in a dead end.

There are no scientific or technical solutions to the problem of hunger, which stems from institutional causes. The misalignment of property rights and public finance is the fundamental cause of personal deprivation and environmental degradation. The solutions are to be found in the realm of political philosophy – which raise the tough questions about the rights of access to land, and the terms on which nature may be used.

Any progress in the scientific and technological methods for increasing soil productivity does *not* find its expression in the reduction of hunger. It *does* result in enabling the owners of land to charge higher rents for the use of their soil, higher rents means the amalgamation of farm units into larger holdings, the displacement of more peasants into the cities and the downward pressure on wages.

Net effect of scientific progress: communities further divided between rich and poor, and the desperate intensification of marginal lands.

SARAH LUMLEY of the University of Western Australia has sought to explore the manner in which the environment is used in an unsustainable way by focusing on a case study of communities in the Philippines. The result is a disappointment.

Impoverished farmers, we are not surprised to learn, are least likely to adopt benign land-use practices. Desperately in debt, they live for the moment. They lack the resources to invest in the future returns from their acres. Their time horizons are rooted in the present and concerns with how they can put food on the table today.

It does not take a doctoral research project to work out that solutions have to be sought in the institutional reasons why hard-working people are driven into debt. And yet, the specialist literature goes to extraordinary lengths to avoid confronting this problem.

That we cannot afford to pursue the red herrings offered by the World Bank is confirmed by all the evidence.

■ Degradation of farm land is predicted to reduce food output by anything between

15% and 30% over the next 25 years.

■ It takes about 500 years to reform one inch of degraded top soil under normal agricultural conditions.

■ Because of degradation, about 15m hectares of new land must be found for agriculture every year.

■ Agriculture accounts for about 80% of deforestation worldwide.¹

Lumley acknowledges that Australian farmers are liable to the same influences as the peasants of the Philippines when they are subjected to indebtedness and the need to avoid risky strategies. But while she offers a wealth of data on discount rates and time horizons we are disappointed by the brevity of her treatment of the institutional causes of poverty and indebtedness.

Instead Lumley resorts to the secondary literature to summarise historical trends that have brought the peasant economy to the point where the care and ingenuity of people who love the land is sacrificed because of the financial pressures. She cites the following analysis:

Without cash, in a rice and fish subsistence economy, they had to borrow money from the Chinese, using their traditional land as collateral. When the debt could not be paid the land was forfeited [this system still exists]. By this indirect form of extortion, more and more land came under the ownership of Chinese mestizos. The original Malay landowners became merely tenant farmers in their own country.²

Lumley cops out of her obligations as an investigator by merely slipping in a parenthetical phrase. But to understand why peasant farmers adopt practices that defeat their long-term welfare, we need more than a throw-away phrase in parenthesis. We need to know more about the current conditions that protect what she calls the landed elite in the Philippines, who should be indicted as responsible for the cultural impoverishments that cause the degradation of nature.

LUMLEY found that most of the farmers whom she studied were aware of the full

range of technologies available for soil conservation, and the benefits of using them.

But her discussion of how to change the incentives to use good practices is wholly unsatisfactory. Her discussion is located within the language of neo-classical economics. Thus, externalities are to be corrected with subsidies. Subsidies, of course, are at the expense of taxpayers and they are converted into higher land values – which triggers a new phase of indebtedness. But this economic trap receives no discussion.

An alternative approach, which Lumley commends, is interest free loans. But she acknowledges that this did not prove successful in terms of reducing the impact of pollution when it was tried by the government in Australia (The Cleaner Production Grants). Again, such support finds its way into the pockets of landowners.

The peremptory review of inadequate Agrarian Reform programmes in South America and Asia was sufficient to indicate that the draughtsmen of land policies suffer from a serious gap in their understanding of the economic realities on the ground. Either that, or they are not interested in delivering a practical remedy to peasant indebtedness and the abuse of the soil.

But scholars are not supposed to be partial to political considerations. If their task is to discover why peasants abuse the means of their livelihood, they should provide a comprehensive account of the conditions that drive them to such contradictory behaviour. Why is it, as Lumley notes, that a large proportion of farmers' borrowing is to purchase food?

Surely we have gone beyond the need for "quite a lot of further research" to determine why farmers make decisions that appear to be irrational.

What's needed is conceptual clarity rather than the further accumulation of data. Take, for example, Lumley's assumption that market theory may not be relevant to village economies in the Philippines "because the assumptions are not consistent with reality". Her treatment of this issue is nebulous.

The problems to which she should be paying attention are not those to do with the market, but with the failure of politics. Externalities are not a failure of the market process. They are a fact of life which can only be addressed by the community through the political process. If governments decline to take the appropriate action, through, for example, fiscal policy, the institutional framework within which people and markets operate will necessarily be sub-optimal. It is fatuous to then blame the imperfect outcomes on "the market".

We do not need more research into the realities "on the ground". We need to re-visit the basic principles of philosophy, to reconstitute the available information in a way that delivers the practical solutions that are already at our disposal.

References

- 1 David Pimental *et al.*, "Achieving a secure energy future: environmental and economic issues", *Ecological Economics*, vol.9, 1994.
- 2 Sterling Seagrave, *The Marcos Dynasty*, London: Macmillan, 1988, p.9.