POVERTY AND PLENTY ON THE TURKISH FARM
– A Study of Income Distribution in Turkish Agriculture–

By Eva Hirsch

The Middle East Institute of Columbia. Columbia University Press, New York, 1070. 313 pages, introduction, tables, appendix, notes and bibliography. No index.

This book is the outgrowth of Dr. Hirch's Ph. D. dissertation and is the first in the Modern Middle East Series of Columbia University. After an introductory chapter which deals with the physical, as well as the institutional characteristics of Turkish agriculture in general, the book is divided into two parts. Part one concentrates on the functional distribution of income. This part is divided into four chapters where differences in income distribution due to market and the share systems are compared. Part two is similarly divided into four chapters where the distribution of income by income sizes is analyzed. A rather lengthy appendix and footnotes follow the main body of the text.

The general point to be made with respect to the book relates to data used. As in most underdeveloped countries the reliability of data used in analysis is a serious problem. Turkey is no exception to the general rule and Dr. Hirsch should be commended for her efforts in correcting some of the biases and shortcomings. However, the point to be made in this respect is not on reliability of the data used but rather its age. In a book published recently one would expect to find the latest data incorporated rather than data from the early 50's. This criticism is not a minor one since it leads to some distortions in the estimation of factor shares. This point will be treated later in the review.

Furthermore one cannot justly minimize, as she does (p. XIV), the important changes that have been taking place in Turkish agriculture (and their obvious effects on income distribution) since the completion of the dissertation. One should only refer to some of these changes such as; increasing rate of migration out of agriculture, increases in the area sown due mainly to the introduction of tractors, new seeds, fertilizer and the improvement in transportation facilities which lead to easy access to markets as early as the late 50's. Obviously the effects of these changes were not neutral, that is not all participants benefited equally; therefore they have contributed to the increasing dualistic nature of the Turkish agricultural sector. These together with the increases in the area sown at the expense of meadows and pastures (i.e.– common land) have accentuated the already unequal distribution of land and therefore incomes. For the above mentioned reasons incorporation of these changes in the book would have, I believe, significantly altered the findings.

Dr. Hirsch's findings on the income shares of factors of production is rather surprising. Since rent (Ricardian) is computed as a residual one would have expected it to be rather large with respect to the shares of other factors (because it is a catchall item, as well as due to the specific nature of factor combination in Turkish agriculture). She reaches the conclusion that "... in table 4 (page 74) the distribution of animal incomes is added to the crop incomes distributed according to the market system and to the share system. Acording to the first distribution, wages are shown to receive 36 percent of the combined agricultural product, capital 50 percent, and rent 14 percent. Acording to the second, wages receive 19-25 percent, capital 42-49 percent, and rent 33 percent."

"In both distributions the income going to capital constitutes one half, or nearly one half, of the total income, while rent and wages together get roughly the other half. This suggests that capi talis the most important source of income in Turkish agriculture (p. 73).

The author seems to have been surprized at her own conclusion and thinks that over valuation of animal incomes may have been the cause of the rather large share of capital. Consequently she herself feels rather ill at ease and yet concludes that"... But even if the total income from animals and animal products were reduced by one half–probably an extreme adjustment for 1951– the return to capital would still constitute about one third of the total agricultural income, and is, therefore, still very large" (p. 73).

Even with such a drastic adjustment of the animal incomes, Dr. Hirsch still finds the share of capital to be large. What is the explanation of the riddle then?

The unusually large share of capital, I believe, results from the estimation procedure employed. A large portion of capital's share is accounted by the return of tractor and other modern equipment. The main criteria for evaluating the rate of return on these investments [estimated to be 56 percent (pp. 31 and 251)] have been the increased yields. This would be an acceptable procedure as long as other variables can be assumed to remain constant. The most favourable weather conditions within the study period (1951-53) have increased agricultural yields in general and wheat in particular. The resulting rate of return on investments, based on yields, have been a confounding rate of at least two variables, (i.e. increased tractor use and weather effects).

More seriously cross-section data do not reveal the afermath of tractor use. Initially the opening up of new lands for cultivation may increase yields above that of the already sown areas. However, because tractors have crept into the marginal lands (i.e. lands not suitable for crop production), after the initial period the yields can be expected to decline below that of the previously sown areas. Therefore I believe that a rate of return estimate on investment based on time series data would have significantly altered the findings and reduced the share attributed to capital. Assuming the share of wages to have been estimated correctly, this adjustment would have increased the share of income received by rent significantly.

The second part of the study, distribution of income by income sizes seems to have been estimated better, mainly because tractor owners were at the same time large land owners. In other words, the significance of ownership of land in the distribution of agricultural incomes is reflected closer to reality in this part of the study. Very close correlation of ownership of land and the resulting shares out of agricultural incomes is suggested at page 170. Table 6 of Chapter IX which indicates that the highest ten percent of farm families own 49.8 percent of the land and receive 52.8 percent of the total net crop and animal incomes, 48 percent of incomes from all sources. Similar observations hold true for farm families in all other ownership deciles.

In general, this book is an interesting attempt at estimating the income distribution in Turkish agriculture during the early 50's. Besides some of the pitfalls mentioned above the author leaves the reader where he has started. That is, what is the lesson to be learned, if any?

Did economic development contribute favourably or unfavourably to the distribution of income in Turkish agriculture? Are there implications and guides for other underdeveloped countries to follow? These and host of other similar important questions are left unanswered.

METİN BERK
Middle East Technical University