

# **Dr. John E. Lee, Jr.**

## **Lifetime Achievement Award**

John Lee is professor and department head emeritus in the Department of Agricultural Economics, Mississippi State University. He received his B.S. in Animal Husbandry (1957), his M.S. in Agricultural Economics (1958) from Auburn University, and a Ph.D. in Economics from Harvard University in 1969.

Lee joined the staff of the USDA's newly created Economic Research Service (ERS) in 1962 and remained there until his retirement in 1993. His early research dealt with economic adjustments on farms in major farming regions of the country and aggregated production response to various policy and economic changes. Some of his early publications dealt with problems of aggregation error in linear programming models of "typical" or "representative" farms. In 1967, he became the chief of the ERS Agricultural Finance Branch. In that position, he guided establishment of a substantive program of research in agricultural finance by chairing and helping to redirect the focus of the National Agricultural Credit Committee, which represented all the public and private long-term lenders in agriculture; becoming heavily involved in the restructuring and modernization of the Farm Credit System; and developing a life-long interest in agricultural finance.

In 1971, Lee became Director of the "old" Farm Production Economics Division of ERS. When that Division was combined with parts of the old Marketing Economics Division in 1973, he became Director of the resulting Commodity Economics Division. As a result of further reorganizations and mergers, he became Director of the National Economic Anal-



ysis Division in 1976 and of the National Economics Division in 1979. In the 1976-1980 period, Lee played a leadership role in guiding research and analysis pertaining to Secretary of Agriculture Bob Bergland's "Structure of Agriculture" project.

In 1981, Lee became Acting Administrator, and, in 1982, he was named Administrator of the ERS. From then until 1993 he guided a gradual reinvention of ERS to make it more of a national "transparency" agency, with emphasis on implications of national and international economic and policy developments.

One of the significant efforts that Lee guided during that period was a massive program of research and analysis that provided the foundation for U.S. proposals in the Uruguay Round of the Multilateral Trade negotiations, resulting in the World Trade Organization and a new international regulatory regime to guide global trade.

As ERS Administrator, John Lee developed a close working partnership with other agency administrators, such as with CSREES to improve funding for both formula and competitive grants for social sciences, with the National Agricultural Statistics Service to support improvements in data available to researchers, and with the Foreign Agriculture Service to promote employment of masters'-level agricultural economists.

While at ERS, Lee served as a member and later Chair of the General Administrative Board of the USDA Graduate School, which offered college-level courses to over 100,000 students. He was a member of the Congressionally established Joint Council on Food and Agricultural Sciences. He served as a member of the USDA Committee on Biotechnology in Agriculture, the nine-person body that set USDA policy on biotechnology research guidelines and regulation. Lee was active in numerous regional agricultural research and administrative organizations, serving on the executive committees of several of them. He was the leader of one and member of three U.S. delegations to the Organisation for Economic Co-operation and Development in Paris. In 1992 he chaired a five-member International Visitation Committee to review and evaluate the program of the Agricultural Economics Research Institute (LEI-DLO) of The Netherlands Ministry of agriculture, The

Hague. Lee authored the 50-page evaluation report, with recommendations to the Institute.

Lee also remains an active supporter of the American Agricultural Economics Association (AAEA) and Southern Agricultural Economics Association (SAEA). He was a charter member of SAEA and served as its Vice President and Program Chairman in 1979-1980. With Ray Goldberg, Vernon Schneider, and others, he helped establish the International Agribusiness Management Association in 1991 and served on the Board of Directors until 1998. He worked closely with USDA activities in support of 1890 Land Grant universities and chaired USDA's Leadership Committee working with the Hispanic Association of Colleges and Universities.

John Lee joined the Agricultural Economics faculty at Mississippi State University (MSU) in 1993 following his retirement from USDA-ERS. He served as Head of the Department of Agricultural Economics at MSU until his retirement in 2001. Lee guided the revitalization of the Department's research, teaching, and Extension programs and recruited outstanding new faculty members. While he was Department Head, Lee also served as Interim Director of the Southern Rural Development Center in 1996 and 1997.

Lee's writings have dealt with productivity, finance, structural change, economic development, trade, farm management, history, and a host of other topics, but his primary interest has been agricultural and food policy. He is a Fellow of AAEA, and he and his wife, Marie, were honored with an AAEA Appreciation Club endowment.

John Lee views the greatest accomplishment of his career as recruiting talented people and providing them with an environment within which they could excel.

# Perspectives, Philosophy, and Agricultural Economics

**Dr. John E. Lee, Jr.**

Thank you for honoring me with the SAEA Lifetime Achievement Award. When I review the list of past honorees and their truly impressive contributions, I am flattered and pleased to be among them.

Past honorees have used this occasion to comment on some aspects of the state of our profession. I think often about that topic and about the global forces swirling around us that challenge us to change or become irrelevant. My feeling is that, although a few in our profession might be fighting a last-ditch rearguard action, the front line of our profession is rapidly morphing into something quite different from what we thought of as agricultural economics in the past. Most of that change is both good and necessary; some of it puts us on a slippery slope.

We had to change because our world has changed, and with it our clientele, our priorities, and ourselves. We see that change in the younger members of our profession: how they are trained, the tools at their disposal, their view of the world, and the problems they are addressing. The newer members of our profession likely did not come from a farm or even a rural area. Their degrees could well be in general economics or some discipline other than agricultural economics; but if in agricultural economics, those degrees are very different from the narrow focus on farm production and marketing that was typical a generation or two ago. These younger economists likely see the object of their scholarship not as a farm or farmer, but as a global food

system, linked by tightly managed supply chains that operate largely independent of national borders. This obviously means that the audience for our scholarship now includes all who have a stake in this bigger system. This changes our priorities and challenges our traditional sources of support and funding.

The demographic changes in our profession and in our institutions are a part of this bigger world change. When I started trying to be an agricultural economist in the 1950s, most of my fellow graduate students had farm backgrounds, as did their professors. Farming is what they studied and farmers were who they served. Many state legislators came from farms; those on the agricultural committees most certainly did. Ditto for Federal legislators. The USDA was dominated by employees from farms and rural areas. Thus, farmers dealt with farm-friendly legislators and USDA employees, advised by farm-friendly and farm-savvy economists. Today, our professions, legislatures, and institutions are essentially staffed by people from nonfarm backgrounds. That alone has an effect on how issues are perceived and our agenda gets shaped.

On a personal note, I have found it exciting to be an observer and participant in this transformation. I view the changes over the last four decades as largely positive and responsive to the changing needs of the times. As members of the profession, we have the skills, tools, and perspective to provide useful insight and understanding to an audience of food system participants and policy makers who are caught up in a world of rapid and often confusing change. Whether we fulfill this potential depends on how well we and our admin-

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istrators deal with the funding and political challenges we face, and how well we demonstrate our value to a parsimonious and sometimes dubious public and body politic.

Most of my career was spent at two institutions; USDA's Economic Research Service (ERS) and Mississippi State University (MSU). I am indebted to both institutions for the opportunities provided me and for the people who helped me along the way, including those who tried to teach me a few things. They are not responsible for any failures to learn.

At ERS, I was very much influenced in my views of the opportunities and responsibilities of agricultural economists by my early interactions with such men as Ernest Wieking (ethics and moral responsibility), Charlie Kellogg (a noted soil scientist and self-taught economist with a big view of the world), Warren Bailey (lateral thinking), John Brewster (a brilliant philosopher among agricultural economists), Fred Waugh (unlimited intellectual curiosity), Don Paarlberg, and many others. It was Don Paarlberg who told me, and I paraphrase, "Let truth be your North Star; never take your eye off it. If you hit a big rock, just feel your way around it, but don't lose your sense of direction. Keep your eye on the North Star." It was also Don Paarlberg who wrote me a note when I became Administrator of ERS. "ERS must be an honest mirror to rural America, telling it like it is, without the distortions one gets in the mirrors at a state fair."

These wise people, and many others, certainly influenced my thinking about what such notions as truth, usefulness, and public service meant for a publicly employed agricultural economist. It was at ERS that my faith in the power of "transparency" sprouted and evolved. With every new experience it continues to mature. That faith became the guiding philosophy for at least the latter half of my professional life. My views on the subject are pretty much spelled out in my 1994 AAEA Fellows Address, published in the December 1994 AJAE.

Transparency, as I interpret it, is a clear knowledge and understanding of the consequences of a particular course of action or, preferably, alternative courses of action (the

latter so as to understand opportunity costs). I believe that most people respond to options in what they perceive to be their own self-interest, but if that self-interest is evaluated in ignorance of the most likely outcomes, the outcome of decisions will likely be disappointing, at least in retrospect or in an *ex post* sense. When I talk about transparency, I am not referring to limited measures of outcome, such as efficiency, profit, or government costs. Rather, I am referring to a comprehensive (or as close to comprehensive as analysts can come) understanding of all the ripple effects of a particular course of action, not just economic, but also social, political, and cultural.

Several related convictions flow from my commitment to transparency. The first is that true transparency leads to decisions that are in the enlightened self-interest of decision makers, and that, generally, such enlightened decisions also best serve the broader public good. Those who disagree with this point are typically thinking of transparency much too narrowly.

Second, it follows that it is in the public interest to invest in transparency research and analysis and in the institutions and experts that provide it.

A third conviction is that agricultural economists, especially publicly employed agricultural economists, have a professional and moral obligation to contribute to transparency. That is what we are trained to do, and that is the most important thing we can do. If we are paid by the taxpayers (i.e., society at large), we have a responsibility to serve the broader public good, rather than narrow or partisan interests. Of course, not every decision can be accompanied by a full understanding of every possible ripple effect to the far corners of the globe and to the end of time. But insofar as is practical, major decisions that affect the welfare of many should be accompanied by as broad an analysis of the consequences as resources and time permit. This is especially the case for national policy decisions or debate on alternative policies.

A fourth conviction that follows from the preceding three is that analysis of public policies, and of the consequences of public poli-

cies, existing and proposed, must remain high on the priority list of agricultural economists. That is why I supported moving ERS away from “farm management” type of research (profit maximization for typical farms, firm growth, and optimal adjustments on wheat-livestock farms in the Great Plains, as examples) to a much greater emphasis on providing a broad array of implications of existing and proposed policies, especially policies of national and regional importance. With limited resources, it appeared obvious that ERS could make a positive difference for more people by focusing on providing transparency on the broader issues that affected the most people. This is not to disparage research that improves micro decisions, which in the aggregate can improve an economic sector’s performance, but it is important to understand the broader consequences of those micro decisions. I felt it was important that such information be provided to policy-making officials in Washington as well as to the various stakeholders. Some of the better people I worked for at the cabinet and subcabinet levels actually appreciated, even demanded, such comprehensive information. To paraphrase Don Paarlberg again, this time when he was my boss, “Don’t focus your analysis solely on what you assume to be my objective function. I need to know the good and bad outcomes and the orders of magnitude of those outcomes, so that when I make a political decision, or recommend one to the Secretary or White House, I know the opportunity costs of that decision.”

As important as is transparency for Washington and state capital legislators, understanding the consequences of alternative public policies is even more important for the various “publics” that have a stake in the outcome of policy decisions. It is they who often shape the policy-making environment by bringing their interests to bear on policy makers. If the agriculture committees of the Congress are considering farm support legislation, it is not enough to know the effects on farmers. Other “publics” will be better empowered to act in their best self-interest if answers are provided to such questions as, for example, What will be the effect on taxpayers (treasury

costs), consumers, the environment, producers of competing crops, the structure of the farm and food system, the distribution of winners and losers, trade and export competitiveness, and production incentives in other countries?

It is my further conviction that agricultural economists, again especially those publicly employed, must make every effort to be as credible and objective as possible. They must also be highly competent. These are necessary but not sufficient conditions for true transparency and for the transparency to be widely accepted and acted upon. In this regard, I feel strongly that economists need to understand enough of what their sister social sciences can offer to judge when partnerships with them would add valuable insight to the probable consequences of agricultural policy decisions. In short, a good economist needs to be well educated as well as well trained.

Finally, agricultural economists, as part of a professional body, have a responsibility to communicate their understanding of how policies and decisions play out over time. It is not enough for an elite few to understand the consequences and side effects of policies and programs. In a time of tight budgets and declining public support for objective scholarship, it is more critical than ever that we effectively communicate with the broader public.

Is this passion for transparency founded on faith, hope, or real evidence? It is, of course, unrealistic to expect that economists can be perfect agents of transparency. We all have biases that color our analyses. There are not enough resources to explore all consequences of even all the most significant policy decisions. We are not always wise enough to know which policies and decisions will turn out to be of great importance. There are often consequences we have no historical or theoretical basis for anticipating. We can never anticipate and incorporate all the dynamics that will alter outcomes. In short, even the best efforts toward greater transparency will be imperfect. Moreover, we now live in an era of advocacy, powerful special interests, and “spin.” More and more of our funding comes from private, and even public, entities with their own agendas. And, with all the stories of corporate cor-

ruption, the power of lobby groups, and proliferating sources of misinformation, we face a public highly cynical about claims of objectivity and truth.

Nevertheless, it remains my view that the agricultural economics profession can still make a major contribution to the public good by making as many people as possible aware of the actual and potential consequences of public policies that are relevant to the food, fiber, and resource sectors. High levels of precision in transparency and forecasting are often neither achievable nor cost effective, but orders of magnitude, directions of change, and even identification of potential consequences, if widely understood and accepted, can have a positive influence on the quality of public policy-making.

One more point. I have already alluded to the changing environment for funding "public goods" research and scholarship. Declining state and Federal research funds, increasing emphasis on grantsmanship as a performance measure, growth in the proportion of both private and public funds coming from sources with restricted agendas, and decreasing congruity between the interests of agricultural appropriations committees and the broadening interests of agricultural economists are all topics with which you are familiar and about which members of this society have written in recent years. How, in this environment, can we find the support and opportunity to do research (and extension and teaching) that addresses the broader "transparency" needed by our society today? Here are a few suggestions for starters.

*Have your own agenda.* If there were no constraints, what would you, as an agricultural economist, like to do in your areas of scholarship that you believe would be of great benefit to society? What are the issues you would like to address that would benefit from more insight and sunlight? Let that agenda be your "North Star." Rather than a passive approach of having your research or education agenda be dictated completely by whatever funds come along, be aggressive in seeking funds to support your priorities. You still need to be a

team player and be responsive to the needs of your employing institution and its funders, but if you have a clear sense of where you want to go, you are more likely to get there than if you let yourself be whiplashed by whatever funding happens to come along. Remember the old adage: "A ship without a destination never arrives."

*Bootleg.* There are several ways to do this, and most of you probably already do it. Use money provided for a restricted objective to address a broader objective or a bigger question. A similar way to bootleg funds is to use any savings or financial flexibility from a grant or contract to work on a broader or different issue. Use "hot button" topics high on the agendas of funders as an entrée to a related issue needing transparency. There are other ways to bootleg support, but faculty members already know these better than administrators.

*Persuade.* Make a compelling case for your objective. You have already thought through the reasons why what you want to do is very important. Try to relate those reasons, persuasively, to the interests of a funder.

*Self-fund.* Use intramural research time and funds, if there are any, to work on important topics that others are not willing to fund.

*Hire the right people.* This is the key to success, affirmed by my experiences at both ERS and Mississippi State University. Administrators can talk about vision, public service, or the importance of seeking truth, but you won't get a commitment to transparency or public service or a burning desire for truth unless it is in the bone marrow of the individuals who populate a faculty or agency. In addition to competence, collegiality, and other attributes, I always looked for that "fire in the belly" that motivated a person to be all he or she could be. If you have these individuals, give them support and encouragement and turn them loose. Good people find a way to get good stuff done. If I have made any lasting contribution to ERS and Mississippi State, it has been to hire some outstanding people. They, and others like them, and like you, are the ones who have made mine a fun and rewarding career.

Again, thank you for the award.