A Critique of the World Agricultural Economics Research Establishment

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At times, a good way to look at a profession is to step back, strip away the complexities, and simply ask: How are we doing? The answer for agricultural economics is: Our work matters but innovation and flexibility will make us better.

My assessments of the state of the profession are:

- Agricultural economics research results increasingly affect policy debate and dialogue.
- The agricultural research establishment is expanding its use of agricultural economics.
- Agricultural economists are doing their jobs well.
- Agricultural economics research needs to balance emphasis among problem solving, subject matter, and disciplinary analysis.

Research Affects Policy

How its analysis is used is an important measure of a profession’s effectiveness. There appears to be growing demand for agricultural economics research by public and private officials for use in public policy debates. Economic analyses are gaining acceptance by government officials, especially in many developing countries. For example, the drought and other food concerns in many African countries have expanded the use of agricultural economics information in policy decisions in those countries. Administration officials, legislators, and other authorities in the United States, Europe, and other countries are strengthening their reliance on agricultural economics research.

Improved methods of analysis are perceived as useful and are used more quickly now in policy debates. For example, the time between the development of the concept of producer and consumer subsidy equivalents and their use in General Agreement on Tariffs and Trade (GATT) negotiations was comparatively short. The use of risk analysis techniques has expanded as the problems facing individual firm managers and government become more complex because of the internationalization of agriculture and increased uncertainty.

A significant measure of the quality of agricultural economics’ analytic services can be inferred from the quality of the public debate on food and agricultural policy issues. A democracy’s quality of public debate is a better measure of the usefulness of agricultural economic analysis than the “rightness” of policy decisions. World agricultural policy has moved from debates that have included myth and dogma to a more realistic approach to problems. Examples include the current GATT negotiations and the U.S.-Canada free-trade dialogue about structural change in both agricultural organization and incentives in most socialist countries. Agricultural economic analysis has also made significant contributions to the quality of the debate within and between international organizations like the Food and Agriculture Organization of the United Nations (FAO), World Bank, and Organization for Economic Cooperation and Development (OECD).

Research Expands Role

Results of agricultural research have recently gained wider acceptance. The rising influence of international research centers, the growing concern about profitability as opposed to maximum yield per acre, and the broad-ranging implications of the internationalization of agriculture in all countries have led users in the agricultural industry to value agricultural economics research more highly.

Ironically, the profession of agricultural economics was developed in many countries mainly by agronomists and other biological scientists. They turned to economic analysis in an attempt to deal with the problems and opportunities faced by decisionmakers in agriculture. Advancements in theory, funding, and structure of agricultural research widened the gap between agricultural economics and other agricultural research fields. Many of the farm firm-oriented economics researchers worked closely with their biological science counterparts. The application of the pure
theory of production economics to farm production processes by Earl Heady, his colleagues, and students is a model linkage between the two fields. Expansion in the use of computer-assisted decision aids by farmers has led to more joint efforts.

The recent farm financial crisis in many countries, especially the United States, has led to closer cooperation between economists and other agricultural researchers. And, a growing concern about the impact of farming practices on the environment has brought a focus on low-input, sustainable agriculture and profitability. For example, much of the rapid adoption of minimum tillage with high energy prices can be explained by lower cost and soil conservation.

Most of the international research centers recognize the need for agricultural economics research. Some of the efforts join economics and biological scientists, and some are economic research on policy and institutions that affect adoption of new genetic material and production practices developed by the centers.

Expanding is the number of agricultural economists appointed to research administrator roles in international centers, agricultural research organizations, agricultural experiment stations, universities, and government agencies. The leadership and perspective of these individuals have added to acceptance of agricultural economics by the agricultural research establishment.

**Agricultural Economists Do Their Jobs Well**

"The typical product of social science research is information," according to Bob Lindner in his 1987 presidential address to the Australian Agricultural Economics Society (5, p 96). Placing a value on the information produced by the world agricultural economics research establishment is a way to judge how well agricultural economists do their jobs. If an easily observable market for information existed, a demand curve for information could be estimated and shifts in the demand and supply curves identified. Although a demand for the information produced by agricultural economists exists, it is not easily observable, especially on a worldwide basis, and that leaves personal observation and interpretation.

The demand for information and the value of information is reflected in the perceived usefulness of the services of agricultural economists. The demand for services of agricultural economists includes a demand for services other than that of researchers. Economists educate undergraduate and graduate students as well as firm managers and citizens through extension services.

The price (salaries) of agricultural economists is a function of both the supply and demand. The salaries of agricultural economists appear to be climbing. The inference agricultural economists are doing their jobs well.

Most agricultural economists are employed by public bodies, such as government agencies, universities, and international organizations. Both government agency and university employment jobs appear to have leveled off or declined. Some universities in the United States and United Kingdom are not filling vacancies. Reduced spending by governments, budget deficits, and, in the case of universities, slower growth in numbers of students due to demographic factors have contributed to the stagnation. However, the share of employment and budget for agricultural economics compared with other professions in agricultural research appears to have increased somewhat.

The employment patterns of private firms have changed greatly in the past decade. Middle management numbers have declined significantly as firms responded to market conditions and lower profits. The proportion of the membership of the International Association of Agricultural Economists (IAAE) from private firms appears to have slipped over the past 10 years. Many firms have eliminated their economic research departments with finance or marketing units often taking over economic analysis.

I conclude that while agricultural economists are doing their jobs well, they will have to do their jobs better to offset the political, social, and economic forces that affect the organizations for which they work.

**What Agricultural Economists Do**

Glenn Johnson examined the roles of agricultural economists at the 1976 International Conference of Agricultural Economists. Johnson discussed the contributions of agricultural economists in three significant roles: participants in decisionmaking, doers of subject matter analysis, and doers of disciplinary analysis.

Participants in decisionmaking focus on a particular problem, either public or private, and they merge theory, empirical knowledge, and command over qualitative techniques to develop empirical information into public or private prescriptions. Doers of subject matter analysis develop and gather information on a specific subject that is relevant for solving a set of problems. Doers of disciplinary analysis improve theories, qualitative techniques, and data.
Ken Hunt, Oxford University, assessed changes in the thrust of agricultural economics over time, beginning with the 1920's in Great Britain (3). According to Hunt, the principal aim of agricultural economists in the 1920's and early 1930's was supplying management advice to farmers. Many of these economists came from the biological science side of agriculture. Hunt wrote that the increased professionalism among agricultural economists has encouraged segmentation of the subject and created an interest in the academic aspects of the profession, an increase in the pursuit of knowledge and not-in application. Hunt saw that the concerns of agricultural economists have become broader and more diverse. Most agricultural economists specialize but still claim to be agricultural economists.

Castle and I have argued that the range of problems needing agricultural economic analysis will continue to expand, but a lack of agreement exists on how these problems should be investigated. We said that some agricultural economists and some academic departments of agricultural economics will become more pragmatic and interdisciplinary, while others believe that greater disciplinary depth will yield better returns over time (1, p 12).

Debate about the thrust and role of agricultural economics has existed since the beginning of the profession. Taylor and Taylor reported the cleavage between rural economics and farm management in the early 1900's (7). The policy statement of the new international journal Agricultural Economics lists three areas of coverage: disciplinary topics, subject matter topics, and problem-solving topics. Hedley (2, p v) commented "This last area of problem solving is a particularly difficult one from which to obtain well-documented research and endeavor since many professionals involved in this work, even though they may have considerable training in agricultural economics, have little encouragement to publish."

A Survey of Agricultural Economics Literature, edited by Martin and sponsored by the American Agricultural Economics Association (AAEA), showed the changes in emphasis in roles over time (6). Reviews of agricultural economics literature published in the Australian Review of Marketing and Agricultural Economics and the British Journal of Agricultural Economics also contain illustrations of changes in roles.

Clearly, excellence in disciplinary and subject matter research is necessary, but not sufficient, for useful problem-solving analysis. The ability to perform useful problem-solving research demands advances in analysis. Undue attention to the discipline of economics for its own sake leads to a neglect of useful analysis. Thus, the world agricultural economics research establishment needs to give continued attention to achieving a proper balance of the roles of disciplinary, subject matter, and problem-solving analysis.

Conclusions

Introspection is helpful in charting future directions and needed corrections whether by individuals or organizations, and within limits, its benefits promote resourcefulness. This article has been one professional's view of the status and condition of the agricultural economics research establishment. A brief essay like this one cannot attempt a comprehensive assessment of the details of agricultural economics. Instead, my four assertions represent my personal perspective and observations.

References


2 Hedley, Douglas D "Editorial," Agricultural Economics Vol 1, 1986, p v


