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The High Cost of Alternative Agricultural Advocates' Prescriptions

by Luther Tweeten

My guest editorial, "Coexisting with Alternative Agriculture Advocates" (*CHOICES*, Second Quarter 2000, p. 3), stimulated numerous comments, five of which were published in the Third Quarter 2000 issue of *CHOICES*. My editorial contended that sound economics was the first casualty of alternative agriculture advocates (AAAs) in their opposition to globalization and development. Their policies, if implemented, would impose high costs on society. I called for more economic education to reduce such costs. The comments made in response to my editorial allow me to further elaborate on my concerns regarding AAAs.

I especially welcome Michael Stumo's comment because he and the Organization for Competitive Markets (OCM) illustrate my differences with (AAAs). I am a champion of free speech and the marketplace of ideas, but publicly employed economists need to confront speech that is erroneous and hateful.

Stumo appears to hold the Postmodern philosophy that emotion is the better part of reason. His thinking is an interpretation of Antonio Damasio, neurologist and author of *Descartes' Error* (New York: Grosset/Putman, 1994). Damasio describes the pathological behavior of people made socially dysfunctional by injury to the prefrontal cortices of their brains from blunt force trauma or stroke. Their cognitive capabilities remain mostly intact, but they lose their accumulated learning from the socialization process, including their orientation toward the future.

Damasio was dealing with mental pathology, which OCM apparently seeks to ascribe to economists who don't agree with OCM. For example, OCM contends that "Dr. [Bruce] Bullock and others of similar ilk need to realize that their myopic version of 'objectivity' may be closer to pathology" (OCM, Newsletter, March 2000, p.1). I know Bullock well, and can assure everyone that he is an outstanding economist whose only "pathology" is failure to concur with OCM's animus against agribusiness.

In *Descartes' Error* (p. 246), Damasio observed that "...one would want to protect reason from the weakness that abnormal feelings or the manipulation of normal feelings can introduce in the process of planning and deciding." This statement is consistent with my position and the Enlightenment philosophy that some subjectivity is unavoidable in human activity, but objectivity needs to be emphasized in science. By itself, the position "Emotion is an absolute necessity for reason" is rife with poten-

tial for serious mischief. Freed from the restraints of data and analysis, emotion as "reason" is unleashed to ravish the targets of a group's enmity.

Consider the following: Stumo says that "agriculture is nearly the lone impoverished sector in an otherwise booming economy." Impoverished? The USDA (*Agricultural Outlook*, September 2000) reports that average household income of farmers set successively higher all time records in 1998, 1999, and 2000. Farmers' household income has exceeded that of nonfarmers by over 15 percent in recent years and their wealth averages nearly double that of nonfarmers. Some farmers are experiencing financial problems but failure rates are much lower for farms than for other small businesses. Farm poverty incidence is very low when account is taken of nonmoney income, transfers, income averaging, and wealth.

Next, consider a sample of the inflammatory rhetoric from the OCM newsletter, directed at agribusiness:

- ◆ ...[T]he power of corporate agribusiness in the marketplace...is the true cause of family farm devastation [June 1999, p.1].
- ◆ These [agribusiness] mergers are anticapitalistic and pro-fascism [March 1999, p.1].
- ◆ [Agribusiness] industry structure becomes what it is today—a steamroller destroying independent agriculture [January 2000, p.1].

This is a small sample of the emotional rhetoric by AAAs demonizing agribusiness and creating a climate justifying violence. I recently read *Lone Tree* by Bruce Brown (Crown Publishers, NY, 1989), the tragic account of an Iowa farmer who killed his banker, his wife, his neighbor, and finally himself. He blamed his banker for his son's ill-timed plunge into Iowa's land market. This incident happened in the 1980s — before OCM, which originated in 1998 — but in a climate of similar rhetoric.

I have little quarrel with Jerry Moles' comment. He is incorrect, however, in stating that "Tweeten attacks the AAAs for expressing their wills in the marketplace." On the contrary, I applaud such actions, stating that "Food labeling and certification need to catch up [with AAA as well as other consumer wants] so that people can express their views in the market rather than in street demon-

Feedback

strations.” Providing objective, information and reliable voluntary labeling to consumers allows them to express their choices for organic, range raised, vegetarian, or non-GMO foods in the marketplace.

Regarding the comments from David Schweikhardt and Sandra Batic, I emphasize again my desire to rely on markets that are rival, exclusionary, and transparent. My concern is with the latter in the organic food market. AAAs have characterized conventional fare as “Frankenfoods,” containing dangerous GMOs, poisoned by pesticides, and made sterile of nutrition from too much synthetic fertilizer and too little soil organic matter. I am unaware of scientific studies indicating that conventional food is less tasty, nutritious, or safe than organic food. The real difference is that, compared to conventional food, organic food requires more resources to produce and has higher levels of food pathogen bacteria, according to the Center for Disease Control (CDC) and Consumer Reports. The CDC estimates that such pathogens (not limited to organic food) sicken 76 million Americans per year and kill an estimated 5,000 Americans. I have no knowledge of scientific evidence of any deaths from agricultural pesticide residues in food. I suspect that a sound educational campaign might reduce the \$6 billion spent on organic foods each year.

The first issue raised by Hushak and Hitzhusen is that AAAs at Seattle and Washington were protesting the failure of international corporations to be subject to the laws of any nation. My experience is that multinationals are indeed subject to local laws, but such laws often are not enforced—either for multinational or local firms—because governments of poor countries can’t afford to pay civil servants enough to restrain corruption and enforce laws. Countries don’t need to remain poor indefinitely, however.

Perhaps the most important happening in economics since World War II is the emergence of the standard economic model (see Tweeten, *Rev. Agri. Econ.* 21 (1999):473-498), a prescription for economic development prized not for its ideology but because of its proven performance in ensuring economic growth. Recent empirical findings reemphasize that broad-based economic growth in a poor country is critical not only to regulate multinational firms but also for poverty alleviation, food security, lowering birth rates, and environmental protection.

Unfortunately, the magnificent job many non-government organizations or NGOs (many of them AAAs)

are doing in poor countries to help local people is matched by their disdain for the standard economic model. Adhering to the development economics of NGOs/AAAs, who reject open trade, multinationals, privatization, allocation by markets, and respect for property, would relegate hundreds of millions of people to food insecurity and poverty for the foreseeable future.

Hushak and Hitzhusen’s second issue was control of risk. My view is that regulatory agencies need to check foods for safety and environmental impact before they are released to the public. Groups and individuals desiring a further measure of safety in keeping with the precautionary principle can utilize certification, labeling, and market choices.

Hushak and Hitzhusen’s third point, regarding failure to provide compensation to those left behind by Pareto better policies and technologies, is well taken. In fact, I have a history of proposed remedies, including investment in people and the wage supplement. One analytical contribution is empirical estimation of the marginal utility of income (Blue and Tweeten, *Agri. Econ.* 16 (1997):155-169). That research empirically quantifies the declining marginal utility of income and provides a reasonably objective means to address the equity-efficiency quandary in economics. Broad-based human resource investments promoting equity and efficiency as emphasized in the standard model can make those tradeoffs less onerous. Of course, issues of incentives and commutative justice must be considered along with distributive justice.

I am disappointed that Kitty Smith labels as “bigoted” my call for reason, education, dialogue, market choice, and nonviolence. She doesn’t say whether or with what AAA group or position she identifies, but even some seemingly benign AAA positions are costly. For example, following the advice of many AAAs against more open trade alone would entail a welfare loss of \$1.2 trillion (\$62 billion per year by USDA’s own estimates discounted at 5 percent)

In conclusion, AAAs are neither cheap nor harmless to society. Economists as educators need to support AAA information that helps people to make better decisions while correcting information that brings decisions wasting resources, property, and lives.

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