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The Resources of Agricultural Economics—The Profession's Assessment

Agricultural and Rural Areas Approaching the Twenty-first Century. Edited by R J Hildreth, Kathyrn L Lipton, Kenneth C Clayton, and Carl O'Connor Ames Iowa State University Press, 1988, 565 pages, $14 95

Reviewed by Harold F. Breimyer

In 1985, the American Agricultural Economics Association (AAEA) held its annual meeting on the Iowa State University campus where the organization had been founded 75 years earlier It commemorated its 75-year history in a forward-looking manner Noting that the next anniversary would fall in the next century, the association took stock of the profession's resources and assessed their applicability to the future The project led to publication of the book reviewed here

The 57 eminent agricultural economists who stayed on campus responded to the charge, as stated by R J Hildreth, "to identify the challenges facing agriculture and rural areas in the twenty-first century" (p ix)

They gathered, according to Hildreth, "to redefine the issues we face as a profession and to point the way to a sharper, more relevant set of priority issues " (p ix) What was surprising, and perhaps least in keeping with the 75-year AAEA history, was that priority issues were to be defined in order to qualify for "competitive and special grants " (p x) A second purpose, Hildreth says, was to assist individual agricultural economists in allocating their talents to "topics that are challenging as well as in the national interest" (p x)

The book is a work of high scholarship that reports the contemporary scene well but defaults on futurism The book fails to give the imaginative, introspective glance into the next century that it promises

The 12 principal chapters, each followed by two or three brief discussion papers, cover topics ranging from technology to institutions to quantitative techniques to world agriculture The chapters nevertheless divide rather sharply between those that constitute an inventory of both factual knowledge and techniques and those that are essentially essays of interpretation, which are the more subjective and provocative because the authors address not only how things are but how they ought to be

Among chapters of the first type are two by Glenn Johnson and Stanley Johnson Both are remarkably comprehensive Glenn's covers technological innovations and Stanley's, quantitative techniques One discussant, David Bessler, says that Stanley Johnson surveys "virtually all interesting (useful) techniques in use today," plus offering "a thoughtful view of future developments" (p 199) Bessler hasn't much to add

The stock-taking articles are scholarly, will fend off rebuke, and can be useful as assignments for graduate students At the same time, they are as exciting as a report of a ladies' sewing bee

Authors from various fields contribute to the interpretive chapters Several themes are pervasive Least surprising is the recurring international focus Hildreth mandates it, Mellor and two discussants pursue it, Schuh and Orden convert their macroeconomics topic into it, and few authors fail to mention it Sometimes the adjective "new" is attached, oblivious to the historical fact that U S agriculture has always been international The international dimension is not new, just inscrutable

The Schuh-Orden restatement of what has become Schuh's signature piece on monetary exchange brought retorts from Rausser and Boehlje, who say the authors do not address their assigned macroeconomics topic Rausser, although agreeing "that macroeconomics should be studied and that it matters" (p 384), objects to the Schuh-Orden empirical analysis, which he calls "most peculiar" (p 392)

The more cutting ripostes in the book, however, relate to themes that define the scope of agricultural economics Should the scope be narrow or broad? Several authors who favor the broad approach are concerned for tests of correctness and applicability of economic knowledge Welfare economics gets frequent mention Tweeten calls for "the professional equivalent of placing a man on the moon—specifying a social welfare function" (p 142) Tweeten dallies with the old distinction between normative and positive, then strikes comparisons between prescriptive and descriptive. His discussants, stricter interpretationists, disagree vigorously Bender sees little difference between Tweeten's prescriptive economics and Milton Friedman's characterization of positive economics (p 146) Bullock is "surprised" by Tweeten's emphasis on a social welfare function (p 149) Paarlberg has "grave misgivings about the ability of economists to prescribe agricultural policy actions or to estimate a social welfare function" (p 155)

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Tweeten outlasts his critics Welfare criteria, and the political-economy focus that predates economics, pop up frequently in the big volume De Janvry, charged to discuss Mellor's paper on world agriculture, takes up the Tweeten cudgel "Since the role of government is so important in agriculture, agricultural economics [economists] should not miss the opportunity of being at the frontier of this important field" (pp 173-74)

Daniel Bromley stirs debate as he declares "resource problems" to be "entitlement problems" to which "welfare economics provides us with no unambiguous answer " (p 208) Further, welfare economics is now on "the threshold of a third phase that will be primarily concerned with 'situational conflicts' as opposed to general efficiency phenomena " Also, "confrontation and conflict will predominate and the essence of that conflict will be over presumed (or actual) rights and duties on the part of those bearing joint costs" (p 226)

Alan Randall, a discussant, straddles the role of devil's advocate and being the devil himself, then protests that "75 or 80 percent of practicing natural resource economists would not identify themselves with the institutionalist land economics tradition" (pp 230-31) Readers who ponder what Barkley, Alter, Powers, and Raup say in a later chapter devoted to institutions, and note how often various writers address institutional design, may wonder whether Randall is sketching a meaningful distinction or nitpicking Too many of the discussants quibble about matters that have little bearing on agriculture and rural areas of the 21st century

Technology shows up frequently in the context of an alleged new information age with its speeded communication Glenn Johnson asks if private and public electronic controls will substitute for the "allocative functions of the market mechanism" (p 84) Knutson, who never equivocates, makes the cogent suggestion that insofar as research findings in new "biotechnology and information technology" will be "patented and sold " (p 117), publicly sponsored research may come to an end He stops short of asking whether knowledge is no longer to be a free good

In a different vein, risk and uncertainty are mentioned repeatedly John Ikerd counsels that "farmers must learn to cope " (p 539), as though they have not done so from infancy Prior knowledge alone, without accompanying wherewithal, will not reduce risk very much

Not all the highlights in the book can be noted here Pope's listing of new fields of emphasis, Deaton and Weber on how agricultural economics once came close to being called rural economics, and Bonnen on the data base are worth reading When Deaton and Weber treat rural economies "in a neomercantilist age" (p 409), Hady objects He views "increasing mercantilism as a problem of the 1990s" and hopes that "saner heads will prevail by the early 2000s" (p 447)

Bonnen deplores "the profession's growing flight from the empirical" (p 452) Crosson hesitates but decides to agree George Hoffman calls "Bonnen's concern well founded" and the problem "a threat to the long-term viability of the agricultural economics profession" (p 496)

The 57 authors tell where agricultural economics now stands and do a little extrapolating But not one futurist is to be found among them As an exercise in clairvoyance, promised by its title, the book is a dud There's no mention of how depletion of the world's petroleum reserves will affect the next century Eisgruber notes that King and Sonka, when writing about management problems, omit mention of environmental management (p 299) Mellor addresses world poverty, but neither he nor any of his discussants suggests that runaway birth rates could convulse much of the world

The agricultural economists who met at Iowa State University and were charged with itemizing the profession's current resources for the purpose of preparing for the future overfulfilled the first part of the assignment and fell short on the second If members of the profession aspire to be futurists, they must take a new look at both themselves and the signs, however indistinct, of what lies ahead for the Nation and its agriculture