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One Vote for Doering's Call for Nonmarginal Analysis

Gerald F. Vaughn

This is in support of Otto C Doering's article "Looking Back While Going Forward An Essential for Policy Economists" (*JAER*, Vol 43, No 1) He asserts that marginal analysis is best suited to a stable economy or society Doering believes that the US and world systems are beyond stability, rendering marginal analysis less helpful, and that the development of nonmarginalist economics should accelerate to meet the needs of public policy I agree with this call for nonmarginal analysis

Robert B Carson, in his book *What Economists Know*, even more sharply criticizes both the economics profession and policymakers He writes " in the 1970s and 1980s, when there was much to be done, practically nothing of useful and lasting consequence was accomplished—not in terms of important theoretical and critical work nor in terms of policymaking" (p 8) Nonmarginal analysis would contribute in ways that Carson desires

For nonmarginalist economics to be useful to governments, public policymakers and program managers first must be receptive to it And, that acceptance depends on what type of government is in office

Richard J Stillman II, who examines public administration, places government into four models negative-state (or no-state), bold-state, pre-state, and pro-state Negative-state is characterized by a sharply limited role for government (monetarists and public choice theorists), bold-state by a broadly expanded role (institution builders), pre-state by traditional norms typical of governments before World War II, and pro-state by technocracy (government by professional public administrators and scientific experts) typified by governments since 1945 In both pre-state and pro-state, change occurs in small increments at the margin

Only negative-state and bold-state, which are departures from the trend, have shown a receptiveness to nonmarginalist economics, and neither of the two prevails except in a crisis That is, when government seems too wasteful or intrusive, the negative-state gains ascendancy for a time When government needs a stronger hand in depression or war, the bold-state presides

Vaughn is an extension specialist for resource economics and policy, University of Delaware Newark

Nonmarginal analysis and action are most likely to be needed and to happen during a crisis Agricultural economists can expect nonmarginalist economics to be best received at such times John J Gargan in *Handbook of Public Administration* observes

"Policy problem solutions drawn from Public Choice theory—privatization, vouchers, and voluntary initiatives—were applied by local, state, and national government during the 1970s and 1980s, partly because of the pressure on public finances, but also because of the availability of the solutions" (p 1,004)

As Dr Doering points out, during the 1930's and New Deal experimentation, USDA not only was receptive to, but was in the vanguard of, thinking of rural social scientists as reformers in farm policy (pp 4-5)

Apart from times of crisis, government will tend to be in the pre-state or pro-state models, where change usually occurs at the margin Agricultural economists working in or closely with government should not expect that nonmarginalist thinking will be accepted or prove useful between crises Though cast in relation mainly to the Federal Government, the principle is the same for State and local governments

What should nonmarginalists do, given these conditions? Kenneth Boulding, in *The Impact of the Social Sciences*, reminds

"Economists are not altogether guiltless of presuming to know more than they do and of giving advice when they should have been doing research" (p 50)

Nonmarginalist agricultural economists should concentrate, therefore, on doing research (especially high-quality empirical studies) that will be ready and useful if and when advice is wanted

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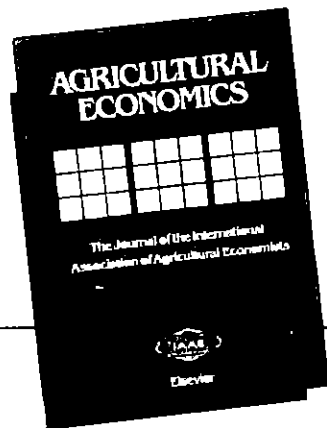
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