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Agricultural Ethics and Economics

Paul B. Thompson

After decades of mutual disinterest, philosophers and economists have suddenly discovered extensive areas of overlap in their disciplines. An upsurge of interest in the ethics of agriculture has also taken place in the past decade. These two events are largely unrelated, however. Agricultural economics research needs to bring these two strands of literature together in the coming decade. Agricultural policy analysis is a promising area for this sort of work.

At least three different developments in philosophy and economics have brought the disciplines together. First, philosophers have become increasingly interested in rational choice theory, having come to see it as central to the analysis of many problems in ethics, political theory, and the philosophy of mind. Second, economists have rediscovered the relevance of culture and norms in forming the institutions requisite for economic exchange. Third, philosophers and economists have fought a series of battles over the analysis of public policy. For some time, it appeared that these battles would produce only acrimony, but as policy professionals have become more sensitive to the strengths and limitations of both economic and ethical theory, bringing both to bear upon the analysis of policy has become possible. These three areas, in turn, have precipitated an upsurge of interest in the traditional philosophy of economics, the result being many fine books, articles, and at least one journal, *Economics and Philosophy*.

Research in agricultural ethics has different origins. The publication of a series of popular books and essays criticizing agriculture first stimulated research on conceptual and ethical issues that seemed to be at the root of the criticisms. A group of rural sociologists then began to address ethical issues directly as part of an attempt to create a new sociology of agriculture. Philosophers with an interest in applied ethics and public policy began to identify world hunger and animal welfare issues as themes for a series of books and articles beginning in the early 1970's. The relevance of these themes to agriculture was, from the philosophers' perspective, accidental, but they provided a foundation for more systematic research and teaching on agricultural ethics.

Although these two broad developments, the disciplinary bridging of philosophy and economics on the one hand, and the rise of agricultural ethics on the other, have different origins, their convergence clearly

creates both an opportunity and a responsibility for agricultural economics research in the coming decade. Agricultural economists should build upon the work from the past two decades to revitalize some existing research within the discipline and to initiate important new areas of research. I shall not say much about the rising disciplinary overlap between philosophy and economics here. Hausman and McPherson (1990) have addressed some of those points, and my readers may consult some of the sources I have noted if they wish to learn more.¹

Agricultural Ethics in the 1980's

Although recent professional work in agricultural ethics has been conducted by practitioners of many disciplines, rural sociologists and philosophers have a plurality of the entries in the emerging literature. The primary outlet for this work is the professional journal, *Agriculture and Human Values*, and more recently, *The Journal of Agricultural Ethics*. The topics covered have been quite varied, including issues of risk and consent in food safety, questions of fairness regarding U.S. agricultural labor, and attempts to understand "sustainability" as a norm. The general areas that have received the greatest coverage are the farm crisis of the 1980's, the emergence of biotechnology in agriculture, and the internationalization of agriculture. The farm crisis issues are predictable: the moral status of "family farms," compensation for failed farms, and analysis of responsibility for structural change. The issues of biotechnology span a wider area: environmental and esthetic influences, farm structure effects, and impacts upon the organization and management of agricultural research. Topics in internationalization of agriculture are more diverse still, ranging from critiques of "green revolution" approaches to agricultural development to debates on the goals for agricultural policy in the European Community.

There is no doubt, however, that Rachel Carson, Jim Hightower, Frances Moore Lappe, and Wendell Berry deserve most of the credit (or blame) for stimulating philosophical research on issues in agriculture. Prior to the publication of books such as *Silent Spring* or *The Unsettling of America*, work on agricultural ethics was pursued by a coterie of rural social scientists whose work, though sophisticated, was largely ignored by professional philosophers. The popular critics were more difficult to overlook. They blasted an agricultural

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¹Sources are cited in the References section at the end of this essay.

establishment that had wallowed in self-praise since World War II and which had come to regard moral purity as a birthright. The establishment's reply to critics often began and ended with the claim that they were not part of (and hence could not know anything about) agriculture.

The existence of social conflict was itself interesting to sociologists, but the establishment's failure to meet the terms of the critics' arguments really precipitated most philosophers' interest in the debates. Rarely does a defender of agricultural practice challenge the factual claims of a critic. Far more typically, critics and defenders talk past one another, applying different concepts and values to their different understandings of the situation. These kinds of conceptual confusion are keenly relevant to ethical and political theory, and conceptual controversies perpetuate conflicts that philosophers are trained to analyze and, perhaps, resolve. The result: research on agricultural ethics has tended to follow controversial topics. This research has not been driven by any comprehensive method or theory but by subject matter. As a result, many of the generalized attempts to state "what ethics can offer agricultural economists" (including more than one that I have written myself) are not very good. The ethics literature is far better at talking about the problems than at talking about itself. The most productive approach, therefore, may be to examine the 1983 farm crisis as a case study in agricultural ethics.

The Farm Crisis and the Economic Analysis of Agricultural Policy

The farm crisis of the 1980's has substantially different coverage in the writings of critics than in the agricultural economics literature. Noting these differences will illustrate the kinds of philosophical presumptions that ethicists want to understand. Agricultural economists have labored to document farm structural change, hoping to find variables that might explain this change. The task involves the use of production and sales data to classify U.S. farms. The bimodal analysis of U.S. farm structure reveals that low-volume, part-time operations are relatively healthy in financial terms and the number of high-volume, capital-intensive operations are growing. Other farms (the middle group) that fall in between are declining in numbers, in their share of total farm production, and in profitability.

The bimodal analysis reveals certain ethical implications. The decline in the number of farms in the middle group can readily be interpreted as a "cost" of farm policies, usually understood in terms of the aggregate financial losses and emotional stress suffered by individuals who are forced to make adjustments involuntarily. This interpretation is well suited to a framework in which alternative policies are evaluated in a general comparison of outcomes, the relative costs and

benefits of each policy proposal. Such comparisons reveal tradeoffs among the policy choices, for example how policies that mitigate costs in terms of farm stress and financial loss can be expected to impose higher costs in other areas, to taxpayers, perhaps, or to consumers. This approach has misleadingly been called utilitarian. A true utilitarian, however, would insist upon policies that optimize the ratio of benefit to cost.

Many agricultural economists recognize that the political acceptability of policy costs will be influenced by many factors that, on the face of it, at least appear to contradict the utilitarian insistence upon optimization. Luther Tweeten (1983, 1987), for example, has acknowledged that the family farm's historical role in the U.S. national heritage provides a valid reason for accepting less than the optimal ratio of conventional costs and benefits.

The philosophy that I attribute to economists is consequentialist, however, in the sense that it is the expected value of policy outcomes (the costs and benefits) that are compared in making an evaluation of policies. If farm structural change is seen as a crisis, we must make the ethical judgment that the total number of individual farm failures in the middle group represents unacceptable costs for public policy. This judgment may be unacceptable because the policy does not produce compensating benefits for farms in the middle group, or it may be unacceptable because the costs are too great in absolute terms without regard to compensating benefits. Decisions that produce monetarily suboptimal outcomes may be justified for a variety of reasons, but policy criteria that can be expressed in terms of expected value are consequentialist criteria.

Alternative Views of the Farm Crisis

Critics who have expressed concern about the plight of family farms during the past two decades have tended to bring very different philosophical frameworks to their understanding of the farm crisis (Thompson, 1988a). Burkhardt has published a perceptive analysis of the debate. He shows that one group of critics, including Jim Hightower and Marty Strange, have argued that recent events in agriculture constitute a crisis because they represent a foreclosure of ethically important opportunities in American society. Their view is associated with a longstanding defense of capitalism against Marxist criticisms. The standard philosophical justification of *laissez-faire* capitalism has always been that it best achieves the ideal of Government by consent of the governed. In contrast, Marxists have long held that wage workers in industrialized capitalist economies are denied autonomy because they sell their labor (themselves) to survive. Populist anti-communists have argued that American society escapes this charge because of its agrarian base. Farming was an open opportunity to all Americans, one in which they might live a poor, hardscrabble

existence, to be sure but one in which they would be autonomous. They would 'be their own boss'."

Hightower and Strange see the transitions taking place in the U.S. farm sector as a crisis, not because lots of individuals are adversely affected but because the political legitimacy of *laissez-faire* capitalism is being eroded. Ironically, many economists who have attempted to respond to this criticism have mistakenly presumed that the populists are enemies of capitalism. True, the populists sanction intervention in markets for land and for agricultural commodities, and this intervention may sacrifice allocative efficiencies. The populists do not value capitalism or markets for their efficiency, however, but for their uncompromising protection of private property and individual autonomy.

From a philosopher's perspective, the populists seem to be more strongly committed to capitalism than their detractors. Populists attribute intrinsic value to capitalist institutions of property and free exchange, while many economists see them as merely instruments for assuring efficiency and growth. The populists would rather be free, but poor, than be forced to gain wealth working for bosses (not to say that they object to wages—only that the individual must have a meaningful alternative to them). By a happy coincidence, to a populist, unregulated markets also promise economic growth. Efficiency arguments, on the other hand, seem to place no intrinsic value on private property, sanctioning rather severe interference in personal autonomy when market failures can be demonstrated. Consumer sovereignty becomes a means for efficiently allocating society's resources. It is the greater satisfaction resulting from free transactions that justifies markets for the consequentialist. To the populist, consequentialism places too little emphasis upon personal autonomy.

Burkhardt finds a second kind of argument in the writings of Wendell Berry (1977), and in many of the statements made by religious leaders (Comstock). The argument is difficult to summarize, and I think that many of my economist colleagues have underestimated its force because they have limited themselves to summarized versions like Berry's (1987) or the one that follows here. The idea is that one's life activity is as potent as one's will in forming moral character, that human beings have a moral and religious duty to cultivate virtues and to shun vices, but some life roles are more conducive to this than others. Aristotle thought that only aristocrats would have the wealth and leisure time needed to cultivate the virtues, but American philosophers, like Ralph Waldo Emerson, argued that virtue is best learned by living a life in which an individual's roles are well integrated with one another and with the natural environment. Traditional farming was thought to be virtuous because family roles were integral to the economic life of the farm, and the farm itself was integrated into the cycles and requirements of nature.

Given this background, the farm crisis has nothing to do with declining numbers of farmers, with financial or emotional stress, or with the costs and benefits of farm policy. The passing of the well-integrated, virtuous life is a crisis, not only in that few can live this life of virtue, but also in that virtuous rural life disappears as a role model for those in the city to look to for inspiration. Traditional farms are not valued as instruments for producing virtue. They are valued because they are experiential prerequisites for even conceptualizing duty and virtue.

Therefore, we have a duty to preserve traditional farms (of which even Berry admits there are now few). The duty is not conditioned upon calculating the costs and benefits of doing so. This simple duty is, in this respect, like a traditional religious duty. The Christian's duty to follow God's commandments is not generally thought to be derived from the fact that following commandments produces more benefits than harms. Duty to God is a simple, direct duty, not a duty done for the sake of the consequences produced. The natural law tradition of ethical theory holds that public policy must facilitate the performance of natural duties and must never contravert natural duties.

While many people would reject the philosophical framework in which Berry develops his views on the traditional family farm, most people understand what he is talking about, which, oddly, does not hold for agricultural economists. In at least two published debates, Wendell Berry has advocated his perspective on farming against consequentially oriented agricultural economists. The issue of who "won" the debates, I think, depends upon the values one brings to reading them. What is relevant here is that Berry's interlocutors seem conceptually incapable of dealing with the family farm issue in anything but consequentialist terms. They accuse Berry of emotionalism and irrationality. It is one thing to be convinced that one's own philosophical perspective is right; it is quite another to be so closely wedded to it that one excludes the possibility for rational disagreement on philosophical frameworks.

My point is to show that the bimodal analysis of farm structure change analysis is more attuned to one philosophical approach to ethics than it is to others. Economists are not biased in the sense that they favor specific policies (though some do). Neither is the bimodal analysis biased in the sense that it favors specific interest groups. Yet, the view that the farm crisis should be understood in terms of how it affects producers exiting the middle group of farms has resulted from agricultural economics research which is not philosophically neutral. Other ways of approaching public policy place comparatively little emphasis upon how a policy influences conventional economic variables without evaluating policy in terms of measurable costs and benefits.

Agricultural Ethics, Agricultural Economics, and Agricultural Policy

I would not endorse either the populist view or Berry's view against the conclusions of the analysis that has been favored by agricultural economists. My point in discussing the views has been to present alternatives to the consequentialist framework favored by agricultural economists, and to demonstrate the philosophical assumptions of the standard approach in agricultural economics. When the possibility of alternative policy criteria is understood, a host of important problems can be more effectively grasped. Berry and the populists, for example, prefer certain kinds of institutional arrangements regardless of the monetary consequences of adopting them.

Agricultural ethics is relevant to the institutional component of policy analysis in at least three distinct ways. First, ethics are, in one sense, institutions that have a profound effect on the performance of markets. Moral norms establish property constraints and entitlements that an economist can ill afford to ignore (Thompson, 1987). Second, as implied in my discussion of farm crisis literature, alternative philosophical frameworks can evaluate, justify, or legitimize a given policy (Thompson, 1988b). Even if one is philosophically committed to choosing policies because of the consequences they produce, one would hope that a competent, professional policy analyst would have an intellectual grasp of the rights-based, communitarian, and procedural alternatives.

The third area of relevance is more deeply philosophical. Philosophers like Kant and Rawls have tried to develop a way of asking a question that probably never occurs to most of us but whose answer is vitally important to the shaping of our public laws and policies. The point of departure is Knight's observation (Buchanan) that the kind of people we are—what we believe and desire—is strongly determined by the moral norms, the opportunities, the legal structure, and the daily practices of the society in which we live. Knowing this, how can we shape our society so that it allows us to become the sort of people that we ought to be? The question requires us to strive for a kind of objectivity that may seem paradoxical. Rawls' famous thought experiment, "the original position," is intended to present a method for approaching the question by shedding all the information that individuals have about their particular wants, desires, and life goals, but by retaining all that we know about human nature and society (including economics!), which is needed to fashion an answer. By addressing our philosophical question we can arrive at a deeper grounding for consequentialist, rights-based, communitarian, or procedural theories for evaluating public policy.

Conclusions

Wendell Berry's work on the family farm is, in my view, pointed toward this third area of relevance, one that might be called "constitutional choice," in the sense implied by Anthony Giddens. Berry wants communities that produce certain kinds of people. He thinks that rural communities of America's past did so. He is, on my reading, less interested in preserving farms than he is in preserving the philosophical values of a farming people. This preservation requires a defense of those values and of the institutions that produced them. That defense, in turn, requires an attack upon the new techniques, technologies, and management strategies that inform a farm producer's choices and form the next generation's values. The new agriculture is, on my reading of Berry's work, undermining the constitution—understood as the work habits, loyalties, space-and-time awareness, and community coherence—of American society.

Again, I will shy away from endorsing Berry's view, for I am far from sanguine about the constitution of traditional rural America. Although lack of space prevents a defense of my views, the reader should know that I think there are good historical and normative reasons why any of the authors writing on constitutional choice (Castle) provide more promising strategies than does Berry. Berry's work is important because it demonstrates the necessity of raising deep philosophical questions about agriculture. Rural social scientists neglect it at the peril of confining themselves to shallowness.

The potential for new knowledge in the three areas I have noted is great and can be enhanced by interdisciplinary research in agricultural economics and agricultural ethics. Cross-disciplinary work requires more cross-referencing of the literature, and cross-referencing means that agricultural economists will have to start reading agricultural ethics. The full potential for interdisciplinary work will not be realized until there is more collaboration among economists, philosophers, and interpretively oriented sociologists. This will require some institution building of our own, and we have a long way to go.

The American Agricultural Economics Association announced a section for contributed papers on agricultural ethics for this 1990 meeting, but none were submitted. More than 100 scholars, but only a handful of economists, attended the 1989 meeting of the Society for Food, Agriculture, and Human Values. These two incidents indicate that agricultural ethics and agricultural economics may be ships passing in the night. Neither subdiscipline can afford to continue in that vein.

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