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Agricultural Economics Research

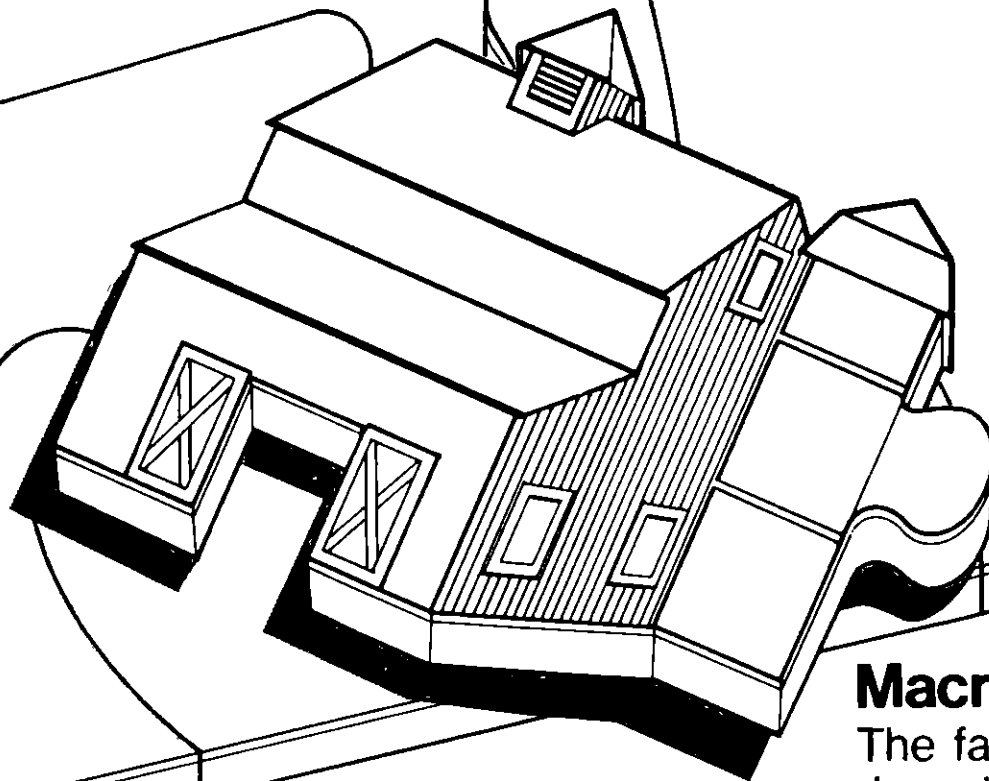
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Macromodels:

The farm sector
doesn't fit

see page 1

AGRICULTURAL ECONOMICS RESEARCH

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In This Issue

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"I do philosophy like a person who is always missing something and having to look for it again now my glasses, now my keys " These words were enclosed in parentheses in the midst of notes on the subject of certain knowledge that Ludwig Wittgenstein drafted during the last year and a half of his life Are we to consider this as an aside by a man who recognized that, after years of penetrating reflection, his mind was beginning to deteriorate? Or was he, in his mature and considered wisdom, offering us an important insight into the limits of knowledge? I think the latter

We appear to do economics like a person who is always missing something and having to look for it again Now a variable is taken as exogenous when it should be endogenous, and now a critical variable is omitted from the analysis altogether It is traditional in economics to believe that we can isolate and examine all the variables relevant to a problem But there is also a tradition which recognizes that in the real world everything is somehow interconnected with everything else and that the method of analysis requires simplification and abstraction Perhaps it is in the nature of epistemology that we must always do economics as if we are missing something and having to look for it again

The articles in this issue focus on things that are missing The first article, reviewing a number of macroeconomic models used in the United States and elsewhere, finds that a satisfactory, endogenous agricultural sector is miss-

ing from many macroeconomic models Reasons are given why an intellectually sound, endogenous agricultural sector would make these models more useful in achieving their stated purposes, and evidence is presented that these models tend either to ignore agriculture or to treat it as exogenous One anonymous reviewer of the article, who works in the National Economics Division of ERS, observed that he knew from experience that the domestic U S models suffered from the missing component, but he had always supposed the models used abroad included it And a reviewer who works in the International Economics Division, and who knew the weakness of the agricultural sectors used abroad, was surprised to learn that the domestic U S models were missing the same element

The second article focuses on spatial aspects of rural development and finds that the functional relationship between geographic space and economic growth is missing from many rural development models The author reviews a sample of the small body of literature that concentrates on this missing ingredient The literature that ignores space and considers other factors affecting growth is reviewed by the same author in volume 3 of *A Survey of Agricultural Economics Literature Economics of Welfare, Rural Development, and Natural Resources in Agriculture*, edited by Lee R Martin The article presented here is based on one segment of that review

Clark Edwards

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