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Book review

The economics of agriculture

The Economics of Agriculture: Selected Papers of D. Gale Johnson (Vol. 1) and *Papers in Honor of D. Gale Johnson* (Vol. 2), by John M. Antle and Daniel Sumner (Editors), University of Chicago Press, Chicago, IL, 1996, xi + 352 and xvii + 437 pp., US\$49.95 (Vol. 1) and US\$59.95 (Vol. 2), ISBN 0–2264–0172–3 (Vol. 1) and ISBN 0–2264–0175–8 (Vol. 2).

This two-volume set is in recognition and honor of D. Gale Johnson's impact on the agenda for the conduct of research on agricultural economics and policy over about half a century, for most of which time he was on the economics faculty or serving in the administration at the University of Chicago. Volume 1 reprints Johnson's most important papers from the perspective of their "interest and use to current scholars" (p. ix) in the judgement of the editors. Volume 2 presents 22 papers by Johnson's former students and colleagues at the University of Chicago that originally were presented at a workshop in honor of Johnson in 1991.

Volume 1 includes 18 papers by Johnson that are presented in five parts: (1) "The Organization and Contribution of Labor Resources" (four papers published in 1948–1953); (2) "Research, Productivity, and Supply Response" (a 1950 paper); (3) "Agricultural Policy in High-Income Countries" (three papers published in 1944, 1958, and 1973); (4) "Agricultural Policy in China and the Soviet Union" (four papers published in 1956, 1982, 1988, and 1993); and (5) "Developing Countries and World Agriculture" (six papers published in 1964, 1975, 1976, 1987, 1993, and 1994). At the end of this volume is published Johnson's bibliography over

1942–1994: 304 items including over 150 articles in journals and books, over ten books authored or edited, and numerous lectures, working papers, comments, and congressional testimonies. These papers explore the consequences of governmental interventions in agriculture in the United States and other economies, the economics of agricultural supply, rural labor and human capital, and the analysis of agricultural productivity in poor economies. They illustrate what Sumner (Vol. 2, p. 24) calls the "three basic tenets" of Chicago economics: (1) "Economics reasoning at its simplest level of supply and demand, including the response to incentives in the face of limited resources, applies to the study of the behavior of all economic actors in essentially all of their decisions." (2) "[A]gricultural economics is a part of economics." (3) "[E]conometric and other quantitative tools are important to applied economics." A number of early papers by Johnson that are reproduced in this volume, together with his 1947 book *Forward Prices for Agriculture* (summarized by Petzel in Vol. 2), not only established the basis for Johnson's subsequent analysis but were also important contributions to establishing the research agenda in agricultural economics more broadly for subsequent decades. Examples include the importance of separating resource allocation and income distribution in analyzing and formulating policies, the role of labor mobility in agricultural adjustment, the possibility of joint gains for land owners and tenants in share rental contracts and the importance of competitive pressures in understanding such contracts, the need to consider input as well as output markets in analyzing developments in agriculture including policy interventions, and the political economy of international agricultural policies (Hoover and Johnson provide more detail in Vol. 2).

Volume 2 presents papers in six groups: (1) “D. Gale Johnson’s Professional Contributions” (five papers by Theodore W. Schultz; G. Edward Schuh; Daniel A. Sumner; Dale M. Hoover and Paul R. Johnson; and Todd E. Petzel); (2) “The Organization and Contribution of Labor Resources” (two papers by Wallace E. Huffman and Keijiro Otsuka); (3) “Research, Productivity, and Supply Response” (five papers by Yair Mundlak; George Tolley, Vinod Thomas, John Nash and James Synder; Yoav Kislev and Willis Peterson; Robert E. Evenson; and Vernon W. Ruttan); (4) “Agricultural Policy in High-Income Countries” (five papers by Bruce L. Gardner; David S. Bullock; Andrew P. Barkley; Richard R. Barichello; and B. Delworth Gardner); (5) “Agricultural Policy in China and the Soviet Union” (two papers by Justin Yifu Lin and Karen Brooks); and (6) “Developing Countries and World Agriculture” (three papers by David G. Abler and Vasant Sukhatme; Maurice Schiff and Alberto Valdes; and John M. Antle). This is an impressive group of contributors. The papers in Parts 2–6 generally indicate how they build on Johnson’s contributions that are summarized in Vol. 1. Then they generally (i) survey developments in the area in recent decades or (ii) summarize the authors’ own contributions in the area, and, in some cases, (iii) present new original research in the area, usually with a strong applied bent. Because the topics covered are fairly inclusive and the authors generally are very knowledgeable about the areas in which they are writing (in a number of cases having made significant contributions to these areas themselves), the surveys in this volume tend to be good summaries of a lot of applied sub-literatures in agricultural economics in the 1950s, 1960s, 1970s and 1980s. Therefore, this volume provides a good perspective on many applied agricultural economics research issues and methods in this time period, which may be useful to many researchers and policymakers concerned with these areas.

These books are quite laudatory about the importance and significance of the Chicago tradition in

agricultural economics and about the critical role of Johnson (together with T.W. Schultz) in reinforcing and maintaining that tradition not only through his own research but through being a mainstay in the active Chicago “oral” and workshop tradition. It would not be surprising if the contributors to these volumes are somewhat overenthusiastic in their appraisal of that tradition because almost everyone involved has a Chicago Ph.D. in economics or has been a faculty member there. But there is no doubt in this reviewer’s mind that this tradition has been very important for decades in shaping research agendas and policy evaluations in agricultural economics and related areas, and this reviewer does not have a Chicago Ph.D., never has had a Chicago faculty appointment, never even has visited the Chicago department, and is not a card-carrying agricultural economist (though he has written extensively on agricultural issues in developing economies). In recent years this importance probably has been reduced, in part perhaps because of the aging of Johnson and Schultz, in part because many economists not associated with Chicago have adopted similar general analytical traditions, and in part because the Chicago department has not kept on the expanding frontier of empirical economic analysis (e.g. with little emphasis on dynamic modeling incorporating imperfect information and imperfect markets that is tightly integrated with careful data analysis and econometric estimates). However, on a general level the basic tenets of the Chicago school remain at the core of much of the best economic analysis. These books therefore not only appropriately celebrate Johnson’s contributions to the Chicago tradition and to the broader agricultural research agenda over the decades, but also provide a number of interesting and instructive examples of analyses in this tradition that address research issues that are important as we enter the 21st century.

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