OBSTACLES TO RESEARCH ON INCOME DISTRIBUTION PROBLEMS OF AGRICULTURAL COMMODITY PROGRAMS

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I accepted with alacrity President Hillman's invitation in March to discuss "Income Distribution Problems of Agricultural Commodity Programs." My intention was to preview the tentative findings of a study on farm income distribution.1/ However, I soon became intrigued with the difficulties I experienced in responding to the invitation. It occurred to me that other academicians may have similar experiences or concerns with respect to their efforts to study public policy. Therefore, I have unilaterally decided to prefix the suggested title with "Obstacles to Research on."

The thesis of this paper is that farm policy researchers are faced by many obstacles which diminish the effectiveness of their work. Furthermore, some of these obstacles are explainable and understandable, although I make no claims as to whether they are justifiable. My purpose is to discuss some of the difficulties of policy research and to offer some explanations as to why the contributions of academicians to farm policy analysis and formulation are less than perfect.

My discussion is in terms of the problems faced by the academician in conducting research on public policy. I am mindful that there are many perspectives from which to view policy research; however, I restrict myself to a professor's perspective.

Problems of the Farm Policy Researcher

Exhortations to farm policy researchers are not uncommon, and rightfully so. The difficult problems of objectivity, relevance, usefulness, etc. in farm policy research have received much attention.2/ Furthermore, it is extremely difficult, if not impossible, to evaluate such research. These problems are magnified, as Myrdal notes, because "The social scientist . . . is part of the culture in which he lives, and he never succeeds in freeing himself entirely from dependence on the dominant preconceptions and biases of his environment."3/

Few would disagree that the highest standards of scholarship should be closely adhered to by the farm policy researcher. However, it would appear that, even if an individual researcher were able to satisfy all of the standards of scientific inquiry, there would still remain some "obstacles" which would diminish the effectiveness of his contributions. Two such factors I shall term the "academic marketplace effect" and the "data obstacle."

1/ Joseph D. Coffey, "The Personal Distribution of Farmers' Income by Source of Income and Region, United States, 1964." (Manuscript in preparation for publication.)

2/ Two recent examples are:

Harold F. Breimyer, "The Stern Test of Objectivity for the Useful Science of Agricultural Economics," Journal of Farm Economics, Vol. 49, No. 2 (May, 1967) pp. 339-350.

John A. Schnittker, "Farm Policy--Today's Direction," Journal of Farm Economics, Vol. 48, No. 5 (December, 1966), pp. 1091-1099.

3/ Gunnar Myrdal, An American Dilemma: The Negro Problem and Modern Democracy, (Vol. II; New York: Harper & Brothers, 1944) p. 1035.

The Academic Marketplace Effect

I use the phrase "academic marketplace effect" to refer to those influences, both real and imaginary, constructive and destructive, which arise from the professors' participation in the university community. One example of such influences is the view which, historically at least, has existed in universities toward political activity. Caplow and McGee state:4/

> ". . . it is plain that the net outcome of the prolonged crisis of academic freedom from 1946 to 1956 is a marked restriction of the freedom of professors to engage in politics . . . political activity of any kind by any faculty member is viewed unfavorably and is likely to bar or delay his advancement. Even when this is not the policy of the institution, it is likely to be construed as such by the junior faculty. . . ."

Thus, when the academician is viewed from this perspective, the existence of other obstacles to policy research comes into sharper focus. Because of its political overtones, policy research is, quite frankly, not a good thing to "cut one's teeth on." It requires grappling with institutional problems, interpreting what is "really meant," constant concern with objectivity problems, etc. In short, it is not the safest nor most direct route down the "publish or perish" path.

The above is not intended to imply that farm policy research is overtly discouraged by universities or that the influences are necessarily deleterious. The point is that professors are members of a social system which influences their selection of research projects, and the incentive system ("Invisible Hand") to which they respond may be such that it may affect (in many cases unwittingly) farm policy research. Furthermore, many of these influences are beyond the sphere of the individual researcher. Efforts to enhance farm policy research must, therefore, also be directed toward improving the researchers' environment as well as exhort the individuals to do more significant research.

The Data Obstacle

The data obstacle to which I refer is that which has been extensively discussed by Oskar Morgenstern under the label of "Accuracy of Economic Observations."5/ His well-known analysis singles out, among others, data obstacles which are due to inaccuracy, errors in collection, errors in methods of analysis, irrelevance, functionally false and meaningless statistics, hiding of information, etc.

All of these data obstacles have a potentially inimical effect on policy research by academicians and, therefore, are other factors which are partially responsible

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4/ Theodore Caplow and Reece J. McGee, The Academic Marketplace (Anchor Edition; New York: Doubleday & Company, Inc., 1965), p. 195.

For an engrossing account of the difficulties during 1948 to 1950, see David P. Gardner, The California Oath Controversy (Berkeley and Los Angeles: University of California Press, 1967) 329 p.
Broader aspects of the academicians' problems are discussed in Richard Hofstadter, Anti-Intellectualism in American Life (1st Vintage Ed.; New York: Random House, Inc., 1966), 434 p.

5/ Oskar Morgenstern, On the Accuracy of Economic Observations (2d ed.; Princeton: Princeton University Press, 1963), 315 p.

for the current state of policy research. Admittedly, if the academician satisfies the requirements of scholarship, some of the above data obstacles would be less severe. But, the main point is that individual scholarship is not sufficient, nor in some cases even necessary, to overcome them. Data "producers" and data "consumers" are, for the most part, entirely different sets of people, with different interests, motivation, institutional loyalties, etc. Here, again, obstacles simply won't disappear in the wake of exhortations. The old aphorism, "figures don't lie but liars figure," captures only a part of the truth. Figures do, indeed, lie or, at least, are deceptive in that they may be functionally and operationally meaningless.

Another data obstacle policy researchers face is described by Walter Heller as the hazard of ". . . falling prey to Albert G. Hart's 'Law of Observation;' namely, that in a country as large as the United States you can find fifty examples of anything."6/

Willard Cochrane's cautioning against the "flat-rock" theory suggests another obstacle faced by farm policy students.7/ There is that element of anticipation that the next approach or idea will lead to the perfect solution. Then, suddenly, the theory collapses along with one's ambition.

Finally, and more directly to Schnittker's admonition to study policy "as it is--not as it was," it often is very difficult to determine what is the policy.8/ Whose interpretation of "what is" should we accept? Should we consult the executive, legislative, or judicial branch? Are farmers, pressure groups, lobbyists, politicians to be queried? What do we use as policy indicators? I do not have the answers to these questions.

We must recognize, of course, that the reduction of data obstacles is subject to the economic calculus of costs and benefits. It may not make economic sense to reduce some obstacles, and their total elimination would undoubtedly be an inefficient use of scarce resources. Nevertheless, in order to improve policy research, some attention must be devoted to the data obstacle problem.9/

A Case Study of Data Obstacles

In order to drive home some of the above points and, in particular, those about data obstacles, I conclude with a few examples from my recent experiences. My initial interest in the data obstacle problem was prompted by my recent attempts to obtain data on the size distribution of farm program payments.10/ To my knowledge, the size distribution of farm program payments has been published in two places only. These are the two identical tables for 1963 which appear in articles by Hardin and Schultz, neither of whom attest to the source, comprehensiveness,

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6/ Walter W. Heller, New Dimensions of Political Economy (Cambridge: Harvard University Press, 1966) p. 63.

7/ Willard W. Cochrane, The City Man's Guide to the Farm Problem (Minneapolis: University of Minnesota Press, 1965), pp. 136-138.

8/ Schnittker, op. cit., p. 1095.

9/ For an excellent recent discussion of the problems faced by social science researchers, see Harold D. Lasswell, "Do We Need Social Observatories?" Saturday Review, August 5, 1967, pp. 49-52.

10/ For a discussion of what is available and what is needed, see Coffey, op. cit.

and reliability of the data.[11] My inquiry to the U. S. Department of Agriculture was answered as follows:

> "The only actual data we have on distribution of government payments by economic class of farm is for 1961. It is based on the data from the 1961 Survey of Consumer Expenditures . . . ." (underlining mine).

My immediate reaction was to check the 1961 Survey, which, incidentally, was not issued until April, 1965, only to learn that it did not contain any breakdown for government payments.[12] Hopefully, the detailed publications from the 1964 census will provide size distribution data for government payments. I am apprehensive, however, for it appears that they are included in "income from sources other than farm operated" which accounts for over a third of total farmer's income.[13]

Since running into the various "blind alleys" in my effort to secure farm program payments data, I have gained the impression--too late, however, to use in my preliminary study--that the U. S. Department of Agriculture apparently does have current and detailed data according to social security numbers which soon may be published.

My emphasis upon the need for farm program payment size distributions stems from my preliminary finding that they have escalated in importance from 1.0-9.2 percent of total farmers' income during the 1948-1964 period and that the apparent effect of this has been to contribute to the tendency for farm income not to become more evenly distributed. The serious questions about the current state of farm income distribution can be studied only when complete data become available.[14]

One reason that academicians do not keep up-to-date is their inability to keep track of the bewildering revisions in agricultural statistics. My recent experience is no less disquieting than Geoffrey Moore's classic story.[15] Initially, I used 3,472,000 as an estimate of the number of farms in 1964. Subsequently, I added the 1964 preliminary census results to discover that there are only 3,152,613 farms. I next turned to the "final" 1964 census estimates in the 18 state volumes which were available as of June 15, 1967, to discover a different set of estimates! These farm number adjustments, coupled with a few changes in income data, has the effect of changing the per farm total personal income of the farm population from $6,578 to $7,719. The change in the estimate of the members of the 1964

11/ Charles M. Hardin, "Present and Prospective Policy Problems of U. S. Agriculture," Journal of Farm Economics, Vol. 47, No. 5 (December, 1965), Table 3, p. 1105.

Theodore W. Schultz, "Economic Basis for a New Agricultural Policy Consensus," Our Stake in Commercial Agriculture, Rural Poverty and World Trade, CAED Report No. 22, Proceedings of the Fifth Annual Farm Policy Review Conference, Washington, D. C., January, 1965 (Ames: Center for Agricultural and Economic Development, Iowa State University, 1965), pp. 49-59.

12/ U. S. Agricultural Research Service, Consumer Expenditures and Income: Rural Farm Population, United States, 1961--Summary Tabulations Classified by Family Characteristics (Tables 1-10), USDA Consumer Expenditure Survey Report No. 5, April, 1965, 23 p.

13/ Coffey, op. cit., p. A-1, variable X_7, and Table 1, p. 30.

14/ Idem, Tables 1 and 5, pp. 30 and 41, and also the discussion, pp. 47-50 and 57-59.

15/ Cochrane, op. cit., p. ix.

farm population from 12,943,000 to 11,229,500 would also substantially alter the naive and, in my opinion, almost meaningless ratios of farm to nonfarm per capita income.16/

The purpose of mentioning this recent incident is not to cast doubt on the USDA. My apprehension is both with the potential "errors" and foolishness inaccurate data would engender and with the understandable hesitation "data producers" may have in revising statistical series for fear that it might cast doubt on their competency.

Another obstacle to policy research is the difficulty of living up to Schnittker's admonition to study is "as it is--not as it was." For example, what is the present policy with respect to the USDA's "Outreach Program"? Do we base our judgment on the impression gained from conversation that its budget has been sharply curtailed? Or do we accept as evidence Secretary Freeman's memorandum to all USDA personnel emphasizing the Outreach Program?17/

Another example of an academician's problems with determining "what is" is the present United States policy toward trade of agricultural commodities. Do we accept "as is" Schnittker's emphasis on "a trade-oriented farm policy"? Or do we accept the White House "Statement by the President on Dairy Imports":18/

> "This action is of benefit to all Americans
> --It will help the dairy farmer to obtain a fair return.
> --It will save tax dollars of between 100 and 200 million annually from lower government purchases of dairy products.
> --It will provide the consumer with more stable domestic production at no increase in milk prices.
> --It will still permit us to honor our trade commitments to other nations."

Policy statements which are not apparently contradictory may, however, be ambiguous. An intriguing example is Secretary Freeman's statement:19/

> ". . . Our own goal [is] . . . to provide enough food for that two thirds of the World still hungry."

Elsewhere, I have attempted to diagnose this statement and can only conclude that it is both impossible for me to understand what he means and to find any documentation of his "two-thirds" phrase.20/

16/ See Coffey, op. cit., Appendix D. Professor Vernon Ruttan has suggested to me that the census probably underestimates the number of farms. I have not yet had the opportunity to confirm this.

17/ Memorandum to All Employees of the Department of Agriculture from Hon. Orville L. Freeman, Secretary, U. S. Department of Agriculture, Washington, D. C., June 29, 1967.

18/ U. S. President, "Statement by the President on Dairy Imports," June 30, 1967, 8 p.

19/ U. S. Department of Agriculture, Office of the Secretary, Agriculture/2000--Growing Nations, New Markets, 20 p. (Address by Secretary of Agriculture Orville L. Freeman at the Overseas Press Club, New York City, February 15, 1967.)

20/ Coffey, "World's Food Supply and Population Explosion: An Agricultural Economist's View," Journal of American Dietetic Association. (To be published in a forthcoming issue.)

Admittedly, many of the examples of confusion discussed above stem from my own foibles. Still, how do we explain Professor Witt's apparent incertitude? 21/

> ". . . We now see more official emphasis on agricultural progress abroad; yet somehow expansion of food production abroad seems to require expansion at home."

C. E. Bishop, in discussing the Rural Development Program, states: 22/

> "The program has been so poorly organized and given such meager support as to appear that the nation is unconcerned over the welfare of its underemployed citizens. . . ."

I submit that if such recognized authorities as Witt and Bishop experience difficulties in comprehending "what is" in their own area of special competence, there is a very strong possibility that others will also.

Summary

Hopefully, some of the other obstacles mentioned in this paper offer additional, though obviously not exhaustive, explanations why the contributions of academicians to farm policy analysis and formulation are less than perfect. This is not to say that the current state of policy research is to be accepted or is justified. Unfortunately, I have few positive suggestions to offer. It is clear, however, that if the contributions of policy research are to be enhanced, a systematic attempt to identify, analyze, and reduce the various obstacles throughout the entire system from data collection to policy formulation is needed. It is indeed a time for introspection.

21/ Lawrence W. Witt's 1966 Presidential Address, "Food," Journal of Farm Economics, Vol. 48, No. 5 (December, 1966), p. 1078.

22/ C. E. Bishop, "The Rural Development Program and Underemployment in Agriculture," Journal of Farm Economics, Vol. XLII, No. 5 (December, 1960), p. 1205.