COMMENTS AND REPLIES

The Comments and Replies section is being initiated with this issue. Its purpose is to provide a forum for interchange of ideas and opinions based on articles appearing in the Southern Journal of Agricultural Economics. Readers are encouraged to submit comments and replies related to published articles. All submissions must be in established SJAE format (back cover) and will be subject to review and approval by the Editorial Board.

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A QUARTER CENTURY OF AGRICULTURAL ECONOMICS IN RETROSPECT AND IN PROSPECT: A COMMENT

Joseph Havlicek, Jr.

In a recent article Halvorson [1] summarized the emphasis and progress of agricultural economics research for the past 25 years and gave his views regarding research challenges for the next 25 years. He was quite favorable in his evaluation of progress of agricultural economics research and, in particular, was very complementary with respect to the past role of Southern agricultural economists. However, Halvorson raises some issues which admittedly may be "red herrings" whose main purpose is to "needle" agricultural economists with certain orientations. If so, he has been successful. I take issue with Halvorson on the following: (1) his narrow definition of agricultural economics research, (2) his view of what reduction in the budget share for economic research for commercial agriculture might lead to, (3) the need to put normative science first in the social sciences, (4) the degree to which computers have aided development of econometrics, (5) methodological overkill and (6) his view of a quantitative economic analyst. Most questionable issues involve Halvorson's opinions and unfortunately the comments which follow are also opinions, but with a differing viewpoint.

To define agricultural economics research as only research for commercial agriculture is terribly narrow and restrictive. Problems of commercial agriculture, resource use issues and resource allocation issues do not coincide within the neat boundaries Halvorson would like to define. Issues of agricultural production, agricultural marketing, resource use and welfare of both rural and nonrural people are, in most cases, very interdependent and usually not separable in a very meaningful way. If agricultural economists are

Joseph Havlicek, Jr. is professor in the Department of Agricultural Economics and the Department of Statistics at Virginia Polytechnic Institute and State University.

going to continue to effectively deal with economic and social problems confronting agricultural and rural people, then maybe consideration needs to be given to broadening—rather than narrowing—the legitimate scope of agricultural economics.

The dwindling of commercial agricultural research funds is of concern to many. The fact that increasing shares of funds are being allocated for economic research in natural resources and human and community development may be viewed by some as simply society's response to society's problems. It may very well be a response to recognition of the magnitude and severity of problems in these areas so closely related to commercial agriculture. Whether allocation of research funds for natural resources and human and community development research has been at the expense of funds for economic research for commercial agriculture is a relevant question which is not easily answered. What we do not know is just how much support there would be for economic research for commercial agriculture if natural resources and human and community development research were not part of agricultural economic research. It might be a surprise to see just how much support really exists for economic research in commercial agriculture per se.

Halvorson seems overly pessimistic about the effects of reducing commercial agriculture's budget share for economic research to one-third of its level in earlier years. Relative shares provide little information about actual levels and thus it is not obvious that the result will be decline in our rate of agricultural progress, rise in monopolistic situations in agricultural markets, and loss of institutions and a cherished way of life. In fact, some agricultural economics research may be responsible for, or at least have accelerated development of monopolistic situations and helped decline of the so-called "cherished" way of life and "cherished" institutions (Halvorson's statement implies that large imperfectly competitive firms are not particularly "cherished"). It is an insightful experience to go through the *American Journal of Agricultural Economics* and the *Journal of Farm Economics* for the last 25 or 30 years and identify marketing or processing articles oriented toward firms, supply, demand, price analysis and general markets. Invariably, these articles provide some type information about how a firm or group of firms can better take advantage of a market situation, and do so in anything but a perfectly competitive way. Some of the supply control research in recent years seemed to have elements of imperfection favoring one group in society; certainly some of the research on cooperatives has concerned itself with management and operation of an economic entity which was to countervail some "undesirable" form of market competition. To be successful, the cooperative had to strive for market power and, in so doing, acquire some of the "undesirable" attributes of the form of market competition it was supposed to be countervailing.

The notion that the findings of positivistic research in social sciences are perishable and that normative science needs to be put first in the social sciences is interesting. If the number of articles concerned with some type of mathematical programming, simulation, decision strategies, etc. appearing in this journal, *American Journal of Agricultural Economics*, *American Economic Review*, *Review of Economics and Statistics*, *Econometrica*, etc., is any indication of directional emphasis in economics with respect to positive versus normative aspects, then it would seem the relative number of articles concerned with normative aspects of economics has increased in recent years. Many, I am sure, view agricultural economics as applied economics and are, thus, concerned with many problems of what is or what was. In our research, considerable emphasis has been given to understanding economic behavior and much of this has been done from the viewpoint of positive economics. It seems that whether emphasis should be placed on normative aspects of the economic discipline depends on the nature of questions being asked and the types of problems to which solutions are being sought. As long as agricultural economists place major emphasis on grappling with applied problems, then what Halvorson labels positivistic research will probably tend to be the dominant type of research.

Just how much computers have aided development of econometrics is debatable. This, in part, depends upon the definition of development. Much of the core of econometric theory and methodology was developed before computer use became widespread. Even today development of econometric theory and methods depends very little on computers. However, easy computer access has made computational routines accessible to almost every economic researcher or analyst. Hence, computers have really aided the application of econometric methods and have facilitated use of large and complex models which hopefully more nearly represent real world behavior.

Halvorson considers methodological overkill as an internal limitation in agricultural economics research. Clearly if and when overkill occurs it would be internal to agricultural economics research and almost always directly under the control of the researcher. But how does one define methodological overkill and how does one identify it? If an objective of a specific line of research is to develop, apply or

illustrate a specific or alternative methodology or set of methods, then it seems almost impossible to establish any kind of meaningful criterion for judging methodological overkill. Caution needs to be exercised in passing judgment on methodological overkill. This is not to say that it occasionally appears that a "platinum coated crow-bar is used to pull rusty nails" but this has to be judged relative to the objectives of the research.

Finally, I must take issue with Halvorson's view of a quantitative economic analyst. I trust that a quantitative economist is not being confused with an ill-trained agricultural economist who is weak in economic theory and quantitative tools of measurement but, because of accessibility to computers and software, is able to run a lot of "junk" through a computer without really understanding the results or methods used. Quantitative economic analysts generally appear quite strong in economic theory, statistical and econometric methods and/or operations research tools. Furthermore, if agricultural economics really is a subset of applied economics, then measurement, estimation and testing of hypotheses are key aspects of research and analysis in the discipline. It is difficult to visualize the role and usefulness of an agricultural economist who lacks strength in economic theory and quantitative tools. If he is perceptive, wants to be relevant and provide useful information for decision making in a dynamic world, then the economic analyst must be willing to devote attention to different problem areas as issues change in interest and importance. Otherwise he will likely be performing detailed analyses of things that probably should not be analyzed at all. I see no alternative for the economist interested in application than to change thrusts when problems change, and ideally to change thrusts early enough so that at least some answers are available when the problem emerges and is widely recognized. It would appear that the only economists and agricultural economists who might continue a given thrust over a prolonged period of time, irrespective of changing problems of the economy, are those concerned with only certain types of theoretical or methodological problems.

REFERENCES

[1] Halvorson, Lloyd C., "A Quarter Century of Agricultural Economics in Retrospect and Prospect," *Southern Journal of Agricultural Economics*, Volume 8, Number 1, July 1976.