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RELEVANCY OF THE SOCIAL SCIENCES IN THE POLICY ARENA: IMPLICATIONS FOR AGRICULTURAL ECONOMICS: DISCUSSION

Judith I. Stallman

After reading Dr. Bonnen's paper, my main reaction is "Amen." For this reason my discussion will be an extension of the paper rather than a critique.

Dr. Bonnen's distinction between policy analysis and applied economics research is appreciated. I have felt the need for this distinction for some time, but have not been able to put it into words as well as he has done. Bonnen goes on to point out the need to look outside the neoclassical paradigm in order to do policy analysis. A recent column by Robert Kuttner in *Business Week* comes to a similar conclusion.

Mr. Kuttner attended the 1988 annual meetings of the Allied Social Sciences. After attending sessions by famous neoclassical economists, evolutionary economists, radical political economists, etc., Mr. Kuttner wrote:

> ...the dismal science paraded its characteristically odd blend of certitude and paralysis. The most prestigious economists presented rigorous—and contradictory—views about the value of the dollar, the productivity slowdown, savings rates, and the budget deficit.
>
> On the whole, however, the AEA meetings suggested less a sense of great issues being joined by scholars than of rival theologians talking past each other. And though dissenting economics is often far richer and more instructive, orthodox economics still dominates the politics of the profession.

Bonnen suggests that social scientists will also have to demonstrate that we have a useful contribution to make in policy analysis. Economists have shied away from the area of equity or distributional impacts when we can make a policy contribution in this area. Yet when I talk to non-economists, the questions they are most likely to ask are equity questions. For example, my freshmen students consider an efficient level of air pollution an irrelevant issue. They want to know who is benefitting, who is getting hurt, and who is going to pay for the clean-up.

I am not arguing that efficiency is not important. As a profession we may need to educate policymakers and the general public about the importance of efficiency. What I am arguing is that economists do not demonstrate that they have a useful contribution to make when they insist on giving an efficiency answer to an equity question.

The standard argument against working on equity is that economists are no more qualified than anyone else to decide distributional questions. I agree with the statement because distributional outcomes are part of the policy process. But economists do have tools with which to analyze equity implications of alternative policies. This information is important in policy analysis, and economists have a contribution to make.

As economists we do not just ignore equity. By focusing almost exclusively on efficiency, we ignore the distributional impacts of efficiency-based policy recommendations. In doing so, we make the implicit value judgment that efficiency is more important than equity. This value judgment is part of the policy process and economists alone are not qualified to make it.

A minor weakness of the paper is the implication that policy analysis is prepared for public officials. Economists can provide policy

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analysis for groups ranging from the Sierra Club to the National Cattlemen's Association to the local PTA. It is inappropriate to suggest that the former is a higher calling than the latter. In fact, our policy discussions might be more fruitful if more economists were working with the general public on policy analysis.

REFERENCES

Kuttner, R. "It's Dismal All Right—But Is It A Science?" *Business Week*, 30 Jan. 1989:16.