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POLICY RESEARCH AND THE POLICY PROCESS

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As the former Administrator of ERS, one of the organizations sponsoring this conference, I wish to express my appreciation for the interest you have exhibited in attending this three-day seminar. I recall the protracted discussion of the steering committee concerning appropriate objectives, format and content of this conference. Some of our thoughts, biases and hypotheses may be worth sharing with you as a point of departure for my remarks concerning policy research and the policy process.

First, we shared a common feeling that food, agriculture, and natural resource policy issues are likely to be of ascending, perhaps central, importance in both domestic and world contexts in the remainder of this century and beyond. And there was general agreement that policy issues and the policy process have become increasingly complex such as to require re-examination of our research agenda, research approaches and the manner in which we interject or attempt to interject economic information in the policy process. Finally, there was concern that as a profession we may not be achieving up to our capability with respect to quantity and quality of policy-oriented research, analysis and education.

This seminar is an opportunity for researchers and research users to explore such hypotheses through discussion of policy issues, examination of research approaches and methods, and the application of research results in the policy process. As the background to subsequent discussion, the steering committee asked that I share with you my views on policy research and the policy process with some attention to how research fits into the policy process, identification of research needs, and opportunities for enhancing future policy research and communication of results to users.

THE POLICY PROCESS

If you have followed evolution of the 1981 farm bill, you might properly raise a question as to whether there in fact has been an identifiable process. The press carried numerous stories about the fracturing of the agricultural commodity coalition, the role of the "Boll Weevils" and "Gypsy Moths" and other shifting political alliances. The popular impression is that "chaos" rather than "order and process" has prevailed to date. To the uninitiated, the apparent chaos and the "free wheeling" assessments and trading which characterize the legislative process may come as a shock—certainly to those who have viewed the legislative process as deliberative, contemplative, and marked by great wisdom and diplomacy.

I draw two implications from the foregoing observations: (1) the chaos is frequently more apparent than real. Positions have been formulated, trade-off costs and benefits assessed, data and information marshalled selectively to support or refute particular positions long before the committee "mark up" or the floor vote. (2) Effective interjection of economic information and the results of policy and program research and analysis must occur "far back the line," well in advance of the formal hearings and the discussions at the time of committee mark up or floor action. Further, interjection of research results must occur

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through multiple institutions and actors who influence or seek to influence the outcome of the policy process.

Although the inclination may be great to believe that a seminal statement to Congressional committees of policy options and consequences drawn from rigorous research and careful marshalling of economic data might prove decisive in final policy choices, seldom has that been the case in my experience. The fact is that policy research, analysis and effective public policy education must be a continuous, multifaceted process involving long lead time, far-sighted anticipation of policy issues and the timing at which such issues are likely to "arrive" for serious consideration by policy makers—the "teachable moment" so to speak.

Policy makers do not wait with "baited breath" for research results and policy statements by agricultural economists! Policy making like effective policy analysis is the art of "muddling through." To be effective in our public policy research, analysis and education we must ourselves be prepared to do considerable muddling in what we research, how we integrate and package economic information and how and when we interject that information into the policy process. Those who believe that some singular, unified initiative or statement by agricultural economists or the results of a comprehensive, carefully specified policy model will by themselves turn the legislative tide are betting on a long shot, are terribly naive, or both.

Much has been written and said in recent years about the changing and increasingly complex agricultural policy process, about control or lack of control of the agenda by agriculturists, and about the role and shifting influence of the USDA, OMB, the White House and various special interest groups. I need not repeat those generalizations today except to note that the process in writing the 1981 farm bill may give cause to some to rethink their previous generalizations.

The important point, I believe, is to recognize that there are many tortuous tributaries which feed into the policy making continuum—legislators, legislative staff, policy officials in the executive branch, general farm and commodity groups, the special interest consumer, environmental, resource, foreign trade and other groups. Each seeks and uses economic information in the development of policy options and positions. Each represents a potential source of indirect entry and influence for agricultural economists in the policy process. Each represents, if sometimes only in a limited, narrow way, a vehicle for identification of emerging policy issues. To be effective, agricultural policy researchers, analysts, and educators must establish credible working relationships with such groups.

In the long run such users may constitute the most effective "points of entry" for economists in the public sector to bring to bear the results of policy research and analysis to shape the policy agenda, identify policy options and consequences, and influence the outcome of the policy process. Beyond these possible beneficial results, cultivating the "upstream" actors and institutions represents a means for economists to stay in touch with reality—an essential condition for effective policy research, analysis, and education and for economists to be considered seriously by policy makers.

In summation: (1) Policy making is not an intellectually pure, emotionally passive, value-neutral process; it is a complex, ever-changing process with numerous tributaries and shifting sands of power and influence; it is a messy muddled process. (2) Policy research, analysis and education must be a continuous process—a process which builds knowledge cumulatively and which establishes credibility at numerous points of entry along the policy making continuum. It is not sufficient to "gear up" every fourth year or just immediately in advance of legislative hearings. (3) In the long run and depending upon the positioning of the research institution, the most effective focal point for interjection of research results and economic data may be well "upstream" in the policy process.

POLICY RESEARCH AND ANALYSIS

Now some comments on policy research and analysis—definition, design, conduct and content. Although I hesitate to draw discrete, hard lines between research and analysis, I think it useful to loosely differentiate between the two. I refer to research, be it policy or other, as an activity designed to produce new knowledge—it seeks to add to our basic storehouse of knowledge be it theory, methodology, or more reliable estimates of functional economic, behavioral or institutional relationships.

Analysis I define to be that activity designed to provide insight or answers (be they quantitatively or judgmentally derived) to rather specific and narrowly defined questions or issues drawing upon available knowledge. The purpose of analysis is not to develop new knowledge per se but to utilize, integrate or apply existing knowledge with reference to a specific issue. Other connotations flow from that differentiation: research tends to be longer run in orientation and conduct and is aimed at discovery of knowledge rather than integration of existing knowledge.

Following the foregoing differentiation, I define policy research, as distinguished from other economic research, as the study of institutions (laws, markets, covenants, regulations, etc.) created by society through government that influence the functioning of, in our case, the rural, food and agricultural sector of the economy. As research, the activity is designed to produce new knowledge concerning those institutions and their influence in the economy. Policy analysis takes as given, policy objectives and available knowledge concerning institutions in seeking insight or answers to specifically defined policy questions. Program analysis addresses the effects of specific policy instruments by bringing to bear currently available knowledge concerning institutions and their influence in the economy.

I do not wish to push this distinction further since I am not fully comfortable on the rigor of the differentiation and my purpose is merely to get to another point—i.e., that we as a research community are under-investing in policy research as distinct from policy analysis.

Given the apparent current consensus of agricultural economists derived from the observable geopolitical and economic environment which surrounds us that agriculture and rural areas have lost their insularity; that interdependency in the national and world economies has grown pervasively; that conflict and competition among agricultural and other groups who have joint interests in use of resources has heightened; and that the policy process is much more complex, I believe our policy and economic research foundations are in several respects weak and underdeveloped. I cite several examples to support this contention:

(1) We observe that current national fiscal and monetary policies are having significant impacts on agriculture and rural America. Yet there is little by way of comprehensive research related to those policies or to alternative policies and their impact on agriculture and rural America. A similar observation might be made with respect to international monetary policies and their impacts on agricultural trade.

(2) We worry about the adequacy and quality of natural resources to sustain continued growth of agricultural production, about land erosion and land use, about continued growth in agricultural productivity but we lack critical economic knowledge about the parameters of the cropland supply function and about the economic, technological, managerial, climatic, and other variables which influence productivity. Where is the research which takes a longer view toward new or significantly altered policies with respect to water and land use policies or the relationship between commodity price and income policies, land and water policies?

(3) Where is the policy research that looks rigorously and comprehensively at policy alternatives to current federal milk marketing orders including the option of abandoning those devices?

It seems to me that we do a credible job in much of our narrowly drawn policy and program analysis—the effects of a marginal adjustment in loan and target prices; 75% vs. 85% or parity for dairy products; cost effectiveness of the school lunch program, etc. But we are less well prepared to address the larger, global, more fundamental policy issues deriving from the international interdependencies of agriculture and rural America and the intersections of traditional agriculture production and income policies, national and international monetary and fiscal policies, natural resource, environmental and rural community policies. In some cases we appear to lack relevant data and knowledge of fundamental economic relationships which are required for rigorous policy research.

I might add to this criticism of the state of policy research, that of Ted Schultz who chides us for our lack of critical review and oversight of public policy and the activities of government in agricultural markets. We seem to have less to say in that vein than once was the case.

My main point, however, is that we need to seriously re-examine the foundations of policy research, its adequacy and relevancy to emerging, longer run, complex policy issues. In the context of my preceding remarks concerning the policy process, we need to seriously review our current policy research agenda and constructively but critically explore how well it will serve us in shaping the policy agenda of the future and the extent to which we are building knowledge as a basis for future policy analysis and effective policy education.

ENHANCING FUTURE POLICY RESEARCH ANALYSIS AND EDUCATION

I will close with more specific and positive suggestions that might enhance future public policy research, analysis, and education.

(1) I have already indicated that some researchers need to stand back from the maelstrom of immediate, near term policy issues to reflect upon longer run emerging issues and to design more holistic, anticipatory, knowledge-building research programs. To do so may require innovation in the manner in which we organize research activities in our highly decentralized research establishment. It may require the design of new policy research institutions to provide linkage, leadership, and continuity in research.

(2) We should explore means of improving communication among policy researchers, and between researchers and policy makers and those “upstream” groups that seek to influence policy outcomes. We should do so for several reasons: (a) to assist in identification, clarification, and anticipation of policy issues; (b) to improve the timeliness of policy research, analysis, and education; (c) to build rapport as a means of more effectively interjecting the results of research and analysis. There is no panacea by which to accomplish such an objective. It is axiomatic that those who are closest to policy have the least time for communication of the issues to others. And, all too frequently such dialogue becomes a mere laundry or wish list of topics currently in vogue in policy circles.

(3) Improve the specifications in policy research and analysis. By this I mean try to incorporate explicitly in our research those variables upon which the legislative debate and the trade-offs are likely to hinge: e.g., farm prices vs. consumer prices; farm income vs. budget outlays; distribution of costs and benefits; efficiency vs. equity; short run vs. longer run impacts; differential effects among affected groups; consistency with other policies and programs, etc. Research and analysis, however elegant in formulation and exposition, may be of little value in the policy making process if it fails to address the most relevant variables and trade-offs among such variables.

(4) A related recommendation is to extend the policy implications of research and analysis to the extent warranted by the data and methods employed. Too frequently we conclude our research reports by merely stating that the research has important policy implications.

(5) Recognize and capitalize upon the comparative advantages of research institutions through a relative, not absolute, division of labor among such institutions in conducting

policy research and analysis. Policy analysis at the national level frequently comes with short time fuses and requires successive iterations when policy makers specification change. That type of analysis can best be done by staff in the executive or legislative branches. On the other hand, policy research and policy analysis of options not endorsed or advanced by the party in power or a majority of the legislative committee may have to come from outside government. Even with such a division of labor, improved professional linkage and communication systems are needed.

