

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

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Dr. Bonnen and I bring different perspectives to this topic. His distinguished career has largely taken place in a university setting, with several interruptions for service in Washington. The bulk of my career has been in Washington, either as a staff economist in the USDA or for the Congress, with several interruptions for education or employment at various universities. Yet what I find interesting is how much I agree with what he has written. I will begin by summarizing some of the points I found most interesting in his paper and will interject some comments of my own in appropriate places.

Dr. Bonnen tells us that today's problems create a unique window of opportunity for the social sciences. As an example of these problems, he points out that the globalization of agricultural markets has turned the agricultural policy crises of individual nations into a single, worldwide international trade crisis—which is now beyond the reach of the policy actions of nations acting alone. He also mentions genetic engineering and information technologies as others which, while creating new productivity, bring many unanticipated and undesired side effects. Adapting agricultural and rural social institutions and policies to these and other new technologies presents a substantial research and education challenge in the social sciences. Promoting knowledge for modifying existing institutions or developing new institutions is a primary responsibility for the social sciences.

Dr. Bonnen cautions that the window of opportunity is problematic. While there are many problems that require social science knowledge, there is a public skepticism of social sciences that must be overcome before the support for research and other profes-

sional activity will be forthcoming.

Here I would like to inject an observation of my own. It is not only the public that has been skeptical of our role in the policy-making process. I have heard the same skepticism from our own. Only a few years before I heard Carol Tucker Foreman, Assistant Secretary for Food and Consumer Services, plead for our help at the 1978 AAEA meeting in Blacksburg, a well-known research administrator told me personally that he wasn't going to waste his agency's resources doing research on the policy issues of the day because politicians weren't interested in economic analysis. Even within the last year, I received a letter with a draft manuscript that a would-be policy analyst had prepared but could not get cleared for publication. Let me quote one sentence from that letter: "I understand the sensitivity of [his agency] recommending policy change, but wonder how social scientists in [his agency] can develop 'institutional innovations' in Ruttan's words under such a publication process." In short, the burden of proof is on us to demonstrate we have a useful contribution to make. We have to be not only able, but willing, to help. This may at times require as much courage as brains.

The framework for Dr. Bonnen's discussion of the role of social sciences in the policy arena is his classification of the types of knowledge into three unique categories: disciplinary or basic, subject matter, and problem solving. The last is the form of knowledge relevant to a decision maker with a specific problem.

Using this framework, Dr. Bonnen demonstrates that economic analysis and policy analysis are not two different labels for the same process. Societal problems do not

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come arranged and delimited by discipline. Inasmuch as policy decision making is essentially a problem-solving matter, and therefore multidisciplinary and prescriptive, it is not based solely on economics or any other one discipline. Economic analysis is often a necessary input to policy analysis, but it is not sufficient. In fact, he states that very frequently economics is not the dominant element of a policy analysis, even when the problem is primarily economic.

I will add additional emphasis to this point. If there is public skepticism of social sciences in general, surely the public has reserved its most vigorous skepticism for economists. Here are several titles of articles that have gathered in my files:

"It's Dismal All Right—But Is It Science?" Article in January 30, 1989, *Business Week* by Robert Kuttner.

"Bricks without Straw, Making Economic Policy out of Economics." Article in the September 1984 *AEI Economist* by Herbert Stein.

"Can Economists be Taken Seriously?" Column in the January 5, 1989, *Washington Post* by Hobart Rowan.

"Why Economists Disagree." Article in November 2, 1981, *Newsweek* by Charles Wolf, Jr., where he states, "Economists share a degree of ignorance whose extent they are understandably loath to admit."

It would seem that economists have few defenders and much to live down. I believe it is the arrogance of those in our profession who cannot see beyond their disciplinary blinders that has hurt us the most. Let me give two brief examples of experiences I have had with economists recently.

Congress has debated ways to encourage the production and use of alcohol as a motor fuel. Several USDA studies on this topic have all concluded that as long as it costs more to produce a gallon of alcohol than a gallon of gasoline, alcohol fuels are bad public policy. Unfortunately, while Congress is thinking about such public concerns as air quality, energy security, excess agricultural capacity, and economic activity in rural areas, economists cannot see beyond prices at the gas pump.

The second example is a current proposal to eliminate farm programs that couple payments to the production or marketing of a commodity—in other words, decoupling.

When I mentioned to an advocate of decoupling, a senior fellow at a prominent research institution, that current program beneficiaries will oppose such a change unless they are compensated in some way, he loftily replied that they had no right to their program entitlements and therefore should be disregarded. It is advice like this that should be disregarded! For as Dr. Bonnen has pointed out, implicit in any set of decision rules is the existing distribution of power.

Another characteristic of policy analysis stressed by Dr. Bonnen is that the decision process is dynamic. One-shot, static analysis is seldom adequate. Most often several analyses must be done with different sets of assumptions before a policy decision is final. I believe this might be the reason some economists think policymakers don't want economic analysis. Just because a policymaker can't use an old, stale, static, canned analysis that somebody pulls off the shelf, doesn't mean that the policymaker wouldn't value an analysis that is relevant to the problem under consideration. The very best policy analysis is done in an interactive relationship with the decisionmaker.

Dr. Bonnen closes his paper with a discussion of the dilemma our profession and our institutions have in organizing to do policy research while at the same time maintaining the appropriate balance between the three types of knowledge identified earlier: disciplinary, subject matter, and problem solving. Encouragingly, he gives agriculture, along with medicine, good marks as an academic subject where there has been decent coordination of these three areas. But maintaining such a balance requires skillful administration and resource allocation. A key ingredient is the system used to evaluate and reward the work of our people.

If Dr. Bonnen is correct in his conclusion that society has underinvested in social sciences relative to the biological and physical sciences, I would ask why this has happened. Whose fault is it? What can be done about it? Will not the research programs of the most entrepreneurial people and the most innovative institutions grow and prosper?

Just as policymaking is a process of coalition formation among those who hold power, so also is policy analysis a process of coalition formation among those who hold knowledge.