

One Vote for Doering's Call for Nonmarginal Analysis

Gerald F. Vaughn

This is in support of Otto C Doering's article "Looking Back While Going Forward An Essential for Policy Economists" (*JAER*, Vol 43, No 1) He asserts that marginal analysis is best suited to a stable economy or society Doering believes that the US and world systems are beyond stability, rendering marginal analysis less helpful, and that the development of nonmarginalist economics should accelerate to meet the needs of public policy I agree with this call for nonmarginal analysis

Robert B Carson, in his book *What Economists Know*, even more sharply criticizes both the economics profession and policymakers He writes " in the 1970s and 1980s, when there was much to be done, practically nothing of useful and lasting consequence was accomplished—not in terms of important theoretical and critical work nor in terms of policymaking" (p 8) Nonmarginal analysis would contribute in ways that Carson desires

For nonmarginalist economics to be useful to governments, public policymakers and program managers first must be receptive to it And, that acceptance depends on what type of government is in office

Richard J Stillman II, who examines public administration, places government into four models negative-state (or no-state), bold-state, pre-state, and pro-state Negative-state is characterized by a sharply limited role for government (monetarists and public choice theorists), bold-state by a broadly expanded role (institution builders), pre-state by traditional norms typical of governments before World War II, and pro-state by technocracy (government by professional public administrators and scientific experts) typified by governments since 1945 In both pre-state and pro-state, change occurs in small increments at the margin

Only negative-state and bold-state, which are departures from the trend, have shown a receptiveness to nonmarginalist economics, and neither of the two prevails except in a crisis That is, when government seems too wasteful or intrusive, the negative-state gains ascendancy for a time When government needs a stronger hand in depression or war, the bold-state presides

Vaughn is an extension specialist for resource economics and policy, University of Delaware Newark

Nonmarginal analysis and action are most likely to be needed and to happen during a crisis Agricultural economists can expect nonmarginalist economics to be best received at such times John J Gargan in *Handbook of Public Administration* observes

"Policy problem solutions drawn from Public Choice theory—privatization, vouchers, and voluntary initiatives—were applied by local, state, and national government during the 1970s and 1980s, partly because of the pressure on public finances, but also because of the availability of the solutions" (p 1,004)

As Dr Doering points out, during the 1930's and New Deal experimentation, USDA not only was receptive to, but was in the vanguard of, thinking of rural social scientists as reformers in farm policy (pp 4-5)

Apart from times of crisis, government will tend to be in the pre-state or pro-state models, where change usually occurs at the margin Agricultural economists working in or closely with government should not expect that nonmarginalist thinking will be accepted or prove useful between crises Though cast in relation mainly to the Federal Government, the principle is the same for State and local governments

What should nonmarginalists do, given these conditions? Kenneth Boulding, in *The Impact of the Social Sciences*, reminds

"Economists are not altogether guiltless of presuming to know more than they do and of giving advice when they should have been doing research" (p 50)

Nonmarginalist agricultural economists should concentrate, therefore, on doing research (especially high-quality empirical studies) that will be ready and useful if and when advice is wanted

Bibliography

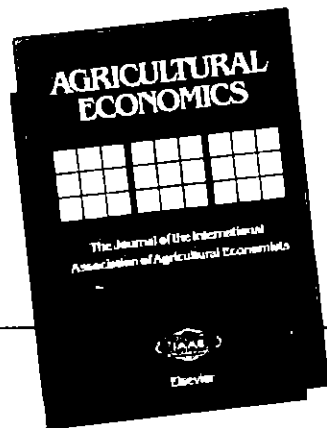
Boulding, Kenneth E 1966 *The Impact of the Social Sciences* New Brunswick, NJ Rutgers University

Carson, Robert B 1990 *What Economists Know An Economic Policy Primer for the 1990s and Beyond* New York St Martin's

Gargan, John J 1989 "The Public Administration Community and the Search for Professionalism," *Handbook of Public Administration* Jack Rabin, W

Bartley Hildreth, and Gerald J Miller (eds) New York Marcel Dekker

Stillman, Richard J, II 1991 *Preface to Public Administration A Search for Themes and Direction* New York St Martin's



AGRICULTURAL ECONOMICS

The Journal of the International Association of Agricultural Economists (IAAE)

Agricultural Economics publishes articles covering a range of work done on agricultural economics. It is an international journal devoted to serving the interests of not only the International Association of Agricultural Economists (IAAE) but also of agricultural economists all over the world. The Journal provides a focal point for the publication of work on research, extension and out-reach, consulting, advising, entrepreneurship, administration and teaching in the following areas of agricultural economics:

disciplinary work - improvement of theories, techniques and descriptive knowledge of economics and its contributing disciplines, e.g. statistics, mathematics, and philosophy.

multi-disciplinary subject matter areas - energy, technical change, institutional change, natural resources, farm management, rural communities, marketing, human development and the environment - areas which are important to organised groups of public and private decision makers facing well-defined sets of problems.

problem solving - the definition, solution and management of specific practical problems.

Editor-in-Chief D D Hedley
Policy Branch Agriculture Canada
St. John Carling Building 930 Carling Avenue
Ottawa Ont K1A 0C5 Canada

Book Review Editor K Froberg
Agriculture Directorate 2 rue Andre Pascal
75775 Paris Cedex XVI France

1992 Subscription Information
Volumes 6 & 7 in 8 issues
Institutional Rate: US\$ 316.00/Dfl 578.00
IAAE Members - Members of the International Association of Agricultural Economists (IAAE) are entitled to a substantial discount on the Journal subscription rate - please contact the Publisher for further details.
ISSN 0-169-5150

Abstracted/Indexed in
Agricola Database, CAB Abstracts/WAERSA, Biosis Previews/Biological Abstracts, GeoAbstracts, Geobase.

Please send your orders and requests for a complimentary copy and/or further information to one of the following addresses:

Elsevier Science Publishers
PO Box 181 1000 AD Amsterdam
The Netherlands
Fax: (020) 5803-249
Elsevier Science Publishing Co. Inc.
Journal Information Center PO Box 882
Madison Square Station New York
NY 10159 U.S.A.
Tel: (212) 633-3750 Fax: (212) 633-3764

Prices include postage and handling charges. The Dfl price is definitive. US\$ price is subject to exchange rate fluctuations. Prices are excl. of BTW for Dutch residents.



ELSEVIER SCIENCE PUBLISHERS

Suggestions to Contributors for Submitting Manuscripts to *The Journal of Agricultural Economics Research*

- 1 **SOURCE** Indicate how the material submitted is related to the economic research program of the U S Department of Agriculture and its cooperating agencies State your own connection with the program
- 2 **CLEARANCE** Obtain any approval required in your own agency or institution before sending your manuscript to one of the editors of *The Journal of Agricultural Economics Research* Attach a copy of such approval to the manuscript
- 3 **ORIGINALITY OF MATERIAL** It is our policy to print original material We consider alternative treatments of material published elsewhere, but such treatments need to differ substantially from the original approach When submitting your manuscript, identify related material either published or submitted for publication
- 4 **ABSTRACT** Include an abstract and at least three keywords when you submit your article The abstract should not exceed 100 words It should report the major findings of your research
- 5 **NUMBER OF COPIES** Submit three good copies
- 6 **TYPING** Double space everything, including abstract, footnotes, and references
- 7 **FOOTNOTES** Number consecutively throughout the article
- 8 **REFERENCES** Check all references carefully for accuracy and completeness Cite references in the text by using underscored numbers in parentheses that correspond to items in the reference section at the end of your article
- 9 **CHARTS AND OTHER ARTWORK** Use charts sparingly Keep design as simple as possible Submit all artwork in draft rather than in final form, accompanied by neatly prepared pages with essential data for replotting

American Journal of Agricultural Economics

*Edited by Steven Buccola and Richard Adams
Oregon State University
Published by the American Agricultural Economics Association*

November 1992

Articles Barry T. Coyle, "Risk Aversion and Price Risk in Duality Models of Production: A Linear Mean-Variance Approach", Bharat Ramaswami, "Production Risk and Optimal Input Decisions", Jeffrey A. Krautkraemer, G. C. Van Kooten, and Douglas L. Young, "Incorporating Risk Aversion into Dynamic Programming Problems", Steve W. Martinez and Kelly D. Zering, "Optimal Dynamic Hedging Decisions for Grain Producers", J. Edward Taylor, "Earnings and Mobility of Legal- and Illegal-Immigrant Workers in Agriculture", Lewell F. Gunter, Joseph C. Jarrett, and James A. Duffield, "Effect of U. S. Immigration Reform on Labor-Intensive Agricultural Commodities", John U. Davis, Julie A. Caswell, and Carolyn R. Harper, "Incentives for Protecting Farm Workers from Pesticides", K. E. McConnell, "On-Site Time in the Demand for Recreation", Robert Mendelsohn, John Hof, George Peterson, and Reed Johnson, "Measuring Recreation Values with Multiple-Destination Trips", also other articles, winter proceedings papers, and book reviews



*Annual membership dues (including Journal) \$60, Annual library subscription rate \$90, Individual copies \$18, contact AAEA Business Office, 80 Heady Hall, Iowa State University Ames, Iowa 50011
Published in February, May, August, November, and December*

United States
Department of Agriculture
1301 New York Avenue, NW
Washington, DC 20005-4789

OFFICIAL BUSINESS
Penalty for Private Use, \$300

BULK RATE
POSTAGE & FEES PAID
USDA
PERMIT NO G-145

Want to Subscribe? **Time to Renew?**

Subscribe to the *Journal of Agricultural Economics Research* today! If you already subscribe to this timely periodical, note that expiration information about your subscription appears on the top line of your mailing label. **Expiration information will appear in one of three formats:** 1-AES-2 (this means you have TWO issues remaining in your subscription) or 940430 (expiration date is April 30, 1994) or APR94 (expiration date is April 1994). Disregard this notice if no renewal information appears. **Call toll free, 1-800-999-6779,** and tell us whether you want to subscribe or renew, or return this form to **ERS-NASS, 341 Victory Drive, Herndon, VA 22070.**

Journal of Agricultural Economics Research

- | | | | | |
|--|-----------------|----------------------------------|----------------------------------|----------------------------------|
| <input type="checkbox"/> Yes! I want to start my subscription | <i>Domestic</i> | <input type="checkbox"/> \$16 00 | <input type="checkbox"/> \$30 00 | <input type="checkbox"/> \$44 00 |
| <input type="checkbox"/> Yes! I want to renew my subscription | <i>Foreign</i> | <input type="checkbox"/> \$20 00 | <input type="checkbox"/> \$37 50 | <input type="checkbox"/> \$55 00 |

New subscribers:

Name _____
Address _____
City, State, Zip _____
Daytime phone (____) _____

Renewals:

ATTACH MAILING LABEL HERE

Payment method:

- Bill me
 Enclosed is \$ _____

Use purchase orders, checks drawn on U.S. banks (and in U.S. funds), cashier's checks, or international money orders. **Make payable to ERS-NASS.** Please do not send cash.

Credit card orders: MasterCard Visa Total charges \$ _____

Credit card number

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Card expiration date

--	--

Month/Year

For fastest service, call our toll-free order desk 1-800-999-6779 in the U.S. and Canada; other areas please call 703-834-0125, or FAX this page to 703-834-0110.