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A Review of "Roles, Functions and Services of ERS in 1986 by Crosswhite and Moore"

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A Review of "Roles, Functions and Services
of ERS in 1986 by Crosswhite and Moore"

David J. Allee

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A Review of "Roles, Functions and Services of ERS
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by David J. Allee^{2/}

Introduction

Crosswhite and Moore have systematically reviewed some of the alternatives in the roles, functions and services ERS should perform over the next decade. The role, function and service of this paper will be to go beyond their arguments and not, in the main, to take issue with them. A different point of view should enrich the intellectual stew, not burn the pot.

From the perspective of the policy analyst, the objective is to provide some food for thought about analysis that is more political than has been traditional among economists. I look forward to the dialogue because some significant value conflicts are involved.

Note that Crosswhite and Moore make repeated references to the need for objectivity and rigor, non-advocacy and relevancy. These are seen as the necessary requirements to weather the storms of a political system that stresses advocacy and interest representation. The implication is that standards, at least for objectivity and rigor, exist in the professional fraternity, and that common sense should guide in identifying non-advocacy and relevance. But economics particularly with its stress on national efficiency is not neutral, its application with rigor introduces many value-loaded pastures. Remember all the issues we sweep under that rug marked equity for which we have little to say. Economists' conclusions cannot help but be viewed as advocacy; they will favor some groups more than others and to some appear to do so systematically. Just as the mantle of science has not protected the nuclear physicist or the entomologist, it is even less likely to protect the economist.

These are hardly new ideas. Crosswhite and Moore fully understand them. The point is that economists are a particular interest group and as such have a stake in the process. Likewise, as a group we have norms of behavior and procedures by which we defend ourselves. Those who follow the group's rules of objectivity and rigor are recognized as worthy of such protection as the group can offer.

1/ An invited contribution to the Forward Look Report of the Economic Research Service of the U. S. Department of Agriculture, responding to William Crosswhite and Charles Moore, "ERS Roles, Functions and Services in 1986."

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There are some other considerations that come to mind. Economists are adapting their approaches to a wider range of questions, for example some, referred to as the public choice economists, are using familiar reasoning to address the questions of who should make decisions and under what arrangements, rather than what the decision ideally should have been, or what its impacts may be. Also there are other disciplines that have worked well in tandem with economics. Perhaps ERS should consider how it offers a broader range of social science than just economics.

Also there are some aspects of public issues and ways of exploring them that are not traditional among economists but which could provide more effective policy analysis and at the same time help protect the agency. Systematic identification of the actors and arenas for policy formation might help us get further away from the disfunctional image of the decision maker as a philosopher king. If ERS is indeed to address all sides of a question and let the chips fall where they may, then it needs a better process to identify those sides. This may be a part of the liaison function.

The suggestion that ERS foresee national planning and consumer affairs as strategic for the next decade needs to be addressed. National planning and consumer affairs may be manifestations of a wider question, namely a questioning of the effectiveness of government to implement policy. Skill in applying economic analysis to evaluating agency behavior in an inter-agency, intergovernmental context may serve both these manifestations and others that may arise.

The social scientist has a unique opportunity to facilitate reform in an agency dominated by other disciplines. This grows out of the way in which information is processed in an agency. ERS and the other parts of the fraternity may need to see themselves as interpreters of other interest groups to achieve this role.

Finally, ERS has an opportunity to strengthen federalism in research and at the same time enhance the ability of the group to offer protection to its members. ERS should consider a role in bringing those of like interests together to define what objectivity and rigor mean for them. Standards are not so universal and timeless that they can be taken for granted.

Going Beyond Normative Economics^{3/}

ERS should consider more emphasis on the institutional analysis of the nation's inter-governmental arrangements for the management of resource systems. Improved conceptual tools to do so are at hand. Economists are comfortable in defining systems as input and output arrangements. Market failure notions (externalities, common property, public goods, limits to competition, maladjustments in technology changes, etc., etc.) relate nicely in normative models from which flow prescriptions for

^{3/} The discussion in the next two sections was inspired by a review visit to Resource Ownership and Control - ERS and to the extent it says anything the thoughts were probably borrowed from the staff of that unit or my fellow visitor, Phil Raup.

correction. Attorneys, political scientists and sociologists have skills in evaluating the structure and authority resources available to the existing participants in the programs trying to deal with these market failures. At very least, the result should be insights as to why the economist's prescriptions aren't adopted or don't work -- ie., do not fit existing organizational arrangements and do not achieve consent from the participants.

However, for more effective research, it will be necessary to enrich the intellectual tools in this analytical mix. Some have had considerable success in applying the approaches of the economist and the attorney in different ways with some judicious borrowing from political scientists and sociologists. One example is some of the work that comes under the label of the Public Choice School -- by such people as Buchanan and Tullock, Vince and Elinor Ostrum, Bisch and others. Another example is the work of Wildavsky and his students on the failures of policy implementation and the realities of public budgeting.

The Political Economy of Water Pollution as an Example

Some thoughts on how this might proceed in a particular policy area should help to show the opportunities. Water pollution suggests itself here because it is an area with which I am familiar and offers unique potential for USDA agencies. It may contain the seeds for more modification of rural property rights than any other area of current policy concern. What to do about pollutants in land runoff is the issue. Nutrients, pesticides, silt from rural areas, silt and various exotic pollutants from urban areas appear to account for 50 to 80 percent of the objectionable constituents in some watersheds, perhaps in most. Investing more and more in the smaller and smaller share of the problem coming from municipal and industrial discharges will appear less and less cost-effective as time passes. There are significant unknowns in the technical problems of precisely relating changes in land practices to the achievement of stream standards. But such knowledge shortcomings have rarely held back the expansion of action programs in the past when needs were seen.

Economists have put considerable effort into the evaluation of pollution problems. The literature on the effluent charge is extensive. Virtually none of it is based upon an examination of experience with an effluent charge approach because in spite of vigorous and extensive advocacy of its use by economists the effluent charge remains unused. To my knowledge, no one has explained why.

More recently effort has gone into evaluating the impact of cutbacks in fertilizer and pesticide use, taxes on these chemicals and some other approaches, many of which may be as likely of adoption as effluent charges. Over the years, economists have examined the costs and returns associated with soil conservation practices that are, of course, in use. The point is that there is some economic analysis upon which to start an examination of institutional adjustments. More is needed, but what should be its focus? Much of what has been done assumes a level of regulatory effectiveness which is neither based upon an empirical examination of regulatory

behavior nor is it very realistic. Institutional analysis should be able to provide more realistic assumptions.

Regulatory processes can be looked upon as bargaining situations where various resources of the participants are allocated between opportunities to achieve their several goals. Standards, technical information, compliance monitoring, information on likely impacts on water quality, information on costs and returns, cost-sharing, public participation, and particularly relationships between units of government at different levels become elements in that bargaining and will help determine the outcome. Public choice models may be useful in analyzing these elements.

USDA programs can provide the settings for this sort of study. The Soil Conservation Service provides technical assistance to local Soil and Water Conservation Districts, some of which are already developing roles in land runoff management from a water pollution point of view. Linkages to state governments vary greatly in kind and degree. SCS's Resource Conservation and Development Projects have some little used and less well funded authority to cost-share and provide technical assistance in farm runoff pollution. EPA funded "208" planning programs administered through state pollution agencies are exploring alternatives in dealing with the "non-point" problem, often in cooperation with USDA agencies including SCS. Obviously, the state role is large. ASCS has more potential for cost-sharing than it has used in this area. The Extension Services are beginning to extend the information Experiment Station researchers and others are developing. Cooperation with state officials and SCS is probably minimal. The setting is rich and dynamic. How should it evolve?

Focusing upon what sister agencies have done and should do is not without its bureaucratic risks. But it could be very rewarding. ERS should be able to be more constructive and effective in providing a basis for reform than, say, the General Accounting Office, Congressional Committees, the Environmental Defense Fund, Ralph Nader, or even Resources For the Future.

Identifying the Relevant Questions

Economists as disciplinarians seek to define an issue in terms that grow out of the discipline. This means the issue will be fitted to the analytical skills available; questions for which tools are not available will be reformulated or ignored. This is part of the process of applying the norms of objectivity and rigor in the disciplinary group. The more this is done with a full knowledge of the points of view and concerns of the political participants in an issue the more likely the result will be seen as balanced and objective by those outside of the disciplinary group. The question is how to get that knowledge.

Equally to the point is how to project a posture that demonstrates this kind of evenhanded approach. Even though it is being carried out by members of an agency seen by many as clearly identified with particular interest groups, it is necessary to reinforce their intent to follow strict professional rules of behavior.

There is an approach that may serve these purposes. It has been tested in the development of educational programs for New York legislators and seems successful.^{4/} Since the Congress is probably more attuned to interest accommodation than the executive branch, it may be easiest to apply in relationships with the legislative branch. But if we look under the veneer of the hierarchical power structure of the executive branch we find decision makers about equally concerned with building consent for their decisions. The legislative decision process is easier to describe, however.

With thousands of bills introduced, it is impossible for any legislator to consider each problem in depth. Like most groups, the legislature depends upon specialists who are chosen both formally and informally. The committee structure obviously is a part of this. Also recognize that particular issues attract the attention of particular legislators for various reasons -- constituent interest, background of the legislator, his training, friends, etc. Particular legislators become spokesmen for particular interests. Often these are reflected in committee assignments. Often, not. Most new issues don't fit neatly into old committee jurisdictions and as it develops, an issue attracts new participants.

Legislators will defer to the specialists among their colleagues on an issue, taking guidance on how to vote on both party and other lines. Most issues are not objects of strict party discipline, although much of the communication in arriving at consent follows the party oriented organizational structure. The roles of conflict and accommodation must be recognized in this deference process. Spokesmen for a legitimate interest are expected to have a hearing. Accommodation of a legitimate interest is expected. Conflict is expensive. It uses up too much time and effort that is needed for other issues; thus it is to be avoided. Almost any legislator, and many other participants in the process, can pose the threat of conflict at almost any time and cause the issue to be delayed pending either accommodation or a general recognition that while the objector may not be satisfied, other key figures in the issue agree that the interest of the objector has been dealt with fairly. Delay itself tests the strength of interests behind an issue as it competes for attention with the other thousands of issues.

One point to be drawn from this model of the legislative process is that any given issue may command the close attention of only a few legislators and their associated staff. Their need for information is large but highly specific as to how the interests involved will be affected by the relatively incremental differences in policy and program authority being considered. Also these few specialist participants should be particularly responsive to a research effort that is clearly intended to give them a role in specifying the questions to be addressed and the time, place and format for the research.

^{4/} My colleagues, Stewart Wright, Fred Winch, Harold Capener, Harlan Brumsted, and Lyle Raymond worked on this testing.

The first step, then, is to seek out the legislative specialists and the interest group specialists that will seek influence. Then, test their interest in some kind of educational event; and finally, design and carry out research in response to their concerns.

Seeking out the specialists involves redefining the issue in the participants' terms. What is included in the issue depends upon who gets involved and vice versa. But how to find the specialists? A tested social science technique starts with those in formal positions of relevant responsibility -- committee chairmen, members and their staff, plus a few agency and interest group legislative representatives. Interviews with these individuals will start to define the problem and reveal who they think would become involved if that problem produced proposals for legislation. These individuals in turn would identify others. If there is a focus to the problem the interviewer should eventually be hearing about the same names and interests referred to at each subsequent interview.

When such closure is reached, several things will have been accomplished if the interviews are conducted by a person with expertise to bring to bear on the problem. First, the audience will have been recruited on a one-to-one basis, obviously an essential element to achieving commitment. Second, the current level of sophistication in the discussion of the issues will be identified. Third, in addition to a list of questions that are being asked in the legislative process, the knowledgeable interviewer will have identified questions that are not being asked, but should be addressed. In discussion an interest in these should have been developed. Finally, and perhaps most important, the knowledgeable interviewer will have provided a one-to-one educational experience for those interviewed. Even if it is determined that no further research is warranted at this time, the effort will be justified.

Social Scientists as a Source of Internal Reform^{5/}

Public programs, like organisms, must adapt to changes in their environment if they are to grow and prosper. This is desirable because it leads to more efficient and equitable use of that very scarce resource -- public decision-making capacity. Important to the process is the ability to make use of new information because it suggests new ways to get something done, something that needs doing. Expanding social analysis is doing this in water resources planning, for example. In part, the work of ERS should speak to the interests of groups not now heard within USDA but that have the potential of providing support for new missions and new roles. The identification of sympathetic "young turks" inside the

^{5/} This portion owes an intellectual debt to many but in particular Leonard Shabman (Virginia Polytechnic Institute) and Helen Ingram (University of Arizona). See especially Leonard Shabman, et. al., The Political Economy of a Corps of Engineers Project Report: The Delmarva Waterway, A. E. Res. 72-9, Department of Agricultural Economics, Cornell University, Ithaca, N. Y., 1972. Also, Helen Ingram and Scott Ullery, "Public Participation in Environmental Decision Making: Substance or Illusion?" Natural Resources Journal 13-150 (1973), University of New Mexico School of Law, Albuquerque, N. M.

organization should raise the confidence of quiet outside interests that indeed they might be heard if they spoke.

Inside the other USDA agencies, decisions are made in a complex environment of multiple level review processes and a host of formal and informal value sets. A system of formal and informal checks and balances brings in private individuals and groups and a multitude of other governmental agencies. Two closely linked objectives must be fulfilled. First, the decisions should reflect the preferences of those served, affected and who care enough to at least be potentially represented in the process. Second, choices should be made which will keep the organization viable and growing. In a well-structured, democratic society the achievement of the first should achieve the second.

At least four kinds of knowledge are needed to make better choices in response to these objectives:

- 1) Preferences at the individual and group level and a knowledge of the power used to translate those preferences into effective demand.
- 2) Knowledge of self; ie., evaluate past decisions and learn from them; relative problem-solving capacity; the agency's own ability to influence others.
- 3) Rules of the game; laws and rules, expectations of behavior and other constraints on the use of power; particularly how the allowable range of choice is changing.
- 4) How to obtain knowledge for problem solving -- management of technical expertise in both a design-analysis sense and an organizational-action sense.

Note that most of the information needed is of a social science character. Also note that it is information whose importance and sensitivity is so great that it is rarely collected directly in a systematic fashion. Much of it is taken for granted -- covered by myths, policies and ritualized procedures. Much of it is collected as a by-product of less sensitive but more technical information. Much of it is simply transmitted in face-to-face communication in the translation of more formal communications. The point is not that social scientists through their skills are more able to collect such data systematically -- although they probably would be more effective than natural scientists if they had comparable experience and status in the system. The point is that they will filter, process and interpret information differently because their biases are likely to be different. The result is a view of the environment for choice making that is more complete and more likely to contain the biases of more effectively meeting the two objectives of generating information for decision making.

Social scientists are well advised to follow-up on this opening by reading signs that others are not trained to see, by advocating new responses that are consistent with new sources of support. In particular

it would seem that making contact and seeking cooperative activities with agencies that primarily use social science expertise would be most useful, making the most use of the ability to interpret. These would include regional and local planners, economic development agencies, social services agencies, many parts of HUD, Commerce, and HEW including the Economic Development Administration.

Timing has a lot to do with the importance of information to the character of the output from the process. In the life of a project or program it is often difficult to decide just when the decision was made on what alternatives to go with. Subtly everyone's attitude shifts from a creative, flexible stance, where new options are welcome, to a stance where one set of actions is preferred, appears to all to be widely supported and now information is sought to support that choice. Information that is being treated experimentally, and those that provide it, are apt to be kept away from the process until after that point of decision is reached. Obviously, the objective of the social scientist has to be to find a role in that early part of the process. Writing reports that no one reads until after the basic decision has been made is not likely to be very satisfying. How to achieve such acceptance? It has to be done in terms of providing what the agency and its clients need. Transmitting information on who wants what, what resources they have to help get it and how much they care, may sound crass and unprofessional. But isn't that what planning is really all about?

Social scientists as a minority in a world dominated by other disciplines have to examine how they are going to behave. One model is that of the militant minority member, stressing his differences and urging solidarity and revolution. Another image is that of an Uncle Tom -- so subservient as to not be taken seriously. Neither seems a very useful model. I'd suggest the answer is yet a third model -- that of the Young Turk. Fiercely loyal, committed to the organization but also questioning the traditional and the established, supportive of reform, often quite vocal about the need for changes.

The Young Turk role is important from another point of view. It maintains creditability inside, but even more important it makes the agency seem more receptive to messages from the outside. Many messages are never sent because the sender is sure no one will listen -- will take it seriously -- so why bother. But it may in fact be crucial to encourage such transmissions.

Stimulating More Effective Federalism in Research

One advantage ERS has is its ability to link itself formally and informally with researchers in the Agricultural Experiment Station and at other organizations. It does appear to lack any other delivery system like that available to the Experiment Stations to extend their results to users and provide feedback from them. Perhaps examining these university relationships could identify ways to provide leadership to this larger community and gain more of the advantages of the existing delivery system.

For example, has there been a conference recently on legal-economic issues that brought researchers together with the extension specialists that are active in the same issues? Researchers rarely seem to be aggressive in seeking out the users of their outputs. It might be worth trying.

How well do we provide a federal perspective to the many regional research activities? ERS specialists located at the several campuses provide some linkages. University faculty are not without their Washington contacts. But perhaps the regional research process could be made more effective in focusing upon the needs of program and policy reform that would impact all the several levels of government simultaneously. Should ERS play a different role than in the past?

How can we encourage university-based research projects to adopt designs and approaches that both contribute more to national needs while still satisfying state objectives? ERS has placed some emphasis on the needs of small rural jurisdictions, for example. Experiment station researchers have done the same, but it's not clear that there is enough communication between them. Another example is in the area of understanding the land market. The literature contains a number of studies that do not seem to have had much influence on each other. Al Schmid, for example, put forward some interesting hypotheses about a kind of natural monopoly at work that keeps farm land prices high in urban regions and may be a factor in promoting sprawl. I have not seen any further tests of this interesting hypothesis.

But perhaps a place to start on many of these opportunities would be in stimulating an examination of research methodology in the area of legal-economic or institutional research. ERS researchers played key roles in past efforts to bring together the state of the art. Taking advantage of their critical mass I suggest that they do so again.