Extending the Scope of Agricultural Economics to Become a Social Science

If the science of agricultural economics is to measure up to what the world needs and expects from the profession, it must become a social science. Economics is not now a social science; at the core it is a science of commodity relations. A social science is, by definition, a science of human relations. To become a science of human relations it must also escape from what Boulding has called the "equilibrium trap." The latter is a part of the impact upon Western thought of the mechanical, "natural order" articulated by Sir Isaac Newton, within which conceptualization all public actions are viewed as interferences. Yet, political action is the very mode by which public policies function.

Economics is based upon the great rational insight that in a world of scarcity, choices and proportioning in the use of resources are both necessary and productive. Scarcity in the natural world leads to social conflict in the universe of human relations. This raises the basic question of the interrelations of the physical and the social. In our interpretation of these interrelationships, physical things are caught up into

human relations as uses not as things. This means that an economic analysis of human relations must understand how "order" is achieved and sustained in a universe of social conflicts. Over the centuries humanity has hit upon a variety of ways to contain social conflicts through tribes, states, legislatures, judiciaries, administrative and penal systems. Yet the security so achieved is fragile over much of the world.

The generic ingredient of order is a procedural rule. All forms of social order--political, economic, or social--are constructed out of experience by formulating and enforcing procedural rules which specify what individuals may or may not, must or must not do. The character of the society and the status of people in it depend upon the emphasis of the procedural rules: in a society honoring freedom, the primary emphasis is upon rules for specific avoidances; in totalitarian societies, primary emphasis is upon rules which specify individual performances. No society can function without both emphases--both performance and avoidance; it is a question of proportions. But it is the emphasis upon specific avoidances which creates the zones of discretion for both individuals and social action on public policies. The choices which promote
efficiency in resource use require substantial scope for freedom of choice.

In 1992, there is an almost absolute need for economists to understand how economic order is created, modified, or stabilized, as well as to understand economies as systems of commodity relations. If they are to do more than write articles to each other, they must understand both. This professional need is evident in the collapse of the Marxian-oriented national orders in Russia and Eastern Europe. There policy advice by economists is virtually useless if not misleading which does not recognize that economic order must be established as a part of contemporary economic policies. But the need is also becoming acute in Africa as well as much of Latin America. Since the time of Adam Smith economic analysis has taken order as a "given." The profession must also come to understand within the same general concept how the uses of physical things and human relations are integrated—so that families, firms, and nations become genuine wholes.

It took the genius of John R. Commons to analyze and understand how economies as systems of commodity relations could be integrated with the analysis of
economies as systems of human relations. This while honoring the basic concept of economics—namely, that in a world of scarcity, choices and proportioning are both necessary and productive; Commons used the basic insight of economics to analyze economies as systems of human relations. In the latter, choices become social judgments. The function of such judgments is to devise and pronounce procedural rules by which the conflict under consideration can be avoided, resolved, or at least contained, so that life can move on.

This basic analytical achievement suggests that it is possible therefore to integrate the analyses of economies as systems of commodity relations with analyses of economies as systems of human relations. Thus the professional effort to understand the "institutional" aspect of economies is not something antithetical to conventional economic analysis—but the key of extending economics to become a social science. "Institutional" is the more general and therefore the comprehending concept in economics. John Dewey has somewhere observed that if there ever is a general science it will be a social science. This extension of scope cannot be accomplished by a few theoretical articles but will require generations of hard work by economists struggling with the brute facts of life;
economists at the World Bank, for example, must devise ways to inject credit into the development processes of Third World countries.

This necessity is particularly significant for agricultural economists. For the world expects us to have constructive suggestions for agricultural development policies for pre-state societies, where survival now depends upon manual skills and the use of land; where the growth of population crowds upon a natural world worn down by overuse without restorative practices. Although the task may seem to be a hopeless one, there is a vast reservoir of experience to guide us: simple industrialization in place, the experience of introducing cooperative forms of group action, the long history of devising farms as firms, among many. I am confident it can be done. If this is not achieved by agricultural economists, I would expect the profession to be reduced to a trade skilled in the analysis of the commodity relations in industrialized economies.