

CHAPTER 12

THE FORMULATION OF PUBLIC POLICY AND ACTION

PROBLEMS OF POLICY FORMULATION

Professor Hammar has pointed out that any national conservation policy must consider the relationship between different resources, and that "conservation refers to a concern of humanity for the level of production that may be maintained from the *totality of resources* at its command."¹

Thus the conservation of one resource at the expense of exploiting another may not be harmonious with a true conservation policy. Conservation policy, therefore, must not consider one resource separately but only in its relationship to others. He also points out that the key problems concern availability, substitutability, and recoverability and proceeds to develop a resource classification based upon these criteria.² Because of the complexity of these interrelationships, Professor Hammar advocates the formation of a Department of Conservation and states:

"A first task of such a Department would be to determine and thereafter to establish, as best it could, a balanced conservation policy and program. Many agencies of the presently constituted Department should probably be transferred to such a new Department. Indeed, it is difficult to understand how an even handed policy of conservation can be achieved if conservation activities are to remain scattered as they are at present. Furthermore, under present circumstances no agency concerns itself deeply with

¹ Conrad H. Hammar, "Society and Conservation," *Jour. Farm Econ.*, Vol. XXIV, No. 1, Feb., 1942, p. 109.

²*Ibid.*, pp. 110 and 111.

resource reserves, and with such broad matters as substitutability, restorability, and recoverability and likewise, no agency makes the needed continuous study of rates of exploitation and consumption which are after all the backbone of conservation policy. Because of too little attention to such matters in the past, the nation remained too long ignorant of the depletion of its forests, awoke only at a late date to the depletion of its soil and does not even yet take seriously the problem of oil and mineral depletion and so on.

“Likewise no arm of government as now constituted is charged with determining when the policy of conservation should be restrictive and when expansive or developmental. As a result the nation’s conservation policy becomes too much a matter of propaganda with an over-emphasis upon precautionary policy supported by a persistent pointing to horrible examples of past misuse and a tendency to dwell at great length on the economics of past mistakes.”³

This is a clear statement of the necessity of formulating conservation policies from a broad point of view. In previous chapters the interrelationships between conservation policies and other agricultural action agencies has been indicated and the need for cooperation in policy formulation emphasized. From the point of view of soil conservation, however, it is doubtful if an agency such as the Soil Conservation Service should be taken out of the Department of Agriculture, where it is in close contact with all other agricultural agencies, and placed in a Department of Conservation dealing with coal, oil, water power, and other non-agricultural resources. Unification of conservation policy formulation is essential, but this need not involve a union of soil conservation agencies with other agencies to be developed to conserve oil and coal.

In a democratic society budget allocations for specified projects are controlled by elected representatives of the people, and the size and purpose of the allotment reveals the judgments of these representatives as hammered out through committee proceedings, in which are reflected economic pres-

³*Ibid.*, p. 119.

asures, political pressures, and value judgments. In this process, pressure groups and special interests all attempt to obtain decisions favorable to their cause. Once a project or program has been started, the administrative agency itself develops an interest in perpetuating its work and increasing the allocation of funds for its use.

When funds are first allotted to a project the end stated is usually broad in scope since there may be very little information available upon which intelligent judgments can be made. Once the program is in operation, however, information that forms a better basis for judgment is collected by the administrative agency and presented to obtain the most favorable action by congress or its committees. Since all agencies tend to compete for limited funds this desire to retain public confidence encourages efficiency and the formulation of policies that will meet with the greatest public approval. At this level, the statements of ends to be pursued are necessarily broad and couched in common sense terms, rather than in exact language; policy formulation must include, therefore, not only a selection of means, but also to a large degree a re-definition in more exact terms of the ends to be pursued.

It is in this institutional framework that we must ask the question, "Who shall determine policy, define the specific ends, choose between alternative allocations of funds, and select the means to be used?" Essentially it is the problem of relating planning, action, and research in such a way that the ends and means of the different action programs shall supplement rather than conflict with each other. For this to occur it is essential that planning or policy formulation be centralized in one body and not left to individual agencies that might initiate programs which would tend to conflict with those of other agencies.

This problem is important particularly in the case of an objective stated in such terms as "the conservation of our soil

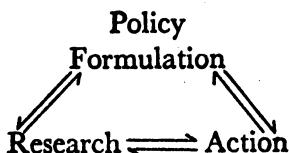
and water resources." Conservation becomes a term with moral connotations; it may become purely physical in content and become completely divorced from any economic interpretation. In the general law allocating conservation funds we find no key as to what conservation objectives shall have precedence, and policy formulation, therefore, has a very wide scope. Again, in the case of soil conservation, we find that numerous other programs can be used to further this broad end. In some cases policies adopted by other agencies might result in an increase in soil and water losses. In the Agricultural Adjustment Act, conservation as an end is associated with the end of attaining "parity prices," and the possibility of conflicts between these ends is, as we have seen, inherent in the one agency.

If we are to develop a dynamic process of social planning, the various action agencies must develop methods of evaluating the results of the programs in order that improvements in policies may be made as the personnel becomes more experienced in dealing with the problems involved. For this process to take place, flexibility of specific action programs must be maintained, and it is essential that those formulating policies avoid the development of rigidities.

Research has three functions: (1) discovering facts and relationships that lay the foundation for intelligent policy formulation; (2) analyzing the results of present action programs in order that policies may be improved in the light of experience, and (3) investigating specific problems that are encountered by the agencies designated to further conservation policies.

The three functions of policy formulation, action, and research must be kept independent but interrelated if public policy and action for conservation is to become progressively more effective in attaining the desired end. The relationship may be visualized in the form of a triangle with policy formu-

lation, action, and research at the corners connected with each other by a two-way flow:



Where research is dominated by an action agency, its whole effort may be devoted to solving immediate practical problems with no time given to more fundamental problems needing investigation in order to improve policies. Independent analysis of current actions that imply criticisms may not be permitted or the findings may be suppressed. Where policy formulation is dominated by an action agency, bureaucratic inertia and personal preference, based upon familiarity with current policies and procedures, may prevent adjustment and changes from occurring. On the other hand, the experience and advice of the action agency is essential to those formulating policy.

So far this discussion has centered upon public policy and action at the federal level where certain basic policies and decisions must be made. At the other end of the chain linking congressional actions and results is the individual farmer upon whom the action programs impinge. He may play an important part in policy formulation, or he may simply be a neutral participator. In general it may be said that individual participation in policy making can be achieved either by an organized flow of ideas and criticisms from the farmer to the planning group, or by such a decentralization and flexibility of action that local groups can initiate policy and direct it. The county agricultural planning committees represent an organized flow from farmers to the Bureau of Agricultural Economics. A soil conservation district represents a decentralization of authority and planning. The effectiveness of

either of these methods in bridging the gap between individual and social interests will depend upon the ability of the individuals to see the social interest and the ability of the policy makers to understand and appreciate the individual's problems; it will depend also upon the kind and degree of conflict that exists and the basic causes underlying the divergence between individual and social interests.

The development of specific programs most suited to the solution of particular problems is not a simple task that can be done by some group completely separated from the action agencies. Essentially, policies must be developed with the action agencies cooperating with other agencies at the federal level. This may perhaps best be done by having final decisions regarding policies rest in a board in which all the interested agencies have representatives. To provide analyses of problems and programs, an independent fact-finding or research agency should be maintained, and its funds should be completely independent of other administrative units.

THE FUNCTIONS OF ECONOMIC RESEARCH

In this complex picture of policy formulation, action, evaluation, and policy modification, research in the economics of conservation has several important fields of endeavor that may be classified as follows:

- (1) Analysis of basic relationships of importance to conservation policy; this involves both theoretical and empirical studies.

- (2) Analysis of farm management problems associated with conservation planning in local areas.

- (3) Analysis and measurement of social costs and benefits and the development of techniques of social accounting.

- (4) Analysis of all programs affecting land use and studies of the effects of price changes on conservation.

(5) Designing experiments in social action and the evaluation of results in terms of specific means used.

(6) Analysis of resistances to the adoption of conservation by individuals.

Only as research assists us to answer the innumerable problems that have been raised in this monograph can it become effective in laying the foundations for a progressive formulation of social policy.

One example of the kind of problem that research must assist in answering is presented here purely for illustrative purposes. It is often claimed that the solution of our agricultural difficulties, including conservation, lies in establishing more self-contained farm units with much less dependence upon fluctuating prices. Such small units, it is sometimes claimed, would permit city families on relief to become self-sustaining citizens producing their own necessities. Dr. Bennett outlines the problem in the following question:

“How many of our farm families, in difficult financial circumstances today, would be better off tomorrow under an altered agriculture that placed subsistence above market cash, and substituted scientific methods for habit in the use of land?”⁴

This is a realistic question, and the social scientists should be able to assist in answering it. In some cases the advocates of the self-contained farm have adopted a philosophy of ruralism which they wish the nation to pursue as a general agricultural policy. In the realm of value judgments, we must accept the opinions of the majority of the people affected as the final criterion of policy. These opinions are indicated through the ballot and also through actions. An analysis of census data shows that the United States has grown progressively less “rural farm” ever since its foundation. We also know that it is the young people who move to the cities and

⁴ H. H. Bennett, *The Land We Defend*, U.S.D.A., Soil Conservation Service, July, 1940, p. 13.

that many older people return to country towns. People apparently have preferred to go to the city because they believed the opportunities were greater. They could have stayed at home and subsisted, but they chose not to. Rural or urban life may be "better" for individuals but hardly for society as a whole. We have rural slums as well as city slums and city art and culture as well as rural. From an analytical review of values as expressed in action, it seems doubtful if a retreat to ruralism is desired by a majority. Any national effort to move in this direction may, therefore, meet with great resistance and fail. If an increase in rural population is desirable then rural life must, apparently, be made more attractive; efforts in this direction are certainly needed, but we may question whether attractiveness is associated with a low cash income.

When we consider the problems of "an altered agriculture that placed subsistence above market cash, and substituted scientific methods for habit in the use of land," we again find that certain trends can be measured and used as a basis for the formulation of policy. In general, the scientific method has been associated with increased commercialization of agriculture. The use of tractors to replace horses has increased rapidly, and in 1939 double the number were in use as compared to 1930; in the North Central region 78 per cent of all farms over 100 acres had tractors. The reason for this trend is that "the cost of horse feed and its alternative value for dairy and poultry production encourage the replacement of work-stock with tractors."⁶ This implies increased commercialization because products must now be sold to purchase the tractor and the gasoline.

In the case of contouring, the acreage has increased from about half a million acres in 1937 to about 5 millions in 1938, and it is estimated that if two-thirds of the rolling corn land

⁶ U.S.D.A., *Technology on the Farm*, Aug., 1940, p. 10.

were contoured there would be an increase in corn production of about 50 million bushels.⁶ The present indications, therefore, are that farming in the United States is becoming more commercialized and will probably continue to do so in the future. The production of more subsistence on the farms is unquestionably one way of raising the level of living on a large number of farms, but there appears to be no reason why this should be at the expense of cash income. In round figures, 50 per cent of our farms produce only about 10 per cent of our commercial surpluses, and any large movement to break up commercial farms and increase the number of subsistence farms would probably create a serious shortage of raw materials. Family labor is limited, and the time that is spent producing subsistence must be balanced against the time available for the production of marketable surpluses. Since many of these trends are measurable, they must be studied if national policies are to be in harmony with them.

An analysis of trends of action cannot, however, be taken alone as a measure of the values desired by those involved. Trends of action only reflect individual choice when the choice is freely made and there are alternatives available. There is a great deal of difference between the trend of increased commercialism in agriculture and the growth of unemployment in cities, even though they may not be entirely independent. Similarly, the general migration of young people from rural areas to cities is not the same as the forced migration of farm families "tractored off" the Oklahoma fields.

Public policy can be constructively related to these trends only as we probe deeper into the basic causes behind them. In the case of subsistence farming there appears to be no serious barriers that prevent a family from practicing that way of life if it desires to do so. On the other hand, the growth of agricultural pressure groups seeking to stabilize prices and

⁶*Ibid.*, p. 29.

income indicates that there is a deep-seated desire amongst farmers for a secure money income.

A third point, often implied by advocates of less commercial farming, is that a greater emphasis on subsistence will be associated with greater conservation. In the future this may be true, but at present it is doubtful if the point could be proven. In many areas in the South the most severe erosion is associated with small subsistence farms and a pressure of population upon the resources. Conservation in these areas appears to imply a reduction of the number of people on the land and an increase in the size of both farms and income. At present it is also questionable whether there is any direct relationship between erosion and commercialization on farms in any given area, but this is a factor that might be measured and need not be left in the realm of intuition and belief. One factor that is associated with erosion is an erosive crop with great comparative advantage, and this places an emphasis upon cash crops, such as corn, cotton, or tobacco. Diversification in this case may well be associated with increased conservation. At the same time diversification often increases the production of foods such as milk, poultry, or meat which may be used to supplement the family living and increase the subsistence obtained from the farm. This need not necessarily imply a retreat from commercial agriculture because it may be associated with an increased cash income from sales.

One great advantage of subsistence farming is that it insulates the individual family from the effect of depressions and price changes and, where such insulation can be obtained without lowering the level of income so that farming is not attractive, it is desirable. This holds true for all levels of the economy; being "self-contained" on a family, community, or national level eliminates the effect of interdependence with other families, communities, and nations. At the same time it may lower the level of living by eliminating the advantages of

exchange and specialization. In a world where war periodically destroys exchange and creates booms and depressions, some people prefer a retreat to a more self-contained economy in place of exchange and insecurity. The alternative is to develop a more stable economy with world cooperation and unity under law so that these disturbances are mitigated. This also is an alternative which may help to solve the problem of unemployment and insecurity in urban centers.

Although these intangible values cannot be measured directly, many of them are reflected by the actions of individuals in a society in which freedom is maintained. Where trends can be measured as is possible in the case of migration, increasing commercialization as indicated by the use of tractors and other equipment, changes in crop production and diversification, farm abandonment, tax delinquency, and relief, they must be considered in the formulation of conservation policies. Once the trends are established, the basic causes must be analyzed in order that effort and money are not wasted attempting to achieve conservation by means which are incompatible with other values deemed desirable by the people.

Some may claim that this type of analysis is not research but policy formulation; this may be true, but research workers in the social sciences should, through their knowledge of theory and their ability to analyze relationships, be able to assist in this key function of democratic planning.