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INTERNATIONAL ACTIVITIES OF THE DEPARTMENT
OF AGRICULTURAL ECONOMICS

Derek Byerlee, Kelly Harrison, G. E. Rossmiller

Introduction

This paper briefly summarizes the past and present involvement of the Department of Agricultural Economics in international research, teaching and extension activities. With this background and in light of the projected external and internal environment for international work, key issues are listed as points of reference for further discussion. These issues emphasize organizational and institutional concerns for the continuation of a strong international program and do not attempt to identify important subject matter research areas or the countries or regions in which we should operate.

Historical Review

Over the past 25 years Michigan State University has undertaken a wide range of international projects. A substantial international experience and competence has developed among MSU faculty in a wide range of academic units, especially agriculture, education, business, communications and engineering. The Agricultural Economics Department was first involved in international activities through institution building projects at the National University of Colombia beginning 1952 and at the University of Ryukus, Okinawa beginning in 1951. The department became intensively involved in international activities in the early 60s with major projects in Nigeria and Latin America. Glenn Johnson, Carl Eicher and Warren Vincent all had major leadership roles in the institution building work with the University of Nigeria (1960) and the later research undertaken by the Consortium for the Study of Nigeria Rural Development.

Involvement in these activities led in the late 1960's and early 1970's to a series of new research programs--the Agricultural Sector Analysis and Simulation Projects with Glenn Johnson and Ed Rossmiller playing major roles and the African Rural Employment Project with Carl Eicher and Derek Byerlee as principal researchers. In addition Warren Vincent has assumed an important advisory role for foreign graduate students emphasizing micro-level farm management research.

The Latin American Marketing Project was initiated under the joint leadership of Charles Slater, Department of Marketing (College of Business) and Harold Riley to conduct research on the role of food marketing in economic development. Major problem solving research studies and a large number of consulting missions have been conducted under this ongoing project, presently under the direction of Kelly Harrison.

Department involvement in rural development activities at the international level track back to the Comilla Project in 1958. Both formal and informal contact with that project and its activities had their influence on the

Consortium for the Study of Nigerian Rural Development and the African Rural Employment Project and has resulted in the former director of the Comilla Project, Akhter Hameed Khan returning to MSU as a visiting scholar. From 1971 to 1973 Garland Wood conducted research on rural development project administration in less developed countries with field work in Costa Rica.

During a five and one half year period ending September 1976, the department was a recipient of a major 211d grant from AID to develop the capacity of the department to undertake international development activities. This grant enabled the department to build up the number of core international faculty and fund a substantial number of graduate students with international interests.

The department's international interests have also included work in Western Europe in addition to the LDCs. In the mid to late 1960's the department carried out under contract with USDA a series of studies on (1) the grain-livestock economies of the European Economic Community (EEC) and trade prospects for the U.S. and (2) the implications and impact of the major European Free Trade Association (EFTA) nations joining the EEC. This research, directed by Vern Sorenson and Dale Hathaway, established a broad departmental interest in Western European agriculture and trade which continues to draw European graduate students.

The current international projects of the department are listed in Table 1. There are currently three major project thrusts. First, the Agricultural Sector Analysis and Simulation Projects continue with emphasis on institutionalization in Korea. Second, the data collected under the African Rural Employment Projects are being further analyzed with emphasis on income distribution and female participation (and possibly nutrition). Finally, a major thrust has evolved in the Sahelian countries of West Africa involving (a) training graduate students (b) micro-level research for agricultural project evaluation and (c) food policy research. The department is also involved with university wide international work, particularly the institution building project in Brazil.

The department has also signed memoranda of agreement for cooperative research with the Economic and Sector Planning Division, TAB/AID and with the Inter-American Institute of Agricultural Sciences (IICA). These will likely lead to new research activities in the coming year. In addition a major research thrust on rural development is being actively considered by the Office of Rural Development, TAB/AID. The prospects also appear to be good for further long term research in the Sahel.

Perhaps the most important component of our international activities is training of both foreign and U.S. graduate students for international work. The department is known as a center for excellence for graduate study in international development. Over the past several years the graduate student body has been composed of approximately half U.S. and half foreign students. Of the U.S. student contingent, 30-50% have had career interests in international agricultural development. Four graduate courses in agricultural development, agricultural planning, development administration, and developing country data collection and analysis serve the needs of these students. Most students interested in international agriculture spend some time overseas during their thesis research, and many have been involved in extensive data collection activities as part of their research.

Table 1. Current International Research and Training Contracts

Contract Name	Source of Funds	Contract Period	Annual Budget	Total Budget	Country	Key Faculty
Korean Agricultural Planning Project	AID	3-74 to	\$323,304	\$ 700,333	Korea	Rossmiller
		10-77				Rossmiller
Simulation Services	AID	7-76 to	\$ 57,231	\$ 98,379	Korea	Abkin
		1-78				
Korean Agricultural Sector Study	AID	7-71 to	\$ 73,565	\$1,603,460	Korea	Rossmiller
		7-77				
Sahel Secretariat	AID	9-76 to	\$ 67,390	\$ 139,383	Sahelian Countries	Eicher
		9-78				
Sahel Ag. Econ Services	AID	9-76 to	\$198,256	\$ 396,513	Sahelian Countries	Riley
		9-78				
Sahel M.S. Training Program	AID	10-76 to	\$ 9,424	\$ 292,270	Sahelian Countries	Manderscheid
		10-78				Zalla
Women Participation Development	AID	10-76 to	\$ 16,450	\$ 32,934	Sierra Leone	Spencer
		7-78				
Poor Rural Household Technical Change, Income Dist.	AID	7-76 to	\$121,327	\$ 249,288	Sierra Leone Nigeria	Byerlee
		7-78				Matlon
Small Scale Industrials	World Bank	7-76 to	\$ 45,080	\$ 45,080	Sierra Leone	Liedholm
		3-77				Chuta
<u>Tentatively Approved</u>						
Eastern ORD Rural Development Project	AID	4-77 to	\$325,000	\$ 650,000	Upper Volta	Eicher
		4-79				Wilcock

The External Environment

Nearly all the international activities of the department have been under contract with the Agency for International Development, either the Economic and Sector Planning Division of TAB or the Regional Bureaus and Missions. During the last few years AID has been reassessing their relationships and mechanisms for working with universities. This has been an unsettled period which has seen the phasing out of the 211d grant programs, the development of the ESP/TAB expanded program in Agricultural Economics and cooperative agreement mechanism and legislation establishing the Title XII program with potential promise for longer term support of U.S. universities. The Title XII program requires universities to face the issue of the cost sharing principle and it forces AID to recognize the value of university participation in the total process of planning, designing, carrying out and evaluating collaborative projects.

The traditional mechanisms for development and administration of university related projects have been extremely costly and subject to the whims of assistance agency administration and/or congress. With relatively rapid rotation of personnel, AID tends to have little memory and a short planning horizon for any given program thrust. The result is often projects developed without the perspective afforded by past experience and without consistent direction and support through the course of the program. Within this type of environment, dialogue and comprehensive collaborative work arrangements between AID and the university have been difficult to establish and maintain in any consistent and comprehensive way. Over time it has tended to narrow the options of the university in their project proposals and in particular, limit training and campus based activities for faculty and graduate students. The emphasis has shifted away from relevant disciplinary and subject matter research to highly applied and operational problem solving activity.

The nature of the relationship between the department and the LDC country institutions is also evolving over time from a position of MSU direction of project activities toward more involvement of LDC institutions and personnel in the design and execution of projects and in some cases with LDC personnel designing and conducting research under a subcontract from MSU and with MSU providing staff with specific skills only on request. Increasingly we will play a lower profile in LDC countries as we move toward providing specific skills for an ongoing LDC program and away from direct policy advisory roles.

As we look toward the 1980's we see a strong continuing demand for our services from LDC's both in training and technical assistance. Although many countries have now established graduate programs in agricultural economics there will still be a strong demand for Ph.D. training from these countries while other regions (e.g. the Sahel) will still depend on U.S. universities for M.S. training. Donor agencies will direct a greater share of their resources directly to LDC institutions. While we expect a continuing (or increasing) demand for technical assistance the request for these services will more often be directly from LDC institutions themselves.

The Internal Environment

The university began its international involvement under the leadership of former President John A. Hannah who encouraged departments and individuals

"to gain understanding and to impart knowledge" about world problems. He was especially concerned about the extension of the land grant philosophy to developing countries. Thus the administrative environment at MSU has probably been more encouraging toward international involvement than at most land grant universities. The administration has encouraged faculty members to seek research and advisory grants and contracts and has set up administrative mechanisms to manage the funds.

Early department involvement in international activities was accomplished by drawing faculty members with established domestic credentials into international projects on a part-time or temporary basis. As international projects and foreign student training became a more important part of departmental activities, the department recruited several tenure stream faculty with predominantly international career interests. Yet with the termination of the AID 211d grant and in the face of limited university general teaching funds, we are faced with the recurring problem of supporting core international faculty members with soft money. All this occurs at a time when the number of students with international interests is unusually high.

The department has a long standing philosophy that graduate student thesis research supervision should be rigorous and intensive. We have placed high priority on overseas research involving practical problems for students with agricultural development interests (both U.S. and foreign). AID grants and contracts have provided a major source of funding to make possible full or partial research support for the student and his research supervisor.¹ This philosophy of graduate research supervision of foreign research topics has been a major factor in generating this department's reputation as a center of excellence for graduate study in international agricultural development.

But the costs of sustaining this level of international commitment are substantial both for the department and for faculty members with international interests. Sizable amounts of faculty time are necessary to prepare proposals and negotiate agreements. Both the state legislature and the university administration have been unwilling to commit state appropriations to explicitly support those project development costs. The large amounts of overhead monies collected on university contracts are retained by the university administration for general expenditures.

The costs for individual faculty members include the opportunity cost for faculty time with professional alternatives at the World Bank, AID, etc., ~~the relatively high cost involved in negotiating and administering grants and contracts, the special problems of conducting overseas research such as investment in data collection, and the extra work load imposed by supervision of a large number of graduate students.~~ At the same time the university reward system often does not fully recognize individual faculty contributions in international activities thus making international career involvement a high risk. While faculty evaluation and rewards is a difficult issue even for domestic oriented faculty, the problem is compounded for faculty whose major clientele groups (aside from students) are international donor agencies and foreign institutions.

¹Since 1966, more than 70 Ph.D. or Masters theses have been completed with partial or full contract support.

The university and the department have not adequately learned how to manage and administer either domestic or international research projects with a subject matter or problem solving focus and requiring multi-disciplinary teamwork. Within the department, ad hoc project administrative and management mechanisms work reasonably well but when cross departmental or cross college cooperation is required, the means to create and dispose of appropriate administrative mechanisms have not been found. A part of the difficulty is the tension between individual faculty freedom and the need for coordination of activity on team projects.

Another dimension of this issue is the need for a better mechanism for departmental consensus on projects requiring cooperation and the time of departmental faculty. Time has its opportunity cost and each project has an impact on the total program of the department beyond its direct use of resources. Means of coordinating the portfolio of projects (particularly those funded by soft monies) as part of the total departmental program need to be strengthened.

All this suggests some doubt as to the real long term commitment of the state and the university to the department's efforts to "gain understanding and impart knowledge" on international agricultural development issues. With the possible new initiatives under Title XII and with full acceptance of the cost sharing principle by the university and the state, the opportunity exists to more fully integrate the international dimension as a co-equal part of the long term ongoing program of the department. This could provide the kind of support needed by the department to sustain faculty and graduate student involvement using the philosophy and approach which has worked with such apparent success over the past 15 years.

Priorities for the Future

Based on the tenet that the prime role of the university is "to gain understanding and to impart knowledge" the following priorities for teaching, research, and technical assistance in the international program of the department are indicated:

1. Increase the quantity and quality of trained personnel in developing countries, international assistance agencies, and U.S. universities concerned with international development.
2. Strive for an appropriate balance between on-site problem solving activity, subject matter research, and disciplinary work to maintain excellence in the international development graduate training program, to increase the general understanding of development issues, and to provide relevant and useful assistance to our various international clientele groups.

To move toward satisfaction of these priorities it will be necessary to:

1. Build on previous experience and strengths in moving toward a more coherent approach to international activities.
2. Concentrate involvement to carefully selected countries and/or projects with potential for long term involvement.

3. Forge stronger linkages (both formal and informal) with LDC institutions, international agricultural research institutes etc.
4. Enhance complementarity of international and domestic research, teaching, and adult education. ✓

Major Issues

Funding

In light of recent changes in the quantity and type of funding for international work and the uncertainty about the future, a major set of issues facing the department revolve around the mechanisms for obtaining support for international work which is consistent with departmental goals and philosophies. These issues include:

1. How do we ensure that we do not become passive reactors to AID programming, and in particular are able to initiate and fund new research thrusts which are responsive to problems as seen by LDC's themselves rather than as filtered through AID.
2. Is it possible to obtain acceptance from the university administration and the state legislature of the cost sharing principle for international activities? What is the appropriate strategy for the department to pursue on this issue?
3. Given the current emphasis in AID on project funding for off-campus work how do we support on-campus costs for graduate student supervision, project development, disciplinary research etc.? Can a portion of international project's overhead be allocated to the department for these functions.

Organization

Currently international projects of the department are initiated, developed and administered by individual faculty members of the department with overhead costs of projects accruing to university general funds. Are there alternative institutional mechanisms for development and administration of projects such as:

1. Ten month appointments for career international faculty who wish to take 3-8 week consulting contracts, and/or liberalized consulting regulations to reflect special circumstances of international consulting.
2. Establishment of an institute within or outside the university to which international project funds are directed and which would then utilize department faculty for varying lengths of time and which would retain overhead costs of international projects. Would such an arrangement improve the administration of multi-disciplinary activities?

Faculty Career Management

To assure long term performance the department must continue to recognize the importance of providing a supportive environment for faculty to develop interesting and rewarding careers. International assignments have often been

used as a way to provide "a change of pace" for faculty with primarily domestic interests. On the other hand, faculty with predominantly international interests find that contractual obligations often impose a heavy burden of international assignments which is exacerbated by teaching, student advising and departmental committee work.

1. How equitable are international faculty work loads in comparison to domestic oriented faculty? in student advising, teaching, other assignments.
2. How do financial rewards for the department's international career personnel compare with USAID, International Centers, World Bank, etc.? How competitive should they be? What are the long term implications for departmental salary schedules?
3. Has the University administration evolved equitable criteria for determining academic and salary promotions for career international development personnel?

Integration of International Activities

The basic objective of international activities at MSU has been "to create a general environment and an international dimension which will permeate all relevant segments of the university over the years ahead" (President John A. Hannah--1965). Essentially the department has fulfilled that objective in the past 15 years. Some might even argue that we have overemphasized it. Regarding future activities several questions should be pondered.

1. How can the complementarity of international and domestic activities be enhanced?
2. How adequate is the current process for arriving at decisions about international grants and contracts? What should be the criteria for deciding on new international projects? How can the impact of the changing portfolio of international activities on the total departmental program be better assessed and controlled in the department's best interest? Do we need an international projects leader to coordinate and orchestrate international activities?
3. How can we operate more effectively to coordinate with college and university international programs such as the Institute of International Agriculture, Area Studies Centers etc.

Balance Between Domestic and International Activities

At present the department has a small core group of internationally oriented faculty and at the same time a large percentage of graduate students have international interests. Is this an appropriate balance and if not what are the implications for faculty recruitment and/or graduate student admissions?