

DEPARTMENT OF AGRICULTURAL ECONOMICS • AGRICULTURE HALL

January 15, 1974

To:           G. Johnson                   G. Wood  
              E. Rossmiller           R. Stevens  
              W. Vincent               D. Byerlee  
              D. Fienup                K. Harrison  
              C. Eicher                V. Sorenson  
              J. Shaffer

From:         Harold M. Riley, Chairman

Subject:      A Position Paper on the International Activities of the Department

Over the past 20 years we have developed a substantial dimension of internationally oriented activities. In general I believe we have performed very well in our roles as advisors, teachers, and researchers and have developed a reputation that attracts many graduate students and professional opportunities for a number of our faculty who are now recognized for their competence in the international area. But, we are now confronted with significant changes in some important external forces which we must assess and then decide on a revised strategy for our international activities and the further integration of these with other activities directed toward domestic issues and problems.

At our December staff conference it was suggested that a position paper be prepared on our international activities and that this serve as a basis for decisions on several issues. From my vantage point some of the major questions and issues are as follows:

1. what are some of the emerging problem areas in the LDC's that have implications for the international activities of our department?
2. How can we develop a combination of projects and funding sources that will enable us to work on what we believe to be priority problems and at the same time provide a reasonable degree of stability in the level of activity?
3. Can we better integrate our research, training and advisory activities in the international area?
4. What should be our staffing plan to carry out our international activities?
5. What administrative arrangements would facilitate a high level of performance in international activities?

Memo - position paper

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6. What should we propose to AID in an extension of the 211-d grant?
7. Are there other project proposals that we should develop and promote?

I am calling an organizational type meeting on January 23 at 3:30 p.m. in Room 16 Agr. Hall so that we might develop more specific plans for the preparation of the position paper.

Come prepared to share your views and to offer suggestions.

Attachment

Draft for Departmental  
Review Only

January 16, 1976

INTERNATIONAL ACTIVITIES IN THE  
DEPARTMENT OF AGRICULTURAL ECONOMICS

A POSITION PAPER

Prepared by

Harold Riley  
Lester Manderscheid  
Carl Eicher  
Ed Rossmiller

A Note About the Paper

We have prepared this paper as a guide to a departmental review and discussion of our international activities. The final drafting of the paper was done largely by Harold Riley and Les Manderscheid. Carl Eicher, Ed Rossmiller and Darrell Fienup were substantially involved in the development of the ideas that have gone into the paper. Kelly Harrison participated in the early planning of the paper but to date neither he nor Fienup have had an opportunity to react to this draft document.

## Introduction

- A. Purpose. The central purpose of this paper is to facilitate an informed review and discussion of the Department's international activities in order to provide the basis for a broadly supported general strategy and a set of operational guidelines for future activities.
- B. Background. A similar review and discussion was carried out some ten years ago. The committee report indicated a departmental commitment to expand and strengthen the graduate training program in "international agriculture" and to seek ways to combine training, research and technical assistance in a reinforcing manner.<sup>1/</sup> At that time, (1965) there were 86 graduate students enrolled, including 37 foreign students, 26 of which were from less developed countries. It was estimated that about 12 percent of faculty time was being spent on international work. The committee report recommended that the Department expand its graduate enrollment to 100 students over a five-year period with an approximate 50-50 balance between foreign and domestic students. It was recognized that a significant increase in faculty time devoted to international work would be required to service an expanded, higher-quality training, research and technical assistance program.

By 1969 the Department's international program activities had evolved in general conformance with the broad guidelines of the 1966 committee report. Hence, there was relatively little discussion of

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<sup>1/</sup>A Department committee, chaired by Robert Stevens, submitted a report in January 1966, The International Dimension of the Department of Agricultural Economics, Michigan State University -- History Challenges and Guidelines for 1965-70.

the Department's international activities at the Cadillac retreat in 1969. However, at the 1973 Department review it was recognized that it was becoming increasingly difficult for the U.S. universities to maintain their momentum in international work in the face of funding cut-backs associated with some major institutional changes that were in progress in the U.S. Agency for International Development and in the large U.S. foundations. It was anticipated that a strong demand would likely persist for the services of agricultural economists to work on international development problems and that there would be a continuing flow of graduate students from the developing countries. Given the substantial reputation that the Department had developed there was an expression of confidence that we would survive as one of the university centers of excellence in training foreign students and in carrying out the research and technical assistance programs dealing with LDC problems. The challenge would be to find suitable financial support and institutional arrangements that were consistent with the role and mission of our department as part of Michigan State University. Because of numerous uncertainties it was suggested that a position paper should be prepared to provide guidance for our international activities over the next few years.<sup>2/</sup> Early in 1974 a subcommittee was formed and meetings were held to plan the preparation of the position paper. But, due to the travel schedules of key staff members, the pressures of a series of AID project reviews and the heavy workloads in several overseas projects, the paper did not get completed

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<sup>2/</sup>A set of the committee papers that were reviewed at the 1973 Department review are on file in the Reference Room and in the Department office.

as originally planned. Perhaps it is just as well since there has been a period of substantial change in the institutional environment within which we plan and carry out international activities.

C. A Brief Overview of Our Current Situation

1. The Department has established a substantial reputation as a high quality training-research center for students preparing for careers in international agricultural development. We have a core staff that is widely known for their work in the less developed countries and with international development institutions. We were deeply appreciative of Dr. John Hannah's tribute in an address here at Michigan State University when he stated:

No single department in any American university deserves more credit than the MSU Department of Agricultural Economics for its work all over the world--particularly in Nigeria, Korea, Brazil and elsewhere--for what's left after they leave, that goes on and grows and continues to be of significance.<sup>3/</sup>

2. Our graduate program expanded from less than 100 students in the early 1970's to more than 125 students in 1974 and 1975. The balance between foreign and domestic students has remained about the same (50 percent in each category).
3. Since 1970 the Department has been one of four Departments of Agricultural Economics (Cornell, Minnesota, Iowa and Michigan) that have had AID-211-d grants to develop and maintain our capacity for international development work relevant to the problems of developing countries. The grant has provided \$125,000 a year

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<sup>3/</sup> John A. Hannah Lecture Series in International Development, Inaugural Address, Michigan State University, May 14, 1974, published by the Center for International Studies and Programs, (page 16).

for the support of faculty and graduate student activities. This grant expires in September 1976.

4. The Department has three sets of AID research-technical assistance projects that are currently active. These include the following:

Agricultural Sector Analysis -- with field operations in Korea.

Ed. Rossmiller is project leader.

African Rural Employment Research Network -- with linkages

in several countries and actual field operations in Ethiopia and until recently in Sierre Leone and Nigeria.

Carl Eicher is project leader.

Latin American Marketing Program -- with field activities in

Colombia and Costa Rica and a linkage with the Inter-American Institute of Agricultural Sciences regional marketing program.

Kelly Harrison is project leader.

All of the existing contracts will terminate in 1976 except a Korean government contract that runs to mid-1977. The combined FY 76 budgets for all of these project activities is approximately \$1,100,000.

5. The Department has a responsibility to support and participate in the University project in Brazil which over the next two and one-half years will provide assistance to six graduate centers, four of which have programs in agricultural economics. Dr. Darrell Fienup is now serving as a long-term advisor at the University of Rio Grande do Sul in southern Brazil. We are recruiting for another long-term, agricultural economist staff person at the University of Ceara in northeast Brazil. We expect to receive requests for

short-term advisors as the program moves along. Some of the requests for faculty can be filled by recruitment among six or more U.S. universities that have prior program experience in Brazil. Probably not more than 10 to 20 Brazilians will be coming to the U.S. for Ph.D. programs in Agricultural Economics and only a portion of these are likely to come to MSU.

6. During FY 1975-76 the Department has the following staff salary commitments in our international programs, not including teaching:

<u>Tenured Faculty</u>	<u>Percent of Salary on International Projects</u>
C. Eicher	80
G. Johnson	25
W. Vincent	40
G. Wood	100
K. Harrison	100
E. Rossmiller	75
D. Byerlee	90

Non-Tenured Professionals who are on overseas projects where the Department has a commitment beyond the overseas assignment.

- A. Thodey -- in Korea until 1977 with assurance of up to one year back on campus.
- M. Abkin -- in Korea until 1977 with an expectation of continuing employment back on campus. (A split appointment between Systems Science and Agricultural Economics is a possibility.)
- D. Fienup -- in Brazil until late 1977 or possibly mid-1978 with a University guarantee of at least one year back on campus.

Other Faculty Commitments

- A. H. Khan -- a two-year appointment beginning January 1, 1976 to be funded by 211-d, MUCIA, a special AID grant, and MSU teaching funds.



Lane Holdcroft--visiting scholar on study leave from AID,  
September 1975-August 1976.

D. Spencer -- in residence through September 1976, supported  
by the African Rural Employment project and 211-d.

Shao-er Ong -- visiting scholar, July 1, 1976 to June 1977,  
financed by the Agricultural Development Council.

D. Some External Conditions Affecting the Department's Future International Activities.

1. The change in the world food and agricultural situation that began in 1973 has stimulated widespread concern over future food supplies and the international distribution of food and critical material resources.
  - a. United Nations related activities
    - The World Food Conference of 1974
    - The World Food Council initiated in 1975
  - b. The International Food Policy Research Institute
  - c. Significant changes in U.S. food and agricultural policies and programs.
2. Increasing agricultural economics capacities within LDC's, an expression of work in International Agricultural Research Centers and growing attention to building national agricultural research programs in developing countries.
3. There are fundamental changes in international political relations that reach well beyond the changes in the world food situation and which affect U.S. foreign policies.
  - a. The withdrawal of the U.S. forces from Vietnam.
  - b. Detente with the USSR and the opening of relations with China.

- c. The Arab-Israel confrontation in the Middle East.
  - d. The OPEC cartel and the confrontation over oil.
  - e. World-wide recession, rising unemployment and inflation, increased stress on international monetary institutions and trade relations.
  - f. The rising nationalism among the LDC's and the confrontation tactics in the U.N. and in other international gatherings.
  - g. Within the U.S. the struggle between the legislative and executive branches of federal government over control of international (and national) policies.
  - h. The U.S. policy statement by Secretary of State Henry Kissinger that was delivered by Daniel Moynihan at the U.N. General Assembly in September 1975 emphasized the need to achieve global consensus on development problems and a set of coordinated actions to cope with these problems. These proposed actions include a set of activities to insure economic security, accelerate economic growth (especially in the poorest countries), facilitate world trade (recognizing the vital role of the U.S. in food trade.)
4. The U.S. Agency for International Development has been undergoing some major changes that will greatly affect the future international activities of the department. A recent paper by Lane Holdcroft, "Current Problems and Issues in the U.S. AID Programs" is an excellent summary statement that is being circulated as a companion document to this position paper. Holdcroft's paper calls attention to the 50 percent reduction in AID personnel over the past seven years; a shift in programming toward the poorest countries and

the most disadvantaged people in these developing countries; a revised style of operation that is more responsive in assisting host countries on problems which are perceived to be important by these countries.

AID has established a new cooperative agreement program in agricultural economics whereby a small number of university Departments of Agricultural Economics will be selected to operate under five-year "memorandums of agreement" with AID and year-to-year "cooperative agreements" covering specific work activities. The four universities that have had special 211-d grants in agricultural economics are likely participants in this program. (An AID project paper entitled "Expanded Program of Economic Analyses for Agricultural and Rural Sector Planning" and dated 23 July 1975 provides a detailed description of the proposed program).

Recently approved AID legislation provides for a new mechanism whereby U.S. universities can work collaboratively with AID in developing programs to expand food production in the LDC's. This legislation originated as the Finley-Humphrey Bill and was later incorporated into Title 12 of the Foreign Assistance Act of 1975. Some of the details concerning this new program are dealt with later in this paper.

5. The major foundations (and especially Ford Foundation) have sharply reduced their total program expenditures to bring their annual outlays in line with reduced income. Under these circumstances it is unlikely that new university program proposals will receive favorable consideration for funding. However, both Ford and Rockefeller foundations are deeply committed to the development of

agriculture in the LDC's and will continue to support the International Research Centers and selected in-country training and research activities.

6. Foreign governments and international development agencies, such as the World Bank, the regional development banks and the UNDP, are potential procurers of the faculty-graduate student capacity which we have developed in this department.
7. OPEC nations now have the capability to purchase agricultural economics assistance on commercial terms and to greatly increase the number of students sent to the U.S. for training.

The economic recession is putting considerable pressure on university budgets here in Michigan. It appears impractical to try to expand state support for university international programs at this time although over the longer run this should be further considered.

## II. LDC GRADUATE EDUCATION AND ITS FUTURE DIRECTIONS

Graduate education and research is a central core of activities in any major department of agricultural economics. Continued academic growth and viability requires that the job be well done, that important educational needs be met, and that the education and research focus on the more important problems of society. To offer sufficient breadth and depth for Ph.D. level training of competent agricultural economists requires both the availability of a critical professional mass in agricultural economics and strong supporting departments and disciplines as well. It is equally important that within any major agricultural economics department there should be some concentration of interest and expertise on several of the more basic issues or problem areas which concern society and the profession. Agricultural development in the less developed countries of the world is considered such an area where both the training needs and problems are great--and one where this Department has gained a substantial reputation.

The purpose of this section is to review graduate education and research activities of the Department over recent years in terms of its international dimension and to suggest some ways and means by which these activities might be strengthened and supported in the future. The Steven's Committee Report of January 1966 is a benchmark document in which goals were stated for the Department through the early 1970s. It is important to assess the extent to which these projections or goals were achieved; and to evaluate them in terms of present conditions, needs, and Department objectives. Demand for training by foreign nationals is increasing if inquiries and applications are valid indices although there is some shifting to training more Ph.D.s as indigenous M.S. programs become established in LDC's. Current Departmental concerns include the lack of on-campus

support for international activities, limited resources for students and faculty to do field work overseas, and the need for follow-up activities and continued interaction with foreign graduates after they leave their U.S. campuses.

Graduate education is a major activity of the Department. In fall 1975, there were 126 graduate students enrolled. Of these 72 came from the U.S. and Canada, 48 from LDC's and 6 from other developed countries. A survey (see II-Appendix) of 54 U.S. Departments of Economics and Agricultural Economics by the ADC indicates 29% of graduate students in agricultural economics admitted over the 1969-73 period were from LDC's--indicating the relative and absolute importance of the training of students from LDC's at MSU. An additional 14 percent admitted in this Department over the period were from Europe and other developed countries outside the U.S. and Canada--giving 52 percent international students. It is estimated that over 50 percent of all graduate students (both foreign and domestic) in the Department have a major interest in the economics of agricultural development in LDC's.

Another distinguishing characteristic of the MSU graduate program is the emphasis on the Ph.D. level. Fifty-seven percent of all students currently enrolled are working on Ph.D.s, 39 percent for M.S. degrees and 4 percent on non-degree programs. Comparable figures for LDC students are 61, 33 and 8 percent respectively. Some variation exists among students from different geographic regions of the world, the details are in Table II-1. Over the 1969-73 period years 42 percent of entering LDC students were admitted for M.S. degrees in comparison with the ADC survey which showed 61 percent of all entering LDC students enrolled for M.S. degrees. See Table II-2 for details.

Table II-1

## Fall 1975 Enrollment

<u>Area</u>	<u>Degree Level</u>	<u>Number</u>	<u>Percent Ph.D</u>
U.S.	Non-degree	1	53
	M.S.	30	
	Ph.D.	35	
Canada	M.S.	2	67
	Ph.D.	4	
Europe	M.S.	1	83
	Ph.D.	5	
Asia	Non-degree	4	53
	M.S.	4	
	Ph.D.	9	
Africa (inc. Middle East)	M.S.	8	64
	Ph.D.	14	
South & Central America	M.S.	4	56
	Ph.D.	5	
Total		126	
Total:	Non-degree	5	= 4 percent of total
	M.S.	49	39
	Ph.D.	72	57

Table II-2

Graduate Students in Agricultural Economics at Michigan StateUniversity Admitted 1969-1973

TOTAL: 137		Ph.D.s 86		M.S. 51	
	<u>Total</u>	<u>Ph.D.</u>	<u>M.S.</u>	<u>Percent Ph.D.</u>	<u>Percent M.S.</u>
U.S. & Canada	66	45	21	68	32
Other D.C.'s	19	11	8	58	42
L.D.C.'s	<u>52</u>	<u>30</u>	<u>22</u>	<u>58</u>	<u>42</u>
TOTAL	137	86	51	63	37
LDC Admitted					
REGION:					
Asia	19	15	4	79	21
Africa & Middle East	16	8	8	50	50
Latin America	<u>17</u>	<u>7</u>	<u>10</u>	<u>41</u>	<u>59</u>
TOTAL	52	30	22	58	42

38 percent of students admitted over period from L.D.C.'s.

35 percent of students admitted for Ph.D. over period from L.D.C.'s.

43 percent of students admitted for M.S. over period from L.D.C.'s.

In the ADC survey of 54 responding departments, 29 percent of all admitted graduate students over the same period were from L.D.C.'s.

	<u>Total number</u>	<u>Percent Ph.D.</u>	<u>Percent M.S.</u>
M.S.U.	52	58	42
All 54 Universities	1433	39	61



From Winter 1969 through Summer term 1975 department records show the names of 174 who received graduate degrees from the department. Of these there were 83 M.S. and 91 Ph.D.'s. Students from LDC's obtained 39 of the M.S. and 30 of the Ph.D. degrees (See Table II-3 for details). The number of theses on LDC topics is larger than the number of LDC degree recipients but no count has been made.

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In the Department's position paper developed 10 years ago an expanded program for educating foreign students was projected for 1970 which included a total enrollment of 100 students--35 from LDC's, 15 from other DC's and 50 domestic. This compares with an actual enrollment in Fall 1973 of 100 students--39 from LDC's, 11 from other DC's, and 50 domestic. In Fall 1975 the enrollment included 126 students--48 from LDC's, 12 from other DC's and 66 domestic (See Table II-1). Twenty six from LDC's were projected to be in residence for Ph.D. work and there were actually 25. This level of enrollment was expected to product 10 Ph.D's and 5 M.S. degrees per year. An average of 7.7 Ph.D's and 3.7 M.S.'s from LDC's have graduated over the past three years. It can be seen from this comparison that the Department has met an optimistic goal in admitting LDC students but still has not achieved the throughput envisioned in the earlier report.

It should also be noted that other educational activities of the Department have shown an increased focus on international agricultural development. A review of the annual reports of the Department indicate that 12 of 21 Department seminars in 1972-73 were devoted to these topics and an additional 12

Table II-3

M.S. and Ph.D. Degrees in Agricultural Economics  
at Michigan State University  
(1970 through Summer 1975)

<u>Area</u>	<u>M.S.</u>	<u>Ph.D.</u>	<u>Percent of M.S.</u>	<u>Percent of Ph.D.</u>
U.S.	32	54	53	67
Canada	-	5		
Europe	11	7		
Oceania	1	-		
Africa	9	7	47	33
Asia	15	16		
Central & South America	15	7		

agricultural development workshops were held. In academic year 1969 and 1970 approximately one third of the Department seminars were on non-U.S. topics. The Department's report of 1973 activities under the 211-d grant indicated that 30 percent of total staff time was devoted to the international dimension of agricultural economics. This compares with 12 percent in academic year 1964-65. Four graduate and three undergraduate courses dealing specifically with transformation of traditional agriculture in developing countries are offered in the Department, and significant portions of other courses are concerned with agricultural development and/or use examples from LDC's.

Total enrollment of graduate students in the Department remained approximately constant at the level of 100 students from 1970 to 1973 but increased to 123 in Fall 1974 and 126 in Fall 1975. Thirteen graduate students were supported from 211-d funds in 1972 and 15 in 1973. In 1973 there were 17 foreign students with Department assistantships (mostly 211-d funds) and 22 with outside funding (AID, Ford, Rockefeller, Kellogg, Fulbright, and own country support). By Fall 1975 there were only two foreign and eight domestic students on 211-d funds. Support for students to work on domestic problems has remained approximately constant although an increased amount was expended in 1976-76 because of vacant faculty positions.

It may be seen from the above that the Department has invested major resources in the international dimension. The program is viable in terms of its size, quality, and continuing staff dedication to this important area of work. The questions for the future are whether and how to maintain or expand or reduce the education of foreign students and related staff opportunities for continued research involvement in international activities. To remain viable, the Department must continue to attract top students and provide equality programs while they are in residence or doing field research. More

attention should also be given to continued support and collaboration with graduates working as new professionals to establish indigeneous teaching and research programs in their own countries.

Because of scarce funding for most U.S. academic institutions over the coming several years, a relatively few departments will emerge with sufficient staff and resources to offer and maintain strong programs in agricultural development. This suggests the need for an integrated approach and strategy to assure the necessary funding. The Department has a substantial opportunity to maintain its position as one of the leading centers for graduate training and research in the economics of agriculture in developing areas.

A strong Department of Agricultural Economics will have a quality program of graduate education. These activities can be carried out by a broad range of Department staff with specialized talents but requires a core staff of 5-6 professors who spend the majority of their time in LDC research, teaching and advising LDC students. A nucleus of this size needs to be continuously involved in international activities both on and off campus. At least this number of "full-time" development economists is necessary if the Department wishes to maintain a graduate program of 100 or more students with the current distribution of graduate student interests.

More attention should be given to a more comprehensive approach to the problems of rural development. Emphasis on sector analysis, marketing systems, and rural employment are partial approaches to the total problem of development in the LDC's. The challenge is whether these components (and others) can be effectively integrated into a more complete model, but in any case a broader approach is needed to account for more variables, some of which are non-economic. Some intensive seminars should be initiated within the Department to explore ways and means by which past work can be better integrated into a more comprehensive approach. At some point, persons from other depart-

ments should also be included in these discussions. Problems of the small farmer in the total development system have been largely ignored and it is here that increasing emphasis is being given by many international agencies.

In the 1966 report, a recommendation was made to move toward "focusing efforts more on a few selected geographic areas" as well as developing "long-term research programs on a limited number of international agricultural problems." It was further recommended that "strong emphasis should be placed on combining research, technical assistance and instructional work in the same geographic and sub-discipline areas." While the rationale of this argument is strong, its realization is difficult when existing staff have developed substantial interests, expertise and contacts in diverse geographic areas. Therefore it may be more logical to work toward an integrated approach to rural development rather than attempt to limit work to one continent or to a set of countries within a geographic region. Also major benefits may be obtained from cross-cultural and interregional interaction among faculty and students through comparative analysis in teaching and research.

#### A. FUTURE DIRECTIONS

One of the prime determinants for the future direction of the Department's graduate program is the admissions policy. By modifying student mix there are implicit modifications in course content and orientation throughout the program as faculty respond to student backgrounds and motivations in adjusting course content and level. In this section we discuss admissions policy followed by funding, modifications of courses and programs and, finally, some budget implications of the recommendations.

##### 1) Admissions Policy.

Approximately fifty percent of the current graduate enrollment of 126 is made up of foreign students with 38 percent from LDC's.

Current admissions policy is to attempt to maintain about a 50-50 balance of foreign and domestic students. Little distinction is made between admitting students at the M.S. vs. the Ph.D. level. The prime criterion is apparently intellectual or academic capacity for the degree level while attention is also given to complementarity with international program activities of the Department and regional balance.

At current funding levels the Department should reduce the number of graduate students. A target maximum of 110 to 115 appears reasonable in view of current resources and the shift toward Ph.D. programs. Admissions policy should emphasize academic excellence rather than achieving the target if the quality of applicants should decline. But to continue at 125 will result in declining quality of Department programs.

The Graduate Committee should increase the ratio of Ph.D. to M.S. students when admitting applicants from the LDC's. The Graduate Committee should aim for a maximum of fifty percent of the Ph.D. candidates from LDC's and approximately twenty-five percent of M.S. candidates from LDC's. M.S. program students would include clearly outstanding applicants who are intending to go on for a Ph.D. but have only a baccalaureate degree at admission and M.S. candidates from regions without adequate graduate programs. This recommendation reflects the growth in graduate programs, particularly at the M.S. level, in the various parts of the world, the lower cost to sponsors of a M.S. degree in the home region, the comparative advantage of the Department at the doctoral level, and the fact that the M.S. degree provides an additional screen in identifying students with strong academic potential.

Implementation of this recommendation will probably increase the proportion of our graduates who enter University life and who may become future intellectual leaders. At the same time, it will reduce our influence in planning and other governmental action agencies where the typical M.S. student is placed. There may also be some funding implications with respect to the attitude of AID in selecting and placing participant trainees. If the shift is made gradually and the rationale explained to AID there should be no negative repercussions.

The Graduate Admissions Committee should continue to give preference to academically qualified applicants. Complementarity of the graduate program with the research and public service aspects of the Department's international program efforts can be enhanced by following this practice.

The Graduate Committee should give preference to applicants who intend to return to help develop their home countries or region. Obviously the Department cannot force students to return home following graduation but it can make clear its continuing position that we are preparing LDC students for careers in their home countries or regions or with international agencies concerned with development.

The Graduate Committee should retain flexibility with respect to timing of admissions but should make most admissions in late March of each year in accordance with the practice of leading graduate schools. This will help ensure fair and equitable comparisons of the many qualified applicants from developing countries. A once-a-year admission procedure would seriously disadvantage some applicants whose credentials are delayed for reasons beyond their control.<sup>1/</sup>

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<sup>1/</sup>Future revisions of the graduate brochure should indicate to potential applicants the desirability of having complete credentials available to the Graduate Committee by February 1.

## 2) Funding of LDC Graduate Students

As a general principal the Department should provide financial support to individual graduate students from LDC's only if special funds are obtained for that purpose. The recommendation recognizes that there are a number of sources of funds available to truly outstanding graduate students. These include the Ford and Rockefeller Foundations, AID, FAO, ADC and local governments. Where training funds are available in a department project, the project director should make a major input to the Graduate Committee in evaluating the applicant's qualifications for admission and funding.

All faculty are urged to work with the various funding agencies that support students from LDC's to inform them of our interest in highly qualified applicants. This is a special responsibility of the Department Chairman and the Chairman of the Graduate Committee but one which must be shared by all faculty interested in international programs because they have contacts with officials of the various funding agencies. Evaluations of prospective candidates by personnel of the funding agency can be very useful to the Graduate Committee in evaluating applicants for admission. In return the Department can provide the funding agencies with regular evaluation of the career potential of these individuals as they progress through the program.

Funding of U.S. students interested in careers in developing countries also poses a dilemma in the current situation. Those interested in international programs should continue to make efforts to fund U.S. citizens for graduate training as part of project proposals. To the extent that these efforts are successful the faculty who obtain funds should also have a key input into the decisions on students to



be funded by the project. Students with these interests should also be considered for regular Departmental assistantships but must be informed that Experiment Station, contract and grant funds can not be used to support overseas research. Priority for these funds will be given to students who have expressed an interest in working on U.S. problems of the type for which funds are available. However, funds should be provided to truly outstanding U.S. students with development interests who are willing to complete a piece of work on these projects while awaiting funds for overseas research.

Efforts should be made to insure adequate support for field research for Ph.D. dissertations in developing countries. In the past some funding agencies have provided only minimal funds for the student to do field research. As a result, the dissertation is solely a learning experience which does not provide useful information for decision makers in the country. Increasing the funds available for field research so that the research results are useful for decision making would enhance the complementarity of the Department's research and teaching program. Funding agencies need to be prodded in this direction and we need to review the possibility of using MSU project funds to supplement those available from the student's sponsor.

The Department should seek funds to provide for a faculty on-site progress evaluation at least once during the course of that field research. Hopefully, these funds will be available from the student's sponsor. If not, the sponsor should recognize that the student may require more time back on the campus and may well have a lower quality dissertation. The person making the visit need not be the Major Professor but may be a faculty member who is traveling in that part of the world on another assignment. Or, in some cases it may be a Ph.D. from MSU who is working in that region of the world. By increasing the participation of the foreign nationals with U.S. education we may also be able to complete more dissertations and final orals in the LDC's.

3) Courses and programs.

The Michigan State University graduate program in Agricultural Economics has been noted for its flexibility in adjusting to the backgrounds and needs of the individual student. It is important that this flexibility be maintained. The flexibility provides an opportunity to prepare graduates for a variety of career roles and to recognize the diversity among LDC's, DC's, and domestic areas.

Continued efforts must be put forth to maintain and upgrade quality standards. As the number of educated people in LDC's increase, there will be greater emphasis on the quality of the education rather than the possession of the degree. Further, as a result of increased emphasis on Ph.D. training and further development of higher education in the LDC's there will be an increase in the percentage of the educated personnel in educational roles as opposed to administrative and "action" roles. As our graduates fill these roles in building the profession of agricultural economics it is important that they reflect the best we are able to do in preparing them to build the profession in their country.

A basic premise is that a high quality graduate program, either M.S. or Ph.D., will be similar whether the student is planning a career overseas or domestically and whether the student is from the U.S. or a LDC. All require the common core of economic theory, quantitative techniques and skills in application or problem analysis.

Guidance Committees should recognize the increasingly specialized role of graduates as the number of persons with the Ph.D. increase in the LDC's. One implication is that there will be an increasing number

of students from LDC's with their special field in areas such as farm management or marketing instead of development.

Guidance Committee for a student from a LDC should include at least one person with significant experience in a LDC. The purpose is to increase the quality and credibility of advice because of the expertise of the faculty member. This implies that the persons with experience in developing countries will need to serve on a large number of Ph.D. Guidance Committees. Furthermore it will require flexibility on the part of these individuals in being willing to backstop each other whenever someone is involved in international travel or stationed overseas. Similarly, it means a willingness on the part of these individuals to backstop each other as Major Professors when international travel prevents a Major Professor from being on campus at critical junctures in a student's program. It is important that each Major Professor recognize that there should be an acting Major Professor whenever extended travel requires absence from the campus.

The Graduate Committee should insure that U.S. students interested in work in developing countries are realistically apprised of the opportunities. These students need to be alerted to the fact that an increasing percentage of the professional roles in developing countries will be filled by nationals rather than by expatriates. Those who hope to work both domestically and internationally need to recognize that in most higher education institutions in the United States it is necessary to establish one's credentials on a domestic basis in order to be awarded tenure. Only a very few U.S. universities are currently

willing to give tenure to agricultural economists based on their international program activities. While we may lament this fact it is a fact of life which students should be aware.

The Department should avoid two sets of courses, one for students from LDC's and another set for students from the United States. On the other hand, a graduate program with a large number of both domestic and foreign Ph.D. candidates can afford some specialization. It is important that the Department Chairman, the Department Graduate Committee and the Department Curriculum Committee carefully consider requests for specialized courses for LDC students because we face declining real resources for teaching in the near future and can expect only modest increases in the foreseeable future.

There should be a serious evaluation of current and proposed courses in development administration and the development area to determine if some consolidation or revision would be productive. It should be recognized that there is a distinction between administration and policy and that development policy currently is the focus for 462, 862 and 962 whereas development administration is the focus of 865 and 866. The possible introduction of a new course in data collection methods in developing countries (Vincent) or of a new marketing and development course (Harrison and Weber) raise further questions regarding the adequacy of current course offerings on the one hand and the possibility of duplication of new courses with existing courses on the other hand.

#### 4) Implications for Teaching Budgets.

The Department must seek to recognize within the Department as well as to inform the Dean and the Provost of the greater cost of

educating students from LDC's as compared to U.S. students. These additional costs arise, in part, from the additional time invested in evaluating foreign transcripts and letters of recommendation, through the difficulty of working with students whose native language is not English and whose socio-economic, educational and cultural backgrounds require major adjustments to successfully compete in the American institutions. In addition there are travel and other communication costs to maintain contact with student sponsors and with students doing field research. Failure to recognize these costs penalize either the dedicated faculty member in the form of demanding overload work without overload pay or the student in the form of reduced quality of output.

AID and other sponsors should be continually reminded of the need for some of the additional costs to be borne by the sponsor or AID. The Michigan legislature and taxpayers should be made more aware of the international reputation of the Department and University and of the amount of support provided by the sponsors or AID so that they will support a quality academic program in agricultural economics with a strong international as well as domestic component.

### III. Research and Technical Assistance Program Directions

#### A. Goal Orientation and Performance Evaluation

As a department in a public (land-grant) university we are expected to produce new knowledge, to organize knowledge and impart it to others, and ultimately to contribute to the development of human capabilities and institutional arrangements that improves the well being of people. This basic philosophy extends into our international activities although the conduct of our work has to be adapted to the political, economic and social conditions of countries that are quite different from the U.S.

Over the long-run our performance in international activities will be evaluated against criteria such as --

1. The number and competence of students from LDC's and the U.S. that have been trained for international development careers.
2. The positions held by those trained and the quality of their contributions to the resolution of LDC problems.
3. The quantity and quality of faculty contributions to the resolution of problems in the less developed countries through research, teaching and advisory activities.
4. The contribution to new knowledge about the development process.
5. The extent to which we have increased the knowledge and the sensitivity of our own Michigan and U.S. citizenry to the economic, political and humanitarian realities of an increasingly interdependent world community.

If one accepts the above stated goal orientation and performance criteria there are implications for the organization of our

international activities. As a faculty our principal role should be that of educators, researchers, and in some instances as advisors. Our mode of operation should give priority to projects directed toward problems of importance to the developing countries, to collaborative efforts with local professionals, and to projects which are part of a longer-term program to increase the in-country capabilities where we are working. In this context there are opportunities to effectively link graduate training with in-country research and advisory activities. And, as a matter of fact, we have evolved such a program of interrelated activities through a combination of the 211-d grant, some large AID contracts and participant training programs funded by AID, the foundations and foreign governments.

B. The AID 211-d grant Program

This grant was part of an interrelated set of 211-d grants involving four universities, Michigan State, Cornell, Iowa State and Minnesota. The grant program was initiated in mid-1970 with funding for a five-year period, later extended for a sixth year.

The Michigan State University grant was made under the same general agreement that was extended to the three other universities -- Cornell, Iowa State and Minnesota. However, the basic grant to MSU was increased from \$375,000 to \$625,000 for the 1970-75 period with the condition that Michigan State University give additional attention to problems of employment and rural development in tropical Africa.

The purpose of the grants was to develop and strengthen the competence of the cooperating universities in the field of agricultural economics as it related to the problems of developing countries and to increase their ability to contribute to the solution of LDC problems.

It was generally recognized that there existed a large and growing need for skilled analytical work on agricultural sector problems in the less developed countries. In these countries the process of agricultural development is associated with an increase in the market orientation of the food system, a growing dependence on more purchased inputs, and improved public policy decisions on alternative uses of resources. Because of the relative shortage of professionals with agricultural economics training, many of these countries seek assistance in conducting analyses and developing their own analytical capacities to make policy decisions on development alternatives and the implementation of programs to achieve their development goals.

It is anticipated that the universities receiving these grants would expand and strengthen their training and research activities in order to meet some of these needs for the services of professional agricultural economists. AID had a particular interest in creating and maintaining a pool of faculty talent that would be available for short and long term assignments with AID or other development institutions concerned with problems in the LDC's. It was also envisioned that effective interactions would evolve among the four universities as faculty and graduate students participated in conferences, workshops and interchanged research publications.

It has been a general policy that AID 211-d grants are to create university capacities to work on LDC problems and that once the capacity is created AID would shift to alternative mechanisms, such as contracts, for the utilization of the university faculty competence. The four university 211-d grants in agricultural economics differed from grants to other universities in that substantial faculty capacity



already existed in these institutions. Hence, AID inserted a condition in the grant that this "talent" be shared with AID. MSU was to provide 10 man-years of faculty talent to AID either in Washington or in overseas missions, but highest priority was placed upon staffing of the Economics and Sector Planning unit in the AID Technical Assistant Bureau in Washington.

The department has followed these guidelines in the use of the 211-d grant funds.

1. Support of graduate students with priority on preparation of research proposals, field research in LDC's and final analysis in the preparation of theses.
2. Support of faculty and graduate student research related to but not required by existing contracts.
3. Support of faculty in the development of research proposals.
4. Preparation of publications based upon contract research or other foreign experience but not required by existing contracts.
5. Support of faculty and graduate student participation in selected conferences, seminars and workshops dealing with LDC problems and possible research approaches to these problems (e.g. ADC-RTN, FAO, World Bank, and AID sponsored activities.)
6. Support for visiting scholars, seminar and workshop participants who can make significant contributions to the graduate training program, the development of faculty competence or the planning of research activities in LDC's.
7. The development of library collections relevant to LDC problems and current research.

The actual use of funds has been approximately as indicated below:

	<u>Percent</u>
Faculty salary support	45
Graduate student stipends	40
Travel and other direct costs	15
	<u>100</u>

In late 1974 an AID Review Team was sent to each of the four university campuses. Their summary report included some evaluative observations that are presented below regarding the MSU review.<sup>1/</sup>

### Michigan State University

#### Summary Findings and Conclusions

The administration of Michigan State University is supportive of international development work and provides an environment conducive to the development of the inventory of talent on the staff of the agricultural economics department.

The Department of Agricultural Economics has a core faculty of eight with six supporting members who are involved in international work. Both through the 211(d) grant and AID research funds the Department has expanded and enhanced its work in sector analysis, marketing and rural employment generation in Africa. It has also increased its work in international trade and, to a limited extent, multiple cropping. Most of the international work and the salaries of some of the tenured faculty depend upon funds from sources outside of the university. Without this external support, the level of capacity can not be maintained and will decline, and the present attention to international work would be sharply curtailed.

Of the 123 graduate students, 50 percent are from developing countries. Through the use of 211(d) funds some graduate students have been able to undertake research in the LDCs and faculty members are permitted to travel to the countries to review the research work. [Note. Of the elements and uses of 211(d) funds, the four universities were unanimous in placing this use as the highest priority. The Evaluation Team feels that graduate

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<sup>1/</sup>Comprehensive Review of the 211-d Grants in Agricultural Economics--Iowa State University, Cornell University, Michigan State University, University of Minnesota, Technical Assist Bureau, US/AID, Washington, D.C. March 24, 1974.

research, including field supervision and travel by faculty members, represents a key element in the grants. If, however, utilization of the capacities of the grantees had been the primary objective of the grants, other priorities, not excluding graduate research, might have been more appropriate.]

MSU's work in agricultural sector analysis, using a different approach than Iowa State University, merits close attention by AID and other donors and LDCs. Also, its work in marketing in Latin America has developed applications which should be considered in other areas. Similarly, the initial research work and the network established on rural employment in Africa under an AID contract bears watching by scholars and technical personnel concerned with the rural poor.

MSU has had linkages with Nigeria and other parts of Africa, Korea, Taiwan, Malaysia and several Latin American countries. Because of the deep involvement in Nigeria, MSU is looked upon as having special interests in Africa and indeed it does. The current work by Dr. Carl Eicher, which involves several tropical African countries, bears out this interest--and, hence, AID's continued interest in MSU. Its relationships in Korea and Colombia have been especially strong.

These areas which appear to have had particular emphasis and are of special current relevance should not be considered the extent of MSU's interests. Important work is being done by individual professors and graduate students in international trade, production, etc.

MSU appears to have made good use of visiting professors and to a limited extent of faculty members of other departments in augmenting the work in agricultural economics.

In short, the Department of Agricultural Economics faculty, which is already taxed through increases in student enrollment, domestic programs, and work in conjunction with AID on the 211(d) grant and research contracts in Latin America, Asia and Africa, appears to be unable to respond to further requests for utilization of this capacity. This, however, does not preclude the possibilities of utilizing the capabilities generated under the grant through other funding mechanisms.

The following constraints have been identified in MSU's Department of Agricultural Economics as impediments to utilization of its capacity:

1. With tenured faculty on soft money it becomes extremely important that external resources be obtained, otherwise the capacity will decline more rapidly than in the other institutions. The legislature has indicated its special concern for domestic work and precluded the use of state funds for such things as international travel of faculty.

2. Even with the present faculty, the Department is quite likely taxed to its limit given its student load and domestic and overseas work. For example, with its commitments for participating in agricultural sector analysis in Korea faculty members will not be readily available to assist in similar analyses in other countries.

3. The Rural Employment Research Network, which appears to be of particular use and has great potential, will collapse without continued external support.

4. The current program is large and although it probably would be most congenial to the University to consider financial assistance at the same level, that option is unlikely. Therefore, it will be particularly difficult to sort out which parts of the program should have priority for funding. However, AID must specify what its priorities are so that MSU's program options can be sorted out.

The Team believes that MSU can be responsive to an increased number of specific AID requests by reordering existing resources or by modest inputs of additional resources. Discussions between AID and the University should begin right away on possible approaches which facilitate the utilization of MSU capacity such as:

- Seminars for AID and LDC personnel, possibly in conjunction with ISU, on agricultural sector analysis.
- Participant grants, possibly directly to the University, for graduate students who are concentrating on agricultural economics in Africa. These training grants could be for a combination of American and LDC students.
- Research or other contractual means to provide for exploration of faculties of several disciplines on such problems as rural employment in areas in addition to Africa.

MSU's 211-d grant was subsequently extended to September 30, 1976 with \$120,000 of additional funding. AID has informed us that there will be no further extension of this grant. However, a newly approved "Cooperative Agreement" program has recently been approved by AID under which our department may obtain funding for research and advisory activities in the LDS's. If MSU is selected and agrees to sign a five-year agreement, we might obtain funds to support faculty and graduate student research on

LDC problems. Research activities would be subject to approval by a joint AID-University committee and would be monitored by the Director of the Economics and Sector Planning unit in the Technical Assistance Bureau of AID Washington. The initial agreements are to be negotiated during the early months of 1976. The agreements include a "talent sharing" commitment under which the department would be expected to provide one man year of faculty services per year to the AID-TAB office in Washington. The University would be expected to share in the total costs of the program.

## C. Existing Research and Technical Assistance Contract Activities

### 1. Agricultural Sector Analysis and Simulation

Historically, the Agricultural Sector Analysis and Simulation Projects grew out of the Consortium for the Study of Nigerian Rural Development (CSNRD) which operated under the leadership of Glenn Johnson.<sup>1/</sup> Development and adaptation of systems simulation techniques to agricultural sector analysis using Nigeria as a case example was done under Contract No. AID/scd-1557.

In 1971, a new contract, AID/csd 2975, was approved with the following objectives:

1. to further develop, test, and apply the general systems simulation approach to providing analytical input to planning and policy formulation in agricultural sector development.
2. to institutionalize an analytical capacity capable of further developing and using this approach in the decision-making structure of a country.
3. to provide a basis for transference of such technology to other countries.

Four interrelated sets of activities were to be carried out under the AID/csd 2975 contract:

1. A major field operation in Korea
2. the development of a computer software library at MSU
3. the conduct of a training program
4. the further development of the conceptual and methodological basis for sector analysis using the systems approach and simulation techniques.

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<sup>1/</sup>Glenn L. Johnson et.al., Strategies and Recommendations for Nigerian Rural Development, 1969-85, CSNRD, July, 1969.

The first phase of the Korean field activity produced a series of working papers and a summary report that have been used as major inputs into Korean agricultural sector planning.<sup>1/</sup> The Korean work has continued under AID/csd 2975 and in early 1974 the project activity was augmented by a contract directly with the Korean government (using AID grant funds) which had as its major objective the development of a capacity within the Ministry of Agriculture and Fisheries to analyze agricultural sector problems and policy issues. The areas of subject matter concentration are policy analysis, agricultural outlook, program and project evaluation and agricultural statistics. The project is known as KAPP, Korean Agricultural Planning Project. KAPP project activities operate in close coordination with the Korean Agricultural Sector Study (KASS) located with the National Agricultural Economics Research Institute that continues to operate under the AID/csd 2975 contract.

The AID/csd contract 2975 began in 1971 and will terminate in July, 1976. It has had a total funding commitment of \$1,603,460 with a FY 76 budget of \$386,383. The Korean Government contract began in March 1974 and will continue through June 1977. It has a total funding commitment of \$703,042 with a FY 76 budget of \$249,000. The combined FY 76 budget for the two contracts is \$635,383.

From 1971 to 1973, Glenn Johnson was leader of the Agricultural Sector analysis and simulation projects. Ed Rossmiller served as project director in Korea, 1971 to 1973. Upon return to campus in 1973, Ed became overall project director with Glenn Johnson continuing as a major participant along with Tom Hanetsch (System Science),

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<sup>1/</sup> G. E. Rossmiller, G. L. Johnson, et.al., Korean Agricultural Sector Analysis and Recommended Development Strategies, 1971-1985, Dept. of Ag.Econ., MSU and Ministry of Ag. and Forestry, Gov. of Korea, 1972.

Tom Carroll (Computer Institute for Social Science), Mike Abkin (System Science and Agricultural Economics).

Fifteen Department of Agricultural Economics faculty and six non-Agricultural Economics faculty have made short-term inputs into the Korean project, mostly in 1971-72. Nine non-MSU professionals have participated in the project. A total of seven Koreans have come to MSU for regular graduate training; and six have come for the special training program in agricultural sector analysis and simulation.

During the past two years the Department has had to turn outside MSU for professional persons to staff the following:

Fred Mangum - N. C. State University, served as Project Leader in Korea, July 1974 to December 1975.

Richard Duvick - Ohio State University, Sept. 1974 to June 1976 in Korea.

Dave Culver - USDA-ERS

Stan Driskell

Alan Thodey

Hartwig de Haen - University of Bonn.

Two domestic MSU doctoral candidates are developing theses while working overseas on the Korean project. These are Forest Gibson (System Science) and Martin Hanratty (Resource Development). Specialized computer personnel have been hired for project work both in Korea and at MSU.

AID conducted a major review and evaluation of the Agricultural Sector Analysis and Simulation project in early 1975. This included on-site visits in Korea and follow-up sessions in Washington. Another major AID review is scheduled in Korea in early March, 1976.



The project staff will be pulled back from Korea to East Lansing to participate in the drafting of a final project document under the AID/csd 2975. This activity will be carried out over a three month period beginning April 1, 1976. The project activity will continue in Korea at a reduced level through June 1977 (and possibly through December, 1977) under the KAPP contract. Tentative plans are for Ed Rossmiller to return to Korea in July, 1976 as resident project leader.

Looking to the future then are several possibilities for follow-up activities drawing on department and other MSU competence regarding agricultural sector analysis and the use of systems modeling and simulation techniques. Some of the possibilities include the following:

- (a) A collaborative activity with the USDA-ERS, National Economic Analysis Division that is developing a National Interregional Agricultural Projection Model. The department has recently signed a one-year Research Agreement for cooperative work on the development of a computer software policy analysis language package. The cooperative effort may be expanded to include an ERS staff person stationed in the department to participate in the further development of agricultural projection models that could be useful for certain types of policy analysis. This work also has potential linkages with the National Agricultural Sector model that is currently being developed by Sorenson, Ferris and Trapp with Experiment Station and Deere & Company grant support. Concurrently efforts have been initiated to develop a Michigan Agricultural Sector Study, with Dave Watt's thesis as the first activity to be undertaken.

- (b) A continued participation in policy analysis and advisory work in Korea under an extension of the Korean government contract or as part of the new AID "Cooperative Agreement" program in Agricultural Economics.
- (c) The development of a new project in another country or region. This might grow out of AID mission requests that are channeled through AID regional bureaus in Washington.
- (d) The development of a linkage into the program being developed at the International Institute for Applied Systems Analysis headquarters in Laxenburg, Austria.

## 2. African Rural Employment Research Network

In 1969 AID offered MSU a small grant (\$7,000) to allow Carl Eicher and three research assistants - Fred Winch, Jim Kocher and Tom Zalla - to try to answer one question--could more productive employment be found in rural areas in Africa? Urban unemployment was observed to be increasing in many African countries and there was substantial underemployment in agriculture during the dry season which normally lasted for three to five months. The 1970 MSU publication, Employment Generation in African Agriculture, was published in English, French and Spanish.

On July 1, 1972, MSU received a three-year research contract for a total of \$847,600 from AID to carry out a cooperative research program in Nigeria, Ethiopia and Sierra Leone. Under the leadership of Carl Eicher a group of MSU and African scholars formed a loose research team - a Research Network - and proceeded to undertake field studies. The research in Nigeria was headed by Professor Olayide of the University of Ibadan. An MSU subcontract to Ibadan and grants from the Rockefeller

and Ford Foundations allowed Ibadan to undertake research on labor utilization in the Kwara State of Nigeria. In Ethiopia MSU initially subcontracted with Haile Sellassie I University to carry out a research program in the ADA District of Ethiopia. On July 1, 1975 the USAID Mission to Ethiopia negotiated a contract with Haile Sellassie I University for continuing research in the ADA District and MSU became the subcontractor. MSU has an eighteen month \$107,403 subcontract with Haile Sellassie I University (July 1975-December 1976) to assist in collecting primary data in the ADA district (Ada) until March of 1976 and in processing the data and preparing final reports. Under the MSU subcontract, MSU is supplying the services of one long term agricultural economist - Professor Trimble R. Hedges (retiree from University of California - Davis) - and the short term consulting services of Warren Vincent and Dunstan Spencer. The data analysis and final report preparation is under the direction of Warren Vincent.

There are now four Ethiopians in our graduate program. Two of the Ethiopians are being supported by AFGRAD fellowships and two are being financed by AID/Addis.

The third country where cooperative research on labor markets is underway is Sierra Leone. The Sierra Leone research has been directed by Dr. Dunstan S. C. Spencer under an MSU subcontract with the Department of Agricultural Economics, Njala University College, University of Sierra Leone. The Sierra Leone research team in the field included Derek Byerlee (eighteen months in Sierra Leone) and MSU's graduate students - Enyinna J. Chuta, Dean Linsenmeyer and a Sierra Leonean doctoral candidate at Ohio State University-Joseph Tommy, and MSU consultants - James Shaffer, Vern Sorenson, Carl Liedholm and Hartwig de Haen of Germany.

The Sierra Leone data are being processed at MSU by the following:

- D. Spencer, Project Leader and Visiting Assistant Professor of Agricultural Economics, MSU;
- D. Byerlee, Agricultural Economics, MSU;
- C. Liedholm, Economics Department, MSU;
- E. Chuta, Ph.D. Candidate, Agricultural Economics, MSU;
- D. Linsenmeyer, Ph.D. Candidate, Agricultural Economics, MSU;
- J. Tommy, Ph.D. Candidate, Agricultural Economics, Ohio State University;
- Frank Rose, Graduate Student, MSU;
- Habib Fatoohi, Graduate Student, MSU;
- Robb King, Graduate Student, MSU.

The Secretariat for the African Rural Employment Research Network is located in Cook Hall and is under the very able direction of Janet Munn. Janet has sent a monthly acquisition list of new publications to researchers in the field and has supplied xerox copies of these publications without charge. Students from Ann Arbor, Cornell, Iowa, California, etc. have visited Cook Hall to use the specialized collection of documents in order to prepare for field research.

The African Rural Employment Research Network will complete its AID contract on June 30, 1976. The findings of the Network researchers are distributed without charge to researchers in 70+ countries. To date eleven African Rural Employment Papers and seven Working Papers have been released. If funds were available it would be desirable to publish the summary report and one or two key papers on methodology in French for use by scholars in seventeen French-speaking countries in Africa.

Looking to the future, AID has indicated a strong interest in continued utilization of MSU faculty-graduate student capabilities in

African rural development programs. Some of the possible opportunities include:

- (1) A two year research proposal "Analysis of Direct and Indirect Effects of Rural Development Policies and Projects" has been submitted to AID/TAB/. The \$179,000 proposal would utilize the Sierra Leone, Ghana, Ethiopian and Nigerian data sets to develop methodologies for tracing the direct and indirect effects of rural development policies. The research team includes Carl K. Eicher, Derek Byerlee, Carl Liedholm and Akhter Hameed Khan. AID will take a decision on the proposal in March of 1976.
- (2) A new project activity in the Eastern region of Upper Volta may be offered to the Department by AID. During October, November and December, Carl Eicher, Merritt Sargent, Edouard Tapsoba and David Wilcock conducted an assessment of the Eastern Region of Upper Volta to provide the agricultural economics plan of work for an AID funded rural development program. The project would require three agricultural economists' inputs and one livestock specialist. All four contract personnel must be fluent in French. The budget for the proposed four year MSU project would be approximately \$1.2 million.
- (3) A draft proposal has been submitted to the African Bureau of AID-Washington for a two-year program of applied research in the Sahelian Region of West Africa and related agricultural economics consulting services to the Central West African Division of the African Bureau. The projected two year budget request is for \$296,000. The first three studies to be

undertaken are:

- (a) Food Policy in the Sahel--Carl K. Eicher, Principal Investigator
- (b) Economic Analysis of Animal Powered Mechanization of Cereal Production in the Sahelean Region--Merritt Sargent, Principal Investigator
- (c) MSU Consulting Service to the Africa Bureau and AID Missions in Upper Volta and Niger (4 months per year)
- (d) Support for MSU Secretariat in Agricultural Economics--Janet Munn

(4) Activities that might be carried out under the AID-TAB "Cooperative Agreement" program in agricultural economics.

### 3. Latin American Marketing Program (LAMP)

The LAMP program began in 1965 with an AID Latin American Bureau contract for research on the role of food marketing in economic development. The program was initiated under the joint leadership of Charles Slater, Professor of Marketing, and Harold Riley. Following an initial field study in Puerto Rico, a series of research and advisory projects were carried out in Northeast Brazil, Bolivia and Colombia over the period 1966-1969. These projects were supported by AID, Latin American Bureau contract and host country inputs. Joint MSU-host country task forces carried out extensive field research and prepared reports that were published in the local language as well as English. A summary report on each country activity was published as research reports through the MSU Latin American Studies Center. Eleven MSU Ph.D. theses and three M.S. theses were based upon LAMP research. A summary publication entitled "Improving Food Marketing Systems in

Developing Countries: Experiences from Latin America" was published in late 1974.

Since 1970, program activities have included the following:

- (1) A two year technical assistance contract with the Colombian AID mission, under which Harold Riley was a resident marketing adviser located in the AID mission in Bogota, while short-term inputs were provided by Kelly Harrison and Jim Shaffer. Pablo Torrealba conducted in-country dissertation research.
- (2) A new project was initiated in Costa Rica in early 1972 under a contract with the AID mission. The project called for MSU technical assistance to Costa Rica agencies in identifying marketing problems and designing programs to improve market performance. Mike Weber served as resident adviser, 1972-74. Short-term advisers were Kelly Harrison, Jim Shaffer, Harold Riley and Don Ricks. This project remains active and will terminate in July 1976. Resident staff are Bill Baucom, (M.S. in Ag. Econ. here at MSU) and Ken Shwedel who is gathering data for his Ph.D. thesis. The combined contract support for the four-year period has been \$250,000. Two Costa Rican professionals who worked with the MSU project have recently completed M.S. degrees in our department.
- (3) Since early 1972 our staff has provided advisory support to a newly formed agricultural marketing program in Interamerican Institute of Agricultural Sciences which now has a staff of 10 professionals, three of which have graduate degrees from our department and three others have been substantially involved in our Colombia project activities. Currently, Riley, Shaffer and Harrison are providing short-term inputs to a IICA marketing project in the Dominican Republic.

- (4) In January, 1975, Kelly Harrison became a resident marketing adviser in the Colombian AID mission. Meanwhile, a new MSU-AID Mission contract (\$137,528) was approved in October 1975 under which our department will provide assistance to the planning unit in the Colombian Ministry of Agriculture as they carry out studies and develop plans for a more effectively coordinated national agricultural marketing program. Harrison will be the resident adviser until the contract expires in December 1976. Short-term assistance is to be provided by Weber, Shaffer, Henley (Dept. of Marketing) and Riley from MSU and by professionals from the IICA marketing group.
- (5) There has been a continuing effort to develop and maintain professional relationships with FAO marketing experts. MSU staff have participated in FAO regional marketing conferences and there has been an active interchange of publications and ideas.

Looking to the future there are several possibilities for continued program activities.

- 1) Continue to respond to opportunities that arise through requests channeled through AID missions. These may or may not be within the TAB - cooperative agreement program. Over the past year there have been several Latin American Bureau requests for assistance that we have been unable to undertake due to the pressures of existing commitments.
- 2) Extend overseas work into other geographic regions through other MSU projects, e.g., in Africa or in Korea or through collaboration with FAO.



- 3) Develop a research proposal on market organization that would help mobilize underutilized human and natural resources in the developing countries. Emphasis would be on improved input supply conditions and better product markets for small farmers. These elements might be incorporated into a more comprehensive project on agricultural (or rural) development.

Table 1. INTERNATIONAL CONTRACTS AND GRANTS,  
DEPARTMENT OF AGRICULTURAL ECONOMICS

Project	Date Initiated	Date of Expiration	Total Commitment	FY 76 Budget
Ag. Econ. Training & Research (AID 211-d Grant)	July 1970	Sept. 1976	\$745,000	\$125,000
<u>Amer. Council on Educ. (OLC)</u>	July 1972	July 1976	34,000	9,000
Ag. Sector Analysis AID/csd 2975	July 1971	July 1976	1,603,460	386,383
<u>Korean Ag Planning Govt. of Korea</u>	March 1976	June 1977	703,042	249,000
African Rural Employment	July 1971	June 1976	867,600	315,000
AREP-Ethiopia HSIU University	July 1975	Dec. 1976	107,402	71,601
Sahael Zone Project African Bureau-AID	Oct. 1975	Jan. 1976	55,000	55,000
Costa Rica Marketing AID Costa Rica	July 1974	July 1976	149,000	99,878
Colombia Marketing AID Colombia	Oct. 1975	Dec. 1976	137,528	60,849
		Total	4,402,032	1,371,702

#### IV. A SUGGESTED STRATEGY AND GUIDELINES FOR THE FUTURE

##### A. Perspectives

The basic underlying rationale for the department's substantial involvement in international activities remains much the same as it has been in the past. However, our pattern of activities has changed over time and must continue to adjust to new conditions such as those outlined in the I-D section of this paper.

Our faculty competence to carry out high quality graduate training, research and advisory activities relevant to LDC problems and more global problems of trade and development assistance is probably greater than it has ever been. We anticipate that the need for agricultural economics' skills will continue at a high level in the international arena but increasingly the work in LDC's will be carried out by indigenous professionals. The effect demand for U.S. university faculty is shifting toward the more experienced professionals and those with needed language skills and recognized competencies in the subject matter areas pertinent to LDC problems. These U.S. faculty will be able to work collaboratively with indigenous professionals and especially those who have received advanced training in the U.S. but political instability will disrupt some of our project activities. Field research for foreign graduate students will be much easier to arrange than for domestic U.S. students. Rights to data collected in LDC's and publication privileges will become more restrictive.

Over the next few years there will be a large potential demand for U.S. university participation in AID and foreign government financed projects. The major difficulty will be the acceptability of the terms which will be offered. The new AID cooperative agreement program in

agricultural economics and the Title 12 program are being promoted as "cost sharing" activities and this may cause some problems under existing financial arrangements in many universities. Although universities are to participate in advisory committee roles, rather cumbersome and time-consuming project approval and project monitoring processes are in prospect.

Both AID and foreign government contracts will provide a reduced set of fringe benefits as compared to the AID contracts of the past decade. This trend has become especially apparent in the past three years.

Within MSU we can expect continued close surveillance of international projects by the All-University International Project Committee. Furthermore, the increasingly stringent accountability measures for all university activities will require additional management effort on international projects and special care to see that expenses for international activities are not charged to other domestic program accounts. Meanwhile, our Michigan clientele groups continue to be sensitive and somewhat critical of international activities which divert our attention from their problems and/or reduces the effectiveness of our research and extension work on domestic problems.

B. Some Basic Strategy Elements and Guidelines

1. Give priority to international activities that are clearly consistent with our research, teaching and public service mission and the development of local professional capacities in the LDC's.
2. Maintain a large, high-quality graduate training program for students preparing for careers in LDC's, with international development agencies and with U.S. universities but reduce the number

of students from developing countries from the present level and increase the proportion of Ph.D. students. (See Part II of this report for a series of detailed recommendations regarding the Graduate Program.)

3. Endeavor to exploit more fully the complementarity of domestic and international activities, both in research and in graduate training. These opportunities are apparent in utilizing techniques such as sector modeling and simulation, and in development of conceptual approaches to the problems of low-income, limited resource people wherever they are located.
4. Maintain a minimum core of five tenure stream faculty who devote most of their time to international projects and related graduate training activities. An additional 6 to 8 regular faculty would be involved in international activities but their major responsibilities would be domestic.
5. Make effective use of temporary faculty for international project work. This might include faculty on three to five year term appointments, visiting professors, post-doctoral appointees, and AID personnel assigned to the university under the Interagency Personnel Act (IPA).
6. Seek a combination of funding support that might include--
  - a) A five-year memorandum of agreement under the AID-TAB "expanded agricultural economics program." This could provide annual support for two or three FTE's of faculty time and six to ten graduate students conducting theses research in LDC problems. This is not a source of assistantship support for campus based graduate students engaged in the course work portion of these programs.

The central purpose of the new AID, Agr. Economics program is to facilitate the utilization of U.S. university agricultural economics capacities in an effort to further develop LDC capabilities to carry out analytical work directly relevant to agricultural sector planning, program development and administration (broadly defined). The mechanism for university involvement is a cooperative agreement, similar to those which we are now using in our work with the U.S. Department of Agriculture. The cooperative agreement rests on a mutual interest and cost sharing concept. However, it does not preclude AID financing of both direct and indirect costs as long as the university covers some portion of the total activity cost.

There would be a general five-year memorandum of agreement with shorter-term, (annual) cooperative agreements which would specify work to be done and budget support. The activities would be focused on specific LCD problems. Support would be primarily for faculty and graduate student activities with regard to particular countries.

Approximately 1-1/2 million dollars will be committed to this program beginning this fiscal year. A small number of universities will be selected to participate.

- b) An agricultural economics activity to be funded through the International Development and Food Assistance Act of 1975 (Title 12 to H.R.9005). This legislation provides the basis for the establishment of a program whereby U.S. land grant universities may actively participate in programs to expand

world food production. The act provides a mechanism whereby U.S. universities can enter into long-term research, teaching and extension activities that would create greater capacity for increasing food production in the LDC's. The program is to operate through memoradums of agreement between AID and U.S universities. The program would be developed and minitored through a joint, seven member AID-university Board. The program might eventually be funded at a level of 150 to 250 million dollars per year. It is anticipated that during the next 12 to 18 months there will be preliminary program planning grants of about \$25,000 to selected universities. These universities will develop program proposals that would be submitted to the committees to be established under the joint AID-University Board. Successful proposals would then be funded under Program Grants and administered through "cooperative agreements" that require "cost sharing."

This Title 12 program promises to be an important source of support for future U.S. university work in the international area but there will be substantial start-up time for the program.

- c) AID funding for a major research, graduate training and advisory program in the Sahaelian region of Africa.
- d) AID mission funded projects in specific countries through which faculty competence in the areas of sector analysis and market organization can be utilized (within a general framework of research training and advisory assistance).

7. In arranging faculty participation in overseas projects, give careful consideration to minimizing any adverse effects on teaching and other domestic research and extension programs. Faculty interests should be of primary importance in considering overseas opportunities but these interests should be consistent with long-term career development.
8. External requests for individual faculty participation in short-term overseas assignments should be screened according to the following criteria --
  - a) Does the activity fall within the role and mission of the University?
  - b) Is it a country or area where we have faculty competence and a basis for a continuing relationship?
  - c) Is the activity organized so that there is a significant involvement of LDC professionals?
  - d) Will the experience contribute to the professional development of faculty and/or graduate students and to the body of knowledge on important development problems?
  - e) Can the schedule of activities be accommodated within existing commitments?
  - f) Is the activity the best alternative use of staff time?