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Staff Paper

Some Challenges and Changes Affecting the Future of the University and Agricultural Economics

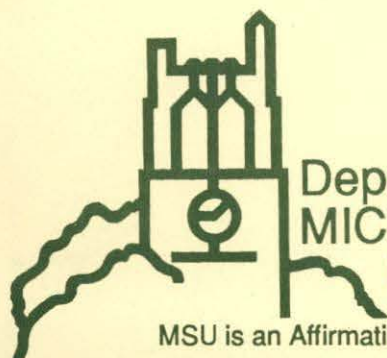
By

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**Some Challenges and Changes Affecting the
Future of the University and Agricultural Economics***

James T. Bonnen
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Edward Gibbon, an 18th Century historian and author of the Decline and Fall of the Roman Empire, once observed that only three public institutions had survived for as long as a millennium. These were the Venetian Republic (which has since expired), the Roman Catholic Church and the University.

The University as an institution is now 1,000 years old! It has been a creature of its society and its times and has survived because society--very different societies over time--have valued it highly.

As society has evolved and its challenges and needs have changed, societal expectations of the university have also changed. The university has evolved by adapting to society's needs. In the U.S., both society and the university have changed greatly over the last three or four decades or so--a period of rapid growth at MSU and elsewhere. It is from changes in society and the university that many of our current problems flow.

Let me briefly describe some of these challenges:

1. The great growth of universities since the 1950s has created more activities (and institutions) than today's resources can support. The question today is where and how

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will the cuts be made? How should individual institutions address this problem? As a national system, what values and strategy should American universities pursue, for surely we will sink or swim together as well as individually.

2. Low levels of economic growth since the mid 1970s, plus large deficits and a stagnating economy more recently, have eroded the financial support of universities by both federal and state government.
3. State and federal governments have compounded the problem by imposing more and more regulation and oversight on universities.

These last two changes in the university's external environment have among their several consequences growing university overhead costs, burgeoning nonacademic professional staffs, inadequate support for research, and student tuition rising at a rate well ahead of inflation and the growth in family income. The society's former support of equal access to higher education irrespective of individual economic circumstances is rapidly eroding. President Francis Lawrence of Rutgers recently observed:

One of my fellow presidents, caught between shrinking state appropriations and a cap on tuition, told the public bitterly: "We have three alternatives: We can increase our income. We can cut our programs. We can reduce our quality."

Naturally, what he wants is increased state support and higher tuition, but he is wrong about the number of alternatives. There is

a fourth alternative that is as destructive to the public interest as anything I can imagine at this special moment in our history.

We can cut off access to higher education....

We cannot afford in either social or economic terms the bifurcated society that would result....A society composed of a shrinking well-educated elite and a growing number of unskilled workers, predominantly minorities, would be a state subject to intolerable strains of structural unemployment....

The educational and skill criteria for gainful employment are being revised steadily upward. It would not be excessive to call substantial cutbacks in higher-education enrollment a form of national economic and social suicide.

4. Internal governance structures of the university have proliferated with multiple faculty councils and endless committees, rules and bylaws -- greatly increasing the transaction costs of making governance decisions, often leading to near gridlock. This compounds the internal burden created by government regulation of universities.
5. While the scale of higher education was expanding after World War II, progressive specialization in science and scholarship fragmented our intellectual enterprise into a

myriad of activities and organizations frequently isolated from each other *and from society*, leading some academics to believe they have little or no obligation to society.

6. Matching this fragmentation of our enterprise is a set of specialized journals and professional associations that now tend to dominate the tenure and promotion decisions of universities, pulling tenure criteria toward national level professional activities and research and away from an institution's state and regional missions and its teaching, outreach and service obligations.
7. Since World War II the growth of multiple external funding sources (e.g., NSF, NIH, DOD, DOE, Foundations, etc.) have increasingly fragmented and dominated university priorities and faculty incentives, making it difficult to pursue coherent institutional obligations and compounding problems of university governance. Today the university has trouble getting its act together both as an single institution and as a system of national higher education.
8. For more than a decade society has been saying with increasing intensity that it is not satisfied with our performance. This is made confusing by the fact that society is experiencing fundamental conflict over many of the values that govern its own behaviors, and these inevitably spill into the university and into supporting institutions such as state legislatures, the Congress, foundations, NSF, NIH, etc. We are caught in the middle of, and are often made a forum for conflicts where everyone has rights but apparently no obligation to each other or to any community of consequence.

9. Also compounding the university's problems are rising expectations of university participation in, and even leadership for, state and local economic development. As the federal government has cascaded its budget deficits down onto the states (by transferring functions, but not financing them), the governors and state legislatures have slowly realized that by default economic development and as well as other former federal roles have become a state responsibility.

Both the governors and many state legislatures have turned to their state universities for help and even leadership. Few states have gotten what they wanted from "their university," and in many states disillusionment with the university over its commitment to the state has seriously eroded support for the university. When Derek Bok, as president of Harvard, lectures his peers in private institutions about their accountability to society and their obligation to help society solve its most urgent problems, it is time for us in the public universities, especially in the land grant universities, to ask ourselves, "How well are we performing our obligations to the society that sustains us?" "Not well," is society's judgment in most states.

10. We must face the fact that the covenant that has governed the university's relationship with society since W.W. II has broken down. And society is in the midst of respecifying that covenant in Congress and state legislatures and in other legitimating and funding sources. The university needs to participate fully in the debate over any new covenant, since the complex, multi-dimensional nature of the university is so poorly understood -- even within the university to say nothing of elsewhere in society.

11. At the same time the growing conflict over national science policy makes it clear that the post W.W. II covenant between science and society has also unravelled. Since so much of science takes place in the university, the university and its science faculties have a great stake in the outcome and must participate fully in this debate also. The decline in the legitimacy of science has undermined the university's legitimacy in society as well. (Too many scientists think the only problem is one of funding: It is not!)

As our colleague, Ed Schuh, Dean of the Humphrey School at the University of Minnesota points out, "Society will let the university contemplate its navel if that is what we want to do, but it does not have to pay for it." University administration, faculty, student bodies and governing boards must recognize these larger problems of U.S. universities today and respond in a coherent, unified manner on the issues fundamental to the survival of the university as an effective social institution.

In addressing these problems, it is imperative:

that we respect each other's *views* and grant each other the dignity we expect from others --

without civility, neither intellectual *community* nor intellectual *integrity* are possible.

It is also imperative:

that we respect each other's *roles* --

as students, as faculty, as administrators, and as trustees. These roles are quite different, very necessary and complementary. While we can advise each other

on appropriate actions, (and we always do, but) we cannot expect to take over the other's role and have a well run university--i.e., we must work together in the long-run interest of Michigan State University.

It is imperative:

that we respect *our own roles*,

roles in which we hold only a tenant's right for a time. We have an obligation to hand on the university, our college and department with their integrity intact and their respect and value in society unimpaired. The current nation-wide epidemic of unethical behavior and abuse of the institution of the university by some of its tenants among faculty, administrators and trustees must end. It is undermining the integrity and functions of the university.

We need to put our house in better order

not only, in identifying clearly and making more consistent our department, college and university priorities, but in very consciously cutting the cloth of our activities to match our available resources, which are going to be limited for the foreseeable future. The quality and coherence of our performance is at stake.

In putting our house in order we also need to pay closer attention to those who provide us support and those whom that support is intended to serve. These include:

- 1st. Our students: In every speech to this faculty President John Hannah used to state, "Our first obligation is to the sons and daughters of the taxpayers of the State of Michigan". It still is.
- 2nd. The research and development obligations financed by the State.
- 3rd. The outreach obligations financed by the State and by state and local institutions (public and private).
- 4th. We also have major national and international obligations in teaching, research and development, and outreach.

If we do not serve the State of Michigan well in the first three obligations, we will not long have the diverse resource base and capacity necessary to attract the resources to serve our national and international clientele.

Many faculty follow careers focused entirely on national or international problems (which is much my own case). This adds to the stature of MSU as a national and international research university. But, these faculty must respect and support others in their college and departments who, in many instances, literally make the existence of national and international faculty activity possible. No public university can survive solely on its national or international activity and reputation. The keystone in the arch of our existence are our state and local sources of support. You cannot be a great national university without national and international dimensions, but we would not even exist without our state support. We forget at our peril that public universities are creatures of their states. In an increasingly interdependent world, however, it is also true

that to achieve an effective performance in teaching, applied research and outreach for the state and local supporters, the university must develop relevant national and international knowledge and programmatic involvement -- a very demanding challenge.

This does not mean that every faculty member must participate in all of these functions. But we must be willing periodically to collaborate with others when the need arises, and we must respect each others specialized roles, recognizing their importance to the university, college or departmental enterprise and our interdependence in the performance of the university.

Whether state, national or international, we must be sure that commitments we make are honored fully. Nothing "poisons the well" of resource support for others at MSU faster than failure by some to deliver on obligations and expectations set when resources are acquired-- whether appropriated dollars, the tuition of our students, or the gifts and grants for research and development or outreach commitments.

Challenges for Agricultural Economics

Every one of the forces of change that I have identified as challenges facing the university also impact on this Department. We are midstream in adjusting to these forces both in the College and the Department.

The last few years have not been easy, with many changes, and far too much conflict, involving the College and the University. In the Department we lost eight faculty positions in two years (1987, 1988), all but one to retirement, but by virtue of getting our priorities in clear focus and

documenting their relationships to the needs of the College and to Michigan, we were able to win back six of those positions. These were filled over the 1991-92 academic year and I think we all are feeling much better as we face the future. What are some of the challenges we still face?

1. The balance between the relative investments in disciplinary, subject matter and problem solving activities in the profession has become badly distorted over recent decades with excessive emphasis on the disciplinary end of the continuum of knowledge in research and teaching. This has eroded the profession's performance in multidisciplinary, subject matter research and problem-solving support for extension or outreach programs serving state and local community needs. The profession's commitment to real empirical research has eroded. These problems are slowly being recognized and presumably redressed. Failure to do so will condemn agricultural economics to growing irrelevance and loss of resources and support within their college, not only in research and extension but also teaching (Bonnen, 1986, 1988).

The truth is, disciplinary, subject-matter and problem-solving research are each absolutely necessary, but alone not sufficient to provide an effective response to society. The problem is one of finding the right balance of investment in all three to sustain a college or departmental enterprise. This balance will be different in different state environments and often change over time as one's departmental niche, priorities and mix of programs change. Thus, it is a continuing challenge that requires close attention to departmental and college

priorities. This is a complex problem I have dealt with in detail elsewhere so let this suffice (1986, 1988).

2. We must find our niche as a department in the changed and changing environment we face. Given our resource limits and external environment, what should be the focus of the department, if it is to be most productive and relevant? Like the College we are diversifying our portfolio compared to the past. For some time we have been moving carefully, and, as resources permit, into more activity in natural resource and environmental issues, local government and community development, food safety and agribusiness issues, just for example. We must do this while also improving our support for traditional clientele, whose needs have and continue to change, presenting difficult challenges in extension and applied research for both the College and the Department. Here we are (and need to continue) rethinking our farm management, marketing and finance efforts while we are working to reestablish our agricultural and trade policy extension base in Michigan.

The political fact of life is, we must have the support of our traditional clientele and of the College in any attempt to change our agenda and mix of clientele. It is alleged, as farmer numbers have fallen, that production agriculture has declined in political power to the degree that (by implication) it can be ignored in any strategy or action to change the agenda of agricultural institutions and policies. This is a facile assumption about a complex matter on which there is empirical

research that indicates otherwise (Browne, 1988, 1992). Major reform efforts based on this assumption are likely to founder.

3. External pressures on the Department and College have never been greater. They make everyone's life more tension-ridden and difficult, but especially the lives of junior faculty and those university administrators who must deal with our publics. All of us feel more uncertain about what is expected of us as individuals.

As a faculty we have long valued an open, collaborative environment. We are not just a collection of individuals. External demands are such now that we need, even more than in the past, to work not only as a departmental team, but to support each other as individuals in dealing with the pressures and uncertainties we feel as individuals. I believe junior faculty, especially, should be provided more support and practical help from other faculty in assuming and responding to performance demands of today's system and in strategizing and in producing the reams of paper required by internal and external accountability demands. When they joined us, we made a commitment to them, as they did to us, and we have to work together. We must support each other, if we are to succeed as a department and as individuals. We are, in fact, embattled today and owe each other that much or more.

I conclude with an observation or two. The alarm bells are ringing for American universities. Yet many faculty, administrators and trustees do not seem to hear. Some hear, but are deep into denial of their problem. Some see their specialized interest threatened.

MSU has a unique niche in the structure of higher education in Michigan. We must understand and strengthen what is strong and unique about our role. I despair of colleagues and administrators who compare MSU to Harvard, Princeton, Berkeley, the University of Michigan and other "elite" private and near private institutions and insist we must become like them.

From two-year community colleges, through four-year regional colleges, to Ph.D.-granting university's to the handful of mostly private, national research universities everyone is in a mode of emulation and envy trying to climb the ladder to become another Harvard, M.I.T. or Berkeley. I am a Harvard product, I honor Harvard for its contributions to this society. But society would be poorly served if every college and university were just like Harvard.

In an era in which resources will be limited for the foreseeable future, the individual public institution in order to prosper must differentiate its product--play to its strengths and unique role in its environment or societal niche. That niche will determine most of the demands made on an institution. The question we need to answer is what is MSU's, the College or this Department's niche? What are our strengths and how do we build on our strengths? How do we match our strengths to current and future opportunities?

This is not the time for each of us to focus solely on our own interests to the exclusion of those of the University as an institution. Without the institution none of us would have a place in which to pursue our academic and professional goals. We must put our house in order; we must adapt if we are to have a viable home.

Society is demanding greater accountability for its investment in universities. As Ed Schuh points out, society will let us contemplate our navel, "but it does not have to pay for it".

We are also being asked to change our performance and mix of activities undertaken at society's behest, since society's needs are changing. There is nothing new in this. The university faces these challenges periodically. But we are also being asked, in this process, to share the resource limitation burdens of society.

As university educators and intellectuals we are an especially privileged group in society--and with that privilege goes special obligations, which perhaps we have not tended to all that well in recent times. In any case we face the task of relegitimizing the university after several decades of growing criticism and erosion in its credibility--some of which is justified, some not.

We not only need to improve our performance, we need to explain ourselves better. Many critics, right and left, of the university are just wrong or greatly exaggerate the incidence of that about which they complain. Legislators in some states, for example, and certainly the public, have never understood how time-intensive teaching is, requiring many hours outside of class, if it is to be done well.

If we work together in these tough and challenging times, MSU, the College and this Department will enter the 21st Century a stronger, better institution.

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