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THE COMBINED ECONOMICS DEPARTMENT:
A REPORT ON THE STATE OF THE UNION

by

Jay C. Andersen

THE COMBINED ECONOMICS DEPARTMENT:
A REPORT ON THE STATE OF THE UNION

The Economics Department is an immensely productive group. Our endeavors are probably more diverse than any department on campus. This is a short review of major areas in the department.

Research. We have research that ranges from the most applied, localized service type work to concerns with international monetary systems and trade. To be sure the major portion of our effort is highly localized and policy-oriented. We thought you might be interested in a listing of publications for the past couple of years. An earlier couple of years is also there. Perhaps if we have a shortcoming in our research it is in (to use President Cazier's words) celebrating our successes and accomplishments to those who have political prominence in the state. We contend that we are indeed a great department in our research work. Especially, I believe we have developed the capacity and facility to do interdisciplinary research as well as any group of Economists and Ag Economists in the world. Our publications list joint work with engineers, sociologists, many agricultural scientists, and a host of others. I don't know of any group that even comes close to us in this respect. This ability and willingness is fundamental in addressing real world problems. It also carries over to teaching and extension.

As an example of our research work, since about 1964 members of the department have been crying that measures to increase the physical efficiency of water use on farms lead to serious problems in a broader context of efficiency and equity. Fifteen years, dozens of lawsuits and fairly continuous work by us on the problem has led to a reasonably good working relationship that we now have with the Division of Water Resources and the State Engineer's Office. We count this area of work and our work in water quality as long time successes

which are nationally and internationally recognized. Our work on energy development and community impacts is widely known, especially in professional circles. We urgently need the manpower to be able to make it meaningful in an extension context to make more local use and gain some credits in-state.

We have developed better relationships with departments in the College of Agriculture. We find, and now they are finding, that most any activity in agriculture involves economic implications. Unfortunately, we do not have the manpower to carry out all of the useful work that is needed with these other departments. Right now, we have requests that we can't fulfil.

Teaching. Over the years we have had our share of teachers' of the year. That's quite an accomplishment for "dismal scientists." We do pride ourselves on excellent teaching. Because of the nature of job markets, we have not in the past concentrated on undergraduate majors in Economics or Agricultural Economics. A recent indication of more interest in jobs and our attempts at recruiting has resulted in a tripling of new undergraduate Ag Econ majors for this year. Our Ph.D. program has been productive. We had 8 June graduates and 2 finished since then. One of the most promising programs is the Master of Social Science degree. The requirement for Economic Education in High Schools and the interest in the Human Resources Specialty promises to invigorate our Masters' offerings.

Some of our staff (notably Durtschi) generate close to 2,000 student credit hours in a quarter. That's most commendable, but it also has a bleaker side. Over the years, we have lost teaching support. We have been forced to go to large sections of Principles of Economics to stay in business and have at the same time lost the operating funds and support for hourly help. Unfortunately, we do not have the money to pay for our teaching. A sample evaluation of the teaching load of three of us who teach Ag Econ classes the other day

revealed that teaching was paying for about one-half of the load carried. The rest comes from out of the hide, from Ag Experiment Station subsidization and from Grant funds. Integrity and equity of funding is something on which we have worked very hard the last three years. We still have some work to do on equality of work load. Some need more involvement in grants research or other activities. Our teaching is woefully underfunded to do some changing and updating which we know is needed. We have two positions recently vacated which we have taken steps to fill. But, two others have been vacant for a longer period of time. We simply have had to use the salary money for operating funds. Our operating funds at 2% or so of salaries are immensely inadequate.

Extension. Our extension efforts are excellent for the support we have. Some of our people are spread much too thin. Many of our people are performing extension work without extension funding. We feel strongly that extension functions must be strengthened to build bridges to our (the University's) clientele in the state even without adequate funding. We simply have to do more of this than is funded at present. We feel that much of our shortcoming in "blowing our horn" could be helped by additional Extension funding. We are doing a good job in making our Extension people an integrated part of research and teaching. Many departments view the Extension people as "little brothers." Our intent is to close in even more to make them full partners.

It is interesting to compare funding of extension programs at some sister institutions. University of Idaho with a smaller funding base in their departments of Ag Econ and Econ have about twice the full-time equivalents in Extension. Colorado State with a combined department of similar size to ours also has a much higher allocation to Extension. This small size of Extension commitment has caused a wholesale neglect of needed work in major areas such as community development, farm management, public policy. Other institutions have major efforts along these lines and work is sorely needed in Utah.

As an example of some productive extension work, during the past several years Gary Hansen and Marion Bentley have developed a significant extension and research effort in the manpower and human resource areas. They have been and are currently working closely with key state agencies concerned with employment, training, economic development, and productivity and quality of working life. Through their work USU and the Economics Department are now looked upon as key resources for research and technical assistance by the Utah Job Service, the Department of Industrial Development, the Utah Office of Labor and Training, and the CETA Prime Sponsors throughout the state. Their work has now expanded to the six states.

The way extension and applied research efforts have been working can be illustrated in the case of the closure of the U & I sugar factory in Garland. Gary and Marion were able to obtain over \$76,000 in grants from the Federal government to provide assistance to the affected sugar workers and their communities in three states. They have assisted in the organization of Community Action Teams and provided them with assistance and materials. Through their organizing efforts the community of Garland was able to obtain an additional \$53,000 to assist in developing new industry to replace the Garland plant and has a large HUD grant application in process. Others on our staff have been drawn into the effort and are working with the farmers and other affected groups to help ameliorate the loss of the sugar beet industry in Box Elder County.

Not only are real problems affecting Utah citizens being dealt with through these efforts, but the work of Gary and Marion in their shutdown studies is bringing them national visibility. Their research and extension work has put them on the cutting edge of a serious national problem. Just this past week a staff member from a Congressional Committee called to ask assistance in planning for the possibility of a shutdown by Chrysler.

Administration. I would now like to give you a report on the state of our peaceful coexistence as a combined department. It seems to me that the old divisions and stresses don't exist anymore. People who came from both sides of the merger are working well together in research efforts. Teaching is crossing over the old college lines. For instance, John Keith, who was selected as teacher of the year in the College of Business last year is in a tenure track in the College of Agriculture. Some who are technically tenured in the College of Business devote major effort to Ag Experiment Station Projects. But, the most important thing is that many people from diverse sides of the department find it appealing to work together and to be civil and friendly. We still have stresses and concerns that I feel, but they are now primarily functional and relate to funding integrity rather than the old institutional lines. For my part, any alleged problems that we have because of being a combined department are really only because of somewhat different and awkward external governance and not because of internal incompatibility. As a department we have not spent a lot of time talking about this, because we have not considered it to be a productive topic of conversation. Perhaps there are divergent views. If there are, perhaps it is a purpose of this meeting to hear them.

We are concerned about economists in other places in the University. We can't help but think that things could be better if there were better relationships with those in the College of Natural Resources, some who practice some Economic Arts in the College of Engineering and perhaps some others. Some help from the Administration on further integration would likely be productive. We feel there is merit in consolidating economics work.

A real problem to which we have been subjected is on allocation of space. We have lost space in nearly every building on campus in the last decade.

Our graduate students have been moved from here to there so many times that I despair of keeping up with it. We have repeatedly been forced to dispose of furniture because we don't even have a storage shed. Then we have another room eventually allocated and another staff member comes home and we have the marvelous opportunity to go buy new furniture. This has happened so many times I am almost to worry about a conspiracy against us, even though I don't usually subscribe to conspiracy arguments.

I find it upsetting to work with people from the Engineering College, the Natural Resources College, and others in the College of Agriculture or Science who work with computers, maps, and students to find that they have "laboratories" which have high priority while we are allocated only "graduate student space" which is lowest of the low to do the same kind of work. Just now, we have the immensely satisfying experience of losing graduate student space in the Plant Industry Building, ostensibly for staff offices and laboratories. Curiously, they are now wondering if they might purchase the desks we used for their graduate students. We do have a dozen or so desks for which we have no space. I think we will be a little bitter and not sell them to those who evict us.

I would like now to give a little of my feeling on the proposed planning procedures for the University.

It is a characteristic of organizations in difficulty that they begin to look inward. As that process occurs there is usually more cause to sense difficulty. They become more conservative. The Bears prevail. This results in a consistent downward spiral.

We think it inappropriate to "hunker down" now. The effort expended in introspection across a vast range of programs is inappropriate at a time like

this. The question is only will the University maintain and expand the basic teaching, research, and extension functions.

We cannot afford the time to expend great effort at looking at programs to cut. A proposed effort requiring a couple of weeks to decide how to tighten down by about \$10,000 could result in not only the loss of time, but if two weeks time could be found, I am confident that I could generate at least \$10,000 in research funds. Glover, Hansen, and others could probably find \$100,000 if they could get off the grindstone for 2 weeks. The results of a University-wide analysis will indicate by the quality of the justification just who is underemployed. That is, those who have time on their hands will give the most eloquent and elegant justifications. I simply can't handle this effort. It promises to be counter productive. I commend the administration for making these department visits. Interdepartmental funding priorities can likely be adequately assessed by you on the basis of these sessions. Surely department heads are hired to make the intradepartmental decisions.

We have been subjected to the argument that we can get money so let us go and do that. Others presumably can't obtain grant funds, so they receive an increasing share of the hard money. In recent years, we have not had this happen to us in any serious way, but the argument is basically unfair and inappropriate. A hard money base is essential to the entrepreneuring. It's the old adage--it takes money to make money.

We have growing concerns about incentives in the system. Why should staff members continue to go out to obtain more grant money? At a point, one can only gain more work. Some people like that, but it grows old after the salary is fully funded and teaching is subsidized and the workload is heavy. We have grown to be dependent on some who continue to go out and obtain more work. It

benefits the department (in fact it keeps us in business) and the University. How can this continue? I think a reward system for this extra effort is becoming ever more critical. One who sits in an office trying to cover a set of salaries that begin a year with a major portion unfunded becomes deeply indebted to those who are out pushing. The rest of the department and the University in total need to develop more appreciation. I recommend to you that we involve ourselves early in helping on this critical matter to enhance the incentive systems.

We in the department deeply appreciate the support and consideration of the administration. We feel the commitment you have to us and hope we can live up to your expression and acts of confidence.