

## DISCUSSION: FINANCING AGRICULTURAL ECONOMICS RESEARCH AND EXTENSION IN THE SOUTHERN REGION

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Toussaint points out that generally departments of agricultural economics in the southern region have not been overly favored in relation to other departments in the colleges of agriculture. He emphasizes the concern with our not getting a "fair share" of college extension and research funds. Department heads or faculty in other departments of the college, however, may believe that we are receiving more than our "fair share."

Is it obvious that we need more agricultural economists at universities in the Southeast at the expense of animal scientists, agronomists, horticulturists, and others? I suspect that agricultural economists feel that way. Yet perhaps we are receiving our "fair share" when all things are taken into account. One should ask the question, "What is agricultural economics' fair share?" It can be answered only in a subjective manner. The outputs from our research and extension programs cannot be defined clearly and measured quantitatively. Inputs in man-years or dollars do not appear to be a very good measure unless outputs are the same — and I do not think they are the same.

The cost of doing research has increased faster for most departments in the college than for agricultural economics departments. Salaries have increased at a slower rate than have the costs of most other inputs. A larger share of our departmental research budgets goes to wages and salaries than is the case in other departments in the college. The same is not necessarily true for extension.

The answer that counts in terms of a "fair share" comes from administrative units above the department level — directors, deans, and/or vice presidents. They, in turn, are influenced by special and general funding considerations, perceived needs, perceived performances of departments, ongoing obligations, special interest groups, and other factors. Some aspects of the interaction between these influences and departments of agricultural economics are explored in following sections.

### PERCEIVED PERFORMANCE

Performance may be rather difficult to quantify, yet our salary adjustments are partially or totally based on some performance criteria. Most of us know or find out about the "rules of the game" with respect to performance. If we cannot, we feel very uncomfortable. If we fail to play by the rules, we are likely to be penalized. Are agricultural economics departments playing by the rules of the administrators? Toussaint indicates that he does not believe that the reason for our receiving less support is related to our level of performance. Perhaps this is true. However, departments can perform outstandingly in an area the dean or director believes is relatively unimportant. An administrator's view may be different from the economist's view. Academic freedom may have a cost attached to it. That cost may accrue to the department as well as to the faculty member. This is one of the reasons for keeping faculty informed about "important" research and extension programs.

We discuss growth and/or survival strategies in our teaching, research, and extension programs. Is it possible that there is an appropriate strategy for a department to follow? I suspect this to be the case. Some elements to be considered follow.

### PERCEIVED NEEDS

Sometimes there appears to be a communication problem between departmental faculties and college and university administrators. Neither side appears to be listening. Perhaps part of the strategy should be to listen — even if the signals are dim. The administration may place emphasis on extension and research programs related to state, regional, national, and international problems in a descending order as listed. We may not. With the larger share of the college budget coming from state funding,

the emphasis on state problems is understandable. It forms a base for future budget requests. Another problem may arise from subsidizing teaching from research and/or extension funds. If the effectiveness of the current research or extension programs is perceived as being reduced very much by these teaching commitments, conflicts can arise which can be detrimental to departmental support and departmental faculty.

Agricultural economics departments in the Southeast have had a large number of unfilled positions. Convincing the administration of a great need for additional support is difficult when there are unfilled positions in the department. Perhaps the supply of agricultural economists at the wages offered has limited growth.

Toussaint indicates a trend back to production economics and commercial agriculture. This is a most rational strategy. Marketing and production economics/farm management extension and research faculty are in a position to provide useful information to help farmers solve problems they perceive as important. Marketing strategies and financial management are perceived as two of their most pressing problem areas. Are we doing as well as we should be doing? An outstanding performance in these areas might result in additional resources which the department can devote to other programs or areas.

A number of agricultural economists perceived that rural development research and extension programs would be supported at a high level from federal and state funds. This has been a misconception. The needs perceived by the legislature have been primarily in terms of action programs. Most recipient agencies have not perceived much need for our educational and research programs. The same is basically true of most state agencies. Yet it appears we have much to offer. A strategy based on personal contact and delivery of needed extension programs and research can change, and in some instances has changed, their perceptions of needs. This approach can provide a fertile field for future grants.

Toussaint's concern about accepting grants that do not complement ongoing or proposed programs is certainly shared. There is an additional danger. We need to make certain that time is still available to pursue research and extension efforts based on future needs rather than being subsumed by current, pressing problems. Our reservoirs of knowledge are being depleted.

### ONGOING OBLIGATIONS

The usual tendency of college administrators is to emphasize the needs of the college rather

than those of the individual departments. This emphasis is most rational. Many individuals outside colleges of agriculture put more emphasis on the agriculture than they do on the economics. Most of our clientele are not very concerned about departmental affiliations. They are just looking for someone to assist them in solving their problems. Special interest groups do influence administrators' priorities for programs and projects. Generally, they are likely to support the college budget and ongoing programs, especially those containing research and extension programs of special interest to them.

It is my impression that the college and university feel an obligation to faculty who are in positions classified as permanent. In addition, there is an obligation to fund or help fund the programs of these permanent faculty that are considered productive by the administration. These are "ongoing obligations."

This commitment can work to the advantage as well as to the disadvantage of departments of agricultural economics. The disadvantage is that it can slow the growth of a department when its services are in great demand. It can work to our advantage if Toussaint is correct in stating the trend toward an increased emphasis on basic research and non-social-science-oriented competitive grants. The production departments in the college will be better able to compete for these funds. State funds will then make up a larger portion of the departments of agricultural economics' budgets. Our budgets may not be hurt much because we are one of the "ongoing obligations" of the college. Our downside risk is reduced.

### SUMMARY AND CONCLUSIONS

Toussaint's three implications for funding of extension and research in agricultural economics are well stated. Perhaps I am a little more optimistic about the generation of funds from the state legislatures.

All in all, I do not see a way that agricultural economics will be able to obtain a very much larger "piece of the pie" with respect to college funds. Certainly some strategies should be helpful in making our departments competitive with other departments in the college. We might better spend our energies in trying to increase the size of the pie (so-called "hard funds") coming to the college rather than being so concerned about the size of each slice. Grant funds are not considered as part of the pie, but rather the ice cream that goes with the pie. Of course, if one has enough ice cream, one may receive a smaller piece of the pie or may be able to support more activities from the same size piece.

I suspect that I am an optimist. We may have to work a little harder to get funding. We may have to work together a little better. We may have to realize more fully that we are hired to help the citizens of the state, region, or nation rather than to help ourselves. I do be-

lieve, however, that we will continue to be able to finance our research and extension programs at present levels. If we put our minds to it, we might even expand our support levels.

