

New Dimensions and Potentials for AID-University Cooperation

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This paper is a report to the profession on recent developments in AID-University cooperation. It describes and evaluates some new mechanisms that have potential for enhancing the research, technical assistance and training roles of U.S. universities in foreign agricultural and rural development.

The paper emphasizes approaches whose impacts will be realized over a period of several years. It does not, however, speculate on the organization of our foreign aid program following the 1976 national election. Neither is there any attempt to predict the overall level of support foreign assistance is likely to receive in terms of future Congressional appropriations.

While the paper touches on AID's total program in the broad fields of food production and nutrition, it concentrates on work in the economics of agricultural and rural development. It is organized around the so-called Title XII amendment to the 1961 Foreign Assistance Act and the Agency's Expanded Program of Economic Analysis for Agricultural and Rural Sector Planning.

A brief description of the situation in AID and U.S. universities in the early 70's may be useful as background. The foreign assistance program was experiencing drastic decreases in real appropriations. By internal decision and Congressional edict, AID was concentrating its efforts on selected development areas. The most prominent of these was food and nutrition, with additional mandates to assist small farmers and the rural poor in the most needy countries. The era of large-scale bilateral capital lending was over. Problem solving by means of a collaborative low-profile approach was the preferred mode. Personnel levels in AID were declining and the Agency was finding it increasingly difficult to attract and hold professionals with the

expertise and experience needed to implement its new-style programs.

Universities were marking time. AID and foundation support for long-term institution building programs in LDCs had almost disappeared. Faculty members with foreign experience were finding greater rewards in domestically-oriented research and teaching. Funds for training LDC students and research on LDC problems were scarce. AID wanted to utilize the universities' expertise, but mainly on a rapid-response, short-term basis for internal programming and implementation purposes. The Agency seemed increasingly reluctant to invest in the maintenance and expansion of the capability of universities for research, training and technical assistance for foreign development.

Purpose and Potential of Title XII

Title XII, the Findley-Humphrey Amendment to the 1961 Foreign Assistance Act (officially titled the Famine Prevention and Freedom from Hunger Amendment), emerged from initiatives and responses of the Congress, the Executive Branch and the universities. As passed, the legislation is very broad and can be considered to include all of AID's program in the general fields of agricultural development and nutrition dealing with research and technical assistance.

The AID initiative originated from belief that new technological breakthroughs were required to solve present and pending world food and nutrition problems. More research to produce these breakthroughs was thought to be needed, not only basic research to create new knowledge but adaptive research so that available research knowledge could actually be utilized in developing countries.

AID emphasizes three main program elements in its support of this knowledge generation—

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adaptive research—technology adoption process. The first element is the national research-extension systems in LDCs, which are widely regarded as the weakest link in the problem solving networks that link scientists to LDC farmers. The second element is the rapidly developing system of international agricultural research centers, to which the U.S. is a major donor. The third element is the centrally funded research activities primarily carried out by contracts with U.S. universities and non-profit research institutions.

Title XII adds a new component to AID's central research effort—program grants. The concept is to organize research activities that will contribute both to U.S. and LDC food and nutrition needs and to finance these activities jointly from domestic funds and AID program grants. The joint funding reflects the mutual objectives of U.S. universities and LDC institutions and the expected sharing of the benefits domestically and internationally. This notion of complementarity in the solving of U.S. and foreign problems is basic to the Title XII approach.

The Administration's proposal to the Congress for foreign assistance legislation in FY '76 included a section that covered these program elements, with language that had the effect of lifting the existing research ceiling and also freeing a number of other constraints in the existing legislation. It also asked for a commitment by the Congress to the concept of long-term, sustained support for food and nutrition research activities.

Another initiative, which was taken by Congressman Paul Findley of Illinois and others in 1975, reflected considerable discontent in the university about the way universities were being used in the foreign assistance program. This discontent goes back a long way; it is based on the ambivalence between what AID says about wanting a partnership with universities and the actions of program officers, contract officers, mission directors, and bureau personnel who have frequently treated the universities as if they were commercial contractors.

The basis of the initial Findley concept was the idea that one way to solve the world food problem was to replicate the U.S. land grant university system in the developing countries. It surprised some of us that this idea would be put forward in 1975 as new. But it was, and it got a lot of support in the university community primarily, I suspect, from people who had not previously been involved

in foreign aid programs and did not know very much what had happened in the past or what is going on now. Many university people with a good deal of experience in foreign aid supported the legislation because they saw it as a useful offset to views held by Boards of Regents and legislatures and voters that overseas involvement was not an appropriate role for a land grant university, which rather should be domestically oriented serving the people of its state. Land grant universities needed a charter that would legitimize their role in working on food and agricultural production problems outside of state and national boundaries. An important purpose of the proposed legislation was to provide a statement of Federal policy and funding as a basis for seeking such a charter from the citizens of the states.

In the legislative process the Executive and Congressional initiatives were essentially combined. Virtually all of the discussion and arguments, of which there was a great deal, was on the Findley proposal—which became the Findley-Humphrey Amendment—that sought to extend and enhance the role of the universities. The first version put forward would have had created a special office to manage the university program on a worldwide basis. That was rejected on the very practical grounds that the USDA appropriations Committee were not likely to put much money into it and that it was the business of the State Department and AID to manage foreign aid programs.

The second version proposed the establishment of an institute managed by a board consisting of government officers and university representatives which would have run an independent program, somewhat like the proposal for a development institute which was part of the proposed AID reform program several years ago. That idea floundered on opposition from the Executive Branch and the strong view of key Congressional leaders that the various components of aid need to be managed in an integrated fashion to achieve effective results.

At this point in the development of the legislation, then, a number of people, particularly on the university side, were arguing very strongly for an enhanced university capacity to provide technical assistance on the traditional model of institution building. And in opposition to that, AID was pointing out that an important component of bilateral aid activities financed by the

U.S. Government should not escape the integration that is necessary with other assistance instruments in order to assure effectiveness. AID also argued that the need for the traditional university-to-university relationships to achieve development objectives was considerably less than it had been in earlier years and that a different role for universities might be more productive. The agency supported a role focused on training and technical expertise and the capacity for research on particular problems affecting both the U.S. and developing countries. AID also suggested that the traditional sister-to-sister relationship tended to use up rather than expand university resources. The professor who spent four years, say in Guatemala as an advisor to a university, usually did not benefit in terms of his professional development or his increased expertise relevant to U.S. problems. But the professor who goes to the Guatemalan research organization, ICTA, as part of a joint research program on a particular problem and works collaboratively with his university and ICTA colleagues could very well be doing work that would advance his professional standing and extend his knowledge of a particular problem area. He could not only add to his own capacity but to what he had to give his university when he returned to it.

To summarize very briefly, the legislation covers essentially two things: all research activities in agriculture and nutrition financed by AID and all U.S. assistance in research, extension and education with primary emphasis on the university role. The legislation and legislative history clearly specify that the programs are governed by what AID calls its mandate to work with the small farmer and the rural poor. It is also clear that the program *is not* intended to be primarily a transfer of resources to U.S. universities to increase their own capabilities and *is* to be carried out overseas in developing countries to the maximum feasible extent. While there is no country limitation on programs that are conducted under this title, the Agency is not likely to use this authority to provide large-scale bilateral assistance to countries that are not otherwise eligible.

There is the promise of long-term financing. The funding comes by drawing on appropriations under section 103; it is not new money. It is an authority to draw on money that is requested and appropriated under the heading of Food and

Nutrition in the Foreign Assistance Program. No amount of funding for Title XII programs has been specified, although funds could be earmarked in future appropriations.

With reference to organization and management of Title XII programs, the legislation established a Board of International Food and Agricultural Development. The Board will consist of seven members, at least four of whom will be from universities. Universities are defined as land grant institutions or other institutions with similar capacity. The Board is essentially advisory, but it has several functions which are not usual for a government advisory board. These functions range across the whole scope of programs under the title, and, by implication, the whole scope of AID programs in food and nutrition. The Board has the right to be consulted and to participate in many of the processes of policy and program development and implementation under Title XII. This is seen most clearly in the required annual report to be made by the Administrator to the Congress and in the five-year projection of programs under Title XII which must be included in that report. The legislation specifically states that the Board shall be consulted about the report and the projections. If the Board has divergent views, it is specifically authorized to have those views included in the report AID forwards to the Congress.

The legislation specifies that the Board may set up subcommittees and subgroups. One joint committee specifically authorized will be concerned with research. The main thing involved is the program research grants, which, because they will involve *joint financing* will also involve joint management. So the committee on research will participate in the management of the jointly financed research programs.

The other committee specified is the *joint committee on country programs*. Here there seems to be few new ideas that are developed and ready to be considered. What we do have is an expressed willingness and eagerness on the part of the Agency to consider possible new approaches which may be suggested inside the Agency or by the university community; new approaches to the involvement of universities in bilateral programs that are more compatible to the universities and that are more effective from the viewpoint of the Agency.

Beyond legislative history and description, the key question is: *What difference does the passage*

of the legislation make? For one thing, it gives AID a charter on two points: to expand research and to program it on a longer term basis. It also provides a basis for land grant universities to say to their boards, legislatures and publics that it is a legitimate function of theirs to work on LDC food production and nutrition problems. It provides a basis to build new programs in both the research area and the field of technical assistance for research, education and extension. And it provides a mechanism for universities to participate in AID's internal processes of policy formulation and program implementation.

Exactly how the mechanism is going to work is quite open at this point. And the difference that the legislation will make will only be known when we know something about what happens to appropriations. It is clear that development aid, including Title XII, has generated support that is stronger than has been common in recent years. Whether that support leads to an increase in appropriations only time will tell. Also, time will tell whether the new longer-term programs put forward under the heading of Title XII will be able to compete within the agency for adequate financing, which clearly will be necessary if the potential of the legislation is going to be realized.

AID's Program in Agricultural Sector— Planning and Policy Analysis

AID has recognized for some time the urgent need in most developing countries to improve the performance of the agricultural sector as a means to promote their overall economic and social development. The recent world food crisis was a grave reminder that the rate of growth of world agricultural output is still insufficient. In many developing countries food production has barely kept pace with population growth, while in Africa and parts of other continents per capita food production has actually declined. This inadequate output growth is in spite of expenditures of hundreds of billions of dollars on agricultural programs, including billions of dollars of external development assistance. The Green Revolution produced a significant surge in output about the mid-1960s, but primarily of a few basic grains grown largely in irrigated areas. Notwithstanding its demonstration that major output gains are

possible and its stimulus of substantial new efforts, the Green Revolution has not yet solved many problems that require much more attention if LDCs are to have the capacity to produce adequate food in the future.

The situation in many countries is even less satisfactory in regard to objectives other than increasing food production. Improving income distribution, nutrition, reducing underemployment, raising productivity and levels of living of the rural and urban poor, and maintaining price and balance-of-payments stability, are some of the goals that are being increasingly emphasized in LDCs. More and more, countries and aid agencies are placing priority on programs whose benefits will be widely distributed by the output and productivity increasing process itself, rather than deferring concern with equity objectives until after adequate output levels have been achieved.

"Rural development" is becoming widely used to reflect the idea that the objectives of agricultural development should include expansion of productive employment opportunities both on and off farms and greater sectoral, regional, and personal equity in the distribution of income and social services, as well as substantial increases in output, if the large number of rural poor in LDCs are to benefit from growth. In this sense, rural development looks at LDC growth processes from the viewpoint of a target population—the majority of people in rural areas who now exist in varying degrees of absolute and relative poverty and whose living standards are tending to deteriorate in many countries as rural populations grow relative to available resources, technology in use, and prevailing institutional structures.

This express concern of rural development with multiple economic and social goals for the target rural population has not yet produced an adequate analytical framework nor an approach that shows how the benefits of the development process can be widely extended to the small farmers, landless laborers and non-farm workers, who constitute the poor majority of LDC rural populations. AID is increasingly concerned with how sector analysis and other analytical activities can be applied to assist LDCs to utilize increasing output, improving productivity, and expanding employment in farm and non-farm occupations as means towards higher incomes, improved nutrition, and increased provision of basic social

services for the total rural population. The agency encourages LDCs to clarify the consequences of the existing growth patterns and processes and identify feasible and consistent strategies, policies and programs for benefiting target groups. It is placing high priority on assisting LDCs in developing the skills necessary to analyze the needs of their rural population and the tools required to develop coherent policies, programs and institutions to expressly address those needs.

Pursuit of multiple goals greatly complicates the development problems in LDCs. AID has concluded that the inadequacy of capabilities for analyzing the consequences of alternative agricultural policies, programs, and projects is a major constraint on the attainment of their several objectives. At present, most LDCs have little analytical basis for choices among alternative investments and policy options. Yet, billions are now being invested in agricultural development by LDCs and assistance agencies, often with far less than optimum results. Investment and policy decisions are all too frequent made on the basis of imprecise identification of goals and subjective evaluations of expected results. Where analysis is employed, it is usually inadequate in methodology and empirical content to reliably estimate likely outcomes of alternative choices by decision makers.

The approach of project identification, analysis, and implementation used by many countries in the past is not adequate to cope with the situation confronting most LDCs at present. It is becoming increasingly apparent that sound planning, appropriate policy analysis, and relevant program formulation are the keys to successful agricultural sector development. Without good planning and policy analysis, LDCs are finding it increasingly difficult to identify and implement the linked and interdependent policies, programs, and projects at the economy, sector and district levels needed to achieve their multiple objectives for economic and social development.

LDCs need to be able to explore analytically a wide variety of kinds of questions about agricultural and rural development—using relevant tools and reliable data. They need to know, for example, how best to allocate resources among different crops. They need to know whether their land, labor, and capital resources are being used efficiently in pursuit of their multiple goals.

They need to know the implications of technological and policy choices on output, input, employment, and income distribution objectives. They need to better understand how agricultural change effects the total economy and how the agricultural sector is affected by growth and change in other sectors of the economy. They need to understand how to affect and organize for participation population groups that have largely been excluded from past growth processes. At present, most LDCs are unable to obtain useful answers to these questions due to a lack of analytical capability and a poor data base. Nevertheless, in a number of countries, policy makers are beginning to recognize the significance of the questions and the importance of the analytical capability needed to answer them. As a result, they are beginning to make provisions for agricultural and rural sector analysis in their staffing and budget plans as a crucial component of their overall planning systems.

The improved selection among alternative policy interventions and public investments made possible by good agricultural sector analysis increases the potential for further and faster movement towards multiple LDC development goals. Agriculture is still so important in LDC economies that the magnitude of impact on national goods from better use of resources in this sector is potentially large. Moreover, the rural economy contains the bulk of the poor people and is the source of many of the urban poor, so that social pay-offs from programs that reduce rural poverty can be high.

The critical questions facing LDCs require many types of analysis involving different degrees of methodological sophistication, different time spans, and different levels of aggregation. Analysis can range from short-term sector assessments and related project identification and evaluation activities through medium-term subsector studies of commodities or regions to a full sector analysis involving a substantial effort to model the entire agricultural and rural sectors and their interaction with the rest of the economy.

Choices of approach and models in a given LDC should reflect:

- 1) Clear formulation of problems to be analyzed and specification of purposes for which the analysis will be used,
- 2) Quantity and quality of human and financial resources available,

- 3) Quantity and quality of data available or feasible to collect for verifying and validating the analysis, and
- 4) Needs and requirements of decision-makers intended to be aided or influenced by the analysis.

The point of view adopted by AID is that there is no single "best" model nor methodology nor approach for use in all agricultural and rural sector analysis activities. Choices must reflect an attempt to balance and reconcile conflicting objectives and resource constraints with immediate and long-term demands for information by policy makers.

Viewed in terms of purpose and utilization, current work in this field can be classified into three main types:

1) *Sector studies sponsored by external donors and assistant agencies.* These vary from very short-term assessments by foreign consultants to 6-12 month sector surveys and studies undertaken collaboratively by LDC personnel and visiting experts. AID and the World Bank have sponsored the largest number of these studies. They have tended to be mainly descriptive and have depended more on subjective judgment and evaluation by experts than on the use of analytical techniques. The series of Country Perspective Studies carried out by FAO with host government cooperation is another example of this type of study although with more systematic and uniform attention to methodology than has characterized the AID and World Bank approaches.

The interest in these studies runs heavily to priorities for government investment programs and projects, especially those amenable to financing by the sponsoring agency. They are usually limited to available data and seldom result in any continuing or follow-up activity in the country. In some countries, overlapping studies have been undertaken by different agencies in close time proximity but with little or no attempt at coordination. Government and aid agencies have legitimate needs for appraisal of alternative sector strategies and identification of priority policies, programs, and projects. Achievements will be limited, however, as long as the studies consist primarily of recommendations from foreign consultants to external assistance agencies based on superficial study of inadequate data of dubious quality.

2) *Sector modeling for policy analysis.* These are the relatively few longer-term efforts involving development and actual utilization of formal sector models in developing countries for policy purposes. The main examples are Mexico, Korea, Columbia, and Thailand.

3) *Development and testing of alternative methodologies for sector and subsector analysis, and research on key intra- and intersectoral relationships and factors in agricultural and rural growth processes.* This category includes a lengthy and diverse array of activities. The development of a systems simulation model for Nigerian agriculture and application of recursive linear programming to the Punjab and southern Brazil are examples. Work on the theory of agricultural growth should be included because of its relevance to appropriate model formulation with adequate linkages between target variables and policy instruments. Work in several disciplines is needed to produce more efficient and reliable methods.

During the past few years, AID has ineffectively attempted to depend upon existing regional bureau capacities while enlarging and utilizing U.S. professional capacity through the Technical Assistance Bureau. It established a pool of U.S. professional talent through the 211(d) grant program. Research and GTS contracts have also been used to develop new approaches, add to our knowledge, and utilize U.S. capability in LDC situations.

Past performance in agricultural sector analysis and activities under the existing set of arrangements was, in many cases, inflexible and bureaucratic. The problems have made for bottlenecks in the actual delivery of assistance and aggravated the goal of securing and retaining qualified personnel in this field.

AID has now undertaken an expanded set of technical assistance research and training activities to expand and strengthen the capability of LDCs to identify and analyze the consequences of alternative policies, programs and projects. The hoped for result is an improved information and analytical base for decision on agricultural and rural development strategies, interventions and investments.

A system of Cooperative Agreements will be utilized to carry out this expanded program. The Cooperative Agreement approach 1) provides for a combination of applied research and technical

assistance to be carried out in a collaborative mode with LDCs; 2) provides for effective mutual participation in planning and operations by AID and the universities and agencies—to make the universities and agencies and their staff a part of the system rather than passive participants in it; 3) provides for mutual long-term commitments of AID and university and government professionals; 4) provides for flexibility in work content and budgeting and rapid response to change in work direction called for by such factors as new program directions or analytical needs, new research findings, new breakthroughs, opportunities and problems; and 5) provides for designating the specific professionals to be engaged in mutually agreed work.

Criteria for selecting universities for inclusion in the system are: 1) availability of high-quality professional talent experienced in sector analysis or complementary activities, 2) program commitment and active interest in LDC rural and agricultural development, and 3) agreement that cooperative work with AID is consonant with the university's purposes.

The Cooperative Agreement will specify the kinds of work to be carried out, i.e., collaborative technical advisory work with LDCs, short term analysis and advisory services for AID, and methodological aspects of sector analysis. It will identify the participating AID and principal university employees. It will provide for joint resources to be made available to finance the work on a cost-sharing basis. The project is designed to attract the long-term participation of competent and experienced professionals in the universities and government agencies.

The mechanism for facilitating coordinated policy development by AID and universities in planning, implementation and evaluation of these activities is the Agricultural and Rural Sector Planning Advisory Committee. This Committee brings together representatives of each regional bureau, central bureaus, universities, other government agencies and a public representative. It will be established as a formal advisory committee to review and assist in the planning, implementation and evaluation of activities that involve agricultural and rural sector planning and policy analysis.

Inasmuch as this project creates a new style of operation for the Agency in working with universities and among its bureaus, the structure and distribution of responsibilities and functions is neces-

sarily tentative and experimental. Although it is anticipated that the project will initially operate under the organization and procedures discussed here, needed adjustments will be made as experience is gained with the collaborative style to better achieve the program's purposes and goals.

Problems and Potential for Progress

A good place to begin this summary section is a statement of the major interests of the three main actors: universities, AID, and LDCs.

Universities want assured federal funding to support graduate training and research in and on LDCs on a flexible long-term basis. AID wants to utilize the knowledge, expertise and experience of universities in its internal programming, including access to the most qualified faculty members for short and long-term assignments in AID's own programs. LDCs want collaborative working arrangements that focus the best U.S. expertise, wherever it may be found, on their most important problems. No mechanism in place or in prospect will provide for full joint maximization of these multiple and frequently conflicting goals. But progress seems possible on a few key problems.

One of the main difficulties we have faced is providing for long-term participation of faculty in international development work. The reasons are well-known. They include the professional obsolescence of the U.S. professional who has served several years overseas, the lack of peer recognition of the type of work involved in many foreign assignments, delays in promotions and salary increases, and the lack of long-range career opportunities. These disadvantages have made it dangerous for young professionals to accept foreign assignments, difficult to attract established faculty, and risky to advise graduate students to pursue careers in international development.

The programs discussed earlier have the potential to alter some of these serious shortcomings. To the extent that professors are working in their own disciplines on problems and using tools important both to LDCs and to the U.S., the problem of professional obsolescence can be mitigated. Movement to an LDC and back to home campus would not necessitate a period away from their disciples. There would be little or no break in professional development, less disincentive for international

work. Opportunities to do research in collaboration with LDC institutions as a part of Ph.D. training or early in professional careers will facilitate entry of young professionals and permit a focus of graduate training on LDC agricultural and rural development problems.

Another problem area in which progress is possible is that of organization and coordination. The mechanisms discussed in this paper provided for joint planning, implementation and evaluation of research and technical assistance activities. How well will this collaborative style work?

A good example is the question of priorities. An infinite number of problems of importance confront LDC agriculture. But the degree of their importance varies. These problems must be evaluated according to their significance—their importance to LDCs if solved. Assessing this potential significance is a contribution to joint decision processes that AID personnel can make. They can bring to these decisions the results of constant interactions of AID Missions with the governmental and institutional leadership of these countries. Of course, very heavy weight should be given to the perception of needs on the part of the LDCs themselves, especially to what they wish to do and will support.

However, U.S. Land Grant Universities also have much to contribute to decisions on what problems should be selected for research and how those problems should be approached on behalf of the LDCs. They have the bulk of the American scientific expertise in U.S. agriculture and probably in LDC agriculture. Therefore, working arrangements must be developed to embrace and utilize this university scientific expertise

in connection with AID's unique capabilities for collaboration with foreign governments.

A second excellent example is the organization of collaborative research and technical assistance activities. LDCs want the best U.S. talent working on their problems. It is unlikely in many cases that a single U.S. institution has all of the necessary expertise to successfully focus on an identified problem of interest to several countries. Complex networks of U.S., international and LDC institutions must be organized and operated. To what extent does this scarce management expertise exist in universities? How can it be mobilized and utilized through the mechanisms described in this paper?

In conclusion I want to make some brief comments about areas in which universities can improve their performance. One—already alluded to—is the necessity to work collaboratively with LDCs, international organizations, and other universities in new and different ways. Second, we need to be more sensitive to problem, regional, and country priorities than I believe we have been in the past. Third, we need to better understand the forward planning and programming requirements of the foreign development program and be more responsive to AID's legitimate needs for short and long-term assistance. Finally, we need to do a better job in communicating with AID and LDC personnel about our research and technical assistance plans, progress, and results. While unrealistic planning, unjustified budgets and unexplained delays are not the sole source of bureaucratic inflexibilities and contractual rigidities on the part of AID, they certainly compound the problems that program managers in the Agency face.