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SUPPLEMENT TO SECOND ANNUAL REPORT TO
U.S. AGENCY FOR INTERNATIONAL
DEVELOPMENT 211(d) GRANT

July 31, 1974

BUREAU OF ECONOMIC RESEARCH AND DEVELOPMENT

VIRGINIA STATE COLLEGE

PETERSBURG, VIRGINIA 23803

SUPPLEMENT TO SECOND ANNUAL REPORT
U.S. AGENCY FOR INTERNATIONAL
DEVELOPMENT 211(d) GRANT
July 31, 1974

TITLE: To Improve Competence in Agricultural Economics
and Economics to Analyze and Contribute to Resolving
Problems of Low Income Farm and Rural Non-Farm Units

GRANTEE: Virginia State College

COORDINATOR: Huey J. Battle, Director
Bureau of Economic Research and Development

Please make note of the following changes:

1. Reverse present pages 1 and 2 with Table of Contents
2. Page 7, paragraph 1, line 9, delete the word "of" and insert the word "and", so that the line reads "them issues and problems in the area of international"
3. Page 7, paragraph 2, line 2, delete the letter "t" from the word "freshment"
4. Page 8, first paragraph under D., delete the word "representation" and insert the word "representatives"
5. Page 9, line 3, insert the number "5" after the word "page"
6. Page 12, paragraph 1 under IV., line 5, delete the word "transferring" and insert the word "transferring"
7. Page 12, paragraph 2, under IV., line 2, insert the word "but" after the comma
8. Page 21, line 2, delete "fy" and insert "FY"
9. Reverse pages 1 and 2 of Appendix I, page 22

SUPPLEMENT TO APPENDIX I

THE ROLE OF CREDIT IN THE PRODUCTION
ORGANIZATION OF THE FARM-FIRM - THE CASE
OF FARMERS IN SOUTH CENTRAL VIRGINIA

by Victor A. Whittaker

AN ABSTRACT

Credit is one of the most important dimensions of farming. It is hardly likely that modern farming can be very successful without the use of some amount of credit. Essential to the most effective use of credit is a sound understanding of the important factors affecting and affected by its supply and demand.

In South Central Virginia, as in many other farming areas, most credit institutions or credit schemes operate on criteria which tend to be too restrictive for the small farmers. And because of the size of their farms and resulting low productivity, credit is, therefore, more expensive to them. These conditions often invite rejection of the farmers by lenders. Thus, they are obliged to operate at rather low leverage and liquidity, and overall productivity is often quite minimal or inconspicuous.

This piece of research proposes to delineate and investigate the most salient issues relevant to the role of credit as it affects the basic organization of production among the small farmers in South Central Virginia. The initial phase of this research project is intended to describe and explain the existing situation in the area. The central focus, however, will be an analysis of the existing credit structure.

The major objectives of this study are to: (a) compare the costs of credit by major sources and intended uses, and analyze factors

influencing supply and demand for credit; (b) identify specific problems in agricultural credit which require attention and to suggest further related research on these problems; (c) evaluate the general validity of the research findings for application in the less developed countries.

The data gathered will be analyzed by the use of a simple equity growth model. This model, presented in a simplified functional form, identifies the important components in the growth structure of the farm-firm. The basic form of the model is as follows:

(1). $P = (rA - iD)(1 - t)$; where P = profits and/or savings
 A = total assets
 D = total liabilities
 r = net rate of return
 t = rate of income tax
 i = average interest rate

(2). $g = (rA - iD)(1 - t)(1 - C)$; where g = savings or growth in equity
 c = consumption expenses

(3). $G = \frac{\Delta E}{E} = \frac{rA - iD}{E} (1 - t)(1 - C)$; where G = growth rate
 E = equity or net worth
 ΔE = change in equity

The data are being collected by the use of a simple questionnaire. It is anticipated that the research project will be completed before the end of 1974.

211(D) ANNUAL REPORT

JULY 31, 1974

TITLE: TO IMPROVE COMPETENCE IN AGRICULTURAL ECONOMICS AND ECONOMICS TO ANALYZE AND CONTRIBUTE TO RESOLVING PROBLEMS OF LOW INCOME FARM AND RURAL NON-FARM UNITS

GRANTEE: Virginia State College

COORDINATOR: Huey J. Battle, Coordinator

A. Statistical Summary

Period of Grant: June 1, 1972 to May 31, 1977. Amount of Grant \$500,000.00

Expenditures for Report Year \$ 50,851.05 . Accumulated \$ 78,886.03
Anticipated for next year \$140,491.36.

B. Narrative Summary:

Virginia State College, with its focus on both small farm and non-farm units, continued its research efforts during this year in developing a mass of information that will prove useful in making recommendations for resolving problems presently encountered by small farmers, small businessmen and workers in predominantly rural communities. It is anticipated that many problems encountered are not unlike problems faced by farmers and businessmen in less developed countries. The research emphasizes manpower, management, and marketing. To this end, Virginia State has engaged itself in the following research projects: Social, Economic, and Agricultural Resource Data; Re-Allocation of Resources for Specified Income Goals of Small Farms in the Seventeen Counties of South Central Virginia; and, The Role of Credit in the Production Organization of the Farm--The Case of Farmers in South Central Virginia. Supportive research conducted this year includes: Job Mobility of Rural Residents of South Central Virginia; Labor Market Participation in the Rural Counties; and, Labor Market Activity of Women in Rural South Central Virginia.

The Utilization of research finding is viewed with importance not only in making decisions regarding productivity and the allocation and distribution of resources but also in vocational training and teaching of students. Thus, each person engaged in research also has a teaching assignment in order to transmit some of his finding to students. Such courses taught this year include Farm Management, Agricultural Policy, Marketing,

Inequality and Poverty, Economics of Urban Problems, and Introduction to Sociology. The results from this research-teaching arrangement have been quite encouraging. Two faculty members were employed this year to strengthen our program.

A Master's Program in Economics was approved this year and will be effective beginning September 1974. The areas of concentration in our Master's Program include: economic development, manpower, and managerial economics. The 211(d) Grant has made possible the purchase of a limited volume of books, periodicals and other reading materials needed for Virginia State's Program in economic development. Our Master's Program and acquisition of books are major steps in the direction of achieving the objectives of this grant. The official notice of approval of our Master's Program was not received until May, 1974, thus, graduate student participation in the program for the first year is expected to be somewhat less than optimum.

Six undergraduate students participated in the 211(d) student assistantship aspect of the program this year. All performed satisfactorily and will continue to receive support for the year 1974-75. We expect to have two or more graduate research assistants on the Master's Program for the year 1974-75.

Virginia State College, through its Bureau of Economic Research and Development, made an exploratory tour of six universities in four countries of Africa for the purpose of ascertaining the feasibility of an economic development linkage with one of the universities visited. Although a formal linkage has not been made as of the date of this report, the responses were very favorable and a linkage is anticipated. Efforts will be made to finalize a linkage during the year 1974-75. This is one of Virginia State's top priorities.

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Virginia State College African University Linkage
Exploratory Tour

C. Detailed Report

I. General Background and Purpose of the Grant

In spite of productivity increases in the United States in the past decades, certain areas of the country have not kept pace with the average rate of productivity. Virginia State College, through its Bureau of Economic Research and Development (BERD), has focused its research efforts on the low-income segment of the rural sector. It has selected rural South Central Virginia, consisting of seventeen counties and five cities, as its laboratory. The laboratory may further be described as the poverty or low-income area of the state of Virginia. Poverty has not been eradicated by increased productivity in the United States as a whole. This persistent poverty in certain areas raises certain questions of concern to the College which are also of interest to the Agency for International Development.

This grant was made to Virginia State College in order that the College may improve its competence in Agricultural Economics and Economics so as to enhance its ability to effectively deal with the problems of low-income agricultural and rural business units. Experience gained from solving problems in rural agricultural and business sectors will be helpful particularly in solving similar problems in less developed countries (LDC's). Proposal for the grant was designed to include staff development, increased faculty, curricular changes, increased relevant research, international agricultural seminars, improved library resources, and the beginning of linkages with selected developing countries.

The most recent experiences of the College tend to support the long-held belief that economic planning is essential for effectively re-allocating limited resources in such a way that economic growth can be realized under financial constraints. Thus, economic planning seminars have been tentatively prepared to be held during the life of this grant. From our experiences it has also been discerned that efforts need to be devoted toward manpower development, management and marketing techniques if the upward mobility of man is to become a reality in low-income rural areas of the United States as well as in the LDC's. With a greater degree of specificity the problem one finds apparent include:

1. failure to make long range plans using the systems approach,
2. absence of innovations at the small unit site, whether the farm or business,
3. scarcity of marketing skills for the present production,
4. inadequate management at the small unit site to cope with a dynamic progressive society,
5. failure to communicate or transfer knowledge of an innovative nature to management of small units, and
6. the feeling of a systematic exclusion from society by the low-income people.

Although this grant is designed to improve the competence in the Departments of Economics and Agricultural Economics, a multi-disciplinary approach is needed. The BERD of Virginia State College has an interdisciplinary staff that can focus on these problems in a somewhat comprehensive way. The problems are multifacet and although the College does not purport to solve all

of them, it can participate in a meaningful way in ascertaining an understanding of the position in which the people are found and help to design a workable program to alleviate these problems.

II. Objectives of the Grant

1. Objectives Restated

The overall objective of the grant is to improve competence in economics and agricultural economics to analyze and contribute to resolving problems of low-income farm and non-farm units. To achieve this objective, the activities include:

- a. Expanding the staff and providing opportunities for present staff to acquire additional competency and expertise in economics useful to AID and as defined in this grant.
- b. Enabling staff to develop new materials on LDC's useful in teacher-learner situations.
- c. Providing a series of workshops, seminars, and consultants to help the College expand its knowledge and competency in development problems and programs. Also these activities will help define both the region and countries in which our interests and efforts would be most useful, and help identify the appropriate programs.
- d. Providing opportunities to engage in research of both domestic and overseas low-income problems.
- e. Strengthening formal offerings in economics, agricultural economics, and closely related disciplines.
- f. Developing special competencies in students and staff through field experience, including selected underdeveloped areas of the United States and overseas.
- g. Improving and expanding library resources.
- h. Providing opportunities for students to become familiar with the work of other institutions, both academic and operational.

Techniques to be utilized include added staff release time for present faculty, exchange and visiting professors, training scholarships, lecturers and consultants, conferences, workshops and seminars, and domestic and foreign travel.

2. Review of Objective and Activities

As in the activities listed above are reviewed and related to the accomplishments for the year, one can readily see that equal efforts have not been placed on each activity. The unequal attention given to each activity should not be construed as indicators of relative weights or importance assigned to the activity.

During the second year of the grant, Virginia State College devoted its attention largely to activities A, C, E, and G (above). It is felt that these activities need to be undertaken before one can successfully undertake activities B, D, F, and H. The efforts for this year continue to fall within the areas of Manpower, Management, and Marketing. Although not listed as one of the activities engaged in during this year, considerable attention and time were devoted to a linkage feasibility tour of selected universities in Africa. This is regarded as an essential activity in preparing for fulfilling the purpose of this grant.

III. Accomplishments

1. Activities and Criteria

- A. To increase the staff by one the second year was established as a criterion in the program implementation

section (p. 11, VI) of the proposal. We added two new staff members the second year.

- B. To revise present courses so as to give them an international flavor and work toward the offering of a Master's degree. The undergraduate economic curriculum was revised to improve our offerings in the areas of Development Economics, International Economics, and Quantitative Analysis. These improvements were also intended to build a stronger basis for our Master's Program (approved May, 1974) which offers concentration in Economic Development, Managerial Economics, Economics of Manpower, and Econometrics.
- C. Over 58 man-months of professional time were devoted to research, organizational activities, and other related activities. This exceeded the expectations or criteria set for the second year of this grant. The time was spent on domestic work and international explorations with respect to an international linkage.
- D. No international conferences or seminars were held this year because the desired linkage was not completed during this period. Post-visit communications with selected universities lead us to believe that a linkage will be made within the next year. This criterion, although self-imposed, should have been set for the third or

fourth year of the grant rather than the first two years. We were fortunate to have a person on loan to us from AID for the academic year 1973-74 who shared invaluable experiences with the staff with respect to his international work with AID for more than twenty years.

- E. To continue to share in a formal way research findings by BERD in economics and agricultural economics through courses taught by its interdisciplinary staff.
- F. To continue to support the expansion of the international development section of the library and to purchase books, periodicals and other reading materials needed by researchers on the staff for the reading room of BERD.

2. Accomplishments of the Report Year

- A. Three research projects together with three supportive research projects were started during the year (See Abstracts of Research Projects, Appendix 1).
- B. In addition to those during our first year, four undergraduate students received scholarships from the grant. They maintained a grade point average of 3.00 or above and are expected to pursue economics with an emphasis on development. The following are our current scholarship enrollees under the grant:

<u>Name</u>	<u>Grade Point Average</u>	<u>Amount Received Annually</u>
Bradley, Anna C.	3.30	\$ 1,500
Coles, Terri A.	3.00	1,500
Davis, LaFawn C.	3.21	748
(Alternate to scholarship, student worker)		
Harper, Edward L.	3.41	1,500
Randall, Isaac E.	3.87	1,500
Williams, Gary W.	3.24	1,500
Yerby, Wayne	3.66	1,500

One of the full time scholarship students graduated May, 1974, and has been accepted in the graduate program at Iowa State for 1974 school year. He plans to concentrate in the area of economic development, an arrangement we worked out with Iowa State through the 211(d) programs. Monthly meetings were held by a member of the AID staff for scholarship recipients to ascertain any academic problems encountered by the students and to discuss with them issues of problems in the area of international development.

Through our revised curriculum we were able to enroll freshmen in our 211(d) program into Principles of Economics, a course normally taken at the sophomore level. No freshmen will be admitted for the coming year as scholarship recipients. This is to allow us to accommodate advanced junior, senior, and graduate students into the program.

- C. Virginia State College visited six universities of four African countries to explore the possibilities of a

linkage with one of the universities. (For a detailed report see Appendix 2). Negotiations for a linkage are being made and we anticipate that a mutually beneficial linkage with one of the universities in a developing country will be forthcoming shortly. The trip provided a much broadened conception of the components of a viable linkage.

Visits with U. S. Ambassadors, mission directors, Vice Chancellors of universities, Chief Academic Officers, Heads of Departments, and in some instances, Deans of Faculties and staff members of the departments of economics and agricultural economics were made during our African Tour. Many inquiries from students desiring to come to Virginia State College in pursuit of training in economics were received following our tour. Our limited resources will only permit us to support students coming from a university with which we have a linkage.

- D. The curriculum of the Economics Department has been revised to reflect our thrust. A committee, including representation from BERD, Economics Faculty, and students, studied and revised the curriculum which was approved by the Dean of the School of Business Administration, the Educational Committee of the College, and the Vice President for Academic Affairs.

In addition, the appropriate officials approved the offering of the Master's degree in economics. (Explained on page). We were pleased that this was approved so early in the grant. The program will be effective September, 1974. Research assistantships will be made available through this grant to deserving applicants with an interest in economic development. Research assistants will work with professors doing research in the 211(d) grant.

- E. We recruited two new staff members into the 211(d) program this year. Dr. Victor Whittaker and Mr. Ubadigbo Okonkwo. Dr. Whittaker completed his work for the Ph.D degree in Agricultural Economics in 1971 at the University of Illinois-Urbana. He served as project leader for the Southern University Project at the University of Cameroon, 1971 to 1973. He has had a range of experiences. In addition to experiences in Cameroon, he has had professional experiences in Sierra Leone, Nigeria, and Jamaica. Dr. Whittaker has served as an Associate Professor in the Bureau of Economic Research and Development, giving three-fourths of his time to research and one-fourth to teaching. He has published "The Economics of Mechanical Cultivation of Ricelands", June, 1973, and co-authored, "Estimated Cost of Mechanical Cultivation of Rice in Sierra Leone and Suggestions for Cost Reductions", December, 1971. He is presently working on "The Role of Credit in the Production Organization of

the Farm--The Case of Farmers in South Central, Virginia." Dr. Whittaker will be terminating his services with the Bureau of effective August 31, 1974 to take up a new assignment probably in Jamaica.

Mr. Okonkwo completed all course requirements for the Ph.D degree in Economics from the University of Rochester before joining the Bureau. His fields of concentration are Labor Economics, International Economics, and Public Economics. He has published, "The Economics of Ethnic Discrimination", and "The Distribution of Income in an Economy Where Discrimination is Present". A third article "Individual Equity Under Social Security: Some Black-White Comparisons" is at the press and will be forthcoming shortly. His contribution to the 211(d) program at Virginia State College has been largely in the manpower aspect of the program. Mr. Okonkwo will be joining International Monetary Fund in September as a young professional. In addition to the new staff above, Mr. Sandy J. McCorvey was on loan to BERD for academic year 1973-74. His education had been in general agriculture at the undergraduate level and economics and sociology at the graduate level. He joined AID in September, 1951, and had remained with the Agency until retirement on June 30, 1974.

Mr. McCorvey brought to us the experience he had gained from work in Liberia, Dahomey, Ghana, and Nigeria. He

had also had rotational assignments at the USDA in Washington, D. C. in which he developed short course outlines and training programs for participants sponsored by AID. He had numerous publications covering a range of subject matter in the field of agriculture.

Mr. McCorvey served as a consultant on many occasions. He contributed significantly to the overseas tour of selected universities of the African countries we visit in preparation of the trip report; in preparation of tentative international short courses/seminars to be held at Virginia State College and the university with which we may form a linkage. These are to be economic planning seminars using the System Approach. Mr. McCorvey has not been replaced by the Bureau for Africa at this date. Inasmuch as our efforts are aimed at a linkage in Africa, we would hope that the Bureau of Africa could provide a replacement on the same basis that we received Mr. McCorvey. Mr. McCorvey stands ready to serve as a consultant to BERD when the need arises.

We were also fortunate to have Mr. William Schaefer accompany us on our trip to Africa. He represented the Agency for International Development during the tour. He contributed to the success of our mission.

- F. The Bureau of Economic Research and Development has moved into a newly renovated office building assigned to it in

order that persons on the 211(d) and other programs in BERD may have the necessary facilities to effectively carry out the objectives of the program. This is in accord with plans indicated in last year's report, p. 15.

- G. Dr. Dupe Olatunbosun from Nigeria was a guest lecturer, November 2, 1973. He discussed managerial problems encountered by the farmer and businessman in his country.

IV. Impact of Grant Supported Activities in Developing Institutional Capabilities.

The 211(d) program at Virginia State College has had wide reaching effects on developing the capabilities for resolving problems of low-income farmers and small businesses that may be transferable to less-developed countries. Our staff members are committed to working on problems of the rural poor and transferring their experiences and skills to LDC's. These staff members are presently involved in research and teaching. The research is essential in acquiring information needed to resolve the problems. Each faculty member supported by 211(d) funds is required to teach one or more courses in an area that he can share his research findings. This enriches the content of the subject matter. Thus, many students are positively affected as a result of the grant.

Not only are many students exposed to applied research findings as a result of the research-teaching arrangement of the staff, we also provide a limited number of 211(d) scholarships to qualified recipients. This enables the College to attract students who

may otherwise attend other universities. The quality of work these recipients are capable of doing suggests that they will later be useful to the College, AID, or other universities that carry out the objectives of the 211(d) programs.

The 211(d) program has enabled the College to purchase books, subscribe to journals, and purchase other reading materials needed in carrying out the objectives of the grant. Other areas of the College have made use of such books, thereby enhancing the effectiveness of their work. The reading room/laboratory of BERD is being stocked with books and materials for daily use by researchers.

Staff members lend help to agencies at the State Capitol on problems peculiar to rural poor. Faculty associated with the 211(d) program are able to attend professional conferences viewed essential to carrying out the mission of this program.

As a result of the 211(d) program at Virginia State College, one of our scholars has been awarded an assistantship by Iowa State under its 211(d) grant program. The student, Mr. Wayne Yerby, was our first scholarship recipient under this grant to graduate. Prior to the grant there had been no lines of communication in the area of economic between Iowa State and Virginia State. We anticipate open lines of communication and cooperation between Virginia State and other 211(d) recipients in the future.

The grant-supported trip to Africa enhanced tremendously the understanding of problems faced by farmers and businessmen in countries visited, thus served a very important role in developing

institutional capabilities. The experiences were shared with other staff members in the form of conferences and seminars (See Appendix 2). The full impact of this trip will be realized long after the linkage(s) is(are) established.

A spin-off to these activities has been the invitation to send a member of the staff on the American-African Institute trip to West Africa. We sent the director of our State Office of Minority Business Enterprise who will give several lectures on problems of small businesses in the United States, particularly in Virginia, and how BERD may participate in problem solving in this area.

V. Utilization of Institutional Resources in Development

Virginia State College has been involved in some aspects of development in LDC's. Dr. Harry A. Johnson of Virginia State College's staff spent three years (1960-63) in Freetown, Sierra Leone in setting the Educational Media Program. He worked directly with the Ministry of Education.

The School of Agriculture has had participants from LDC's who were interested in developing skills in horticulture. This program has attracted participants from several African Countries.

The Non-Western Studies Program is also a part of the developmental offerings. The objectives of this program include (1) to develop understanding of the non-western areas of the world-- their people, their cultures, their languages, their economic and political phenomena, and their problems; (2) to provide a framework within which scholars and students may study particular

notions, people, cultures--of the non-western world; (3) to help the students develop an awareness of the contributions of various racial stocks and ethnic groups.

Forty-two foreign students are attending Virginia State College. They are exposed to our Division of Developmental Studies. They are permitted to become involved in all aspects of college life. We have a counselor who is responsible for coordinating the activities of our foreign students, giving them the feeling of being an integrated part of the college community.

The State Division of Industrial Development, the State Division of Planning and Community Affairs, and the Virginia Employment Commission have made requests for our research publications indicating a desire to utilize certain aspects of our findings.

VI. Other Resources for Grant-Related Activities

Resources of other programs at the College such as Cooperative Extension Services, Cooperative State Research Service, and the Virginia State Office of Minority Business Enterprise have been utilized in carrying out the mission of the 211(d) program. Of course, other resources of the Bureau of Economic Research and Development have been utilized to support the 211(d) program. The time given by the administrative branch of the College for grant related activities was significant.

The Advisory Board of the BERD has shared its time with the BERD in relating its experiences in the developmental undertakings in South Central Virginia.

The television and newspaper media have utilized their resources to bring to the attention of the public the activities in which BERD is engaged. This served to bring about an awareness on the part of the public to the nature of the programs supported by AID/Washington. The responses were encouraging.

VII. Next Year's Plan of Work and Anticipated Expenditures

1. Add one other professional to the program.
2. Another trip to a country in Africa where a linkage is formed or there is a strong likelihood of such a linkage.
3. Hold at least two seminars.
4. Continue research presently being done under this program.
5. Continue to support undergraduate scholars with interest in economic development.
6. Begin support of graduate students in the program at Virginia State College.

Please note the expenditures for the past two years are less than one-fifth of the amounts allocated. Efforts have been made to limit the expenditures until we could become fully staffed and a linkage formed with a university in a developing country. We anticipate activities during the remainder of this grant to be more demanding from a financial point of view. (See Table I and II).

The addition of two members to the staff is reflected in projected expenditures under the category of salaries.

At least two seminars in which participants will be invited from localities, state, and the country with which a linkage is likely, will be held. In addition, seminars will be held in

counties where research projects have been completed. The former will be economic planning seminars and the latter will focus on research findings in the respective localities.

The research is a continuous activity as we expect to note changes, growth, and development in South Central Virginia. With additional plans on the staff, computer time is expected to increase over years 1973 and 1974. Likewise, publication costs, educational equipment, etc. will increase.

Students support will increase with the support of graduate assistants, while maintaining our undergraduate support in the program. We will select additional undergraduates next year to strengthen our student participation at that level.

A trip to Africa by two members of the staff is anticipated in carrying out the objectives of this grant. It is conceivable that two trips, one in the fall and another in the spring of year 1974-75 will need to be made, pending linkage developments.

Please note expenditures for the fourth and fifth year of this grant are conservative estimates and expect to be revised upwardly as we continue progress in carrying the objectives of the grant (See Table II).

VIII. Other

A review of accomplishments and problems encountered suggests further that perhaps more emphasis should be placed on research during the initial grant. This permits Virginia State to develop a mass of data from which recommendations can be made for

resolving problems of farmers and businessmen.

In spite of the fact that the institution offers its resources for developing its students so as to make optimum utilization of opportunities available to them, it is a rather difficult task to expect the College to develop the level of capabilities in five years that has been developed in the university with more facilities and with a personnel already employed and only needs certain specialized training. Economists who may be committed to resolving problems of the rural poor and seek to transfer the required skills to developing countries are difficult to find. It should be clearly understood that colleges such as Virginia State have a commitment and determination to work in the interest of uplifting the quality of life of the rural poor. The period of time to develop the desired competence should be greater than the five years required of institutions with a rather broad base of personnel devoting efforts to economic development.

IX. Report of Expenditures

Tables I and II present budget summaries of years 1973 and 1974, and budget projections for years 1975, 1976, and 1977. The projections include only implications of programs under way and budgeted. Additional activities during the period of the grant are likely and will necessitate an upward revision of expenditures.

One can quickly observe from Tables I and II that nearly 60 per cent of the expenditures went for salaries and nearly 20 per cent for assistantships. Of the \$5,290.53 for travel, the

TABLE I

DISTRIBUTION OF 211 (D) GRANT FUNDS AND CONTRIBUTIONS FROM OTHER SOURCES OF FUNDING*
REVIEW PERIOD JUNE 1, 1973 TO MAY 31, 1974

	211(d) EXPENDITURES				NON 211(d) FUNDING AMOUNT
	PERIOD UNDER REVIEW	CUMULATIVE TOTAL	PROJECTED NEXT YEAR	PROJECTED TO END OF GRANT	
	June 1, 1973 May 31, 1974	June 1, 1972 May 31, 1974	June 1, 1974 May 31, 1975	June 1, 1972 May 31, 1977	
Professional and Staff Salaries	30,974.95	53,235.25	70,768.25	269,500.00	24,000.00
Scholarship and Research Assistantships	10,245.00	13,245.00	22,178.33	82,020.00	---
Consultants and Visiting Professors	350.51	1,341.79	7,552.80	22,000.00	960.00
Travel	5,290.53	6,149.99	12,849.99	38,700.00	800.00
Educational Equipment, Computer Time, Pub- lications, Communica- tions, Seminars, Books, Materials, and Supplies	3,990.06	4,914.00	27,141.99	87,780.00	1,450.00
TOTAL	50,851.05	78,886.03	140,491.36	500,000.00	27,210.00

*These figures are my best estimates

TABLE II

EXPENDITURE REPORT (ACTUAL AND PROJECTED)
UNDER INSTITUTIONAL GRANT #AID/CSD - 3415REVIEW PERIOD JUNE 1, 1973 TO MAY 31, 1974

	EXPENDITURES TO DATE		PROJECTED EXPENDITURES			TOTAL
	PERIOD UNDER REVIEW JUNE 1, 1973 MAY 31, 1974	CUMULATIVE TOTAL JUNE 1, 1972 MAY 31, 1974	YEAR			
			3	4	5	
Professional and Staff Salaries	30,974.95	53,235.25	70,768.25	72,088.25	73,408.25	269,500.00
Scholarship and Research Assistantships	10,245.00	13,245.00	22,178.33	23,178.34	23,418.33	82,020.00
Consultants and Visiting Professors	350.51	1,341.79	7,552.80	6,552.70	6,552.71	22,000.00
Travel	5,290.53	6,149.99	12,849.99	11,850.00	7,850.02	38,700.00
Educational Equipment, Computer Time, Publications, Communications, Seminars, Books, Materials, and Supplies	3,990.06	4,914.00	27,141.99	26,701.99	29,022.02	87,780.00
TOTAL	50,851.05	78,886.03	140,491.36	140,371.28	140,251.33	500,000.00

overseas tour accounted for \$4,000 plus. Travel accounts for almost 10 per cent of the expenditures for fy 1974. Due to the fact that we had on loan from AID/Washington at no expense to the Bureau of Economic Research and Development, Mr. Sandy J. McCorvey, Consultant, expenditures against the grant were only \$350.51 for consultants and visiting professors. A similar arrangement with the Bureau for Africa is pending.

APPENDIX 1

over time is among the primary goals of farm operators and input-output coefficients should supply a reasonably accurate prediction of growth trends.

Completion date for survey of farms: September, 1974

RE-ALLOCATION OF RESOURCES FOR SPECIFIED
INCOME GOALS OF SMALL FARMS IN THE
SEVENTEEN COUNTIES OF SOUTH CENTRAL VIRGINIA

by A. N. Khan

AN ABSTRACT

The purpose of this study is to provide guides to small farm firms so they may make the most profitable decisions when choosing alternative means of adjustment of various resources available to them. The main objectives are:

1. to determine the farm resources available and their correct use in this area,
2. to determine and estimate the optimum allocation of resources required to obtain specified levels of income for selected types of farms,
3. to determine optimum five-year plans the best possible crops and livestock plan at different levels of income.

A detailed questionnaire covering the Family Composition, Land Use, Farm Assets and Liabilities, Farm and Non-Farm Income, Credit Availability, Crops and Livestock Enterprises, Farm Changes and Production Practices, Farm Machinery and Other Equipment, Labor hired, and Marketing of the products are formulated. The Survey covers five sampled counties out of seventeen counties of the project area. The survey is in the process and a sample of 300 farms is taken for interviewing.

This study will examine the process of growth among the South Central Virginia Farms. Many facts will be established with respect to growth and survival of low-income farms. The maximizing of income

GEOGRAPHIC MOBILITY IN RURAL VIRGINIA

By Thomas J. Meeks

AN ABSTRACT

This project examines rural in-migration, a subject on which little has been written by comparison with the voluminous literature on rural out-migration. The subject is considered important because although there has been long-standing net migration from rural areas, the gross level of in-migration has also been high relative to gross out-migration. Given low rural incomes, this is somewhat paradoxical. In addition, the past several years have witnessed a reversal of population growth trends such that rural areas have grown more rapidly than urban areas.

The study examines the results of a survey in rural Virginia.

The major findings are listed below:

1. In striking contrast to urban migration, most of the rural in-migration is for non-job-related reasons.
2. The age composition of those moving into the rural counties is similar to what one would expect for out-migrants. Younger persons (those under age 35) predominate.
3. The finding that blacks are considerably less mobile geographically than whites is substantiated in the rural counties. But among the most mobile occupational, educational, and income groups, black mobility is comparable to white mobility. Of those blacks who move, relatively more move for economic reasons than do whites.
4. Farming, though long associated with rural life, seems to have had little influence on in-migration. White collar workers have moved into the rural

counties more frequently than others, but not apparently for economic reasons.

5. Welfare status seems to have little effect on mobility.

LABOR MOBILITY AND UTILIZATION IN RURAL VIRGINIA

This study is intended to test the reliability of rural unemployment statistics, which are typically compiled from small samples, and to supplement information on the structure of rural labor markets. The study draws on the extensive household surveys conducted in rural Virginia by the Bureau of Economic Research and Development in 1972 and 1974 to obtain information on employment patterns comparable to that found in special (predominantly non-rural) surveys conducted by the Bureau of the Census.

The degree of labor utilization is measured on a weekly and annual basis. Evidence of and reasons for underemployment of labor will be identified.

A final dimension under examination is the job search pattern in rural areas. Different methods of finding jobs are being evaluated for effectiveness and compared with those of urban labor markets. Public policy implications will be developed in light of the findings.

THE EFFECTS OF EDUCATION ON INCOME
REDISTRIBUTION UNDER SOCIAL SECURITY

by Ubadigbo Okonkwo

AN ABSTRACT

A primary objective of this paper is to estimate the extent to which the United States Social Security system redistributes lifetime incomes among subgroups of individuals differing in years of schooling completed and in starting ages of coverages. The extent of income redistribution is gauged by the computation of real internal rates of return on payroll taxes. An internal rate of return is defined as that rate which equates the sum of accumulated payroll taxes at retirement to the discounted sum of prospective benefits.

Those who stayed on in school are, in general, covered later by social security and hence face a smaller number of tax years. On this score, social security would tend to redistribute income from the least educated to the most educated. Against this tendency must be matched the growing progressivity of the benefit structure. Since the least educated tend to experience relatively lower and flatter age-earnings profiles, a progressive benefit structure implies a relatively higher replacement ratio for the least educated. An attempt is made, in this paper, to measure the net impact of these countervailing effects.

The cohort of workers under study consisted of white males who were born in 1919 and who reached the age of 18 years in 1937 when

the first payroll taxes were collected. The cohort was divided into two education subgroups, one with 8 years and the other with 12 years of schooling completed. Cohort age-earnings profiles, which formed the basis of our computation, were estimated for each education subgroup by means of moving cross-sectional profiles. Cross-sectional age-earnings profiles were in turn estimated from four decennial censuses beginning with the 1940 census. Adjustments were made for educational differentials in mortality and for recent (1973) amendments to the Social Security Act. The empirical findings show that elementary school graduates earned, on the average, higher rates of return than high school graduates.

Completion Date for Proposed Paper: September, 1974

Uba Okonkwo

INDIVIDUAL EQUITY UNDER SOCIAL SECURITY:

SOME BLACK - WHITE COMPARISONS

by Ubadigbo Okonkwo

AN ABSTRACT

Although Social Security is a mechanism for effecting intergenerational transfers of income, it is still publicly believed to be an insurance program. Under this insurance analogy a worker in covered employment "contributes" a fixed portion of his paycheck, which sum is used to finance benefits for old age retirement, disability and other specified contingencies.

In this paper we take a contributory view of Social Security and attempt to determine the extent of any lifetime income redistribution between black and white workers. Using aggregate U. S. income data, official mortality rates, and assuming the 1972 Congressional Amendments to the Social Security Act, we compute internal rates of return on the contributions of black and white male workers.

An internal rate of return equates accumulated payroll taxes to the sum of discounted prospective benefits. Differences in the rates of return earned by black and white workers can be attributed to three main factors. These are the average level of earnings, the age-earnings profile and post-retirement mortality rates. Our results show that white male workers (and couples) earn higher rates of return than black male workers (and couples) in the same earnings class. Blacks earn relatively higher returns, however, if we allow for the observed differences in black-white earnings.

APPENDIX 2

REPORT

THE VIRGINIA STATE COLLEGE AFRICAN UNIVERSITY LINKAGE EXPLORATORY TOUR NOVEMBER 3 - DECEMBER 1, 1973

The Virginia State College African University Tour Team consisting of President Wendell P. Russell, Dr. Huey J. Battle, Director, BERD, Mr. Sandy J. McCorvey, AID/Washington Resource Personnel Advisor to the college, and Mr. William Schaefer of AID/Washington departed from the John F. Kennedy International Airport on November 3 at 2100 hours and arrived at Freetown, Sierra Leone at 1200 hours on the 4th.

On Monday, November 5, the party paid a courtesy call on the American Ambassador, His Excellency, Clinton Olson and his staff at the American Embassy in Freetown.

President Russell stated that the purpose of the tour was to visit selected universities in Sierra Leone, Nigeria, Tanzania, and Kenya to explore the feasibility of establishing a linkage between Virginia State College and one of the African Universities visited with emphasis focused on manpower, management, and marketing; aimed at assisting small farm and small non-farm business units toward achieving optimum productivity.

Dr. Battle summarized the proposed Virginia State College (VSC)/African University Linkage Proposal as follows:

1. An exchange of professors and instructors with field of concentration in manpower, management, and marketing economics.
2. Training and exchange of students with field of concentration in manpower, management, and marketing economics.
3. Research in relevant manpower, management, and marketing areas.

4. Economic planning, program planning development, and project determination.
5. An exchange program on planning and conducting seminars, mini-training courses, and on-the-job-training.

Mr. McCorvey and Mr. Schaefer assisted with the above discussion. The Ambassador and his staff gave a brief review of all AID donor nations contributing to development projects in Sierra Leone. He stressed the need for more constructive policies, more meaningful priorities, and better program planning and evaluation methods.

The Ambassador's staff including: DCM, Robert Houdek, and Public Relations Officer, Mr. Lawrence Gardfi were instrumental toward aiding the team with contacts at the Ministry of Agriculture and at Fourah Bay College.

The visit to the American Embassy was followed by a visit to the Sierra Leone Ministry of Agriculture. The purpose of our visit to this country was reviewed. Mr. S. A. Kawa, the Chief Agricultural Officer explained the Ministry's practice for assisting farmers as follows:

1. Formerly the government did not provide any planning assistance to farmers, but the expansion of diamond mining in the country influenced many farmers to abandon their farms for more lucrative returns found in mining operations. Local rice production decreased while rice imports expanded to a nearly 50:50 ratio.
2. The government then decided that something should be done. It further decided what needed to be done and proceeded to develop plans for solving farmers' problems without consulting the farmers. In the meantime, many farmers discovered that the returns from an acre of groundnuts exceeded the returns an acre of rice, and the price of a ton of imported rice rose to \$1,200.
3. The Chief Agricultural Officer (CAO) also stated that the Ministry set up a special training program for agriculture workers, trained 600 of which number 60% entered the police force. This training scheme was abandoned and a mini-training course of ten days duration was developed for married men and that it was proceeding well. But the policy makers opted to mechanize rice production in the country and that it is too soon to speculate on the outcome of this new venture.

4. The Chief Agricultural Officer believes that the university should be regarded as an instrument of development. However, he feels that long range planning is not too feasible in developing countries at this stage of political development. He rested his observation on this point, but hastily pointed out the fact that his ministry wasted a lot of money in the past, due to the lack of program flexibility, balance, and continuity which results from hasty decisions and faulty planning. This was in a sense an admittance that both short and long range planning is needed to achieve worthwhile objectives, covering all ministry program operations.

Fourah Bay University College in Freetown, Sierra Leone, and Njala University College, 125 miles east of Freetown have been placed under one administrative unit to form the University of Sierra Leone.

A brief visit was made to Fourah Bay College. Dr. Henry Turner, British-Secretary for the Colleges, and Dr. Robert Isabanick, Carnegie Foundation stated that Fourah Bay College has a long history of service to higher education in West Africa, was in 1960 re-constituted by Royal Charter as "Fourah Bay College, the University College of Sierra Leone."

The College was again re-constituted with effect from September 1, 1966, as a Constitute College of the Federal University of Sierra Leone by an act of the Sierra Leone Parliament. The style and title of the College was changed again to Fourah Bay College by this act. The affiliation of the college to the University of Durham which dates back from 1876 was abrogated on February 22, 1967.

The College offers courses at the degree and certificate levels in Arts, Education, Theology, Economics, and Social Studies, Pure and Applied Science. There are, in addition, a Department of Extra Mural Studies, an Institute of African Studies and an Institute of Marine Biology and Oceanography.

The Virginia State College team reviewed the purpose of its visit and was assured that the university had an interest but that the project

would likely be located at the Njala Campus if it should materialize.

It was suggested that Dr. O. E. G. Johnson, a member of the Fourah Bay College faculty, who is currently spending a year in residence at the Center for Development at the University of Michigan, should be contacted and extended an invitation to visit Virginia State College, for consultation and observation on the VSC/University of Sierra Leone linkage feasibility.

Dr. Turner states that Dr. Arthur Porter, a Sierra Leonian, who is currently serving as the Vice Chancellor of the University of Nairobi, is scheduled to terminate his assignment at that post and return to Sierra Leone, and become the Vice Chancellor of the University of Sierra Leone in June 1974 and that the team should contact Dr. Porter at his post with regard to the feasibility of the proposed VSC/University of Sierra Leone linkage.

In keeping with the purpose of this tour, no commitment was made to either institution with respect to the linkage.

NJALA UNIVERSITY COLLEGE

Dr. Dunstan S. C. Spencer, Senior Lecturer in Economics at Njala University College, picked up the Virginia State College team from the Paramount Hotel in Freetown at 0845 hours on November 5, 1973 and departed for Njala University College, 125 miles east, arriving at 1300 hours.

The party checked in at the resthouse, had lunch, and rested until 1540. Afterwards, the team made pop calls on the following college officials:

1. Dr. R. E. Mondean, Dean of the Faculty of Education.
2. Dr. W. Godfrey Sam Aggrey, Dean of the Agricultural Faculty.
3. Dr. S. D. Onabamiro, Dean and Coordinator of the Basic Sciences.
4. Dr. S. T. Matturi, the Principal of the College.

Njala Univeristy College's faculty and staff consist of 136 members and a student body of 470, representing 52 studying for agriculture degrees, 110 pursuing agriculture certificates, 30 in home economics, and 278 registered in all other areas.

The team met the Deans of Agriculture, Education, and Basic Sciences, and their respective chairmen. Initially they were seeking assistance for capital outlay and equipment. After being informed of the nature of our visit and our constraints, they were highly receptive of the kind of services we were interested in providing such as manpower, management, and marketing, training and technology with an economic bias.

The team was very much impressed with its review of the physical plant of the college, its various curriculums, extension activities, and

the observed dedication of the faculty at Njala.

A note of thanks goes to the principal, faculty, and students for the actions taken to make the team's visit informative, pleasant, and profitable. They demonstrated a sheer readiness and re-captivity for a linkage with VSC, which would involve all items listed in the proposal.

1. An exchange of professors with fields of concentration in manpower, management, and marketing economics.
2. The training and exchange of students with fields of concentration in manpower, management, marketing economics.
3. Research in relevant manpower, management, and marketing areas.
4. Economic planning, program development, and project determination.
5. An exchange program on planning and conducting seminars, workshops, inservice training, conferences, and on-the-job training, etc.

CONSTRAINTS

Fourah Bay College University

The structure of the curriculum has a classical bias, and is not orientated toward solving problems encountered by small farm and non-farm small business units. This condition ruled out any consideration of a linkage with VSC.

Njala College University

1. The curriculum has a bias toward rural development, and promises to become more flexible toward meeting Sierra Leone's development needs once the sectorial study of the Ministry of Education is completed by June 1974 hopefully.
2. The inadequacy of classroom space and equipment are the most critical constraints faced by Njala.
3. Research is being done on the rural economy with respect to employment, marketing, crops, extension, and home economics.
4. This institution welcomes the prospect of a linkage with VSC in the areas of manpower, management, and marketing, and exhibits an attitude of sincerity and dedication to rural development with a convincing resolution.

5. It was apparent that Njala University College's financial conditions limits her input into this proposition to personnel only.

Conclusion

It was apparent that Njala College University's financial condition (\$1,200,000 annual appropriation) and budgetary support limits her input in the linkage to personnel only, including instructors on short terms and students through their junior and senior BSc course work, or post graduate level work. Thus, any linkage between VSC and this institution would mean defraying the total participants cost by VSC with AID's support.

NIGERIA

The team departed from Freetown, Sierra Leone at 1130 on Saturday, November 10, 1973, Via Nigerian Airways, Flight Number 057. Arrived at Lagos at 1803 and proceeded to 15 Louis Soloman Close Apartment by commercial transport arranged by USAID/Lagos. On Sunday, the Mission Director, Mr. William Ford, arranged two informal meetings for the team to meet USAID/Lagos staff members. The first was a breakfast meeting at the home of Mr. & Mrs. Ed Nadeau, the Assistant Director for Programming, and the second was at the home of Mr. & Mrs. James Kirk, Chief Educational Officer.

The purpose of the tour was reviewed. The Mission Director and his staff briefed the team on the Missions's activities relating to the purpose of the tour and further stated that his Excellency, the American Ambassador, had planned on giving a dinner for the VSC team on the evening of November 10, but this affair had to be postponed due to the delayed arrival of the team's plane from Freetown.

The team departed from Lagos on November 12 via USAID vehicle at 1100 for Ibadan University and arrived at 1400 hours. Two representatives of the Department of Economics, Dr. O. Teriba, Acting Department Head, and Dr. M. O. Kayode, Senior Staff Lecturer were present. The purpose of the exploratory tour was discussed in details. The priorities of Ibadan University were discussed with respect to rural development in order to ascertain the compatability of its efforts with the purpose of the team's mission.

While in Ibadan the team seized the opportunity to make a limited visit to the International Institute for Tropical Agriculture and had interesting discussions with two of the Institute's staff members, who gave an overview of their research and training operations. It appears that this project is geared to make a major contribution to crop productivity in the African regions.

Constraints

The Department of Economics of Ibadan University did not demonstrate a coordinated approach to research activities. However, some research is carried out by individual staff members according to their preferences. It appears that they stress a macro approach making it difficult to link it with one who stresses a micro approach.

Conclusion

Based upon the statements made by the two professors of the University of Ibadan, the team concluded that there was not the degree of commonality that would be needed to form an effective linkage between VSC and Ibadan University in the areas of manpower, management, and marketing. Incidentally we arrived at the time the university was having its 25th anniversary. This provided the team with a unique opportunity to get a cross section of the highlights of the university's great accomplishments.

Ahmadu Bello University, Zaria, Nigeria

The team departed from Ibadan at 1200 hours for Ahmadu Bello University (ABU), Zaria, Nigeria by air and arrived at 1515 hours on the 13th. The university had transportation waiting to transport the team to Zaria, 58 miles away. The university provided lodging and transportation during our stay at ABU.

Vice Chancellor, I. S. Audu, visited the team at 1800 hours. We discussed the purpose of our visit and he expressed a sincere interest in his institution having a linkage with VSC such as research in problem identification, analysis and program planning, development designed to assist farmers with raising their standards and level of living.

The Vice Chancellor was in agreement with the nature of a linkage, which would include an exchange of research findings, faculty members, and students. He pointed out, however, that both institutions would need to be careful in the selection of participants for this program. The Vice Chancellor went on to state that selected participants must be mature enough to make adjustments compatible with living conditions in both countries. He further stated that he had arranged for the team to meet other officials of the University in the interest of our visit.

Wednesday, November 14, was devoted to an intensive series of conferences with the Acting Registrar of the University, the Head of the Department of Agricultural Economics, the Director of the Extension Research Liaison Service, the Provost for Agriculture and Veterinary Medicine, the Dean of the Faculty of the Agriculture, the Director of the Institute for Agricultural Research, the Public Information Officer, and the Head of the Department of Economics.

The idea of a possible linkage between VSC and ABU was welcomed by the university officials after reviewing the objectives and constraints with respect to the kind of services the two institutions would be in a position to provide in the areas of manpower, management, and marketing.

The team visited the Kadawa Pilot Irrigation Scheme in Kano State and observed the extent to which this state is placing major emphasis on developing and utilizing its irrigation potentials to cope with the growing

demand for increased food production and to hedge against the damage done by extended droughts in the northern part of the state.

The team returned to Lagos via the Nigerian Airways on the 15th, and on the following day, participated in a de-briefing session with the Mission Director, Mr. William Ford and Deputy Mission Director, Stephen Christmas.

His Excellency, the American Ambassador and Mrs. John Rhinehart gave a dinner in honor of the team. This was followed by a dinner given by the Food and Agricultural Officer and Mrs. R. O. Olson.

The pros and cons of matters pertaining to the team's Mission in Nigeria were discussed at the above dinner parties.

CONSTRAINTS

1. The curriculum of ABC is too inflexible for a student to commence his course of study there, spend some time at VSC, and return to ABU for completion without a break in continuity at the BSc degree level. However, two alternatives are open for the student exchange aspect of the program. A student could complete the last two years toward fulfilling his BSc degree requirements, or he could complete his BSc degree requirements and come to VSC for post graduate work.
2. ABU has 7,000 students and is organized and functions similar to a U. S. Land Grant College toward meeting the needs of an estimated 35 to 40,000,000 people residing in the six Northern Nigerian States in higher education, extension courses, seminars, in-service training, and continuing educational programs, agriculture, health, business, etc.
3. ABU, perhaps, has the most constructive approach of all universities visited for organizing and working through organization to reach more people than anyone of the other universities visited. However, it has a manpower shortage problem similar to that of all the other institutions covered in this survey.
4. It was evident that VSC would have to provide the lion's share of the costs through AID support to implement any linkage decided upon.

Conclusion

In spite of the shortage of manpower, the team was favorable impressed with its review of ABU's staff, physical plant, research activities, extension

and continuing educational programs in agriculture, business, livestock, and veterinary services, forestry, home economics, and health, but made no commitments except for an overall comparative review of the programs of all universities visited before deciding which one has the most compatible program for the proposed linkage with VSC. It goes without saying that ABU meets technical requirements for the linkage with VSC bearing the lion's share of the funding predicated upon support by AID.

TRIP FROM WEST TO EAST AFRICA

The team departed from Lagos, Nigeria at 1400 hours on November 18th, arrived at Nairobi, Kenya at 2000 hours, and checked in the Intercontinental Hotel. Dr. Sidney Evans, USAID contract economist at the University of Nairobi, visited the team and discussed the proposed agenda for the team's visit to the University of Nairobi scheduled to commence on November 22, and extended to the 24th.

On the 19th, the team visited USAID/Nairobi headquarters and discussed its pending visit to the University of Nairobi with the Food and Agricultural Officer, Mr. Harold Jones. He suggested that two members of his planning staff would be made available as resource personnel to assist the team with its mission in Kenya.

The team continued its journey to Dar es Salaam on the evening of the 19th, and was met at the airport by USAID/Tanzania Country Director, Dr. Vernon C. Hohnson. He briefed the team on the situation in Tanzania with respect to the purpose of its visit and pending appointments with appropriate officials at the University of Dar es Salaam. Dr. Johnson also accompanied the team to make a courtesy call on the American Ambassador, His Excellency, Mr. W. B. Carter and members of his staff.

TANZANIA

The team visited the University of Dar es Salaam on November 20. This university was established in 1970. It confers the degree of Bachelor, Master, Doctorate, and such other degrees as may be described; grants, diplomas or certificates or other awards to persons in respect of courses

of study provided by the university and approved by the Senate, and to persons, who in the opinion of the Senate are entitled to receive such diplomas, certificates or other awards.

Courses are offered within the faculties of arts and social science, law, medicine, engineering, and agriculture. In addition, there is an Institute of Adult Education, an Institute of Education, an Institute of Development Studies, and an Institute of Swahili Research. The East African Community's Statistical Training Centre is also located at the University. A total of 2,500 students are enrolled at this university.

We had a conference with Dr. Peter E. Temu, Director of the Economic Research Bureau. This was followed by a conference with Dr. Simon Mbilinyi, Research Professor. In the meantime, Dr. W. P. Russell, President of Virginia State College, held a conference with Dr. Isana N. Kimanbo, Chief Academic Officer at the University.

The idea of a possible linkage between Virginia State College and the University of Dar es Salaam was discussed at length and was welcomed by the University authorities after reviewing the potential benefits each institution could enjoy by participating in this type of mutual endeavor and the constraints with respect to the kind of services both institutions would be in position to provide in the areas of research, manpower, management, and marketing. However, the Chief Academic Officer stressed the fact that it is not the policy of the university to sign binding contracts such as the one required to support a linkage with Virginia State College. However, in a follow-up conference, this officer almost reversed his former position on the possibility of the University's willingness to sign a linkage contract with Virginia State College.

TANZANIA'S APPROACH TO THE SOLUTION OF FARM PROBLEMS

The government of Tanzania will complete its current development plan in 1974, and plans to develop a new five year plan covering the period of 1975-80. Planning is done through a system of committees at the village, district, regional, university, and national levels. The National Committee is responsible for policy, developing guidelines for the sub-committees, and overall coordination.

The Economic Research Bureau of the University of Dar es Salaam is only 3 years old but responsible for designing and executing research projects with a bias toward helping to solve farm problems. This bureau is barely operational and severely handicapped due to the manpower shortage problem, lacks both an adequate library and computer facilities.

The faculty of Agriculture at Morogoro, Tanzania offers a BSc degree in agriculture but very little work in economics. Both social and technical research in agriculture is lagging.

Tanzanian farmers use 50,000 tons of fertilizer per annum. This material is manufactured at Tagu, Tanzania under the auspices of the East African Community. Some improved hand tools are manufactured locally. It is estimated that 60% of Tanzania agriculture is subsistence and 40% has a cash market orientation. Improved maize seed are produced locally with some coming from Kenya.

The general level of productivity at the village level has been less than expected. The university authorities emphasized the need for more constructive planning at the village level and recommends that the exchange of professors between the two institutions be for one year with Virginia

State College supplying the initial instructor.

The university authorities suggested that the student exchange program be at the post graduate level due to the inflexibility of their BSc level degree curriculum.

Tanzania's GNP is so low that the success of any linkage between Virginia State College and the University of Dar es Salaam would be limited to the level of budgetary support borne by Virginia State College with USAID support.

CONCLUSION

The Virginia State College team expresses thanks and appreciation to the American Missions (Embassy and USAID Personnel) for the initiative taken to make appointments with higher ranking Embassy, AID, University, Ministry of Agriculture, and Ministry of Education officers as required to make its tour both pleasant and profitable.

KENYA

The team returned to Nairobi from Dar es Salaam on November 23 and had conferences with the following officials:

1. Dr. Arthur Porter, A Sierra Leonian, Vice Chancellor of Nairobi University. He is scheduled to take up the position of Vice Chancellor at the University of Sierra Leone as of June 1, 1974. He stated that the Government of Sierra Leone is sponsoring a sectorial study of its educational system scheduled to be completed by next June with some assistance from the Carnegie Foundation of the U.S.A.

The above study will evaluate this country's current system of education in relation to its needs and presumably re-structure the system with greater relevancy toward meeting the basic requirements of the country's overall educational needs. He went on to state that his country would like to open its windows to the outside world, by exposing its students to alternative views of different educational systems. He appreciates the systems approach to the solution of problems faced by developing countries and is anxious to receive specialists from the U.S. with a bias to this approach.

The Vice Chancellor concluded his statement with a strong recommendation that Njala College University be selected for the Virginia State College linkage due to its compatibility with the linkage proposal in the areas of research, management, manpower, and marketing.

2. Other officials contacted at Nairobi University included: The Dean of the Faculty of Agriculture, Dr. M. S. Masinga, Professor H. U. Thinn, Chairman of the Department of Agricultural Economics and the Faculty of Arts, and Mr. R. Gray, USAID/PASA Livestock Planning Officer. It is understood that the Dean is developing a proposal to request USAID to assist the university with a sizeable college/university contract. However, it was pointed out that the Virginia State College proposal is modest and relates to an exchange of research information, professors, and students with concentration in economic planning related to manpower, management, and marketing. The Dean further emphasized the fact that the faculty of agriculture at Nairobi University faces a serious manpower shortage and therefore welcome the possibility of establishing a linkage with Virginia State College.

President Russell had a conference with the Registrar of the University of Nairobi. He was most favorably disposed toward the idea of establishing

a linkage with an outstanding black college in the United States but contended that such a linkage as proposed by Virginia State College should be concentrated in the areas of agriculture and business. President Russell agreed with this point of view but stressed the fact that this contact was exploratory to determine the feasibility for the linkage and that a commitment proposal would be made to the selected university in due course.

Professor Thinn also welcomed the idea of the linkage but stated that any student exchange should be at the post graduate level due to the inflexible structure of the University's curriculum and requirements for examinations. He further emphasized the fact that the staff shortage problem is so critical that no time is left to do research. He would like for Virginia State College to first send post graduate students to do a part of their master's program and research at the university, and feels that the manpower shortage problem will progress to the point that the basic curriculum in economics at the school would become more liberalized within three to four years, and thus provide the students greater flexibility to select alternative courses leading to the B.Sc. degree.

The Institute for Development Studies at the University of Nairobi is multi-disciplinary as well as a multi-purpose organization. It was created in 1956 in response to a strongly felt need for organized, full-time research on urgent social and economic problems of development. The Institute is an integral part of the University of Nairobi.

The main functions of the Institute are research and related activities, teaching contribution in the relevant parts of the university, the training of East African Social Scientists, the provisions of facilities for visiting scholars qualified and prepared to make a significant contribution to research programs of the Institute, the diffusion of research findings to a wider audience, and a variety of community activities designed to enhance

popular understanding of the development problems of the country.

The bulk of the resources and staff time of the institute are devoted to research. The research program of the institute is designed to mirror the high priority social and economic problems of development with a balance perspective for both short and long run development problems in the following areas: rural development, industrialization, Kenyan Economy, educational employment, and other miscellaneous topics.

Constraints

Nairobi University has a student body of 4,000 and faces a shortage of manpower in its several faculties but its overall program in research areas relating to management, manpower, and marketing has a rural development bias compatible with a linkage with Virginia State College within the constraints under which both institutions operate.

Conclusion

Nairobi University with its rural development outlook, supporting organizations, programs, projects and functions; possesses the potentials to be developed into a regional center, for planning and conducting economic planning and program planning development training seminars, mini courses, conferences, etc, with a regional bias encompassing East Africa.

ROME

The party departed from Nairobi, Kenya for Rome, Italy on November 25, 1973 and held conferences with:

1. Dr. Henry Quaix
FAO Economic Planning Unit and Chief of FAO Training Division

The purpose of this conference was to explore the feasibility of coordinating the proposed Virginia State College/African University linkage program with FAO Planning and Training Activities. Therefore, it was suggested by Dr. Omer Kelley, AID/Washington that the team should touch base with FAO Rome and discuss this proposition with appropriate officials with the view of discovering any compatibility for coordinating, training, and other program activities to the mutual benefit of the Virginia State College/African University linkage with FAO in the country where the linkage proposal may be implemented.

The linkage proposal was reviewed as a constructive step toward putting science to work for man within a systems approach to economic development and growth in the agricultural sector. The team pointed out that putting science to work for man commits the college/university to a creative venture of discovering and promoting change with meaningful differences toward a better tomorrow for the man on the land and his clientele. There may be many alternative avenues to this overall objective, but certainly no one institution seems to have a monopoly in this field. Therefore, it is believed that a mutual educational exchange program between colleges and universities with a common interest toward solving problems in manpower, management, and marketing aimed at optimum productivity in the agricultural sector offers a workable solution to economic development and growth

and it is to this end that this proposed joint effort is dedicated.

The Bureau of Economic Research and Development of Virginia State College, supported by a 211(d) grant from the United States Agency for International Development, took the initiative upon invitation to visit selected universities in Sierra Leone, the Republic of Nigeria, Kenya and Tanzania with the view of exploring the feasibility of developing an educational exchange program with one of these universities. The proposed program would be directed to the following ends:

1. An exchange of professors with fields of concentration in manpower, management, and marketing economics.
2. The training and exchange of students with fields of concentration in manpower, management, and marketing economics.
3. Research in relevant manpower, management, and marketing areas.
4. Economic planning, program development, and project determination.
5. An exchange program on planning and conducting seminars, workshops, inservice training, conferences, and on-the-job training, etc.

The FAO officials stated that their term of reference does not include research beyond trial demonstrations. Dr. Quaix stated that several other donor agencies put emphasis on a systems approach to agricultural development in terms of planning, but do little toward implementing this approach. He went on to say that the use of the systems approach to agricultural development in the developing countries is not considered to be useful at this stage of development. However, FAO does put emphasis on sector analysis to influence the decision making machinery in development planning.

The team countered this point by stating that selecting projects without relating them to the whole sector in a systematic frame of reference may be good for the moment, but it is just as likely to fail to

contribute to what is expected to be achieved by next year or the next 5 to 10 years and that by comparative example, a small or young basketball, football, or baseball team is required to play the game within the rules of the system the same as any other winning team be it young, small or large, and that similar conditions applied to the agricultural sector.

Joint planning and executing training seminars on regional basis was concluded to be a fruitful area for coordinating the two programs with the suggestion that AID foot the bill for participants and its personnel while FAO takes care of the funding for its personnel.

The Virginia State College team reacted to the above suggestion by stating that the purpose of the visit was exploratory and that any reply would be forthcoming as response to its report on this field trip.

GENERAL CONCLUSION

One of the objectives of the 211(d) program is to assist VSC and host country universities toward closing the gap between technical and managerial know-how. It goes without saying that, perhaps, more programs fail to produce expected results; because of a lack of managerial know-how than technical competence. Effective programs must have a balanced combination of sound technical know-how and effective management.

The 211(d) AID Grant Program could have no sounder objective than to stimulate cooperating college/universities, host countries and regions toward planning and developing indigenous manpower for more efficient and effective development and utilization of available resources to their optimum potentials. Constructively planned and executed this program can stimulate and promote the development of manipulative skills, managerial and organizational techniques to the end that optimum productivity becomes a reality on a sustaining basis. The situation suggests that one university be selected for the linkage with a regional bias in West Africa now with an additional consideration for selecting one university in an East African country with a regional bias. The long-time plan should be developed in a systems approach with a four to five year funding commitment through the instrument of the 211(d) AID Grant in cooperation with other donor agencies such as FAO, Rockefeller and the Ford Foundations, etc.

The contents of the linkage package between VSC and the selected African university should be negotiated with deliberate speed; followed by implementing courses of action on timely basis.

Some Common Constraints

1. Student Exchange.

The inflexibility of the B.Sc. degree curriculum at each university visited would limit student exchange from these institutions to completing their first two years at their respective universities and coming to Virginia State College for their junior and senior years work, or completing their B.Sc. degree requirement at home and coming to VSC for post graduate work. (A proposal for a graduate degree in economics is now being reviewed by the Council of Higher Education).

2. Each institution visited was faced with a serious manpower shortage problem, and making a deliberate effort to solve this problem.

3. Budgetary, logistical support, and facilities were common problems at each university visited but some of these institutions had more adequate resources than others. It was evident that Virginia State College would have to provide the lion's share of the costs through United States Agency for International Development's support to implement any linkage decided upon, and furthermore AID's level of funding will need to be increased to convert the regional potentials of this project into reality with a self perpetuating multiplier effect.

Conclusion

The team was favorably impressed by the generosity of the Vice Chancellors, School Principals and their staffs, their training programs, institutes and departments observed at each institution visited, and would welcome a linkage with all of them if our resources were sufficient. But limited resources dictated that a realistic criterion be designed to aid with selecting the university for the proposed linkage. The following

criteria were selected after considering a large number of factors:

- a. The selected institution should exhibit a dedicated bias toward rural development with supporting programs and organization aimed at helping rural and urban people find solutions to their social and economic problems.
- b. Acceptance of the systems or program approach to development; supported by sound program planning, development, organization and provisions for evaluation.
- c. Host country with self-funding potentials. This is very important because the object of the efforts is to enable the recipient country to make more efficient and effective use of its existing resources, rather than a substitute for what that country should and could do for itself.
- d. A country with an operational level of infrastructure development, such as the university having a convenient location from the standpoint of travel, easy market accessibility with supporting trunk and farm-to-market road, transport and communication facilities, credit facilitating institutions, a commitment to development, et cetera.
- e. Manpower availability and/or operational institutions and programs for manpower training, development and utilization.
- f. The institution selected for the linkage should be strategically located with potentials to become a regional center* for planning and conducting training activities, such as economic planning seminars, mini courses in program planning development, credit and marketing technology, as well as other relevant aspects of Agri-business focused on upgrading the level of manipulative skills, managerial know-how and organizational technology of the host country and its region.

Compatibility factors with respect to the Virginia State College/ African University linkage proposal were given priority ratings from a qualitative point of view throughout this report on a country by country summary listings in the forms of constraints with tentative conclusions, based on the hurried conditions under which this exploratory feasibility tour was conducted. A more thorough investigation would have required

*Regional Center: A place strategically located in the selected country to facilitate coordinated planning and execution of action programs mutually beneficial to the neighboring countries within the region.

more time and, no doubt, provided the grounds for indepth observations. Given this condition, the criteria for effecting the selection of the university for the linkage were developed on page 24. A systems or sectorial approach to development was stressed throughout the tour. Hence, a regional bias became the number one consideration for selecting the institution for the linkage.

West Africa Region

In spite of an assessment of all observed constraints involving the universities visited the team was most favorably impressed with the comparative advantage which Ahmadu Bello University demonstrated for this linkage with Virginia State College in regard to its systematic approach to rural-urban development, supported by its staff, physical plant, organization, research project and program activities, extension and continuing educational training programs, Agri-business support, livestock and veterinary services, forestry, regional posture within Nigeria demonstrates potentials for developing a regional economic planning, marketing, management, and manpower developmental center for West Africa in cooperation with all the countries in the region. This selection carries No. 1 priority.

East Africa Region

In East Africa, the University of Nairobi offers a similar comparative advantage over other institutions and carries the second priority.