

UNIVERSITY OF CALIFORNIA, SANTA BARBARA

Department of Economics

December 10, 1982

Dr. William Tietz, President
President's Office
103 Montana Hall
Montana State University
Bozeman, Mont. 59717

Re: REPORT OF THE SITE VISITATION COMMITTEE
CENTER FOR POLITICAL ECONOMY AND NATURAL RESOURCES

Dear Dr. Tietz:

Professor Vernon W. Ruttan and I visited your campus on December 5-7, 1982 at the request of Vice-President John Jutila and Dr. Bruce R. Beattie, head of the Department of Agricultural Economics and Economics. In the course of our stay we conducted interviews with approximately two dozen concerned persons according to a schedule provided to us. Prior to our departure on December 7, Professor Ruttan and I presented an Exit Report to representatives of your administration and to representatives of the Center. We made every effort to present the same report to both groups and, I believe, we succeeded.

This letter will memorialize the substance of our Exit Report. Professor Ruttan had a prior commitment to go to Brazil and, as a consequence, was not available to cooperate with me in the writing of this report. However, because your representatives requested prompt response on our part, it was agreed that I would draft a report, forward it to you, and send a copy to Professor Ruttan. In the event he wishes to modify or supplement my remarks, he will do so upon his return to this country.

BACKGROUND

At the request of Professor Beattie, we reviewed the materials provided to us prior to our arrival on the campus. This material included professional resumes of Center personnel as well as reprints of a number of their publications. Our preliminary written reports were based on these materials.

After arrival on the campus and after our briefing by you and Vice-President Jutila, we proceeded to the sequence of interviews. We typically initiated our discussion with each interviewee by stating the proposition that the Center created both benefits and costs to the University, the Department, and the state of Montana. We asked for each person's assessment of the benefits and costs, and for their suggestions on how the benefits could

be increased and the costs diminished. We also invited them to present to us whatever else might be on their personal agenda.

We heard a great variety of assessments and opinions in the course of our interviews and we learned a great deal. Professor Ruttan and I assessed and discussed the information at our disposal and decided to organize our report along two lines: Findings and Recommendations.

I. FINDINGS

A. We find that the benefits of the Center outweigh the costs. The Center has had an impact on the national debate and agenda concerned with Natural Resource Policy. In other words, Center personnel have made intellectual contributions to the debate and have made an impact.

B. We find the Center staff to be a group of intellectually active and productive scholars. There is strong support for the Center among all of the “general” economists in the department. However, we also found that the Center personnel are not a monolithic, single-minded group. Our interviews suggested that there was a wide diversity of interests in both potential research topics and potential research techniques. The most frequently mentioned benefit of the Center was its success in bringing distinguished, outside scholars into contact and communication with Center and, to a lesser extent, campus personnel.

C. We find that Professor John Baden is the central or key figure - -the entrepreneur - - without whom the Center would likely fail. Supporters and critics alike acknowledge that Dr. Baden has an abundance of energy and entrepreneurial drive and all admit that the Center has been a success on its own terms (e.g. Fund raising and public discourse). We found no indication that any other Center personnel would be willing to assume leadership of the Center in Dr. Baden’s absence. Aside from a willing successor, we are not in a position to comment on whether there is able successor. If the Center failed, there would clearly be an adverse effect on the Center personnel, but the extent of this effect is difficult to predict.

D. We find that the Center does have a legitimate educational function in connection with the general public. The very nature of the issues addressed - - not the methodological approach - - will generate public controversy. For example, if Center personnel find that traditional BSM grazing leases result in an inefficient use of resources and transfers of wealth to rancher leaseholders, this is bound to be a touchy issue. Both the ranchers and the agricultural economists who in some sense regard the ranchers as their clients will be perturbed. We found a minority sentiment in favor of a more active response by the agricultural economists; it was suggested that efforts should be made to meet the arguments of Center personnel in these controversial areas instead of crying “foul.”

E. We found that concerns about the objectivity, fairness, scientific methodology etc. of Center personnel were unfocused and imprecise. Many of those who have such negative perceptions admitted that they have not read the relevant publications; some apparently base their opinions on newspaper reports of Center personnel public addresses. Others had read selected publications and though the ideas advanced “interesting” but noted the absence of formal testing of hypotheses with data and standard statistical techniques.

We find that the research methodology used by Center personnel to be within the normal limits for the Economics profession. In any event, there is evidence of a variety of interests and techniques among Center personnel. The research findings of those Center personnel who regularly use the Public Choice paradigm are no more or less predictable than those of Socialists and Marxists in other departments who use a different paradigm. Holding Center personnel to a different standard would be unwise because of the generally-accepted concerns with academic freedom. Thus, we find that the techniques and approaches used in the Center research component are within normal limits in the Economics profession; to the extent that this issue arises because of the Center’s public visibility, we hope that our recommendations included below will reduce or eliminate the perceived problems.

F. We find that the outside support of the Center has been broadening and, to the extent that that process continues, we will expect that the concerns by some with the “narrowness” of the Center’s policy interests will diminish. We address this issue to some extent in policy recommendation II – B below.

G. We find the ties between the Center and the campus to be too informal and unstructured. The exchange of information suffers and the lack of a formal institutional arrangement creates avoidable problems.

H. We found a considerable amount of bad feeling toward the Center and some of its personnel by many of the Agricultural Economics faculty. The opposition and/or concerns were of quite different degrees. The sources of this opposition are different methodology (i. e. standard empirical techniques including regression analysis, survey methods, etc.) while some, but not all, of the Center personnel use the Public Choice model in their research. (2) Virtually all of the Ag-Econ faculty were concerned with the confusion of identities - -the Center and the Department. Department personnel quite understandably resent newspaper reports of policy findings uttered by Center personnel but attributed to and associated with the Department of Agricultural Economics and Economics. (3) Some Ag-Econ personnel view the problem as one of a different set of values. Finally, there is some evidence that the opposition stems from (4) pure personality conflicts and (5) some envy with regard to the Center’s public visibility, its outside funding, etc. We hope that some of our recommendations will reduce or eliminate these concerns.

II. RECOMMENDATIONS

A. We recommend that steps be taken to provide a clearer separation of the Center from the Department of Agricultural Economics and Economics. We recommend the Center be identified as a campus-wide or University Center.

B. We recommend broader participation in Center activities. For example, we believe that Professor Lauren McKinsey of the Department of Political Science would be a willing and able addition to Center projects. We recommend that efforts be made to recruit faculty from the School of Business (e.g. Professors of Finance and Statistics). In addition, we believe that some members of the Department of Agricultural Economics would be willing to participate in Center research both in principle and participate in Center projects, we believe that this would lead to a broader, more catholic research agenda for the Center. It would also help emphasize the independence and separation of the Center and the Department of Agricultural Economics and Economics. Finally, broader participation should continue and accelerate the expansion of the sources of outside funding for the Center.

C. We recommend that a Governing Board or a Board of Directors be established to guide and supervise Center policy and activities. Membership of this Board should not be restricted to Center personnel only; the Board should include members from the University campus or even from the outside community. We recommend the administration and the current Center staff agree on the membership of this Board. We stress that agreement with respect to Board members is important and advise against an arrangement in which the administration and the Center have the right to appoint members without actual agreement or consultation. We would recommend against “packing” of the Board by either the administration or the Center. Perhaps the administration and the Center could each draw up a list of nominees subject to the approval of the other interested group. We see several benefits from the creation of such a Board. (1) The time has come to institutionalize the relationship between the Center and the University. (2) Both the administration and the Center would benefit from clearer lines of responsibility, authority, and legitimacy. This arrangement should also provide more stability and predictability for everyone concerned.

D. We recommend that the Center make an effort to sponsor more campus-wide activities. For example, we note with the approval the Scholl Foundation public lecture series secured and sponsored by the Center. We recommend that more activities of this nature be conducted so as to broaden the participation in Center activities and spread the benefits to the campus and the community.

E. We recommend that the administration find an academic home for Dr. Baden on a part-time basis (1/4 – 1/3 time teaching). We base this recommendation on the observation that the lack of an appointment for Dr. Baden blurs his formal ties and responsibilities to the institution. We think that it is important that any Center director have an intellectual home on the campus. We believe this issue is, or should, be more important to the administration than to Dr. Baden. We believe that it is of the best interest of the administration to find an academic home for Dr. Baden even if he does not assign a particularly high priority to the matter.

This recommendation requires that the administration be creative in the best sense of that term. We are not familiar enough with local history or personalities to advise where that appointment might be. However, our interviews have convinced us that it is not feasible to appoint Dr. Baden to a position in the Department of Agricultural Economics and Economics department. Although the Administration clearly has the authority to place Dr. Baden in that department, we would recommend against such action for obvious reasons. The Political Science department, we understand, poses similar problems. But Professor McKinsey led us to believe that a part-time appointment for Dr. Baden in the Political Science department would not be impossible if the appointment were part of a broader package designed to strengthen the department. Indeed, Professor McKinsey offered his services in such negotiations and deliberations. Another possibility might be an appointment in the School of Business and the college level - - perhaps an appointment as a part-time professor of public affairs.

III. CONCLUSION

The above findings and recommendations are offered in the spirit of preserving the Center for Political Economy and natural Resources by strengthening its benefits and reducing its costs. We were impressed with the sincerity and openness of everyone we interviewed during our recent site visit. We were also pleased with the positive and constructive reception to our Exit Reports. If that spirit of reasonableness carries over to the discussions and negotiations pursuant to our recommendations, we are optimistic that the University and the Center can move ahead to even greater intellectual accomplishments and stature.

Sincerely yours,

M. Bruce Johnson
Professor of Economics

cc: Professor Vernon W. Ruttan
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MBJ: lw