

# COMPETING DEMANDS

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ONE OVERRIDING issue which faces virtually all underdeveloped countries is that the available supply of money and trained people is never adequate to undertake all of the necessary programs for economic development. And successful development programs require a willingness on the part of educators as well as politicians to make difficult choices and assign priorities.

Educators are agreed that major allocations of funds and people should be made to education programs. But doctors and public health people argue that health is important. Engineers point out that transportation is crucial. Other groups press for improvements in agriculture, for industrialization efforts, and for electric power facilities. All these programs are "essential" for improved social and economic welfare. But when the total money and personnel needs are compared to what is available, we invariably find that we cannot do everything that "must" be done.

I told a group of Peruvians last year that Latin American countries have not given adequate priority to investments in education. They agreed, but explained: "We are a poor country. Only a rich nation like the United States can afford high levels of education." "But," I argued, "the Latin American countries can increase their investment in education if they really have the desire and if they are willing and able to make tough decisions." Then, to illustrate my point, I asked: "How much is your country spending to buy obsolete planes and other military equipment for your armed forces to play with?"

On another occasion I urged a Brazilian high official to give more emphasis to educational programs and he replied: "If I have to make a choice between spending money for a new factory or a school, I will spend it for the factory. The new industry will increase the supply of scarce goods and at the same time be an educational experience for the workers."

The Brazilian rationale in giving priority to industry is persuasive, and the need in Latin America for the government to cater to the military in order to stay in power is realistic. In these specific cases, however, I was strongly in favor of greater emphasis on education at the expense of the competing demands.

But the proponents of larger investments in education are not always the underdogs. In two countries that have had a close relationship with the United States over many decades—the Philippines and Liberia—the educators are on top and probably *too much* so from a development economist's point of view.

The high value placed on education by Filipinos, the unbelievably high rate of literacy for an underdeveloped country—75 per cent—and the large numbers of professionally trained persons all help to explain the fact that the Philippine Republic during the last decade has been one of the fastest growing underdeveloped countries in the world. But as an economist, I must question whether the emphasis on education has been too great in relation to competing demands from transportation, agriculture, forestry, and industry for scarce resources.

If education proceeds at a faster rate than the expansion of jobs, education creates explosive political pressures that can slow up development. India has a large group of so-called "educated unemployed." But the difficulty in India is that higher education has not yet been adapted to the needs of an industrializing society and that the caste problem prevents educated students from taking jobs below their caste. The Philippines, however, prepares graduates in the professional fields needed by a modern economy and still has a growing problem of educated unemployed. The Philippines actually has a surplus of trained doctors, many of whom are being exported to the United States.

It is not an easy task to decide how much of scarce resources should go to education and what should be the time schedule for programs of improved education. And the educators are frequently not too helpful in this task. But assuming that a proper balance is reached in the over-all development plan between education and other necessary develop-

ment needs, a second set of difficult choices needs to be faced. How should educational resources be allocated among the needs for primary education, secondary education, college and university training, vocational schools, professional schools, and overseas scholarships, and among teachers' salaries, school buildings, supplies, and equipment? Many countries, unwilling to make such choices and erroneously believing that everything can be done at once, are "wasting" scarce resources under the virtuous label of education.

Let me cite one example of the problem of choices within education. Until ten years ago, Liberia in West Africa had done very little in the field of education. Now Liberia is trying to catch up, and the U.S. has given education top priority in its assistance program. But U.S. advisors are urging improvement of educational facilities at all levels at the same time. This includes expanding the University of Liberia into a major institution.

SOME of the disturbing facts are these. Largely illiterate Liberia now has about 60,000 students in schools at all levels. But two-thirds of this total or about 40,000 students drop out before they reach the third grade, and only about 250 students graduate from high school each year. After deducting from these 250 graduates a not inconsiderable number that do not go on to college, a small remainder represents the potential student body for the University of Liberia. Even more serious is the low quality of education. The university has been forced to reduce the quality of its program to a high school level because of the poor preparation of the high school graduates it receives. Shouldn't programs that reduce elementary school dropouts and upgrade the high schools receive priority over the more glamorous university project?

But the Liberian and American educators, not anxious to make hard choices, are still insisting that it is possible to work at all levels at the same time. The results will be, of course, that all educational projects will receive insufficient support and the over-all effort will be diluted and progress delayed.

It's a hard life being an economist. You must tell good people again and again—people who are dedicated to improved welfare and good causes—that they cannot do all that they want to do. The harsh realities of economics dictate that in any underdeveloped country the educational and training programs be guided by a long-range manpower plan that will project the quantities and types of trained people needed at each stage to complement development programs in all fields.

# A LAYMAN'S VIEW ON MERIT PAY

By HAROLD E. ZAUGG

**I**N THE December Education Supplement, Blaine Cooke ably pointed to the inflexible ceiling on teachers' salaries as the central problem in any discussion of merit vs. schedule systems. He maintained, with good reason, that the merit system was the only realistic means of breaking through this ceiling. In the January issue, Charles Wilson agreed, in principle, with this view, but described in vivid terms some of the difficulties one encounters in the practical administration of any merit system. Neither writer examined the reasons for the existence of this ceiling, or the possibility that it could more easily be circumvented than breached.

Certainly there are many causes for the ceiling, but there is one about which something can be done. Basically, it arises, I think, from the long-standing habit of most people (especially Americans) to regard any large enterprise, profit-making or not, in terms of an administrative hierarchy. From the small child, reading his first success story, to the sophisticated industrial manager devising an ingenious organizational chart, it is taken for granted that the "bosses" or the men near the top of the pyramid are to be paid the largest salaries. In a profit-making business there is good reason for this attitude. The very existence of the enterprise depends on preferentially rewarding those who can make and execute decisions which turn out to be in its own best interests.

Perhaps because, in the United States more than in any country of Western Europe, the public schools have been run like businesses, this attitude has carried over to include all school employees. As a regrettable consequence, the income of the top teacher is too often considered in line *after* that of the lowest-paid administrator. Thus, salary-wise, the top teachers usually find themselves permanently assigned to the middle, or upper middle, of the organizational pyramid. But, by industrial standards, even school administrators are generally not highly paid; and it is unlikely that their relative position is getting any better. Faced with this somewhat less than inspiring ceiling on their income, it is not surprising that

many good teachers develop a trapped feeling from which their only escape is a change of profession, either to school administration or to some entirely unrelated field.

The obvious way to eliminate this unfortunate state of affairs is simply to provide teachers with a road to advancement completely independent of the administrative one. Instead of having teachers and administrators advance along a single track, with administrators usually taking the lead, they will travel together on two parallel tracks. The organizational chart will then consist of two pyramids, one administrative and one professional, each resting on the same broad base. At first glance, this scheme may appear to be quite unworkable and completely uncontrollable. Nevertheless, it is precisely such an unbusinesslike approach as this that many large businesses have been following in recent years in order to meet an identical situation.

As long as large industrial establishments needed relatively few nonadministrative professionals, this situation never developed. It has been only within the last ten or fifteen years, along with the rapid growth of large research and development divisions, that the problem has become acute. To staff these departments, scientists and technologists had to be hired in huge numbers. But at first no provision was made for them to advance—at least beyond a certain point—in any direction but up

the administrative ladder. Faced with no alternative, many good scientists gave up the practice of their chosen profession and became administrators. In many cases this proved to be a fortunate choice both for the individual and for his company. The increased need for good administrators with technical backgrounds was being filled from a natural and mutually convenient source. However, when as also happened too often, a good scientist was "forced" into becoming a poor administrator, both the company and the individual suffered a double loss. This wasteful situation, coupled with the general detriment to professional morale naturally arising from the growing currency of the "trapped feeling," made it clear that something had to be done to encourage good scientists with little administrative inclination or ability to stay in the laboratory where they belonged.

**T**O meet this need many companies—mostly chemical or pharmaceutical—have instituted special programs of advancement for their technical personnel. Various named and variously arranged to suit differing needs, they all have one organizational feature in common. Rising from a broad, common base containing within it several beginning steps of promotion are two parallel ladders, one for administrative and one for scientific advancement. Steps on the same level of either ladder have the same status in salary and prestige—for example, "senior associate" matches "assistant director," and "scientific advisor" compares with "director."

No one can say that all of these programs are equally successful, but I have yet to hear of any that have been abandoned. Those companies that have instituted them in one giant step, and in strict adherence to certain clearly necessary principles, generally find that results exceed expectations. Indeed, one large technical organization has even added a third parallel ladder of advancement for the benefit of its supervisory personnel.

The development of suitably adapted programs of this nature for the encouragement and advancement of professional teaching will help significantly to improve the quality of public education in the United States.

