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ABSTRACT

A largely qualitative analysis of the supply and demand for foreign language and international specialists and of the use to which their skills are put in the private and public sectors was undertaken. The investigation was based on a review of the literature in the field and on more than 150 interviews with representatives of four main groups that affect supply and demand for specialists: (1) universities and other training institutions; (2) private business; (3) federal, state, and international agencies; and (4) foundations and other nonprofit organizations. The goal of the study was to provide a President's Commission on Foreign Language and International Studies with a description of the present and expected trends affecting training in these skills and the uses to which they are put with suggestions for future research, and with a discussion, without recommendations, of some of the main policy issues. An interview guide, a list of groups interviewed, a delineation of supply and demand variables used in the study, and a selected bibliography are appended. (SW)

FOREIGN LANGUAGE AND INTERNATIONAL STUDIES SPECIALISTS: THE MARKETPLACE AND NATIONAL POLICY

PREPARED FOR THE NATIONAL ENDOWMENT FOR THE HUMANITIES

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PREFACE

At the request of The President's Commission on Foreign Language and International Studies, three U.S. government agencies--the U.S. Office of Education, the National Endowment for the Humanities, and the International Communication Agency--funded a brief Rand study for the President's Commission. The study, conducted from March 5 to June 7, 1979, is a largely qualitative analysis of the supply and demand for foreign language and international specialists and of the use to which their skills are put in the private and public sectors. It is based on a review of the literature in the field and on more than 150 interviews with representatives of four main groups that affect supply and demand for specialists: (1) universities and other training institutions; (2) private business; (3) federal, state, and international agencies; and (4) foundations and other nonprofit organizations.

The purpose of the study is to provide the President's Commission with a description of the present and expected trends affecting training in these skills and the uses to which they are put; suggestions for future research; and a discussion, without recommendations, of some of the main policy issues.

On the basis of a very short study, we cannot pretend to offer quantitative precision or unequivocal policy recommendations in this complex field; however, we believe that the policy implications discussed in Chap. 5 follow closely from the study's findings.

SUMMARY

INTRODUCTION

In February 1979, the President's Commission on Foreign Language and International Studies asked Rand to conduct a 15-week study of the supply and demand for specialists in foreign languages and international studies, to investigate the relation of these issues to national need, and to submit a briefing and preliminary report to the Commission in June 1979. This final version of the report is directed to people in government, business, and academic life who are concerned with specialist training and recruitment.

The study is based on a review of the literature (see Bibliography) and some 170 personal interviews with representatives of business, government, universities, and other nonprofit institutions. Using these sources, we investigated the U.S. job market for language and area skills, and tried to assess the concepts of national need, or shortages, the existence of which might imply very different future needs in trained manpower from those now prevailing. Because of lack of time, and problems with quality and coverage of existing data sources, our findings are necessarily tentative.

The government's principal instrument for dealing with these issues in the academic sector is the $17 million a year it currently spends, under Title VI of the National Defense Education

Act (1958), to support foreign language and area studies, fellowships and research at some 80 area studies centers in U.S. universities. We therefore focused our academic interviews and literature review on these centers. Most of our business interviews were with U.S. multinational firms from the Fortune 500 group, but they also included international law firms, management consultants, the press, and banks. Our government interviews centered on the major employers of people with language and area skills: the larger foreign affairs and intelligence agencies, and the Department of Defense as well as members of Congress. We also interviewed foundations that have supported these studies.

FINDINGS FOR MAJOR SECTORS

Academic Sector

We assessed the academic sector's provision and use of specialists according to five criteria: quantity of training, quality of training, quality and quantity of research, mix of skills, and funding. With respect to quantity of training, we found that:

- The number of Ph.D.s awarded in area studies has been stable (with some recent evidence of declining Ph.D. degree enrollment); the quantity of M.A.s has been increasing.
- Study of all languages at colleges and universities has declined about 10 percent since the 1960s, while the study of uncommon languages has doubled in the past decade to a level of 60,000 students

enrolled in colleges and university courses.

- o Attendance at graduate schools of international affairs has increased.
- o It has become harder to place Ph.D. graduates in recent years, except for those in economics, law, sociology, business, and other professional skills. M.A. placement has been somewhat easier, particularly for general schools of international affairs. There is also potential demand for specialists in such emerging international fields as demography, energy, and the environment.
- o In other fields there is excess supply, brought about by the saturation of the academic job market, but the numbers of graduates have declined very little in response to fewer job openings.
- o The decline in demand is not likely to be compensated for by government or business employment, and may imply the need for curtailing admissions unless new sources of demand appear or extant ones are expanded.
- o The universities face a special problem in supporting specialists in rare languages and the more exotic areas of the world. The demand for their services is small, but subject to urgent demand from government in times of crisis.

The quality of students and faculty has remained high in all these programs, despite declining external support, which is now stabilized in constant dollars at perhaps 20 percent of the peak levels of 1967. Interviewees stated that the chief current needs are for:

- o Fellowship funds for foreign study and research, and adequate released time for faculty;
- o Acquisition of special library materials, which has been impeded by the loss of Ford Foundation funding and by mounting costs of processing;
- o Maintenance of national research, exchange and training centers, such as IREX and the American Research Center in Egypt;
- o Better training in spoken foreign languages, particularly for use in business, government and personal contacts.

These quality problems raise an important question: Is the national capacity to train high-quality foreign language and international specialists being maintained adequately, in light of present and future needs?

We know little about what has happened to the quality and quantity of academic research during the recent era of decline. We know that government funding of extramural international research has declined about 50 percent in constant-dollar terms since 1967, but we do not know exactly how this decrease has affected universities. In general, our respondents did not

believe that the quality or quantity of research has suffered as yet but many saw problems looming because of actual or imminent reductions in library acquisitions and travel opportunities for field work.

There has been interest in internationalizing university curricula as a way to improve the current mix of skills. The following events and issues predominate:

- o Both external and internal pressures are arising for the inclusion of language and international study in graduate distiplinary and professional departments, and the inclusion of more international materials in the general undergraduate curriculum.
- o Internationalization is being urged partly in response to Title VI guidelines which encourage it and partly to create alliances between disciplinary departments and area centers, now that the centers' outside funding is uncertain.
- o Nevertheless, internationalization is encountering difficulties. Some disciplines and professions, notably those whose graduates are easily placed (economics, business), have resisted the idea.
- o Employers tend to prefer internationalization of disciplines to general area specialization (e.g., business employers generally prefer to hire an M.B.A. who has some knowledge of the international

environment than someone with an M.A. in area studies).

- o Internationalization could divert resources away from general area studies, possibly resulting in more concentration on job relevance than on intellectual inquiry, a prospect not universally welcomed.

From the point of view of the public interest, the major problem is that many universities are producing graduates with advanced degrees whose skills are not appropriate for the job market, and most college graduates have little background in international affairs. From 1953 to 1970 there was a great growth of funding for foreign language and international studies in American universities, under the stimulus of Ford Foundation funds (starting in 1953) and federal funds, primarily Title VI of the National Defense Education Act and Fulbright-Hays Act scholarship aid. This golden age of funding ended in the 1970s. Ford Foundation funding declined and Title VI was eroded by inflation (followed by a leveling off after 1975). The universities, already hard hit by the decline, are now concerned about further erosion of support.

It is difficult to assess the effects of this decline, for several reasons:

- o There are no reliable enrollment data for years since 1972, as a result of Office of Management and

Budget policies on restricting government data collection.

- o There are no adequate data on trends in research quality and quantity.
- o Specialists are in oversupply in the job market; at the same time, critics of international affairs deplore Americans' lack of international knowledge.
- o However, there is clear evidence of selective resource shortages, notably for foreign study fellowships, library facilities, and national overseas facilities.
- o There is also evidence of inadequate spoken language training, but it is not clear how much this reflects funding and how much it reflects faculty preferences for emphasizing other aspects of language training.

The data provide some argument for maintaining at least existing quality levels. That might be done by some increase in funding, at least to offset inflation, or by concentrating government funding in fewer centers than the 80 it now supports. The latter measure might cause an increase in the number of isolated scholars--those who would lose area center support; it also might diminish the diversity of research and training approaches.

Business Sector

America faces important problems in its international economic relations: large import surpluses, slow export growth, and declining value of the dollar. Although some observers contend that wider and better use of foreign language and area specialists would improve our position, the evidence argues that it cannot, for several reasons:

- o The basic problems are structural: low rates of productivity growth, the catching-up process in foreign technology, and domestic inflation.
- o American industry generally relies on foreign nationals for language and area skills, except in a few small sectors where Americans must deal directly with foreign clients (law, journalism, management consulting, and to a lesser extent, banking).
- o Although some U.S. international firms expressed interest in more international training for MBAs, many of them see it as a trade-off with additional business training.
- o Language needs are often hard to predict, because expatriate staffs are very small and are generally assigned on the basis of managerial needs, not language needs.

Most of the 50 firms we interviewed assign very few Americans abroad. Americans account for less than three per thousand of their overseas employees, and no firm we interviewed plans to increase that proportion. English is the dominant international language, and the firms employ foreign nationals to deal in the local language. Businessmen are therefore less interested in Americans' language and area knowledge than in their international sophistication, but neither criterion is important in recruitment. Several firms believe it is important to maintain a cadre of academic and government experts in these fields, as a source of knowledge.

The only circumstances in which most American firms seek language skills, apart from some translation, are: (1) when a firm is starting operations in a country (e.g., China) where it has no local cadre; (2) when host countries, for reasons of national pride, strongly prefer that expatriates speak the language (e.g., Latin America); (3) when English is not spoken in the host country (e.g., North Africa and former French West Africa).

Foreign-owned multinationals (interviewed for comparison with U.S. firms) also have very small expatriate staffs. Unlike many American expatriates, they know the language of the host country, and often have greater career incentives to remain in foreign service than do Americans. These respondents do not believe that language deficiencies currently hamper American firms on the international scene, but there was some belief that difficulties might arise as competition heightens.

Government Sector

We investigated four types of questions concerning the government's use of these skills:

1. Questions about the type and level of training of government employees with these skills;
2. Questions about the comparative career incentives for specialists in federal service and in academic positions;
3. Questions about the long-term supply of skilled manpower;
4. Questions about the quality of intelligence analysis in foreign areas, and the proper balance between short-term and long-term analysis.

There were several concerns about the level and type of university education and recruitment for government service:

- o Top officials in the intelligence agencies are concerned about inadequacies in the current training and use of foreign affairs analysts.
- o Most foreign affairs agencies mentioned recruits' lack of adequate spoken language skills, but routinely expected to remedy them by government-sponsored training.
- o Senior officials stated that intelligence agencies do not give employees enough refresher training in area studies and analytical methods, nor enough

opportunity to spend time in countries of their professional interest.

- Despite these reservations, foreign affairs agencies at the operating level generally cited high quality and ample quantity of international specialists, both in recruitment and career service.

The major problems cited with respect to management and career incentives for government specialists were:

- Career incentives, particularly in the Department of State and in the officer corps of the Department of Defense, encourage generalists at the expense of specialists, thereby discouraging long-term area assignments and career commitment to research and intelligence.
- Various pressures encourage massive intelligence collection that may be subjected to shallow and perhaps erroneous short-term analysis, at the expense of deeper and sounder long-term analysis.

Although junior officers often benefit professionally from language training assignments, there is substantial evidence in the Departments of State and Defense that language and area skills may be detrimental to long-term career incentives. These agencies generally do not grant their highest career rewards to people who are typed as language or area specialists or research analysts; such people tend to be frozen in lower-level positions,

both because their specialties are useful there and because they are commonly reputed to lack appropriate breadth of experience for executive positions.

Under the circumstances, it is not surprisng that specialists have a strong motivation either to don generalist's robes or to leave the service. We were told that highly qualified specialists often retire early from government service, or do not reenlist, particularly in the Department of Defense, where turnover is said to impose particularly high costs on intelligence data collection. We thus confront a situation fraught with considerable irony: The government is responsible for dissipating the very expertise it actively recruits, and the constant loss tends to weaken the government's incentives to improve the training program.

Concern was expressed over the long-run supply of trained manpower, particularly for esoteric language skills and high quality analytical skills for intelligence agencies. The major problem cited was how intelligence agencies can attract people who combine disciplinary skills with area and language skills.

Other special problems of government international research and intelligence were cited:

- o Data collection tends to dominate analysis;
- o Federal external research funding declined 50 percent between 1967 and 1976 in constant dollars, and the government foreign intelligence budget has also declined, as a result of inflation.
- o The best qualified younger area specialists do not

choose intelligence careers;

- Collaboration between government agencies and academic experts is less than it used to be; as a result, foreign affairs staffs find themselves more isolated, intellectually, from outside sources of knowledge and critical opinion.

The weight of inference is that the U.S. government, despite its interest in recruiting qualified specialists, does not in fact place a high value on sustaining specialized language and area skills, except insofar as they are compatible with generalist careers. The above-mentioned obstacles to effective recruitment and use of specialized staff are likely to persist. The decline of federal expenditures on foreign affairs research is further evidence that these skills receive low priority.

We also interviewed two international agencies, the United Nations and World Bank. They recruit few American professionals, both citing lack of fluency in French as a common and major impediment. They were the only organizations of some 150 we interviewed that mentioned language as a general barrier to employment.

Needs and National Objectives

We define national need either in terms of market demand (as used in our job market interviews) or as a shortage of supply. Strictly speaking, shortages arise when more specialists are demanded at the going wage than training institutions can produce; but our definition also includes shortages due to: (1) nonmarket or short-term market factors that inhibit the clearing of the job market (e.g., a wage freeze or an institutional restriction on hiring); (2) a desire for specialists but no means of paying for them; (3) a normative belief that the nation ought to have more specialists than it now uses. Excess supply also can reflect nonmarket or market factors (e.g., excessive federal subsidy of graduate training, or short-term shifts in demand for professors).

Deciding whether specialist supply and demand is a problem that impinges on national objectives to the point of warranting political intervention is a value question, properly resolved by political processes. It is very difficult to demonstrate that any specific, observed national need for specialists does or does not exist; so many factors go into the attainment or failure of a national objective that it is virtually impossible to point a finger at either the importance or the inconsequentiality of specialists to the outcome.

Our literature review and interviews yielded seven national objectives, however, for which federal intervention theoretically could be appropriate: national security, economic strength, international competence, healthy democratic processes, efficient

training of specialists, efficient use of specialists, and promotion of basic research.

National Security. Security needs for specialists could arise if:

- The market fails to supply the number, quality, or kinds of people that the agencies seek;
- The agencies have the right people, but use them badly;
- The agencies, the President, or Congress do not seem aware of the relationships between our national security and greater or better use of specialists.

As for the first possibility, most government agencies reported that in the current absence of crises they have adequate numbers and quality of foreign language and international skills. In general, in terms of unmet demands, we did not observe a specialist-relevant national security need, although intelligence agencies stated that they would like to have more specialists.

There were exceptions to this general finding for some skills, for certain elements of quality, and for some agencies (e.g., certain rare language or area skills, fluent bilingual speaking competence, and particular skill combinations of disciplines, languages, and area knowledge). The national security consequences of these shortages are unknown.

Government respondents noted unmet demand during crises, particularly for "low volume" skills, those associated with areas usually of peripheral foreign policy interest. We also found that foreign affairs agencies do not make effective use of the specialists they recruit; e.g., career incentives in the Departments of State and Defense encourage people to become generalists, not specialists.

Our interviews found that Executive level and Congressional support for agency requests for more language and international specialists is often lukewarm. We have no basis for judging whether these higher-level decisions do or do not respond appropriately to national objectives.

Economic Strength. Although our balance of payments problem weakens our international economic position, we see no evidence that business demand for or use of language and area specialists would help matters significantly, because:

- Our trade position has deteriorated largely because of low rates of increase in U.S. productivity, the catching-up process in foreign technology, and domestic inflation.
- Firms reported very little unmet demand for specialists.
- American firms rely primarily on foreign nationals to staff their foreign offices, a practice also followed by foreign competitors of American firms.

International competence objectives stem from the desire to avoid embarrassing incidents, such as poor interpreting, that suggest American ignorance of foreign languages or cultures. Our government and business interviewees showed no inclination to change hiring requirements, internal training policies, or overseas assignment policies to forestall such incidents.

A healthy democratic process might be furthered if American citizens acquired more knowledge of foreign languages and international affairs. An increase in advanced training and research could contribute to that goal by adding graduates to the pool of high school and college teachers. It is doubtful, however, that the market could absorb many more teachers unless the federal government chose to fund international education in schools and colleges.

It is also plausible to argue that a healthy democracy should maintain an independent source of knowledge and criticism about foreign areas and world affairs, to avoid a government monopoly of expertise and consequent one-sidedness. Furthermore, because the government seems unable to conduct its own effective long-term research in these fields, outside specialists may be the only available source of such knowledge.

Effectiveness of Training. The evidence points to a current oversupply of specialists. Area center graduates are increasing slightly in number, while academic faculty and research openings are declining and government and business demands remain relatively stable. On these grounds, Title VI and foundation predoctoral fellowship funds should not be used to stimulate general

levels of supply, but should be allocated selctively to produce specialized skills, higher levels of competence, and needed skill-mixes.

Three issues about training quality arise. First, our respondents in all fields reported that the quality of current students remains high, despite declining job opportunities, although some concern was expressed about future quality.

Second, there were feelings of foreboding about the quality of foreign area training. Academic respondents pointed to declining opportunities for students and faculty to study in the nation or region of their specialty. They also note that inflation endangers the maintenance of library research collections.

Third, business and government respondents report that specialists with foreign language skills are not well trained in spoken languages.

With regard to skill mix, employers contended that too many specialists are produced who have unmarketable disciplinary skills (e.g., history, political science, language and literature, anthropology) and not enough with marketable disciplinary, vocational, and foreign language/international skill combinations. For example, the business school and law school faculties reported shortages of competent faculty with area training and international skills (e.g., international finance, the laws of foreign nationals).

Unemployment problems for specialists were cited by respondents, presumably signalling: excess training because of excess subsidy; poor communication between trainers and employers; or general economic conditions calling for the application of the usual tools of national economic policy.

Basic Research. Area studies, in their present form, were developed for their applied value--to give America a more spacious and effective entryway into the world arena. Nevertheless, much of the research that the centers fund indirectly through additional staff or providing released time is basic research, whose value can be judged by the same criteria as other basic research.

POLICY IMPLICATIONS

We have found that certain deficiencies in the foreign language and international studies system may be impeding the achievement of national objectives. If so, it is appropriate for the federal government to consider new public policies in this field. This section considers the possible policy implications of our findings, in addition to those discussed in the preceding section.

An important characteristic of the market for language, area, and other international specialists is that crises, such as war or international tension, stimulate rapid increases in government demand which, in time, stimulate academic demand. As government demand slackens after a crisis, it takes several years for the supply of trained manpower to adjust downward. Furthermore, the needed mix of skills changes. During the 1950s and

1960s, most specialists prepared for academic jobs; but in the 1970s, and prospectively in the 1980s, academic openings have dwindled. Yet most universities, often for understandable reasons, continue to produce an oversupply of Ph.D.s in disciplines where academic jobs are few. Meanwhile, they are not hiring enough international specialists to meet demand in fields where there is high demand for combined disciplinary and international skills (economics, political analysis for intelligence work, business, law). This is a difficult problem; useful as it would be to discover ways to adapt to fluctuations of market supply and demand, everyone concerned would benefit far more if the cycles of supply and demand could be stabilized.

Our analysis leads us to suggest consideration of policies that might affect both supply and demand. In relation to <u>training and supply</u>, they are:

1. To maintain, as an interim measure, the present real resource level of university training capacity in foreign language and international skills, taking account, thereby, of both inflation and the changing international value of the dollar; and to provide for a study aimed at making specific long-run recommendations about the size and focus of federal support.
2. To restrict or expand, by discipline, as demand prospects indicate, the level of admissions for graduate degrees in international studies.
3. To maintain an agreed level of support for three

elements of foreign study and research: fellowships for study and research; national centers for overseas research, training, and exchanges; and specialized library acquisitions.

4. To take a variety of actions to improve the level of competence in spoken languages provided by American training institutions, while maintaining other skills as needed for literary and scholarly purposes.

5. To shift resources, preferably through greater university-government-business collaboration, from low-demand to high-demand disciplines and professions; and encourage more language and international studies options as a part of specialized disciplinary or professional training.

6. To consider changes in the delivery of training through: greater concentration or greater dispersion of area studies centers; opening government language training institutes to academic and business users; and restructuring the government's administration of NDEA Title VI.

In terms of <u>demand</u>, the only problem that has emerged for business is the difficulty of transmitting to the universities its moderate interest in foreign languages and international studies as ancillary skills. This gives rise to no new policy implications, other than those already discussed for improving

collaboration and shifting to high-demand skills.

For government, which faces perennial problems in managing a vast labor force, most of the main problems--cycles of demand, inadequate staff quality, and inappropriate career incentives and consequent rapid turnover of specialists--are not unique to the specialties we have been examining; yet they take on a particular form in the case of languages and international skills. The main policy issues to consider are:

1. Foreign affairs agencies' language skills appear to need improvement. How should the skills be provided--by government training institutes, universities, study abroad? What should be the role of each (since each clearly will continue to have an important role)?
2. The quality of long-term intelligence analysis is said to be deficient and its quantity too small. Can the skills of current staff be improved by refresher training or more advanced training? If so, should government training, universities, or study abroad be the main vehicle for maintaining skills? More broadly, are the pressures of government consistent with high-quality, long-term research in these fields?
3. Should the government maintain low-volume language and area skills during periods of contraction, or should universities, with government subsidy, be the long-term repository of these skills?

4. Should foreign affairs agencies restructure their career incentives to encourage specialization in language and area skills? If so, should there be partially separate career specialist services, or should general career development standards be changed?
5. Should the government exercise more control over supply by creating a commission to oversee and, in light of demand conditions and national need, set priorities for federal aid to universities, as part of a restructuring of the aid system?

The government appears to be at a crossroads in this matter, where it can choose among three broad directions to pursue. It can choose to accept the current situation as it is, leave it to market forces to adjust supply and demand, and cope with crises by resorting to the firefighting techniques it has used in the past. It can decide to continue the low priority it accords to language and international studies, but revise its policies and reallocate its funding more rationally, to get the most out of limited resources while otherwise helping all parties to adjust to austerity. Or it can intervene in the marketplace, stimulate both supply and demand, and promote language and international studies among scholars, government employees, business people, and perhaps the citizenry. The choices will depend on policymakers' perceptions of national needs and objectives, and on cost-effectiveness comparisons among the alternatives. This study seeks to enable informed policy choices in a field where diverse opinions flow and judgment is difficult.

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James Ruchti of the Department of State, assigned to work with the Commission, provided us with substantial data on government use of specialists, and also helped us with a constructive review of an earlier draft of this report.

We received gratifying cooperation from the 170-odd interview respondents in our study; three of them--David Szanton of the Social Science Research Council, Hans Munte of the Continental Group, and Ambassador Richard Sneider--kindly read and commented upon the first draft of this report. Ann Schneider of the U.S. Office of Education and Geoffrey Marshall of the National Endowment for the Humanities also provided useful comments.

Our Rand colleagues Arthur Alexander and Deborah Hensler provided valuable comments on the first draft, and thereby

contributed substantially to any consequent improvements in the final version. Will Harriss's editing also deserves acknowledgment in that regard.

The manuscript was prepared by a large array of dedicated staff members, but primarily by Sandy Dougharty, Jan Turner, and Mary Yanokawa.

CONTENTS

Chapter 1

HISTORY AND ANALYTIC DESIGN

HISTORY OF THE PRESIDENTIAL COMMISSION

Three events stimulated the formation of the President's Commission on Foreign Language and International Studies: interest in the State Department and National Security Council, Congressional interest, and articles of the Helsinki Accords.

In August 1975, signatories to the Helsinki Accords, including the United States, agreed to:

> . . . encourage the study of foreign languages and civilizations as an important means of expanding communication among peoples for their better acquaintance with the culture of each country, as well as for the strengthening of international cooperation. . . .

Independently of the Accords, Secretary of State Kissinger issued an interagency memorandum in October 1975 directing a review of the problem of foreign area research and training activity. However, the resultant interagency task force, created under the National Security Council's Under Secretaries Committee, never issued a final report.

In June 1977 Senator Claiborne Pell of Rhode Island and Representative Dante Fascell of Florida sent a letter to President Carter, proposing a Commission to study the condition of foreign language and international studies in the United

States. The White House issued an Executive Order establishing the Commission on April 21, 1978. President Carter appointed 25 members of the Commission on September 15, 1978, with Dr. James Perkins as Chairman.

The Executive Order specified four objectives for the Commission:

1. Recommend means for directing public attention to the importance of foreign language and international studies for the improvement of communications and understanding with other nations in an increasingly interdependent world;
2. Assess the need in the United States for foreign language and area specialists, ways in which foreign language and international studies contribute to meeting these needs, and the job market for individuals with these skills.
3. Recommend what foreign language area studies programs are appropriate at all academic levels and recommend desirable levels and kinds of support for each that should be provided by the public and private sectors.
4. Review existing legislative authorities and make recommendations for changes needed to carry out most effectively the Commission's recommendations.

The Rand Corporation study primarily reflects the Commission's second objective, with "need" defined in conventional demand terms.

HISTORY OF FOREIGN LANGUAGE AND INTERNATIONAL STUDIES

The history of foreign language and international studies in the United States shows clearly demarcated stages, paralleling other trends in American life.

Before World War II the low level of foreign language and international intellectual activity reflected the isolation of the United States. Owing to our dominant cultural heritage, our foreign area and language studies were primarily concerned with Western Europe. Only a few scholars at a few universities specialized in non-Western languages and cultures, generally the premodern languages of China and those of the Middle East, including Arabic (Thompson, 1970). Even our West European interests were narrow, focusing primarily on Great Britain and to a lesser extent on France and Germany. Spain, Italy, the Scandinavian countries, smaller countries of Western Europe, Eastern Europe, and the USSR received little academic attention (Ward and Wood, 1974).

Table 1.1 is a chronology of the major foreign language and international studies events from World War II until today. As the entries for the early 1940s indicate, World War II increased the national concern with foreign languages and international studies, extending it to languages and regions hitherto ignored. For example, in 1942, the American Council of Learned Societies, National Research Council, Social Sciences Research Council, and

the Smithsonian Institution organized an Ethnogeographic Board to aid the Armed Forces and other agencies with knowledge about foreign regions.

Table 1.1

HISTORY OF FOREIGN LANGUAGE AND INTERNATIONAL STUDIES IN THE UNITED STATES

1941	American Council of Learned Societies (ACLS) establishes Intensive Language Program. (Stimulated college and university courses on uncommon languages.)
1942	ACLS, the National Research Council (NRC), the Social Sciences Research Council (SSRC), and the Smithsonian Institution, establish the Ethnogeograhic Board to aid military services and other agencies with foreign region knowledge during war years.
1943	Foreign Area and Language Studies program of the Army Specialized Training Program begins.
1943	SSRC maintains a Committee on World Regions.
Post WWII	ACLS establishes the Committee on the Language Program (sponsored language research, provided fellowships to linguistics institutes, administered the production of language manuals).
1945-46	ACLS, SSRC, and NRC establish a Joint Exploratory Committee on World Area Research to investigate the feasibility of an intercouncil program.
1946-48	SSRC Committee on World Area Research assists in completion of Hall's survey of area programs in universities (begun in 1946), sponsors its publication (1947), and holds a national conference on study of world areas (sponsored by Carnegie Corporation).
1947-1953	Carnegie Corporation funds SSRC Area Research Training Fellowship Program.
1948	U.S. Information and Educational Exchange Act passes, establishing broad authority for educational exchanges in all parts of the world.
1952	ACLS Committee on Language Program inaugurates program in Oriental Languages with Ford Foundation grant.
1952	Modern Language Association (MLA) inaugurates Foreign Language Program.

1953	Ford Foundation starts Foreign Area Fellowship Program to support graduate training in non-Western regions, USSR, Eastern Europe, and Western Europe.
1953-1967	Ford Foundation initiates and conducts International Training and Research program.
1954-1972	SSRC Committee on Comparative Policies established.
1958	National Defense Education Act (NDEA) passes. The Act includes Title VI, which provides the authorization to fund foreign language and area centers, training fellowships, and research.
1959	Center for Applied Linguistics is established with Ford Foundation funds.
1959-1960	NDEA program begins; Ford Foundation increases support to foreign language and international studies.
1959-1968	ACLS and SSRC establish 7 joint area committees funded by the Ford Foundation (Joint Committees on African Studies, Contemporary China, Latin American studies, Near and Middle Eastern studies, Asian studies, Japanese and Korean studies). These Committees have a mandate to administer research programs, assess the state of field, conduct conferences and stimulate new research.
1961	Mutual Educational and Cultural Exchange Act (Fulbright-Hays Act) passes, consolidating all previous laws relating to exchanges and strengthening the program's support of American studies abroad and promotion of foreign languages and area studies at schools in the United States.
1962	Ford transfers responsibility for Foreign Area Fellowship Program (operating since 1953) to the ACLS and SSRC.
1965	Establishment of the National Endowment for the Humanities, which provides support for several elements of the foreign language and international studies system: research collections, national facilities, and strengthening of foreign language curricula.
1966	International Education Act passes; money never appropriated.
1968	IREX (International Research and Exchange Board) is established as a joint SSRC and ACLS agency administered by the ACLS. Conducts official exchange training and research programs between the United States and 7 Eastern European states for faculty and graduate students.

1971 — Congressional appropriation for Title VI about one-half of 1970 appropriation. Reduced appropriations cause Summer Intensive Language program to be discontinued.

1972 — Final Ford International Training and Research grants expire. Increased Congressional appropriations allow Summer Intensive Language Program to be re-introduced.

1972 — PL 92-318 (Education Amendments of 1972) removes NDEA requirement that language training has to be a component of center activities and students' advanced training in order to qualify for grants or fellowships. Allows 2 new programs that were authorized under the never-funded International Education Act: (1) graduate international studies programs oriented to contemporary problems or topics; and (2) undergraduate international studies programs to provide an international perspective to general education.

1976 — PL 603 (Citizen Education) passes, with a trigger mechanism requiring that at least $15 million first be appropriated for Secs. 601 and 602. Allows funding for training programs at K-12 levels and for adult education.

From 1945 until the late 1950s there was consolidation and modest expansion of the activities stimulated by the war. There were only a few new foreign area programs, largely concentrated in graduate programs at a few major universities (Ward and Wood, 1974). Oriented primarily to East Asia and the USSR, the content of these programs reflected the post-World War II shift in American international interests. University funds and the foundations, especially the Carnegie Corporation and Ford Foundation, provided the major resources in this period.

The major expansion in foreign language and international studies occurred in the next decade. As in the 1940s, defense interests accounted for substantial expansion of these fields in the period 1959-60 until 1970-71. In response to Sputnik, the Ford Foundation began to support a larger number of selected area

programs at relatively massive levels. The National Defense Education Act (NDEA) was passed in 1958 and implemented in the following year.

The NDEA presumed that the security of the nation required the fullest development of the intellectual resources of the country. It provided incentives to educational institutions and students to increase the supply of scientists.

NDEA Title VI, Sec. 601a, provided for grants or contracts to establish centers for teaching certain modern foreign languages and knowledge about regions in which these languages were used. The fields considered germane included history, political science, economics, geography, sociology, and anthropology.

Section 601b provided for foreign language fellowships, to be used for advanced training in certain modern foreign languages and other fields needed for a full understanding of the regions in which these languages were used.

Section 602 established a research capability, to be used to determine the need for foreign language and international training and for the development of curricular materials. The Office of Education in the Department of Health, Education, and Welfare was given administrative responsibility for NDEA Title VI.

A third period, from the late 1960s until the present, saw significant declines in foundation and federal support to foreign language and international activities and a shift in federal focus from specialist to generalist and citizen training.

The reasons for the resource decline are not entirely clear. The Ford Foundation traditionally uses its funds to stimulate, not to maintain, activities, and its 1967 decision to make that year's five-year grants its final awards was consistent with that tradition.[1]

Reduced federal funding, especially reduced constant dollar funding, parallels American disengagement from the Vietnam War and the national reassessment of America's post-World War II international role. In fiscal year 1971, the executive requested Congress to provide only a third of the monies requested in FY 1970 for Title VI. Although the Congress appropriated 50 percent more than requested by the executive, FY 1971 Title VI appropriations were still only half the 1970 appropriations. In preparation to phasing out the program, the executive branch proposed no funds at all for Title VI in FY 1974. Congress appropriated $11.3 million. Since then, the program has received modest increases in funding, with Congress appropriating $17 million of an authorized $75 million in FY 1979.

External funding of foreign language and international studies not only declined in the last decade, but became more dispersed among different kinds of education (specialist, undergraduate, and citizen, including K-12). This reallocation of resources away from specialist training parallels the

[1] The Ford Foundation had also intended its grants to be used partly to internationalize professional training in such fields as journalism, law, and business, and the foundation believed that disproportionate amounts were going, not to professional, but to specialist training.

democratizing trends in educational legislation (e.g., Title I of the 1965 Elementary and Secondary Education Act, and the 1976 Education for All Handicapped Children Act).

The reallocation occurred in the 1972 and 1976 Education Amendments to Title VI. The 1972 NDEA amendments removed two requirements: (1) that foreign area study centers have a foreign language training component to be eligible for support, and (2) that people seeking fellowship support include a foreign language component to their training. They also authorized two new programs, one being an undergraduate international studies program to provide an international perspective in undergraduate education.

The 1976 NDEA amendments added a new section (Sec. 603) to Title VI for citizen education. Section 603 authorized the Commissioner of Education to fund locally designed educational programs that would increase American students' understanding of other nations and cultures. One of its purposes was to help citizens evaluate the ramifications of American domestic and international policies. As a result of Sec. 603, Title VI monies for the first time could be used for K-12 and continuing education. A trigger mechanism was added to Sec. 603, requiring that at least $15 million be appropriated for Secs. 601 and 602 before any monies could be allocated for Sec. 603. FY 1979 appropriations exceeded the trigger level, and Section 603 received $2 million.

The Office of Education consequently changed its regulations to require centers receiving Title VI awards to engage in outreach activities at levels of at least 15 percent of their Title VI funds. These activities could include assistance to other universities (e.g., access to special library collections), to elementary and secondary schools, the business community, and the general public. Their funding could come from any source.

ANALYTIC DESIGN OF THE STUDY

The Rand study addresses four questions: (1) What are the current supply, demand, and use of foreign language and international skills? (2) What are their projected supply, demand, and use? (3) What are the implications of data on these questions for federal policy toward foreign language and international studies? (4) What additional research would benefit policy decisions in this area?

Definition of Terms

Our questions required definitions of "foreign language and international studies," "foreign language and international specialists," "supply," "demand," "need," and "excess supply." The term "need" appeared in the President's second mandate to the Commission (" . . . assess the need in the United States for. . . specialists . . . ."), in much of the literature about foreign language and area specialists, and in the responses of those we interviewed for the Rand study. The concept is not entirely synonymous with the conventional economic definition of "demand" and requires a separate explanation.

In defining these six terms, we sought to use definitions consistent with the Commission's and Rand's mandates and at least not inconsistent with usage in the literatures on foreign language and international studies, economics, and public policy.

Foreign Language and International Studies. We define "foreign language and international studies" to include any course in these categories:

- Modern common and uncommon foreign languages, such as Hebrew, Urdu, Spanish, Farsi, Hindi, Bengali, Samoyed. This category excludes languages no longer spoken by any tribal or national group, such as Latin, Aramaic, and ancient Greek.
- Regional or country courses in the disciplines or the professional schools, such as modern Near Eastern history, history of Brazil, the economy of Japan, Islamic law (Sharia), Soviet nationality problems, Chinese demography.
- Comparative courses, such as courses on Communist elites, comparative governments, comparative religions, comparative law, and comparative tax policy.
- Courses that treat multinational institutions or problems, such as technology transfer to developing nations, managing the multinational firm, international organizations, international energy problems, transinternational commercial contracts, United Nations law, international legal problems, international law of the seas.

Foreign Language and International Specialists. "Foreign language and international specialists" can be foreign language specialists, international specialists (without much, if any, foreign language competence), or both. We define any such specialists as people who, through the American educational system, have attained a level of foreign language competence or international knowledge, or both, that qualifies them for jobs that would otherwise be unavailable or less available to them.

This definition includes people with: (1) (advanced graduate level) training in foreign languages and international studies, whether obtained within disciplinary departments (e.g., economics, with an international economics specialty) or in the professional schools (e.g., schools of law, business, journalism, public health); and (2) intensive undergraduate training in foreign languages and international studies, combined with post-college training to create skills similar to those in category 1.

This definition excludes people who obtain foreign language and international knowledge only in K-12 or only in undergraduate training. Few of these people find jobs by virtue of these particular skills.

Our definition also excludes people who attain language and international competence outside of the American educational system, e.g., through foreign birth or residence.

Supply and Demand. The job market for foreign language and international specialists is a segmented market. Thus, we have to describe the quantity of supply and demand by specialty, quality, and use (institution and activity).

"Quantity" refers to the number of specialists. "Specialty" refers to particular skills, such as languages (e.g., Farsi) versus international knowledge (e.g., arms control), knowledge of one country or region versus another (e.g., Southeast Asia versus the Middle East), or one skill combination (e.g., international lawyer) versus another (e.g., an MBA who speaks Japanese).

"Quality" refers to the level of competence in a particular foreign language or international skill.

"Use" or function refers to the institutions and activities in which foreign language and international specialists find employment. For example, specialists can work for the government, nonprofit research institutions, the private sector, or educational institutions (universities, colleges, K-12). Within an institution they can work, for example, in operational versus analytic capacities, on long-term versus short-term analysis, in research versus teaching.

On the basis of these distinctions, we define supply as the stock or pool of foreign language and international specialists, by specialty, quality, and (within limits) use.

The supply of a skill is usually defined as comprising all those individuals who occupy or seek jobs that use that skill; our definition, however, includes specialists working in or seeking jobs that do not use their skills, as well as those in jobs that do use them.

We chose a "stock" definition because concepts such as "excess supply" become more interpretable in that context.

The concept of use or function is more relevant for describing the demand for than the supply of specialists. Within limits, specialist labor can seek and obtain employment across institutions and activities. Supply is therefore less differentiated by function than is demand. However, this substitution among institutions and activities has limits, although the limits almost certainly vary by specialty. For example, we can expect MBAs with a Middle Eastern language and area specialty to seek and obtain employment in the private sector more readily than on a university faculty. We can expect the reverse for Ph.D. historians with a Middle Eastern specialty.

We define demand as demand for a stock of foreign language and international specialists. This stock is defined as: (1) the number of jobs occupied by specialists by virtue of their training, by specialty, quality, and use; and (2) the number of specialist vacancies that employers are trying to fill, by specialty, quality, and use.[1]

Need. As we noted earlier, the federal government currently subsidizes foreign language and international studies. As with all federal interventions, the original subsidy was based on presumptions of need. A major policy question before the Commission is whether and in what ways that need persists, i.e.,

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[1] Vacancies can be negative, i.e., under some conditions employers may want to reduce their inventory of specialists.

whether it is changed in nature or amount. In the debate over this question, the concept of need is used in several ways. This report is relevant to some, but not all, of these different meanings.

In the policy debate about foreign language and international studies, "need" has two basic meanings: (1) "demand," as we define it above; and (2) "supply shortages."

We can discriminate four uses of "shortage."[1] The technical, economic definition of shortages is a market disequilibrium. We can distinguish two types of disequilibria. The first type involves price or quantity restrictions imposed by nonmarket factors that preclude an adjustment of supply and demand. For example, civil service hiring freezes or wage schedules can prevent certain agencies from hiring specialists or being able to pay a price that attracts them.

The second type of market disequilibrium refers to lagged market adjustments, i.e., short-term disequilibria. Either a rapid decline in supply or an increase in demand can produce a temporary shortage. For example, during international crises, federal demand for specialists on the countries involved may increase sharply, producing a supply shortage within the foreign policy agencies. If these agencies expected their new levels of demand to persist, we would expect a market adjustment.

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[1] We are indebted to Arthur Alexander of The Rand Corporation for these conceptual distinctions among types of shortages.

A third meaning of shortage derives from the human propensity to want more of anything desirable, short of satiation. A shortage in this sense reflects people's preferences in the absence of having to choose from among them. For example, policymakers in a foreign policy agency may express a desire for more international specialists, but be unwilling to commit available slots to obtain them. A businessman may indicate a desire for more employees knowledgable about particular foreign countries but be unwilling to spend the additional recruiting effort required to locate MBAs with specific foreign country skills. A shortage in this sense reflects desire in the absence of cost constraints and has no behavioral meaning in the marketplace.

A special case of the third sense of shortage occurs when prices of a good increase sharply and buyers respond by reducing demand. In this situation buyers often speak of "shortages," although in fact they could maintain their prior consumption levels of the good if they were willing to pay its increased price. "Shortage" here really reflects the psychological sense of deprivation that accompanies reduced consumption of a good. For example, when American consumers talk about gasoline shortages, in many cases they mean unavailability of gasoline at its earlier prices and an unwillingness to spend additional resources to maintain prior consumption levels.

The fourth meaning of "shortage" bears the normative sentiment that there ought to be more demand for specialists. Shortage in this sense underlies many of the arguments by specialists

themselves in the policy debate about foreign language and international studies.

The reasons for the "ought" involve asymmetrical information and values, typically asymmetries in perceived payoffs and time horizons. Someone, usually the speaker or writer, presumes to have more or better information and analysis than the party who alledgedly is acting incorrectly. Shortage in this sense usually appears in conjunction with different national objectives. "Business (defense, foreign affairs) would do better for itself and the nation if it hired more foreign language and international specialists." "Our democratic processes would be stronger if citizens were better informed about world affairs."

Differences in time horizons can also underlie "shortage" in its normative sense. For example, it can be argued that our foreign policy agencies have enough specialists to meet the nation's immediate needs, but not our longer-run national security interests.

In sum, "need" can take on five distinct meanings: (1) demand; (2) a market disequilibrium shortage produced by non-market factors; (3) a shortage produced by temporary market disequilibria; (4) a shortage of services that employers would like to have if they did not have to pay for them; and (5) normative shortages, arising from asymmetrical information and values.

This study systematically addresses need in its first, second, and third senses. It reports statements of need in its fourth sense. It reports asymmetries of information and values, but does not evaluate the relative worth of opposing claims.

Excess Supply. Finally, we can distinguish excess supply, the obverse of supply shortages. The two meanings relevant to this study parallel the first two definitions of "shortages."

First, we use excess supply in the first sense of market disequilibrium, where nonmarket factors stimulate supply in excess of demand. For example, unlimited admissions to graduate programs, and federal subsidies of graduate training, can encourage people to enter these fields in numbers exceeding the demand for their skills.

Second, we use "excess supply" in the sense of lagged market adjustments, i.e., short-term disequilibria. Just as rapid declines in supply or increases in demand can produce temporary supply shortages, rapid increases in supply or decreases in demand can produce temporary oversupplies. For example, the decline in academic demand in recent years should have produced a short-term oversupply of those specialists who had limited job opportunities outside of academia.

ANALYTIC RELATIONSHIP AMONG SUPPLY, DEMAND, AND FEDERAL POLICY

Job market data, including evidence of either shortages or oversupplies of specialists, have no automatic implications for federal policy.

Federal action is more likely to be indicated if: (1) current federal subsidies and regulations can be shown to contribute to shortages or oversupplies; or (2) shortages or oversupplies can be shown to affect the achievement of national objectives.

The literature regarding specialists cites numerous national objectives, among which we perceive seven major ones: (1) strong national security; (2) competent conduct of international transactions; (3) a strong economy, including abundant foreign trade; (4) a strong democratic process; (5) efficient training of foreign language and international specialists; (6) efficient use of such specialists; and (7) promotion of basic research.

The discussions about national security associate a variety of serious misjudgments in foreign policy with inadequate numbers of specialists in federal agencies concerned with foreign affairs and in institutions that supply information and analysis to the government (research firms and university research groups). These misjudgments supposedly helped to provoke disrupted relations with nations of security interest to us, such as Iran, and encouraged American interventions abroad that reflected improper reading of regional or national events, as with Vietnam.

Issues of American competence abroad shade into those of American national security. We define this objective separately to include incidents that seem more embarrassing than hazardous, such as mistakes in translation in high-level negotiations.

Some discussions of this objective reflect national pride: the desire to appear effective in international affairs. Other observers foresee more ominous consequences of ineptitude, arguing that repeated instances of incompetence endanger American defense by eroding foreign trust in our ability to handle more critical situations intelligently.

Others argue that small incidents can have large effects ("For want of a nail the shoe is lost").

Discussions about the American economy link the paucity of specialists in business with forgone trade opportunities and the American balance of payments problem.

Foreign language and international specialists are presumed to affect democratic processes in two ways. First, it is commonly believed that an informed citizenry benefits democratic processes by increasing the quality of public discussion and thereby promoting wiser public policies.

Second, these specialties are believed to aid the democratic process by mantaining an independent source of knowledge and criticism about foreign areas and world affairs. If U.S. expertise on world areas were limited largely to government sources, our foreign policy would profit far less from the informed, independent criticism that the government so freely receives in domestic affairs.

The issue of efficient training pertains to the quantity, quality, and skill mix of specialists produced. If public subsidies or federal regulations produce shortages or oversupplies at particular quality levels or in particular skills, these policy instruments contribute to training inefficiencies.

Some specialists argue that the unemployment or underemployment of foreign language and international specialists signals a nationally inefficient use of these resources. This claim tends to underlie arguments about insufficient use of specialists in specific sectors (government, research firms, businesss, univer-

sities, colleges, and elementary and secondary schools)--that is, about "shortages" in the normative sense.

This study identifies another sense of inefficient use: inappropriate employment. Oganizations can hire specialists for their specialist skills and subsequently fail to use them in their specialist capacity.

The literature rarely connects a basic research objective with foreign language and international studies. This is partly because these studies achieved prominence in response to applied needs, particularly defense needs. However, the nation places a positive value on basic research, as evidenced by, e.g., the basic research mission of the National Science Foundation. We can distinguish this from other objectives, including that of maintaining an independent source of knowledge and criticism.

It is extraordinarily difficult to demonstrate that either shortages or oversupplies of specialists affect the achievement of national objectives. Reasonable people rarely agree in the first place on whether a national objective has been adequately met or not. And even if there is agreement, the attainment of a national objective involves such a multiplicity of factors that it is almost impossible to isolate the contribution of specialist skills. As a first approach to the problem, we can suggest ways in which the Commission might think about the evidence put before it.

We can test the hypothesis that shortages or oversupplies of specialists do not affect the attainment of national objectives. Logically, however, we can only reject, never accept, this

hypothesis. In other words we can show, logically, that shortages or oversupplies of specialists do affect the attainment of national objectives, but we cannot show that they do not. Evidence of such effects can always exist, and we be unaware of its existence.

Although logically possible, showing that specialists affect the attainment of national objectives is difficult in practice. Specialists are only one of many potential factors in their attainment. Estimating the effect of any one influence ultimately tends to rely on judgments that are susceptible to asymmetries of information and values. For example, the literature reports disquieting statistics on Americans' knowledge of foreign languages and international affairs and on the underuse of specialists, but the connection with national objectives is not clear. Do these deficiencies hinder our objectives, and if so, to what extent?

Even if these deficiencies are detrimental, logically we cannot conclude that correcting them will necessarily promote our objectives. "Bad practices" are usually discussed as though "good practices" were free goods--which they obviously are not. Tradeoffs are always involved, and bad practices can be less detrimental to our national objectives than the consequences of establishing good ones.

STUDY DESIGN AND DATA SOURCES

This section describes our data sources and data collection procedures. For two reasons the study is primarily qualitative. First, we had only enough time and resources to collect data from a purposive, not representative, sample of users and suppliers of specialists in foreign languages and international studies. Second, existing quantitative data turned out to be fragmentary, and we lacked time to collect systematic quantitative data, even from our purposive sample.

The study relies on three sources of data: literature review, compilation of all accessible quantitative data on supply and demand by type of supply and user; and 170 interviews with people in business, government, nonprofit organizations (including universities), and professional interest groups.

Literature Review

We conducted a literature review of approximately 200 items (see Bibliography). The items include unpublished dissertations, books, articles, reports, and letters and testimony stimulated by the Presidential Commission. They were reviewed for information on supply, demand, shortages, and excess supply.

Compilation of Quantitative Data

We tried to obtain published trend data for the last decade for several supply and demand variables. Appendix C lists these variables in detail.

In brief, for supply we searched for data on training resources, the structure of foreign language and international center programs, the quantity and skill mix of specialists produced, job placement of specialists, and research production.

For demand we tried to obtain employment trends for specialists by major sector (government, business, and the colleges and universities). We tried to project college and university demand by obtaining the age distribution of current foreign language and international faculties.

Although we did not expect to find good or complete data for all variables, the dismal state of the published supply and demand data base startled us. Data either did not exist, were very fragmentary, or were badly out of date for most variables. Even where data existed for the decade, the samples changed from year to year.

The data that we could compile came from the National Center for Educational Statistics, Title VI applications to the Office of Education, statistics from the professional associations, university catalogs, two studies of business demand (Inman, 1978, and Wilkins and Arnett, 1976), a study of government demand prepared for the Commission by James Ruchti of the Department of State, a few systematic studies of supply (e.g., Barber and Ilchman, 1979; Lambert, 1973; Massey, 1977; and McCaughey, 1979), and our own interviews with major suppliers and users of foreign language and international skills.

Interviews

We conducted semistructured interviews with experienced people among major suppliers and users of specialists. Originally, we had expected to use these interviews to: (1) understand the reasons for observed supply and demand trends; (2) elicit respondents' views of the quality of specialists over time; (3) determine whether respondents interpreted supply and demand problems as temporary or long-run market disequilibria; and (4) obtain respondents' estimates of future supply and demand for specialist skills. As the state of the supply and demand data base emerged, we added questions about other variables.

Table 1.2 describes the market groups from which we selected a purposive sample and the market functions for which we obtained information. The sample consisted of for-profit firms; government agencies (international, federal, state, and local); colleges and universities; research firms; foundations; intersectoral organizations, such as the American Council of Learned Societies; and professional interest groups, such as the professional associations for area studies.

Depending on their market function, we obtained information from them as suppliers of skills or research; subsidizers of skill production or research; users of skills in operational or analytic/research capacities; and professional representatives.

Appendix B lists the sampled firms by sector. In the business sector we interviewed 45 American and 5 foreign-owned firms, the American firms being predominantly Fortune 500 firms with large international operations within their industrial category,

Table 1.2

POPULATIONS SAMPLED AND THEIR MARKET FUNCTIONS

Population	Market Functions
1. For-profit firms	o User of skills, primarily for operations.
2. Government	o User of skills for operations and in-house and contract research and analysis. o Limited supplier of skills. o Subsidizer of skill production.
3. Colleges and universities	o User of skills for operations (teaching and research). o Supplier of skills and information. o Subsidizer of skill production.
4. Research firms	o User of skills for research and analysis.
5. Foundations	o User of skills for operations and some in-house research. o Subsidizer of skill and information production (directly or through intersectoral organizations).
6. Intersectoral organizations (e.g., IREX)	o User of skills for operations and some in-house research. o Subsidizer of skill and research production.
7. Professional interest groups (e.g., American Council of Education)	o Professional and political representatives for the foreign language and international specialist community.

e.g., electronics. Thus, the sampling did not include larger American firms with small international operations, or small ones whose business was substantially international, such as the small import-export firms.

We included foreign-owned international firms in the sample to compare their use of foreign language and international skills in overseas offices with that of American firms. We selected the foreign-owned firms somewhat opportunistically, matching them with American firms in the sample by industrial sector and varying the nation of ownership.

The government sample consisted of 4 present or former members of Congress and 5 Congressional staff members; 10 foreign policy agencies; 2 international agencies; 4 domestic agencies; 7 state international trade and economic development offices; 4 Chambers of Commerce; and 2 port authorities. The federal sample mainly consisted of the larger foreign affairs agencies, with only a few smaller foreign affairs agencies and domestic agencies with international divisions. For example, the Arms Control and Disarmament Agency and the Treasury Department were not included. The state sample consisted of the seven most industrialized states, as measured by 1976 value added and value of shipments; the local sample consisted of the largest SMSAs and most active ports.

In the academic sector we sampled from three kinds of institutions: foreign language and international programs oriented primarily to the academic market (e.g., the UCLA Center for Near Eastern Studies); professional schools with foreign language and

international program components (e.g., Harvard Law School and the American Graduate School of International Management); and foreign language and/or international programs oriented primarily to the nonacademic market (e.g., the Fletcher School of International Law and Diplomacy).

The final academic sample of 63 interviews at 49 organizations comprised 35 organizations oriented primarily to the academic market; 5 professional schools; and 9 programs oriented primarily to the non-academic market. Included in the third category are two language training programs run by the government (the Foreign Service Institute and Defense Language Institute) and one for-profit language training program, the Monterey Institute of International Studies.

The sample of academically oriented programs consisted primarily of East Coast and West Coast centers that have received Title VI support and contain more East Asian and Middle Eastern centers than Latin American and South Asian centers. The professional school sample was composed primarily of law and business schools. Some of the academic interviews were conducted by telephone.

The foundation sample consisted of the largest donors, stratified by general support (e.g., the Ford and Mellon Foundations) and specialized area or problem support (e.g., the Rockefeller Foundation). We interviewed 5 foundations, two nonprofit research firms with foreign language and international specialist staffs; and 10 professional interest groups, 7 of these being professional area associations.

Although the interview sample lacked representativeness, we believe that the interviews yielded clear qualitative supply and demand patterns for the major suppliers and users of international skills (business, government, and the universities).

We developed separate interview guides for the universities, government and business, and the foundations and nonprofit research firms. We pretested the guides with relevant organizations, located primarily in Los Angeles. The final versions appear in Appendix A.

ORGANIZATION OF THE REPORT

Chapters 2, 3, and 4 report our supply and demand results for the major market actors. Chapter 2 describes the academic sector; Chapter 3, the business sector; and Chapter 4, the government sector. Chapter 5 discusses the implications of our findings for national objectives, public policy and research.

Chapter 2

THE ACADEMIC SECTOR

INTRODUCTION

This chapter deals only with issues that are relevant to advanced international studies at the university graduate level, insofar as they are appropriately amenable to government policy intervention. It does not address questions relating to specialized undergraduate training in international affairs or to proposals for increasing the international elements of elementary, secondary, and college instruction.

The main subjects we discuss--graduate training, pre- and postdoctoral research, and maintenance of skills--are of major importance to language departments, area studies programs, and schools of international affairs, and of substantial interest to other university departments and professional schools that now or later might include international studies as part of their degree programs.

The questions at issue include:

- Are universities supplying an appropriate number of international studies graduates to meet the demand, and is their training appropriate for the jobs available?
- Is the quality of specialized training high enough and stable enough to meet academic, business, and government demands satisfactorily?

- Do the faculties have adequate opportunity to conduct research and maintain their skills through released time and research abroad?
- Is there an appropriate emphasis on effectively combining area studies with other academic disciplines and professional studies?
- Is federal funding for these purposes appropriate in amount and emphasis, and is federal organization appropriate and effective for supporting foreign language studies?

In this chapter we seek to answer these questions on the basis of our survey of prevailing conditions in the universities and the academic job market. In so doing, we may lay ourselves open to the criticism that our assessment fails to take into account "national needs," a criterion that the academic community stresses heavily in urging greater government support for international studies. But a concern with national needs in this chapter--as distinct from actual demands--would have led inevitably to our injecting value judgments into our assessment. We are aware, however, that national needs are an important issue that plays a central role in government decisions on educational policy and allocation of federal funding. We therefore address the issue in Chapters 1 and 5.

REVIEW OF FINDINGS

This portion of our survey is based on a review of the literature and on 63 personal interviews with faculty and academic administrators at 49 centers, schools of international affairs, and professional schools, supplemented by some 20 telephone interviews. We arrived at the following major findings.

The surge of external (primarily private) support for international studies during the 1960s should properly be viewed as an idiosyncratic phenomenon instead of as a standard for setting today's norms. The flow of government resources into the field has generally stabilized in recent years, although on a somewhat lower level than during the preceding period; however, rising inflation and the sharp decline of other external funding are now beginning to threaten the maintenance of academic training programs and research capabilities.

The evidence suggests that there is a considerable excess of supply over demand in the academic sector, where tenured employment opportunities for international specialists are shrinking. The extent of this overproduction, however, is very much a function of the international specialist's choice of world area and, more important, of his or her disciplinary specialty and mix of skills. Demand from the nonacademic sector does not compensate for the softening of the academic job market. The reasons are varied, but lie in part in the academic programs' reluctance to train for the needs of nonacademic work.

Prospects for a better supply-demand balance for international and foreign language specialists do not appear favorable for the years ahead unless the universities make greater efforts to point their training more directly to academic and nonacademic job markets--or unless external events dramatically increase employment opportunities.

The general schools of international studies have fewer difficulties in placing their graduates, most of whom are M.A.s aiming for employment in government and the private sector, not Ph.D.s with academic positions in mind. The policy of these schools is to promote the acquisition of such skills as quantitative analysis, statistics, economics, and the like, that make their graduates attractive to employers. Some university language departments and area centers are beginning to move in a similar direction, both for self-preservation and to move with the times, through cross-fertilization with business schools, professional schools, and international studies programs. It will probably be judicious to intensify those efforts, together with further curtailment of Ph.D. production.

These and other of our findings are presented below in more detail under the following headings: Structure of the International Studies Field; Resources; Growth and Present State of Training Programs; Academic Demand for Foreign Language and Area Specialists; Maintenance of an Adequate Research Capability; and the Academic/Government Interface.

STRUCTURE OF THE INTERNATIONAL STUDIES FIELD

More and more American universities are venturing into the field of international studies. Specialized schools have even been established to meet specific needs in the government and the private sector. Not surprisingly, this transformation has led to a good deal of experimentation, producing structural changes as well as competition and conflict among the various training approaches.

Not counting the large number of university departments devoted to the teaching of non-Western languages, the international studies system currently includes well over one hundred academic programs, characterized by a diversity of organizational patterns. These reflect divergent educational philosophies and varying perceptions of the function of the international studies specialist. Often, several such programs exist within the same academic institution--side-by-side, in a cooperative mode, or in competition for internal and external resources. Four major types of academic international programs can be distinguished. They structure their training primarily with a different sector of the labor market in mind.

Foreign Language Departments

The first and oldest group of international programs are the foreign language departments found in virtually every university. Together with the special governmental and commercial language training facilities, these departments are the principal providers of language training, and in the aggregate are also the nation's largest producers of competence in non-Western European languages. Because of their classicist traditions and focus on academic employment opportunities, they tend to emphasize the written over the spoken language although, moving with the demands of the times, some of them have also developed strong

programs in the spoken language. This tends to be the case whenever the particular language department is called upon to provide the language training services for the university's contemporary area programs. Through this linkage with the area programs, the foreign language departments benefit from federal Title VI funds (see Chap. 1) and from private support for regional studies. We found that the different perspectives of the language departments and the area programs can cause friction, especially regarding the proper emphasis on instruction in the spoken versus the written use of the foreign language. Similar problems can arise from the fact that many non-Western language departments have also traditionally offered courses on the particular region's civilization. Such instruction tends to be classicist, in line with the language departments' orientation, and is therefore not geared to the needs of the area programs with their focus on the study of contemporary societies.

Area Programs

The area programs, 80 of them currently enjoying federal support under Title VI, were designed on the assumption that there is a national need for American specialists on the major world regions or countries, and that these specialists should combine fluency in the language of the country with exposure to broad, multidisciplinary training. In the early years of these programs, the preponderance of instruction was therefore on languages and multidisciplinary training in civilization, history, institutions, and so forth. In more recent years, urged to proceed in a new direction and aided in this by Title VI funds,

area centers have sought to encourage disciplinary departments to provide their students with instruction having some foreign area content. They have also tried to convince the professional schools that their graduates could benefit from some exposure to area studies.

Our interviews with academic faculty and administrators suggest that the success of these efforts varies from institution to institution as well as from discipline to discipline. In many cases we found a clash of educational philosophies. Academic departments tend to insist on a discipline-based approach and resist the injection of foreign subject matter into an already crowded curriculum. The area studies centers, in contrast, stress the need for a thorough, many-sided knowledge of the culture and history of a particular society, and lean toward multidisciplinary education.

Our respondents in professional schools often stated that they viewed the international dimension as not very relevant to their professional concerns. Furthermore, they pointed to the organizational difficulties, and the high cost in student time and energy, of an attempt to fit area training into their already very demanding curricula. However, in our visits to major institutions we were also struck by the divergent perspectives of the business schools and the schools of law. The business schools, while recognizing the growing importance of the international dimension for American business (and in their professional association, developing a program to internationalize business school curricula), often doubted the utility of international studies

for business school training and the practicality of a tie with area programs. They pointed out that foreign nationals with the requisite skills are readily available. The law schools, on the other hand, tended to be genuinely interested in developing the international aspects of their curricula. We found that joint degrees with area or international programs are fairly common among law schools. (The explanation of these divergent attitudes may lie in the different requirements of the labor market for internationally oriented graduates, a subject examined in Chap. 3.)

General Schools of International Studies

A third type of program is represented by the general schools of international studies, which are sometimes located within the same university alongside the area centers. For many years these schools have successfully trained international studies specialists for the public sector and now, increasingly, also for the private sector. Technically, they all are administrative units of particular universities. For example, the Fletcher School of Law and and Diplomacy is associated with Tufts University, the Woodrow Wilson School of Public and International Affairs with Princeton, and the School of International Affairs with Columbia. In practice, and in contrast to the area centers, they operate largely as separate entities, as in the case of the Johns Hopkins School of Advanced International Studies, which is even physically distant from its sponsoring university.

These schools differ in the details of their internal organization and programmatic emphasis, but they also have much in common. Being public-interest oriented, they produce few Ph.Ds, a degree that as a rule is not as important in the public and private sectors as it is in academe. As they see it, their mission is to provide society with people who are, by virtue of disciplinary and international affairs training, well equipped to deal with the increasing number of international problems that cut across geographic lines and policy areas. They tend to place heavy stress on training in economics, statistics, and quantitative analysis as applied to emerging international problems such as energy or ocean resources. Although these institutions qualify for federal support under Title VI, they complain that in practice few of them have benefited from this source of funds. They ascribe this situation to a consistently narrow interpretation of the relevant legislation, which originally focused on foreign language and area training exclusively.

Topical or Functional International Studies Programs

The fourth major type of academic programs with international content might be called topical or functional international studies programs. They are more in the nature of training programs organized for a limited duration and in such a way as to bring several disciplines to bear on an international issue of special contemporary relevance. They are interdisciplinary and cut across geographic boundaries. Whatever specific area competence the particular study program may require is obtained from other parts of the university or even from the outside.

The importance of such programs was recognized by the (unfunded) International Education Act of 1966, which provided two-year-term seed money through the Office of Education (acting under amendments to Title VI). Fully 56 such programs have received modest federal support (averaging less than $40,000 annually) under such rubrics as Environment, Urban Studies, Technology Development, Social and Medical Services, Public Policy, Education, Business, Law, and Communications. How many of the recipient institutions have continued their international program activity even after the recent cancellation of this federal program, and what their contribution to the training of international specialists has been, is unclear in the absence of necessary data.

TRAINING AND SUPPLY OF INTERNATIONAL STUDIES SPECIALISTS

Resources

Outside funding for international and area studies increased gradually through the late 1940s and 1950s, rose substantially in the 1960s, and returned to a lower but more stable level in the 1970s. The large surge in the 1960s was due to an intensive effort by the Ford Foundation to develop and expand center programs.

Ford monies totaled $217 million from 1960 to 1967, with almost $50 million in the peak year of 1966 (see Fig. 2.1). According to a Ford Foundation statement (Sutton), the support "coincided with a strong will on the part of universities in the fifties and sixties to internationalize their activities." The

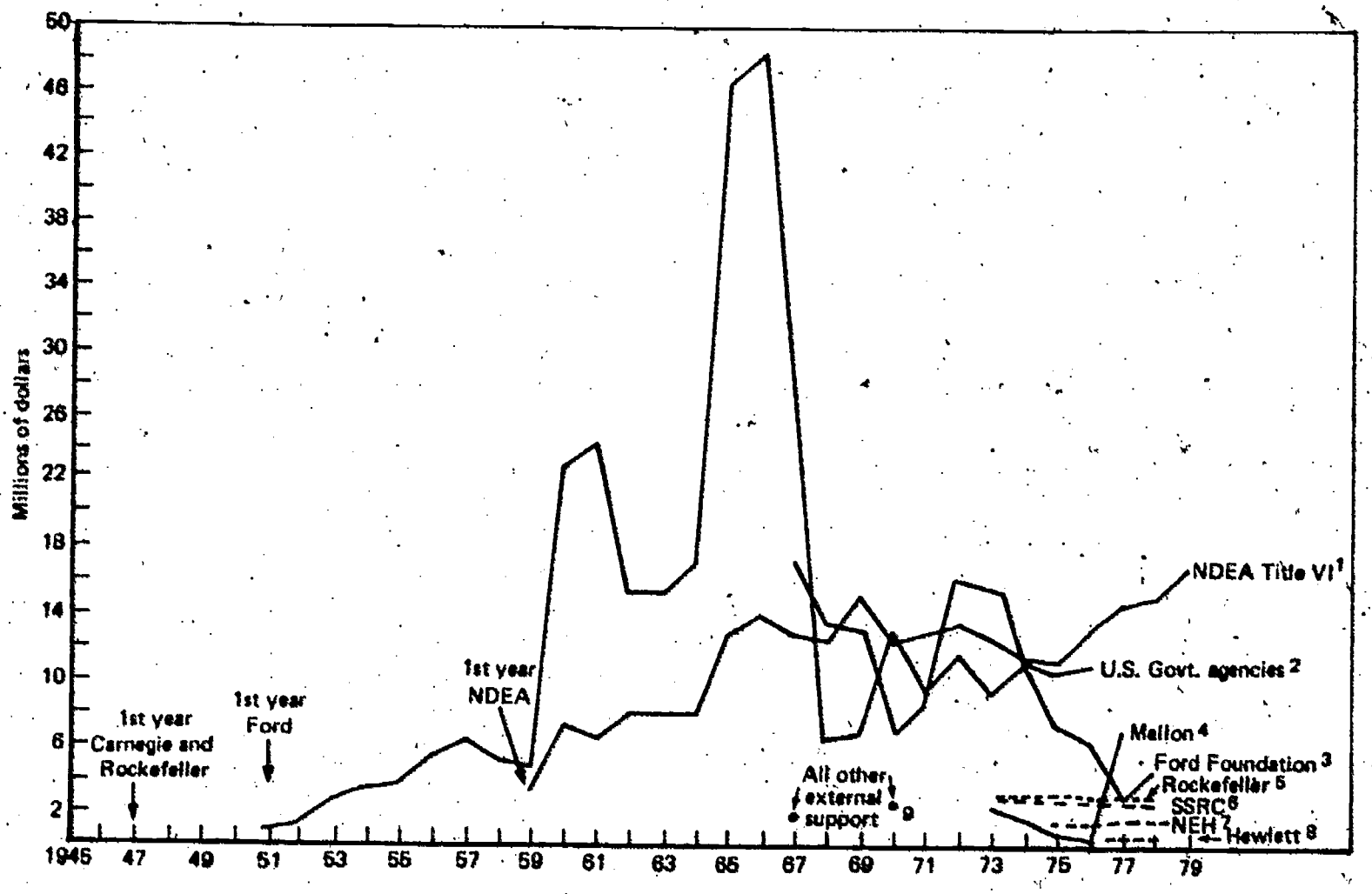

Fig. 2.1 — Funding for international and area study centers

1 Excludes fellowship funding. SOURCE: U.S. Office of Education.
2 Half of the total foreign and domestic agency funding for foreign affairs research (approximately half of the total is non-university-related). SOURCE: FAR Horizons, Winter 1977.
3 SOURCE: Sutton (1978).
4 SOURCE: Yearly reports of the Andrew Mellon Foundation (1973-77).
5 SOURCE: The Rockefeller Foundation Annual Reports (1973-78).
6 SOURCE: Annual Reports of SSRC (1972-77).
7 SOURCE: Duffey (1978).
8 SOURCE: The William and Flora Hewlett Foundation Annual Report (1977).
9 SOURCE: Lambert (1973).

decline was consistent with Ford's policy to foster an emerging need and withdraw gradually when the program is capable of standing on its own. Also, Ford anticipated that U.S. government funding would increase substantially with the passage of the International Education Act; however, the Act was never funded. Direct Ford support to centers currently amounts to around $3 million to $4 million per year. Ford also contributes additional funds through other sponsors such as SSRC, ACLS, and IREX.

Other foundations have made more modest contributions. As we see in Fig. 2.1, non-NDEA and non-Ford external funding amounted to around $2 to $3 million in the late 1960s (Lambert) and increased to around $7 million in 1978 (Foundation Center Survey).[1]

Many additional foundation grants are tied to specific program operations. For instance, in 1977 the National Endowment for the Humanities contributed an approximately $1 million translation grant, $2 million for research materials, $1 million for editing and publishing, $3 million for research collections, as well as smaller direct grants to centers and matching grants to stimulate new or increased support.[2] However, private foundation grants are often sporadic. For instance, the Mellon Foundation contributed roughly $2 million to international libraries in 1973, nothing in 1974, $300,000 in 1975, and $2.1 million in 1977. The foundation

[1] This foundation survey of 500 foundation grants above $5000 actually arrived at a total figure of $10.6 million. However, we think this figure includes the $3 million to $4 million of Ford Foundation money.

[2] Duffey (1978).

also contributed $700,000 to Asian Centers in 1973, $1.5 million in 1974, nothing in 1975, $250,000 in 1976, and $4.9 million in 1977.[1]

NDEA Title VI funding, at $17 million in 1979, is now the principal source of funds for international and area study centers (Fig. 2.1). This funding has shown a gradual and fairly stable[2] rise since its inception, although inflation has diminished the real value of the increases, as it has for all sources of funding (see Fig. 2.2). Furthermore, the share of money allocated to graduate level training has diminished as a result of the 1972 and 1976 Educational Amendments, which mandate that a portion of the Title VI money be allocated to undergraduate programs, citizen education programs, and outreach activities.[3]

Government agency expenditures on foreign affairs research are another source of funds for international study centers. These expenditures have declined, however, from $38.1 million in 1967-68 to $21.6 million in 1976-77.[4] Roughly half is granted

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[1] Yearly Report of the Andrew W. Mellon Foundation (1973-1977).

[2] Total allocations have fluctuated somewhat with various presidential administrations. Amounts granted to specific centers has also fluctuated, as the number of NDEA centers has changed over time.

[3] A new section to Title VI authorizes funds for citizen education (grades K-12 and continuing education) if at least $15 million is allocated to Secs. 601 and 602. In 1979, $2 million of the $17 million was allocated to this new Sec. 603. The Office of Education also changed its regulations to require centers receiving Title VI awards to use an amount representing at least 15 percent of their OE grant funds for outreach activities.

[4] FAR Horizons, Vol. 10, No. 1, Winter 1977. Excludes NEH and other government foundations.

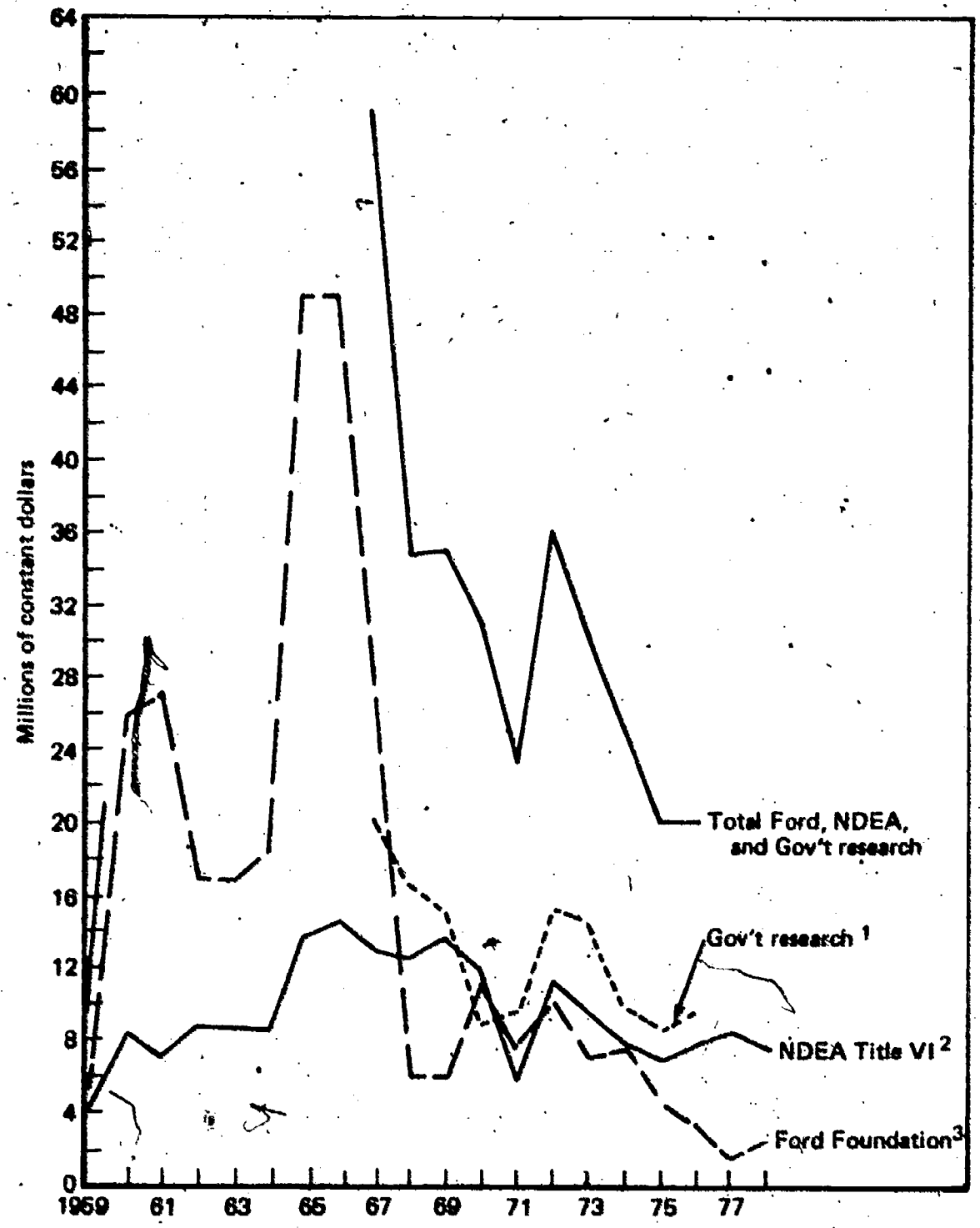

Fig. 2.2 — Major funding for international and area study centers deflated into constant dollars (1967 = 100)

1 Includes funding from foundation-type agencies (e.g., HEW, NEH, NSF, and Smithsonion)
SOURCE: FAR Horizons, Winter 1977.

2 Excludes fellowship funding.
SOURCE: Office of Education.

3 SOURCE: Sutton.

to universities (Burn).

According to the Lambert report, grants to international and area centers from these external sources amounted to approximately 18 percent of the aggregate of center budgets in 1969-70. NDEA funds accounted for slightly more than half of these funds, or 9.7 percent of the total budget (not including fellowship support). This NDEA portion has remained fairly stable: in 1978-79, 9.1 percent of center funding was provided by NDEA center grants. Note, in Table 2.1, that the proportion of NDEA support as a share of the total budget varies substantially across different world areas. Table 2.1 also reveals that between 1976 and 1978 the centers, except for the Mideast and "other" centers, show an increased dependence on NDEA funds.

Centers vary considerably in the way they use their external support, but one can make several general observations concerning the way they use NDEA funds. According to a memo prepared by the Office of Education (Schneider), universities used much of their NDEA funds to pay full-time, tenured faculty up until the early 1970s. Since then center administrators have been persuaded to avoid using NDEA for such purposes. The funds are now often used as "seed" money to pay the salaries of new specialists brought in to expand program breadth or depth.

Funds are also used to pay language instructors teaching the most uncommon of the less commonly taught languages. These funds play an important role in persuading university administrators to maintain esoteric language programs, since enrollments in these courses are generally below university cut-off points for self-

Table 2.1

PERCENT OF CENTER BUDGETS FURNISHED THROUGH NDEA SUPPORT, BY WORLD AREA

	NDEA Support as Percent of Total Center Budget			
Center	1969-70	1973-74	1976-77	1978-79
Average, all centers	9.7	11.0	9.05	9.1
East Asia			7.2	7.5
Southeast Asia			15.2	19.2
South Asia			13.0	13.9
Middle East			9.6	8.8
Africa			13.2	13.3
Eastern Europe			8.5	8.6
Latin America			5.9	6.1
International Studies			9.7	10.5
Other (Canada, Western Europe, Inner Asia, Pacific Islands)			13.3	11.2

SOURCE: Office of Education.

supporting instruction.

Finally, all centers must use 15 percent of the NDEA grant for outreach activities in order to receive NDEA funds. However, the interpretation of outreach activities varies widely across centers.

Individual fellowship awards are available from a variety of sources for graduate student, postdoctoral, and faculty research. The number of NDEA Title VI graduate fellowships for the academic

year[1] dropped from 1319 in 1969 to 828 in 1979, but has remained fairly stable since 1974-75.[2] As for awards for overseas study, Fulbright-Hays funds were drastically reduced after 1968-69 and only gradually have been returned to their original level.[3] Additional overseas awards are provided through SSRC, IREX, CFEX, ACLS, NEH, MIMH, Guggenheim, and other sources. However, there is no apparent trend in the number of these awards granted between 1968-69 and 1976-77 (Massey).

Growth and Present State of Training Programs

Whether we measure the development of international studies by the number of active programs, by the breadth and depth of their geographic coverage, by the number of specialists trained, or by the degree of success in internationalizing the academic faculties, we must conclude that great strides have been made during the past two decades.

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[1] During 1969, 1970 and 1972 NDEA offered additional summer fellowships to approximately 615 graduate students.

[2] The average fellowship cost in 1969 was $3947 and in 1978 was $5544.

[3] Because the costs of doing research abroad have increased substantially, a given amount of money will not provide the same level of support for the same number of students. As of 1976-77, the Fulbright-Hays Foreign Language and Training Program was allotted $2 million and an additional $4.5 million was allotted to the Research Scholars Program. Report on Exchanges, 1977.

Student Enrollment in International Studies and Geographic Specialization. One indicator of the growth of the international studies field and of its capacity to produce specialists is the size of student admissions to area-center and area-discipline training programs responsible for the majority of advanced degrees in international studies.

Enrollment figures for the NDEA area centers are available only through 1972,[1] as OMB thereafter barred USOE from collecting such information, apparently to reduce paperwork. Our respondents agreed that current enrollment figures have held up well over the past decade, but this opinion does not allow us to form precise judgments. The period of substantial growth in area studies witnessed in the 1960s appears to be over, but most universities we visited report no overall decline in enrollment, nor any decline in quality as measured by GRE scores or other criteria. In the case of the general international studies schools, there has been if anything some further growth. Of course, the relative weight of the several major world regions being studied has shifted over time. The trends in that regard

[1] Table 2.2 presents enrollment data for several years prior to 1973. These data, as provided by the Office of Education, combine graduate and undergraduate enrollments. They are limited to programs receiving federal funds. However, the consensus is that programs not in that category represent a negligible enrollment within our terms of reference.

--the current popularity of Middle Eastern studies, for example--appear to correlate with the fluctuation of public interest, the state of our political relations with a particular region, and with the U.S. economic involvement there, reflected in perceptions of growing or decreasing employment opportunities in the academic, public, and private sectors.

The figures shown in Table 2.2 do not discriminate between graduate and undergraduate enrollments, but we have an OE tabulation of graduate admissions to NDEA centers for the fall semester of 1972. These are minimum figures, not including those graduate

Table 2.2

ENROLLMENTS AT NDEA LANGUAGE AND AREA CENTERS, BY REGION, 1969-1972

World Area	1969	1970	1971	1972
Asia--General	12,700	12,627	15,404	14,487
East Asia	11,442	14,315	13,240	15,409
South and Southeast Asia	1,752	2,903	3,301	2,887
South Asia	4,047	5,155	4,038	5,207
Southeast Asia	547	392	574	540
Inner Asia	122	142	167	233
Soviet and East Europe	19,889	18,222	17,795	17,580
Sino-Soviet	1,252	1,083	1,036	938
Middle East	8,567	11,517	10,948	11,346
Africa	6,436	7,536	4,931	7,255
Latin America	33,218	35,084	31,904	29,104

SOURCE: Adapted from Area Center reports to OE.

Note: Enrollment figures include undergraduate enrollment and represent the combined total of language and area courses. The regional breakdown reflects the Office of Education's reporting categories. This procedure involves double counting of students who enroll in more than one course.

students whose area training was marginal and thus not reflected in their institution's area center survey. Except for the Southeast Asia regional concentration, graduate degree aspirants in foreign-area-related studies in each region exceeded 3,000 by varying and often substantial margins. East Asia was leading then (as clearly it still does today) with more than 5,000 enrollments; Latin America followed with more than 4,000; the Soviet Union and Eastern Europe attracted some 3,500; Africa, the Middle East, and South Asia each showed an enrollment of somewhere between 3,000 and 4,000. The share of Soviet concentration appears to have dropped somewhat since the early 1970s for reasons that seem related to the job market and perhaps to a decline in graduate fellowships. The Middle Eastern language and area studies have gained in popularity meanwhile, as reflected, for example, in the enrollment figures we obtained from the University of Pennsylvania, one of the leading centers of Middle Eastern Studies (where the first professorship for Arabic studies was established in 1780!). Their enrollment for the 1972/73 academic year was 409; by 1978/79 it had reached 1,265. Figures for total area studies enrollment are greatly influenced by conditions of language training. Thus, the relative importance of African studies is somewhat understated by the enrollment figures, since the teaching of African languages is still in its infancy and the great variety of languages spoken on that continent discourages their study. For somewhat different reasons, future Latin Americanists are relatively more numerous than the above statistics might suggest. This is because language study

no longer plays an important part in graduate training for Latin Americanists, since they have usually completed their formal language instruction as undergraduates. We estimate that a minimum of 20,000 students annually are undergoing advanced area training in the United States.

Foreign Language Training. When the Ford Foundation and the federal government decided in the 1950s to assist in developing specialists on the major world regions and countries, the promotion of foreign language studies was among their particular concerns. At the time, the United States was reported to be lacking in personnel qualified to deal with even some of the most widely used foreign languages, such as Russian, Chinese, Japanese and Portuguese, not to speak of the less common languages of the Third World.

Since that time, the United States has acquired a substantial pool of people competent in one or several of the many uncommon languages. Their training is both costly and time-consuming and their rewards in the job market are by no means obvious, except perhaps for such uncommon but widely used languages as Chinese, Japanese, and Arabic. Students' principal motivation for non-Western language study appears to be a genuine interest in the civilization of the particular people or area. But our survey on sample campuses made it clear that the federally funded Foreign Language and Area Studies Fellowships for students at recognized area centers have stimulated language learning. We were told that, consequently, the favorable trend in the study of uncommon languages might not continue much longer

if these fellowships dwindle further: 2,557 such fellowships were awarded in 1967, but their number dropped to 1,791 in 1970-71, and to 832 in 1977-78.[1]

While the academic study of foreign languages in the United States has declined by ten percent or more over the past 15 years, stabilizing at that lower level only recently, the number of students acquiring an uncommon language at academic institutions has risen fivefold since 1959 and reportedly doubled from 1967 to 1977, reaching a total of 64,000 in the latter year.[2]

The generally bright picture that the above figures paint is questioned by academic specialists, who offer examples of Americans' ignorance of uncommon languages, particularly in African and Asian languages. Be that as it may, the universities and the federal government continuously face the task of setting criteria for linguistic training priorities. The roster of languages qualifying for NDEA language fellowships reportedly approaches the 200 mark (compared with less than 100 actually being taught at NDEA centers)[3] a number that exceeds the capacity of the

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[1] A recent communication from the Office of Education suggests that the downward trend in the late 1960s/early 1970s was less pronounced: 1319 AY graduate fellowships (of a total of 2357) in 1969 and 1189 for 1970; the difference is attributable to summer fellowships, no longer awarded.

[2] This growth has been uneven at times, however. The Modern Language Association reports that enrollments in Russian declined by 11 percent between 1968 and 1970, held steady until 1972, and resumed their downward course after that year. Presumably, this downward trend (and the upward trend of Arabic, Japanese, and Swahili) reflects conditions in the job market.

[3] The scholarly community appears to have concluded that languages with fewer than 1 million speakers can never have very high priority, and a language with only 250,000 speakers might very well be destined for oblivion. Such academic judgments may have to be reviewed in the light of changing government priorities and national needs.

present fellowship system if national priorities are to be reflected in the weighting of the number of awards for a particular language.

Several respondents stressed other problems, including the rising cost of foreign study, the longer time it takes to learn uncommon languages, and the high unit cost of teaching uncommon languages to small classes. Our survey suggests that these concerns reflect anxiety about the future more than they do current problems.

The main problem that we perceived in our interviews with government and business was general dissatisfaction with the relevance of American academic language training for the needs of work. It was widely held that U.S. language students often cannot speak the languages fluently and are not conversant with the language of government and business. In response, faculty members point out that the tradition of language departments is often literary and scholarly, rather than applied. Frequently, they also insisted that in the past decade foreign language instruction in the universities has improved, for speech and daily use, although this contention is only spottily supported by employers' testimony.

Advanced Degrees in International Studies. The size of the international studies faculty in American universities in 1940 has been estimated (by McCaughey and Barber-Ilchman) at 225, presumably all of them having doctorates. The same source places the current number at about 9,000--a forty-fold increase in less than four decades--with 4,230 in the social sciences (excluding

history); 2,520 in the humanities, and 2,250 in history. In 1971, the Office of Education reported, the size of the faculty providing international studies instruction at the 106 NDEA-supported Language and Area Centers alone was 3,208, roughly one-third of the national pool of international faculty specialists.

Awards of international doctorates have also increased sharply: only 80 Ph.D.s were conferred in 1940, but 1,200 in 1973. Data regarding advanced degrees in international studies conferred in conjunction with federally supported area centers during the last few years for which information is available from the Office of Education are shown below:[1]

	M.A.	Ph.D.
1972-73	1,960	787
1973-74	1.346	607
1974-75	1,464	573
1975-76	1,590	619
1976-77	1,774	677

M.A.s conferred include not only the terminal degree, of course, but degrees conferred on students working toward their doctorates. If we assume that all recipients of M.A.s and Ph.D.s are bent on careers as specialists, we find that anywhere between 2,000 and 3,000 specialists have been leaving the major area

[1] It should be noted, however, that in 1972/73, 106 centers were reporting against 50 only in 1973/74, and 80 in 1977/78.

studies programs annually to enter the labor market. In addition, perhaps one thousand other specialists are graduating annually, for the most part with MAs, from the general schools of international studies.

What we know of the academic market suggests that the universities currently can absorb only a few hundred international faculty members a year at best, and that the remaining 50 percent or more of the new Ph.D.s must find employment elsewhere. The prospects for young scholars in the academic market are strongly influenced by their geographic specialization and their academic discipline. Our soundings in sample universities suggest that an overabundance of Ph.D.s are being awarded in the more mature study areas, such as East Asia, and in certain disciplines; especially history, anthropology, and political science. Table 2.3, based on figures released by the Office of Education, shows the geographic distributional pattern of advanced degrees awarded between 1974 and 1977.[1]

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[1] McCaughey's survey of Ph.D. specialization by world region covers a more extended period of time. His figures for the 16 major universities in his sample (accounting for somewhere between one-half and two-thirds of all international Ph.Ds granted in the U.S.) show annual growth rates ranging from a high exceeding 40 percent (Africa in the 1950s) to a low at certain times of a few percent for East Asia and other world regions. It is significant that for the first time in history the Ph.D. production growth rate turned negative in 1973 for all world regions except Africa and the Middle East. Both these areas combine the status of academic underdevelopment in American universities and heightened public and government interest.

Table 2.3

DISTRIBUTION OF ADVANCED DEGREES IN FOREIGN LANGUAGE, AREA STUDIES, AND INTERNATIONAL STUDIES, BY WORLD REGION SPECIALIZATION, 1974-77

Region	Academic Year							
	1973/74		1974/75		1975/76		1976/77	
	M.A.	Ph.D.	M.A.	Ph.D.	M.A.	Ph.D.	M.A.	Ph.D.
Soviet and E. Europe	138	84	160	69	208	100	195	73
Latin America	300	120	318	104	349	117	345	117
Middle East	118	65	123	63	189	80	264	84
Africa	165	106	238	95	261	102	198	126
East Asia	266	114	282	125	272	120	334	145
South Asia	84	51	99	48	68	45	61	42
Southeast Asia	67	34	60	39	50	26	149	41
Inner Asia	4	5	4	4	6	4	3	1
General international studies (at Tufts U.--Fletcher)	185	15	154	14	164	14	131	26
Comparative study	19	13	26	12	33	11	94	48
Total	1346	607	1464	573	1590	619	1774	677

SOURCE: Tabulation of figures released by the Office of Education. (Reporting categories are those used by that office.)

On the basis of Lambert's 1971 data, and taking into account some of the distributional changes that have since taken place, the geographic distribution of the estimated formally trained 18,000 to 20,000 area specialists is now roughly as follows: East Asia, 20-25 percent; Latin America, 20 percent; Eastern Europe-Soviet Union, 16-17 percent; South and Southeast Asia, 12-16 percent; Middle East, 10 percent; Africa, 10-12 percent; Other (comparative), 10 percent.

Most employers are interested in job applicants' disciplinary training or professional skills, and view area competence as ancillary at best. With that in mind we have reviewed a number of tabulations showing advanced degrees in international studies broken down by disciplinary concentration. These figures suggest that certain highly marketable combinations of skills remain underdeveloped, while three-fourths of the degrees combine area knowledge with disciplines that are more suited to the academic market and thus currently not in great demand. We are struck by the continued preponderance of history (25 percent), language-literature (20 percent), and political science (20 percent) on the one hand, and the rather weak representation of economics (11 percent), and sociology (5 percent), and the negligible number in the Natural Sciences and the professions on the other hand.

It is clear that American universities have obtained impressive results in training a large number of specialists on the several major world regions, although certain combinations of area competence and disciplinary training remain in short supply.

In addition, we found that there has been a remarkably successful permeation of most academic disciplines with international content, a process generally referred to as (horizontal) internationalization. Most notable are Harvard and Columbia, where a full third of the Ph.D.s awarded in the social sciences and the humanities in 1976 were in the category of international studies. These are exceptional cases, but McCaughey's analysis of doctoral dissertations in his larger sample of 16 Ph.D.-conferring institutions concludes that the proportion stood at 20 percent in 1960; rose to 22 percent in 1966; to 25 percent in 1973; and to 27 percent in 1976.

DEMAND FOR LANGUAGE AND FOREIGN AREA SPECIALISTS

The Academic Sector

To assess the current academic career prospects for international specialists, we have pieced together data compiled by the Office of Education in connection with federal support programs for the area centers; information obtained from a few academic programs that regularly review the careers of their graduates;[1] reports by interested professional associations; and statistics obtained during our site visits.

Generally, there is a consensus in academic circles that in the decade ahead adverse demographic and financial trends will compel most universities to engage in cost-cutting. One result

[1] Many academic institutions actively engaged in training international specialists do not regularly maintain records regarding the placement of their graduates in the job market.

will be a reduction of the teaching faculty in line with the anticipated shrinking student enrollment. International studies are not expected to escape immunity from these economy measures. They may even be worse off than others, if their faculty members are correct in complaining that their field is both new and controversial, and therefore does not exert much leverage on university fiscal policy. They also point out that the major academic expansion in international studies occurred in the 1960s as a result of a combination of favorable circumstances. They do not expect such favorable conditions to recur. With the structure of the international studies faculty resembling an inverted pyramid, heavily tenured at the top, pessimism most prevails about prospects for tenure appointments of young specialists.[1] If any hope is expressed for outside financial assistance during the difficult times ahead, it is based on the expectation that international developments will highlight the national need for knowledge about foreign areas and for the international education

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[1] The recent survey by Barber and Ilchman [illegible]ining the age structure of international studies faculties [illegible]major research universities reaches somewhat more optimistic conclusions. The authors confirm the high ratio of tenured faculty members, but conclude that their average age is about three years higher than that of the general tenured faculty population. As large numbers of tenured professors retire in the next ten years, the authors foresee a surge of faculty replacements in the international field (unless the academic retirement age changes). Even if this should be the case, however, a caveat appears in order. The widely expected financial crunch anticipated in the universities will intensify intrauniversity competition for resources. Cost-conscious administrators may decide not to fill tenured vacancies in international studies, or at least not with tenure-track appointments. Indications of such a trend were already being cited by our academic respondents.

of the general public, and that these needs will be translated into enlarged federal support for international studies.

It is sometimes stated that the poor academic job prospects for Ph.D.s are already causing a drastic decline in graduate enrollments. This statement is not borne out by our findings, but there is no doubt that the academic job market is softening. Whether that softening is more pronounced for international studies than for other fields could not be determined from the fragmentary data at hand.

Whatever figures are available regarding annual Ph.D. placement in higher education point to a slight relative decline in the share of area-concentration doctorates entering the teaching profession. Our information in that regard ends with 1977. We do not know whether that trend has since continued or accelerated. Nor can we be sure that the decreasing Ph.D. participation in the academic employment sector is involuntary, although we assume for a variety of reasons that it is. The relevant figures, covering the area centers supported with federal monies, appear in Tables 2.4 and 2.5, compiled from Office of Education data.

Recent information suggests that the academic employment market also looks unfavorable for the foreign language specialist. This is confirmed by a recent survey conducted by the Modern Language Association. During 1977-78, 190 doctorates or 17 percent of the total number of Ph.D.s granted that year in foreign languages, literature, and linguistics were in the less common languages, normally associated with area studies programs.

Table 2.4

PERCENTAGE OF PH.D.s WITH AREA SPECIALIZATION OBTAINING POSITIONS IN HIGHER EDUCATION

Year	Percent
1970/71	68.4
1971/72	65.5
1972/73	64.9
1973/74	50.9
1974/75	58.4
1975/76	55.0
1976/77	54.6

Notes: The sharp drop in 1973/74 may be the result of then-prevailing adverse economic conditions, as is also suggested by 7.2 percent of the Ph.D.s (see Table 2.5) who reportedly remained in the universities to continue their studies, against an average rate of 1.8 percent in other years. (However, the Office of Education believes that the high figure of 7.2 percent is the result of a "reporting abberation.")

Reportedly, some 12 percent of that group failed to find employment, or to find employment appropriate to their skills.

Certain area specializations, however, are currently enjoying better career prospects despite the depressed academic labor market.[1]

[1] For example, the eight NDEA-funded African studies centers, which annually produced an average of 100 Ph.D.s (and an equal number of M.A.s) between 1974 and 1977, reported few problems in placing their Ph.D. graduates.

Table 2.5

CAREER CHOICES OF NDEA CENTER GRADUATES, 1972-1976

(In percent)

Career Choice	M.A.				Ph.D.			
	72/73	73/74	74/75	75/76	72/73	73/74	74/75	75/76
Continuing study	40.1	46.8	52.6	47.3	1.7	7.2	0.8	1.8
Employed by U.S. orgs.								
Higher education	7.7	4.4	3.7	4.3	64.9	50.9	58.1	55.0
Elem. and sec. ed.	10.3	4.5	5.0	7.2	0.6	0.8	1.2	1.2
Government	7.7	9.2	6.8	6.2	3.4	4.5	5.2	3.2
Private								
Nonprofit	3.7	2.7	4.3	2.4	6.0	3.2	3.7	3.5
Profit-making	8.8	10.6	7.6	8.5	3.4	4.2	4.3	3.4
Employed by internat'l or foreign orgs.								
In the U.S.	1.6	2.2	2.1	1.4	2.5	2.0	2.2	2.0
Abroad	5.6	6.7	6.2	6.6	8.4	14.6	12.1	12.2
Unemployed	1.3	2.9	3.7	4.0	1.3	2.6	6.0	6.0
Unknown or out of the job market	13.2	10.0	8.0	12.1	7.8	10.0	6.4	11.7
Total number	1,960	1,392	1,524	1,725	787	650	597	653

SOURCE: Adapted from Center repotts to the Office of Education.

NOTE: It should be noted that these figures are based on varying numbers of centers funded by and reporting to OE. Although not strictly comparable, these numbers are believed to reflect fairly accurately career choice trends.

Our information thus leads us to a number of conclusions. While prospects are generally unfavorable on the academic employment market, this picture does not apply across the board. The two regional specializations most often mentioned positively are the African region and the Middle East, both academically underdeveloped areas and both in the focus of public interest. However, in most cases the area focus is not normally the principal selling point for employment. Academic discipline or professional school training is the decisive factor.

The market appears to be particularly poor for history and language-literature Ph.D.s (together making up close to one-half of the area Ph.D.s), and most often also the foreign-area-oriented political scientist. At the other end of the spectrum, we find economics and various related fields blending into the professions (including, for example, international financing). Sociology, too, is mentioned in that regard as enjoying a seller's market.[1]

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[1] The fluctuations of Ph.D. production with international dimensions are particularly pronounced in this discipline. The reasons for this are not clear, although it can be assumed that this discipline is not generally hospitable to the area approach.

But it would be an oversimplification to judge employment opportunities for international specialists on the basis of a matrix made up solely of world area and academic discipline. The particular combination of area and discipline is undoubtedly important, but so is the absence or presence of certain other skills (e.g., quantitative analysis capability) or sub-fields that add an additional dimension to the applicant's profile. People concerned about the declining employment market therefore recommend that future international specialists aim at a "hybrid degree," a degree combining a number of technical skills with area specialization. Such training would be in line with the guidelines issued to the area centers by the Office of Education; however, that concept is not as yet easy to sell to the professional schools although there, too, it is slowly gaining ground.

It appears, then, that even Ph.D.s who originally aimed for academic employment should give more consideration to prospects in other sectors of society. Perhaps the award of Ph.D. degrees should now be curtailed in the international field, as several institutions have begun doing with regard to area or disciplinary specializations that have little market appeal.

International/Foreign Language Specialists and the Nonacademic Employment Sectors

Use of area specialists by public and private employers remains small, absorbing about one-fourth to one-third of the available supply, with Ph.D.s, of course, less numerous than M.A.s, who aim primarily at the nonacademic employment. Fragmentation is characteristic of this market segment. Only employment

of Ph.D.s by international organizations (most of them, presumably, not composed of U.S. citizens) stands out as an area of substantial opportunities, with 8 to 16 percent of Ph.D.s available for employment during the past several years. The government sector (see Chap. 3) never took more than 6 percent in a single year, and no more than 9 percent of the available international M.A.s. Business and industry (see Chap. 4) acounted at the maximum for 4 percent of the international Ph.D.s and for 11 percent of the M.A.s. It may therefore be reasonably assumed that a sudden and major decline in academic job opportunities for area specialists, should it occur, is not likely to be compensated for by increased opportunities in government or business.

Faced with this situation, the academic community proposes a number of remedial measures. These fall into two categories: expansionist and defensive actions. To the first category belongs the recommendation that "academic internationalization" be promoted not only in a horizontal direction, i.e., through permeation of the academic departments with faculty equipped to add an international dimension, but also vertically. What is meant by this is an attempt to reach down the educational ladder more aggressively--into the colleges, into secondary schools, and even into elementary education. Such proposals are usually couched in terms of national interest. If acted upon, they could lead to more employment of international specialists and therefore also help the training programs in that field.

Defensive action includes the curtailment of Ph.D. production to conform more closely to market conditions. This strategy would encourage concentration of resources in fewer institutions than is the case today. We have also discussed the desirability of adding, to area training programs, certain disciplinary and analytic skills that could considerably enhance the professional profile of the area specialist, following the general approach that the general international studies schools are now taking. These schools' graduates, while international specialists, are not foreign area specialists properly speaking. We were able to obtain data on career choices of the graduates from a sample of these schools. Nearly all of the graduates of these schools take up jobs with public and private employers outside the academic community, and their placement record has been consistently good. They attribute this to the fact that their training is effectively tailored to the needs of the nonacademic labor market and that they aggressively pursue the placement of their graduates.[1]

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[1] A good picture of their career distribution can be gained from the employment records of the graduate division of the School of Foreign Service at Georgetown University. Analyzing the placement of its Master's degree recipients for the years 1974 to 1977, Georgetown produced the following occupational profile: 31 percent of the graduates accepted positions with federal civilian agencies (especially the Departments of State, Treasury, and Commerce, and the Central Intelligence Agency); 3 percent continued their careers in the military; 37 percent entered the private (business) sector, with international banking firms ranking first with 12 percent, followed by consulting firms, trade associations, multinational corporations, and insurance companies; 6 percent entered private research and service institutions; 5 percent continued their education; another 5 percent entered foreign government agencies and firms; and 2 percent joined international organizations. This left 11 percent

Because there is a great deal of professional mobility in the nonacademic employment of international specialists, especially during their first years of employment, it would be nearly impossible to keep track of their movements for statistical purposes in any meaningful way. It would be very useful, however, to improve the present system of following up on graduates' career choices and placement; this information would make it possible to monitor changing career opportunities more accurately, and to identify areas of actual or potential distress.

Our findings suggest that we now face a national imbalance of supply and demand in the academic sector. Its extent, however, is very much a function of the international specialist's choice of world area and, more important, of his disciplinary specialization, as well as of the relative weight assigned to area training in the training program. Unless an international crisis raises demand for specialists, the prospects for a better balance between supply and demand are clearly not favorable for the years ahead; to change the situation, greater efforts are needed to redesign specialist training, and greater attention would have to be paid to the qualitative and quantitative needs of the employment market.

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unaccounted for. These figures appear to be roughly representative in this category, although they of course vary in their characteristics and somewhat in their substantive training. The School of Advanced International Studies (SAIS), for example, stated that in recent years some 30 percent of its graduates took federal positions while another 30 percent found employment in business.

MAINTENANCE OF AN ADEQUATE RESEARCH CAPABILITY

The universities we visited told us repeatedly that foreign area research is now facing serious problems due largely to financial stringencies. How well founded is this widely expressed concern?

This is a difficult question to answer, in the absence of plausible yardsticks for measuring the quantitative and qualitative growth or decline of research. Research involves varying time lags between conception and finished production, and page counts do not measure its quality or significance. Nor is there any agreed upon standard for the needed level of research. Here is another area of intellectual activity where the question, "How much is enough?" can only be answered in very general terms or not at all. Consequently, to assess the seriousness of the ongoing, imminent, or prospective decline of research, it seems best to look at the essential ingredients or infrastructure that make its effective conduct possible.

The study centers agree that one of the most pressing needs is to solve the problems of research collections. Competent research on contemporary issues hinges on the uninterrupted receipt, processing, and distribution of foreign research materials, but the unit cost of these activities has gone up enormously. They remain crucial nonetheless, the more so because the cost of doing research abroad has also soared.[1]

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[1] This is happening at a time when the disciplinary spread of the area studies faculty has widened, thus introducing new fields for research and academic expertise, and a growing demand for non-Western language materials. Consider, for example, the

A recent report issued by the American Council of Learned Societies revealed that the research libraries in the United States had increased their holdings of East Asian language materials from some 400,000 volumes in 1930 to 6.7 million by 1975, almost doubling their holdings every decade. From 1963 to 1973 the Arabic collection of Princeton University tripled its holdings (from 15,000 volumes to over 44,000) and Harvard's went from 10,000 items to some 40,000 during the same period. Similar growth rates prevail in other areas. Experts warn that even the largest and best-funded university libraries are now struggling to maintain a minimum level of acquisition and services, and the smaller ones are being forced to reduce their collection efforts drastically. These financial problems will worsen when PL480 funds for book purchases (for example, in India) become exhausted in a few years.

The problem is common to the entire research community, of course, but it is more severe in foreign area studies because of the decline of the dollar's exchange rate and the esoteric and ephemeral nature of the materials involved. Eventually, the solution may lie in the increasing use of modern technology. In the meanwhile, most of the remedies that have been proposed center on a more clearly defined division of interest among

CULCON Report's survey of Japanese studies in American universities. Not only did certain disciplines add a substantial number of Japan specialists--Music and Drama, for example, went from a single faculty specialist to 37 between 1970 and 1975--but entire new fields were added on the Japan faculty during those years, including 24 in Business, 5 in Law, and 4 in Medicine.

university libraries, permitting the concentration of resources by region, field, or function, in one or several suitable places.

Whatever program is finally adopted will strongly affect the focus of research and the range of competence among institutions. Some of the financially strapped academic institutions may have to narrow their area and research focus, at the risk of diminishing the quality of their faculties and foreign area training programs.

The financial difficulties of the so-called national facilities for advanced training and research in international studies were also frequently brought to our attention. These are either physical facilities or committees serving to advance foreign area research or to facilitate scholarly exchanges. The latter category includes, for example, the Joint Committee on Contemporary China (JCCC) and the International Research and Exchanges Board (IREX).[1] The physical training and research facilities are mostly located abroad. They tend to operate on the precarious basis of year-to-year grants from private and sometimes public sources.

The functions and accomplishments of the Universities Service Centre in Hong Kong illustrates the utility of such facilities that are open to all scholars. Since its establishment, it has opened its facilities to more than 1,200 scholars, including professors, postdoctoral fellows, and graduate students. The

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[1] The Joint Committee on Soviet Studies was forced to go out of existence in 1977 owing to the decrease of Ford Foundation funding.

Centre has no endowment and must rely on short-term foundation support for its annual needs, now estimated at $175,000. In its 15 years existence it has had a major impact on China scholarship and is continuing to gain in importante with the normalization of U.S.-China relations, serving as it does as a way station for serious scholars on visits to and from Peking. Nevertheless, the academic community fears that in the years ahead the center may no longer be able to survive without assured federal government support. Its disappearance would be a major setback for China scholarship. A similar case is made for the Russian Research Center at Harvard University, which has long fulfilled a national function in advancing research on the Soviet Union.

It is difficult to assess the adequacy of research fellowships for study abroad because of the great variety of sources of support and their year-to-year fluctuation with regard to number of grants, area coverage, duration, and funding level. Our analysis of the pertinent data suggests a declining trend during the past several years, but funding may recently have stabilized on a lower level.

In our site visits, the need for increased fellowship support--especially from federal agencies--was mentioned in virtually every case. Area fellowships and research (i.e., the necessary faculty release time for research) have long depended heavily on external funding, and are likely to do so even more in

the present circumstances, with universities having to be particularly parsimonious. We were often told that university administrations have become reluctant to release faculty members temporarily from teaching duties unless outside financial support can be obtained, and that such support is becoming increasingly difficult to find. Other reasons for urging increased federal assistance include the partial withdrawal of Ford Foundation funding, the inadequate size of the Fulbright-Hays programs, and the mounting cost of doing research abroad. An expansion of existing federal programs was therefore widely urged. There was no agreement, however, on whether emphasis should be on the post-doctoral faculty level or concentrated on students who are just entering their graduate specializations. The need was described as great in both cases[1]

Finally, there is the question of the total level of support for area research provided by public and private sources. It is evident that there has been a downward trend in constant dollar terms (see Figs. 2.1 and 2.2), raising the question of the adequacy of research support. But what is adequate research support? Our interviewees gave various answers that reflected, as one might expect, primarily personal experience, but their general tenor was that the present levels of support are not in line with their

[1] It was sometimes argued that a generous supply of graduate fellowships might encourage overproduction of area specialists, and that more attention should therefore be given to the question of the balance between job opportunities and fellowships.

perceptions or value judgments about our national interest.[1]

ACADEMIC/GOVERNMENT INTERFACE

We encountered a variety of views and critical comments regarding the relationship between the federal funding agencies and the academic recipients. It will be useful to repeat some of these observations because they illuminate the academic perspective and may point to important issues that merit further study. We have had little opportunity to listen to the other side of the story; hence, it may well be that certain comments and ideas proposed for consideration may not have a firm basis in fact or may be unrealistic. We therefore report our respondents' comments, but refrain from taking any position on them.

It is not surprising that the recipients of Title VI grants were more favorably inclined toward the policies that produced federal financial support for them than were others who, for one reason or another, were not as successful in the competition for government funds. Nevertheless, a strong consensus emerged among the academics we spoke to regarding several features of the grant procedures.

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[1] One respondent, for example, deplored the scheduled closing of the Universities Service Centre in Hong Kong a year from now because it cannot raise the needed $100,000. Existing scholarly committees, he continued, provide postdoctoral research grants on contemporary China totaling less than $50,000 a year. Considering the importance of China to the United States, our respondent and most of his colleagues regard this figure (which may or may not be precise) as grossly inadequate.

In the first place, we encountered frequent complaints about the time- and money-consuming application process and the need for rather extensive interim reports.[1] (One institution reportedly spent $10,000 in applying for its $125,000 grant.) Underlying this criticism was also the desire to see longer grant award periods and greater stability in federal support programs.

We also heard criticisms of the manner in which grant priorities are established, both in the selection of grantees and with regard to the government-preferred use of funds. The general international studies schools entertain a firm conviction, not shared by the area centers, that the Education Act is being interpreted so narrowly as to give too strong a preference to the area-oriented institutions, and that the existing quota system (a minimum of 80 percent allocated to area studies?) runs counter to the stated objective of encouraging international studies with a global perspective in mind.[2] We were also told that the determination of priority disciplines in the grant guidelines is often based on outdated information. A remedy frequently suggested was that the Office of Education should consult more closely with advisory panels, or establish new panels, comprising both specialists in the field and interested users of its talents--notably, government agencies, which are not necessarily

[1] The Office of Education reportedly has been urging less voluminous applications and reports, but to no avail.

[2] The Office of Education, on the other hand, points out that few of the general international studies schools have submitted grant applications. Generally speaking, OE denies the validity of this and subsequent criticisms reported above.

represented on the relevant panels.

Finally, we found widespread concern that policies regarding support for international studies are made on far too low a level of the bureaucratic hierarchy, thus depriving them of bureaucratic clout and prominence. Many of our respondents believe that this situation is reflected in, and further aggravated by, severe staffing constraints in the offices handling international studies within HEW. In turn this is interpreted as yet another indication of indifference at the higher levels of government toward promoting international studies in U.S. education. Such is also the explanation advanced for an earlier administration's decision to discontinue funding for these studies, a decision eventually reversed by Congress. Consequently, a great deal of support has arisen among academic specialists for the idea of creating a small but high-level organization or office within the government to be exclusively concerned with federal policies on foreign language, area, and general international studies.

Chapter 3

THE GOVERNMENT SECTOR

INTRODUCTION AND SUMMARY OF FINDINGS

Apart from the academic world, the U.S. government is the largest employer of manpower trained in foreign languages and dedicated to the study of foreign societies and international issues. A recent survey of more than 25 government agencies that employ such manpower (primarily the Departments of State and Defense, the International Communication Agency, the Agency for International Development, the Central Intelligence Agency and other elements of the intelligence community, and the Congress), indicates that there are currently between 30,000 and 40,000 American positions in the federal bureaucracy that require competence in a foreign language. This total includes between 14,000 and 19,000 positions that also require skills in the analysis of foreign countries and international issues.[1] In addition, state governments employ perhaps 200 people with such skills, primarily in offices that promote the sale of local pro-

[1] The survey was conducted for the President's Commission on Foreign Language and International Studies by James R. Ruchti of the Department of State. (See Tables 3.1 and 3.2 at the end of this chapter.) This total skilled manpower base concerned with foreign affairs constitutes less than 1 percent of the 5.5 million civilian and military positions in the U.S. government.

ducts in overseas markets. (See appendix to this chapter.) International government agencies such as the United Nations and World Bank also employ a limited number of Americans with language and area skills.

Approximately 75 percent of the language positions are held by federal employees who are concerned with foreign affairs. They collect and analyze information about foreign countries and the international system, and formulate and implement policies of the U.S. government (in the State Department, AID, the military services, etc.). The remaining 25 percent are involved in law enforcement and domestic activities for the Bureau of the Census, the Internal Revenue Service, the Border Patrol, and so on.

Our interviews with more than 40 senior officials of the U.S. government who manage this manpower base[1] indicate that there is now an ample supply of applicants with basic language and foreign area skills for most of these positions, although many lack appropriate levels of language or analytical competence, or particular combinations of foreign area and professional skills. And although there are more than twice as many people with foreign language and area studies skills in governmental employment as there are jobs requiring those skills, career considerations and management procedures substantially limit the matching of job requirements and skilled personnel (Ruchti, 1979).

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[1] See a listing of the officials interviewed for this study in Appendix D, below. The interview schedule is in Appendix A, below.

The government sometimes has trouble in finding qualified people with highly specialized language skills or knowledge of certain "esoteric" areas of the world. Moreover, operating officials say that, in general, the government is able to function acceptably with current recruiting, training, and personnel management systems. The government's manpower planning horizon is short (usually one or two years at most); and most of its training programs in languages and foreign areas, conducted by such agencies as the Foreign Service Institute and the Defense Language Institute, are also short-term although highly concentrated.

Despite these positive notes, our interviews suggest five difficulties pertaining to manpower training and use:

- There is an unmet demand for certain uncommon language skills, for applicants with higher levels of linguistic competence in all languages, and for people who combine disciplinary skills (such as the sciences or economics) and foreign languages (such as Russian and Japanese).
- There are concerns about the type and level of government-supplied training (and in some cases, the lack of training) for people hired to work on foreign area and international issues, especially for such functions as negotiation, intelligence analysis, and language interpretation.
- There are questions about the career development and management of this skilled manpower base, which

tend to dissipate foreign language and area competence as people move from operating to managerial or supervisory roles.

- o There are concerns about the longer-term availability of manpower with foreign area and language skills, in view of recurrent declines in governmental and foundation support for advanced academic training and research on foreign areas.
- o There are concerns about the quality of analysis in an intelligence system that emphasizes immediate or short-term reporting of events at the expense of mid- to long-term analysis. Particularly at issue are the quality of political interpretation and the ability of a large and highly compartmented bureaucracy to synthesize political, economic, and security issues. This problem is compounded by the shortage of personnel trained in interdisciplinary skills.

Three structural characteristics of the federal bureaucracy limit the development and use of skilled people and information:

- o Personnel management systems in government agencies are not effective in planning and coordinating manpower training and use, nor do they offer strong career incentives for developing and accumulating language and foreign area skills (particularly for difficult languages).

- A weakly integrated set of systems for collecting, processing, and analyzing information about foreign countries limits the integrated understanding of foreign societies, economic systems, and political processes.
- The government's foreign affairs bureaucracy is isolated from the business community and the academic world, making it difficult to deal with issues that cut across these three sectors of our society, such as the expansion of export trade or the sharing of information about foreign countries.

DEMAND FOR FOREIGN LANGUAGE AND AREA SKILLS IN THE FEDERAL GOVERNMENT

The 30,000 to 40,000 full- and part-time positions in the federal government that require foreign language skills or analytical training in the study of foreign countries and the international system are distributed among the major agencies of the federal civil bureaucracy and the military services, as indicated in Table 3.1. The more than 14,000 positions requiring specialization in foreign area and international studies are summarized, by geographic area and government agency, in Table 3.2.

The major period of growth in this manpower base occurred in the two decades after World War II, when the foreign affairs agencies of the government were established (such as the CIA) or revamped (such as the Department of State) and grew to meet America's needs as a global power. The 1970s have been a decade

of consolidation and adjustment. The Department of State, for example, reports a slight contraction in the number of "Language Designated Positions" for Foreign Service Officers from approximately 1,300 in 1967 to 1,220 in 1979.[1] Within this total, the past decade has seen some decline in the number of political positions, with a concurrent increase in economic, administrative, and consular jobs. The Congress, which employed perhaps 100 staff with foreign area and language skills just after World War II, now has almost 1,000 individuals in analytical or staff support positions with the Congressional Research Service, the Library of Congress, the major foreign-relations-oriented committees, and on the personal staffs of Senators and Congressmen specializing in foreign affairs or national security issues. Congressional staff directors now speak of the need to stabilize or cut back somewhat on current staff size.

Manpower turnover rates in foreign affairs agencies, which affect personnel requirements, vary considerably around the average of 9 to 10 percent per year for professionals in the U.S. government. The House Foreign Affairs Committee staff, which employs about 20 professionals with foreign language and area

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[1] These positions are established by the Director General of the Foreign Service, Department of State, after consultation with Chiefs of Mission (i.e., ambassadors) in the field. The State Department is able to maintain compliance rates (the matching of trained manpower with designated skill requirements) on the average of 60 percent to 70 percent, with rates as high as 80 percent for political officers worldwide. These rates vary among languages; they are as high as 59 percent for French at a minimum professional proficiency (S-3/R-3) level of competence or higher, and as low as 20 percent in the eastern Arabic tongues at the same levels of competence.

skills, reports infrequent staff departures because of the attractiveness of positions with the Committee. The professional staff of the Peace Corps, in contrast, has by regulation an annual turnover rate approaching 30 percent, with a 50 percent yearly turnover of its volunteers (who serve only two years). The professional staffs of the principal civilian agencies in the foreign affairs community--such as the Department of State and the CIA--turn over at a rate of 10 percent or less each year.

It is difficult to project demand for these skills because most agencies now have personnel management systems that assess future needs no more than a year or two in advance, usually as much on the basis of anticipated budgetary support as of functional need. Our interviewees seemed to assume that politics and the budget will limit foreign afairs staff to approximately its present size or somewhat less throughout the 1980s.

In our interviews, only the intelligence agencies expressed a clear interest in acquiring significantly larger numbers of language or foreign-area specialists.[1] One agency reporting cutting its data collection staff in half during the past decade. While some of this cut was compensated for by new technical capabilities, the agency says it needs a substantial increase in foreign-area-trained personnel. This agency has very high rates of turnover among foreign language specialists--more than 25

[1] Discussions with the staff of the Senate and House Select Committees on Intelligence, and Executive Branch managers of the intelligence community, indicate some support at this time for limited manpower increases and improved language training efforts in the intelligence agencies.

percent annually. Senior intelligence officials are also concerned about inadequate emphasis being given to analytical work, and about a decline in interpretive redundancy and competition among intelligence agencies, which tends to lessen intellectual discipline and diversity of perspective.

This brings us to the question of what can be said about the factors that are likely to shape demand within the present system. We have identified three general types of demand that are not being wholly met by the supply of job applicants and governmental training procedures.

Unmet Demands

High-Volume Skills. A very few languages and foreign area specialties account for a large share of the demand for skilled personnel. For example, about 1,200 positions in the CIA require a reading or speaking knowledge of foreign languages; of these, five are "high-volume" languages with at least 100 positions: Chinese, French, German, Russian, and Spanish. Six are "moderate volume" languages with 30 to 50 positions: Arabic, Greek, Italian, Japanese, Portuguese, and Turkish.[1] Similarly, of approximately 1,000 area specialists in the CIA, about 55 percent are dedicated to analysis of the Soviet Union, 13 percent are China specialists, and 32 percent engage in the study of Eastern and Western Europe, Latin America, Southeast Asia, the Middle

[1] The remaining 12 percent are 16 "low-volume" languages of 15 positions or less, including Albanian, Danish, Indonesian, Persian (Farsi), Rumanian, and Serbo-Croatian.

East, North and East Asia, Africa, and South Asia.

The State Department's "high-volume" language needs also cluster around a few major languages: French, German, Spanish, Russian, Chinese, etc. Our respondents said that there is enough new manpower with professional skills and language aptitude to fill these positions at a minimal level of competence, once they receive further training at government expense. There is concern, however, about low functional entry levels of language skill (which raises training costs), and questions about future availability of qualified applicants in these high-demand language areas because of declining university enrollments in the study of some of these languages.

Low-Volume Skills. Statistics and information provided by the Commission staff indicate that 130 languages and many dialects are currently used by employees of the federal government; more than 40 of the languages are currently of immediate interest to the U.S. government.[1] As a result of the increasing salience of "Third World" issues in America's foreign relations, and the extension of Soviet-American "long-term competition" to the developing countries of the Middle East, Africa, and Asia, languages and area expertise for which there is no government demand nonetheless have become important. One respondent

[1] Albanian, Afrikaans, Amharic, Arabic, Bengali, Bulgarian, Burmese, Cambodian, Chinese, Czech, Danish, Dutch, Finnish, French, German, Greek, Hebrew, Hungarian, Indonesian, Italian, Japanese, Korean, Lao, Mongolian, Nepali, Persian Farsi, Persian Dari, Polish, Punjabi, Rumanian, Russian, Serbo-Croatian, Somali, Spanish, Swahili, Swedish, Tagalog, Tamil, Thai, Turkish, Vietnamese, and Central Asian Languages.

commented, for example, on the difficulty of finding an analyst with special expertise in Yemeni politics to assist in managing a recent short-term crisis between North and South Yemen.

Such "low-volume" skills are a particular problem for the government. Few people with preemployment training or interest in these esoteric areas of the world are available, and government interest in them waxes and wanes. It is difficult to sustain support for manpower that is skilled in areas of the world that attract the great powers' attention only in times of crisis. The academic community traditionally has been a source of consulting manpower for low-demand skills, but contracting university foreign area research and teaching progams, and declining government external research budgets, are eroding manpower and research bases and government access to them.

Combined Foreign Language, Area, and Discipline Skills. A third unmet demand is that for people who combine skills in the language, society, and politics of a given country with training in such professional disciplines as economics, science or engineering, and law, particularly for work on less developed counries.

As noted in Chap. 2, little financial assistance is available for supporting the long and arduous education required to develop professional skills both in certain disciplines (such as economics or a natural science) and a foreign area. The few people who possess these combinations of skills are in increasing demand by business and the federal government. The government may have to resort to partially effective short-term training of

employees "in-house," or the more expensive procedure of sending people to universities for longer-term periods of education.

A number of developments are possible that would spur the demand for such skilled manpower, some of which have occurred several times in the past. Most notable are firefighting responses to crises in foreign policy or national security, such as World War II and the Soviet launching of Sputnik in 1957. Our interviews and the academic literature on international education support the view that this type of crisis response is haphazard and dysfunctional, although it may be dictated by financial limitations on government and private sector programs. It takes roughly two to six years to train specialists effectively in foreign languages, area skills, and disciplinary education, whereas governmental operations allow only a few months of training at most, when major civilian or military programs are to be undertaken on a crash basis. In short, the lead times for professional training--not to mention research efforts carried out by trained professionals--are long in relation to operational requirements, and manpower shortages constrain effective response to national crises.

Of course, the U.S. government cannot be expected to maintain a large supply of manpower trained in foreign area skills on standby for times of crisis. In calmer times, strong forces operate to keep that supply at low levels. Besides, apart from considerations of politics and cost, language skills cannot be "stored," and they atrophy if not used. Two recourses are possible: to maintain a trained cadre possessing critical skills as a

mobilization base that can grow through training in times of need; and to identify a skilled manpower reserve--a skills inventory that can be drawn upon through job reassignments as needed. Several interviewees suggested that the government is not effectively organized at present to draw on employees who have such "reserve" skills.

Respondents said that training and research programs sustained at moderate levels over a period of years are preferable to the gradual erosion of a skilled manpower base, and of research activity, to a level that may neither meet the needs of normal times nor provide an adequate training base for expansion during crisis. Particularly for research funds, moderate levels of financial support sustained over a period of decades are more effective than large amounts of money applied on a crash basis.

It is not easy, however, to define what levels of training, research, and skilled manpower are adequate for relatively tranquil periods. Several respondents--a senior military officer, intelligence collection and analysis officials, State Department research contracts staff, and the Congressional Research Service--stated that their agencies need more staff or more research funds. This testimony is not in itself probative, for government agencies commonly claim that they need more staff. Officials claim that the need is not for more staff but for better training and use of existing staff.

These are impressionistic observations. A systematic evaluation of existing training, research, and implementation

programs seems to be in order, to strengthen America's capacity to conduct its foreign relations.

THE SUPPLY OF TRAINED MANPOWER FOR FOREIGN AFFAIRS ACTIVITIES OF THE FEDERAL GOVERNMENT: NUMEROUS APPLICANTS; LIMITED LANGUAGE QUALIFICATIONS

In contrast to the anticipated or potential long-term supply problems just discussed, our interviews revealed that the number of applicants for available governmental jobs is extraordinarily high, given the existing pattern of demand for manpower with foreign language and area skills. For example, in 1978 the Department of State received more than 16,000 applications for the foreign service examination, and fewer than 200 applicants were hired. The House Foreign Affairs Committee sends out nearly 150 rejection letters each week to applicants for staff appointments, many of whom appear to be highly qualified. The Congressional Research Service reports having received nearly 100 applications for each of its staff openings in the past few years, and the CIA has experienced no sustained difficulty in recent times in recruiting foreign area specialists. A CIA report to the President's Commission notes that "the job market in academia has been so poor of late that we are frequently overwhelmed with competent applicants."

The quality of these applicants--despite the inadequacies noted earlier--is also considered to be significantly higher than in years past. The State Department finds that the average age of new recruits for Foreign Service Officer (FSO) positions is now 29 or 30, as opposed to 24 or 25 shortly after World War II, reflecting greater experience and maturity of incoming Foreign

Service classes. The CIA finds that recent applicants attain higher test scores on measures of aptitude and intellectual ability than did earlier groups. And the Congressional Research Service reports higher levels of academic training and research experience in its current applicants. In short, the government is a major beneficiary of the overproduction of advanced language and area degree students discussed in Chap. 2.

Yet government officials are not wholly satisfied with the supply situation. All major employers find insufficient language skills in new recruits. A CIA survey of recruits hired between 1975 and 1978 reveals that only 18 percent demonstrated a Minimum Professional Proficiency[1] or better in a spoken foreign language. As a result of such experiences, government language training programs are geared to establishing minimal levels of speaking and reading proficiency in new recruits. The Foreign Service, for example, counts on the professional motivation of new FSOs to raise language skill competence to higher levels while on foreign assignment, but reassignments to new language areas are frequent. Therefore, few government employees posted abroad attain anything higher than Minimal Professional Proficiency in a foreign language, particularly in the more difficult and esoteric tongues.[2]

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[1] The S-3 level of the Foreign Service language rating system.

[2] Information supplied by the Department of State indicates that in relatively easy "world languages" (Danish, Dutch, French, German, Italian, Norwegian, Portuguese, Spanish, and Swedish) only 56 percent of the FSO corps attains a "Minimum Professional Proficiency" (S-3/R-3) level or higher. In difficult languages such as Russian, Chinese, Japanese, and most Third

Most of the senior officials interviewed for this study seemed to accept this minimal level of language proficiency as a fact of life, despite certain consequent problems.[1]

Several senior officials in the intelligence community spoke with concern about the difference between the post-World War II generation of analysts who saw intelligence work as a high professional calling, who brought to their careers an intimate "feel" for individual foreign societies and political systems, and today's recruit, who has less of a sense of professonal calling to the intelligence community, and less interest or career incentive in specializing in one major country or area of the

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World tongues, the Department is able to fill only 39 percent of its language designated positions at the S-3/R-3 level or higher. (The "4" level of proficiency is defined as "professional proficiency" and the "5" level is "native or bilingual proficiency.")

[1] Several respondents gave the following examples of problems created by the limited local language competence in most embassy staffs: A Marine guard had difficulty coping with his security assignment in an embassy building damaged by an earthquake in Bucharest because he did not speak Rumanian. Several officials asserted that the embassy staff in Kabul, Afghanistan, could not deal effectively with the kidnapping of the American ambassador, partly because they did not speak the local language. A former U.S. ambassador to Japan recalled his concern that he could not function effectively because of the limited number of FSOs with interpreter-level Japanese. Several respondents in the American business community expressed the view that U.S. embassy staffs in some countries are of limited help in promoting commercial contacts, partly because so few FSOs concerned with commercial affairs speak local languages. And several government interviewees referred to the "Polish interpreter" incident of 1977, in which an inadequately tested contract interpreter employed by the State Department embarrassed President Carter with an inappropriate translation during a visit to Warsaw. One official deplored the inability of the government foreign affairs community to assess the long-term costs to the country of such incidents. He also noted the resistance of "the system" to anything more than ineffective "self-policing," and its inability to modify old patterns of professional training and career development.

world. New recruits are more likely to have been abroad as tourists or students than to have undergone the rigors of wartime operations or long-term residence.

Other information and interview responses support the opposite view--that the academic training of new government recruits is far better now than in years past. Their concern is with the use of these higher levels of professional training in government service. An economist or military analyst will deal with his country of inquiry only for a few years before moving on to a new office or "up" into managerial responsibility. He will be responsible for analyzing only one aspect of the country's affairs, and will have few opportunities to travel to the country of (temporary) specialization to enhance language competence and develop a true feel for the society. Thus, as one senior official commented, while the basic education and ability of new recruits in the intelligence community are high, their "in house" training and the way the government uses them limits their effectiveness as interpreters of foreign societies.

Finally, one senior official, himself a former professor, remarked that the avalanche of applicants for foreign area specialist jobs in the federal government partly reflects "the overloading and breakdown" of academic teaching and research centers. In years past, they created an intellectual community that, through publication, seminars, and other forms of professional communication, established the "intellectual context" for the study of foreign societies. That sense of intellectual community, he said, has now substantially dissipated as a result of the

contraction of government and foundation support for academic research on foreign areas.

FOREIGN LANGUAGE AND AREA SKILLS IN GOVERNMENT SERVICE: THE DISSIPATION OF EXPERTISE

Federal foreign affairs agencies stress, in their personnel practices, the primacy of general knowledge and diverse skills over specialization, and of managerial and policymaking responsibilities over analysis and implementation. These values, institutionalized in all the major foreign agencies, except ICA and the Peace Corps, work to dissipate the accumulation of language and foreign area skills. A voluntary system of career development, combined with a pattern of rapid turnover in job assignment, limits the depth of training and development of language skills and area expertise.

Employees recruited for their foreign language skill or area knowledge are given specialized training in the Foreign Service Institute, the Defense Language Institute, or language training programs in the intelligence agencies. Most of these programs give a trainee limited working proficiency in a language through study in the United States, and assume that, in a foreign assignment, an officer will improve his language proficiency and area knowledge. For certain more difficult languages--such as Chinese, Japanese, and Arabic--the Department of State operates overseas training programs to facilitate "immersion" over periods as long as two years. The Department of Defense provides similar training for a maximum of one year at its language teaching facility in Monterey. Area study courses are similarly geared to

the fairly brief (two weeks) and intense inculcation of general background knowledge on a foreign area, which is equivalent to a semester survey course at a university.[1]

This system of "in-house" education, commended by some for its value as a short-term intensive training, has also been criticized as too elementary in language training to be functional and too generalized about any foreign area to be of great use on the job. As one State Department official observed, "We bring our employees up to the critical point where a little more time, money, and emphasis would produce professional skills, and then we cease to help." Of even greater concern is the virtual absence of specialized training in analytical methods or managerial skills for those who assume such responsibilities, and the lack of a career development system that would purposefully relate specialized training to future job assignments.

The effectiveness of the government's on-the-job educational system is further limited by fairly frequent job reassignments--every two or four years in the Foreign Service. While subsequent assignments may enable an FSO, military officer, or intelligence analyst to further apply his language and area skills, several factors work against the gradual accumulation of specialized knowledge and language expertise. FSOs are reluctant to be reas-

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[1] For limited numbers of employees, year-long periods of training in an academic institution are provided for more sysematic education. Each year, the Department of State sends about a dozen FSOs to universities for specialized foreign area training. The Army's Foreign Area Officer program sends about 50 officers to universities each year.

signed to certain hardship postings: the Soviet Union and certain countries of the Middle East, South Asia, and Africa. Above all, however, career incentives are structured to encourage diversification of knowledge and experience so that the FSO may acquire both functional and geographic capabilities, the military officer attains a field command, and the intelligence analyst acquires managerial responsibility.

Many FSOs continue to believe that specialization is an impediment to career development, and an officer who aspires to senior policymaking and ambassadorial level assignments will work to broaden his career experience and avoid being typed as a "specialist" on one country or one function (particularly if the country is one in which a small U.S. presence limits the number of positions available for career development, or where the function keeps him from policy work). As a result, one former ambassador noted in our interviews that "area expertise is usually found at too low a level [in the conduct of foreign affairs] to have much effect on the policy formulation process." Similarly, an aspiring military officer assumes that promotion to general officer ranks is unlikely to come through specialization in some foreign area, but rather through troop commands and general military training. And in the intelligence agencies, where there is somewhat greater continuity of assignments, the professional rewards are in managerial positions rather than in those of the specialized analyst.

One clear evidence of the devaluation of specialized language and area skills in the government is the lack of a corps of professional interpreters within the Foreign Service. The Foreign Service Institute is not responsible for training FSOs to interpreter levels of competence. Interpreters are hired by the Department of State not as part of the Foreign Service, but on a full-time, Civil Service basis, augmented by part-time staff employed on a contractual basis. This approach has its rationale for reasons of working style[1] and economy, but it deprives those officials who formulate and implement foreign policy of highly professional communications skills and a grasp of policy continuity that professional interpreters provide in foreign governments. This practice exposes senior American officials to public relations embarrassments of the "Polish interpreter" variety, or the awkwardness and potential for misundertanding of having to rely on foreign governments for interpretation--as we continue to do in the case of official dealings with the People's Republic of China.

While there is good reason to value breadth of perspective and experience in senior leadership positions in the government, and equally valid reason to be wary of the narrowness of view that may come with a high degree of foreign area specialization; significant costs are associated with the present career

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[1] From the perspective of the career Foreign Service, professional interpreting is seen to be a highly specialized skill or art requiring not only high-level language competence but also personal qualities that are said to be unsuited for the FSO career pattern.

incentive structure in government service. Our respondents tended to accept, as mandated by budgetary and operational necessities, the present pattern of training and career development; but they also expressed some recognition that foreign policy developments costly to American interests may result from inadequate specialization. This problem is further compounded by intelligence analysis that focuses on short-term interpretation of current events, whereas thorough analysis might arrive at widely different and sounder interpretations.

FOREIGN AREA RESEARCH IN THE FEDERAL GOVERNMENT: CURRENT INTELLIGENCE REPORTING AT THE EXPENSE OF CONTINUITY AND DEPTH OF ANALYSIS

Senior intelligence officials interviewed for this study invariably spoke with grave concern about the current pattern of research and analytical work in the federal government. One of them asserted that the intelligence community is "bankrupt" in its development of a national information base on foreign countries. An overwhelming emphasis on day-to-day intelligence reporting encourages spontaneous formulation of foreign and national security policies. One official commented that policy that is not grounded in a long-term perspective "skates" across current events, oblivious of long-term trends. Virtually all officials noted that the U.S. government lacks an institutional commitment to long-term analysis of specific problem areas. One senior Defense Department official asserted that we are drawing down our manpower base for foreign intelligence assessment, and we are not making a national investment in basic analysis. There is a minimal intelligence effort on Third World countries, and we

are not developing basic sources of information on potentially important foreign areas.

To these criticisms must be added concerns about the personnel aspects of government analytical work. In the Departments of State and Defense, research and analysis assignments are considered less desirable for officers' career aims than are operational responsibilities, and hence intelligence work often does not attract the more capable and ambitious staff. The isolation of the intelligence community from academic researchers, the limited opportunities in government service for direct contact with foreign countries, and the anonymity and bureaucratic fragmentation of the analytical process, produce an abstracted and depersonalized pattern of analysis, which is said to limit interpretive accuracy and the judgmental "feel" that comes from first-hand experience.

Our brief survey could not do much more than identify perspectives held by senior intelligence officials. We found a remarkable consensus, however, about the problems of maintaining or improving the quality of the government research on foreign areas. Four themes predominated:

Inadequate Foreign Affairs Analysis. For the most part, officials speak of being swamped by basic information. Sophisticated technical means of collection, and more information flow on such "closed" societies as the Soviet Union and China have been generating data faster than the intelligence system can analyze it. The size and expense of new technical collection systems absorb and "hold onto" a large portion of a generally declining

national foreign intelligence budget.

Short-term Reporting at the Expense of Long-term Analysis. The intelligence community, responsive to the Executive Branch, assigns its highest priorites and therefore most of its analytical efforts to current reporting at the expense of interpretation of mid- to long-term trends. Senior officials complain about the brevity of the government's "institutional memory"--a short two to five years, the usual length of tenure of an analyst or official in an assignment. The problem is worsened by the government's inability to process and store in a retrievable--and therefore reusable--manner the huge volume of information it collects. In addition, there is little effort to develop and institutionalize new analytical methods, especially in political and social analysis.

Intelligence Work as the "Goat" of Government Service. Senior officials also express some dismay at the limited ability of the intelligence community to recruit top-quality talent for government service--a problem that has increased as Vietnam and Watergate work their influence on the national mood. In the Department of State, for example, assignments to the Bureau of Intelligence and Research are considered to be of secondary value to an FSO's career development; and jobs in the CIA are considered to be desirable primarily for those unable to establish careers in the academic world. Within the military services, according to senior officials, assignments to the Defense Intelligence Agency are viewed as a "dumping ground" for mediocre talent.

Some other drawbacks contribute to this general mood: limited opportunities for the government foreign affairs analyst to upgrade his or her professional skills through periods of retraining; infrequent and hurried visits to countries of specialization; and the anonymity of the bureaucratic research process.

The Isolation of the Intelligence Community. Finally, the intelligence community is isolated from the "real" world of business, public affairs, science, and academic research. This isolation is partly deliberate to insulate analysts who handle sensitive information from public exposure and from other government agencies. Yet senior officials are concerned that the penalty is loss of useful exposure to "outside" contacts and critical evaluation. They also decry these analysts' attitude of condescension or flat dismissal toward academics, who "don't really know what is going on" or--as in the common State Department view--are engaged in research that is not directly relevant to policymaking.

The increasing isolation of the government research community, with its attendant problems of loss of perspective and interpretive discipline, is glaringly evident in the significant decline in contract or grant research funded by the federal government (see Fig. 3.1). Between 1967 and 1976, federal spending on foreign affairs research declined 19 percent (in current dollars)--an actual decline of 52 percent when adjusted for the effects of inflation. Officials also express concern about the decline of competitive intelligence analysis within the govern-

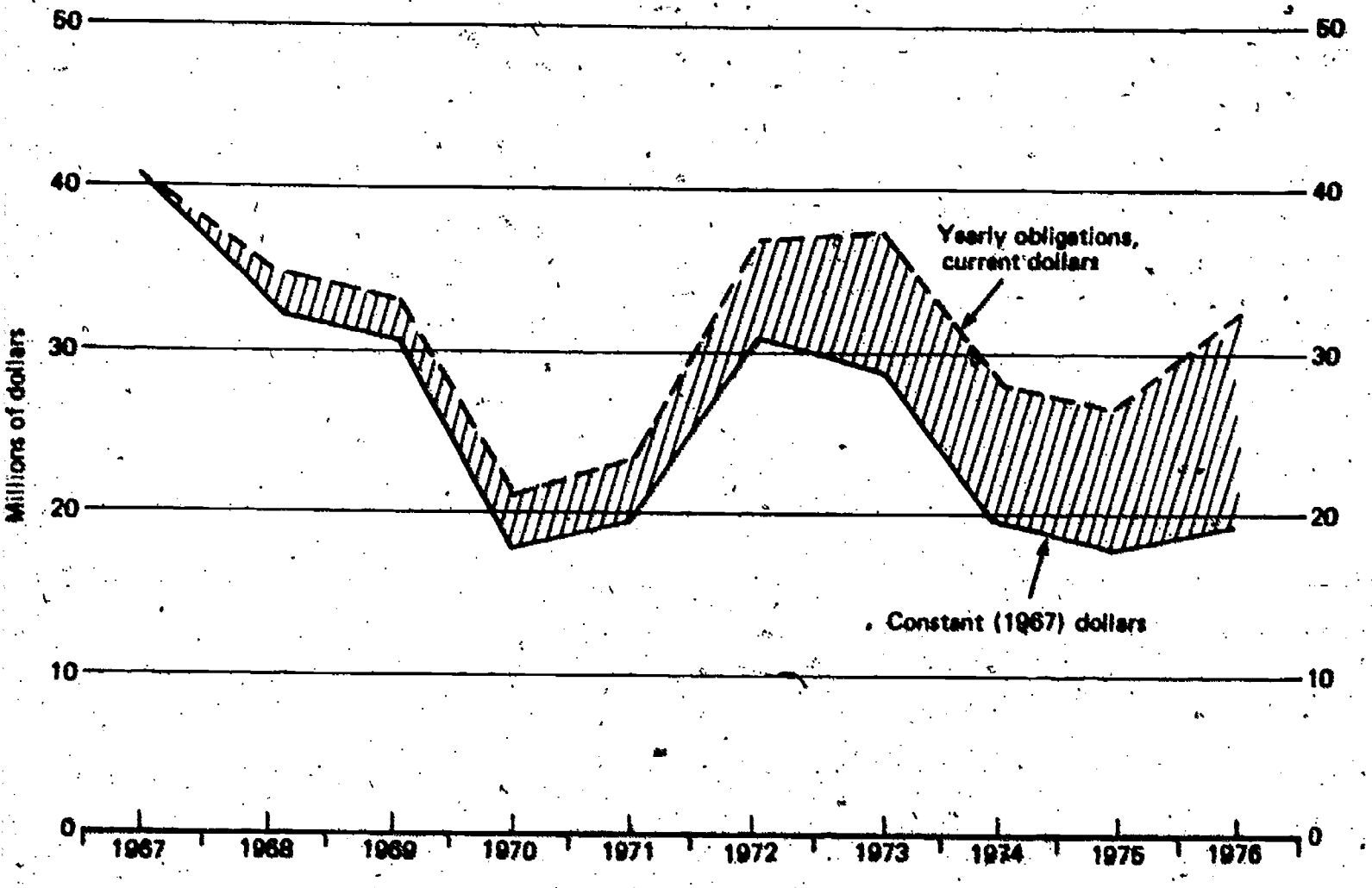

Fig. 3.1 — U. S. government's funding of "external" foreign affairs research, 1967-1976: the effects of inflation

Source: *Far Horizons*, Vol X, No. 1, Winter 1977

ment as the various intelligence agencies become highly specialized.

Several officials also spoke of the need for more abundant "external" contract research by academics and other non-governmental institutions on long-term, background issues or research methods to overcome the insularity and short-term focus of the government's research. They also spoke with some concern about the present pattern of such contract research: the lack of receptivity of many State Department and intelligence officers to "outside" analyses; the tendency to use consultants to compensate for limitations of "in-house" staff (rather than to work on long-term projects not of immediate policy relevance); and the limitations of the "RFP" approach to managing contract research.

Table 3.1

FOREIGN LANGUAGES USED BY THE UNITED STATES GOVERNMENT

Language	Agriculture		AID		Commerce		ICA		VOA		Inter-American Foundation		Justice	
	Req	Skill	Req	Skill	Req	Skill	Req	Skill	Req	Skill	Req	Skill	Req	Skill
Afrikaans		3					1	2						
Akposso														
Albanian														7
Alsatian		2												
Amharic		2		8				3						
Arabic (all)	3	99	3	25			31	74	40	40				34
Aramaic														
Armenian		3						1					1	1
Bamileke														
Bengali		1		4				5	10	10				
Berber		2												
Bulgarian		6					1	10	11	11				3
Burmese							3	12	9	9			1	1
Cambodian		1						5	9	9				
Chamorru														
Catalan														
Chichewa														
Chinese (all)	5	90	2				5	57					5	104
Chokwe		2												
Creole (Seychelles)														
Czech		35					1	11	18	18				21
Danish		46					4	10					2	6
Duala		7												
Dutch	3	46			1	1	2	11						2
Estonian		2							7	7				
Ewondo (Yaunde)		4												

For footnotes, see p. 111.

Table 3.1--continued

Language	Labor		Library of Congress		Peace Corps		State		Treasury		Defense-Security		Total	
	Req	Skill	Req	Skill	Req	Skill	Req	Skill	Req	Skill	Req	Skill	Req	Skill
Afrikaans			2	2			1	15			4		8	22
Akposso											3		3	
Albanian								1			7	4	7	13
Alsatian												2		2
Amharic			1	1			1	14			7	5	9	37
Arabic (all)	1		23	23	101	101	46	173			543	536	793	1,127
Aramaic			3	3									3	3
Armenian			5	5									6	10
Bamileke								1						1
Bengali			2	2			2	9			1	2	14	31
Berber												1		3
Bulgarian			6	6			4	32			53	20	75	88
Burmese			1	1			3	27			5	2	22	50
Cambodian								8			10	7	19	30
Chamorru												9		9
Catalan														
Chichewa					12	12							12	12
Chinese (all)	3	41	41								573	419	712	928
Chokwe														2
Creole (Seychelles)					1	1							1	1
Czech		16	16				9	54			340	45	384	199
Danish		4	4				4	40			15	40	29	145
Duala														7
Dutch		13	13				9	78	1	1	34	67	62	218
Estonian		10	10										17	25
Ewondo (Yaunde)												2		6

Table 3.1--continued

Language	Agriculture		AID		Commerce		ICA		VOA		Inter-American Foundation		Justice	
	Req	Skill	Req	Skill	Req	Skill	Req	Skill	Req	Skill	Req	Skill	Req	Skill
Fanagalo		3												
Fante		2												
Fijian														
Finnish		21					4	11						2
Flemish		12												
Formosan														
French	21	2,595	353	530	6	6	72	495	19	19	3	3	38	113
Fulani/Fula		1												
Gaelic		5												
Galla		22												
Georgian		1							8	8				
German	11	3,653			4	4	33	220	4	4			19	66
Gilbertese														
Greek		17					6	34	6	6				27
Guarani		6												
Gujarati														
Haitian (Creole)		3		4				1	6	6				2
Hausa		4		1					8	8				
Hebrew		22					4	7						10
Hindi		23		12				30	8	8				
Hungarian		23					2	14	18	18				21
Ibo				1										
Icelandic		3						1						
Ilocano		34		3										
Indonesian		4	40	36			8	45	19	19			2	
Inoic														
Italian (all)	6	503		42	2	2	14	98					7	88

Table 3.1--continued

Language	Labor		Library of Congress		Peace Corps		State		Treasury		Defense-Security		Total	
	Req	Skill	Req	Skill	Req	Skill	Req	Skill	Req	Skill	Req	Skill	Req	Skill
Fanagalo								1						4
Fante														2
Fijian					122	122							122	122
Finnish			7	7			3	30			14	29	28	100
Flemish								1			13		13	13
Formosan											2	2	2	2
French		36	417	417	1,279	1,279	260	2,423	15	15	421	2,890	2,889	10,845
Fulani/Fula														1
Gaelic														5
Galla														22
Georgian													8	9
German	11	303	303				117	1,171	7	7	1,784	2,802	2,275	8,241
Gilbertese					6	6							6	6
Greek	3	12	12				16	103			93	163	138	365
Guarani					135	135							135	141
Gujarati		2	2										8	9
Haitian (Creole)								5					6	21
Hausa													8	13
Hebrew	1	22	22				4	41	1	1	97	86	127	190
Hindi		9	9				2	30			3	15	22	121
Hungarian		16	16				7	39			45	79	88	210
Ibo														1
Icelandic							1				3		4	4
Ilocano								3				6		47
Indonesian		4	4				11	86	1	1	30	40	114	234
Inoic											1		1	
Italian (all)		91	91				56	508	5	5	256	488	432	1,821

Table 3.1--continued

Language	Agriculture		AID		Commerce		ICA		VOA		Inter-American Foundation		Justice	
	Req	Skill	Req	Skill	Req	Skill	Req	Skill	Req	Skill	Req	Skill	Req	Skill
Japanese	6	291			3	3	11	81					7	7
Kannada		3												
Kashmiri		1												
Kazakh		1												
Kirundi														
Korean		45					9	22	9	9			1	3
Krio		1		4				1						
Kurdish		1												
Laotian		1						13	10	10			1	1
Latin														
Latvian									8	8				2
Lettish		14												
Lingala				1										
Lithuanian		18						2	8	8				5
Lomongo														
Lunda														
Malagasy								9						
Malay		6		5			1	8						2
Maltese														
Mandingo				1										
Marat[illegible]														
Mongo[illegible]														
More		1												1
Nepalese		1	1	14				2						
Norwegian		49					3	10					1	12
Nubian		2												
Nyanja		8		3										

Table 3.1--continued

Language	Labor		Library of Congress		Peace Corps		State		Treasury		Defense-Security		Total	
	Req	Skill	Req	Skill	Req	Skill	Req	Skill	Req	Skill	Req	Skill	Req	Skill
Japanese	1	1	39	39			20	126	2	2	167	244	254	763
Kannada												3		6
Kashmiri														1
Kazakh														1
Kirundi														2
Korean			13	13	181	181	6	41			714	167	933	481
Krio														5
Kurdish												1		2
Laotian							2	14				3	13	42
Latin			4	4									4	4
Latvian			19	19									27	40
Lettish														14
Lingala								1				6		8
Lithuanian			22	22								18	30	73
Lomongo												1		1
Lunda											1		1	
Malagasy														9
Malay			1	1	218	218	2	14			4	16	226	270
Maltese														2
Mandingo														2
Marathi								1				9		10
Mongolian								1				2		4
Moré														1
Nepalese					124	124	1	14					126	155
Norwegian			6	6			6	56			21	52	37	173
Nubian														2
Nyanja														11

Table 3.1--continued

Language	Agriculture		AID		Commerce		ICA		VOA		Inter-American Foundation		Justice	
	Req	Skill	Req	Skill	Req	Skill	Req	Skill	Req	Skill	Req	Skill	Req	Skill
Okinawan		3												
Persian (Afghan)			3	9			2							
Persian (Farsi)		9		11			7	27	7	7			3	3
Pidgin														
Polish	2	42	2				7	41	19	19				11
Portuguese (all)	6	191	11	104			32	146	27	27			2	23
Punjabi		19		5										
Pushtu/Pashto		24												
Quechua		1												
Romanian		5					5	30	12	12				22
Russian	5	299			14	14	12	82	58	58				104
Ruthenian														1
Samoan														
Sango		2												
Sanskrit														
Serbo-Croatian	2	22					12	58	12	12				33
Shan														
Singhalese		1												
Siswati														
Slavic								2						
Slovak		17												3
Slovenian		17						4	3	3				
Somali		1												
Sotho/Sesuto		1												
Spanish (all)	19	1,498	267	595	361	361	112	425	29	29	35	35	2,547	3,227
Sudanese														
Sukuma														
Susu		1						1						

Table 3.1--continued

Language	Labor		Library of Congress		Peace Corps		State		Treasury		Defense-Security		Total	
	Req	Skill	Req	Skill	Req	Skill	Req	Skill	Req	Skill	Req	Skill	Req	Skill
Okinawan														3
Persian (Afghan)					36	36	3	15			4		48	60
Persian (Farsi)			4	4			16	79			96	49	133	189
Pidgin					26	26							26	26
Polish			38	38			21	115			255	182	344	410
Portuguese (all)			61	61	105	105	67	363	3	3	121	169	436	1,196
Punjabi			5	5									5	29
Pushtu/Pashto			1	1									1	25
Quechua														1
Romanian			7	7			10	59			68	65	102	201
Russian		7	232	232			43	354			4,576	2,039	4,943	3,206
Ruthenian														1
Samoan					68	68						6	68	74
Sango														2
Sanskrit			2	2							35		37	2
Serbo-Croatian			21	21			18	139			76	69	141	346
Shan											2	2	2	2
Singhalese			1	1				6					1	8
Siswati					77	77							77	77
Slavic							1	3					1	5
Slovak			22	22				1				22	22	65
Slovenian			19	19									22	53
Somali											4	4	4	5
Sotho/Sesuto					82	82		3			3	34	85	117
Spanish (all)	67	67	290	290	1,348	1,348	370	1,799	1,980	1,980	1,647	1,647	9,072	27,895
Sudanese														
Sukuma								1						2
Susu														2

Table 3.1--continued

Language	Agriculture		AID		Commerce		ICA		VOA		Inter-American Foundation		Justice	
	Req	Skill	Req	Skill	Req	Skill	Req	Skill	Req	Skill	Req	Skill	Req	Skill
Swahili		7	1	8			1	9	4	4				3
Swedish		104					3	21						2
Tadjik														
Tagalog		17		9			3	3						
Tamachik														
Tamil		1		1										
Telugu		3												
Thai		5	6	36			6	55	6	6			19	22
Tigumya		2												
Tongan														
Tswa		1												
Tswana				2										
Tuareg														
Turkish		18		15			10	29	5	5			6	10
Twi														
Ukranian		33						1	24	24				
Urdu		10	1	8				16	8	8				
Uzbek									7	7				
Vai														
Vietnamese (all)		59						70	14	14			1	4
Visayan		14						1						
Walamo														
Wolof				2										
Yaunde														
Yoruba														
Yiddish														
Zulu														

Table 3.1--continued

Language	Labor		Library of Congress		Peace Corps		State		Treasury		Defense-Security		Total	
	Req	Skill	Req	Skill	Req	Skill	Req	Skill	Req	Skill	Req	Skill	Req	Skill
Swahili			3	3	235	235	3	46				6	247	321
Swedish			16	16			4	57			19	44	42	243
Tadjik														
Tagalog					330	330	1	9			6	65	340	433
Tamachik														
Tamil								7				2		11
Telugu														3
Thai			4	4	169	169	11	78			31	35	252	408
Tigumya														2
Tongan					62	62							62	62
Tswa											2		2	1
Tswana								1						3
Tuareg														
Turkish			9	9			27	48			128	83	185	207
Twi								1						1
Ukranian			20	20				3				30	44	111
Urdu			3	3			5	43					5	72
Uzbek													7	7
Vai												1		1
Vietnamese (all)			6	6				165			135	400	156	712
Visayan								1				1		17
Walamo												1		1
Wolof														2
Yaunde														
Yoruba														
Yiddish			7										7	8
Zulu														
Grand total													27,164	30,729

Table 3.1--continued

NOTES: "Req" means required language for a position in the agency. These are positions listed by agencies. They do not include positions for which a foreign language is a desirable but unrequired skill. The range of disciplines and levels of competence are great.

"Skill" means skills available in the agency. Where "Req" and "Skill" are identical, the agency has the skills for the positions, but does not have a skills inventory of languages.

"Req" and "Skill" figures can be used with greater confidence for civilian agencies than for the Defense-Security agencies. Skill figures are substantially understated for the following civilian agencies: Commerce, VOA, Library of Congress, Peace Corps, and Treasury.

"Req" and "Skill" figures for the Defense-Security agencies are only approximate. Civilian employees of the military departments are omitted, and data on uniformed personnel currently on active duty are not necessarily included in "Skill." For example, to compare "Req" and "Skill" figures for Czech would produce an erroneous impression.

"Req" and "Skill" figures for the Peace Corps omit the secondary language requirements for Peace Corps staff and volunteers. These comprise many local dialects and more than 50 languages.

Total figures for "Req" and "Skill" may be compared in aggregate form only with caution. The principal reasons are the incompleteness of data and the noninterchangeability of persons between and within agencies. For example, a Chinese census-taker for Commerce is not readily available to perform a diplomatic duty for the State Department in Malaysia, and a Justice Department court interpreter in Spanish has a far different competence level from that of a border patrolman in the same agency.

Grand total figures do not show the number of language positions precisely, because breakdowns by language are not available for all agencies. There are an additional 4,000 positions that require a foreign language, making a total of nearly 31,000.

Table 3.2

ESTIMATED FOREIGN AREA AND INTERNATIONAL STUDIES SPECIALISTS EMPLOYED BY THE UNITED STATES GOVERNMENT (POSITIONS), SPRING 1979

Area	AID	ICA	State	Total Defense-Security	ACDA	Commerce	Energy	Federal Reserve	HEW	Labor
Africa (south of the Sahara)	399	104	197	93						
Asia	199	220	267	602				8		1
East and Northeast						9				
South										
Southeast										
Europe	0	390	697	1156	100	29		26		
East						(4)				
West						(13)				
USSR					(100)	(12)				
Latin America	259	173	329	221				10		8
Middle East								2		1
Middle East and No. Africa	162	165	238	211						
Other										
Unidentified	471	29	430	349		118	50		50	
English-speaking countries										
Oceania										

Table 3.2--continued

Area	Library of Congress	NASA	Peace Corps PCV	Peace Corps Staff	Treasury	Agriculture	Export-Import Bank	Inter-American Foundation
Africa (south of the Sahara)			1613	61		21	2	
Asia		2	1035	13	3	11	2	
East and Northeast								
South								
Southeast								
Europe		4			28	35	10	
East								
West								
USSR								
Latin America			1585	15		19	5	30
Middle East			132	5	8	3	3	
Middle East and No. Africa								
Other			1357	52	11	10		
Unidentified	90							
English-speaking countries			(1109)	(46)	(11)	(10)		
Oceania			(248)	(6)				

Table 3.2--continued

Area	Interior	Justice	OPIC	Transportation	GAO	NSC	Miscellaneous Agencies	Area Total
Africa								2490
Asia	3	37	1					2311
Europe	18	67	7					2517
Latin America	2	115	7					2744
Middle East	1	9						908
Other	85	23	14	8				3081
Unidentified								
English-speaking countries	(85)	(23)	(14)	(8)				
Total, all areas								14338

NOTES: The areas have been used in a broad geographic sense. The Middle East includes South Asia agencies that put South Asia (India) for the civilian agencies in most cases. Some defense-security agencies put South Asia into the Asia category.

The "other" category includes area specialists who are unidentified as to geographic area, and international studies specialists (international trade experts, international lawyers, etc.). It also includes Peace Corps Volunteers and Staff assigned to English-speaking countries.

The individual agency data and the totals should be used with some caution. Some of the orders of magnitude are agency estimates. Generally, the data contain a conservative bias. The reasons lie in the absence of precision in the USG agencies in defining an area or international specialist, and the absence of data to describe each position in terms of these specialties. Consequently, skills inventories are also rare. Thus, it is not possible to measure correlations between requirements and incumbents' skills in any systematic way. Nevertheless, subjective impressions indicate that the jobs-skills match is very high, not least because employees are hired for their skills or receive specific training or exposure after employment.

APPENDIX: OTHER GOVERNMENTAL DEMANDS FOR SPECIALISTS

STATE AND LOCAL GOVERNMENTS: THE SEARCH FOR EXPORT MARKETS

According to the U.S. Department of Commerce, 37 states have active international trade development programs. These offices handle both export promotion and reverse investment activities, although the export or investment emphasis varies from state to state. The export promotion staffs generally consult on a one-to-one basis with small to medium-size companies, conduct seminars, publish brochures and newsletters, and respond to requests for information. Some state offices participate in Department of Commerce trade missions and trade shows, while other states conduct their own shows. Investment staffs attract foreign firms into locating or investing in the state and often assist foreign firms with specific financial, legal, and regulatory problems.

The larger state offices staff an average of 6 to 7 professionals.[1] Staffs tend to be hired on the basis of business skills combined with international expertise. The states vary widely in the emphasis they place on formal schooling as opposed to work experience. About 25 percent of the staff in the seven offices we contacted had graduated from an "international program." Although language fluency is a secondary hiring priority,

[1] This information is derived from telephone conversations with directors of seven state trade development offices: California, Illinois, Michigan, New York, Ohio, Pennsylvania, and Texas.

it is generally considered very useful and in some cases essential. For instance, one office stresses languages to the point of tying job openings to particular language gaps that need filling. The majority of offices have coverage in the more common foreign languages and several have coverage in less common languages such as Japanese, Chinese, and Arabic.

Approximately 35 states maintain overseas branch offices. The largest number of offices are in Brussels, Belgium, most of them opened in the early to mid-1970s. Nine states have an additional office in Tokyo or Hong Kong. A few states have opened Latin American branches.

Most overseas offices are staffed by one or two Americans and one or two foreign nationals. The American staff commonly have had extensive international business experience or have served as Foreign Service attaches. Several of the staff, especially in the Tokyo and Hong Kong offices, have area studies backgrounds.

Most directors anticipate a slight expansion of staff over the next five years, primarily in exporting activity. In the past, the Department of Commerce handled most foreign trade promotion activity, but federal programs have been contracting and state offices have been increasing their effort to fill the void and provide services not previously offered. About half of the offices we contacted plan to add one or two people to their home staffs.

Some state directors have plans to expand their foreign staff and to open new branch offices. A few are initiating European trade show campaigns independent of the U.S. Department of Commerce and are planning to hire one or two additional staff members for these shows. One office plans to reopen its European branch office, which previously had been used for investment promotion. Two directors we spoke with are currently seeking legislative approval for Latin American offices. Two of the seven states are also in the process of obtaining U.S. State Department approval for offices in Beijing,[1] and a third state plans to do so in the next year or two. However, the overall growth in state staff abroad is not likely to be a large absolute number. Furthermore, much of the staff abroad is composed of foreign nationals.

The degree to which state programs grow in the longer term depends on market potential, federal and state support, and the extent to which smaller businesses respond to these incentives. There seems to be a recent wave of policy activity aimed at creating incentives for smaller firms. President Carter recently directed the Small Business Administration to reserve for exporting firms $100 million of its $700 million loans program.[2] This new policy is partially in response to our balance of

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[1] Multinationals have been assisting state offices with this endeavor, since firms are required to operate through a government office when conducting commercial business with the People's Republic of China.

[2] President Carter's "United States Export Policy," Direct Assistance to United States Exporters--Point 2, September 26, 1978.

payments position. The states view export promotion as a way of boosting their economies. One governor with a strong business orientation has submitted a bill to the legislature that would provide tax incentives for exporting firms. This state office is a leader among state trade promotion offices, and other states may follow. However, it is too early to determine to what degree programs like the one described above will, first, be implemented, and second, be utilized by smaller firms.

Smaller businesses have indicated some interest in developing export markets, but we do not know how willing they are to take action. Most of them cannot afford the risk of venturing into an unknown market area; with better information, they might take a more active interest. Their responses will also depend on the potential for expanding U.S. markets, and this variable changes with the condition of the U.S. economy. Nevertheless, it is unlikely that state development staff would increase substantially as a result. If businesses find exporting profitable, they will eventually hire their own staff experts.

The directors seemed to have little difficulty in filling current vacancies and foresaw no problems in the future, except for staffing needs specific to Japan and China. Several directors indicated that they have had trouble finding Japanese specialists in the past. One is currently looking for a Japanese specialist with business skills, but seems to find only "frustrated assistant professors." The offices are deluged with applicants suitable for the other positions. Most offices do not even find it necessary to recruit; when they do, they usually

consider only in-state applicants, since the directors generally feel that the staff should have a firm understanding of the state's economy, law, and institutions.

CHAMBERS OF COMMERCE AND PORT AUTHORITIES

We contacted several large chambers of commerce and port authorities to explore their needs for people with language or international studies training.[1] We found that they maintain very small staffs and have no problems in finding eligible people.

The larger chambers of commerce generally employ one or two professionals in their international division. The major hiring criterion is business or public relations experience. We found that several staff had been trained in international business programs, but we cannot generalize beyond the few places we contacted. Some offices find language fluency necessary, others expressed the need for fluency[2] but are constrained by limited budgets.

The port authority trade development directors consistently emphasized that the most important hiring criterion for the ports is marketing experience within the maritime industry. One director noted that the port business is highly specialized and com-

[1] We spoke with the Los Angeles, Chicago, San Antonio, and New York Chambers of Commerce, and Los Angeles and Oakland port authorities. Indirect information was acquired about the Chicago and New York authorities.

[2] For instance, the director of the Los Angeles office expressed a need, at minimum, for Japanese, Chinese, Korean, Spanish, French, and German.

petitive, requiring fairly specific expertise. He said that he declines applications at the rate of a couple each week from graduates of international business programs, because the port's needs are so specialized. Language ability is an extra benfit but by no means a necessity. One director estimated that only 15 or 20 of the 250 people involved in the U.S. port business need language capabilities. The ports have commercial contact with practically every country in the world, but most of their customers speak English. However, the ports of Los Angeles and Oakland have staff members fluent in Japanese, finding this capability useful since a considerable share of their business is with Japan. Many of the ports also employ foreign nationals of the various countries with which they do business.

Our interviews with the United Nations and World Bank officials revealed manpower patterns similar to those encountered within the U.S. government. While the international agencies have political requirements for balanced staff representation among their various members, Americans are said to be fairly represented in proportion to the U.S. financial contributions and role in these organizations. Professional requirements come first in hiring decisions, but language skills are important for qualification. Americans are not considered to be as linguistically facile as certain other nationalities, and there is some shortage in Americans qualified in French and Arabic. Foreign area skills are not considered to be important for many jobs in the international agencies.

The United Nations Secretariat currently employs about 3,000 professionals who are subject to a national quota system, and 600-700 translators who are not hired by quota. The U.N. specialized agencies, such as the World Health Organization, hire their staff apart from the Secretariat. All professional staff must have two working languages, and the U.N. Mission to the U.S. reports that American candidates for Secretariat positions get turned down regularly because of their lack of French language capability. Nonetheless, the Secretariat hires about 50 American professionals each year out of 250 to 300 new hires. The specialized agencies hire at least an equal number of Americans. Americans now number about half of the U.N.'s translation staff in the English language service (translating from other languages into English).

Respondents expressed concern about the effects of the increasing politicization of U.N. staff positions. Pressures for national representation are eroding the professional quality of the staff, and there is concern that a loss in morale will eventually degrade the attractiveness of U.N. staff positions for professionally-qualified Americans.

In the World Bank, Americans comprise approximately 25 percent of the organization's 2,500 professional staff. Economic and technical skills are basic to Bank work, although competence in French is a major language requirement. Staff turnover rates are low because of attractive salary levels. As new staff is added there is greater emphasis on increasing foreign staff representation, particularly from less-developed countries.

Thus, American representation in the Bank is expected to decline somewhat.

Chapter 4

THE BUSINESS SECTOR

INTRODUCTION AND REVIEW OF FINDINGS

This chapter discusses the relationship of business and industry--particularly manufacturing and mineral industries, banking and other services, the press, and international law--to language and international studies. For expository convenience, we have dubbed this the business sector.

Our review of the literature and our interviews with representatives of 50 organizations corroborate and enlarge upon previous findings; and, although our study does not pretend to be exhaustive, we adduce up-to-date evidence on the subject.

The general tenor of our findings can be succinctly stated: Business and industry attach a low priority to language, cultural, and area skills, largely because English is so widely used in international business that those skills are rarely essential. When they are, firms have little difficulty in hiring foreign nationals. Furthermore, U.S. firms are depending more and more upon foreign nationals in their foreign operations, thus reducing the need for Americans to have foreign language skills.

The major international firms we interviewed use only small numbers of U.S. expatriate staff, and in employing that staff the most important criteria are professional, technical, and

managerial skills, personal adaptability, previous overseas experience, and an outlook that is right for the organization. Language skills trail behind, being regarded as convenient or even laudable but not essential. (A few strong demurrals to this view are mentioned later.)

Employees, aware of these attitudes, are likely to take a casual view of language skills. Both they and their firms have little incentive to encourage mastery of a language or familiarity with a culture if, as is common among large firms, the employee may serve in half a dozen countries in the course of his career. The employee may even consider it detrimental to acquire these skills for fear of being frozen into an overseas position when the most promising career prospects are at home.

For these reasons, although most firms provide language training and sometimes cultural orientation for employees assigned overseas, neither the firms nor the employees tend to take the training very seriously, and in any case the training is almost always too brief to be of much business value.

The major exceptions to these findings occur in three fields where direct dealings, including face-to-face contact, between Americans and foreign nationals are important: international law, management consulting, and international journalism. Bilingualism in these cases may be a crucial requirement for employment, and is always important. These fields are small, however, each requiring only a few hundred American expatriates who have fluent language skills or area knowledge.

Among the remaining businesses, U.S. international banks make the most use of Americans overseas, who account for about 3 percent of overseas staffs. And for reasons discussed later, their numbers will probably shrink in the future.

Both banks and business firms agree, however, that a knowledge of Spanish or Portuguese is essential for higher-level expatriates serving in Latin America, and there apparently is a growing need for specialists in certain languages and areas where new markets are opening up, notably Chinese, Arabic, and Russian.

Our interviews evoked one unexpected outcome: Dominating their other responses was the recurrent complaint from large multinational firms that their U.S. recruits often could not write clear English, and that this was far more important than any foreign language or area skills. A number of these firms have instituted courses in business writing or clear writing for their staffs.

COMPETING VIEWS ABOUT THE LOSS OF U.S. DOMINANCE IN INTERNATIONAL TRADE

American private business is a major force in world trade, but no longer holds the dominant position it enjoyed immediately after World War II. (See Fig. 4.1.) In current dollar value, American exports have increased ten-fold since 1948 and four-fold since 1968. But many other countries' exports have risen more, and those of Germany, Japan, and France are rapidly converging on those of the United States. Over the past thirty years, industrial nations' combined exports have increased by twenty times, and nearly five-fold in the last decade. Germany's exports rose

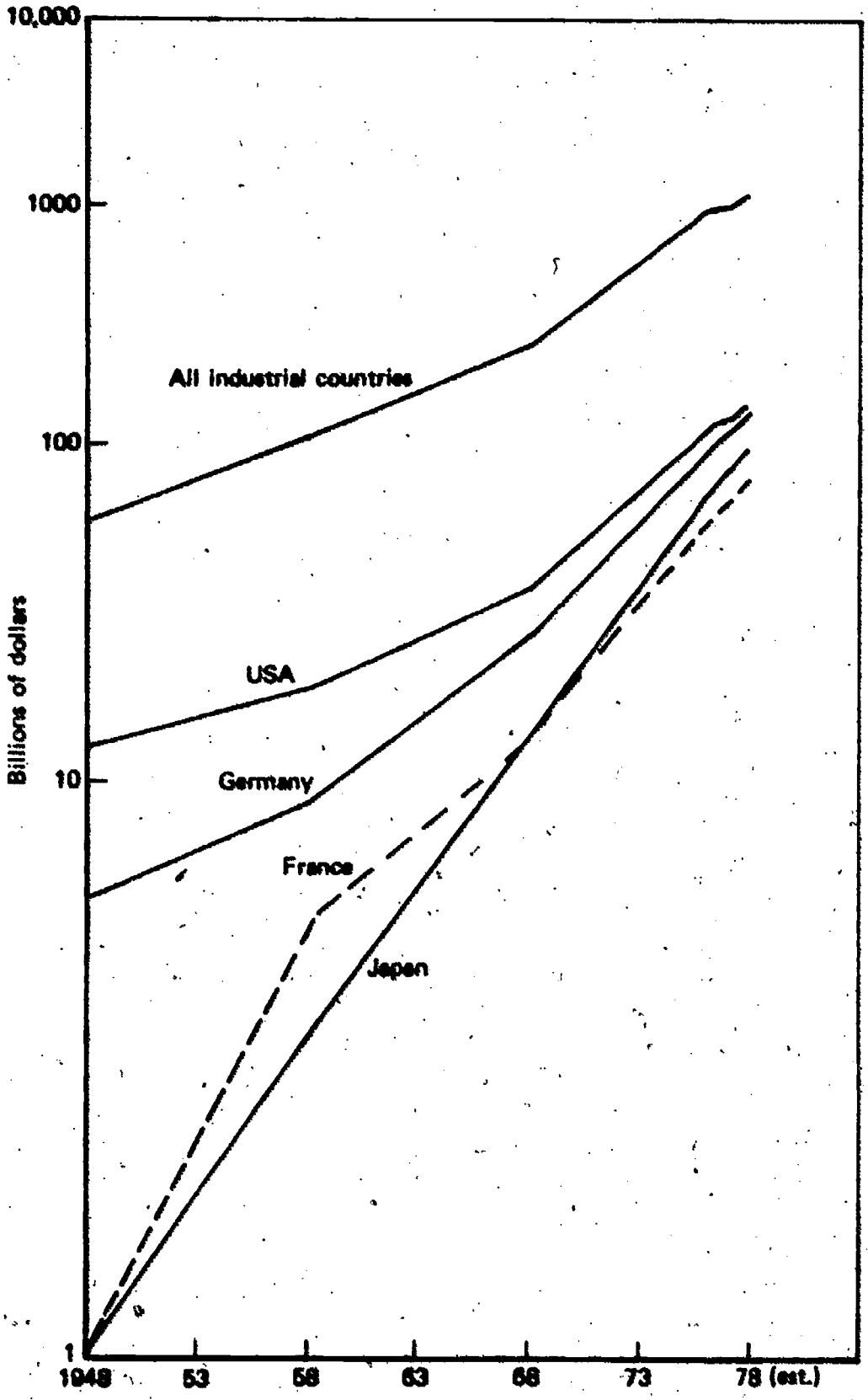

Fig. 4.1 — Growth of industrial countries' exports, 1974 – 1978 (in $ billion)

from one-sixth the U.S. total in 1948 to equality in 1978. Japan's exports rose from less than one-tenth of the U.S. total in 1948 to nearly two-thirds in 1978. French exports are also rising steadily relative to those of the United States, although not so rapidly as those of Germany and Japan.

Weaknesses in Language and Area Skills

It has sometimes been argued that this loss of American dominance may be partly due to American weaknesses in language and area skills (Wilkins and Arnett, 1976; Arnold, Morgenrath, and Morgenrath, 1975). The direct evidence for that argument is weak, however, typically coming from a few firms' responses in surveys of industry's language needs (for discussion see Wilkins and Arnett, 1976a; Inman, 1978). Some businessmen have also criticized the parochialism of American education as contributing to the loss of dominance.

The literature on language needs sometimes implies that declining trade shares and trade deficits are partly caused by U.S. firms' failure to compete keenly for business, aggravated by the lack of language and international skills and by the reluctance of U.S. business to use existing skills. If so, U.S. international business behavior appears to be economically irrational, because it fails to take advantage of America's human resources and thereby loses sales and income (see, e.g., Kolde, 1974, American Council of Learned Societies, 1979; Ricks et al., 1974; Wilkins and Arnett, 1976).

If the hypothesis is valid, the remedy would be education--showing business where its true interests lie, and training more Americans in foreign languages and cultures. This would improve our competitive position if foreigners excel Americans in language skills and if their corporations are less ethnocentric. A substantial literature, reviewed by Inman (1978) and Wilkins and Arnett (1976), argues that American language skills can be developed to serve that end.

This prescription says that both the current supply of and demand for international skills in business should be increased, and that both business and the nation would be better off as a result. We cannot refute this hypothesis; we simply describe what American international firms do now. However, one element in our data renders this hypothesis suspect. We interviewed a few European and Japanese multinational firms and found that their recruitment and assignment behavior parallels that of U.S. firms. If foreign firms, with their plentiful supply of linguists, likewise use very few expatriates, then language skills may simply not be a dominant consideration in explaining the quantity of international business assignments.

Predominance of Domestic Markets

Another view of American business behavior internationally derives from the salience of domestic markets. Large-scale industrial growth in the United States took place from 1850 to 1930, based essentially on the expanding domestic markets. That growth fed upon itself and was fueled by large-scale immigration and capital investment. The foreign market being subsidiary,

there was little need for foreign language or international knowledge.

Given these conditions, we might hypothesize the following behavior by most U.S. firms in international economic relations:

1. The domestic market dominates corporate attention, except for import-export firms and a few multinational firms with large foreign income.

2. Because Americans are isolated by distance and natural power, few of them learn enough of other languages and cultures, to be useful in expanding U.S. international trade.

3. American lack of language skill is compensated for by the worldwide use of English in business circles, making it unnecessary for American firms to adapt to other languages and cultures.

4. Other countries prefer that U.S. and other foreign management firms keep expatriate management to a minimum, and thus give maximum opportunity to their own nationals. Therefore, a rational U.S. business approach might be to use English within the firm while allowing foreign professionals, with their recognized superiority in languages, a dominant role in local operations.

5. If the firm's domestic orientation threatens the growth of its international business, one rational

response may be to reduce, rather than increase, U.S. nationals' participation in the international side of the firm. Giving foreigners a greater say in international operations would enable the firm to adapt to international conditions without major changes in headquarters' behavior. The adaptation process can be further encouraged by internationalizing the firm's executive staff, assigning foreigners to top management of affiliates and to executive positions at corporate headquarters.

These two prescriptions--one leading to more training and recruiting of Americans as language- and area-qualified staff, and the other to predominant reliance on foreign nationals--can be examined in light of the existing literature and the information that Rand collected in this study. These views are not mutually exclusive, because one sets forth a goal while the other describes a situation. The second prescription does not imply, however, that American skills in these fields are superfluous. Furthermore, American industry is not monolithic in this respect: Some firms value expatriates with these skills.

These views also carry important implications for the supply of these skills. Education and training policies may produce either a surplus or a shortage, for example, depending on whether policymakers regard U.S. nationals or foreigners as the primary sources of skills.

America's very advantages have created these issues: geography, market size, cultural homogeneity, the worldwide use of English for many business purposes, and great national power. We have not had to rely extensively on language and area knowledge, and we cannot change this condition easily for the sake of promoting a more cosmopolitan society. To the extent that America's lack of these skills may contribute to national economic decline, the practical questions would then concern dealing with a deficiency, in a society where the sources of that deficiency run deep--indeed, to the very basis of our nation's economic strength.

DATA AND METHODS OF THE STUDY

Our study reviewed the literature on the subject (see Bibliography), and interviewed representatives (usually personnel directors or officers in charge of international operations) of 43 American firms, 5 foreign firms, and 2 nonprofit organizations that are active in international businesses. Except as noted below, all the firms are large multinational corporations. They were cooperative in making interviews possible on short notice. Because small- and medium-sized businesses are not represented in this sample, our data are silent regarding them. The few references to smaller firms are based on the existing literature. This omission should not be serious, considering that 200 firms account for two-thirds of U.S. exports of manufactured products, and that their attitudes and policies dominate industry's demand for language and area skills.

In collecting data from these firms, we used personal interviews in 90 percent of the cases and telephone interviews in 10 percent. Time was too short to allow a mail survey. The interviews covered seven topics:

1. National need,
2. The firm's employment trends;
3. Types of skills required for international employment;
4. Needs for information and research;
5. Recruitment sources;
6. Training provided; and
7. Priorities for future hiring.

Interviewers followed an interview guide (App. A), but we often departed from the outline when dealing with unique firms.

The interviews were mostly informal and qualitative. Our main contribution in a short study, as we saw it, should be to offer a basis for both further inquiry and policymaking in this domain. Existing data provided a reality test for our findings, so that there was little danger that we would emerge with assertions that could readily be refuted by any existing data we were aware of. Nonetheless, even for our main target, large international firms, the reality is undoubtedly more complex than our presentation indicates.

The very variety of our interviews implies that complexity. The 50 organizations interviewed range widely, from firms that offer direct services overseas to foreign clients, to those that

have virtually no direct contact with foreigners despite very large international dealings. These differences imply widely varying needs for language and area skills. Our sample included international law firms, management consultants, insurance companies, banks, newspapers, magazines, hotels, airlines, management of performing artists, extractive industries, retailing, construction, and manufacture and sale of numerous items: consumer products, pharmaceuticals, chemicals, automotive products, office equipment, computers, packaging, petroleum products, textiles, machinery, communications equipment, and electronics.

PREVIOUS RESEARCH ON PRIVATE BUSINESS BEHAVIOR

For many years, studies have reaffirmed that business attaches a low priority to language, cultural, and area skills. A 1960 study for the Carnegie Corporation (Cleveland et al.) found that although American corporations often offered short courses at language schools for staff members who were about to go abroad, most personnel directors did not think that the training was really necessary. Our brief study, twenty years later, has found that similar attitudes and training policies still persist in many corporations. Inman (1978) cites some twenty studies conducted in recent years that attest to the rather casual attitude taken by American and British firms toward language and area skills in their recruiting and assignment practices.

The 70 American international firms surveyed by Business International Corporation in 1970 rated language skills sixth among criteria for overseas job selection, overshadowed by

experience, personality, job skills, and managerial ability. Wilkins and Arnett (1976) surveyed 1266 U.S. international firms, which accounted for the great majority of U.S. industrial exports, and reported that out of some seven million jobs in the firms, only 23,000 (one-third of one percent), required foreign languages as a primary or secondary tool for American employees. For another 34,000 jobs, language skill was considered to be of some help.

Another study (Gonzalez and Negandhi, 1967) reported that expatriate American executives cited the following criteria, in order: wife and family adaptability, leadership ability, job knowledge, "well educated," and language of host country. Robinson (1973) cites similar findings with respect to language in a 1970 survey of expatriate managers.

The most recent study available (Inman, 1978) found no significant change from the earlier findings. The 130 large firms that responded to Inman's survey unanimously listed technical ability as the dominant criterion in recruiting and assigning people abroad. Language skills were frequently mentioned as a fourth criterion, after adaptability and previous overseas experience.

Once an employee is assigned overseas or to other work requiring language skills, however, most firms provide language training, and sometimes cultural orientation, at company expense. Most of this training is too brief to be of much business value--typically, four to six weeks of intensive language training by a tutor or a language institute. Some firms encourage the employee

to continue his or her language training abroad. Typically, however, corporate-sponsored language instruction totals 100 to 120 hours per student, which, unless continued abroad, is inadequate for business purposes (Abramson, 1974).

The literature occasionally speculates on why firms expend substantial sums for language training that they generally acknowledge is inadequate. Some authors believe that the practice is simply a perfunctory bow to internationalism. Others point out that because an employee normally has only a few months for language study between selection for an overseas assignment and departure, the choice is between the perfunctory and nothing. Once the employee arrives overseas, work pressures often make it difficult to continue language study. Moreover, as the literature points out (Blank and La Palombara, 1977, pp. 49-58), American firms usually rotate their expatriate managers frequently, and there is little, if any, career premium on knowledge of a single language. The general finding of previous research is that only in Latin America is language knowledge essential for expatriate staff.

Two considerations dominate most of the discussion about American firms' low priority on language and cultural knowledge: (1) For a variety of reasons, most Americans do not have foreign language skills, particularly fluency in business and technical terms; and (2) English is widely used in international business. A lesser issue has been the allegation that the cultural attitudes of many businessmen make foreign language skills suspect in American employees (Korda, 1975). Direct evidence on this score

is largely anecdotal, and it is probably not a major consideration.

Despite these findings, many businessmen argue that these skills are important to successful business operations abroad. The authors of one large-scale study report that despite substantial apathy in the business community they also encountered "comments, case studies and data from a number of highly enlightened company officials who reported unusual [business] success which they attributed directly to the attention given language and cultural training by their companies" (Wilkins and Arnett, 1976, p. 5-76). An official of a leading U.S. international bank testified to Congress that half of the American college graduates that the bank hired for service abroad during the bank's substantial expansion of its international operations from 1955 to 1975 were trained in area studies, international affairs, or international business, and were chosen because of their superior qualifications for foreign service (Griffin, 1976). Another official of the same bank stated in a Rand interview that all recruits for foreign service are expected to know one foreign language and to have lived abroad. A number of businessmen who have testified to the President's Commission have similarly stressed the value of language and area skills. There is also an anecdotal literature that stresses the high costs imposed on business by Ameicans' ignorance of other languages and cultures, (e.g., Ricks, Fu, and Arpan, 1974).

Inman, in her careful review of the literature, concludes that language and cultural knowledge are valuable to business primarily as ancillary skills, once the dominant requirements of technical or managerial skills, experience, and personality have been met (1978, p. 47ff).

In respect to the somewhat contradictory views expressed by businessmen, she concludes, on the basis of her survey of the literature (p. 140):

> The importance of language and cultural training to the success of international business and to effective communication in general, although cited frequently in the literature . . . of both foreign languages and business, seems to surface in only cursory fashion in the present-day U.S. multinational environment. Moreover, since the value of this training is difficult to demonstrate empirically, companies are not likely to radically alter their present policies as long as they regard their current revenues as acceptable.

THE RAND STUDY OF PRIVATE BUSINESS BEHAVIOR

The literature imputes a certain irrationality to American international firms--a failure to recognize self-interest. Occasionally, the imputation is explicit: "Surely the average multinational corporate executive fails to realize that his parochial attitude about foreign languages and his insular view of foreign cultures weakens his competitive base at the very moment when it cries out for strengthening" (American Council of Learned Societies, 1979, p. 9). On the face of it, this imputation is suspect; businesses do not thrive by neglecting their own welfare. Anyway, it seems unlikely that businessmen would be much

influenced by academic wrist-slapping.

The findings of Rand's survey cast some light on the apparent contradictions and offer an explanation of the sources of apparent irrationality.

Recruitment and Assignment

First of all, like other reseachers, we found that major international firms use very few U.S. expatriates, and on the average attach little importance to language and area skills. But we also found that the firms we interviewed vary widely. The principal determinant of whether or not language skills were much needed among Americans was the degree of direct service or contact that Americans provided to foreign clients or data sources. Despite this variation, all the firms reported that professional, technical, managerial, and other skills overshadow language or area knowledge as an employment criterion (a point we need not belabor further in this chapter).

In three fields, however--international law, management consulting, and international journalism--direct dealings between Americans and foreign clients or data sources are important. These fields are small: Each employs only a few hundred expatriates who must have language or area knowledge on the job. On the whole, employers are able to recruit these skills as needed. In some cases, during growth periods, shortages arise in both professional and international skills.

International Law. At one extreme of our sample are American international law firms. There are probably about 3,000 practicing international lawyers in the United States, as gauged

by professional association memberships, of whom perhaps one-tenth are assigned overseas at any time. That number seems to be expanding rapidly. The managing partners of the firms we interviewed laid heavy stress on the importance of both language and cultural skills for American lawyers who deal directly with U.S. and foreign clients in a foreign setting. They agree that the primary question in employment is the candidate's qualifications as a lawyer, but there is a strong preference, once this qualification is met, for people who have good language ability and understanding of the culture of the firms' main foreign clients. In general, people assigned abroad must have these skills.

Both of the firms we interviewed were expanding, and were finding it difficult to recruit lawyers with these qualifications, mainly in French, German, Chinese, and Japanese.

Although foreign lawyers are a partial substitute for bilingual American lawyers, they are usually less qualified to advise on U.S. law or on U.S. business practices. In other words, client service requirements are such that there is no effective substitute for the bilingual U.S. lawyer; this condition is reflected in the fact that up to 20 percent of the staff members in the firms we interviewed are bilingual.

Management Consultants. We interviewed two management consulting firms who do substantial international work, mostly in Europe, the Middle East, and Latin America. Because management consulting usually requires direct service to the foreign client by the U.S. practitioner, language skills are important, particularly in Europe and Latin America. In the Middle East and parts

of Asia, respondents stated that English is widely used in business, as it is, of course, in consulting done for U.S., Canadian, and British firms abroad.

. . The two firms reported that they are now hiring more foreign nationals than Americans in response to dollar depreciation, foreign work-permit regulation, and language needs. One of the firms responded that it is usually able to find Americans with language skills, and that it requires people assigned to its main foreign office to know two foreign languages. This firm recruits MBAs from Harvard, Stanford, Wharton, Columbia, and Chicago, and recruits more experienced staff directly from other sources. It considers language and foreign experience in making its international recruitment decisions. The other firm places less emphasis on language skills in recruiting, and uses foreign nationals relatively more. Its operations in this field are relatively smaller.

Entry-level people for foreign work at the larger firm are recruited either overseas or from foreign MBAs trained in the United States. This means that middle- and senior-level Americans are normally assigned overseas. They make up half or more of the firms' total overseas staff.

Whenever a staff member to be assigned abroad lacks language skills, these firms provide training, usually at a commercial language school, and also often in the host country. The main language requirements are for Western Europe and Latin America.

The two firms foresee good prospects for expansion of business in international management consulting. One respondent cited the Middle East, Latin America, and Europe, in that order, as prospective growth sources for his firm. Both respondents believe that business growth will outpace growth of U.S. expatriate staff.

Both management consulting and international law are small fields. Combined, they account for only one percent or less of the total U.S. business requirement for language skills (see Wilkins and Arnett, 1976). Nevertheless, these small, high-skill sectors appear to be growing, and offer at least a stable market for a few qualified specialists whose foreign language skills are a valuable adjunct to their professional ability.

Press. We interviewed representatives of two wire services, three newspapers, a news magazine, and a television news organization that have extensive international service.

Only six U.S. daily newspapers have a staff of more than three foreign correspondents (Baltimore Sun, Christian Science Monitor, Los Angeles Times, New York Times, St. Louis Post-Dispatch, Wall Street Journal, Washington Post). Daily papers employ a total of about 100 U.S. foreign correspondents, plus a number of part-time contributors ("stringers") who contribute stories from places usually not covered by the American expatriate staff. The full-time correspondents are usually chosen from the domestic reportorial staff of the newspaper or from the papef's foreign desk in the U.S.. Language skill (reading and

conversation) is an asset, as is knowledge of the area and of U.S. society.

There is usually a surplus of qualified applicants, although particular languages are sometimes in short supply. Because language skills are important to job performance, all three newspapers we interviewed will train staff in languages as necessary through commercial language schools, training abroad, or university programs. Currently, newspapermen are in short supply who know Arabic, Farsi, Russian, Chinese, or Japanese.

There has been a long-term decline in American reporters abroad, largely because of the high cost of maintaining foreign bureaus. A number of papers have closed their bureaus and others have curtailed them. As a consequence, American newspapers are more and more dependent on wire services. The two main U.S.-based services, Associated Press and United Press International, employ a total of about 150 U.S. foreign correspondents, and supplement them, for reasons of economy and coverage, with hundreds of stringers and foreign employees. The wire services have cut back their expatriate staff substantially in the past decade, but are now maintaining relatively stable levels. Using a combination of existing language knowledge and, as necessary, training at language schools or private tutoring, the wire services are generally able to meet their language needs. One service ~~cited~~ German, Italian, Japanese, and Chinese as languages in short supply, with training now going on.

We also interviewed the personnel director of a news weekly that has 33 correspondents abroad. He said that language and area skills are not important for them. If Americans need language skills, the magazine provides a short language school course. Foreign tours at this magazine are too short to warrant more extensive training. Foreign correspondents are selected from people who have prior domestic experience at this publication or others. The respondent said that his publication has little need for foreign language skills because it is more and more possible to get by in the world with English.

We briefly interviewed one television network about its foreign news operations. The respondent said that the firm employs about 30 Americans abroad and about 60 foreign nationals, some of them third-country expatriates. Language skills were considered important, but less so than news-gathering and communication skills. There appears to be no difficulty in recruiting qualified staff.

There are probably around 500 U.S. expatriate foreign correspondents and foreign desk editors in the United States working for the daily and weekly press, wire services, and television news. Most of them, as we have seen, need some foreign language skills, although fluency is normally not required. There seem to be no prospects of much future increase in this corps, barring foreign war.

Banks and Industry

Banks. Among other U.S. businesses, international banks make the most use of Americans overseas--about three percent of their overseas staffs. The seven U.S. banks we interviewed, which account for the majority of U.S. international banking, have a combined total of 63,000 overseas employees, of whom 2,000 are Americans.

This relatively high percentage reflects several factors. The three major banks expanded rapidly abroad between 1950 and 1970; to do so, they usually staffed new branches with an American core staff. Another factor relates to credibility. Because client confidence plays a large part in banking, these branches often find it important to have American bankers on the spot who can be presumed to speak with the authority of the home office. Another aspect of credibility is the need of the home office to deal with American expatriate bankers, who are known, and therefore credible, to the officers of the bank. Finally, in banking, as distinguished from manufacturing, foreign service [redacted]ften helpful to a career. Six or seven banks dominate Ame[redacted] international banking. Many of their chief officers have a strong international orientation, and financing international trade and investment is a vital part of their business. Therefore, international assignments are often considered valuable to a banker's career development. The larger banks, who have been in the international field longer, have had time to develop skilled staffs of foreign bankers who know the banks well, and consequently have been able to reduce their proportion of Americans to

two or three percent worldwide. The smaller banks, who have expanded more recently, tend to have larger proportions of expatriate staff, a cadre for building the institution.

In general, the large banks anticipate little if any expansion in overseas staff over the next five years, and the smaller ones often expect to reduce the number of U.S. expatriate staff. The present total of U.S. expatriate employees of all American banks is probably about 2,500. Any future overseas staff expansion will consist largely of foreign nationals, some of them trained at U.S. universities. However, U.S. banks continue to recruit Americans for international work, although on a somewhat smaller scale than a decade ago.

Most banks recruit U.S. staff for initial service and training in an international banking division or group in the United States. Foreign assignments are often made within five years after recruitment, although one or two banks provide for little or no prior training in the United States.

Banks vary in the degree to which recruits for international banking are likely to be members of a career foreign service, but many of the large banks' recruits are likely to spend most of their banking careers abroad.

Most banks value language and area knowledge in people who may serve overseas. One bank considered these skills as a high priority: "The bank looks for well-qualified people who speak a foreign language and have lived abroad." This bank uses language skill and foreign residence as a measure of adaptability, because many of its staff are regularly reassigned to different parts of

the world.

Other banks put a higher premium on prior foreign residence than on language. Most of them stated that because people are reassigned frequently, prior knowledge of a particular language is not important. Nevertheless, we found that language skills, particularly those in demand at the bank, were an important consideration in some assignments, and therefore were necessarily also a factor in some recruiting decisions. However, all banks offer language training, usually through commercial language schools, for those who will need a foreign language in their work.

All bankers agreed that knowledge of Spanish or Portuguese is essential for foreign bankers serving in Latin America. Many also sought French-speaking staff for West Africa; a few sought qualified bankers with knowledge of Chinese, Arabic, or East European languages. Most of these banks also employ substantial numbers of career foreign executives, mostly European, whose language skills can be used if no qualified U.S. staff is available.

Recruitment for international banking is done primarily through employment of MBAs, or MAs in international fields, notably from the Harvard, Wharton, and Stanford business schools and two international schools, the American Graduate School of International Management and the School of Advanced International Studies.

The banks' representatives (usually directors of personnel or persons in charge of international banking divisions) were satisfied with their recruitment sources and their ability to meet language and area requirements. In general, they did not want to recruit people with Ph.D. degrees (except in economics), or with specialized area training, because such people's interests usually differ from business skill requirements.

Although the bankers consider business schools as their main source for good-quality professional recruits, they voiced several reservations: (1) graduates of leading business schools tend to have inflated expectations of short-term career possibilities in an era of slow growth; (2) current MBA salary levels may be too high for some banks; (3) business schools mainly perform a screening function for business, and a B.A. degree would often be adequate if the banks could recruit as efficiently as business schools do.

In addition to demand for expatriate staff, there is also a very small need for language and international skills at the banks' headquarters. A small amount of translation is needed, and is usually done by contract agencies or employees who happen to have language skills.

All international banks employ a small number of international economists (from five or six to thirty or more in our sample). A few banks also have very small specialist staffs that review issues of political risk.

The most likely prospect is that recruitment of staff for overseas will continue at no more than its present rate, and perhaps less because of recent declines in turnover, which reflect some slowdown in U.S. international banking; and that only selective increases will occur in banks' demand for language and cultural skills (e.g., Chinese, Arabic, Japanese).

Finally, to test our hypotheses about American international firms, we interviewed the U.S.-based personnel director of a very large foreign multinational bank. Less than one percent of the bank's expatriate staff are nationals of the bank's home country, as opposed to a minimum of two to three percent for U.S. banks. The bank plans further reductions in expatriate staff over the next five years, for reasons similar to those advanced by U.S. banks: (1) availibility of an increasing pool of trained banking talent worldwide; (2) high cost of expatriate staff; (3) local staff people relate more easily to local nationals; and (4) career opportunities in the bank require that staff members spend most of their time in the home office country. Like American banks, this one regards language skills as secondary in recruitment and assignment.

In short, this bank's foreign service practices parallel those of American banks. This could lead one to predict that American banks may also reduce their expatriate staffs. Foreign banks rarely, if ever, assign people to the United States unless they are fluent in English. Since English is a world business and diplomatic language, this is hardly surprising. We do not yet know, however, whether foreign banks elsewhere similarly

insist on local language fluency for their expatriates; or if they do, whether this gives the banks any local business advantage. However, the foreign bank representative we interviewed does not believe that lack of fluency hampers American bankers; he stated that American banks are highly competitive abroad, "most aggressive," quick to act, and very pragmatic compared with other foreign banks.

Industry. We interviewed 48 leading multinational firms, five of them foreign-owned, headquartered in New York, Chicago, Los Angeles, and San Francisco. The numbers and types of firms included (foreign-owned firms in parentheses):

Manufacturing	22	(4)
Banking	8	(1)
Press	7	
Consulting	2	
Transportation	2	
Hotel	2	
Law	2	
Construction	1	
Insurance	1	
Retailing	1	
Total	48	

Excluding law, the press, and management consulting, these firms make very little use of expatriate American staff. The 25 large U.S. industrial firms we interviewed employ a total of 835,000 people overseas; of these, only 3,000 are U.S. nationals. Except for one firm, which often sends Americans on short-term foreign assignments, the ratio of U.S. expatriate staff to total overseas staff for the remaining 24 firms drops to less than three to a thousand. These totals are consistent with the esti-

mates by Wilkins and Arnett (1976) cited above. Most of our respondents expected these ratios to decline in the future.

The respondents offered consistent explanations for these low and declining ratios (in appropriate order of importance): (1) Because their firms are multinational, they avoid assigning Americans to dominant roles in other countries; (2) foreign work regulations make it harder every year to assign Americans to certain countries; (3) dollar depreciation makes it expensive to assign Americans abroad; (4) foreign assignments are often regarded in U.S. industry as detrimental to career prospects, because the bulk of the decisionmakers and the focus of the firms' interests are within the firm, generally at home; (5) as the pool of trained foreign employees grows, they can often be substituted for Americans in their own countries and in other foreign countries ("third-country" assignments); and (6) professional staff members are increasingly reluctant to accept domestic or foreign transfers that involve family upheaval.

Most of the large industrial firms attach little or no importance to language or international studies in recruitment. They pointed out that only experienced executives go abroad for long periods; junior staff members virtually never have foreign assignments. Therefore, when a new employee is recruited, it is normally impossible to predict whether he will have foreign assignments or where they will be. Furthermore, because people assigned abroad are often rotated and may serve in half a dozen countries during a career, language knowledge is of limited value.

The dominant factor in recruitment, in addition to the applicant's job skills, is whether his personality and outlook are right for the organization. Respondents pointed out that people who have substantial training in language or area skills may have correspondingly less to offer in the fields of the company's primary business interests. Their intellectual outlook, personality type, and aspirations may differ from those of the ideal candidates sought by our respondent firms.

Some respondents cited the alleged weakness of U.S. language training as another reason for ignoring applicants' language skills. They said that most U.S. academic language training focuses too much on literary and research uses, and too little on the speaking needed in business. (See Chap. 3 for similar views with respect to federal employment.) Some respondents mentioned two international studies institutions that, they believe, provided superior language training for business purposes: Thunderbird and the Monterey Institute for International Studies. Among undergraduate schools, only Middlebury was cited for producing people who speak foreign languages well. Often mentioned were ex-Peace Corps members, and graduates of the Defense Language Institute, which focuses on the spoken language.

The resulting general attitude was that language and area skills are in no way necessary for recruiting, but might be helpful if higher-priority requirements are met first.

There were some exceptions. First, several firms, while emphasizing other skills, took language and cultural skills into account as secondary screening factors. One firm in a special-

ized field hires more international affairs graduates than MBAs. Some firms prefer people who know Spanish or Portuguese for work in Latin America. A few other firms--three in our sample--where face-to-face client dealings are important, would be interested in hiring some American bilingual professionals for foreign service, but find them in short supply; instead, they usually hire European bilingual staff. Also relating to client service, U.S. international airlines require all flight attendants, some ground personnel, and most foreign-based U.S. managers to know at least one foreign language. The personnel directors of the two airlines we interviewed said that they had no difficulty in recruiting all the bilingual staff they needed, perhaps because no other special skills are required. Language skill is a dominant qualification for flight attendants, so bilingual people who want to travel can easily enter the field. Airlines have an easier time recruiting bilingual staff than hotel chains do, for example, where management or chef's skills are also needed. To be an American food and beverage manager in a U.S.-owned hotel abroad, however, requires hotel experience, which is far more important than language skills. Therefore, American hotels abroad use foreign nationals, as Americans with hotel experience are hard to find.

Finally, some American firms, about one-fourth of our multinational sample, have some type of organized political or environmental risk assessment unit, usually quite small (3 to 10 staff members in most cases). These staffs sometimes include a few people trained in international affairs or particular areas

of the world. Sometimes the source is an academic institution like the Fletcher School or the School of Advanced International Studies, but usually it is a pool of people with prior experience, such as the U.S. Foreign Service or foreign service in the firm. The prospects for staffing any expansion of these groups from academic sources are considered very slight (Blank et al., 1979).

When asked what schools, colleges, and universities could do to improve the staffing of U.S. business, one response was dominant and startling. Many respondents said that their U.S. recruits often cannot write clear English, and that this is far more important than any foreign language or area skills. A number of firms have instituted business writing or clear writing courses for their staffs, and complain that such courses would be unnecessary if the educational system did its job better.

A second frequent observation was that Americans know little of foreign languages and cultures. It would be better for U.S. interests, according to these respondents, if American education produced graduates who are more cosmopolitan, more knowledgeable about the world. A senior vice president of a large multinational corporation said that his firm needs people with qualifications not reflected in their hiring requirements (in which language and area skills play no part)--people who are broadly sophisticated about the international environment, but not necessarily experts. He also believes that his firm and American society need foreign area experts, both to socialize young people to international life and, from the firm's viewpoint, to be

available as information sources to business, which seeks the architecture of experts' ideas rather than the details of their knowledge. In other words, U.S. business needs for international skills have to do with outlook and perspective rather than particular language or area skills.

To understand this viewpoint, it must be remembered that executives of most American multinational industrial corporations almost never serve overseas; if they do, it is likely to be in a place where English dominates. In multinational business, there are frequent contacts between foreign and U.S. staff, and frequent need for decisions about international finance, production, and marketing. In these conditions, international sophistication, rather than expertise in language or foreign areas, is likely to be productive.

In recruitment, assignment, and outlook, firms tended to vary by type of industry and extent and nature of international involvement.

In general, the manufacturing firms we interviewed do at least 25 percent of their business abroad. Because they are large firms, they have many employees overseas and work in many countries, sometimes a hundred or more. The longer established the firm's international operation, the fewer U.S. employees are assigned abroad. Also, the more completely multinational the firms are, as measured by steady growth of foreigners' responsibilities, the level and growth of international business, and frequency of face-to-face dealings between foreign executives and top U.S. executives--the less the need for American language and

area expertise. Some of the U.S. firms we interviewed give substantial responsibilities to foreign executives. In one case, the firm's president is a foreign citizen, and in several others, top corporate officials, often in international divisions, are European or Latin American. Still other foreign executives are often assigned to the United States for training. In effect, these firms are importing the combination of management and international skills that they seek. This same tendency is expressed overseas by the steady substitution of foreign staff for U.S. expatriate staff. By both techniques, the American firm acquires a more international flavor.

Manufacturing and petroleum firms are more likely to send Americans abroad to places where foreign language needs are minimized. For example, many American firms have substantial staff in London or in Brussels (where there is an American residential area). The language of the oilfields is English, and both oil companies and the oil service firms we interviewed require no foreign language for oilfield services.

These manufacturing firms are more likely to seek Americans with language skills to open up new markets. Several of them were seeking American business people who speak Chinese. Of a group of 29 manufacturers interviewed at a trade opportunities conference sponsored by the University of Wisconsin--Milwaukee Institute of World Affairs (1979), 40 percent planned to rely on internal sources to develop the China market, and to rely heavily on training existing staff rather than employing experts. The other 60 percent planned to use outside sources, such as the

Department of Commerce. This evidence reaffirms that expert language and area skills are in low demand, even when the opening of a new market seems to encourage it. It also confirms the impression that American firms are quick to seek out new markets and are willing to train their staff as appropriate.

For comparison, we interviewed respondents from four foreign-owned multinational corporations with operations in the United States. Three are West European-owned and one is Japanese.

These firms assign very few expatriates to the United States. And because their staffs are always fluent in English, the firms make no effort to train U.S. staff in the language of the business. One firm's staff is entirely American, and all communication with the European home office is in English. Other firms maintain very small expatriate staffs who often communicate with headquarters in the language of the home country. Senior American staff members sometimes visit the headquarters for training or regular company business.

In contrast to many U.S. firms, the foreign multinationals make no effort to establish a single worldwide language for the company, and they require their expatriate managers--who, in contrast to U.S. expatriates, often spend many years at one foreign post--to know the host country language well.

As La Palombara and Blank (1977) point out, one main reason that American firms behave differently from European ones internationally is that the huge domestic market dominates the U.S. perspective. Therefore, career lines for expatriates point back

to the United States, foreign assignments are short, and there is little incentive to develop bilingual and cultural skills. In European firms, the foreign market is often the majority market and the practice of long-term expatriate assignments puts a premium on good knowledge of the host country.

Small and Medium-Size Businesses. We excluded small and medium-size businesses from our sample because large firms dominate the market and the smaller firms have a minimal demand for international and foreign language expertise. However, we obtained some secondary information by talking to state trade development offices, the Export Management Companies Association, and the Small Business Association.

Small and medium-size businesses find it risky to try to establish export markets, given the profit margin with which they have to gamble. They usually cannot afford to hire in-house international expertise until they are fairly well established in foreign markets. Someone with technical knowledge of the business will often handle the initial groundwork. Companies can seek help from the state development offices (staffing of these offices is discussed in Chap. 3). Small and medium-size companies will also use export management companies until their markets are established, and then hire their own staff. For example, one export management company reported a 75 percent turnover of its clientele within a ten-year period, as a result of successful marketing.

Export management companies generally employ staffs with backgrounds in international trade. The 700 to 800 export management companies in the United States employ an average of 40 staff members per company (with a range from 2 to 150 employees). The director of the Association does not believe that the companies have difficulty finding qualified employees. International trading experience is emphasized over formal schooling, and languages are valuable but generally not necessary. Spanish is the most sought-after language, since the emphasis is now on developing markets in Latin American countries. According to the director, Americans are at a real disadvantage when unable to communicate with the Japanese, Chinese, and Russians in their own languages. Expertise in these languages is therefore exremely useful.

Chapter 5

POLICY IMPLICATIONS

THE BACKGROUND FOR POLICY

Our study has described a system of relations among American business, government, and universities that is complex and somewhat unstable. It is complex because of the many interrelated training and using institutions: high school, college, and university language departments; commercial language schools; government and international agency facilities for language training; area studies centers in 100 or more universities; disciplinary departments and professional schools at these universities; general schools of international affairs; government area training centers; and international studies activities of varying scope at virtually all the colleges and universities in the country. The main using institutions are: academic institutions seeking teaching and research skills, which hire graduates of the training system; businesses seeking largely commercial, industrial, or professional skills, but in some cases also seeking ancillary language or international skills; government foreign affairs agencies seeking largely disciplinary or foreign affairs generalist skills, but often spoken language skills as well, with and without disciplinary training.

The foreign language and international skills "system" is also complex because its interactions lead to complex shifts and cycles in the level and nature of the market for specialists.

Currently, demand has stabilized at lower levels than those of the 1960s, while supply is still abundant in many fields; consequently, many graduates cannot find relevant jobs.

The present system is also marked by changes in the mix of skills that are needed, reflecting changes in relations among the academic, business, and government sectors. From about 1953 to 1975, the advanced training system primarily prepared people for college and university teaching and research. Thanks largely to external support, the universities were able to train and hire their own graduates. Today, the job requirements call for a different skill mix: fewer professors and academic researchers, more people trained in high-demand disciplines combined with international training (economics, political analysis for intelligence work, business, law), and people at the predoctoral level trained as generalists for government and business.

But it is not easy to shift training resources effectively. Students and faculty in high-demand disciplines or professions often see little need for encouraging language or international training, both because jobs are plentiful for their disciplines and because studying international topics may reduce the time available for achieving disciplinary excellence. Altering that view is an exercise in persuasion; some area centers have successfully created numerous links with disciplinary departments and professional schools; others have not.

Clearly, one major issue on the training side is adaptation to the decline phase of the employment cycle. Our evidence indicates that society benefits from having a cadre of experts in languages and international studies, but right now we are in a phase where more graduates than needed are being trained in some fields. Switching resources to high-demand fields is only a partial solution. The problem is also how to stabilize, at least in part, cycles of demand and supply.

Given the present national system for training and using specialists, stabilizing demand is not easy. University demand fluctuates in response to population growth, university growth, current levels of tenured faculty, and government and business demand for staff and for research. Government demand fluctuates primarily in response to world crises, and business demand in response to business cycles. These are the elements of an inherently unstable system, because supply and demand tend to march in different step.

The ill effects of fluctuation can be moderated somewhat by controlling supply, that is, by admitting fewer graduate students in fields where employment prospects are dubious. That recourse is less likely to be adopted, however, if it threatens the interests of faculties in these fields. Furthermore, to the extent that shrinking enrollments with their implications for decline tend to discourage the better students, a decline in quantity might well be accompanied by a decline in quality. Clearly, there are no simple solutions to the problems created by fluctuations in both quantity and types of skills demanded.

The problems are exacerbated by the fact that the marketplace is small:. Perhaps 4,000 masters degrees and 1,000 doctoral degrees a year are currently awarded in area studies, and about 1,000 doctorates in languages and linguistics. A change in national demand of only a few hundred jobs a year therefore strongly affects placement opportunities, which makes it hard to use planning procedures to counter fluctuations. Forecasting manpower requirements is an inexact process, and reconciling supply and demand for small numbers of specialists, with a long training lag, may be a task beyond planners' skills.

Against this background, we now discuss the relationship of needs and national objectives to the findings of our study, and then go on to discuss the study's policy implications, considering both the effects on the marketplace and on national objectives.

NEEDS AND NATIONAL OBJECTIVES

We define national need either in terms of market demand (as used in our job market interviews) or as a shortage of supply, including any shortage due to such factors as: (1) nonmarket or short-term market factors that inhibit the clearing of the job market (e.g., a wage freeze, or institutional restrictions on hiring); (2) a desire for specialists without the means of paying for them; (3) a normative preference for greater use of specialists. Excess supply is the reverse of shortage and also can reflect nonmarket or market factors (e.g., excessive federal subsidy of graduate training, or short-term shifts in demand for professors). Whether or not any such problem is truly "national"

in the sense of warranting political action is a value question, properly resolved by political processes.

It is very hard to demonsrate that any specific, observed, national need for specialists does or does not exist, or that either a shortage or an abundance of specialists is a direct cause of success or failure in the pursuit of national objectives. The attainment of a national objective involves so many factors that it is virtually impossible to isolate the contribution of specialist skills. For example, there is no way of proving that greater American expertise on Iran before the recent revolution would have done a better job of fostering American interests there; too many other factors were at work. However, there is some presumption that more accurate information, even if unused, has its value.

Our review of the literature yielded seven national objectives that theoretically could warrant federal intervention in the specialist market: national security, economic strength, international competence, healthy democratic processes, efficient training of specialists, efficient use of specialists, and promotion of basic research.

National Security. Security problems could arise if:

- The market fails to supply the number, quality or kinds of people that government agencies seek;
- The agencies have the right people, but use them badly;
- The agencies, the President, or Congress does not seem aware that national security calls for greater

or better use of specialists.

In regard to the first possibility, most government agencies reported that currently, with no crises on the scene, they have enough qualified staff with foreign language and international skills. In general, in terms of unmet demands, we did not observe a specialist-relevant national security need, although intelligence agencies stated that they would like to have more highly qualified specialists. One source stated that the dominant need in intelligence data collection is to retain linguists trained by the Defense Language Institute, because three-fourths of them serve for three years only, and must be replaced by new recruits. The importance of this turnover for general supply and demand, however, depends on how and where the skills of linguists who leave the service are subsequently used.

There were exceptions to this general finding of adequacy, with regard to some skills, certain elements of quality, and particular agencies. The government has some difficulty in obtaining certain rare language or area skills; and like private sector firms, they also experience problems in recruiting people with adequate bilingual speaking competence and particular skill combinations of disciplines, languages, and area knowledge. The national security consequences of these shortages are unknown, but they indicate that academic training may be inappropriate in terms of level of spoken language competence and mixes of skills.

Government respondents argued that troublesome shortages occur during crises. The demand fluctuation seems greatest for "low-volume" skills--those associated with areas usually of peripheral interest to us. When crises occur in these areas, the agencies find little or no specialist talent available; and after the crises pass they do not seek to maintain what few skills they have marshalled.

We found that foreign affairs agencies do not make effective use of the specialists they recruit. For example, career executives in the foreign affairs operating agencies encourage individuals to become generalists, not specialists. We can interpret this finding in several ways. One interpretation is that the present system serves the government's interest well enough. Another is that these agencies cannot serve their own interests better because their central missions require career patterns that conflict with the optimal use of specialists. In any case, whether or not these use problems affect national security, they represent an inefficient use of language and area specialists and therefore signal a national need.

Finally, it is an open question whether the agencies, as they claim, need more specialists than high-level decisionmakers are able to recognize. Our interviews confirm that the Executive branch and Congress are often lukewarm about supporting agency requests for more specialists, but we have no basis for judging whether that rsponse is or is not appropriate with regard to national objectives:

Economic Strength. Although our balance of payments problem diminishes our international economic position, we see no convincing evidence that wider business demand for or use of specialists would significantly improve matters[1] for three reasons:

- Our trade position has deteriorated for reasons largely unrelated to the use of specialists, e.g., relatively low rates of increase in productivity, the catching-up process in foreign technology, and domestic inflation.
- Firms reported no unmet demand for specialists. A few small sectors in the national economy reported skill-mix shortages, however, which suggests a need for more effective training programs in the universities.
- American firms rely primarily on foreign nationals to staff their foreign offices, a practice also followed by foreign competitors of American firms.

International Competence. International competence objectives stem from the desire to avoid embarrassing incidents that make the United States appear ignorant of foreign languages or cultures. Our government and business interviewees showed no

[1] It has been argued, however, that the issue is partly one of supply, because most universities--unlike such special cases as Thunderbird--do not train people to meet the language needs of international business.

inclination to change hiring requirements, internal training policies, or overseas assignment policies to forestall such incidents. They either do not believe such incidents are very important or do not expect that more or better use of specialists would reduce their occurrences. We cannot judge the accuracy of their beliefs.

A Healthy Democratic Process. We agree that a wider knowledge of foreign languages and international affairs on the part of American citizens might promote a healthy democratic process. Institutions offering advanced training and research could play a part by adding graduates to the pool of high school and college teachers, and by adding inputs to curriculum revision. Aside from any question about national needs, however, it is doubtful that the present market could absorb significant numbers of teachers trained in foreign languages or areas. The fate of such a program would probably depend on whether the federal government chose to fund international education in schools and colleges.

Another desirable feature of the democratic process is the maintenance of an independent source of knowledge and criticism about foreign areas and world affairs, to avoid a government monopoly of expertise in these fields. And because the government also seems unable to conduct its own effective long-term research in these fields, outside specialists may be the only available source of such knowledge. To encourage diversity and to support long-term or specialized research, it seems in the national interest to maintain or expand present government sup-

port of international studies.

Effectiveness of Training. The evidence points to a current excess of specialists. Area center graduates are increasing slightly in number but academic faculty and research openings are declining, and government and business demands are relatively stable. On these grounds, Title VI and foundation predoctoral fellowship funds should not be targeted to stimulate general levels of supply, but rather specialized skills, higher levels of competence, and needed skill-mixes.

Three issues about training quality arise. First, our respondents in all fields reported that the quality of current students remains high, despite declining job opportunities. With regard to quality, then, we observed no current national need. Whether or not these fields can continue to attract high-quality students, however, is a matter of concern to both academic and government interviewees. Second, the quality of foreign-area training has come into doubt. Academic respondents note declining opportunities for students to study in the nation or region of their specialty. They also note that inflation endangers the maintenance of library collections of research materials on foreign areas for graduate training and faculty research.

Third, business and government respondents report that specialists with foreign language skills are not well trained in spoken languages. Resolving this language problem may or may not require additional funding. It requires at least changes in priorities and possibly additional instructional hours and overseas study opportunities. If these remedies facilitate other

national objectives, a national need exists for them.

Employers reported that too many specialists are produced who have unmarketable disciplinary skills (e.g., history, political science, language and literature, anthropology) and not enough with combinations of disciplinary, vocational, and foreign language/international skills. For example, the business school and law school faculties reported shortages of competent faculty with area training and international skills (e.g., international finance, the laws of foreign nations).

These findings again point to a national need.

Unemployment problems also signal inefficient use of specialists, the more so if job openings go unfilled at the same time. We generally did not find this conjunction of circumstances to be an issue in the interviews, however. Unemployment otherwise signals excess supply because of excess subsidy; poor communication between training institutions and employers; or general conditions requiring the usual tools of national economic policy.

Basic Research. Area studies in their present form were developed, largely under Ford Foundation impetus, for their applied value--to give America a more spacious entryway into the world arena and to enhance the effectiveness of U.S. presence there. Despite the direction of the original impetus, much of the research funded indirectly by the centers, through hiring additional staff or providing released time, is basic research, which is therefore to be judged by the same criteria as other basic research.

To summarize our findings on national objectives, it seems evident that objective criteria illuminate only dimly the role of language and international skills in meeting those objectives. The uncertainty is partly due to logical reasons. As pointed out above, it is virtually impossible to isolate the contributions of specialists to either success or failure. Consequently, any actions we have commended, either openly or by implication, may be challenged by others on the basis of the same information. Our principal aim, however, in assessing needs and national objectives, is to set forth the issues, not to solve them.

In the next section, we attempt to go further and explicitly discuss the implications of our work as we perceive them.

POLICY IMPLICATIONS: THE TRAINING AND RESEARCH SYSTEM

We consider several aspects of the training system here: the level and quality of training and research; flexibility in the training mix; and the ways in which training can be provided.

We agree that there is a need to maintain universities' ability to train foreign language and international specialists in the face of fluctuating demands. This need does not mean that current levels of enrollment or of graduates must be held constant, however, especially in view of the current oversupply of graduates in most international academic disciplines. Those levels can be either raised further or curtailed, depending largely of decisions of the federal government, with its great power to intervene in the marketplace as a major source of both funding and demand for skills. The present situation confronts the government with a decision on which way to go, depending on how it

perceives the national interest. It can maintain or increase the current level of support it gives to these studies; or it may elect to reduce that level, perhaps by merely allowing its present support to lag behind inflation and failing to compensate for reductions in foundation support.

We cannot say whether the present level is optimal, but we can say that continued reduction will eventually erode the national capacity to train and to conduct research in these fields, and thereby exacerbate the problems of fluctuating demand. If the government wishes to prevent that situation, it will presumably have to work selectively with universities in determining appropriate enrollment levels. For the time being, given the market oversupply of specialists, the two parties may agree to seek ways of curtailing enrollments without reducing the supply of faculty skills (and thereby promote research opportunities). Later, as prospects warrant, the two could cooperate to increase enrollments.

But the issue goes beyond quantity. It also has to do with developing appropriate training and research quality, which in turn will contribute to intersectoral accommodations, such as the production of more economists with area knowledge to meet government demand. Judging from our work, we find four elements to be particularly important for assuring quality: (1) fellowships for study and research abroad; (2) library collections; (3) national research, exchange, and training facilities; and (4) improved spoken language training.

Fellowships

The number of foreign study and research fellowships for language and international studies has declined somewhat in recent years, and average funding has not been increasd to keep up with the declining international value of the dollar. A further concern is that the Ford Foundation, the second largest contributor of these fellowships, will reduce or eliminate its aid. In short, quality is threatened. To retrieve the situation, the President's Commission may or may not choose to recommend that the federal government increase the numbers and value of fellowships it will fund. But in either event, there is good reason to urge that the government also reconsider the present geographic mix of federally funded awards, which are heavily concentrated on Western Europe, virtually nil in Africa, and low in other underdeveloped areas.

Library Collections

Library research materials, developed largely under Ford Foundation and NDEA support, are becoming increasingly costly in response to inflation and the international decline of the dollar--a predicament analogous to that of fellowships. Both represent contributions to society whose financial demands usually surpass the capacity of the university or the individual researcher. The implications are also similar. Any decline in the flow and real value of resources exacts a social price in the form of lower-quality training and research.

National Training, Research, and Exchange Facilities

The issue of quality also pertains to the financial plight of such national training, research, and exchange facilities as IREX, the Inter-University Centers in Taipei and Tokyo, the Universities Study Center in Hong Kong, and the American Research Center in Egypt. These facilities serve many national training and research purposes that are beyond the capacity of individual universities. Assuming that their services cannot be rendered more effectively by other organizations, there may also be an argument for defining their functions in terms of a national need for quality.

Spoken Language Training

The need for improved spoken language training touches on a different aspect of quality. Business and government respondents complained that most American institutions do not train people to speak foreign languages with adequate fluency. Nor do they believe that language schools like Berlitz are a likely solution to the problem, alleging that the training at such schools is useful primarily for short-term travelers. Although some respondents agreed that academic language training has improved in recent years--several cited such institutions as the Monterey Institute for International Studies and Middlebury College--the general verdict was largely negative.

The implication is that American language training should be broadly restructured, with less emphasis on reading and literary uses and more on intensive training in speaking and reading for applied purposes.

We heard several interesting suggestions for doing so, such as: (1) the creation of urban magnet high schools for foreign language and international studies, which would be allowable under the provisions of the Emergency School Assistance Act; (2) development of summer high school fellowship programs for study abroad, thereby motivating talented students to take up language and foreign affairs studies on the basis of first-hand experience; (3) encouraging consortia of universities to establish centers for the study of uncommon languages, thereby increasing the efficiency of instruction; (4) as discussed below, allowing businesses and universities to make use of government language training centers; (5) gradually shifting the emphasis of university training toward spoken language proficiency; and (6) providing standby funding to maintain the skills of people trained in uncommon languages or areas whose knowledge may be needed occasionally by business and government.

The emphasis of language training cannot be shifted without paying a price--which would probably consist of reduced training in literature and the written language. (This reduction should not be so extreme as to inhibit literary and scholarly uses of foreign languages.) But there should also be a resulting gain, both in career advantages for graduates and in contributions to national need, not only through higher quality, but through greater flexibility. Up to a point, greater agreement between employers and universities about proficiency standards is desirable. Currently, training reflects primarily the standards of only one class of employer--academic institutions. Widening this

perspective to include the standards of government and business employers would create stress on the existing system, but would also bring it closer to meeting the needs of the broader economy. Doing so will require more aggressiveness and willingness to collaborate among all parties. One case in point is the recent agreement of ten colleges and universities with the Foreign Service Institute to use the FSI grading system in measuring student proficiency.

In addition to quantity and quality issues, we have pointed out the fluctuating demand for particular skills. Experts on Afghanistan may be urgently needed in some periods and neglected in others. The same is true for students in various disciplines and professions associated with international studies (History and political science, for example). Given both shifting demand and the lack of synchronization between sectors, it might be advantageous to offer students in a discipline or a profession more opportunity to include language or area knowledge as part of their program. This would also respond to the contention of some business and government spokesmen that language and international knowledge should be encouraged as ancillary skills.

To some extent, all of these problems could be moderated if it were possible to make better forecasts of demand. Yet many universities do not efficiently use the demand information available to them. Some are, and many others are not, attempting to shift the traditional skill mix through restricting area-center admissions and fostering cooperative arrangements between area centers and additional disciplinary departments and professional

schools. This effort has not made much headway thus far. Few economists, business majors, or law students are sufficiently interested in language and area studies.

One recourse might be to fund high-demand departments and professional schools directly, in order to interest them more.

A second recourse might be to systematize the type of collaboration cited above by bringing training organizations and users together in a panel that could provide data on academic supply and demand, and business and government demand, in order to develop more effective planning mechanisms. Governmental manpower planning commissions have not had a successful record in the past, because of the difficulties of forecasting and control, but this situation may not be immutable. It has also been suggested that such a panel could monitor the general status of foreign language and international studies in the United States, in close association with the federal funding system. This latter element would allow the new body to help translate its estimate of priorities into funding decisions. This alternative should be considered in conjunction with the discussion immediately below.

The final set of training-related issues that we consider relates to the ways in which training services are delivered. The main issues are concentration of training versus dispersion, use of the government language training systems, and management of federal aid.

In a time when government and university resources are limited, one choice would be to concentrate government assistance in a smaller number of foreign area study centers. The arguments in favor are better provision of training and research facilities, the possibility of building an intellectual critical mass for the development of research and training in a particular area or area-discipline combination (e.g., Soviet economics, political forces in the Middle East), and possible economies of scale, notably in language training. The opposing arguments are the needs for diversity of viewpoint, greater geographic spread, greater facility of outreach, and a counterweight to academic elitism. Concentration is a clearly economical stratagem in times of retrenchment, but it would hinder expansion during major upswings. It also might add to the problems of the isolated scholar--the college or university specialist who lacks sufficient professional contacts, graduate students, and research materials to capitalize fully on his training. If centers were few, fellowship support might be needed to enable isolated scholars to conduct research at the major centers. Nevertheless, problems would remain--including reductions of diversity in research and training, stemming from the very fact of concentration.

A second delivery system issue relates to quality improvement. It is generally agreed that government language facilities, such as the Defense Language Institute and the Foreign Service Institute, surpass virtually all university training in spoken languages, by virtue of large instructional staffs and inten-

sive daily instruction. One policy choice might be to open these institutions to business users on a reimbursable basis, and to well-qualified academic users on a scholarship basis, for uncommon languages only. The aim might be to provide users quickly with a good basic working knowledge of the language (S-2/R-2 or S-3/R-3 in the State Department evaluation code). Academic users could receive additional specialized training at their universities as needed, without allowing the drudgery of learning an uncommon language to interfere with disciplinary or area training. The opposing arguments concern the effect on university language departments' elementary training, and the cost to the government of the fellowship program. In any event, such a program would not reduce the long-term need for improved academic training in spoken languages. It would have its greatest advantage in the short run, by producing graduates who speak foreign languages that are in high demand by business and government, such as Russian, Chinese, Japanese, Arabic, Portuguese, and Farsi.

A third problem in improving the delivery system is government management of funds for language and international training. Staff members of area study centers complain about the short terms of awards, complex and expensive application procedures, the inappropriate role of outreach activities, and the bureaucratically weak position of NDEA Title VI in the Office of Education hierarchy and presumably that of the proposed Department of Education. Solutions such as a special oversight unit in the White House, or the monitoring commission discussed above, do not

often succeed, either in being established or in surviving effectively thereafter.

In general, effective government program administration requires that the program be part of an established agency, command attention from senior officials of the agency, enjoy good Congressional relations, and be endowed with powerful lobby support. Since only the first of these requirements now applies to NDEA Title VI, it may be that Congress will intervene to allow longer-term funding for centers, and possibly make other new provisions.

POLICY IMPLICATIONS: THE DEMAND FOR SKILLS

This section discusses the policy implications of business, government, and academic demand.

College and university demand has declined after a long period of growth. Over the next decade it is expected to consist largely of replacing present incumbents as they leave or retire (Barber and Ilchman, 1979). The main policy question is whether to redirect academic demand for international skills into fields that are not now adequately staffed with international specialists, such as business schools, economics departments, and law school faculties. The argument for this change is the same as that for changing the skill mix in training, and could be accomplished by earmarking fellowships for that purpose.

Business demand could affect training policy in two ways: a greater emphasis on languages as ancillary skills, and greater emphasis on certain professions in combination with these skills (e.g., law, economics, the sciences, business management). The

ancillary skill element raises the question of whether universities should reinstate language requirements and introduce international elements into the curriculum, as proposed, for example, by the Association of Graduate Schools of Business. Reinstating language requirements is costly and probably ineffective, because "captive students" are unlikely to master languages. Nor is it easy to internationalize the curriculum by introducing new courses--which means, to some extent, eliminating others. Yet the task, undertaken with care, might appeal to universities, particularly if accompanied by funding to subsidize curriculum changes.

Government demand is more complex than academic or business demand. Government faces a shortage of international skills in two fields. The first is languages. The government tries to ease the shortage by giving its employees language training, although the skills they acquire are modest (usually S-2/R-2 for uncommon languages). Foreign affairs agencies seem to accept the present situation, not only because it is difficult to remedy, but also because they are primarily looking for foreign affairs officers and intelligence specialists, not linguists. However, to the extent that the present situation is unsatisfactory, it could probably be remedied by improved pre-service training, more thorough government-sponsored training periods in the United States and abroad and, more important, by offering more incentives for people to remain in specialized fields for longer time periods.

As noted above, intelligence agencies that are responsible for information-gathering suffer rapid turnover of language-trained personnel, which creates a different kind of language demand problem. Numerically, this group is large, accounting for about half of all the language-skills jobs in the U.S. government. Therefore, quantitatively and qualitatively, this turnover is costly. Given the de facto restrictions on changing pay and working conditions for military personnel, it may be difficult to change this situation, which implies high Defense Language Institute training costs and lower quality of language skills. The effect of turnover on the national pool of specialists of course depends on what further use the discharged servicemen make of their language skills. Many of them may become language teachers, for example.

The other major shortage, mentioned more often by top intelligence agency managers than by operating officials, is that of highly qualified specialists to conduct long-term analyses. This need is difficult to fill for two reasons: Highly qualified researchers tend to avoid intelligence work; and the federal government's attention is focused on short-term problems. The underlying problem is not shortages of particular skills, then, but of how to reestablish the confidence of academic experts in intelligence agencies and how to revise governmental intelligence-processing priorities.

The same observation about priorities applies to the mix of intelligence analysis skills. So much information is being collected by means of new technologies that it cannot be analyzed

completely by present analysis staffs. To do so would require larger staffs, which are costly. The policy issue is whether the need is urgent enough to merit more federal funding.

Structural elements also affect government demand, the fluctuations of which are particularly disruptive for the maintenance of expertise on "low volume" countries (see Chapter 3). When staffs working on Western Europe, China, and the Soviet Union are reduced, a cadre still remains for the next expansion; but staff reductions may wholly eliminate the stock of expertise on Africa or Central Asia. The alternatives, neither of them very attractive, are to retain "low volume" staff at the expense of more urgent needs, or to reassign them to other jobs where they may find it difficult to maintain their skills. The government may wish to consider new alternatives, including funding universities to maintain a research base in these "low volume" fields during downswings in demand.

Another structural problem, which probably dominates all others in government use of these skills, is the inefficient use of resources. Examples abound: State and Defense Department career incentives encourage frequent rotation of assignments and the acquisition of generalist skills. Assignments to research and intelligence work in these agencies are often considered disadvantageous to career goals or even dead ends. CIA intelligence analysts receive no refresher training for skill maintenance. Defense Department data collection suffers from high turnover of linguists. Throughout the foreign affairs agencies, people feel strong incentives to move frequently among assign-

ments on their way up the career ladder, and avoid being "stuck" permanently in a minor post because they know the language and the area so well.

In these ways the government recruits people primarily for operational roles rather than the functional specialties that they are trained for. Ironically, then, the government dissipates the very strengths it recruits and claims it wishes to enhance. The problem suggests its own solution: create incentives for specialization by readjusting promotional criteria, providing longer language training, and providing, as appropriate, higher pay and adequate refresher training for specialists.

Foreign language and international studies in the United States generally face the same problems as many other academic fields: shrinking demand for graduates, particularly in academic jobs; tighter budgets, reflecting inflation and, in some cases, declining enrollment; and reduced freedom to conduct research and maintain skills. The special problems of foreign language and international studies reflect fluctuations in government demand; changing skill-mix needs, imperfectly transmitted by government and business to the university system (and often unwillingly accepted by the latter); and the close relationship between quality of training and high-cost resources such as foreign study, expensive library materials, and costly language training. To these special problems might be added the complex intrauniversity administrative structure imposed by the interplay of--and often antagonism among--area centers, disciplinary departments, language departments, and outreach activities.

CONCLUSION: THE POLICY ISSUES IN REVIEW

Our analysis leads us to suggest consideration of policies that might affect both supply and demand. In relation to training and supply, they are:

1. To maintain, as an interim measure, the present real resource level of university training capacity in foreign language and international skills, taking account, thereby, of both inflation and the changing international value of the dollar; and to provide for a study aimed at making specific long-run recommendations about the size and focus of federal support.
2. To restrict or expand, by discipline, as demand prospects indicate, the level of admissions for graduate degrees in international studies degrees.
3. To maintain an agreed level of support for three elements of foreign study and research: fellowships for study and research; national centers for overseas research, training, and exchanges; and specialized library acquisitions.
4. To take a variety of actions to improve the level of competence in spoken languages provided by American training institutions, while maintaining other skills as needed for literary and scholarly purposes.
5. To shift resources, preferably through greater university-government-business collaboration, from

low-demand to high-demand disciplines and professions; and encourage more language and international studies options as a part of specialized disciplinary or professional training.

6. To consider changes in the delivery of training through: greater concentration or greater dispersion of area studies centers; opening government language training institutes to academic and business users; and restructuring the government's administration of NDEA Title VI.

In terms of demand, the only problem that has emerged for business is the difficulty of transmitting to the universities its moderate interest in foreign languages and international studies as ancillary skills. This gives rise to no new policy implications, other than those already discussed for improving collaboration and shifting to high-demand skills.

For government, which faces perennial problems in managing a vast labor force, most of the main problems--cycles of demand, inadequate staff quality, and inappropriate career incentives and consequent rapid turnover of specialists--are not unique to the specialties we have been examining, yet they take on a particular form in the case of languages and international skills. The main policy issues to consider are:

1. Foreign affairs agencies' language skills appear to need improvement. How should the skills be provided--by government training institutes,

universities, study abroad? What should be the role of each (since each clearly will continue to have an important role)?

2. The quality of long-term intelligence analysis is said to be defieient and its quantity too small. Can the skills of current staff be improved by refresher training or more advanced training? If so, should government training, universities, or study abroad be the main vehicle for maintaining skills? More broadly, are the pressures of government consistent with high-quality, long-term research in these fields?

3. Should the government maintain low-volume language and area skills during periods of contraction, or should universities, with government subsidy, be the long-term repository of these skills?

4. Should foreign affairs agencies restructure their career incentives to encourage specialization in language and area skills? If so, should there be partially separate career specialist services, or should general careef development standards be changed?

5. Should the government exercise more control over supply by creating a commission to oversee and, in light of demand conditions and national need, set priorities for federal aid to universities, as part of a restructuring of the aid system?

Appendix A

INTERVIEW GUIDES FOR RAND STUDY

A. GOVERNMENT AND BUSINESS RESPONDENTS

National Need

1. Start out by describing background of President's Commission, raising issue of national need.

Total Employment

2.a. Does your agency (firm) now employ, as compared to five years ago, more, the same, or fewer people who use foreign language or international disciplines (such as international economics, international relations, Latin American area knowledge) in their work?

b. In light of present trends, what changes do you expect in your total employment of people with these skills in the coming decade?

c. Is there a mechanism in your agency (firm) for estimating these needs?

Types of Employees

We also have some statistical questions about the numbers and types of such specialists you employ now and the number you employed five years ago.

3.a. What international or language skills does your agency (firm) need more of, which ones less? (Where appropriate, ask about languages in customary use.)

b. Are any particular skills in short supply to your agency (firm)?

c. In what field of international expertise, if any, is recruitment of appropriate quality staff a problem?

d. Easier or harder than five years ago?

e. How do you think your experience in recruiting people with qualified language and area skills compares with that of other agencies (firms) in your field?

f. What are your main recruitment sources?

Information, Research, Consulting

4.a. Do you feel that by and large your information and research needs are met from present sources?

b. If not, what kind of unclassified information do you need that is now not available?

Recruitment Sources

5.a. Do you employ foreign nationals, or people largely trained abroad, to perform tasks comparable to those performed by American-trained experts?

b If so, relatively more or less in recent years?

c. If so, does this frequently reflect unavailability or high cost of U.S.-trained staff?

d. Do you recruit American-trained foreigners for service in their own countries? (Business respondents only)

Training

6.a. Do you train your staff in international studies or foreign languages?

b. If so, how does it work: in-house training, colleges and universities, commercial language schools, contract arrangements for specialized teachers, training abroad?

c. How many of your staff members who use foreign languages or international skills do you train?

d. Do you engage in joint training of your staff with other agencies (firms)?

e. Are there possibilities for retraining people to new specialties?

f. How do you deal with language differences here and abroad?

g. Is it usually important for your employees who use these skills to be very fluent in a foreign language (speaking, reading, writing) or to have extensive knowledge of a given country or area?

h. Or is this a lower priority compared to professional or business skills?

Priorities

7.a. If your agency (firm) could employ 10 percent more people now, would the staff with these skills be increased more than proportionately or less?

8.a. If your agency (firm) wanted to hire these skills, which ones would you want to hire now?

b. Five years from now?

B. NONPROFIT ORGANIZATIONS

National Need

1. Start out by describing background of President's Commission, raising issue of national need.

Focus of Work

2.a. As compared to five years ago, does your organization's research (public affairs) work consist relatively more or relatively less of work that requires foreign language or international studies skills?

b. What proportion of your work now requires those skills?

c. What are your principal clients/sources of support for this work?

d. Looking at current trends, what will that proportion be five years from now?

e. Has funding changed in recent years?

f. In what areas have there been changes?

Total Employment

3.a. Does your organization now employ, as compared to five years ago, more, the same, or fewer people who use foreign language or international disciplines (such as international economics, international relations, Latin American area knowledge) in their work?

b. In light of present trends, what changes do you expect in your total employment of people with these skills in the coming decade?

c. We also have some statistical questions about the

numbers and types of such specialists you employ now and the number you employed five years ago. We would appreciate it if you could have your staff fill out this form and return it to us soon.

Types of Employees

4.a. What international or language skills does your organization need more now, which ones less?

b. Are any particular skills in short supply to your organization?

c. In what field of international expertise, if any, is recruitment of appropriate quality staff a problem?

d. Do any skills seem to be in over-supply (large excess of qualified applicants)?

e. Are shortages, if any, more or less a problem than before?

f. Do you think your organization offers enough incentives to recruit the people it needs/wants in light of competition from other employers?

g. How do you think your experience in recruiting compares with that of other organizations in your field?

Information, Research, Consulting

5.a. Do you buy external information, research, consulting, or translation services in these international fields?

b. Do you feel that by and large your information and research needs are met from present sources?

c. If not, what kind of unclassified information do you

need that is now not available?

d. How do you think your unmet needs compare with those of other organizations in your field?

Recruitment

6.a. What are the main sources of recruitment for entry-level personnel?

b. How do you think your unmet needs compare with those of other organizations in your field?

Priorities

7.a. If you could employ 10 percent more people now organization-wide, would you increase staff with these skills more than proportionately or less?

b. If there were additional job openings for these skills in your organization, which of these skills would you want to hire now?

c. Five years from now?

C. STATE AND LOCAL GOVERNMENT RESPONDENTS

(Telephone Interview Guide)

National Need

1. Start out by describing background of President's Commission, raising issue of national need.

Total Need

2.a. About how large is the professional staff of your agency?

b. Do you employ people in your department/agency that are trained as international specialists or use foreign language skills? [If they say no, ask why and end the interview.]

c. How many professional people with language and/or area training do you employ?

d. Has this level changed over the past five years? Do you anticipate changes in the level of staffing over the next five years? Why?

(For non-employers only)

e. Did you ever employ foreign language or area specialists? (If so) What happened? Do you plan to in the future? (If yes) What type of skills do you need?

Types of Employees

3.a. Which language skills do you use?

b. What area knowledge do you require?

c. Do you plan on increasing specialized skills? How?

d. If your agency could employ 10 percent more people, would you increase the proportion of staff with language or foreign area skills in equal, greater or lesser proportion than now exists?

STATE AND LOCAL GOVERNMENT

Recruitment and Training

4.a. What are the main sources of your recruitment?

b. Have you had any trouble recruiting people with the language or area backgrounds you need? If so, why?

c. Do you train or retrain your staff in foreign languages and/or international studies? If so, how? (E.g., commercial language schools, college courses).

Information

5.a. Do your present information sources provide all the information you need about foreign countries, businesses, and international trade and investment?

b. If not, what kinds of information do you need that is now not available?

D. FOUNDATION RESPONDENTS

National Need

1. Start out by describing background of President's Commission, raise issue of national need.

Employment

2. Your most recent annual report says that you supported the following types of activities related to foreign language and international studies (scholarships, support of university training, technical assistance abroad, research, information dissemination).

a. About how many people does the foundation use, as employees or consultants, to work on these topics?

b. More or less than five years ago?

c. Looking ahead, what changes do you expect in your total employment of people with these skills?

Types of Employees (large foundations only)

3.a. What international or language skills does your foundation need more now, which ones less?

b. Are any particular skills in short supply to your foundation?

c. In what field of international expertise, if any, is recruitment of appropriate quality staff a problem?

d. Do any skills seem to be in over-supply (large excess of qualified applicants)?

e. Are shortages, if any, more or less a problem than before?

f. Do you employ foreign staff or consultants?

g. More or fewer now than in the past?

Grants

4.a. Which language skills or areas of international studies does your program stress?

b. Do you support more or less work requiring language skills/international studies skills from your grantees than you did five years ago?

c. Ten years ago?

d. (If less): Does this reflect a view that these skills and the information they provide are now adequate?

e. If not, which skills should receive more funding from whatever source?

f. (If more): Does this increase represent a foundation view that these skills, and the information they provide, are now inadequate?

g. If so, which, if any, skills or knowledge shortages are you trying to remedy?

h. Is the national need for these skills being met now?

i. What problems do you see?

Training

5.a. When your foundation seeks language, area, or international skills, how important is thorough training?

b. For example, is it usually important for your employees who use these skills to be very fluent in a foreign language or to have extensive knowledge of a given country or area?

c. Or is this a lower priority compared to professional or business skills?

E. ACADEMIC INSTITUTIONS

1. Start out by describing background of President's Commission, raising issue of national need.

Program Information

2.a. Can you tell us (expand on) how your program is organized and relates to the disciplinary departments?

b. Does the Center offer any courses or only disciplinary departments and professional schools?

c. Can you give us a listing of your current course offerings that also tells us where they are taught?

3. (If the Center offers courses) How do you decide whether a new course should be offered in the Center, as opposed to in a disciplinary department or professional school?

4. Can you tell us what you think your program is designed to train students to do?

5.a. Over the last decade have you changed your admissions policies?

b. For example, have you changed the number you admit to your program? (If so, why?)

c. Have you changed your entry requirements, such as required foreign language competence?

d. Do you expect to make any changes in your admissions policies in the near future?

6.a. What are your minimum foreign language requirements in reading?

b. Writing?

c. Speaking ability?

7.a. Over the last decade have you made any changes in your degree requirements?

b. Do you expect to make any such changes in the near future?

8.a. In the last decade have you increased or decreased the number of program ties to departments and professional schools?

b. (If increased) With what departments or professional schools have you made new ties? How have these new ties occurred?

c. Do students in a department without foreign area or language offerings now have formal access to departments with these offerings?

d. Or have departments or professional schools previously without foreign language or area courses added such courses to their offerings?

9.a. Are there programmatic or facility (e.g., library) changes that you have wanted to make in the past and could not implement?

b. If so, what kinds of changes?

c. Why could you not make them? (Organization? Finances?)

10.a. Do you need more money for your program? (If so) Why?

b. What would you do with it?

c. What will you do if you do not get more money?

11.a. Is federal support for foreign language and area studies organized in a way that meets your needs?

b. What kinds of changes would you like to see in the legislation or regulations governing this support?

Graduate Student Information

12. What is your impression of the quality of your students today, relative to the quality of those trained ten years ago? (Probe for the basis of the respondent's perceptions: e.g., GRE scores, effort expended in classes, quality of preparation of entering students.)

13. Do you make efforts to recruit students for your program?

14. Over the last decade have you noticed any change in the number of students enrolled in your courses whose employers sent them for training? (E.g., State Department, military, businesses.)

15.a. Over the last decade has the number of foreign students enrolled in your program's courses increased or decreased?

b. About what proportion of your current enrollees are foreign students?

16. (If statistical data are unavailable):

a. Do you know the average length of time it takes for your Master's (or certificate) students to obtain their degree?

b. Your joint degree students?

c. (If not) Do you know who might have these data?

17.a. What are the major kinds of employers for your graduates? Have the employment opportunities for your graduates changed over the last decade?

b. Do you find that today more of your graduates are unemployed or employed in jobs that do not use their training?

c. Do you expect any future changes in their opportunities?

18. Do you have statistics on the first placement of your students, or can you tell us who does?

Use of Foreign Language and Area Expertise

19.a. Relative to five years ago, does your program employ a different number of teachers and researchers who specialize in foreign languages or international disciplines?

b. Do you expect to employ fewer or more such individuals in the next five years?

20. Over the last decade, which language and international area skills do you need more and which less?

21.a. Has your program had difficulty in hiring particular language or foreign area skills or combinations of skills at acceptable quality levels?

b. (If so) What do you think accounts for these shortages? Are they recent, or long-standing?

22.a. Do you get an excess number of qualified candidates in some fields? (If so)

b. Is this excess recent, or chronic?

23.a. Do you have data that show whether the research productivity of the center faculty has increased or declined over the last decade?

b. (If not) Do you have any sense of whether it has increased or decreased?

24.a. Does your language and foreign area staff include foreign nationals or people largely trained abroad? If so, how many?

b. What proportion do these individuals represent of your staff?

c. Why have you hired these individuals, rather than ones trained in the United States? For example, do you use them for foreign language training?

25.a. Other than their teaching, research, and committee duties are there demands for foreign area and language faculty services inside the university (e.g., summer training institutes)?.

b. Outside the university (e.g., K-12, community business groups, state and federal policymakers)?

Appendix B

LIST OF ACADEMIC INSTITUTIONS, FIRMS, AGENCIES, AND ORGANIZATIONS INTERVIEWED

ACADEMIC INSTITUTIONS (63 interviews)

American Graduate School of International Management (Thunderbird)

Claremont Men's College
- Department of Economics

Columbia University
- Barnard College
- Columbia Law School
- Graduate School of Business
- School of International Affairs

California State University at Long Beach
- President's Office

The Defense Language Institute

Duke University
- Canadian Area Program

Eastern Michigan University
- Program on Language and International Trade

The Foreign Service Institute

Georgetown University
- School of Foreign Service

Harvard University
- Council on East Asian Studies
- Harvard Business School
- Japan Institute
- John F. Kennedy School of Government
- Language and Area Center for East Asian Studies
- Harvard Law School
- Russian Research Center

The Johns Hopkins University
- School of Advanced International Studies

Massachusetts Institute of Technology
- Center for International Studies

Monterey Institute of Foreign Studies

New York University
- Kevorkian Near Eastern Center
- New York University Business School

Princeton University
- Woodrow Wilson School of Public and International Affairs

Stanford University
- Center for Research in International Affairs

Tufts University
- Fletcher School of Law and Diplomacy

University of California at Los Angeles
- Chancellor's Office
- Committee on International and Comparative Studies
- Gustave E. von Grunebaum Center for Near Eastern Studies
- Latin American Studies Center
- Political Science Department

University of Chicago
- Board of Trustees

University of Cincinnati

University of Michigan
- Center for Chinese Studies
- Center for Japanese Studies
- Center for Near Eastern and African Studies
- Center for Russian and East European Studies
- Center for West European Studies
- Political Science Department
- Southeast Asian Studies Center

University of Pennsylvania
- International Programs
- Middle East Center
- Wharton Graduate School (Multinational Enterprise Unit)

Academic Professional Associations:
- American Association for the Advancement of Slavic Studies
- American Council of the Teaching of Foreign Languages
- Association of African Studies Programs
- Association for Asian Studies
- Council for European Studies
- International Studies Association
- Latin American Studies Association
- Middle East Studies Association
- Modern Language Association

BUSINESS FIRMS (50 interviews)

Manufacturing, Construction and Retailing.

Continental Group
- President's Office

Exxon Middle East Corporation
- Employee Relations Department

International Flavors and Fragrances, Inc.
- Employee Relations

Ford Motor Company
- Personnel Department
- International Government Affairs

Fluor Corporation
- President's Office

General Foods Corporation, International
- Personnel

Grace Company
- President's Office

International Business Machines
- International Assignments

International Harvester
- Corporate Human Resources, Planning and Development

International Telephone and Telegraph Corporation
- President's Office and Personnel

Kaiser Electronics
- International Business

Levi Strauss and Company
- International Public Relations

Nissan Motors
- Employee Relations

Pfizer International, Inc.
- Public Affairs

Renault USA

Schlumberger Corporation
- Personnel

Sears, Roebuck and Company
- International Operations

Sperry-Rand Corporation
- Personnel

Standard Oil Company of California
- Foreign Service Personnel Department

Xerox Corporation
- International Personnel

Banking

Bank of America
- World Banking Division

Barclay's Bank
- Personnel

Citibank
- International Personnel

Chase Manhattan Bank
- Management Resources and Personnel

Continental Bank
- President's Office and Personnel

First National Bank of Chicago
- Operations and Personnel

Security Pacific National Bank
- Business Economics Department
- International Banking Group

Wells Fargo Bank
- International Group

Services

Tourism:
- Hilton International Hotels
  - Human Resources
- Intercontinental Hotels
  - Operations and Planning
- Pan American Airlines
  - Personnel
- Transworld Airlines
  - Personnel

Other:
- American International Group
  - Public Affairs
- Booz, Allen and Hamilton
  - International Operations
- Stanford Research Institute
  - International Programs
- Coudert Brothers
  - Management
- Sherman and Sterling
  - Personnel

Press

Associated Press International
Columbia Broadcasting System
The Los Angeles Times
The New York Times
The United Press Internatinal
The Washington Post
Time Magazine
United Press International

Associations

National Small Business Association
National Association of Export Management Companies

GOVERNMENT AGENCIES (48 interviews)

International Organizations

International Bank for Reconstruction and Development
- Personnel

United Nations
- Secretariat
- Translation Division
- U.S. Mission to U.N.

The World Bank
- Directors Office

Executive Branch

Agency for International Development (AID)

Department of Commerce
- Office of Country Affairs
- Bureau of Exportation, Office of International Marketing and Trade Development

Department of Defense
- Office of Secretary of Defense
- Office of Joint Chiefs of Staff
- The Defense Intelligence Agency
- Department of the Army

Department of State
- Personnel Bureau
- Bureau for Intelligence and Research
- Foreign Service

Executive Office of the President
- National Security Council
- Central Intelligence Agency

International Communications Agency
- Eastern and South Asian Affairs
- East Asian and Pacific Areas
- American Republic Affairs

National Security Agency

Department of Health, Education, and Welfare
- Office of Education

Office of Management and Budget

Overseas Private Investment Corporation

Legislative Branch

Congressional Research Service
- Foreign Area and National Defense Division

House Foreign Affairs Committee

Senate Education, Arts and Humanities Subcommittee

Members of Congress

State and Local Governments

California:
- International Division of the Commission for Economic Development

Illinois:
- Department of Business and Economic Development

Michigan:
- Office of Economic Expansion, Department of Commerce

New York:
- Division of International Commerce, Department of Commerce

Ohio:
- Division of International Trade, Department of Economic and Community Development

Pennsylvania:
- Bureau of International Development, Department of Commerce

Texas:
- International Division of Industrial Commission

Los Angeles Port Commission
- Trade Development

Port of Oakland

New York City Industrial Development Agency
- City Business Marketing Corporation

Chicago Chamber of Commerce

Los Angeles Chamber of Commerce

San Antonio Chamber of Commerce

FOUNDATIONS AND NONPROFIT ORGANIZATIONS (12 interviews)

Foundations

The Ford Foundation
William and Flora Hewlett Foundation
The Andrew W. Mellon Foundation
The Rockefeller Foundation

Non-Profit

American Council on Education
- Division of International Education Relations

American Council of Learned Societies
- IREX

Chicago Council on Foreign Relations

The Conference Board

Kennan Institute for Advanced Russian Studies

Mormon Church Representative

National Endowment for the Humanities

Social Science Research Council
- Southeast Asia Program

Appendix C

SUPPLY AND DEMAND VARIABLES

We attempted to obtain trend data for the following variables.

Supply Variables

(1) Training Resources

(a) Constant dollar funding for foreign language and international centers by source (e.g., tuition, foundation, grants, government grants) and purpose (libraries, fellowships, faculty);

(b) Number of foreign language and international faculty, preferably measured in full-time equivalents

(c) Constant dollar funding for overseas centers and exchange programs by source.

(2) Foreign language and international center program structures

(a) Current structure: the number and nature of formal program ties between each center and the disciplinary departments and professional

schools at that center's university;

(b) Potential for structure change: proportion of foreign language and international faculty who are tenured.

(3) Production of Skills

(a) The number of enrollees by substantive area, student disciplinary department or professional school affiliation, and student nationality (American versus foreign);

(b) Number of degrees by type of degree (e.g., M.A., Ph.D., MBA with foreign area certificate), student disciplinary department or professional school affiliation, and student nationality (American versus foreign);

(c) Mean length of time required for obtaining degrees, by type of degree and disciplinary department or professional school in which degree was obtained.

(4) Placement of advanced degree graduates with a foreign language and international specialty or component to their training ——

(a) First employment;*

(b) Major employers by level of graduate degree (M.A. versus Ph.D.) and disciplinary department or professional school.

(5) Research production measured by resource inputs to research from the foundations (directly or via organizations such as the Social Science Research Council) and the federal government (e.g., National Science Foundation, State Department, the Office of Education, the Defense Department).

Demand Variables

(1) Employment trends for specialists by quantity and type for:

(a) The federal government;

(b) Business; and

(c) Colleges and universities.

(2) Age profile of foreign language and international studies facilities

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