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DR. JOHN R. ERIKSSON

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INTERVIEW

Q: This is April 17, 1995. The interview is with John R. Eriksson who retired from USAID in February 1995. He has been with USAID for 25 years. Let's start out with some early history; a little bit about your family background, where you came from, your

education, particularly as they relate to how you got into the world of international development.

Early history, family and education

ERIKSSON: I was born and raised in Detroit, Michigan. My family had been mid-westerners in Michigan through the generations which don't go back very far because they came from Nordic countries; my father's parents were Swedish and my mother was born in Finland. From the upper peninsula to Detroit, my father was an educator with the Board of Education.

How did I get interested in international development?

Q: Before you get to that point, talk about the earlier days: where you went to school....

ERIKSSON: Yes, there is a link back to those days. I just read an article by Keith Richburg, Washington Post correspondent in Nairobi. It turns out that Richburg was born and raised in Detroit. Echoing my childhood reflections, Richburg said that being from the mid-west and a long distance from oceans gave international travel a certain attraction and mystery for him.

However, my childhood career interest in electronics led to graduation from a technical high school and a beginning major in electrical engineering at Wayne State University in Detroit. As an undergrad at Wayne State I was exposed to the whole range of the liberal arts. This experience, together with memories of my recently deceased father and his strong interest in peace and social justice issues, combined to convince me that I wanted to be something other than an electrical engineer.

Q: How would you characterize his views about social justice?

ERIKSSON: He was very much a New Deal Democrat; although I think my father supported World War II, he was opposed to elements of US Cold War foreign policy. I recall he was critical of John Foster Dulles and felt that Senator Joe McCarthy posed a grave threat to world peace. It was also that background that motivated my change, including remembering long discussions on peace and justice issues my father would have with close friends.

Q: That influenced you to make the shift in education?

ERIKSSON: That's right; the shift to economics.

Q: Why did you pick economics over other subjects?

ERIKSSON: Several professors convinced me that economics dealt with important issues of society. So, after an undergraduate degree with a major in philosophy and a minor in

economics, I went on for a Masters in Economics at Wayne State University with a minor in Industrial and Labor Relations. At that point my objective was to work in the field of industrial relations for one of the big three auto companies in Detroit. But my thesis advisor at Wayne State encouraged me to continue on for a Ph.D. So I applied and was accepted as a Ph.D. candidate, with a graduate research assistantship at the University of California at Berkeley. As a research assistant I worked for the Chairman of the University of California Institute for Industrial Relations, Dr. Arthur Ross, who had just completed a book on international comparisons in industrial conflict. Dr. Ross asked me to develop an annotated bibliography for everything I could get my hands on regarding labor relations and industrial conflict in Latin America. That got me "hooked" on development and resulted in my specializing in development economics as well as labor economics for my Ph.D.

Research work in Latin America and labor economics

Q: What was your thesis?

ERIKSSON: It was a comparative study of wage structures in economic development in seven Latin American countries. My wife and I spent seven months in the seven countries while I conducted field research.

Q: Which countries?

ERIKSSON: Mexico, Venezuela , Colombia, Peru, Chile, Argentina, and Brazil.

Q: Did you have much sense of the situation in those countries?

ERIKSSON: Having never been out of the US before, except across the Detroit River to Canada, it was a totally new experience for us. We experienced a lot during those seven months. We had exposures to the great contrasts between wealth and poverty in Latin American countries, to their fascinating cultures and histories, to their politics, and to some of the personal stresses and ailments that all foreign service officers experience. For example, at one point in Bogota, Colombia, we were marooned in a dingy room of the ninth floor of a shabby hotel with no lights or power, while violent demonstrations and bombings raged in the streets below.

Q: You were in the middle of it?

ERIKSSON: We were in the middle of it. But that didn't stop us from taking every opportunity we could, especially on the weekends, to get out into the rural hinterlands. In Lima, Peru, for example, we took the Central Railroad (the Ferrocarril Central) up to the highest Andean pass, at 11,000 feet above sea level, to an Indian village. Experiences of that nature whetted our appetite and reinforced our interest in development.

On completion of my work at Berkeley, I was offered two opportunities to go into academia.

Teaching at Williams College and the Center for Development Economics

Although I didn't exclude the possibility of doing other kinds of things, I was advised - and still think it was good advice - to have a stint in academia first before doing something else. My offers were "apple and orange" in nature: one at Williams College in Massachusetts and one at UCLA (University of California at Los Angeles). I took the "apple" rather than the "orange" and went to Williams for several reasons: it had an excellent reputation for quality; it was a relatively small school; and its location was in a part of the country we had not experienced before. However, the main attraction was that it had a "Center for Development Economics" that had been established a few years previously with a major grant from the Ford Foundation. The Center enrolls about 25 students from developing countries for an intensive one-year Masters Degree program. Students are handpicked, with a balance among the major developing regions. Many graduates of the Williams program have risen to senior positions. For example, one of my students is now the Prime Minister of Singapore, Goh Chok Tong .

Q: You were teaching as well?

ERIKSSON: I taught both at the Center for Development Economics and in the regular undergraduate economics program.

Q: General courses or something special?

ERIKSSON: The gamut: Principles of Economics, Macro and Micro Theory, Labor Economics, Development Economics and Latin American Economic Development.

Q: Did you do any additional research or writings?

ERIKSSON: Yes, some. I published some articles after finishing my dissertation, and performed some USAID funded research in Argentina . In 1967 my wife and I spent the entire summer in Buenos Aires, Argentina, where I did research on export promotion and policies. We experienced a coup in Argentina that summer, complete with gun emplacements on the lawn of the Casa Rosada, the home of the Argentine President, right around the corner from our hotel. Even though the government was by no means democratic then, it had not reached the depth of the horrors that occurred in Argentina in subsequent years. Nonetheless, we still have a fond spot in our hearts for Argentina. But its history is tragic; it could have been a "developed" country a long time before now. But as the result in particular of the disastrous polices of the dictator, Juan Peron , of the forties and ‘50s, the whole country was put "on hold," even retrogressed, for decades. Argentina was also of special interest in my dissertation because government policies focused explicitly on wage structure. Peron deliberately tried to compress wage structure to boost the wages of unskilled workers, who were one of his main pillars of political

support, and to keep a ceiling on the wages of skilled workers. That policy had distorting effects on the allocative mechanisms of Argentine labor markets and on skill formation in the country. [See article, "Wage Policy and Economic Development in Latin American Countries," cited as first entry in Bibliography at end of Oral History.]

Q: Before we leave the Williams College experience, you said you had a student who became Prime Minister of Singapore. Do you have any impressions of the person at that time?

ERIKSSON: Goh Chok Tong was a good, serious student, considered number one or two in the class. He was articulate and active in class discussions. After joining USAID, I attended a conference in Singapore in June 1971 and had lunch with Goh, who was already Director of the Singapore Shipping Corporation. One could sense that even bigger and better things were in store for him.

Q: Were there other students that you particularly recall?

ERIKSSON: Yes, one of my students, Eduardo Rosas , became the head of the National Planning Office in Colombia. Another, Aris Othman , is now the Deputy Permanent Secretary for Policy, right behind the Minister and the Permanent Secretary, in the Malaysian Ministry of Finance. We "baby sat" for each others' kids in Williamstown.

Q: It interesting to think about people who have become of special note; it nice to get a flavor of their earlier periods.

ERIKSSON: Yes, one of the great things about my six years at Williams was that I would keep running into former students after joining USAID. Now it is getting a little more difficult, but, especially in my early years at USAID, when I would go on TDY to almost any country, one of the first things I would do would be to see a former student who would then often help me with contacts and extend hospitality at his or her home.

Q: Did the Williams program have any particular viewpoint about the development business? Was it just a general studies program or did it have a particular philosophy?

ERIKSSON: It was pretty technocratic, that is, with great emphasis on analytical skills and applying them to policy problems, based on a sound understanding of economic principles, stressing the importance of market mechanisms, and offsetting or preferably eliminating the distorting influence of government policies. However, I understand that the Williams program has in recent years placed more emphasis on such issues as democracy and governance.

Q: What kind of attitude did they have about social development and such aspects of economic growth? Did they have much feel for that? Or was it pretty classical economics?

ERIKSSON: As I look back on it, I would say fairly classical and "neo-classical." There was certainly a recognition of the importance of human resource development, for example; but I don't think they did very much with it, although there was an undergraduate course on human resource economics. One limitation of the Masters Degree program is its one-year length. Consequently, there is little opportunity to branch out into other subject areas, except in the Spring Semester "Term Paper."

Q: You were there, how long?

ERIKSSON: Six years, including one year on sabbatical at the Economic Research Branch at the International Labor Office in Geneva.

A sabbatical at the International Labor Organization

Q: Let's talk a little bit about that sabbatical. What was that about?

ERIKSSON: I went there to do further research on the relationship between wage policy and employment growth in developing countries. The ILO is like a number of UN agencies: it's a mixed bag; some good work done but a lot of international politics too. I recall how the Soviets manipulated the ILO, how every Soviet national on the staff, including one fellow in the Economic Branch, had as a main responsibility "reporting" back to the Soviet intelligence apparatus. I was also surprised that this was commonly known throughout the rest of the ILO staff.

Q: Did you have much interaction with these people?

ERIKSSON: Not much with the Soviet staff, even with the "economist" in my Branch. I did get to know some other staff quite well and developed a high regard them. For example, an Indian economist, Agit Bhalla, made significant contributions to the literature on the economics of choice of technology. And a Czechoslovakian, Felix Paukert, has written extensively on income distribution and employment. There were also some very poignant cases of people at the ILO who were refugees from tragic situations in their own country, such as Paukert, who escaped from the Soviet crackdown on Czechoslovakia. Another fellow whom I first met at the ILO, and subsequently recruited into USAID, is Peter Thormann, who is now the Senior Economist in the Africa Bureau under Jerry Wolgin.

Q: What did that experience in Geneva mean to you and how did it affect you?

ERIKSSON: It was my first taste of working in a government bureaucracy, and an opportunity to experience some of the potentials as well as the limitations. On a different level, I would say it was a memorable year for us -- living in Geneva, learning some French, and traveling around the region. The experience also provided a valuable exposure to people from a wide range of countries, including many developing countries. It also gave me a taste of being involved in a major international conference: the Biannual

International Labor Conference, which was held during our stay in Geneva. Literally everyone on the ILO staff, including me, was pulled out of their on-going assignments to backstop the Conference, which included "being on hand" for the late-night sessions.

Q: Who was the head of the ILO then?

ERIKSSON: David Morse, an American, and highly regarded. I also great respect for my immediate boss, the Director of the Economic Research Branch, Norton Franklin. Franklin was a white South African, but very much against apartheid. He was something of a refugee himself since he refused to go back to South Africa until apartheid policies were dismantled. Those kinds of contacts made quite an impression on me.

Q: Did your exposure to Russian tactics give you any insights into cold war matters?

ERIKSSON: Yes. It helped prepare me for future encounters. After joining USAID I was asked to represent the US at a UNESCO conference in Paris. When confronted by blatant Soviet tactics to distort the US position, I thought I was able to forcefully correct the distortions.

Q: Because you had that previous experience, and understood what they were about and their tactics?

ERIKSSON: Yes.

Q: Did you have any sense of what they were trying to do with the ILO? What their agenda might have been?

ERIKSSON: On the surface it appeared that the Soviets were combating an attack by the West, especially by the US, on the facade of the Soviets belonging to the ILO, which is supposed to be a genuine tripartite organization with <u>independent</u> labor, management and government representatives. The US charged that the Soviet representation was illegitimate since it did not include <u>independent</u> employer and employee representatives (i.e., independent from the State). That was not only a point made by the US Government, but more vigorously by the AFL-CIO. I also heard, but without direct evidence, that the Soviets would try to make contacts with ILO staff of other nationalities for intelligence purposes.

Q: And you were not in the position of having to defend the US policy line?

ERIKSSON: Not at the ILO.

Q: Let's move on from there and, if you want to come back to it, you can later. You have essentially finished with your time at Williams College. Why did you leave Williams?

ERIKSSON: That's a good question. I didn't feel that I was all that successful as a teacher. I never seemed to get to the point where I was comfortable enough in lecturing to a large class to drop my dependence on written notes. So that was one consideration. The other was that we found Williamstown, for all its natural beauty, a rather isolated place, tucked away in the far northwest corner of Massachusetts, about 200 miles from New York and Boston. The winters there get very cold and unless you like to ski, which we didn't, they can really be dreadful. A third factor was that Paul Clark, a senior member of the Economics Department and former Chairman of the Center for Development Economics, took a sabbatical at USAID in 1969 to be Assistant Administrator for the Program and Policy Coordination (PPC) Bureau. He told me about his experience there and that if I was thinking about other things, I might want to think about USAID; it was a good place to work, an exciting one, and that he would be happy to recommend me. I had explored a couple of other possibilities as well: one to stay in academia but move to a more hospitable climate, such as New Mexico State University where I had an offer, as well as an offer to join a consulting firm, the old Lillienthal outfit, Development Resources International (DRI). But after talking with people like Clark, I decided to go with USAID.

Q: So you joined USAID when?

ERIKSSON: In 1970.

Q: What position did you go into?

ERIKSSON: I joined the PPC Bureau as the first economist specializing on employment problems in developing countries, taking advantage of my background in labor economics. The ILO comes into the picture here again. While I was there, the World Employment Program, sponsored by the ILO, was just getting started with over half a dozen intensive country case studies on employment problems in developing countries. The studies on Colombia, Kenya, and the Philippines, in particular, became landmarks in the literature on development. Largely as a result of the ILO work, donors started paying more attention to employment and income distribution problems in development. I was the first economist brought into USAID to focus on these problems. As a result, I immediately began representing USAID at a number of international meetings, including conferences on employment and development at Cambridge University in 1970 and at the ILO in Geneva in early 1971.

Q: Who was the Administrator then?

ERIKSSON: John Hannah , former President of Michigan State University. Ernie Stern , who subsequently became Senior VP at the World Bank, headed PPC; and Bob Muscat, who became USAID's first Chief Economist, as well as my closest friend and "mentor" at USAID, was first Deputy, and then Director of the Policy Development Office where I worked. Mike Roemer, who is now Director of the Harvard Institute for International Development , was my immediate boss, as Chief of the Economic Analysis Division.

Q: An extraordinary group. What was the view point on development that was being put forth at that time by PPC and USAID?

ERIKSSON: It was very much in tune with the thinking at Williams College, plus the new wrinkle of employment and income distribution, where I was supposed to be the spear carrier.

Q: More of the classical economics perspective, market oriented?

ERIKSSON: Yes. But recognizing that especially in the area of employment, there were real problems that had to be addressed. However, one of the reasons given for sluggish employment growth was that countries had not adopted free market economic policies but rather trade, financial and labor market policies that distorted incentives in favor of excessively capital intensive choices of technologies and product mix.

Q: It was a period of major emphasis on policy reforms ?

ERIKSSON: Yes.

Q: What we call structural adjustment these days?

ERIKSSON: Yes, except that developing countries were a lot more sensitive and resistant to macro-economic "policy dialogue" than they are now. Now a number of voices in the NGO community have been raised against structural adjustment; they allege that the negative impact of structural adjustment on low-income countries outweighs any positive effects. But that's getting a bit ahead of the story.

Q: Of course, we were still in the cold war period?

ERIKSSON: Yes. The cold war clearly got into the debate. Some developing countries saw "policy reform" as some kind of ideological or cold war thing that we were pushing on them. Also, I think the cold war environment interfered with USAID's ability to push policy concerns in some recipient countries because to do so would conflict with US cold war interests as perceived by the Embassy and State Department.

Q: Could you illustrate that; do you have any specific situation in mind?

ERIKSSON: By the time I joined the Foreign Service and had that in-depth experience of living in a country, cold war dimensions were receding. And I had Ambassadors in both Sri Lanka and Thailand who were pretty supportive on policy dialogue. But in the earlier years, there were occasional discussions in Washington or on TDYs that got into this issue. For example, I recall getting involved in a discussion in Zaire where I was told in so many words: "This is a strategic place; they've got strategic minerals; we can't push as

much as we might like; the Soviets are eyeing Zaire hungrily; we can only go so far with policy dialogue."

Q: This was the word from where?

ERIKSSON: This was from the Embassy to the USAID Mission.

Q: And you were working from the PPC perspective in a dialogue with the State Department on policy toward Zaire? That was a period when we had substantial economic support funds?

ERIKSSON: Yes.

Q: Are there other cases or examples where your work related to some of these policy issues?

ERIKSSON: One example that comes to mind is in the opposite category, where the US strongly supported a policy change against host government opposition. At issue was a proposed sector loan to Colombia for housing and urban development. Part of my job during a TDY was to push for income distribution criteria to select which people could qualify for a housing loan. The head of the national planning office objected to these conditions which would have required different proportions of the loan to go to different income groups for different types of housing. He argued that this was a matter of national sovereignty, saying, in so many words that "if these strings are going to be attached to your money, Colombia doesn't need US assistance." The USG stuck to its position, and this led to a phase-out of US bilateral aid to Colombia, which was renewed in subsequent years, but then focused mainly on anti-narcotics. I was rather surprised at the time that the State Department didn't intervene to reverse the policy position on the loan.

Q: Do you have a feel for why?

ERIKSSON: I've forgotten what the specifics were, but there were other problems the US was having with Colombia at the time, and the aid program had already fallen to rather modest levels.

Q: That was a period when we were doing pioneering sector loans in Latin America; that was a policy of USAID at that time. Probably the first time we had linked policy reform to sector reforms.

ERIKSSON: Yes that's right.

Q: Do you want to mention any other aspects of your work in PPC, such as philosophy or policies that you worked on specifically? And your work on employment, did that progress?

ERIKSSON: Yes, several things were done. In 1972, I produced in collaboration with a PPC colleague, Ed Cohn, a USAID policy paper on "Employment and Income Distribution Objectives for AID Programs and Policies" (see full citation at second entry in Bibliography at the end of this Oral History). Also, I managed a major research contract with the Yale Economic Growth Center on employment problems in less developed countries.

Q: Did USAID have major programs in those areas; how did we respond programmatically to those policies?

ERIKSSON: That was a major part of my job. We developed training modules on employment and income distribution for USAID training courses: Ed Cohn and I made many presentations in USAID and other organizations in Washington and at the Development Assistance Committee (DAC) of the OECD in Paris; we injected employment and income criteria into reviews of preliminary project and loan documents at review and approval meetings in Washington. In those days, of course, the whole project and program approval process was much more centralized than it is now.

Q: How were these policies manifested in certain projects? What were we trying to bring about?

ERIKSSON: This depends on whether you are talking about the strategy stage or the project stage. At the strategy stage, we were looking for a balanced program with a mix of activities, labor- intensive road construction and other employment creating activities. At the project stage, we were raising issues about whether the policy framework of the country might thwart accomplishment of the project objectives. [See "first Year Status Report," October 1973, cited as the third entry in the Bibliography at the end of this Oral History.]

Q: How did you address the income distribution issue ?

ERIKSSON: That was a fairly controversial issue. One factor was the so-called "New Directions" legislation in 1973, which put a lot of emphasis on programs benefitting the poor. That resulted in some movement away from policy dialogue with countries and toward a focus on specific projects intended to directly benefit the poor. Another argument was that income distribution or redistribution goals could be pushed too far, so that economic growth would be threatened. If you talk about income redistribution, you have to have something to redistribute; you need growth of income, growth of the economic base. That led to development of the phrase, "Growth with Equity." This implied that with growth, at least the absolute incomes of the poor should improve. But you could, and do, have situations where there is economic growth along with widening of the relative income distribution. But the key thing is that the absolute incomes of the poor should grow.

Nonetheless, by the mid-'70s, many people within and outside USAID believed that the foreign assistance legislation required USAID to really get out there with projects exclusively aimed at the poorest of the poor. Consequently, several of us in PPC under Alex Shakow's leadership focused on trying to correct what we saw as a distortion, to correct what we thought were misguided views, both on the part of some in the Agency as well as on the Hill. We believed that to most effectively meet the objectives of both growth and equity, one had to focus on the "poor majority," as opposed to the "poorest of the poor ;" that to focus exclusively on the "poorest of the poor" was almost as misguided as focusing on the rich.

Q: Where does the phrase "poorest of the poor" come from? Was that part of a congressional initiative?

ERIKSSON: That remains a mystery to me. I know that the phrase was used by some in order to negate any concern with equity. That was part of our crusade in PPC; to point out that we were trying to steer a middle course between the poorest of the poor, on the one hand, and having no concern at all with employment or equity, on the other, which would mean basically "trickle down."

Q: So you were in PPC during a period of unusual transition and turmoil from the classical policy reform, market-oriented view through this shift into extremes at the other end, such as, "poorest of the poor" and "basic needs," and then back towards "growth with equity."

ERIKSSON: That's right - trying to bring the pendulum back a bit. Even within PPC, there were different voices.

Q: How did your role develop in this because you came out of a more classical economics orientation but with the labor interest which somewhat moderated the more rigid doctrine? What was your own view of what was going on?

ERIKSSON: I very much agreed with Alex Shakow and my immediate boss at the time, John Mellor. Namely, that growth was extremely important and that while there were certainly instances of market failure that one needed to address, and certain things that required government leadership and investment, such as "public goods" type investments, for a large share of the rest of the economy, the market should be allowed to operate freely, with government setting the basic rules of the game in terms of enforcement of contracts and private property.

Q: But where should USAID focus its resources? Your recommendations? What did you all actually recommend as proof of the policies where resources should be concentrated?

ERIKSSON: One recommendation was to concentrate on certain "public goods," such as basic education, basic health services, agricultural research, and rural farm-to-market roads. We saw the multilateral banks as having the main role for major physical

infrastructure like trunk highways, electrical grids and telecommunications systems. With an exception for countries where US assistance resources were so abundant, as in Egypt, that we had to find ways of using them for things like electric power, telephone systems, etc.

Q: How about Congressional relations? Did you have much exposure to Congress?

ERIKSSON: Some, with somewhat more later in my career.

Q: But at this particular time were Alex Shakow and Ernie Stern very active with Congressional matters? Were you caught up in that?

ERIKSSON: Not so much under Stern but under Shakow, more so. I was one of the principal authors of a 1975 International Relations Committee Report, Implementation of "New Directions" in Development Assistance (see full citation at fourth entry in Bibliography at the end of this Oral History). Our report stressed very heavily the "poor majority" viewpoint as contrasted with the "poorest of the poor."

Q: You wrote it for Congress, for a Congressional Committee?

ERIKSSON: Yes. It was a report that Congress had requested from the Administrator.

Q: My recollection is that there was a report from Congress that was very critical of USAID because it didn't have almost instant impact on direct basic needs; and they were saying that they expected in one year to have evidence of effects. And I remember that caused quite a reaction in saying the Congress was being very unrealistic about what you could accomplish in basic needs impact. And my question is whether this was a response to that or a way of redoing that report. Because from my own experience Congress was beating the table about why you haven't done something immediately; immediate impact. It would be interesting for you to elaborate when you can. That was at the very nexus of a policy shift and in relations with Congress; we don't often sit down and write a Congressional report from the Executive Branch side.

ERIKSSON: That's right. I also remember discussion with the Hill on the question of appropriate technology. Clarence Long (Representative from Maryland), who was Chairman of the Foreign Operations Subcommittee on the House Appropriations Committee, first pushed the notion that USAID assistance to an enterprise or individuals in developing countries should not exceed $300.00 per person. That notion is still around.

Q: You mean the microenterprise loans?

ERIKSSON: Yes.

Q: What period are we talking about for your time in PPC?

ERIKSSON: The total period was (actually I spent a third of my career in the Civil Service) seven years, from 1970 to 1978, not counting the 1975-76 academic year when I took a leave-of-absence at Arizona State University.

Q: That was a very important period.

ERIKSSON: Yes it was.

Q: Was there anything of substantive importance during your year's leave of absence at Arizona State University?

ERIKSSON: I taught undergraduate courses in labor economics and development as well as the principles courses; similar to the courses I taught at Williams. I also taught some graduate courses and wrote an article on foreign assistance to Latin America.

Q: What was the line of that article?

ERIKSSON: The line of the article was that the allocation of US assistance to countries reflected a mixture of criteria: political and economic. If one used strictly economic criteria, there would be a substantial divergence from the actual pattern.
[See "Trends in the Volume and Composition of Aid to Latin America," full citation at fifth entry in Bibliography at the end of this Oral History.]

Q: It is an interesting case that you make there; may be we can elaborate a bit more later. Anything more about that PPC period; you had an important role in some of the policy debates?

ERIKSSON: It was my only time in print in a newspaper. I wrote a letter to the editor of the Washington Post in 1977, an "op ed" piece. I opposed a very critical piece on US foreign assistance policy that had appeared the previous week, written by another USAID staffer, Roger Darling, of the training office.

Q: What was the point of your article?

ERIKSSON: The point of my article was taking the other tack; Darling's article argued that the "New Directions" legislation's emphasis on the poor was misguided and that it was not the way to get development or growth. My article argued that on the contrary, properly addressed, concern with the poor and growth were consistent with each other as well as morally right. Darling said in so many words that the poor don't have any rights. That, in fact, was the title of my "Op Ed" piece, "The Poor Do Have Rights."

Q: Properly addressed? What does proper mean?

ERIKSSON: Properly addressed means not losing sight of the importance of economic growth. We are not talking about welfare programs or hand outs.

Q: What do you do then; what was the main line of activity?

ERIKSSON: I said that assistance should help the poor help themselves in developing their own capacities in projects concerned with education, health, and family planning, as well as in agricultural production and infrastructure projects. All of these are concerned with growth.

Q: Let's pick up again on the period 1970-78, which was a very important policy evolving time; what were some of the other dimensions that come to mind?

ERIKSSON: It was in the latter half of the ‘70s that concern about the environment really came to the fore; for example, the first world environment conference in Stockholm. USAID, as in so many other areas, was a pioneer among donors in being concerned about the environment; we were the first donor to require environmental impact statements.

Q: Do you have any idea why USAID suddenly seemed to take an interest?

ERIKSSON: It was partly, I think, Congressional pressure; there was increasing concern about the environment in the US. The Environmental Protection Agency (EPA) was formed in the ‘70s. But there are two sides of the Congressional role. In USAID we have complained a lot about the extent to which some committees and members of Congress have followed our programs, labeling it "micromanagement," and have looked enviously at other bilateral donors that have had a more distant relationship from legislatures or parliaments. But I think there has been a positive side to it too, i.e., some domestic concerns do have an international component to them. Because of the legislative oversight, these concerns get picked up more rapidly, which has resulted in USAID becoming a leader among donors.

Women-in-development is another case in point where USAID, partly owing to Congressional interest and pressure, has been a leader. Population also, although I don't know as much about the history there, and to what extent the Congress was involved. I do know that a lot of the credit for USAID's leadership in population has been ascribed to one USAID official, Dr. Ray Ravenholt. That brings to mind a common role of PPC, that of critic, of in this case being against population programs that focus exclusively on the "supply side" of population programs, i.e., an exclusive concern with the provision of contraceptives as opposed to looking at a range of socio-economic contextual factors that influence fertility and family size directly, and indirectly through the desire for family planning. It is now almost conventional wisdom that female education and improvement in the status of women are extremely important determinants of family size, but this was not the common view 20 years ago.

Q: You said you wrote another policy paper during this time?

ERIKSSON: Yes, it was in 1978 and was called, A Strategy for a More Effective Bilateral Development Assistance Program: An AID Policy Paper (see full citation at sixth entry in Bibliography at the end of this Oral History). It was intended as a synthesis between the emphasis of earlier years on the need for public infrastructure investment to encourage growth, on the one hand, and program and policies aimed at employment generation and benefiting the poor, on the other. In some ways it was a document similar to the document prepared for the House Foreign Affairs Committee but in this case aimed at USAID staff.

Q: It would be useful to have an elaboration of that policy, later. Was there any other dimension of that period?

ERIKSSON: No, although there were a few issues that were "blips on the horizon," which became more significant in the '80s. One was an increased emphasis on the private sector as an alternative for the provision of some services that had previously been viewed as being in the public sector realm, for example, the marketing of contraceptives. Of course, under Peter McPherson , USAID Administrator during the first half of the '80s, there was a big push in that direction.

Q: Other things?

ERIKSSON: In terms of the private sector, no. But another category was the introduction of social and economic considerations into what I had previously been considered strictly in terms of physical and technical dimensions: support for biological research, particularly agricultural research and the beginnings of emphasis on farming systems research. Another topic is ethnicity as a factor in development. People are seized with it now, after the end of the Cold War; the Cold War, in fact, hid ethnic issues that were there all along, as Daniel Moynihan has brilliantly brought out in a recent book called Pandemonium. But, with a few exceptions, the role of ethnicity in development was little recognized in the '70s. It does have a bearing on my first Foreign Service assignment, however, as Deputy Mission Director for the Sri Lanka USAID program from 1978 to 1980.

Assignment in Sri Lanka as Deputy Mission Director

Tom Arndt was the first USAID Director in Sri Lanka after it reopened in 1977. Tom said he would love to have me come out to be his deputy. In those days Sri Lanka was really the darling of the development assistance community because it seemed like it was doing everything right; it had in its earlier years emphasized the social dimensions; the so called "physical quality of life" (PQLI) dimension. Partly because of the British policy which emphasized education, health and infrastructure, literacy and longevity were quite high and infant mortality was quite low relative to per capita income in Sri Lanka. However, under Prime Minister Bandaranaike during the early and mid-70's, Sri Lanka had followed disastrous economic policies. In 1978, under a new government headed by J.R.

Jayawardene , there was a move back to free market policies and an opening towards the West. So, Sri Lanka looked like a marvelous place to go: a real development laboratory.

Tom Arndt was called back from Sri Lanka and replaced by Sarah Jane Littlefield, quite a different personality from Tom. But Sarah Jane and I decided we could work with each other. In fact, things turned out to work quite well; we complemented each other, and I learned a tremendous amount from her. Sarah Jane was one of my top mentors in USAID because she knew the nuts and bolts of field operations so well, was a very strong manager and extremely loyal to her staff.

At this point I need to return to the issue of ethnicity and development. One of my PPC colleagues, Jonathan Silverstone, Chief of the Civic Participation Division in PPC, when he learned that I was converting to the Foreign Service and going to Sri Lanka, said "That sounds wonderful and that should be really exciting but let me raise one note of caution: there is a serious ethnicity problem between the Tamil minority and the Singhalese majority simmering just beneath the surface in Sri Lanka, and I wouldn't be surprised to see it explode. His words were prophetic. Even during my tour there from 1978 to 1980, a state of emergency had been called for several months in Northern Sri Lanka because rebel groups, such as the "Tamil Tigers," were already active. Ethnicity is a problem we don't yet know how to reckon with very well in development.

Q: You went out to Sri Lanka with Tom Arndt?

ERIKSSON: No. Sarah Jane Littlefield had arrived in Sri Lanka just a month or two before I did. I enjoyed my tour thoroughly, but it was more of a mixed experience for my family. They weren't prepared for the poverty they encountered, notwithstanding Sri Lanka's higher standing in terms of social indicators than other South Asian countries. For me, working in Sri Lanka was a great professional experience, partly because the Ambassador was also the leading US academic expert on the country: Howard Wriggins, Professor of Asian History at Columbia University.

Q: What did you try to do; what was your mission programmatically?

ERIKSSON: It was an exciting time to be there because the program was just starting up after having been shut down five or six years. One of the center pieces of the program was support for the massive Mahaweli River basin development scheme, which consisted of a number of dams and associated hydro-power plants, along with down-stream irrigation infrastructure and resettlement of people from other parts of the country. Other interesting projects included water management activities in different parts of the country, environmental and reforestation projects, and a water supply project in northern Sri Lanka.

Mission Director Littlefield and I had an agreed division of labor. I focused on socio-economic issues and she focused on technical and administrative issues. Among other things, it was my job to marshal academic experts to help us put together the new

assistance strategy. It was fortuitous that at the same time Norman Upoff, political scientist from Cornell University, was on sabbatical at the Agrarian Research and Training Institute in Sri Lanka. We forged a friendship that continues. Norman's seminal work on participatory development draws much of its inspiration from the work he did on one of the USAID-assisted water management projects ("Gal Oya") in Sri Lanka. I also recruited Cal Tech's Ted Scudder, an anthropologist and one of the world's leading experts on river basin settlement schemes in developing countries, and organized a symposium for the Government with Scudder to discuss population resettlement issues in the Mahaweli program. That led to work by Scudder which continues to this day, through Ted's collaboration with Sri Lankan social scientists.

Q: What was the main theme of the program that you were involved in? Was there any core approach that related to the PPC policies? How did you deal with the growth with equity question if that was the line you were following? Were you still in the basic needs arena?

ERIKSSON: No, in response to your last question. I saw my objective as ensuring that equity and employment considerations were taken into account in the program in a sensible way; that they would not conflict with growth objectives, but not get ignored either.

Q: Were you involved in designing specific projects? Or was it a matter of projects that came up and making sure they were responsive?

ERIKSSON: For the most part, it was trying to ensure that projects were consistent with our strategy. I did write the first "CDSS" (Country Development Strategy Statement) for the Sri Lankan program.

Q: That had a line or rationale that you developed; maybe you could articulate later what you saw was the theme? How about working with the Sri Lankan people? How did you find that experience in terms of your ability to communicate, the acceptance of your ideas?

ERIKSSON:: It is a little hard to judge in a way because it was a while ago and partly because it was my first tour. But my recollection is a positive one.

Q: You met with the government regularly?

ERIKSSON: Yes, and I developed good contacts with the top civil servants (Permanent Secretaries) of six key Ministries with whom we worked most closely, as well as with the heads of the research and statistics departments of the Central Bank.

Q: But in those contacts did you find receptivity to the concepts that you and USAID were trying to put forth?

ERIKSSON: By and large yes; you also have to take into account that Sri Lanka was a fairly receptive environment for a "growth with equity" approach at that particular time. Coming out of the ethos of a heavy emphasis on social development; and then the more free-market orientation of the Jayawardene Government. There were some people who were not as convinced, however. That was more difficult. For example, the head of the Mahaweli Authority, who was in a very critical position and had come from the private sector as head of the largest accounting firm in Sri Lanka. He was not persuaded about the importance of farmer organizations, especially water-user associations, which was one of our major emphases, one in which I was heavily involved. However, we did find some "champions" of water-user associations that we could productively work with in the Irrigation Department and with the Permanent Secretary of Land Development. This is an example of the axiom that "no government is monolithic."

Q: The idea you were promoting at that time, while not still generally accepted, planted a seed; something that has proved successful over time. Other aspects of the program that you felt were particularly significant: both as successes and not successful?

ERIKSSON: We supported a water supply project in Jaffna in northern Sri Lanka . If one did an expost analysis of this project, I think the technical design flaws would show it to have had a negative rate of return. But there was a lot of pressure to do something at that time, to have some project activity in northern Sri Lanka that would be seen to be benefiting the Tamil population.

Q: Were you trying to address the ethnicity issue?

ERIKSSON: We were, in fact.

Q: Do you think, apart from the technical aspect, there were any positive effects vis-a-vis the ethnic issues and concerns?

ERIKSSON: Perhaps. I remember that in the summer of 1979, I accompanied Alex Shakow, who was visiting from Washington, on a field trip to Jaffna. We met with local leaders, including someone whom I suspected was very closely connected with the rebel leadership. We received what we thought were sincere expressions of appreciation for the US assistance. I still have my doubts about the economic justification for the project, but in any event, the explosion of the ethnic crisis in 1983 swamped everything else.

Q: Any more on the Sri Lankan experience at this point?

ERIKSSON: I don't think so. The only additional thing I might say is that had it been strictly up to me, I would have opted for a second tour in Sri Lanka. But the family decision was to return to the US. One factor was that the international school in Colombo did not go beyond the eight grade at the time.

Q: What about one last point about relationships with the Embassy? How would you characterize the interaction?

ERIKSSON: By and large, positive. I don't recall any significant substantive disagreements on the directions of our program. I do recall that Sarah Jane got into some nasty fights with the DCM over administrative issues, a typical thing. But not on substance.

Q: Was there any cold war intrusion at all in this situation or was this a purely development interest?

ERIKSSON: Very little. The Soviets had a presence there then, but it was scaled back during the Jayawardene regime compared to what it had been during Mrs. Bandaranaike's administration.

Q: So this was a relatively pure development situation...

ERIKSSON: The cold war didn't intervene.

Q: The motivation for the program was driven by development philosophy..

ERIKSSON: Yes, I would say so. But another factor underpinning the financial level of assistance was that the US continued to see Sri Lanka playing some balancing role in the Cold War. Sri Lanka was the leader of the so-called "Non-Aligned Movement," which, ironically, made it an actor, albeit a relatively minor one, in the Cold War game. The US had some naval rights (as did the Soviets, I believe) to use of the excellent Indian Ocean deep water harbor in eastern Sri Lanka, at Trincomalee, and the US also had a Voice-of-America transmitter in north-central Sri Lanka. These were considerations, but they never seemed to loom very large, at least in my work. Of course, I wasn't regularly attending the "Country Team Meetings" at the Embassy, so I wasn't fully aware of all the issues.

Q: The driving motivation for having such a large program?

ERIKSSON: I think it was mainly for development reasons, that Sri Lanka was an important laboratory of development, both on social and economic fronts. Other donors were also heavily involved for similar reasons. But I suspect that my Embassy colleagues would have given the geo-political factors I have already mentioned a heavier weight in providing a rationale for the level of US aid to Sri Lanka.

Q: Would you say this was part of that era when development had a political priority?

ERIKSSON: In some places in the world, and I think that Sri Lanka at this time was one of those places.

Q: After Sri Lanka: what was next?

Return to PPC: chief of the policy development office

ERIKSSON: I came back to head the Policy Development and Program Review Office in PPC when Alex Shakow was still Assistant Administrator. That was in the early fall of 1990. Reagan won the Presidential election that November, and by the end of the year Alex was in the process of moving to the World Bank. Peter McPherson was confirmed as the new USAID Administrator, and John Bolton, after a temporary stint by Tom Rollis, was confirmed as the new AA for PPC. Bolton was both conservative and very bright. Seeing the importance of policy and policy development, he decided he wanted a full set of new policy papers to cover everything that USAID did. My office was charged with the task. In three years, 1990 to 1993, we produced over twenty policy papers, including one for each of the four McPherson "policy pillars" (1) policy reform, (2) technology development and transfer, (3) institutional development, and (4) private sector development. In terms of cranking out policy papers, that was one of the most productive times that I can recall -- for me and for PPC. The quality of papers varied, of course, but some were, I thought, really quite good. I was fortunate in having some really first rate people on my staff, some of whom have risen to very high positions. For example, Ann Van Dusen was one of my division chiefs; she is now the Deputy Assistant Administrator for the Global Bureau, formerly the S&T Bureau. John Wesley was an economist in one of my divisions; he subsequently became Mission Director in Kenya and is now Mission Director in Egypt, USAID's largest program and mission. Joe Stepanek, former Tanzania Mission Director, and now Zambia Mission Director, was in my agriculture and rural development division. Jerry Wolgin was also an economist in my office and now heads the Technical Office of the Africa Bureau. One of Jerry's main contributions to our work was a policy paper on recurrent cost financing which drew strong praise from World Bank economists, the only USAID policy paper that -at least so far as I know- has received that distinction!

I began my second stint in PPC with some trepidation, in view of the new administration and uncertainty over its views about foreign assistance. But it turned out in retrospect to have been quite a positive experience for me, which I would ascribe in significant measure to the Administrator, Peter McPherson, his personal style and his commitment to development. He loved to get involved in substantive dialogue and he reached out to staff directly. He would pick up the phone and call me on a number of occasions to discuss a substantive question, something no administrator has done before or since. I would often be involved in discussions in McPherson's office on substantive topics. Some have questioned the "efficiency" of McPherson's approach for a top manager. But it was much appreciated by staff, and I know from talking with colleagues that I am not alone in these views. Naturally, McPherson brought some conservative philosophy with him, including a great faith in the private sector. But those were exciting years; there was a lot of ferment intellectually. That was the beginning of the whole reexamination of the relative roles of the private and public sectors, both in the US and in the developing world. There was some ideology involved, but people recognized that the empirical experience of the public

sector in providing goods and services was very mixed. And there were the looming budget constraints limiting what the public sector could do in any event.

Q: It wasn't a major shift from the previous New Directions philosophy to this one?

ERIKSSON: In some ways, no. The new administration clearly eschewed public programs that sought to provide goods and services directly to the poor that could be provided by the private sector. There was much more emphasis on the policy and institutional framework; the so-called "enabling environment," and on "public goods" like agricultural research, but still with an emphasis on the poor majority and on human resource development. So it was something of a synthesis of old and new; it didn't require very much of a shift of "paradigm." It added on some new dimensions but did not drop very much, at least from where I was intellectually. One issue did surface, which continued off and on throughout the 12 years of the Reagan/Bush Administrations. Namely, how one can best help the private sector. The issue was: do we concentrate on the enabling environment and institutions that provide a good sound environment for the private sector or, in addition to that, do we actually get involved in making direct equity investments in the private sector itself? The arguments first surfaced in the early '80s. But when I came back to PPC in 1990 for the next two years of the Bush Administration, they were still raging, with some people in the USAID administration, including the head of the private enterprise bureau, arguing very strongly that USAID had a role in giving direct support to the private sector through equity investments. Others argued that this is not USAID's forte, that this was something the private sector itself did best. There was a small "window" in-between where some argued that a "demonstration project" (e.g., an equity investment in a newly privatized tire manufacturing plant) might in some circumstances be justified if it could be shown that such support would have a substantial catalytic or "spread" effect. This battle continued throughout the 12 years of the Reagan/Bush era and was never fully resolved.

Q: I had the impression at the time-and your view is important here- that the administration's views were sort of anti-government. It wasn't a balanced view in terms of the government's and the private sector's role. It was sort of at the extreme: either ignoring, or a "no government is good government" attitude.

ERIKSSON: Yes, there was some of that; I think the more thoughtful people would not have gone that far; but there were people who basically had the notion that the less government, the better. It is true that assisting governments to become more effective, public administration training, for example, was relatively neglected or discouraged.

Q: But from what you were saying and my impression was that even during the Reagan Administration, there were some very strong ideological clashes among the people in the same administration in USAID. That's more than I've seen in many administrations. Did you find that there were really strong factions?

ERIKSSON: Yes, fairly strong. I don't know if they were stronger than the clashes that surfaced during the Carter years between those who thought exclusively in terms of the "poorest of the poor" and basic needs, and those who took the broader view.

Q: That's a good point. Where was Administrator McPherson in all the argument?

ERIKSSON: I think he was basically on the side of those who emphasized the importance of the enabling environment, although he didn't rule out some direct support for equity investment. In the latter case, I don't know if it was because he really thought that way or because of political tugs and pulls of which I wasn't always aware.

Q: What was your sense of the Agency's response; all those bureaucrats there who went though one transition after another. How did they respond to the many policy papers and changes that you all were defining for them. How did they affect the Agency?

ERIKSSON: That's hard to tell. Some staff claimed they ignored the policy papers. But questions were certainly raised in reviews of strategies, programs and projects to try to ensure consistency with policies. So people had to pay attention to them in that sense, whether they wanted to or not.

Q: How much participation was there from the rest of the agency in the shaping of these policy papers or was it largely just the PPC staff writing them?

ERIKSSON: There was vetting elsewhere in the Agency, although I think less so than in the past. Bolton was very firm on keeping to a fairly rigorous time frame and didn't want the vetting process to go on too long. And he was prepared to beat down continued comments or objections, even if they emanated from other members of the senior staff.

Q: That relates to the question of how these policies were implemented and reflected in field operations.

ERIKSSON: Yes. There is a trade-off between getting these things out, on the one hand, and developing some ownership of them, on the other hand, so they will be followed and paid attention to.

Q: Is there anything else about that period? You seemed to have moved right into the hot moments in the PPC policy world.

ERIKSSON: Right. I did make some interesting TDYs during that period. One had to do with an issue that John Bolton got very exercised about: centralization versus decentralization. I took a trip to the Philippines , Thailand and Indonesia to look at the relevant policies and experiences of those governments and the USAID programs in supporting decentralization. They more or less confirmed Bolton's his view that "there is decentralization and there is decentralization." Some forms of decentralization of government are nothing more than extending the arm of central government more

effectively, but real authentic decentralization typically involves not just the devolvement of responsibilities but also of authorities and ultimately the capability to raise revenues at the local level. This illustrates what made the policy work in USAID interesting -- that we did not just sit back in Washington and write something ex cathedra, but that we did so in conjunction with field trips to take a look at the situation on the ground, to try ideas out and to relate policy papers on field realities.

Q: That was when the Women-in-Development policy paper was written?

ERIKSSON: It was around that time; at least, there was a WID "policy determination" - a shorter form of a policy paper that came out around that time.

Deputy Assistant Administrator in the Science and Technology Bureau:
research planning and child survival task force

ERIKSSON: In the fall of 1983, Curt Farrar, Deputy Assistant Administrator (DAA) of the Science and Technology Bureau, gave me a call. McPherson had brought in Dr. Nyle Brady, former Director General of IRRI (the International Rice Research Institute) in the Philippines, to head a new Bureau for Science and Technology, which had previously been the Technical Assistance and the Development Support Bureaus. Brady had two deputies: former Peru Mission Director Len Yaeger, who was Deputy for Field Support, and Curt Farrar, who, with long experience in the technical bureaus of USAID, was Deputy for Research. At that point Curt was in the process of moving to the Consultative Group on International Agriculture (CIGAR) at the World Bank to head their technical secretariat. I was approached about my possible interest in taking Curt's place. That was a totally new idea to me, and working for someone like Brady gave me pause since he had quite a reputation as being very strong-willed manager. But he was also highly regarded as a very knowledgeable and skilled science administrator. I talked with him and others, including Bolton and McPherson. I came to two conclusions: one, that this could be a really interesting and challenging assignment, and secondly, perhaps the top brass wanted this move since both McPherson and Bolton said they thought it "would be good" for me. When someone tells you something like that, there is often a "hidden agenda." In fact, I was replaced in PPC by a political appointee to head that office, the first time in my memory that a career officer had not been in the job.

Q: Perhaps there was political pressure from ...

ERIKSSON: Perhaps. At any rate, the next three years were quite a new, knowledge-expanding experience for me. I really developed an appreciation for the role of research in development that I never had before, particularly in fields like agriculture and health and what had been accomplished in the international agricultural research system. During my tenure in the S&T Bureau, UNICEF began its child survival campaign, with the emphasis on immunization. McPherson picked up on Oral Rehydration Therapy as USAID's distinctive contribution. I was tasked with chairing the first Child Survival

Task Force in USAID and was in charge of preparing the first Child Survival Report to Congress.

Q: Why was all that interest ...given the private sector, anti-government orientation, and little sense of basic needs concerns, and yet we get all this big push on child survival, oral rehydration, etc.? It seemed to be a little inconsistent with the more market oriented, private sector push.

ERIKSSON: I think that McPherson accepted that, as opposed to other types of economic activity, research and development in some areas like agriculture, health and environment (to a certain extent) were legitimate areas for public investment. These were in a sense "public goods." Without the push of the public sector and direct public sector support, the private sector would not by itself invest in agricultural research in developing countries or invest in research on tropical diseases afflicting people in developing countries, because sufficient profit was not envisioned to justify the investment. Therefore, public sector subsidies were justified. There may have been another reason: strong ties by McPherson, who had been on the "BIFAD" (Board for International Food and Agricultural Development) , and Brady to the land grant universities. The land grant model is basically a public sector model: public university research, teaching and extension.

Q: But to take the other aspect when you were involved in the child survival and the oral rehydration programs, why, given the opposition to basic human needs and the rejection of that approach, was this such a major concern?

ERIKSSON: I think it was justified in a couple of ways: one, it had a research element to it. I remember some tensions even within the S&T Bureau between Dr. Brady, who wanted to emphasize the research component in the Child Survival program, and others, who wanted to emphasize financing the delivery of child survival services. There was also the fact that child survival programs were more in the area of human resource development and viewed as quasi-public goods in an area where the private sector could not be expected to do the job. By contrast, support for government parastatals in agriculture and manufacturing, such as marketing boards, fertilizer distribution organizations, etc., were a "no-no." And while McPherson was very strong on the private sector, he also carried with him a very strong ethical commitment to helping the poor in developing countries (even though he often thought the private sector could do this job better than the public sector). Finally, I think there was one other factor. There was some sensitivity in the Administration to criticisms that they were "hard-hearted" and ignoring the poor majority. One must also recall the fact that while it was a Republican Administration, the Democratic majority continued in Congress. Congress was, in fact, a main source of the criticisms. So, with McPherson pushing very strongly, the Administration, including Reagan, who gave his personal support to the initiative at some point, got on the Child Survival band wagon. They could and did say, "What are you talking about? We support this wonderful program focused on the poor, on children and mothers."

Q: You got a lot of support from Congress and more than you even asked for?

ERIKSSON: That's right. Another factor was that UNICEF, and Jim Grant who had become the head of UNICEF, were very effective on the Hill. In fact, this led to a "friendly competition" between UNICEF and USAID regarding support for child survival programs.

Q: Was there anything distinctive about the strategy you were involved in developing?

ERIKSSON: For me it was interesting because it was the first time I had gotten involved in developing a strategy that went beyond general policy by issuing operational guidance on criteria for Missions, and targets for Mission programs. For example, a group of some 25 countries was identified as "Child Survival Emphasis Countries." Missions were instructed to have a child survival emphasis in their programs because infant mortality rates were above 75 per thousand live births in this group of countries. In my experience, Washington had not done something like this before.

Q: But this was basically a program for mass immunizations?

ERIKSSON: Immunization was one of a half dozen components. Immunizations and oral rehydration were the two main components, but breast feeding, family planning, child nutrition, reducing acute respiratory infections and water and sanitation were also components.

Q: What about issues like financial viability and sustainability? This issue was not particularly prominent then?

ERIKSSON: There was some discussion but not much. That did turn out to be one of the major issues raised in a later CDIE evaluation, however.

Q: You mentioned family planning. Were you involved in the issues of population programs?

ERIKSSON: No, not very much, except for one issue. The "Mexico City Population Policy" had been adopted by the Administration while I was in PPC. This policy put some serious constraints on our ability to support family planning programs; in fact, no direct support could be given to governments which supported abortion, nor to indigenous NGOs that supported abortion. Since abortion is legal in this country, USAID could still provide support to the Planned Parenthood Federation, but the latter had to set up a water tight unit or subsidiary for its international programs so that they were completely separated from the domestic programs. I got involved because of a woman of Latin American origin from Louisiana, and with strong ties to her Congressional representatives, who was opposed not only to abortion but to all forms of artificial birth control. She got a fair amount of political support to try to force USAID to drop its support for artificial birth control and to provide support for the so-called rhythm or

"natural" method of birth control. She first met with me, and then we had several meetings with Dr. Brady. I remember one very tense discussion where, to his credit, Brady held his ground, and McPherson subsequently backed him up. While we ended up having to provide some support for R&D on the rhythm method, we did not back off from supporting the delivery of other forms of contraceptives nor from supporting research on other forms of contraception.

Q: What were your own views of what was going on; were you sympathetic with these more rigid standards or ...

ERIKSSON: No. I'm pretty liberal as far as support for family planning is concerned and certainly for any form of safe and effective contraception. I don't like coercion of the kind practiced in China. But I see the provision of safe and effective contraception as being one of the most important things that can be done to reduce the number of dangerous abortions that take place in the developing world, as well as to reduce high and unwanted fertility.

Q: Did you find yourself in a bit of a bind in this policy environment; did it make it difficult to ...?

ERIKSSON: Yes, sometimes. The discussions with this woman, for example, I found very uncomfortable. I was the first line of contact.

Q: Apart from that, did the Agency policy come out where you were comfortable with it?

ERIKSSON: No, not entirely. I give credit to McPherson and Brady because they and people like Duff Gillespie and Joe Spidel in the Population Office vigorously supported USAID's position and programs. I was not happy about the restrictions of the "Mexico City Policy," and about the cessation of US support for UNFPA. But given those constraints, I think the record of the McPherson administration was pretty good because over all, bilateral support for family planning was maintained.

Q: Were there other subject areas in which you were engaged in S&T position?

ERIKSSON: No, those are the main ones: health, agriculture, family planning, environment and somewhat in industrial research. But there was generally a view that the latter was an area that USAID should not get involved in.

Q: What was the view or policy related to USAID funding research at all? What kind of research? Did we support basic research or operational research?

ERIKSSON: USAID supported what was called "problem-oriented research," which included applied and operations research, as well as some basic research as long as it was directly related to a development problem. However, even that was "too basic" for some people. What was clearly ruled out was basic research just to expand the state of

knowledge. One program which Dr. Brady and others had supported very strongly ultimately became a "cropper." This was the malaria vaccine development program. It was controversial because people argued that USAID had no business supporting that kind of research even though malaria, one of the leading killers in the tropics, was a serious problem in the developing world. The argument was that the time frame was so long, and there were still so many hurdles to cross in developing an effective vaccine, that USAID should not get involved. Moreover, the US Army was putting a fair amount of resources into developing a malaria vaccine at the Walter Reed Army Medical Research Institute. At one point there was actual competition going on between USAID-funded researchers at New York University and researchers at the Walter Reed Institute. I remember a press conference where McPherson and Brady were to announce some new development at New York University and the Walter Reed people were there criticizing it, saying it doesn't hold up and so on. Subsequently, after I left the S&T Bureau, the USAID manager of the malaria vaccine project was accused of misappropriation of funds, and USAID support was terminated. All of this reinforced the critics.

Q: How did USAID decide on what it should put its money into in research?

ERIKSSON: Various review processes have been employed over the years, drawing on expert knowledge of the subject areas from both within and outside the agency. Other influences have included pressures from universities and the Congress. For example, I was sharply rebuked by the Legislative Assistant to Senator Daniel Inouye of Hawaii, who was then Chairman of the Foreign Operations Subcommittee of the Senate Appropriations Committee, for even suggesting that continued USAID support for research on "milkfish" at the Oceanic Institute in Hawaii was not a priority for USAID. I was quickly instructed by the USAID Legislative Office that continued S&T Bureau support to the Oceanic Institute was a "price for staying in business."

Q: Were you involved in BIFAD (Board for International Food and Agricultural Development)?

ERIKSSON: Yes. They had a process, in which USAID participated, to establish research priorities and select the "CRISPs" (the Collaborative Research Support Programs) , which focused on different commodities or soil, water and related agricultural research problems. They tried to identify subjects not yet receiving attention from the International Agricultural Research Centers, which were also supported from the S&T Bureau budget. While I was in the S&T job, I attended several Board Meetings of these Centers, including "CIAT" (International Center for Tropical Agriculture) in Colombia, "IITA" (International Institute for Tropical Agriculture) in Nigeria, and "ILCA" (International Livestock Center for Africa) in Ethiopia. I came away with a great deal of respect for these centers and the systematic way they went about establishing research priorities.

Also, Dr. Brady was in constant contact with his R&D administrator colleagues in related organizations and thought he had a good sense of what were important and researchable

problems. Brady also used the mechanism of the S&T sector councils within the agency to help in setting priorities.

Q: Was there a research advisory committee in those days?

ERIKSSON: Yes. There was an external "Research Advisory Committee" (RAC) that reviewed support for research from the S&T Bureau, but did not look very much into research supported by field missions, or how well centrally-funded research programs from the S&T Bureau related to operational programs in the field. Nor did it get very much into the issue of the appropriate balance between sectors. It got more involved in intra-sectoral research priorities, i.e., what kinds of research should be done within, say, agriculture, or health.

Q: What do you mean by kinds of research?

ERIKSSON: For example, whether biotechnology techniques should be employed in agricultural or health research as opposed to other kinds of research approaches. We had people like D.H. Henderson from John Hopkins University, Vern Ruttan from the University of Minnesota, some excellent people. But that was an external body that interacted with the S&T Bureau and other USAID staff. The Atwood Administration has abolished the RAC and replaced it with an internal Research Council chaired by Carol Lancaster, Deputy Administrator, and including the AAs and DAAs of the different bureaus. They are attempting to establish a priority setting process for research for the entire Agency, including in the field, as well as trying to tackle the inter-sectoral allocation problem.

Q: Nobody from the outside?

ERIKSSON: Nobody from the outside. They invite people in from the outside on occasion but not regular external advisors.

Q: That's interesting. Are there other dimensions of your work in ... How did you sense the environment in USAID in those days?

ERIKSSON: There were some views that Brady had too much influence on McPherson and that excessive scarce resources were going to R&D programs. Yet, overall, I think morale was relatively high in the Agency then. One factor was that .. at the same time that there was a high emphasis on research and getting out the new policies..there was the so-called "Decentralization Initiative," which gave field missions even more autonomy than they had previously had. Len Yaeger, the S&T Deputy for Field Support, played a central role in leading this initiative. It gave Mission Directors the authority, once a strategy had been approved by Washington, to approve preliminary Project Identification Documents (PIDs) and final Project Papers in the field without going back to Washington - unless Washington had said at the time of country assistance strategy review that there

was a controversial issue in a certain area they wanted to review again at the time of project approval.

Q: But prior to McPherson's time all approvals or most all went up to the Administrator; is that correct?

ERIKSSON: Yes. All Project Papers went to the Assistant Administrator and those above a certain amount went to the Administrator for authorization.

Q: But at the time when you were there, that was changed?

ERIKSSON: That was in the process of being changed during those years I was in the S&T Bureau. And I think most people in the Foreign Service saw that as a positive development.

Q: What happened after that time in S&T; you finished up in 1985?

Assignment as Mission Director in Thailand

ERIKSSON: I finished in PPC at the end of 1982; and finished in the S&T Bureau the end of 1985. I expressed an interest in going overseas and was approached by the AA and DAA for the Asia Bureau about going to Thailand as Mission Director. They thought that because of the new "flagship" project being developed for the Thailand program, "S&T for Development," I would be a good choice. In fact, a year earlier I had made a TDY to Thailand to help in the development of the new project. So, I knew something about the project, the USAID program and the country. They also thought that my approach and my personality would be a good fit for the Thai cultural setting.

Q: Why is that?

ERIKSSON: Because my management and personal styles were seen to be compatible with Thai culture: basically soft-spoken and non-confrontational, approaching issues in a relatively indirect manner. My family discussed the proposal, and the reaction was uniformly positive. We left for Bangkok in early January 1986 and returned four and half years later, in August 1990.

Q: What was the main thrust of what you were trying to do with the USAID program in Thailand? What was the setting in which you were working?

ERIKSSON: The setting was a program that had a long history; starting in the early ‘50s. In fact, while I was there, the third cycle or anniversary of the program was celebrated - cycles of twelve are important in Thai and Chinese cultures. In the fall of 1987 a reception in honor of USAID was hosted by the Prime Minister in Government House; a grand occasion. It illustrates the significance of the program over the years in Thailand; the high mutual regard between Thais and Americans.

When I arrived in Thailand, the program was already in transition, emphasizing what the former Director Bob Halligan had called "Emerging Problems of Development;" namely, second and third generation development problems, such as science and technology; private sector deepening into areas like manufacturing associations and financial markets; and natural resources and environment. Projects in these areas became in fact the core of our program. Other projects in health, family planning and agriculture and irrigation were all wound down and completed while I was there. Both program and US Direct Hire staff levels also came down.

In terms what was happening in the country as a whole, the early ‘80s had not been so good for Thailand: economic growth had slowed down although there are many countries in the world which envied that "slow" growth in Thailand, about 3 per cent a year. However, in the latter half of the ‘80s, growth accelerated to as high as 11 per cent a year. One of my major efforts was to try to develop a sound "transition" program ... not only an advanced developed country program....but a transition to Thailand's becoming a "graduate" country , graduating from economic assistance. I had in mind a mutually endowed foundation, a joint foundation based on mutual contributions, mutual participation, mutual benefit, and mutual respect. This had been tried previously in a few countries, and had worked in some places but not in others. I had heard that USAID Mission Director Joel Bernstein tried to promote something like this in Korea but was not successful. The Joint Rural Reconstruction Commission in Taiwan had some of the characteristics I was looking for, as did the "Japanese-American Friendship Foundation." I organized some workshops in Thailand with outside experts to "brainstorm" a "graduate strategy" along these lines for Thailand. I explored the possibility of capturing the reflows from former loans that had been extended to Thailand, capturing the repayments back to the US to use as an endowment for a joint foundation. On one of my trips back to Washington, I met with the then Assistant Secretary for International Affairs for Treasury, Peter McPherson, to pursue this possibility. McPherson said, "Sorry, but no way." It is Treasury policy to use such repayments as contributions to the General Fund and any "recapture" would be counted as new obligations against the USAID budget. Another factor was continuing changes in Embassy and Washington leadership. During my almost five years in Thailand, I reported to three different regional Assistant Administrators. The two earlier AA's were sympathetic to my approach (Charlie Greenleaf and Julia Chang Bloch) but the later one (Carol Adelman) was not. She had her own ideas and dispatched her special assistant to Thailand to develop a different approach that would rely much more heavily on the private sector and rely exclusively on private sector-to-private sector cooperation. I also served under two Ambassadors, one of whom was sympathetic to my approach, and the other, with the later tenure, much less so.

Q: Who was that?

ERIKSSON: Daniel O'Donahue. He did not want to hear of any plans involving the phase-out of the aid program. O'Donahue envisioned an aid program along traditional lines continuing for the foreseeable future.

Q: He was a career ambassador?

ERIKSSON: Yes. To make a long story short, the whole issue of a mechanism that would involve a decent transition to graduation was left up in the air when I left in 1990. I understand that within the last year or so, mainly due to the efforts of the Asia Foundation Representative in Bangkok, Dick Blue (a former USAID officer and Director of the PPC Evaluation Office in an earlier era), a joint "partnership fund" has been set up between the US and Thailand, with modest foundation and private sector funding. So, it looks like something of the idea I had in mind will survive. In the meantime, Thailand was among the twenty or so USAID country programs that the Administrator announced last year would be phased out.

Q: What are the characteristics of a graduate country? You were proposing that aid be terminated because ... what was this condition ... how do you reach a graduation level as a country?

ERIKSSON: There are a variety of indicators. First, there is per capita income, which in Thailand was going above $1000 a year while I was there; now it is around $1800 and grown very rapidly. Population growth has declined to about 1.5 per cent a year. One of the great USAID "success stories" in Thailand was the voluntary family planning program where the US made a very critical contribution; one of the major contributions in my view to sustained Thai development. But beyond these, I think another important criterion for "graduation" is the capacity of the country to raise resources itself, including on the private capital market; and Thailand's capability to do that expanded very rapidly during the late 80's.

Q: What about its human resources ; that's often a condition of capacity.

ERIKSSON: Yes, Thailand scores fairly well in this category, although there is one weak spot. The record in basic education is very impressive; primary school enrollment ratios for men and women are above 95 percent. However, there is a significant drop at the secondary level and as compared with other countries in the region. Korea is much higher, and even the Philippines and Indonesia have as high, or higher, secondary enrollment ratios than Thailand. Nonetheless, my view is that the Thai Government ought to be able to tackle this problem, to mobilize the necessary resources and get on with it.

Q: We were involved in some special regional initiatives up in the north, is that right? Was that going on while you were there? Why were we involved in that and what was the result?

ERIKSSON: This would be in the Northeast Region of Thailand . There is a long history of efforts to develop the Northeast. It continues to be, and probably always will be, the poorest region in the country; it is also the largest in terms of area and population, accounting for about a third of each. The agronomic conditions for productive agriculture

are very limited in the Northeast. Yet in the early years of the USAID program, especially in the '60s and '70s, there was a lot of emphasis by the government on trying to develop the Northeast, and with considerable US support. This support was justified partly on equity grounds, but more importantly for geopolitical reasons because of the region's proximity to Indochina. A lot of USAID resources went into a massive road construction program in the Northeast, as well as into small scale irrigation projects; dry land rainfed agriculture projects; malaria control; and water supply and sanitation projects. The last vestiges of all these programs were phased out during my tenure. Some people argued that we should remain in Thailand to contribute to poverty oriented programs in the Northeast, similar to the argument that the US should have remained in poverty-stricken Northeast Brazil. But the counter argument is that the country has the resources to deal in the most effective way with the Northeast on its own - with a combination of programs in the region and letting migration take place out of the Northeast into more dynamic parts of the country.

Q: And the other programs you were phasing out...family planning and so on... had done their jobs?

ERIKSSON: In the case of family planning, no question about it. The malaria control program was also phased out while I was there; I think it had basically it had done its job.

Q: Done its job meaning?

ERIKSSON: The virtual elimination of malaria throughout the country except in some remote border areas in the west bordering Burma; they were inaccessible because of malaria coming across the border; and to some extent some parts of the Cambodian border, but again because of endemic malaria on the other side of the border.

Q: I had the impression but you can correct it that the USAID program in Thailand benefited from being able to be a continuous process without being interrupted like it has been in other countries where it was terminated and started up again... Is that right?

ERIKSSON: Yes, I think that is a factor, although relations did become quite strained immediately after the Vietnam War , and the USAID program dipped quite precipitously in 1976-77 - down to somewhere between $5-10 million a year. But it never got zeroed out completely, and the USAID Mission and the large FSN staff never got eliminated. By the late 70's, the program was growing again, partly because of the recognition that the geopolitical problems and refugee issues were still there; Indochina was still unstable; the Cambodian tragedy was already occurring, etc. So getting back to your question, yes, I think the fact that it was continuous is an important factor. I think another factor was that the basic economic policy framework in Thailand from the early '50s to the present, has been quite good: prudent macro-economic policies; a certain amount of freedom to the private sector; not too much in the way of distortions; fairly strong emphasis on physical infrastructure and on human resource development, at least up through the primary level.

All of those factors meant that the assistance we provided, which was never massive, certainly not massive compared to some places...

Q: What was the highest level?

ERIKSSON: The highest level was around $40-50 million a year. Over a forty year period, the total amount of US assistance to Thailand was roughly $1.0 billion, but if you divide that by forty, the average is $25 million a year. Given a relatively proficient public administration and sensible enabling environment, well-targeted, but modest, foreign assistance made significant catalytic contributions to Thai development. However, some of our rural development and decentralization efforts didn't accomplish much because the Thai Government wasn't about to really decentralize government and give autonomy to the provinces. So we cannot say that the entire program was great. But some efforts were critical: namely, support for family planning; malaria control; and support to other development-related institutions and for some physical infrastructure. I would also emphasize the importance over the years of the USAID Participant Training Program in Thailand. One analyst found that about sixty percent of the 450 most senior officials in the Thai Government had been the recipients of USAID Participant Training Grants. This group includes Provincial Governors, Permanent Secretaries, and Directors-General of Departments. I believe that kind of assistance, relatively modest in financial terms, in a decent enabling environment, had a profound impact on Thai development. It also paid major dividends in terms of Thai-US relations. A lot of what I am saying is I think expressed very well in a volume supported by both the USAID Mission and Washington. The author, Bob Muscat, former USAID Chief Economist, was, during my stay in Thailand, a senior advisor with the Thai National Economic and Social Development Board. Muscat's book was published by Columbia University Press in 1990 under the title, The US and Thailand: Development, Security and Foreign Aid.

Q: So this is part of our success stories over the long term?

ERIKSSON: I would say so.

Q: And there are other institutions we contributed to; I remember references to the Agricultural University project way back which we helped to create.

ERIKSSON: Yes, USAID support was instrumental in establishing Kasetsart University , the agricultural university. We also helped to create the National Development Administration Institute with a ten year grant (you know we don't give many of these any more!), involving 50-60 faculty from the University of Indiana . We also built the Medical School at Chang Mai University in Northern Thailand, with technical assistance provided by the University of Illinois. There are other examples.

Q: Are there other dimensions to that story and on your particular role on what you were trying to do, apart from the phase out of the program?

ERIKSSON: Yes there is one; it is a note of human interest related to development - human interest in the nature of governance in Thailand and the role of the monarchy . It is a fairly activist royal family; they are committed to the progress of the country and are revered by the populace. One daughter is very close to the King and to the people; the only son is the crown prince. The youngest daughter is a scientist who has a Ph.D. in inorganic chemistry. Because of the prominence of our program in the science and technology field, she became aware of USAID, and I was invited to meet with her on several occasions. The King learned about US expertise in an area of great interest to him: artificial weather modification through cloud seeding . In fact, his cousin got a degree in agriculture at the University of Maryland and had established a "Royal Rainmaking Institute" in the Ministry of Agriculture. But the Institute had not been very successful and the King, through the staff of this Institute, learned about the US expertise. A request for assistance emerged from this interest, which we were able to support from our "Emerging Problems of Development Project." We brought out a Bureau of Reclamation scientist from Denver, Dr. Bernard Silverman, who is the leading US expert in the field of weather modification. The King requested an audience with Silverman, to which I was invited. The audience lasted over two hours. The first hour the King spoke non-stop about his experience with weather modification, and the next hour was basically a dialogue between Dr. Silverman and the King about various aspects of weather modification, and what needed to be done to make the Rainmaking Institute a more scientific and rigorous operation. The next couple of years we provided modest technical assistance, stopping short of providing things like aircraft that were prohibited by a ruling of the US National Security Council (and which we could not afford in any event).

Q: So you did meet with the King and Queen on various USAID program matters?

ERIKSSON: Yes.

Q: And he was personally very interested? Any issues that you had?

ERIKSSON: Yes, there was one. The scientist Princess was interested in our support, including equipment and construction, for a new research institute being built under her sponsorship. But we were in no position to do that. That led to some strains and stresses in USAID's relationship with at least this member of the royal family.

Q: How did you find working with the Thai people generally in the government?

ERIKSSON: On the whole, I liked it very much. My relationships were warm, cordial and professional. But there is an "art" to working with Thais. A soft-spoken style <u>is</u> appreciated. There was some unhappiness on the part of the Thais that we were not more forthcoming at the beginning about our ideas for transition and graduation. They learned about them a bit after the fact, and that led to some strains and stresses in working relationships. Our original approach was not to let them know, not to have them get upset. But things like that do get out; they felt hurt that they were not involved earlier on. One of their reasons for being upset was that they didn't see themselves being a candidate for

"graduation." There was also some concern on their part that our strategy would lead the Japanese to scale back their much larger assistance.

Q: Did you find in discussing new project ideas or development ideas that most of the initiative came from your side or were they pushing you all the time with new ideas or concepts?

ERIKSSON: I would say it was both. We certainly initiated our own ideas and were not afraid to raise policy issues, which the Japanese resisted doing.

Q: And by and large they were reasonably responsive to these ideas? Open to a good dialogue?

ERIKSSON: Yes, although you sometimes had to approach policy dialogue gingerly. But you could usually find someone who was prepared to talk with you. However, getting something actually done or changed could take time and you did learn that some issues were just "dead in the water." In a couple of cases, I decided to terminate projects, one of them, a decentralization project. We mutually agreed to a deobligation, recognizing, with "no hard feelings" that we saw things differently.

Q: How about relationships with the Embassy, apart from your comments about the Ambassadors?

ERIKSSON: Basically pretty good. There was a little tension with the economic section while I was there because of the trade issues that surfaced between the US and Thailand, first with respect to rice and later regarding intellectual property (copyrights, patents, software, etc.).

Q: What about the environment within the USAID community..the Mission... and the people you had working with you?

ERIKSSON: On the whole, good. I had for the most part first-rate people working for me. Sure, there were some personnel problems, but nothing I would classify as "disasters." I would also like to note that we had some truly outstanding Thai FSN professional staff. Professionals who could match the best US officers. As our US Direct Hire staffing levels came down, we assigned full project management responsibilities to several of our Thai FSN staff members.

We also had some lovely times with staff, including a couple organized bus trips with FSN staff to different parts of the country. It was at times like these that the marvelous Thai sense of humor really came through - which is encapsulated by the Thai word for "fun" - "sanuk!" And all staff -US and FSN- really "came through" during critical periods, such as, our emergency assistance response to deadly floods in Southern Thailand, relatively frequent "CODELs" (visits to Thailand by US Congressional members), and a

visit by the Vice-President and Mrs. Quayle, when USAID was responsible for Mrs. Quayle's program (about which she was highly complimentary).

Q: You can flesh out the Thailand experience further if you wish. After Thailand what was your next assignment?

A new role as the USAID Director of the Center for Development Information and Evaluation

ERIKSSON: My next assignment was back in Washington after having completed two tours in Thailand. I think we were ready to come back then. Our son had graduated from high school and my wife was already thinking about other things she wanted to be doing. PPC recruited me once again, this time to the job of Director of the Center for Development Information and Evaluation (CDIE), a prospect I found quite appealing. As soon as I got back I learned that several people in the office had been hard at work putting together a proposal for an "Administrator's Evaluation Initiative." Waiting for me was a draft proposal which called for more than a doubling (from 10 to 15) of the evaluation part of CDIE, as well as embarking on some new activities: creating an Agency program performance measurement system and undertaking systemic evaluations of management and operational issues. I got involved in time to make my own input to the proposal and to present it to the Administrator's Senior Staff, who approved it. The Administrator issued a worldwide notice and cable at the end of October 1990, and we were off and running.

The first couple of years were pretty much consumed in writing organizational statements, functional statements, position descriptions and trying to get them approved. There were some significant programmatic accomplishments. The program performance measurement system got well underway the first few years, including a felicitous acronym for the system: "PRISM" (Program Performance Information for Strategic Management) . The idea was a "prism:" a system with several components that in the first instance would be "bottom-up" in that objectives and performance measures would be developed at the field Mission level, and then be aggregated to tell a world-wide picture, which could lead to shifts in policies or resources by agency senior management. On the Program and Operations Assessment side, however,...

Q: Before you go into that: on the PRISM business, how is that different from what was there before; was this a major change?

ERIKSSON: Let me try to explain that. In one way it <u>was</u> a major change. It actually grew out of earlier work in CDIE that started in the late ‘80s. A series of CDIE field visits to selected Missions got CDIE involved, not just in evaluations, but in strategic planning. These Mission Directors were asking what kind of impact were Missions making in terms of doing something that was significant for development? This led to CDIE sending out several teams to places like India, Indonesia and couple of countries. The basic logic is that of the "logframe" or "Logical Framework Matrix." What is different about it is that it

goes to a higher level than just the project; it's at the program and overall Mission program level plus the notion that with limited resources, the Mission should seek to identify no more than two or three, or with a very large program like Egypt four or five, "Strategic Objectives" for its entire program. A "Strategic Objective" is defined as an objective which if accomplished, the Mission will think it significant in terms of country development; yet the Mission is also prepared to take a "manageable interest" in the Strategic Objective. In other words, not total control, but some control and influence; so that the Mission can claim with some credibility that its resources and efforts in policy dialogue made a difference. There may be other donors involved and, of course, the country itself contributes resources, but the Mission must believe that at the Strategic Objective level its resources and efforts can make a developmental difference. The resources might be several projects or only one project. They could also be PL 480 Food Aid, commodity imports, research studies, or the day-to-day policy dialogue conducted by the Mission Director and other Mission staff.

Q: What was the country's role in this process or was it strictly a Mission phenomenon?

ERIKSSON: That's an interesting point. The Mission that did the best job with PRISM brought the country into the process. However, that takes an investment of effort, and it can take more time because of the backings and forthings. Also host country counterparts may have different ideas from the Mission. Some Mission Directors were impatient with that; they didn't see its usefulness as a management tool for the Mission itself, but instead saw it as a Washington-imposed requirement. In these cases, PRISM became exclusively a Mission exercise. If, on the other hand, the government had bought into PRISM, then the Mission had a strong rationale for turning down proposals that were not consistent with the agreed strategy. We have examples of Missions that have used PRISM that way, as well as to more sharply focus their program. In USAID Kenya , for example, they decided that given their resource limitations and the nature of the country's problems, they had been trying to do too much, to cover too many bases. So they made a decision to phase out their support for education and human resources. That's not to say that in Kenya human resource development is not a continuing priority for the government or the country, but that this is an area that will be supported by other donors and/or the government, and that USAID will concentrate on small enterprise, agriculture, and family planning, the three Strategic Objectives that the Kenya Mission selected.

Q: But did this mean that Missions had a free hand to come up with whatever objectives they wanted or how did they relate to what USAID was concerned about and Congress?

ERIKSSON: That's a subsequent chapter. In comes the Clinton Administration.

Q: But this was not an issue at the time...?

ERIKSSON: While Missions were not operating in a total policy vacuum, there was not strong and sustained policy leadership, for a variety of reasons, during the six-year period between the administrations of Peter McPherson and Brian Atwood. Our view in CDIE

was that while it was important for PRISM to get started as a bottom up proposition in order to get Mission ownership of it, it would also be important for top management in Washington to see what was coming out of it and make any adjustments if they wanted to. That never happened during the Roskens administration ; partly because of turmoil in the administration and partly because the PRISM system wasn't yet generating the kinds of worldwide results that would enable senior management to use PRISM as a decision tool. But we felt it was important that the initiative start from the bottom, rather than from the top down because previous attempts in USAID at implementing performance information systems tended to fall of their own dead weight; because they were imposed from the top; something that Missions didn't "own;" something they didn't see useful as a management tool for themselves.

Q: But you are talking about aggregating it; how can you aggregate something that didn't have any commonality?

ERIKSSON: A serious issue. This really came to a head during the Atwood Administration because both Atwood and Lancaster seized on PRISM as a way to better convince Congress about USAID's performance. In some ways USAID was "ahead of the curve" as far as the rest of the US Government is concerned. Why do I say that? Because of two events: first, the National Performance Review (NPR) under Vice-President Gore in 1992-93, which stressed measuring performance outcomes not outputs or inputs; and second, the passage in August 1993 of the Government Performance and Results Act (GPRA) , co-sponsored by Senators Glenn and Roth. The Administration embraced the 1993 GPRA, seeing its points of tangency with the NPR. The GPRA calls for all US federal government agencies to do strategic planning and to set out strategic objectives and measurable performance indicators against those objectives. It reads almost like a PRISM script; it is to be implemented over a five-year period. Those agencies that by 1998 or 1999 are judged to be doing a good job of strategic planning, including performance measurement, will get greater flexibility from OMB to move their budgetary resources across line items in order to accomplish objectives. However, this poses a major challenge for programs as diverse as USAID's. The challenge is precisely that of adding up, or aggregating across very diverse country programs and objectives. Over the last two years the Administration has become really concerned about this problem. There was major, "watershed" debate in this regard among the senior staff about a year ago: had it gone one way, it would have kissed the PRISM system "good bye" because it would have meant giving up country programming by relatively autonomous USAID Missions by imposing program targets from the top. There were some people who thought that every Mission should be required to have a strategic objective in each of the four or five Agency-wide goal areas (Population, Environment, Economic Growth, Democracy, Humanitarian Assistance); whereas there were others of us who argued that this was silly, that Missions ought to analyze their country in terms of the five objectives, but then select those for programming where it made sense in terms of what USAID could contribute, along with other donors and the host country.

Q: They had to stay within the five?

ERIKSSON: Yes, although they are pretty broad. So, that is more or less where things stand now.

I forgot to mention that the "Evaluation Initiative" also called for an Annual Program Performance Report, something called for by the GPRA, but which USAID had never done before. Three such reports have now been prepared by CDIE, with the current report being the most ambitious. The current report attempts to paint a picture drawing on several sources, not just what is coming out of PRISM, but also from both CDIE and Mission evaluations. And then telling what steps have been taken as a result of that information. Regarding this last point, CDIE sponsored a conference a year and half ago on PRISM, which included participants from the Hill. I'll never forget one of the Committee staffers, George Ingram, from the House International Relations Committee, who said: "You know these numbers on program performance are all very nice, but that alone will not do it; first of all, members of Congress like a brief, compelling narrative story and secondly, you are not going to be credible if all you are feeding them is success stories; they also want to hear what your failures are, how your system has detected those failures and what you have done in response to those failures, how you've changed things." That's what CDIE tried to provide in this year's Annual Report.

Q: I guess we have a good flavor of your views of PRISM. If you want to add more later.. Let's move over to the operations.

ERIKSSON: Program and Operations Assessments . That had its own share of accomplishments and frustrations. The satisfactions relate to some of the work that was completed: evaluations on USAID's experience with support for export and investment promotion programs; with support for rule of law and administration of justice programs; and with support for child survival programs.

In the area of operations and management issues we took a systematic look at USAID's in-country presence . It has long been an article of faith that country presence is one of our comparative advantages, and yet it is quite expensive; it costs a lot to put a resident direct hire person overseas. The evaluation sought to answer what the essence of this advantage is, and what steps might be taken to make it more cost effective. It was an interesting process, involving sending teams of 4-5 people to eight countries. Two former Mission Directors, John Koehring and Peter Askin, headed the teams. The basic conclusion was that the core benefit derived from our overseas presence is in the programmatic and policy area, in the day-to-day policy dialogue we conduct with counterparts on substantive issues. The evaluation also concluded that as far as other functions are concerned, they should be performed in less costly ways than by using resident US direct-hire staff. The positions identified included those of executive officer, legal officer, contract officer, and even program officer. The basic proposal was to have a core US Direct-hire Mission consisting of a principal officer plus one officer with a substantive background as well as knowledge of USAID regulations and procedures for each strategic objective in the Mission's strategic plan. Other functions would be

performed electronically through faxes and E-mail and/or by periodic TDYs from regional support offices or Washington, and by greater use of FSN staff, and contracted local hire staff.

Q: What happened to the recommendation?

ERIKSSON: We had several meetings with the senior staff, and I presented the findings to Brian Atwood when he was still Assistant Secretary of State for Management. Some of the evaluation's recommendations are now being implemented under the various agency "re-engineering" efforts.

Q: Earlier you talked about your role in defining the child survival strategy and then you had a role in evaluating it. Apart from the tensions that may have been created, given your previous relationship to the subject, you said it was controversial. What was that about?

ERIKSSON: Right. I thought it was an interesting and well done study, but I'll tell you why it was controversial. Overall, it was quite positive about what had been accomplished in the program. It followed CDIE's usual approach of six country case studies and then a synthesis. It was most positive about what had been achieved through support for immunizations; less so for oral rehydration therapy, pointing out several instances where the rate of use of oral rehydration had not gone up according to targets; the one major exception being Egypt, where the record was pretty good. The study identified lack of attention to education of mothers and promotional campaigns as being one of the factors that was missing in programs that were less successful. The Health Office really took umbrage at that. They were critical of our choice of countries for the case studies; they argued that had CDIE chosen other countries, a somewhat different picture would have emerged.

Q: Which six countries did you pick?

ERIKSSON: Bolivia, Egypt, Haiti, Indonesia, Malawi and Morocco. In the case of immunizations and oral rehydration therapy , we also had worldwide data although the Health Office claimed there was a bias in these data as well. Another controversial point was on acute respiratory infections (ARI) , which have in recent years become quite a serious problem in developing countries. Tuberculosis and pneumonia are major killers of children. The evaluation stated that the record of USAID success in this latter area has not been very good; it is an inherently difficult area and it involves finding a cost effective approach to case management. There is no "magic bullet," as in the case of immunizations and oral rehydration therapy. We were challenged on this conclusion by a new Atwood-recruited health expert, who claimed great success in reducing ARI in a corner of Nepal.

In retrospect, I think we could have managed the "vetting" of the evaluation better than we did; we should have followed the approach we pursued with the "Rule of Law"

evaluation, where we held one or two large workshops and invited USAID and outside participants to comment on the draft synthesis. We let them all "say their piece" on the draft synthesis. Then it was still up to us to decide what to include or not. That's critical to the credibility of an evaluation; you get comments, but there is no clearance process as far as the substance of the evaluation is concerned.

Q: Did you have an external panel to review the design of the Child Survival evaluation?

ERIKSSON: I wish we had. In fact, the "Evaluation Initiative" called for an External Review Panel for each of the major evaluations that CDIE undertook; the panel was to consist of three outside experts who had not previously consulted on the projects being evaluated. They would first review the research design paper for the evaluation before it was undertaken and then review a draft of the synthesis. Although we had a couple outside experts review the Synthesis draft of the Child Survival evaluation, the design and most of the country case studies had been completed before the new External Review Panel system was in place.

Q: The other area you talked about was the rule of law; you may not want to elaborate on that now but the question is: did the Agency accept any of these evaluations and did you feel that they had any impact on operations? You mentioned that some in the first instance.

ERIKSSON: It's a mixed bag. The Child Survival evaluation had most of its impact through the country case studies. By the time the synthesis came out, the Health Office argued they were already doing what the evaluation had recommended. They told Atwood that the evaluation was "too late." Atwood remembered that comment and quoted it several times when the subject of CDIE arose.

Q: Is that true?

ERIKSSON: There is some truth in the observation. CDIE during my watch was very slow in getting evaluations out - although in the last year or so I think the record has been improving. But we tried to be serious about rigor, and there is a trade-off between timeliness and rigor. However, in the case of the Child Survival evaluation, the Health Office was seeing things pretty much from the perspective of the projects managed by that office, rather than from the perspective of the Missions, and their health programs. For example, while the Health Office has recently developed a project financial sustainability issues, none of the Mission programs that CDIE evaluated adequately addressed this set of issues.

Another major question arises: how much responsibility does the evaluation office have for its findings being utilized? I think it has some responsibility; it has to identify topics that are of interest and relevant to management; it has to do quality work; it has to caste its recommendations in actionable form. But then at some point, some one else has to pick up the ball.

Q: But did the evaluation process have specific recommendations that the Agency had to respond to?

ERIKSSON: We tried to make sure that recommendations were "actionable," but what do you mean by recommendations that the Agency "had to respond to"? Historically, CDIE has depended on a "soft" approach, hoping that widespread dissemination of its evaluations would lead to voluntary adoption of the "lessons learned" and recommendations of its evaluations. One of the exceptions was the export promotion evaluation. And here it was not CDIE, but the "AA for Operations" in the Roskens Administration, Scott Spangler, who ordered a portfolio review of Bureau projects to ensure they were consistent with the recommendations of the CDIE evaluation. Unfortunately, this process got stopped in its tracks by the transition to the new Administration.

Q: So the whole question of implementing evaluation findings is...?

ERIKSSON: It's murky. In fact, it depends on how different administrations and personalities are prepared to address that issue. I thought the recent model represented by the interaction between Gary Hansen in CDIE and Larry Garber, Atwood's Senior Policy Advisor on Democracy in PPC, on the "Rule of Law" evaluation was one that should be emulated in the other areas. In this case, Larry picked up the ball and has been developing guidance for the field that draws heavily from the evaluation.

Q: Do you have some more thoughts on the evaluation topic?

ERIKSSON: Just a couple. The way you put your last question: did the Agency "have" to respond to evaluation recommendations? CDIE and PPC have talked about asking for a report every six months from the operating bureaus on how they have implemented CDIE evaluation recommendations. But, as of my retirement, no action had been taken along these lines. There is an organizational "culture" in USAID that mitigates against this approach. I wonder if, in the current dismal political environment for foreign assistance, we can afford such an attitude any longer. If such an approach were to be adopted, however, CDIE would probably be viewed more like the "IG" (the Office of the Inspector General), which does ask for a report within a certain time frame on implementation of their recommendations. I know that some CDIE staff, who prefer the "softer" approach, would not be happy with the IG approach. But I know of several other donors -the World Bank, CIDA and the Asian Development Bank- that follow the latter approach.

Q: We can come back to that in another way, but USAID had a very decentralized evaluation system in the sense that what CDIE did was expost or special studies. What was your relationship to the rest of the evaluation system of the Agency?

ERIKSSON: CDIE has had the job of overseeing the evaluation system of the Agency as a whole and in some sense providing quality control. Its responsibility is to prepare the

Evaluation Guidance for the Agency's Project Handbook. This is intended to guide project evaluations undertaken by missions during project implementation, or at the end of a project. The guidance was last issued in 1989 and is now in the process of being revised by CDIE. It has also been proposed that CDIE ask Missions to do evaluations for a given year only on certain types of projects, such as environment projects, and that they follow a common scope of work and methodology for the questions to be addressed.

Q: These are on-going projects?

ERIKSSON: Yes, on-going projects as well as end-of-project evaluations. This approach could be quite powerful because the results of evaluations all employing a common methodology should provide a much better basis for drawing generalizations in a synthesis report than trying to generalize from the current, very decentralized system. The problem with the current system is that it is almost impossible to generalize from Mission evaluations when there is a wide range of methodologies and types of questions being asked among Missions, even for projects in the same sector. In fact, roughly every two years CDIE has attempted to do a synthesis of Mission project evaluations completed during the previous two years. It has not been possible to draw many generalizations from such efforts.

Q: The common problem is having a database of information that is reasonably consistent and compatible to be able to draw conclusions beyond projects; is that the issue?

ERIKSSON: Yes. The challenge is to be able to draw conclusions from project evaluations that will be of relevance and of interest to senior management. As I have already indicated, too often by the time CDIE evaluations get to senior management they are focusing on another problem. That is a perennial problem for evaluation offices in any agency.

Q: Let's turn a little bit now to one of the other dimensions of evaluation: the learning process and how you, not just with recommendations to senior management, but how you educate the Agency to what's new or what works.. How did CDIE see its role in that and what was the Development Information function from your point of view in that relationship?

ERIKSSON: One initiative responding to your question is a recently inaugurated "Evaluation Compendium" consisting of two-page summaries of key evaluation findings and recommendations in each major subject or issue area. We have made this Compendium available in loose-leaf and electronic forms. About 25 of a planned total of 80 or 90 two-page summaries had been completed by the time I retired.

As far as CDIE's Development Information Division (DI) is concerned, we made a conscious effort to make DI an integral part of CDIE, contributing to the CDIE "Mission Statement:" to help make USAID a "learning organization;" "learning the lessons of its

experience." For example, for the last few years, as another part of the "Evaluation Initiative," CDIE has issued an annual "Evaluation Agenda," which describes all the evaluation products that CDIE plans to undertake over the next three years. This deliberately includes the "Issues Briefs" on newly emerging issues, such as AIDS and Intellectual Property Rights, that research information analysts in DI prepare. I do think that DI is a terrific resource and it is unusual; I'm not aware of any other donor that has anything quite like it. And as you know, it has several components: there is "Research and Reference Services," which provides in a pro-active, use- friendly way, answers to questions on project design and implementation originating from Washington and the field, drawing on their "Development Information System" of hard copies, micro-fiche and electronic databases.

Q: What does that suggest to you about USAID as a learning organization because the whole point of all this is to help improve the quality of program performance...?

ERIKSSON: It is very much a part of that. However, the CDIE concept has had its critics. The head of the USAID Management Bureau believes that DI should be moved out of CDIE and into the Global Bureau. After a lot of debate on his proposal to break up CDIE, which included deliberations by an External Review Panel I recruited to advise senior management on the issue, the Administrator has decided that the decision will be deferred, to be reviewed again by senior management after USAID makes its proposed physical relocation to the new building in the Federal Triangle area.

A reflection on 25 years in international development

Q: That is a good point to pause; at this stage in your review. Since CDIE was your last assignment in USAID.. maybe it would be useful now to think back, to reflect on the total experience of 25 years as to how you reviewed your work with USAID; what were the frustrations, problems with things that didn't go very well. And on the other hand, what you thought was significant and accomplished in what you were associated with; and what would be instructive for people to understand about foreign assistance if they were to sit down and read this and say what do I need to understand from somebody who has had such interesting roles in both policy and operations.

ERIKSSON: The public opinion polls show that USAID remains one of the most misunderstood programs in the country. People just don't appreciate what has been accomplished. I think part of the problem is that it's the failures and in some cases, temporary, transitory failures, that catch the attention of the media - and the public. And of course the disasters like Rwanda and Somalia, and the misstatements of groups like the Heritage Foundation that claim that foreign aid is pouring good money after bad. And of course, the gross misconception about the amount of resources that people think is being devoted to aid; the finding of a recent public opinion poll that 15 per cent of the Federal Budget is going for foreign aid, but that people also think that spending 3 per cent would be to o <u>little</u>, when we <u>actually</u> spend less than 1 per cent of budget on foreign aid.

Furthermore, there is little recognition of the progress that has been made in the developing world. There are some impressive statistics on the extent to which infant mortality in the developing world has gone down and the extent to which life expectancy has increased. Although it is hard to prove rigorously, I am convinced that US bilateral development assistance, and US contributions to multilateral agencies, have been essential to this progress.

Q: What would you classify.. how would you enumerate first some of the successes that you were associated with?

ERIKSSON: That's a very daunting question. One of the reasons is because I haven't had the breadth of field experience that many of my colleagues have had. It more difficult to point to those kinds of examples. I can point to some specific things country by country, but they are fairly micro in character. At a broader level, and as we have already discussed, I do believe I helped keep the "New Directions" legislative thrust from getting off on a tangent, off base by focusing exclusively on the "poorest of the poor." I take some credit for that.

Q: And you think that balance is still more or less there? Despite the winds of change and stresses and haulings to the left and right? Most of USAID's work remains in that philosophy?

ERIKSSON: Yes. There is a statement relevant to your question in the House Foreign Affairs Committee Report we have already discussed on implementation of the "New Directions" legislation. The statement reads:

> "AID therefore supports activities which directly benefit the poor majority or support, through assistance in planning and institution building, LDC agencies that deal directly with the problems of the poor majority. Almost invariably AID assistance would reach the poor majority not "directly" from US advisors working with villagers but through (a) public or private intermediary institutions, and (b) advice leading to change in LDC policies which, in several ways, might improve benefits to the poor (for example, policies which influence the availability of opportunities -including employment- and the supply and cost of basic good and services)." [p. 7, from source cited in full in fourth entry of the Bibliography at the end of this Oral History.]

Q: Did you write that?

ERIKSSON: Yes, I had a hand in it. Now, reading it 20 years later, I see very little that could be improved on in that statement.

Q: Let me bring out another point: you talked about your role in developing the first strategy statement for Child Survival. Obviously some of that work had been going on before in immunization programs, but would it be correct to say that the child survival

initiative in which you were involved in setting the strategy became a prime moving force in the whole question of immunizations for children around the world?

ERIKSSON: Yes I do. I think the fact that the US got energetically involved and exercised some leadership in this area was important to the program achieving world-wide significance and bringing along some of the other bilateral donors. Moreover, the US really led the way on promoting oral rehydration therapy as the most cost-effective treatment of deadly diarrheal diseases.

Q: The US was the largest source of funding for that program?

ERIKSSON: Possibly. Of course, UNICEF would argue that its entire program was directed to Child Survival. I don't recall how that compares with the Child Survival component of USAID's program. Perhaps at one point, the USAID component was larger.

Q: Some of UNICEF's funding came from the US?

ERIKSSON: Of course. If you count that, you could certainly say that the US was the largest contributor to Child Survival programs, world-wide.

Q: Are there other programs, other sectors that you feel you were associated with? What about the science and technology and development research dimensions?

ERIKSSON: One thing I tried to do in the S&T Bureau was to speak up for the importance of socio-economic research and the interplay between socio-economic research and bio-physical research.

Q: And in your earlier work you were involved in the whole equity issue and labor economics related to your earlier studies; and you were writing policies on those. Did you get a sense of how they were seen in the agency?

ERIKSSON: I would take some credit for promulgating concern and sensitivity to employment problems in developing countries during those first five years, both in USAID and in the donor community. I led several meetings on these themes at the OECD's Development Assistance Committee in Paris.

Q: What about the general feeling about working in USAID? What were the pluses and minuses of that?

ERIKSSON: I really believe that it has been a privilege to have devoted 25 years of my working life to USAID; to have served in the positions that I have; to have been in on the ground floor of some very significant initiatives like concern about employment and income distribution, child survival, the work on the New Directions; and to have been in countries like Sri Lanka and Thailand, each with their particular interest from a developmental point of view. And last, but not least, to have been associated with CDIE.

While all my assignments had their frustrations, they were also very exciting and satisfying experiences, particularly in working with first-rate colleagues.

Q: How would you characterize the working environment as might be compared with working for some other organization?

ERIKSSON: I would rate it very highly as compared with what I know of other organizations. The personnel of other USG agencies experience some of the same frustrations as USAID staff, including the frustrations involved in making transitions to new political leadership.

Q: Changing administrations?

ERIKSSON: Yes. New teams who want to do things their own way. Every government agency has to cope with that. On the other hand, I have the sense that while there is some "deadwood" among USAID staff, there is less than in many other federal agencies; that there has been a spirit of elan, dedication and excitement about the work among USAID staff that is missing from the many other agencies.

Q: Was it an atmosphere where people with ideas and creativity could operate or was it a deadening influence because of the frustrations?

ERIKSSON: I think that in spite of the frustrations it was an atmosphere where creativity and innovation have thrived. It is partly because of the nature of the people who have been attracted to USAID, partly because of USAID's decentralized nature and the degree of autonomy in the field missions, which also leads to an environment where creativity can flourish. This also happens to a certain extent in other federal agencies that have offices around the country. These impressions are inevitably subjective, but they also are consistent with those of other people with whom I have discussed this subject.

Q: Some people seem to suggest that the world in which USAID operates is so much more complex because of the cross cultural and political aspects than it is in any domestic program. Would you think that this is a more complex situation in which to operate?

ERIKSSON: Yes I do. It has got to be. Not to say that domestic programs don't encounter cultural diversity too; they certainly do. But I can't imagine they approach the kind of diversity that different USAID Mission are operating in. The other comparison you suggested in my mind is with the private sector. Here one has to make a distinction between the for-profit private sector and the not-for-profit private sector. In the for-profit private sector, the business sector, I have never seen a potentially satisfying career for me. The overriding imperative there is the bottom line: whatever turns a profit. Sure, I respond to monetary incentives, and I like to see a bonus coming in my pay check. But I have never seen that as being the overriding objective. Some people say that is too harsh, that there are corporations with a social ethic, environmental responsibility and so on. But

when push comes to shove, profit is overriding. However, I have sometimes wished I had worked for awhile in a non-profit foundation, such as Ford or Rockefeller.

Q: What about the private voluntary organization world?

ERIKSSON: Yes, a number of the PVOs have in recent years become quite professional and development-oriented. So a stint with CARE or one of the others could be quite satisfying.

Q: Any other overview comments at this point?

ERIKSSON: The field experience that one can get in an organization like USAID is terrific. There is nothing that can substitute for the perspective and understanding one can gain of a country; the host country relationships that one forms; even a new perspective on dealing with the State Department and Embassy.

Q: How would you compare your overseas experience in the USAID Foreign Service and being in the regular Foreign Service of the State Department?

ERIKSSON: For me I much prefer USAID.

Q: Why?

ERIKSSON: Because of its mission for development and being the development arm of the US Government. While being an Ambassador or DCM could be quite exciting, it could also require supporting some aspects of US policy in which I am not all that interested and perhaps with which I would disagree; trade policy, for example. Also, it seemed to me that a major part of the work of Embassy FSOs is reporting back to Washington. For me the intrinsic interest is the program responsibility, and through fulfilling that program responsibility, seeing development accomplishments in the country in which you are working.

I'm concerned now about the serious talk on the Hill of USAID being merged into the State Department, along with drastic budget cuts. I'm afraid that the kinds of advantages, the innovativeness that exists in USAID, the commitment of its people; some of this would be lost if the Agency were to be organically merged into the State Department and in its budget cut by 20 percent or more.

Q: What would be the major substantive loss, forget the organization for the moment, by cutting or reorganizing or whatever? What is at the heart of the process that you feel so important? How would you characterize that?

ERIKSSON: At the heart of it is having relative autonomy in a broad policy framework and sufficient resources to accomplish some meaningful development objectives in the host country. My concern would be how these changes would be implemented. For

example, if the merger is done in a way that permits "development" as a professional "cone" in the State Department Foreign Service and gives development officers in the field some autonomy, then there is a chance of preserving what I think is important.

Q: You said something about wanting to be sure to preserve; it wasn't clear what it is you are trying to preserve; apart from organizational structure or development specialists. What is at the core of what you are trying to preserve?

ERIKSSON: I could put it very simply: a bilateral assistance program that is consistent with a broad definition of US foreign policy.

Q: Why is it in the national interest to worry about development?

ERIKSSON: It gets back to national self- interest in one way or another. More prosperous countries make better customers. Democracy and governance are part and parcel of development. Democratic countries are by and large peaceful countries; it's hard to come up with an example of a democracy that has declared war on another democracy. More prosperous countries are better able to deal with challenges that have global dimensions, like the environment and AIDS.

Q: What have been the major factors that have inhibited USAID from being as successful as we all would have liked?

ERIKSSON: During the cold war we put resources into a country where we weren't making a difference and in fact our resources were helping the country misallocate resources.

Q: The political strategic factors figure in that?

ERIKSSON: Yes, they could be major factors.

I'd like to conclude by briefly expressing one regret: namely, that my field experience in USAID wasn't more extensive; in particular, I would have liked at least one posting in Africa where the needs are the greatest. Now, in retirement, I have some opportunity to at least partly redress the imbalance through consulting, which I am already starting to do through work at the African Development Bank in Abidjan, and through participation in a multi-donor evaluation of emergency assistance to Rwanda.

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End of interview