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ERIC CHETWYND

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INTERVIEW

Q: Today is May 7, 1999 and the interview is with Eric Chetwynd Jr. Eric, why don't you start off by giving us a thumbnail sketch of your career as it relates to AID, just very briefly.

Career overview

CHETWYND: Okay. Well, I first joined AID back in 1962 because of a compelling interest in Asia inspired by a book written about Indonesia by Arthur Goodfriend. Often times young people become inspired by these messianic missions that they have to complete and for me it was to do something in Indonesia. I became an Indonesia-file, so to speak, and joined AID in something called the Asia Intern Program, which had only three people. A guy by the name of Mike Birnbaum dreamt it up. I'll get back to that later because I want to talk about the human resources development initiatives that I was particularly impressed with over my 30 years in AID. Anyway, I joined the Agency in this intern program and went to Indonesia and Korea in the program field. I found that I was pushing papers while the technicians were having all the fun so I took a couple of years off and went to Duke University to get a Ph.D. in Economics and get on the technical side of the program. Then I came back to AID, and incidentally, one of those two years at Duke was sponsored by AID and the second by a Population Council Fellowship. I came back to AID to become one of a two-person staff called the Urban Development Staff, which was initiated by Dr. Joel Bernstein, Assistant Administrator for the Technical Assistance Bureau, because he felt that urban development had to be one of the leading issues in development for AID around the corner. It was to be pioneering work for the Agency. I was in that unit from 1970 to 1982. In 1973 the staff became an office Directed by Bill Miner and I became Deputy Director. In 1982 in the Reagan downsizing reorganization, part of that office was absorbed by the Office of

Housing, which became the Office of Housing and Urban Development. The bulk of it was transferred to the Office of Rural Development which then became the Office of Rural and Institutional Development in the Technical Assistance Bureau — a Global Bureau predecessor. I became Chief of a division there which had much of the portfolio of the old Office of Urban Development and soon thereafter became the Deputy Director of that Office, then headed by Chris Russell. When Chris left in 1987, I became the Director of that Office. In keeping with the turn of events in the development world, the office was converted to the Office of Economic and Institutional Development, which focused on policy reform, stabilization issues, and economic and democratic transformation, particularly in the Eastern European countries, Russia and the now independent countries of the former Soviet Union. The office managed as well our traditional natural resources and management programs and small and medium enterprise development in a Division headed by Mike Farbman, who Bill and I had recruited from Scotland to launch our micro-enterprise initiative in the Urban Development Office. Then, in 1992, I retired. That's it.

Early years and education

Q: Okay. Very good. Well, now let's go back and talk a little bit about where you were born, where you grew up, your education and what was it in all that time that suddenly got you involved and interested in international development.

CHETWYND: I like that question. I guess everybody likes to talk about what spurred them on, into this interesting area. I was born in Massachusetts in 1936 and grew up there, essentially. We moved to New Britain, Connecticut for my high school years and then I went on to Northeastern University in Boston where I studied to be, or I thought I was going to be, an Entomologist. And so I was in the field of Biology there. That lasted one year, in which I concluded that the mathematics of genetics Biology was not for me, and enlisted in the Army for three years.

Q: Were you stationed overseas or just in the U.S.?

CHETWYND: Just in the U.S. My home base became Fort Riley, Kansas and we did work also at Camp McCoy, Wisconsin during the summer, training reservists and National Guard troops.

Q: What branch of the Army was this?

CHETWYND: It was the Artillery. It's a part of my life that I certainly would never want to do over again, but I would not have missed it for the world. It was just a great broadening experience.

Q: Why was that?

CHETWYND: Well, first of all I think I was a young man who needed to be taught the essentials of responsibility and the Army was good at that (not that my parents didn't do

their darndest). It was also really, really good at introducing me to the tremendous and rich mix that was America. I mean, we lived in the barracks with guys from the hills of Kentucky and from the ghettos of Detroit and from the private boy's schools of Brookshire, Massachusetts, and so it goes. It was just a great blend of American humanity and we all had to learn to work as a team and work together. While I was in the Army, I managed to get a year of college under my belt at what was then Kansas State College. It's now, of course, Kansas State University, a much larger institution. But I switched my allegiance to Economics, which, ironically for me, also is steeped in mathematics. I can't explain that, but that's what happened.

Q: How in that process did you get interested in International Development?

CHETWYND: That's the part of it that really is my favorite question. I left the Army and went back to Northeastern University and finished up in two years. While I was there I read a book by a fellow named Arthur Goodfriend. He was a journalist and U.S. Information Service employee who had taken a one year sabbatical and took his family to live in a small village in Eastern Java. He wrote a book about that experience titled *Rice Roots*. I don't know if anyone else in the world has ever read *Rice Roots*, but I read it and as a young man I was absolutely fascinated. Captured, it was over. My mission in life became one of going to Indonesia, working there in any capacity other than soldier or missionary. And so then I just proceeded on a kind of a "Johnny One Note" approach towards the balance of my education, going to American University School of International Service, getting a Masters Degree in South and Southeast Studies, writing all my papers on Indonesia, taking the Indonesian language at Johns Hopkins University, writing my Masters on the Indonesian Stabilization Attempt of 1962-63 (economic stabilization, that is) and wonder of wonders, was recruited by AID to go to Indonesia. Actually I joined AID before I completed my Masters' Thesis. I had started one on the Induk program in Indonesia, a cottage industry movement there, but abandoned it hoping to start again once in Indonesia.

Joined USAID in the Asia Overseas Intern Program — 1962

I got lucky and was hired in this USAID Asia Overseas Intern Program that was looking to bring people into the Agency...remember it was the days of those classics of the time, the *Ugly American* and *A Nation of Sheep*. It was the early 1960s, 1962 actually, but the Agency at that time was reacting to the public concern that was raised by these books...you may remember them. *A Nation of Sheep* and *The Ugly American*...they were books that showed that we really didn't understand the overseas contexts that we as a nation and as a people were dealing with in the post war world and that we were making all kinds of mistakes. The Agency was trying to get people into it's ranks who were familiar with the culture and language of the areas in which we'd be working. So, I happened to be fortunate enough to come in under that campaign.

Q: Where did you hear about AID in that process? I suppose that was inevitable, given where you were in school and all. But, how did you hear about it and why did that appeal to you?

CHETWYND: You know, I'm not even sure where I heard of AID. I must have read about it in some of my studies at American University. When I started my job search, I knocked on all of the international doors. I wrote to CARE, I wrote to the Peace Corps, I wrote to AID...I was promoting myself on all fronts and it was USAID that first came through with an offer. I even had an offer to go into the Army G2 Intelligence Service. I mention this because it may be of some relevance. I was one of the older fellows in some of my classes at American University and so, in evening courses I got to talking with a Colonel who was taking courses there. The Colonel happened to work for G2 and we were particularly enamored of Professor Lerch's International Politics Course. The Colonel thought that I might join G2, the Intelligence Operation there, through a kind of cover in which I would be hired by a U.S. company to work in Indonesia. I would spend half of my time doing the company's duties and half of my time just ferreting information on the local economic and political environment. He proposed it as a project to his boss in G2 and after I had accepted the job with AID he called me and said, "Well, the project has been approved." Fortunately, I think, very fortunately for me and possibly also for G-2, AID had already made its move.

Q: Well, what was this Intern Program you started with...it sounds kind of unusual?

CHETWYND: Well, it really was unusual. A fellow by the name of Mike Birnbaum, who was interested in human resource development, started this program called the Asia Overseas Intern Program. I think he was resonating to this desire of the Foreign Service establishment to bring in people who had background and training in Area Studies. He was able to get approval for three interns and all three of us stayed the course in AID, so I think there is something to be said for these intern programs. Don Dembowski was one, and I think you know Don very well; he went on to have a distinguished technical career in AID. The other was Ted Morse, I don't know if he's done his memoirs yet, but they would be most interesting because he has been the guy who's pulled our fat out of the fire in all of the major disasters that AID has worked with. I guess he was part of the Honduras operation, the Nicaragua earthquake recovery and many more. He was working in the Southern Africa Program...he was working in situations where there was crisis, refugees, starvation, paramilitary involvement and so on.

Q: I have about 90% of his history so far.

CHETWYND: Oh, great.

Q: Really, that's a very interesting group. Did they give you any particular orientation or training? Why did they pick you up? It's not the regular IDI program that AID had, this is rather special.

CHETWYND: Well, they singled us out because we all had training in Asian Studies. We were all very interested in Asian Studies and we all had Masters level work in Asian Studies and Asian languages. The idea was to hire us, put us in Washington for a spell working at a desk, we were really focused. Don was Taiwan, Ted was Thailand and I was

Indonesia. The idea was to put us on the country desk, put us in orientation there and then bring us into the field after a well -rounded exposure in the Asia Bureau of AID/W. It was a two year orientation period, so about six months in Washington, followed by a period of two or three months in various Missions around the region before returning back to your own Mission.

Q: Did you do all that?

CHETWYND: No. I wish I had more perspective at that time, but I was so "Johnny One Note", as I mentioned, to get to Indonesia, that I simply went to the Indonesia desk. I worked with people there like Len Durso the Desk Officer and I remember working with Lova Wakefield on the PL480 Program, maintaining food balance tables to sort out the Mission's PL480 needs and so on. But then I went directly to Indonesia. I never pressured to go to Thailand or any of the other countries that were on the agenda, but eventually, I think because of costs and lack of Mission interest in getting someone for a couple of months and then losing them, that part of the program was dropped. I don't know whether that was a wise move or not, but that was dropped.

Q: So then, during that period though, did you go to Indonesia? Or were you just working at the desk?

CHETWYND: Well, I worked on the desk for two months, and then I went to Indonesia. I wish I had spent a little longer in Washington, because Washington is a very bewildering place, two months was just enough to give you enough information to be dangerous. In hindsight, I certainly would have pushed for a longer time in Washington and pushed a little harder to go to some of the other Missions.

Q: What was your impression of the Agency at that time?

CHETWYND: I was mesmerized. These were the Kennedy years and there was so much excitement in the halls of AID that it was palpable. The place was bristling with excitement and new ideas and great promise. We thought we could change the world.

Q: What were the new ideas? Do you have any recollection of what was so appealing?

CHETWYND: Well, I remember one particular initiative that of course was appealing to me. In Indonesia I got to be the coordinator for it. That was something that Bobby Kennedy introduced called the Youth Initiative. I don't know whether you remember that, but Bobby Kennedy said that we had to influence and get with the young Ho Chi Minh's of Indonesia and Thailand and the African countries, and so on. I think that there was a great recognition there that these, particularly the young nationalistic leaders, were going to be cutting quite a swath in these countries and we needed to know who they were and we needed to cultivate them through training programs in the U.S. and third countries, provide them with information, etc.

Q: And you went out to Indonesia to find out? What happened when you left after two months in AID/W? Where did you go?

CHETWYND: I think -- just to get to the second part of that earlier question -- I think that the other thing that we thought we could do back in those days was really turn a national economy around. Every Mission was supposed to come up with a Country Development Program. That was quite in contrast with what we do today. If you think about what a bite a Country Development Program was and considering that every country AID Mission had to come up with one. I think we had enormous ambition and confidence in what we could do.

Q: Who was involved? Do you remember?

CHETWYND: Yes. Of course the Mission Economist was heavily involved, the Program Officer was heavily involved and ultimately the different technical sectors that were a large part of the Missions at that time. A lot of the technical work was actually done hands-on by the Mission. You would have kind of an economic analysis of the country, a political analysis...although the political analysis was not as sophisticated as they are today. I think that we were not as conscious of the interplay between politics and economics because we were convinced that getting the economic policies right was all that it was going to take. It was an economic analysis of the country; it was an identification of key development sectors, sectors that would be most likely to move the countries in the right direction, an analysis of those sectors and then the delineation of programs to address the key problems in those sectors.

Q: Was there any particular development strategy or policy behind this that would have guided you?

CHETWYND: I remember in the case of Indonesia, we certainly had a Stabilization Program. An Economic Stabilization Program that involved the DAC countries, the World Bank, IMF...remember this is the early '60s and we were convinced, of course rightly so, that Indonesia was a critical geopolitically strategic country. They were suffering the most egregious inflation that at that time we knew within the Agency. We were looking at inflation that was up around 2,000% a year. The realization was that you can't have development in an inflationary environment like that. At the same time, there were other critical areas that needed to be addressed like transportation and education and particularly the university sector. They just didn't have much institutional infrastructure, I mean they were right out of the colonial era, and they did not have the technical expertise to run a successful economy.

Q: Well then, you did go out to Indonesia?

Assignment in Indonesia — 1963

CHETWYND: Oh yes. In fact a lot of what I've been talking about was after my arrival there...I only spent two months in Washington.

Q: What year did you go to Indonesia?

CHETWYND: I went out in April of 1963.

Q: What was your position?

CHETWYND: I was Assistant Program Officer working under Cal Coles, who was a great mentor. He was just a super guy to start off with.

Q: The situation you were just describing in Indonesia was essentially inflation runaway and economic stabilization?

CHETWYND: We were very concerned with the economic stabilization. The Mission Director there was Bill Ellis and Bill was a high powered economist within the Agency, but also kind of a policy oriented manager type who later went on to become Mission Director in Brazil.

Q: What was the political situation in Indonesia at that time?

CHETWYND: The political situation was volatile. You had President Sukarno, the charismatic leader who was engaged in a tremendous balancing game -- balancing off the communist party and the military. I remember that the Communist Party had incredibly intelligent, inspired leadership. I think the leader of the Communist Party at that time was A.T. Aidit. He just seemed to know how to play the cards beautifully. One never quite knew where he was getting his direction from, whether it was China or whether it was Russia. He seemed to have pretty good links into both those countries.

Sukarno was, of course, a brilliant tactical politician, a mesmerizing speaker and one who could mesmerize even his enemies. Indonesia had very bad official relations with the US because it was making all the wrong moves with respect to inflation, was courting the Communist Party and because we opposed its costly military confrontation policy towards Malaysia Nevertheless, Ambassador Howard Jones, a very distinguished career foreign service officer had an extraordinarily good relationships with Sukarno and had tremendous access. He could get in to see Sukarno any time. They were really great personal friends even though the relationship between the two countries was very sticky. So the Ambassador brought Sukarno to the American Men's' Association as a luncheon guest speaker. The room was bristling with contempt for this man as he got up there and spoke. By the end of the speech we were putty in his hands. He was just a mesmerizing speaker. He told us he was a combination of George Washington and Clark Gable, because he was a terrible rogue with women and had that reputation, and he was the father of his country, its first President and anti-colonial hero to his people.

Q: What were U.S. interests in the program? What were we trying to do in Indonesia at that time?

CHETWYND: Of course Indonesia had a lot of oil and Caltex was in there and other American companies...BF Goodrich was in and we had great rubber interests there. There were huge commercial interests there in Indonesia. Of course, you had the fear of the Chinese Communists and the fear of the domino effect in Asia. Vietnam was kicking up about this time. So we had tremendous political, economic and military interests in Southeast Asia at that time. The Indonesian military was substantial and we had advisors in the Embassy (Military Attaché) working with the military. It was a pretty heavy duty program. We also had a big police "public safety" program at that time.

Q: What was the scale of the USAID program?

CHETWYND: A lot of time and energy went into the stabilization program working with DAC and the World Bank and others. That was mostly in the area of negotiations with the government and promising specific aid levels as quid pro quo for various reforms that would be made. We monitored Sukarno's speeches very carefully to see in which direction he was moving. The key programs were agriculture, transportation, education and health. Malaria was a huge problem in Indonesia at that time. We were in about the second or third stage of a malaria eradication program at that time.

Q: Let's stick with the Economic Stabilization Program. What scale...were we providing a lot of balance of payment support and things of that sort, or no?

CHETWYND: You know, I was at a very junior level at that time within the program office and wasn't...I was working more with the technical side of the Agency. I didn't have a really full perspective on what we were doing in terms of balance of payment support to Indonesia. But, we were certainly one of the major donors and PL 480 was a large part of the stabilization package, and at that time we were doing loans...very low interest loans, about 3%. As I recall we were putting together a development package of PL480, development loans and technical assistance. I don't think we had program grants or loans at that time.

Q: What sectors were you personally involved with or most familiar with?

CHETWYND: I worked primarily with the Agricultural and Educational Sectors and a little bit in the Transportation Sector. Interestingly in the Transportation Sector we had projects that we would never consider today – railroads, ports and harbors and the Djakarta by-pass highway.

Q: Let's take Education.

CHETWYND: OK. In Education we had an advisor for basic education, Hal Hall, and he had technical programs like translating our textbooks into Indonesian, education advisors, and so on. In higher education the idea was to build centers of excellence. That was a big focus in AID programs at that time. So we would take a faculty, like the Faculty of Agriculture at Bogor, and train them up so that they were capable of granting Masters programs and ultimately we able to offer Ph.D. programs. We built up their research

capacity, we built up their outreach capacity, and we worked with their extension services. There were a lot of U.S. professors up in Bulgur working with their professors and staff. We also had a first rate extension agent, Dr. Jamie Bell, who was very popular with his Indonesian colleagues and very effective.

Q: Land grants?

CHETWYND: Yes, the University of Kentucky was working with the Agriculture faculty at Bogor. We sent literally hundreds of Indonesians to the U.S. for training. I remember an Indonesian Doctor friend of ours, Mougi Ali Basa, who went on to become Indonesian Ambassador to the United Nations. Mougi was a medical doctor at the Medical School in Djakarta who was celebrated (by us) as the 2,000th Indonesian participant to study in the U.S. That was back in the early days. We were sending thousands of Indonesians to the U.S. and they were famous for all returning to their own country.

Q: In all fields?

CHETWYND: Well, not in all fields, but the fields that we were working in which included Agriculture, Transportation, Education, Medicine and Health.

Q: Other programs in Education?

CHETWYND: We were working with the medical faculty at the University of Djakarta. I think the two big education efforts that we had were medicine and agriculture, however we also had a public administration program. The University of Indiana had the contract in public Administration and we were working with several of the key institutes of public administration in the country, including Bandung and Medan.

Q: The medical program. Was that public health or was that clinical medicine?

CHETWYND: The medical program was clinical medicine. It was building up a faculty of medicine.

Actually, I had several incarnations in Indonesia. The first was April 1963 to April 1965. At the end of that period I had the unique experience of helping to close down the Mission. Ultimately the Sukarno anti-American diatribe became too much even for Ambassador Jones to countenance. I'm sure that he didn't make the decision; the decision was made in Washington. In one of his famous speeches, because he thought that we were demanding too much, he said, "Go to hell with your aid!" And that was what brought the curtain down on foreign aid to Indonesia. It had become intolerable really even to operate. For example, they would not allow the participants to come to the U.S. They froze the participant training program. They were doing everything they could to confront not only Malaysia, but also the U.S. Foreign Aid Program. So ultimately we pulled out.

Q: Was this in 1965?

CHETWYND: Yes. April of 1965. A few people stayed on after we left to do the final packaging of files, boxes and equipment. I remember in April of that year one of my jobs was to manage the trips of a truck back and forth to the warehouse because we were literally putting the AID mission in boxes and putting it in a warehouse. We were closing down.

Q: And all those big university projects and the others? They were just....?

CHETWYND: They were just dropped. We just closed down. Everybody went home. It was a tragedy in one sense, but it was probably the smart thing to do politically.

Q: Did we leave the benefits of our systems with those institutions then?

CHETWYND: I think that's one of the great virtues of human resources development. That is the effects of coming to the U.S. and getting a Masters program or what have you really endured. I've often said that we could have done a bang-up job on development had we done nothing but put all of our resources into education. It would have been a very single minded program, but I think the results would have been certainly very good.

Q: Well, with the other programs that you were involved in, what about family planning?

CHETWYND: Well that was in my second incarnation in Indonesia.

Q: You went back again?

CHETWYND: I did. In September of 1965 you had the uprising led by General Suharto. He overthrew Sukarno in what was basically a military coup. We moved out in April and the coup came in September. It was not a bad thing that we were not there. This was the period depicted in the movie *Years of Living Dangerously*.

Q: That was a very bloody coup, wasn't it?

CHETWYND: It was a very bloody coup; about a half a million Indonesians were killed. It was reminiscent of the kind of thing going on in Bosnia and Yugoslavia today. It was basically, the Muslims going what they call in Indonesia "amuck" -- a kind of mindless fury. People in the villages were slaughtering anyone they thought to be communists. The half million people who were killed were allegedly communists. It was an inhuman slaughter.

Q: So, you went back to Indonesia.

CHETWYND: Yes. I had transferred to Korea. But in 1967, Cal Coles was brought back to Indonesia, and he called me in Korea and asked me to come back for 60 days to help him reestablish the U.S. Foreign Aid Program because the determination had been made that the new government was making all the right moves and that we should reestablish

the AID program. I guess I was called upon because, first of all Cal and I got along real well and, secondly, I spoke the language and knew a bit about the country.

A short return to Indonesia to restart the program — 1967

Q: When did you go back?

CHETWYND: This was in 1967.

Q: That's when we started the program again?

CHETWYND: We tried to start the program.

Q: Oh, I see.

CHETWYND: We worked very hard at it, Cal and I, and concluded that the Indonesians strongly resented the old bilateral agreement that had been written on the battleship U.S.S. Renville after World War II in 1947. The agreement was part of the deal negotiated to bring about the departure of the Dutch who had been fighting with the Indonesian revolutionary forces to retain the colony with the end of the Japanese WWII military occupation. We had negotiated a bilateral agreement that was greatly tainted with colonial-type language.

Q: In what way?

CHETWYND: Well, it's a long time ago and I haven't gone back to reread that agreement. They objected to the quid pro quo required of the Indonesians for absolutely everything that they received by reason of assistance. Moreover, it was heavy with provisions that had been insisted upon by the Dutch. They found it demeaning. So we told the Ambassador, Marshall Green, we were absolutely certain the Indonesians would not agree to a new AID program under the existing bilateral agreement. We argued that the U.S. would have to renegotiate the bilateral agreement and bring it up to more modern terms in order to get the Indonesians to actually accept the foreign aid program. So, that is, in fact, what happened.

Q: What did you do?

CHETWYND: I went back to Korea where I was able to re-join my family. The Ambassador negotiated the agreement; I'm sure with help from the State Department.

Q: But you didn't stay in Indonesia?

CHETWYND: No, I didn't. I went back to Korea.

Q: But what kind of program did you start up again?

CHETWYND: Well, that's another part of the story because I did ultimately return to Indonesia for a third time, this time with my family. After the new bilateral agreement had been negotiated, I was called back to Indonesia to help re-start the US Aid program there. It was toward the end of my two years in Korea, so I just...

Q: What year was this that you were called back?

Returned again to Indonesia for a short term assignment — 1968

CHETWYND: I'm sorry; it was after three years in Korea. So it was in 1968 that I returned to Indonesia. It must have been around January or February of 1968, because it was a special six month assignment to help get the U.S. Foreign AID Program restarted (again) in Indonesia.

Q: What was your position when you went back?

CHETWYND: It was a very unusual position because the Mission only had a Program Office, no technical offices. I was sort of the technical branch of the Mission operating out of a two person program office in a four person mission. There were only a few of us Americans, three or four of us. The Mission Director who was charged with coming up with a new AID program for Indonesia was Stokes Talbert who I think had come from one of the major foundations...Ford Foundation...and he was very high-powered in the area of commerce and economics, an impressive policy oriented type. My job was to get a toehold in the technical assistance arena for a year or so. Cal and I, back in 1967, had been trying to start programs in family planning and in education. Those were the areas we focused on.

Q: How did you decide that those were the areas to focus on?

CHETWYND: I think it was because education was a clear need, it was noncontroversial and we had a successful history in Indonesian education. As to family planning, the population explosion was a huge problem in Indonesia. Java already had a population then of around 70 million in an area the size of New York state. Family planning was as controversial in the U.S. as it was in Indonesia at that time and USAID was just finding its way in this field. There was no government program but we were able to help through private and voluntary organizations. We were working with the Indonesian Planned Parenthood Association. I remember Madam Djuari, quite a dynamic woman, was the head of that program. She was a very courageous individual too because there wasn't consensus within the Islamic hierarchy there that Indonesia should have a family planning program, even if only private and voluntary. So, the new Indonesia USAID Mission had these two programs, family planning and education and I was the guy. The job was a hybrid because it involved both the technical office and program office responsibilities. In other words, I got to work with our Indonesian counterparts to negotiate a program, come to terms on design, develop project agreements and set in motion the mechanisms for having a program. It was one of the most satisfying times in my very satisfying USAID career.

Q: How did you go about getting the family planning program going?

CHETWYND: Well, first of all I worked closely with the Ford Foundation. The Ford Foundation was working also with the International Planned Parenthood Association (IPPA). There was a medical doctor working in the Ford Foundation by the name of Brooks Ryder who had a very good reputation [Brooks Rider had his first assignment in Public Health in Ethiopia in the 1950s at the Gondar Public Health Training Center — a pioneer institution] . I worked very closely with him because I certainly didn't have the necessary technical expertise in Family Planning. However, I did know how to move papers and I knew Indonesia well so we made a good team. The objective was to nationalize the family planning program – make it a Ministry of Health program. Under IPPA, family planning was essentially an urban program. The need was to move it out into the rural areas, to move it out into the smaller towns and villages to provide wide coverage in the rural areas The only way to do that was to get it into the Indonesian public health service. We had to somehow move that program into the Ministry of Health. The major obstacle there was the Muslim opposition to it. We contacted Egypt, which had made some break-throughs in this area and invited some well respected muftis from Egypt to come to Indonesia and talk with the Muslim hierarchy there. They convinced the Muslim leaders of Indonesia that life actually begins, that is the soul is implanted, in the third trimester. This religious edict was an enabling decision for development of a national family planning program. It made it possible for the Ministry of Health to take on this project of preventing conception through offering and encouraging use of prophylactics (condoms and IUDs) which, of course, had no effect on the third trimester. This was a major philosophical and religious breakthrough for Indonesia. So once that had been accomplished we were able to begin negotiating with the Ministry of Health.

I remember, because I only had six months to get it all done, that I developed a very good relationship with the doctor in the Ministry of Health who was assigned to work with us on this program. We had late night sessions in my living room hammering out elements of the program, etc. and eventually coming up with a project agreement that called for the incorporation of the family planning program into the Maternal Child Health Service or Public Health Service of the Ministry of Health. They had branches all over the country which eventually picked up on the program.

Q: So they had a reasonably effective health system in the country?

CHETWYND: Well they had a very extensive health care system. It was not very well stocked, staffed or equipped and, of course, part of the program that we developed included helping the Ministry with the gradual outreach of the family planning program. The idea was to first get well-established in the cities and then to begin an outreach program to the rural areas. And of course, at that time, most of the population of Indonesia, probably 70-80%, was rural. We worked very closely with the Ford Foundation and later also with the other donors who were being drawn into the program.

Q: What kind of systems did you provide? What were the funds spent on?

CHETWYND: Actually, I left Indonesia after we signed the project agreement. I had six months to get in and work out all of these agreements for getting the program from only private sector to the public sector, get the program agreement signed and then my tour was over and I went to study economics and population at Duke (see later). The Indonesian Family Planning program went on to become one of the Agencies award-winning programs. They brought in a hugely talented doctor in charge of the program and shame on me for not remembering his name.

Q: The American?

CHETWYND: Yes, a USAID family planning doctor who went on to make that program probably one of the best family planning programs in the world. He won all kinds of awards inside and outside of the Agency. My small role in that was moving it into the public health sector and he certainly took it from there and ran with it. I don't know what he did. But whatever he did it was well documented and highly successful.

Q: Well, you got the ball rolling anyway.

CHETWYND: We got the ball rolling but there must have been also continued outstanding Indonesian leadership in the program to have achieved such success. But I have to tip the hat also to Madam Djuari, Director of the IPPA. She is the one who really got the ball rolling with her great courage and leadership in the NGO sector. That program was basically my last act in Indonesia and the reason I don't know more about what went on in program implementation is that I went on to other things.

Q: What about the education area? Did you work on that too?

CHETWYND: Well, it was the same scenario with the education area. I worked with a really bright fellow from the Ministry of Education. We made field trips together, we would meet in my living room, we'd drink iced tea together and hammer out these agreements. What we managed to get done was an English language textbook translation program and a text book development program. That was the entering wedge of our new USAID program in Indonesia.

Q: Your job must have been based on some sort of project documents that you had prepared before that. Was Washington in agreement or not?.

CHETWYND: Well yes, we developed project agreements, project papers I mean. Back in those days, as I recall, the project agreement was the main document. You didn't do a Project Paper, at least not in this instance. We were able to lead right into a project agreement. The project agreement was a very all inclusive document which contained the background of the project, the commitments of the parties, the design of the project and it was all there. It was signed by both governments and then you were off and running. Of course we were backed up very effectively by the Indonesia desk, which fortunately for

me was headed by my good friend from earlier Indonesia days, Dr. Alexander Shakow, who had been Peace Corps Director during the introduction of the Peace Corps into Indonesia in the early 1960s. It was a sports based program – the only thing Indonesia would accept and of course they were thinking ahead to the Asian Games.

Q: So that's the end of your Indonesia...?

CHETWYND: That was the end of my Indonesia sojourn. As I recall, I think we just had a special dispensation in Indonesia to work very quickly. In Korea, I was certainly involved in project papers and that sort of thing. It was very exciting and if I could just say one more thing about Indonesia, I mentioned that I had not finished my Masters' thesis when I went to AID. I ended up scrapping the topic that I had proposed initially because in April 1965 I was handed, by the outgoing Economic Advisor, the entire file cabinet of all of the papers he had collected on the Indonesian stabilization effort of 1963. So, in the end, I did my Master's Thesis on the stabilization program...and it was a full stabilization program. The DAC and U.S. and other western European countries were hell bent on getting Indonesia to accept the terms of the stabilization program. They were working with what we called the Berkeley Mafia, Indonesians who were trained in economics at Berkeley who came to head and take on important positions in the Ministry of Finance and BAPPENAS (the economic planning and cooperation ministry headed by perhaps the most famous of them – Dr. Widjojo). We were so wrapped up in the finance and economics of stabilization that I think we lost track of what was going on in the political and military fronts. One reason for this was that things were going so well with the stabilization program, which was being run by these Berkeley trained Indonesians with whom we got on so very well. But ironically, at the same time Sukarno's confrontation politics were eating away at the budget, inflating the money supply and fueling inflation.

My Master's Thesis was "The Indonesia Stabilization Attempt of 1963-1965" and it tracked the parallel development of the stabilization attempt on one the one hand and Indonesia's political and military confrontation of Malaysia on the other. These two programs were going in lock-step – stabilization and confrontation. We were tuned into the stabilization activities and operating at the technical level. We were tuned in to the confrontation in Malaysia, I suppose on the political front, in the Embassy, but not making the economic/stabilization connection (or so it seemed to me). In retrospect, we probably should not have accepted these technical and economic commitments on behalf of the stabilization program because of what was happening to the budget over on the military and confrontation side and in the political arena. Eventually what happened was that the confrontation of Malaysia just simply overpowered the stabilization program.

I believe that had there been a less "rose-colored glasses" overwhelming desire to succeed on the economic stabilization front, that we would have seen the dangers that were right there in front of our noses on the political and military front. I was very pleased to note that the White House team that went back in 1967 and studied whether or not we were going to go back to Indonesia with an AID program read my thesis and made a number of references to it. It made me feel like it was all worthwhile.

Q: Anything more on your thesis. That sounds interesting on how it was picked up by the government, the U.S. government and so on. What was the message that they got from your thesis?

CHETWYND: Well I think that the message that they got was that in order for the economics to be right, the politics have to be right. That was certainly the message that I got...the lesson that came out of tracking the parallel progression of the confrontation of Malaysia and the stabilization program over time and major events. It was just amazing that significant events would occur like increments of military buildup for the confrontation with Malaysia and Sukarno's further concessions to the Indonesian communist party – all of which ate into the budget and required more printing of money. I should note that part of Sukarno's political survival strategy was balancing the communist party, which was becoming a major force in Indonesia, against the military as these two forces were in deadly opposition. Part of this balancing act was making major concessions to the communist party. He was giving the military the confrontation in Malaysia and giving the Communist Party political concessions while at the same time the DAC countries were talking with the Ministry of Finance and BAPPENAS and hearing all the right things. There was a disconnect here because the ministries were saying things that they really could never actually expect to deliver on because of the commitments that were being made by Sukarno on the military and political front. I did a matrix-like chart that followed the flow of events over the two years and showed how the two were in great conflict. I think that many people have discovered that unless the politics are right, you can't get the economics right.

Q: Well, in the times when the fear of communists was prevalent, why didn't they give much latitude to the political side?

CHETWYND: We were desperate to achieve this economic stabilization. Had I been at a senior level at that time I probably would have understood what was driving this, but when you look back with the benefits of Monday morning quarter backing, you see that we were being led down a gilded path by Sukarno. Perhaps we felt that the achievement of stabilization (remember 2000% inflation) was a sine qua non for keeping the Communist Party at bay in Indonesia – a very key state in a volatile and important region in the cold war. Also, we had our own confrontation going in Vietnam.

Q: I see. And the failure? When did it occur? When did it become evident that he was failing? That was after your time I guess.

CHETWYND: The stabilization program was failing. I think that, of course, one of the reasons that we were so desperate to have this stabilization program is that you did have run away inflation. But it seems to me that Sukarno's public statements became more and more stridently anti West (part of his making nice with the PKI) and eventually with, "go to hell with your aid", the whole thing collapsed.

Q: Okay. So you traveled around Indonesia a lot. How did you find the country to travel in and the people to work with?

CHETWYND: The Indonesians basically are very easy going. The Indonesians were at the time almost a "majana" culture, typical of so many Asian societies in those days. I haven't been back to Asia for a long time now. The Indonesians, especially the Javanese, were very non-confrontational. They would tend to tell you what you wanted to hear though not necessarily meaning it or sticking to it. We've already talked about the concept of going "amok" which happened after the military coup by Suharto in 1965, but this is very rare.

I remember one of the first things I was sent out on shortly after I arrived in Indonesia, because I spoke the language and because I didn't know any better, I guess. I was asked by Cal Coles to go off to what was then Borneo and what is now Kalimantan and try to determine whether the Indonesians really were hoarding rubber. Rubber was just not coming onto the market and the prices were going up and up and up. So I went to two major cities there, two major rubber trading posts, Banjarmasin and Pontianak. I visited the rubber warehouses and tried to get a handle on what stock they had and whether it was moving to market...you know tried to quantify it and produce a report for Cal. As I recall, my report suggested that yes; indeed, they were hoarding rubber and not letting it onto the market because the prices were going up. By holding rubber back they were able to help the prices to go up and they saw this in their best interest. I saw plenty of physical evidence to back my findings. Cal had said the information was needed for the stabilization effort.

Q: I see. They had a single marketing arrangement for controlling rubber marketing? Or was this just sort of a ...?

CHETWYND: You know, this may be kind of a commentary on the sort of organization we were then, but I don't know whether they had a marketing board. I was told to go to Kalimantan and to Borneo to find out whether the Indonesians were hoarding rubber. A lot of the rubber wholesale traders there were Chinese. But it was kind of a swashbuckling assignment for a green kid who didn't know much about rubber trading. It was a great education and I suspect that is what Cal had in mind.

Q: Any other experiences traveling around the country?

CHETWYND: Yes. I remember traveling to the Togo Batak country up there in northern Sumatra with Bill Ellis because we were trying to figure out what to do next in education. We had developed pretty substantially the medical faculty there in Djakarta and the agricultural faculty at Bogor. The idea was then to call these the mother institutions and to create outreach centers so that, for example, the University of Medan would be serviced by the faculty at Jakarta and be upgraded. Our objective was to see what the potential was for that kind of program, how it might be done and how expensive that type of a program might be. Of course, the end came before any action could be taken on this program.

Q: Anything more on Indonesia that you want to mention at this point?

CHETWYND: When Bill Ellis went to Brazil as Mission Director there was a program that AID had, you'll remember, called "Operation Tycoon". AID hired people who were business executives in the private sector. Ed Fox was the next Mission Director in Indonesia and Ed was one of those executives brought in under the program and the nicest guy you could want to know. His...well we all had our theories on what would get Indonesia going, but Ed's was the private sector. He spent, really, most of his time there trying to foster development in the private sector, particularly in the area of agriculture and agriculture processing and agro-enterprise. I don't think that they had a great deal of effect at the time because Indonesia was just out of the colonial period and had very little experience with enterprise. I bet if he were to go there today he would have a whole lot more receptivity to his private sector ideas than he did at the time. He was so committed and not the kind of guy to give up, but I don't think that he really made very many inroads in this area.

But if I can make a general statement, at the end of 30 years with AID, I thought back over what we may have missed. What we may have done differently and the two things that came to me were that we focused primarily on the public sector until very late in the game. I think that if we had a more balanced approach with it, with much more activity in the private sector it would work for the benefit of developing countries and our reputation. The other is local government. I think that we were very heavily focused on national level ministries and national level economic policies, national level economic planning and I think we largely overlooked the potential of working with the local government sector. And both of those areas are areas that the United States has an overwhelming comparative advantage in and I don't know how we missed that. There may be good reasons for it but I think if we were to go back in time, those are two areas that we could have gotten started on much, much earlier in USAID programming. They're very major parts of our program today of course.

Assignment in USAID/Korea — 1965-1968

Q: Right. Let's shift to Korea. You were in and out of Korea during this period, but you did spend some time there. What was your role there?

CHETWYND: Actually, I was very fortunate I think in my overseas assignments to work in programs that were different and exciting and with very good people. It may speak to the Agency as a whole. I worked in a Mission in which practically everyone I worked with later became a Mission Director while I was still in the Agency. I was called over there by Garnet Zimmerly and I remember Zim later became Mission Director over there in the Philippines and tragically lost his life in an airplane accident there. But he was the Assistant Director for Programming in Korea, had come to Indonesia in 1965 and he talked me into coming to Korea. I was full of apprehension about it because I thought it was nothing more than a big PX. That was the reputation that it had. However, I found Korea to be just an amazingly full developmental experience.

Q: What years were you there?

CHETWYND: From 1965 to 1968. I was there about three years...almost three years. It was April '65 to about February of '68.

Q: What was your role?

CHETWYND: Again I was in the program office, but it was a very special assignment. It was working with a very special guy. We were a two man shop. It was Dr. Princeton N. Lyman, who later went on to become Ambassador to Nigeria and to South Africa and Assistant Secretary of State for International Affairs. Princeton and I were responsible for the soft underbelly of the program in Korea. The program in Korea was a huge program. I think that it may have approached a billion dollars, which you can imagine back in 1965 was a substantial amount of money. But of course, this was the aftermath of an effort into which we had poured more millions and billions of dollars into the war effort and sacrificed many American lives. It was a very geo-politically and strategic country in the cold war context though I don't think that we felt it was very economically strategic for the United States at that time. I mentioned earlier that at that time Indonesia seemed to me a kind of "manjana" country. By contrast, I guess I would have the characterize Korea as a "catch me if you can" country. Koreans were just always so eager, so full of energy, so full of ideas and so full of determination to overtake Japan in the economic arena. They were driven. There was a certain anger there also at the Japanese because of the half century of colonial rule there. And then there is, of course, their need to...they were propelled also by the desire to get the better of the North Koreans from an economic standpoint. But, of course, we were driven by that as well.

Q: Was there anything in the culture that would explain why they did better than other countries? I can understand these other factors that you talked about?

CHETWYND: Well, of course there wasn't very much by way of a religious culture in Korea. There were Buddhists, Shintoists, I think there was a strong underpinning of Confucianism in the country and of course there were pockets of Christianity there. I think maybe it's the same kind of thing that you find in China, that is...I think it has its roots in Confucianism and it's the tremendous penchant for education. They drove their children to a fault to succeed in education and to go on to higher education. Education played a major part in that culture, as it did in China and Japan. I don't know what the roots of Confucianism are that must manifest themselves in this tremendous drive to succeed in the education realm, but that drive certainly was much in evidence.

Q: What was the situation in Korea when you were there? Politically? Economically?

CHETWYND: It was a very poor country. The political leader was Park Jung Hee. He was the president at that time. He was far from the type of Democratic leader that we would have hoped for. Sigmund Rhee had been the president before Park Jung Hee. Park Jung Hee came out of the military tradition but he was very two-fisted and hard-nosed

when it came to economics and I think we liked that about the man. I remember having arguments with Princeton on this very point, as to whether Park Jung Hee was really an okay guy because he was really getting everything right from the economic standpoint, or whether he was seriously flawed because he was far from the icon of democracy that we would have hoped for at that time in Korea.

Politics in Korea was...it was a really poor country. The focus was on getting enough food and the basics of life. I think that Park Jung Hee showed that he was up to the task and he was producing for the people on the economic front. I think that a lot that he lacked on the political side was certainly forgiven. Besides, I don't think that the Korean people were very sophisticated in terms of their expectations from a democratic standpoint. They had had 50 years of Japanese colonialism, then they had the war, and then a revered national leader who didn't have to worry about democracy because he was just a revered national hero. Then you had Park Jung Hee coming from the military. I think the order and precision and economic progress that he brought was just greatly appreciated by the average Korean

Q: Certainly during the period before you were there, the attitude about Korea was that it was a hopeless situation. It was so poor, so little resources and so on. What was the concept of the situation when you were there? Was it optimistic or was it still viewed as a sort of "basket case"?

CHETWYND: It was optimistic. Joel Bernstein was the Mission Director there and Roger Ernst was the Deputy. Roger was an optimistic fellow and charismatic as well. It would be very hard to get on a down beat with Roger calling the tune. And, of course, Joel was so focused, like a laser, on economic reform and on economic progress. He found an able and willing counterpart in Chang Key-young who was the Deputy Prime Minister and therefore head of what they called the Economic Planning Board (EPB). To show you the relationship between Korea and the US, the Economic Planning Board was a very large organization housed in a seven-story building and they were right across the plaza and in an identical building was USAID. We were twins. In some ways at that time, the USAID was almost a shadow government. USAID had the power of negotiation when it came to the Korean budget.

Princeton was deeply involved in monitoring the military budget for Korea as the US was committed to keeping the overall budget in balance because we were very concerned with issues of stabilization. Inflation was still a problem there, but it was coming under control through tight management. Every year Joel Bernstein and Chang Key-young would have head to head negotiations on every aspect of the Korean budget, tax rates, interest rates and foreign exchange balances. Every aspect of the Korean fiscal and economic picture for the year had to be approved by USAID and, of course, it was approved through negotiations. We came to the table with our model of what the situation should be; the Koreans came to the table with theirs and we would negotiate. That's the way it was. Our roughly one billion annual aid package (including PL480) was the leverage, plus of course the presence of our troops in the DMZ and elsewhere in the country. Our military had a tremendous impact on the Korean economy. That's another factor. I don't know

how many troops we had at the time, but we now have 50,000. We probably had many more at that time. Part of our Korean negotiating package was how much of our military procurement would be expended in Korea as opposed to buying things offshore. After awhile, the Koreans started to negotiate on furnishing supplies for the war effort in Vietnam.

Q: What were you working on?

CHETWYND: Well I was helping Princeton to develop what we called then the "soft underbelly" of the program there. We had a massive program in capital improvement, a massive program in agriculture...we had agricultural agents in at least twelve different Provincial locations throughout the country and each one of those had a big office and program. We had a very large police and public safety program. We had a very large health program and a very large education program. We were big basically in all of the traditional sectors and we had a well staffed and influential economics office which tracked all of the economic indicators and worked closely with EPB. As in Indonesia, we had in Korea a very expansive participant training program and thousands of Koreans were trained in the U.S. and third countries -- it was a massive program.

New experimental programs were started in Princeton's and my little shop – the Interdepartmental Planning Branch of the Program Office. Let me think of some of the things that we started. First of all, we got the family planning program going there. We had not had a family planning program in Korea. We were restrained by our own country's political sensitivities to working in the family planning sector, but eventually we were able to get the family planning program up and running within the maternal and child health service in Korea. We were permitted to develop a family planning program, but we couldn't work in the area of contraceptives.

Q: Was this a U.S. position or a Korean position?

CHETWYND: U.S. position. This was back in the mid-60s and as an Agency we hadn't come of age in the family planning area. It was seen as an important program area, but we were really constrained by Congress in terms of what we could do. We didn't have much of a license. The way we got things up and running in Korea was to first look at their public health program. We discovered that there was a very robust Maternal and Child Health (MCH) program within the Ministry of Health. Offices with clinics went all the way down into what we call the Myun or county level in Korea. MCH was headed by a very dynamic fellow by the name of Dr. Lee. That doesn't mean much in the Korean context, but I can't think of his full name right now. He was a dream to work with. He was modern in his thinking, he was dynamic, he was a people person and a good leader, so he could get his people to pick up on his ideas. Dr. Lee and I finally came up with a scheme to equip the MCH service with vehicles that could do IUD insertions. That was the chosen approach of the Korean family planning program. We (USAID) couldn't do IUDs at that time and so we gave them the platform for delivering IUDs without ever mentioning IUDs, per se. We purchased 50 rehabilitated army surplus three-quarter ton trucks in Japan and had them fully outfitted to be mobile maternal health clinics and we

spread these around the country in strategic areas. This was really the beginning of what became a very successful USAID Family Planning program, though the real success was that of the Korean MCH service.

Q: Were we working on other aspects of education?

CHETWYND: Yes, we were working on KAP (knowledge, attitude and practice) surveys and education programs and so on. But it was through the Maternal and Child Health services and through the meetings of the MCH extension workers with the mothers out there in the rural areas that got this program going.

Q: They already had an extensive maternal and child health program?

CHETWYND: They did. The basic infrastructure was there.

Q: Were we supporting that as well?

CHETWYND: Through our health program, I don't think so. I don't think that we were heavily involved in maternal and child health. To tell you the truth, we had a fairly large health program in Korea, working with the development of key hospitals and that kind of thing, but I don't know very much about that program.

Q: What other initiatives were you working on?

CHETWYND: I started something called the Korea-US intern program ... because I was so impressed with my own intern program and so grateful for it, I thought we might do an intern program in Korea. I was also thinking about the focus on youth program that Bobby Kennedy had introduced during his brother's Presidency. So we got the program going and I was the coordinator for it -- an intern program that brought promising young students from the universities into the USAID and into our offices in the various provinces. For example, some worked with our agricultural extension programs in the provinces while others worked with other sectors. The idea was to take bright young students and give them a practical hands on experience. There were two reasons for this approach: first we were still interested in attracting and working with the youth of the countries in which we were operating. The second reason was that was that the Korean education system produced a very non-hands on type of education. It was very different from the American education system where we tend to be more pragmatic in our approaches, so it was a very kind of esoteric approach towards education. Once you went through that system, you were not expected to get your hands dirty. We wanted to give these kids an opportunity to get their hands dirty from experience. It was a very successful program. It was very popular with the Koreans and I think I have heard about the expansion of that program.

Q: How many did you start out with?

CHETWYND: We started off with about 15 and it kept going for the two years that I was there.

Q: And they worked within the Mission and out in the field?

CHETWYND: They worked in the technical branches of the Missions and out in the field. I had an intern who we sent out into a little village in the northeastern part of the country where we understood that the fishing industry was in some difficulty. We had him do a study of the fishing industry in that village.

Another area that Princeton and I worked on was the fishing industry. We were trying to see whether we could somehow enhance the offshore fishing program in Korea and bring the Koreans into compliance with various treaties of the high seas and so on. I remember we brought in a high powered advisory group to look into this with the Koreans. Our job was not to get into an area on a sustained basis, we weren't a technical office. Our mandate was to stir the pot and to get the technical offices to think a little differently about their programs and to incorporate some of these ideas into their operations. I remember at one point we were afraid that the public safety program was going to make a big push in Korea. We didn't think it was the right thing to do, but frankly that was not an element of the program that the Mission Director had much control over. You've probably had that experience. And so, the public safety gurus in the Agency came out, and I wish I could remember the name of this guy. I bet you know him. But a very high-powered guy came out and we had helicopters and went all over the country. My job was to accompany them on this mission basically as a spy for the USAID Mission in Korea.

Q: Which was funded out of AID funds though, wasn't it?

CHETWYND: Oh yes. Right.

Q: What was the Public Safety Program doing?

CHETWYND: The Public Safety Program was working on such things as riot control, working on trying to develop better relationships between the police and the community, working on traffic control -- the standard kind of things that a police force might do. I think that what we were pushing for was to keep them more focused on things like developing good relationships with the community and better image for the police, and less on sort of hardware oriented...you know arming them to the teeth with riot control items.

Q: Why wouldn't the Mission have any control over this program? Were there other factors in this that were external to AID that were from the U.S. side?

CHETWYND: Well, you know, I was still pretty young in the Agency, but my perception was that the public safety aspect of the program had a very strong lobby group and that there was some Congressional support. I don't think that we were so much into

earmarking in those days as we are today, but I think that you still had certain sectors of the program that were pushed very hard by certain members of Congress.

Q: Do you think there were intelligence interests pushing?

CHETWYND: Probably, though I was not aware. But I know that Princeton had working relationships with the Korea Station Chief. There was a need for coordination there. Particularly given that our little office was working on the military budget.

Another major thing that our office did was to do all of the ground work for the Korean Institute of Science and Technology. That was principally my responsibility in the early stages.

Q: What was that about? What were you trying to do with that? Was there an institute to begin with?

CHETWYND: No. No there wasn't. As I've said, soft underbelly. We were really concerned with the middle class in Korea. If anyone is going to be on the cutting edge of any kind of political unrest in Korea it would have been because of a disenchantment of the middle class, whose expectations were well-above their capacity to realize them. So we did a number of things to try to give the middle class access to things that they weren't getting. We tried to get a housing loan program going. Another part of that problem is that the Korean scientists were very underpaid and not that they would spark political revolution or anything, but the fear there was the brain drain. These people were very highly educated, very smart, and they were going in droves to the United States and other countries for better opportunities in their fields. We wanted to staunch that hemorrhage.

The White House Science Advisor came out to Korea and I think it was probably Joel Bernstein who got that going. I don't know exactly what stimulated that decision – it may have been Princeton pushing it with the front office. But a high powered team came to Korea led by the White House Science Advisor and the team included very distinguished scientists from a number of fields. The conclusion of their visit was that Korea had the potential for a highly professional globally recognized center of scientific excellence. So, that was the beginning of what became the Korean Institute for Science and Technology, or KIST. KIST became a very highly endowed going affair, but that was after my time.

Q: So you were working on trying to get it started.

CHETWYND: I was working on the planning stage and the very first thing I did was to sit down with the various parties and with the papers and we produced a PERT chart (Program Evaluation and Review Technique, first developed by the Air Force) which graphically mapped out the steps that would have to be taken to develop an institute for science and technology and the way in which one step was constrained by another. This created a hierarchy of priorities and a timeline on the way to achieving a specific

objective – in this case KIST. Roger Ernst was given the management responsibility and Princeton and I were to do the ground work.

Q: What was supposed to be the focus of the Institute? What aspects?

CHETWYND: It was to develop a significant research capacity in a number of areas of science in Korea... health and medicine, engineering and communications. It was to become a center of excellence for the key areas of science in Korea.

Q: So, just basic research or practical?

CHETWYND: It was basic research. It was meant to be something that would attract the best and brightest of the science community and those who were very interested in basic research. It took into account, of course, that they had to be paid much higher salaries than the market offered and that you had to give them other incentives like housing, a nice campus, equipment, you have to throw in all the perks that our great scientists come to expect.

Q: Were there Koreans that had this type of expertise? To be in something like this?

CHETWYND: Yes. There were many very highly educated Korean scientists but they didn't have a salary commensurate with their capabilities, they didn't have research facilities or hardware, they didn't have the money to do their basic research. And so the idea was that the Korean Institute of Science and Technology would provide all of the above. It would provide exceptional salaries, salaries way above the normal salary levels of a professor. It would provide the equipment, it would provide research money and it would provide a network providing access to scientists all over the world. It was a very ambitious undertaking.

Q: Did it have any education training role or was it simply research?

CHETWYND: No. It was going to have linkages, substantive linkages with the universities to benefit them and the product of the institute would ultimately influence the nature of curriculum and training programs. But it was not going to have a primary education role in and of itself. Here again, our job was to stir the pot and help get things going but not to implement.

Q: What was your understanding of how it was going to be funded? Strictly AID funding?

CHETWYND: No. The core of the funding was going to be initially AID, but the idea was that it was going to attract private sector money, funds from the Korean government and grants from other organizations. One of its functions would be, like any other research institution, to raise money.

Q: Any other dimensions of your Korean work?

CHETWYND: Well one of the things that we were trying to keep a finger on was what was happening in the rural areas. How was the economic modernization and progress affecting life in the villages? Was it affecting life in the villages? This was of interest because the story line was out there that Korean economic miracle was being built of the backs of its farmers. I think that a certain part of that was true. There were price controls imposed on the agricultural sector that benefited the rest of the economy and did not benefit the farmers. To get some answers, we did a study using as a baseline a prior anthropological study of ten villages in Korea. We did a follow-up study ten years later to see what changes had transpired. That was typical of the kind of thing that our office worked on.

Q: That was a very stimulating experience for you.

CHETWYND: Yes, it really was a very interesting assignment. We were also working with social scientists. The Koreans tended to be very heavy on the hard sciences and rather neglectful of the social sciences, like political science, sociology and so on. So we also worked to try to enhance the role and opportunities for leading social scientists in Korea.

Q: What did you do?

CHETWYND: We gave them grants to write books, grants to put on seminars and workshops and that sort of thing. We even had our own workshops and seminars that we put on collaboratively with them.

It was a very interesting time and of course Princeton was an absolutely brilliant and inspirational guy to work with as were many of the other people in that Mission. I think that the Mission in Korea...or the program in Korea is seen as being a highly successful one. It really did corner the market on a huge amount of the Agency's financial resources and the Agency's talent. Let's see, you had ...of course Roger Ernst went on to become Mission Director in a number of other countries (Ethiopia, Taiwan, Thailand), Joel Bernstein went on to create the Science and Technology Bureau in the Agency, which is now the Global Bureau. You had Garnet Zimmerly who went on to become Mission Director in the Philippines and other places. You had Don Cohen who went on to become a Mission Director in Thailand. Princeton Lyman, of course who went on to become a Mission Director in Ethiopia and an Ambassador. John Withers who went on to become a Mission Director in Ethiopia and then India. You had Lane Holdcroft who went on to become one of the Agency's better known agricultural and technical leaders, heading up the Africa Bureau's Tech Office. Oh gee, just so many people who I got to serve with there who were all part of the same team and who went on to do many big things in the Agency.

Q: How did you find living in Korea?

CHETWYND: Living in Korea was a dream. We really had the best of both worlds because we lived on the military base which after Indonesia was like going back to a

suburban neighborhood in Anywhere, USA. We all lived in nice well-built, ranch-style houses with fireplaces, three bedrooms, dining room, living room, kitchen, nice yards. We had the PX, which was like a Sears Roebuck and we had the Commissary which was like a Giant grocery store. We had a number of movie theaters and pools and that kind of thing. That's on the one hand. On the other hand, Korea was a very accessible country. You could go anywhere in this fascinating country on weekend jaunts and so on. The Koreans were quite friendly although much more standoffish than the Indonesians. I always felt like in Indonesia, you moved into a neighborhood and you actually belonged in that neighborhood. You were expected to take on neighborhood responsibilities and could even become an officer of a civic association, or what have you. On the other hand, in Korea, you were held in a very esteem by Koreans, they were very nice, but you kind of floated over society like an oil slick. You were never really able to be absorbed into their society.

Q: Were you in any Korean homes and all that?

CHETWYND: Yes, but it was very difficult. We counted it as a rare treat to be invited into a Korean home. Some people really, really worked at it and were successful, but you really did have to work very hard at it. I had the opportunity to go back to Korea 15 years after I left. I left in 1968 and I went back 15 years later on one of the, remember the...well, you were one of the leaders of CDIEs evaluation programs...Bob Berg was in charge of the major evaluation series. What did they call that?

Q: Impact Evaluation Series?

CHETWYND: The Impact Evaluation Series. Well I headed up an Impact Evaluation Study to Korea looking at water supply systems that had been done by, of all people, the Red Cross. The Red Cross had a contract to put in water supply systems in rural areas all over the country.

Q: Community water?

CHETWYND: Yes, community water supply in many locations throughout Korea. We were looking at how well this program succeeded. Well, you could have knocked me over with a feather when I returned to that country. It truly was an economic miracle. I mean the kind of thing that you just hope and pray for in this business. Seoul had been transformed into a mighty modern metropolis with sky scrapers all over the place and a subway system well in the expansion phases, underground shopping malls, I suppose those were also air raid shelters, but they had a massive underground system in the city. When I was there the country had difficulty manufacturing even combat boots for our troops in Vietnam without the heels peeling off because of inferior glue and stitching and so on, now they were manufacturing airplanes, huge tankers, microwave ovens and television sets. They were manufacturing and marketing effectively everything under the sun. And that's just the enterprise sector. In the rural areas, where we spent a lot of our time, no where could you find the mud huts with thatched roofs that were everywhere when we were there in the 60's. The traditional and standard way of building a house in

the 60s was mud bricks and a thatched roof. You could not find mud bricks and thatched roofs anywhere in the countryside. In fact, they built a Williamsburg-type of village just as a reminder of how the old villages used to look. The houses were built with colorful bricks and enameled ceramic tiled roofs, blue, yellow, green, red. The lanes, which were virtually all dirt roads in the 60's, were nowhere to be found. All the roads were paved, with lovely cosmos flowers planted virtually everywhere along the sides of the roads. The villages were very largely supplied by this time with local water supply systems.

Q: What were the results of your evaluation?

CHETWYND: The results of the evaluation were that there had been a great deal of success in providing a rural water supply to these villages. The Red Cross had done a good job. In very few instances there were elements of the program, which had not been completed and the Red Cross had terminated its contract before dams were finished or pipelines laid, that kind of thing. There were some minor complaints, but by and large it was a successful program.

Q: Any issues related to community management and planning? Systems concerns?

CHETWYND: Yes. Something we found that was driving the success was incredible progress in rural development in Korea in general through what was called the *Samul-undon* program -- translated as the self-help program. Park Chung-hee set up an incentive program that was almost martial in a way. Incentives were created throughout the country and it was all a numbers oriented program. Somewhat the way AID is today with its critical indicators and quantification of evaluation where possible. The provincial governors were in competition to see who would meet their stated economic and other objectives. It was very much a numbers game. How many new school classrooms were constructed? How much of a rollback had there been in health problems. How many IUDs had been inserted? What was the mileage of paved roads... you know, it just went along the whole gauntlet of social and economic indicators.

As I recall there were even some amalgamated indicators, where you combined certain key indicators to come up with an index of progress. The Provincial governors who were succeeding by virtue of success with these indicators where highly praised and rewarded and the ones who were lagging behind were punished. Here is how the system of rewards and punishment went -- and this went all the way down to the village level. There were three levels of success. For example, a village was moved up to a higher level or dropped to a lower level based on its relative success in terms of roads, classrooms, new housing, etc. A village that met or exceeded its targets could be moved up a tier. As a member of the top tier it would get a larger budget than the middle and the bottom tiers. It seemed unfair, I guess if you are an egalitarian-type, but the game was to get yourself out of the bottom tier and into the middle or top tier because unless you did you were going to suffer on the budget front. It went beyond that. Honorary certificates and awards and badges ... it was a very sophisticated system of award and achievement that drove Korea's rural economic transformation. In this game, the Provincial Governors were very competitive.

Q: Are there some interesting insights, experiences or stories that you can tell about the Korean culture in terms of welcoming visitors? I've heard that it was quite an experience.

CHETWYND: He would probably kill me for telling this story but since he probably doesn't even know me...he'd have to find me first. This is a story about Rudd Poats' visit to Korea. Now, I mentioned that there were these really high powered negotiations with Chung Key-young, the head of the Economic Planning Board and Joel Bernstein. When these negotiations were reaching some kind of a critical point usually a high ranking AID/W representative would come out.

Q: He was Deputy Administrator?

CHETWYND: He was Deputy Administrator for Asia. The Koreans are famous for their hosting, the Koreans and Japanese had that kind of culture. It was not at all unusual for them to put on what they called a *kee-sang* party, where it was all men and you'd be sitting around a table on the floor of course, on the *tatami (rice straw)* mats, and everybody would be assigned a *kee-sang* girl. You wouldn't have waitresses, you'd have *kee-sang* girls and everybody would be assigned one. The *kee-sang* girls job would be to keep your glass filled and to feed you and things like that. This was a *kee-sang* party put on in honor of Rudd Poats by the Korean government in the Blue House (the equivalent of our White House). The story has it that the *kee-sang* girl that was assigned to Rudd Poats hadn't spoken a word of English all night and had been behaving the way a *kee-sang* girl normally does but suddenly started massaging his upper leg. I suppose he was in a state of shock. And, as she was doing this she said, "Now Mr. Poats, about the second tranche of that program loan..." A moment of stunned silence and then Chung Kee-young broke out in gales of laughter and said, "That's okay Rudd, it was just a joke." Anyway, such is life in the foreign services.

Q: Are there any other experiences in Korea that you want to share?

CHETWYND: Let's see. My batteries are beginning to wear down. I think that the major formative experience for me was that I got to return to Korea after 15 years.

Q: Could you sum up the major factors as to why Korea has done as well as compared to others? Often you know it's compared with Ghana. Ghana you know had a higher capital income, welfare, than Korea back in those early days. How would you sum up the Korean story?

CHETWYND: One wonders what might have happened in Korea if we had not come there with our tremendous resources and economic and other advice, because they are a determined people. I expect that they would have scratched ahead somehow. I don't like to speculate on that because they were in terrible shape after the war. I think that first of all it's their penchant for education. It was a very literate country. Secondly, you had this drive to overtake the Japanese and they were very competitive with the Japanese. I think

that we were there at the right time with sound advice and sufficient resources. I mean, who can argue with balancing your budget, building up healthy foreign exchange reserves and getting the interest rates right. Probably we could have accelerated things there even more had we put more emphasis on building up local government and the private sector. However, I should add that Korea is one of the countries where we did do more in the private sector. We did work on standardization and quality control and building up their tourism industry and exports.

Q: You were very much involved in the export promotion business?

CHETWYND: We were. There was a very strong focus on developing export markets in Korea. It was a very successful program. Negotiations and help on their supplying equipment and materials to our forces in Vietnam was part of that export program.

The other thing that can't be overlooked, of course, is the presence of our military there and the economic impact that that had on the country. Plus, we were there with about a billion dollars worth of assistance a year in a relatively small county. And we stayed there. We weren't on again off again. We stayed with a high level of economic support to the country until the job was done.

Q: How long of a period was it do you think?

CHETWYND: We were not there accept for a small representational office when I went back 15 years after I left. Let's see. I left in 1968, so about 1982 or 83. So I guess we were there from about 1955 to '85, say.

Q: That was the close-out? '85?

CHETWYND: I think so.

Q: Thirty years.

CHETWYND: Right.

Q: Some people I have known made comments which suggest that the AID program really wasn't that significant in bringing about the Korean Miracle. That foreign assistance really was not a major factor in the countries development. How would you assess that?

CHETWYND: I think that we were fortunate to be working with a highly receptive population, but I really don't see how the Korean's could have recovered this quickly and completely and to become one of the leading economies in Asia, if not in the world, without a lot of really solid economic and fiscal monetary advice and the build up of major sectors of that economy. Like agriculture and technical areas, I mentioned the Korean Institute of Science and Technology, and all of the capital development. We had a

very active Capital and Development Office that was helping to rebuild that country's infrastructure.

Q: I think you mentioned in the case of Indonesia, of course, that the program kept being interrupted and closed down and up and closed down. We didn't have in Korea the type of political extremes or reactions that caused us to want to withdraw the program or back off even though they went through some significant political problems, didn't they?

CHETWYND: I guess if a country is strategically important to us, we will say "damn the torpedoes" and go full speed ahead with our development program. And nobody can argue with the political, well, the strategic-political importance of Korea to our concept of our security.

Q: So there weren't political events that cooled us from staying the course?

CHETWYND: No, in fact I think that most of the political upheaval in Korea came about after we left the country as I recall. The riots in Taegu, for example, I believe, occurred if not after we left, indeed towards the end of our program there. It was timely for that to happen. I mean, Korea had been a fairly autocratic country for so long and yet had been a strong partner of a highly democratic and powerful country. There must have been very strong democratic expectations in Korea that were being frustrated by Park Chung-hee. Of course Park Chung-hee stayed in power far too long. That always happens, no matter how good they are to begin with, if they stay in power long enough ultimately they will become corrupted. Of course, his successor was far worse, particularly with respect to corruption.

Q: But in your time there, there wasn't much emphasis on promoting democracy, the rule of law and that sort of thing that we're talking about these days?

CHETWYND: No. There really wasn't. As I said, we were concerned about political stability, but we weren't necessarily out there promoting democracy. At that time we would have been a destabilizing force. We were concerned with keeping the lid on things, helping keep the lid on things because the need was so desperate for an economic recovery in that country. And of course, I don't know what Korea was like before the war. That would be an interesting topic to explore.

Internships, mentoring and long term training

Q: Alright, let's talk a bit about your other perspectives. You mentioned something about human resources development. What are your views on that?

CHETWYND: Well I can make this very quick, but I feel very strongly about all of these things. One, I think that, and I said this in my farewell speech at AID, I think that mentoring is a hugely important dimension of AID and something that I think everybody needs to be conscious of. The mentoring role that the senior people have at AID is critical. I had tremendous mentors, and I'm just very grateful for all of the people like Cal

Coles, Princeton Lyman, Garnet Zimmerly, Bill Miner and Chris Russell... I mean these were just great mentors. These were people whose mentoring benefited me tremendously. I tried to do the same in my own operations -- to do as effective a job in mentoring as I could.

Secondly, I believe in internships. I think that AID has profited greatly from its internship programs and certainly, I did. In my case not only from having entered the Agency through an internship program but through the various internship programs that I have been associated with throughout my career at AID and having worked with a number of people who also came into the Agency on internships. I'm talking about the Management Intern Program, the Overseas Development Intern Program, ... IDIs ... the International Development Internship. This is a great program.

Thirdly, I think that I certainly benefited from long term training. It allowed me to make a transition that I was aching to make, and I think that the Agency benefited from, and that is to make a transition from the program field to the technical field through long term training.

Q: How did you benefit from that?

CHETWYND: I got a Ph.D. in economics which allowed me to move over to the technical side of the program which I had experienced to an unusual degree for a program office person in both Indonesia and Korea. I took one year of training from AID at Duke, I mean AID funded one year of training, and then I got a fellowship for the second year. I took a leave of absence without pay from AID to finish up.

Q: Your Ph.D. was from Duke? And what was your thesis about?

Views on decentralization and urbanization

CHETWYND: My dissertation was on the relationship between urbanization and economic development. It explored the relationship between decentralization and economic development. And, of course, decentralization is something that the Agency is into very heavily now.

Q: But then there wasn't much interest in it. How did you become interested in decentralization?

CHETWYND: It was through my work in Korea. One of the things that I forget to mention was that we took a very hard look at urbanization and what was going on in urbanization in Korea. I just became fascinated with this whole concept of cities and their role in development. So, at Duke I took a minor in sociology (demography) and a minor in urban planning and urban economics, and did my dissertation on city size distribution and economic development. Basically, the dissertation didn't prove what I set out to prove, it proved the opposite, which is okay. The purpose of a dissertation is to either prove or disprove a hypothesis. I was trying to demonstrate that if you could stimulate the

growth and development of different sized cities in a country and come up with something closer to a rank size distribution of cities, sort of like you have in Germany and the United States and other more advanced countries, that it would in turn stimulate economic growth and development. That didn't turn out to be the case. My data showed that that economic growth and other indicators of economic development didn't seem to depend upon a country's city size distribution.

Q: Size distribution. What do you mean by the distribution?

CHETWYND: Well, that you have so many cities that are in the millions of population range -- the largest cities in a country -- then a larger number that maybe are in the 500,000 mid-range category and yet larger numbers of cities and towns in the 100,000 population category and the largest number in what would be market towns and villages. So when you draw a line through a rank-size plot of these centers on log paper you tend to get a straight line. Plotting cities by rank and size for developing countries tends to produce parabolic curves with one or a few huge large cities and many small towns and villages but not much in between. I suggested that if you could take policy actions to straighten out that curve by stimulating growth of intermediate and smaller cities and towns, it would enhance development performance. But as I said, that proved not to be the case. Nonetheless, those interests are what resulted in my next phase, which I hope to talk to you about later on. This was to return to AID to help set up an Urban Development Staff in the Technical Assistance Bureau, which had the assignment of developing a policy and program for the Agency in urban development. As I mentioned earlier, Joel Bernstein felt urban development was going to be one of the one of the coming new challenges in economic development.

Q: Well, we'll come back to that. Any more on the human resource sector?

Views on senior management training

CHETWYND: Yea, one more thing and I bet you agree with me on this statement. And that is I think that the senior management course is one of the best things that AID invested in.

Q: Which course was this?

CHETWYND: That was the course that was run by the Training Resources Group -- TRG -- over in Alexandria. It was designed to help Office Directors and Mission Directors and other senior management personnel. The senior people in the Agency were given two weeks of training. We'd go off site together and in addition to all that you learned, in terms of how to be a better manager and how to get better production out of people, how to communicate more effectively, up and down, there was a lot of bonding that went on. Did you ever take any...?

Q: No, I never took the course.

CHETWYND: It was great. A lot of bonding went on between …that's right, as a head of a bureau; you were already at too high a level when that started. But, many Mission Directors and Office Directors got to know and appreciate each other as people. We got to do more networking with course alum when we took the follow-up courses. There would be kind of one-day or two-day refresher courses and so your networks expanded and you had this common experience. But I think the Agency has largely given up on these senior management courses and I think it's a shame.

Q: What is it you were learning, actually, from that course? Apart from the bonding?

CHETWYND: Well, first of all you learn about yourself. You learn what kind of a manager you are and you learn how people react to certain management styles. You learn how to build on your strengths and try to diminish the effect of your weaknesses. You learn how to operate under stressful conditions, how to handle difficult personnel situations like, for example, disruptive employees.

Q: Less about development, but more on how to be a better manager?

CHETWYND: Yes, it was all on how to become a better manager. It brought you up to speed with the latest concepts in management theory, which is something you don't have a chance to delve into once you're in a senior management position.

Q: After your management training program, what happened?

CHETWYND: Actually that was kind of only a sidebar because the management training is something that I experienced only later in my career. The next thing that happened was coming back from economics PhD studies at Duke to enter a new phase of my career which was working for what was then the Technical Assistance Bureau in Washington.

Q: Did you work on your Ph.D. at that time? Or before that?

Assignment in the Technical Assistance Bureau on urban development — 1970-1982

CHETWYND: Actually, I completed the course work for the Ph.D. on an AID sponsored long-term training program and an outside scholarship funded leave without pay. I concentrated on urban and regional economic issues, both in the studies and in the dissertation. Joel Bernstein was then the head of the Technical Assistance Bureau. In fact, he created the Bureau. He felt that there ought to be a technical and research arm in the Agency. Agency leadership bought that idea and he headed the Bureau. One of the things that he felt very strongly was that urban development was going to be the next big development issue around the corner. He put Bureau Associate Assistant Administrator, Sam Butterfield, in charge of that. You probably remember Sam; he was a Mission Director in the Africa Bureau.

Q: Yes, we have an interview.

CHETWYND: Sam was responsible for developing this area of urban development for Joel Bernstein in the Technical Assistance Bureau. He hired Bill Minor to head up the operation and me to be Bill's deputy. It was a great opportunity, truly a great opportunity. Joel basically gave us carte blanche to develop a policy and program for the Agency in urban development. It was going to be relatively new and so we worked out a very methodical and painstaking effort to get the best thinking of the United States urban experts and the practitioners overseas to be a part of the whole effort. We organized a series of workshops around the country, involving the best and the brightest of the urban development specialists. We had one each in Chicago, Los Angeles, New York and Washington, DC. We visited 19 countries in Africa, Asia and Latin America. In all, we picked the brains of about 500 people in coming up with a policy and program for the Agency in urban development. We produced a monograph called *Focus on Urban Development: Perceptions, Problems, Programs and Needs. A Potential Role for U.S. Foreign Assistance.* That was a product of what was then called the Urban Development Staff in the Technical Assistance Bureau.

Q: What were some of the main themes of this strategy?

CHETWYND: We looked at about nine different areas of potential activity in the urban field and we came up with basically three. These were *perceptions in leadership, manpower* and the third was *information*. So, you can see we were not hitting the subject directly because we felt that the developing countries were not ready in this area and we were not ready to push a full-blown program. What we meant by perceptions in leadership, was first of all, we determined that leadership was absolutely critical, meaning the leadership of relevant ministers and mayors in the developing countries. We felt that there was a great lack of understanding of the role and function of urban development in national development. As such, we concluded that a great deal of work had to be done to enhance the knowledge and understanding of these people in the whole problem area of urban and regional development. With respect to manpower, we found that the manpower needed for effective urban development was really very, very thin in developing countries and needed to be boosted. Information, of course, was the essence of it all. There were a lot of areas in which our knowledge was very scant and so we felt that we had to do a lot of work in generating information to enhance our own understanding of these areas as an Agency. So those were the three areas that we settled on from the nine we looked at.

You wanted to know how we selected these three areas out of the nine. Incidentally, the nine are perceptions in leadership, national policy, legal framework, institutions, manpower, information, planning, financial resources and administrative capacity. Those were the areas that were highlighted, underscored again and again in all of our interviews and workshops. The problem was, you can't come up with a policy for the Agency, which focuses on nine different areas. It would be too broad. So, we did an analysis in which we looked at how these nine areas interplayed, that is the extent to which, let's say, legal framework depended upon information, perceptions in leadership, manpower, finance, etc. and we found that in working through this kind of interactive analysis, that three areas were dominant in terms of constraining the others. Those three areas were

perception in leadership, information and manpower. So that's how we came to that decision.

Q: What happened to the policy?

CHETWYND: Well, the policy was vetted with all of the regional bureaus and with the field Missions by cable. We made and distributed copies of this monograph I just mentioned which explained everything.

Q: Did the policy define what areas we should be providing assistance in?

CHETWYND: Yes, the policy defined the areas. In fact, back in June 15th of 1973, the Administrator signed a document called *Guidance Statement on Urban Development*, which was meant to guide the Agency in this area. It was a fairly, I guess I would say, watered down version of what we had started out with, and I'll tell you why that is. Just about the time that we were ready to come up with a bold program of urban development policies and strategies for the Agency, Congress pulled the plug on the AID program.

Q: This is what year that we are talking about?

CHETWYND: This was about 1973. It was in that year, if I recall correctly, that Congress said that you will work on the problems of the "poor majority." Up to that time, the Agency had been highly sectoral in its orientation. Capital development (bricks and mortar and infrastructure) were a substantial part of our programs. In fact, we did an analysis of that as a part of our preparation for the Agency's policy in urban development. It was pretty clear that Congress was not happy, not pleased with the impact that our programs were having on poverty reduction. In other words, they perceived that the money kept pouring in and the poverty continued to grow. That was the beginning of a major era in the Agency's history in which the focus was on poverty as opposed to development per se.

Q: This was the New Directions legislation.

CHETWYND: The urban area was deeply impacted by that policy, because the Agency chose to interpret poor majority to mean the rural poor. The notion was that the poor in the cities had voted with their feet and they had come to the cities where they were probably better off in than in the places they left behind in the countryside. Well, the Agency moved in the direction of focusing its programs on rural development. Thus came programs like integrated rural development, decentralization, etc. We had to basically go back to the drawing board with our policy and come up with a policy and program that was in line with this new focus on the part of the Congress.

The new guidance statement talked about our need for monitoring urban development, for developing more information in this field, for looking for opportunities to work in cities through programs where the Agency was already active, like health, population and education. It called on the Agency also to introduce the urban element into our rural and

agricultural programs. So the program that we came up with in the Technical Assistance Bureau, which was essentially a research and development effort, had elements that you'll see reflected in the new direction for the Agency. These were projects like urban functions in rural development -- that is the role of market towns and regional service centers in agricultural and rural development. Secondary city growth and rural development -- looking at secondary cities as growth centers that would enhance and stimulate the development of rural regions. We did do some work on land use programming as once you start working in a population center of any kind, land use effects practically everything. This was especially true for the growth and development of secondary cities. One of our research projects that led to pilot programs in the field in collaboration with field missions was in land use development in secondary cities.

Q: Were you at this time, involved in the issue that some people thought that by promoting rural development one could stem the flow of people to urban areas?

CHETWYND: That was one of the elements of the policy. That's right. And to this day, I don't know whether that was a valid assumption on our part or not – that is by developing rural areas you can stem the tide of migration to urban areas.

Q: What was your view?

CHETWYND: At the time I was a very strong advocate of that notion -- that development of the market towns and secondary centers would stem the flow of migration to the large cities. Research seemed to suggest that that was not the case. That people would come to the bright lights no matter what you do. I think that that has certainly played out in the way that population has flowed in developing countries. Today we're dealing with multiple mega cities.

Q: Did you conduct research as to why that seems to be the case, even though conditions in these urban areas were pretty atrocious?

CHETWYND: The major element seemed to be economic opportunity. People perceived that there were economic opportunities in the city. And there obviously was a wage differential between rural areas and farming work and the kind of wage you could command in the cities, even in the lower echelon occupations. Recognizing that, we did something that I think is pretty exciting and has proven to be, even today, a main plank of the agencies platform. We held one of our regional conferences, one we held in Washington to which we invited distinguished speakers. John Freedman from the University of Southern California came and made a presentation on manpower. It was a paper, *Informal Small Scale Enterprise Sector of the Urban Economy: Problems and Suggested Approaches.* It says, prepared for the Agency for International Development, Office of Urban Development, under contract, January 26, 1976. That proved to be a very exciting paper because he was suggesting that there was an informal sector of the urban economy that is unregulated and that is growing substantially. He proposed that it is capable of growing even more dramatically and absorbing a great deal of the unemployed and the rural to urban migration, and providing economic opportunities for these people.

This paper led us to begin the project that we called, I can't remember the exact name for it, but it was a Small and Micro-Enterprise project. We developed a draft of the project paper and decided that we needed an expert in this area and searched around and found one Dr. Michael Farbman, who was an American professor teaching at the University of Glasgow in Scotland. We brought Mike into the Agency and set him up as our man to head up this area of micro-enterprise development.

Q: This was in the 1970s?

CHETWYND: This was in 1977. It took us about a year after John Friedman delivered this paper to convert it into a project in a whole area. And just for the record, that project became a division. Once we became an office, I think that happened in about 1978, that initiative became a division within the office headed up by Mike. Ultimately it became an office on its own within Agency's Private Enterprise Bureau. I know from my consulting overseas now that micro-enterprise is still one of the major initiatives of the Agency. Congress is very keen on it.

Q: What was the Friedman view or strategy? And what did he say or mean by micro-enterprise.

CHETWYND: Basically, he meant informal little economic activities of ten employees or fewer who were not licensed, not regulated, basically a totally informal sector operating below the official radar. As a matter of fact, there was a steady trend in Latin American by a very prominent Peruvian lawyer by the name of Hernando Desoto. He concluded that the informal sector was basically the only way for the small scale sector to grow because the regulated sector was so bureaucratic that people had to jump through all kinds of hoops and take a lot of money and a lot of time, a year or more, to get oneself licensed and set up properly. He was busy trying to lighten the bureaucratic load for small enterprise, but at the same time he was promoting and fostering the development of the informal sector.

Q: What was the program strategy? How do you help the informal sector?

CHETWYND: The first project was called PISCES.

Q: What's that stand for?

CHETWYND: PISCES stands for Program for Investment in the Small Scale Capital Enterprise Sector – quite a mouthful. It's interesting because I would ask people, "What does PISCES stand for?" Few knew but all new PISCES.

Q: A word of its own.

CHETWYND: Yes. PISCES became an icon. Well, first of all they tackled several key areas of research. It really became an umbrella project that did research and pilot demonstrations with Missions in the field. We did some research with David McClellan

of Harvard. He had this N achievement theory, in which he posited that you could train people to be entrepreneurs. Our research suggested that that wasn't necessarily a viable concept. Entrepreneurs seemed to be born, not made. But you could assist small industry by helping them with bookkeeping, helping them to gain access to credit. We followed to some extent the work of the Grameen Bank in Bangladesh as a model. But not exclusively, because it was our feeling that the Grameen Bank was a viable model in countries that had similar circumstances to those in Bangladesh, but that it didn't work everywhere. It could not be regarded as a cookie cutter solution to micro-credit. We explored as well other approaches to providing credit for small-scale and micro enterprise. We worked on information dissemination in micro-enterprise, sharing successes, sharing lessons learned. We engaged US experts in this field, produced monographs that were given widespread distribution and set up training in credit, marketing and management.
Q: What kind of scale loans were you talking about?

CHETWYND: We're talking about very small loans. The smallest would be in the area of maybe $50.00 and that was always a big issue within this field. There were purists in this field, of micro-enterprise who felt that the loans should be $50.00 to $250.0 and that the scale of enterprise should be very small, three, four or five people. But many small enterprises had much higher credit needs so other experts in the field argued that the program should open up to loans up to around $10,000.00 and include as many as 10 - 20 employees.

Q: So this was a matter of trying to get the greatest impact?

CHETWYND: The underlying idea was growth. You couldn't expect everyone to stay at this level. What do you do with the second or third generation of an enterprise? The purists said that you need to work with the little guys and once they get into a certain level of economic health and readiness, they can take care of themselves. I think it was pretty clear that they were wrong on that score that you did need to have assistance that was offered to entrepreneurs with 10-20 employees to help them invest in new capital and expand their operations.

Q: How do you put this into a large scale? That's a nice little project there. But how do you replicate this to give it a broad-base impact?

CHETWYND: That's a good question because it gets into the general underpinnings of the Technical Assistance Bureau. We undertook research into specific development problems, came up with program approaches to solving or addressing these problems, and worked with field missions to try out these approaches in host countries, usually initially in the form of pilot or pioneering programs. Efforts were made to then incorporate important findings and field successes into Agency sectoral policy direction and guidance. We were focused on urban issues but the same approach was being followed in health, agriculture, education, energy population and nutrition. There was research going on to advance the field and to identify the areas where you might have the greatest impact within the agencies programs. The next stage usually was to come up

with pilot and demonstration programs that you would try to get the Field Missions to take under their wings and make part of their programs. Then through the evaluation of those programs you would try to disseminate these activities, but the budget was limited always. You relied on a certain amount of take-up by the rest of the Agency. If you didn't have that, it didn't work.

Q: What was the experience that they had?

CHETWYND: I had a good case and point. It's actually one of my favorite projects. It's called Managing Energy and Resource Efficient Cities (MEREC). It was a project we were able to get going at a time in this country when there were long lines at the gas stations and it was generally perceived that there was a general global energy crisis. We came up with a project that addressed that issue while it was still a priority in Congress. The premise of the project was that the cities of the developing countries have to grow and develop, so why not plan to grow and develop along energy and resource efficient lines. If they are going to have a land use plan, why not have that land use plan do the maximum in terms of energy and resource conservation. If they are going to grow energy and water systems in the city, why not have them as conserving as possible. Why not have housing as energy and resource efficient as possible. We focused MEREC on intermediate sized cities because for most of these cities so much of their future growth lay ahead and the direction of that growth was not yet hardwired.

We decided not to focus on the Bangkoks of this world, but rather to focus on smaller and intermediate sized cities. The huge metropolises were just to big for us to tackle and have an impact. Secondly, by focusing on secondary cities, you are focusing on cities that may become major cities down the line and if you can get then thinking along energy and conserving lines early enough in their growth and development they would evolve into much more efficient cities than the Bangkoks of this world. In light of the looming energy crisis, we were able to develop quite a head of steam in this project and got about a million and a half dollars for it, which was big money in those days. Actually it was the mid 1980s.

We got programs going in the Philippines, Thailand and Portugal. Our MO for this type of project was to do the research and formulate the project. Then we would write it up in summary fashion and negotiate with our technical counterparts in the regional bureaus to see if there was interest in trying out the approach in their bureaus. Through this channel we would then send a message to the regional bureau's field missions to see what missions were interested. In the case of MEREC, the only two Bureaus to take an interest were the Asian Bureau and the Near East Bureau (which included Portugal). In Africa, they decided that the cities were not ready for this kind of sophisticated approach. In Latin America, the feeling was that decentralization hadn't reached a point in Latin America where cities were able to make their own decisions about growth and development, it was all controlled, or much of it was controlled through the central ministries. But fortunately, the Asia Bureau and the Middle East Bureau opened up to us such that we wound up with demonstration projects in the Philippines, Thailand and Portugal.

We developed highly successful pilot and demonstration programs in all three countries. And in all three countries the program was drug around by the local government. Thailand used it in some of their rural development programs even. And Portugal, it spread around through one of the regions pilot and demonstration cities to other regions of the country.

Q: What did it involve?

CHETWYND: We took an interesting approach in this phase. We went into the cities and said, "Look, what we've got is a concept. We don't have a bunch of off the shelf solutions for you. We've done some research on energy and resource conserving approaches in the U.S. and elsewhere and this is available to us as a resource. But basically, we think that every city has within its own talent a management team with the capacity to come up with their own approach to energy and resource conservation. It's a matter of getting into the right mode of thinking and just using common sense about this issue. So, in each city the mayors were quite delighted with this approach because we were not dictating a solution to them, we were facilitating their home grown solutions. In each city the Mayors set up a committee and we did a lot of brainstorming with this committee, with their experts. We selected the Tennessee Valley Authority as the contractor on all of this because they had worked with the cities around the TVA region on energy and resource conservation.

Each city came up with a unique set of programs that would be applied to enhance the energy and resource conservation of the city. A land use plan was key for all of it. It had to have an energy and resource conservation land use plan. Transportation was another key. So, I think, in all the cities, we had energy and resource conserving transportation plans. And beyond that we got into different approaches to making housing more energy and resource conserving. In Tacloban in the Philippines a local architect through a MEREC competition, came up with a design for a house that had a bio-gas digester in the backyard fueled by pig manure. Rain was captured from the roof and stored. It had alignments to the sun and to the prevailing winds that maximized cooling in that climate. The house maximized the use of local building materials. In Guarda, Portugal, which has a tougher climate, they came up with a very different design. They came up with locally made insulation materials that would preserve heat in their stone buildings in winter and cool in summer. Insulation was not a standard practice there at the time. There were systems that we put in to minimize the leakage of the city water systems, saving hundreds of thousands of gallons of water. They introduced waste recycling. In Phuket, Thailand, they converted a landfill to a park and golf course and created energy and resource efficient housing. So, there were different approaches in different cities, but the overall package in each city was quite impressive and quite comprehensive and included waste recycling, land use plans, water resource conservation, energy efficient housing, energy efficient transportation improvements, bio-gas generation and public campaigns and even urban agriculture.

You can read about this project in all its detail in the end of project report entitled: *More With Less: Managing Energy and Resource Efficient Cities,* which is an assessment evaluation that was published in 1987 and conducted by Avrom Bendavid-Val for the Office of Rural and Institutional Development. It was an assessment and evaluation of the overall MEREC approach and how it worked in the three MEREC cities.

Well, by that time the crisis was over. There were no more lines at the gas stations, Congress was no longer beating the drums on this issue and the Agency, despite our efforts to sell this as an Agency program, it never did get picked up. I tried to get Peter Kimm to pick it up in the Office of Housing and Urban Development but they had other priorities. So this is an example of a really good program addressing a key development problem that proved out in the field but was not made a global program. This fact was one of the great disappointments of my career – and we didn't even know about global warming back in those days. This project would have been perfect for addressing that issue. I still have hopes that it can be picked up.

Q: It wasn't picked up by Environmental interests?

CHETWYND: Well today, I see elements of this project approach in program programs sponsored by the World Bank. But I still feel that this is a program that remains to be sold on a grand scale as it should have been back in the mid-80s. I think that we would be in a much better position today in energy and resource conservation, if we had picked up on this and made it an Agency-wide program. Unfortunately, I was head of the Rural and Institutional Development Office at that time and it did not fit our mandate or budget.

Q: It didn't go beyond these three cities, did it?

CHETWYND: It did go beyond the three cities, but to my knowledge it never went beyond the three countries. In other words, in each country they picked up on it and integrated it into some of their own programs on their own. To me this further underscored the program's viability.

We did have an international conference at the end in Coimbra, Portugal, a university town. Representatives came from Latin America, China, Africa and all of the participating countries. However, we don't know to what extent participants were successful in bringing the program to their own countries.

Q: Did they have their own institutions pick this up and continue this?

CHETWYND: Yes, yes they did. In Portugal, for example, it was the regional development authorities that picked up on it. In Thailand USAID was backing a major rural development program that was promoting growth of villages. The Thais absorbed into that program many of the energy and resource conserving approaches that came out of the Phuket pilot study.

I should mention that in each country, national level ministries were engaged in helping to facilitate and in monitoring the program. This is a positive lesson to come out of this program, namely, that for good spread effect in a country, local programs should involve also the relevant national level agencies.

Another lesson to come out of the program is that toward the end of the project, there were budget cuts. TVA absorbed these by cutting back on their data base management system that would have provided much better data for assessing specific program impact. We should not have allowed this to happen.

Q: What happened to the interest in urban development? I gathered that there was concern in the Agency that it never really had the resources or the interest to be involved in that area?

CHETWYND: Urban development always seemed to be the initiative that was around the corner and never won the interest of the Congress.

Q: ...within the Agency?

CHETWYND: Within the Agency I think there was grudging support for it but it was a hard sell.

Q: Why was there so much resistance?

CHETWYND: I think that there was... and I'd be interested in your ideas on this as well...but I think that there was a sense that the urban poor really did vote with their feet and that the real problems were in the rural areas. And I know that that has changed within the Agency now, but for a long, long time, for most of my tenure within the Agency, the major focus seemed to be on rural problems and rural issues at least from the time of the New Directions legislation. I guess another is that the Agency felt somewhat overwhelmed by the urban problem. The problems of the cities were so severe, it seemed that the resources needed to overcome them were so great, that I think that we were really afraid of what we felt might be a Pandora's box - a bottomless pit. Of course, there was also the problems of poverty we were and are having in our own cities that was a contributing factor in its being such a hard sell in Congress. But I think there is another reason the Agency was not able to, or was unwilling, let's say, to grab a hold of this issue in any kind of significant way, and that is we really didn't get into decentralization and work with local governments until rather late in the game. In fact, I had a conversation with Peter Kimm not too long ago in which we agreed that if we had it to do all over again, the Agency should have gotten into local government, or pushed harder for the Agency to get into the local government much earlier than we did. We were essentially an Agency that dealt with national level ministries and programs. We operated at a national level, which is ironic in a way because in our democracy we place a great deal of emphasis on states rights and local initiative.

Q: And yet we were still very rural focused for awhile.

CHETWYND: Yes. We were working largely through the Ministries of Agriculture and the Ministries of Rural Development and their like ... the national ministries involved in agriculture and rural development. Now, of course, the Agency is much more involved in decentralization and in local government. It may have been in part our engagement in the former Soviet Union countries and the eastern block on Democratization that helped to drive this focus for the Agency.

Q: Wasn't there a project that you were involved in Ghana, northern Ghana, where you used part of the research in secondary cities?

CHETWYND: That's right. And you were there. You were Mission Director and you did pick up on one of our Central Bureau projects and that was Secondary City Growth and Development. Mike McNulty and I did a survey in Ghana, thanks to your opening the door for that, and we identified Tamale, Ghana as a city that had the elements that we were looking for. They had leaders there who were interested in it, they seemed to have some of the manpower in place and they were and intermediate sized city with rapid growth issues. We felt they were capable of carrying this out. Tamale looked to be a city that had a lot of its growth in front of it and was going to continue to play an important role and have continued significant influence in the region. It also had the economic growth potential that was essential for this project. So, we set up a program in Tamale, in which we brought in an advisor to work with the local leadership and they came up with a land use plan for the city. One of the big issues in the city was the unregulated growth. People would come in and they would put their huts anywhere and so you had a very random and disorganized housing situation there. With houses being scattered all over the in-migrant areas, it was going to be very difficult later to put in streets and extend utilities. It was necessary for these houses to be built in rows so that you could put in a street and put in water and sewer and electricity. One of the elements of this project was to regulate that growth by doing something really simple. And that is building streets. The city didn't have the money to put in the utilities, but they could build those streets. And of course, given the choice of building a house on a street or building it in the woods or fields, the migrants would choose build their houses beside the streets.

Q: Along the streets, you mean?

CHETWYND: Right. Along either side of the street. But in that way, through a very simple common sense approach, the city was able to help regulate the settlement patterns of in-migration and ultimately be in a position to provide services to that city.

Q: Did you have a technical assistance team there?

CHETWYND: Yes. We had an advisor there by the name of Earl Brown. Do you remember Earl Brown? We were told that we would never find an advisor who would be willing to live in Tamale because they wouldn't be able to fit into the local community and the schooling wasn't there, and so on. As it turned out, Earl Brown and his wife fit in beautifully. Earl became a member of the Chamber of Commerce. His wife became a

president of the PTA. The kids were on the schools local soccer teams and I think he was an extremely effective technical advisor.

Q: He was a one person team.

CHETWYND: He was a one person team and he brought in specialists from time to time. Although in this case, you would have to say his wife was a vital member of the team. Tamale was a tough place to life for a westerner, but they never complained seriously about the hardships that I know about.

Q: Any other examples of that in other places come to mind?

CHETWYND: Another of my favorite activities, because I think it was really on the cutting edge of a severe development issue was Development Strategies for Fragile Lands. We developed that project in Latin America at an Ag and Rural Development Officer's conference in Mexico. We had done the basic research into this project and produced a monograph on the subject, but it was necessary to get approval and buy-in from the region's Ag and Rural Development Officers who would be the ones helping to implement this project in the field. The problem was that uplands and the mountain and hill areas of Latin America were being settled at a very rapid rate by a burgeoning population down there. Trees were being cut, land was being tilled and slash and burn agriculture was the norm. The essence of the project was that you're not going to stop people from settling these areas so how can you somehow guide and motivate these people and the leaders down there to settle these areas in a way that was much more conserving of the resources and protective of the down-stream regions. So we worked with the Latin America Bureau and essentially developed a joint initiative with the Latin American Bureau on Development Strategies for Fragile Lands.

I remember there was initially a great deal of resistance, but we brought it down to a meeting of the AG and Rural Development Officers in Mexico and presented it to the officers. Scaff Brown, the LAC Chief Ag and Rural Development Officer, one of the officers who was working with us and on our side, helped us in get this project accepted and adopted. Actually, we asked one of the AG and Rural Development Officers there who was most resistant to the idea to chair the meeting at which the project was presented and discussed. While he was resistant to the idea, he was still a responsible AID professional and as chairman of the meeting, he restrained himself in terms of putting any negative comment into the discourse and did a great job presiding. The group endorsed the project and we developed what was to my knowledge the first ten year project in AID's history. The reason we fought for a ten-year project is that we couldn't do this in five years, it had to be a ten year initiative with the option of going on. The project paper actually stated that it was going to be a ten year program in Latin America.

Q: Was this Latin American wide?

CHETWYND: Latin America wide, yes. Central and South America. That was, I think, an example of central and regional bureau collaboration at its best.

Q: Were there any particular activities or particular country projects that stand out as the results of that project?

CHETWYND: There probably are, and if you want me to come back I'll do some research on that.

Q: Looking for some examples...well, go on with what your point was.

CHETWYND: I just think that it's an example of Central Bureau or Regional Bureau collaboration at its best because we weren't just operating on a single country level or a single demonstration level, it was a joint-effort with papers signed jointly. The Latin America Bureau was putting money in and the Central Bureau putting money in as well as the Missions kicking in money. Actually this project started off with more promise than it actually delivered. I'll tell you why. I won't mention any contractor's names, but the original contractor did a fairly good job in implementing the program. Then, of course, there was a second round after five years and they made some kind of a mistake in their bidding, so that their pricing was out of whack. They lost the second round to another contractor, so a brand new contractor had to take up in midstream and that second contractor just was never able to get the project up off the ground. They struggled and struggled and fired their first project manager because he wasn't able to get it moving and then, I think that they finally muddled their way through and came up with a program. Meanwhile, we lost a tremendous amount of momentum. The notion here is if you have a ten year program, it's probably not a good idea to change horses in midstream if your horse is doing a good job. So maybe you ought to bid the project for ten years rather than having a second bidding after five years.

Q: But you wouldn't have been allowed to do that.

CHETWYND: We would not have been allowed to do that and I doubt we'd have been allowed to do that today. The rules require that contracts be no longer than 5 years duration. Of course, for cause, there can be extensions.

Q: But the continuity of a contractor is pretty fundamental.

CHETWYND: It is very fundamental.

Q: For this kind of a project.

CHETWYND: Yes. For projects like this one that address long term problems through institutional, policy and behavioral change.

You know there are things that were happening on the organizational front too within AID. When the Reagan administration came in they were doing a lot of streamlining in the Agency. One of the actions that they took was to partially integrate the Office of Urban Development into the Office of Rural Development and to reflect the new staff

and projects brought in from UD they broadened the name of the office to Rural and Institutional Development. I was made a Division Chief initially then I became Deputy of that office, then Director when Chris Russell moved to the Private Enterprise Bureau as Deputy AA.

I brought some projects with me, including Urban Functions in Rural Development, Secondary City Growth and Development, and Managing Energy and Resource Efficient Cities. Mike Farbman brought his entire portfolio of small scale enterprise projects, including PISCES and its successor projects. Both Mike and I were made Division Chiefs in our new office. The Urban Development office as a unit was abolished and one project, Integrated Programming for the Urban Poor was transferred to the Office of Housing which was expanded to become the Office of Housing and Urban Development.

I think as an Agency we could have had a much greater impact if the Office of Urban Development and the Office of Housing had been able to work together. But that really never happened. Our Bureau made efforts in that direction but the turf battle persisted until the Reagan reorganization I just described. As a result of the re-organization, the Office of Housing was to have the responsibility for large cities and urban development policy including representation at the Human Settlements Council of the United Nations. The Office of Rural and Institutional Development would have responsibility for work in secondary cities and in market towns and regional development.

Evolution of the USAID's central bureau

Q: Let's back up. It's quite clear from what you've said so far that you were in a creative center in the Agency in terms of coming up with initiatives of one kind or another that were then planned out. Perhaps we can get a clear idea of the evolution of the organization over time. You mentioned it somewhat, but maybe we can get that picture in hand first.

CHETWYND: I think that what the Agency was struggling with was of course, I guess a battle over resources. I think that the Regional Bureaus were reluctant to see resources going to a Central Bureau because they felt after all, they were on the front lines where it was happening, why should a Central Bureau get these hundreds and millions of dollars when they could make much better use of them in the field. And the Central Bureau was saying, "How are we going to improve our overall activities as an Agency unless we have a research arm and some kind of an entity that will keep us on the cutting edge and integrate new research findings into field activities and into policies."

Q. So, you were an office within the Central Bureau, and it went through several different names?

Joel Bernstein started off with the Technical Assistance Bureau as I said before, then Sandy Levin came in and the bureau became the Development Support Bureau, emphasizing our support to the Field Missions. Next, Dr. Nile Brady came in with a stronger research emphasis and it became the Science and Technology Bureau. Under Rich Bissell it became the Research and Development Bureau. Quite a journey but not a

great deal of change. I think the major change was a transition to working in a much more integrative way with the regional bureaus and field missions. In most offices of the S&T and later R&D Bureau, field mission monetary buy-ins to our projects far outweighed what we were budgeting directly.

Q: And less research?

CHETWYND: Probably less emphasis on research under Levin. As a former Congressman I think he was applying his political instincts by trying to satisfy his constituents out there and his constituents were the Missions. So in that case, what do you call your Bureau? You call it the Development Support Bureau because its there to support your constituents...the Missions. Then Nile Brady was hired as the head of that Bureau, and of course he came out of a very strong research background. He was head of the Rice Research Institute in the Philippines and one of the heroes of the Green Revolution. He was also heavily involved in research at Cornell -- principally agricultural research. Nile had a very strong sense of the research mission of the Bureau to keep the Agency on the cutting edge. It was his goal to create more of the Green Revolution type break-throughs and not just in agriculture, but the other fields as well – health, nutrition, energy, forestry, etc. He was a very strong spokesman for this point of view and had the ear of the Administrator. And so he named the Bureau the Bureau for Science and Technology.

Q: Did you sense a major difference in these three eras so to speak, from the Technical Assistance Development support to the Science and Technology? In terms of what you were working on?

CHETWYND: I think that our progression was not that all influenced by it because we had a certain point of view. Our point of view was that we were there to serve the Missions.

Q: And that was from the beginning?

CHETWYND: From the beginning. And so I think as a result we tended to have, on a relative scale, a pretty good relationship with the Field Missions. However, for each activity we worked on and each policy we were charged with developing, we did do a good deal of field oriented pragmatic research. But the emphasis was always on creating products that would be field ready or help us to better serve the field.

Q: Can you sum up some of the evolution of the offices that you were associated with, in terms of bringing about certain changes and themes. I mean, you've done some of that, but you might be able to sum it up.

CHETWYND: Yes. Well first there was the Urban Development staff which was responsible for coming up with the policy and program for the agency. Once we developed a substantial program we were made an office. We became the Office of Urban Development. As an Office we were a little more visible and tended to be affected

more by turf issues with other Offices like the Office of Housing which had some responsibilities in this area. But we worked very, very hard to cultivate collaborative relationships with Regional Bureaus and with the Field Missions.

Then with the merger with the Office of Rural Development, we found ourselves in an environment in which its Director also had been making very strong strides towards collaboration with the Regional Bureaus and had in fact come up with some mechanisms that were very effective. They called them Cooperative Agreements. Cooperative Agreements allowed the Office to foster a cadre of resources, and by resources I mean not only human resources but also development of information, techniques and technologies that could be used in the field. These could be used by the Regional Bureaus and, in a sense, owned by the Regional Bureaus. These Cooperative Agreements allowed for field missions literally to "buy-in" with their own resources and as such, gain access to the resources of the Cooperative Agreement. This was accomplished by a signed agreement between the field Mission and the Bureau's with the office that managed that particular Cooperative Agreement. Soon, other offices in the Bureau were picking up on this tool.

Q. What are some good examples?

In the land use area we had a project called Access to Land, Water and Natural Resources through a Cooperative Agreement with the University of Wisconsin's Land Tenure Center. The Land Tenure Center was engaged in basic research on issues of land tenure which were thought to be very critical to agricultural, rural and natural resources development, especially in Africa where issues of land tenure were greatly confused. The project was also active in Latin America and the Caribbean where uncertainty about land tenure was also constraining development. Our office would work with a field Mission, develop a scope of work for the land tenure center, let's say to examine traditional land tenure laws and practices in Ghana. Then the Land Tenure Center would field research and development teams to flush out that issue, they'd work with local institutions, local researchers and come up with a product at the end that was designed to help resolve issues or help develop policies or new laws including training of personnel.

Q: This is to produce studies?

CHETWYND: To produce studies, to produce policy recommendations or to produce the elements of what might become a program for the Mission, for example, by laying the foundations for a project paper for a Mission. The Office of Rural and Institutional Development had a whole portfolio of these cooperative agreements covering things like agricultural marketing, decentralization of finance and management, transitions to democracy (which came later on), agribusiness and marketing strategies, policy development and change, citizen participation, etc.

But, I'm getting ahead of my story. I'm getting into the Office as it was when I left as Director in 1992. The Office of Rural Development had developed basic projects for improving agricultural production and rural support systems before it was re-organized to

become the Office of Rural and Institutional Development and incorporate elements of the old Office of
Urban Development. Examples of some of these activities are rural savings mobilization with Ohio State, small farmer marketing systems with Michigan State, Appropriate Technologies Institute and sustainable agricultural systems, to mention a few.

The merger with the UD Office obviously broadened the focus.

One approach that Nile Brady promoted, presumably a reflection of his research background, is to explore ways to get the different offices of the Bureau working together and collaborating on the projects where they had overlapping interests. A good example is the Forestry Fuelwood Research Development Project (F/FRED), which was meant to be kind of a Green Revolution-type project but in the area of forestry. Its objective was to develop rapidly growing species and get them adopted. It was managed through a division of responsibility because the Office of Forestry, Environment and Natural Resources was interested in the biological and technical aspects while our office was working on the adoption aspects of this forestry initiative, what you might call the socio-economic dimension. The geographic focus of the project while I was associated with it was on Asia and the Near East, so the ANE bureau also participated in the project, including its field missions. All participants put budget money into the project.

Q: And more recently this has evolved into what? In the last years of your time there was this all that was going on? Or was there another evolution?

CHETWYND: There was a further evolution of this Office. First of all the micro-enterprise activities and Division was transferred to the relatively new Private Enterprise Bureau where it became an Office led by Mike Farbman. I arranged for the Rural and Institutional Development Office to be re-named the Office of Economic and Institutional Development to reflect more accurately its program content and mission. We had two Divisions, the Institutional Development and Management Division headed by Tom Mehan in which Jeanne North was a major player and the Resource Access and Development Division Headed by Gloria Steele. Really, when I left it, all of the areas that we had in the Office became three of the four pillars of the new Global Resources Bureau, which was the last iteration of my old bureau of which I am aware.

Q: What were those three?

CHETWYND: It was Natural Resources Management, Democracy and Governance and Economic Growth. In fact, the last program and budget document I put together for the office specified four themes for the office activities:

Supporting Economic Growth
Improving Natural Resources
Supporting Democratic Development, and
Improving Quality of Life

Q: These were the four centers, so to speak, that you were talking about?

CHETWYND: That's right.

Q: There was environment and natural resources, economic growth, democracy and population health and human resources was added later.

CHETWYND: Yes. And our portfolio addressed the first three.

Q: And they all grew out of your area?

CHETWYND: They grew out of the Agency's experience in addressing the issues of development and the democratic transition of the former Communist countries. It's just that they happened also to be aligned with the focus areas of our office and while we got there first, it's not like we invented or owned them or that the Agency discovered them through our office. But, we were always looking around the corner of development issues and this is where it brought us. I'm sure the work of our office, which transcended dozens of field missions and tens of millions of dollars annually, did have some influence over the new configuration. The Agency was becoming more cross-cutting in its approach to its mission and that was our mission from the start.

Q: In many ways the Office was a pioneering effort in a lot of areas. Some got lost, but others got picked up and it evolved into much larger scale efforts. Would that be a fair statement?

CHETWYND: That's right. A lot of them were, for example the program on policy reform, became central to the economic growth activities of the new Bureau. A lot of the work we were doing in natural resources became part of the environmental and natural resources development and management thrust of the new Bureau combining the physical with the social and economic. The work we did on decentralization became a major theme of the Agency's democratization portfolio, including municipal finance and management. We had several projects that were directly involved with the democratic and economic transition going on in the former Soviet Union and Eastern Bloc countries. These projects included Transitions to Democracy, International Foundation for Electoral Systems and Decentralization: Finance and Management.

Q: Obviously you must have found that this area was hard to establish an identity compared with the population people or the health people or the agriculture people and the education people. How did you find that dilemma, because I assume that you would be more vulnerable to the winds of change and ideology and so on? Did you find that so?

CHETWYND: One of the difficulties that we had to struggle with all the time was that, working on the institutional and social science side of the Agency problems we tended to cut across sectors. In fact, one of the things that I explored toward the end was the development of a crosscutting staff of some kind within the Global Bureau. I was thinking of a group that would be mandated to look across the sectors that the Global Bureau was operating in and to see what the crosscutting institutional and social

economic and human resource issues were that could be worked on and improve the work in the sectors. The problem with that was that you need resources; you need a portfolio in order to do that and once having a portfolio it is hard to take on a kind of a neutral crosscutting role. You would fit more into the category of one of the line offices of the Bureau if you had a portfolio and you would be at the table competing for resources like everyone else. However, I later discovered during the consulting phase of my career, that eventually, field missions in fact were required to specifically address cross cutting issues, devote resources to them, evaluate them and some had teams within the mission set of to identify and address them.

Q: Did you find a problem with people really getting interested in the social institutional dimension of the development process as opposed to the technical area?

CHETWYND: I think that the Office enjoyed a great deal of success in the area of working with the field missions, so that the people who counted, that is, our working partners in the field missions, were highly supportive of our efforts. We had the highest volume and proportion of buy-ins from Missions and Bureaus to budget of any other office in the Bureau. Two-thirds of our budget came from buy-ins from the Field Missions. Which I think is an indication of two things. One, the relevance of the programs that we were involved in to what the Missions were trying to accomplish; and two, our style of operation. We listened to the Filed Missions and worked very closely with them to help them to achieve their ends. I think that the Missions felt a great deal of ownership to the programs that they bought into with us.

Q: How about your relationships with the technical areas like population, health, education? How did you find trying to be a crosscutting functional relation with those sectors?

CHETWYND: It was always hard.

Q: You already mentioned housing.

CHETWYND: Well, yes. Of course, housing was always in a different bureau from us. But even within our own Bureau it was hard to get beyond lip service when it came to collaborating on programs. Nile Brady was a very tough taskmaster on this and he worked very hard to get the offices to cooperate, as did his successor Rich Bissell. In fact, Rich Bissell was a champion of offices working together and presenting a united front to the field missions. One of the things that he did that I was really very proud of, was that he set up the Women in Development Action Group in the Bureau that was hugely cross cutting and inclusive. He had two cross cutting Office Directors chair it; that was me and the then Director of the Office of Women in Development, Mary Fran. Each of the offices in the bureau had to appoint at least one representative to the Action Group and an alternate. These would meet on a regular basis in seeking an action plan for the Bureau. The Bureau's Office Directors would meet periodically to get progress reports from the group. Mary Fran and I asked Rich Bissell himself to chair the last of these meetings for

presentation of the final report of the group to the Office Director. We did this to make sure the Directors would see that the boss was totally behind this initiative.

The idea was. Let's have all of the Offices of the Bureau working together to help come up with a strategy and a program for women in development and to become a leader in the Agency in this area. We had the series of meetings I just described and we hired a contractor to work with us and put together the minutes of the meetings and final report. Each of the Offices researched its portfolio to find the gender issue intersects and presented their findings to the group. In the end we produced this synthesis report called *Gender Relative Findings: A Synthesis Report Program Report of the Women and Development Action Group.*

Q: When was this?

CHETWYND: This was, let me see, this was 1992. The report was finished the month I retired from the Agency.

Q: And do you have a sense in how that impacted on the Agency since then? The program?

CHETWYND: Actually, it did continue and I know that the Agency has a policy in this area and the Bureaus have a policy. That was our objective, to try and move the Agency in the direction of having a comprehensive policy in this area in all of the sectors in which we operated.

Q: How did you find relating resources to Congress in this? Because, again, as I said you didn't have a clear identity and that of course could affect your resources. How were you involved in this?

CHETWYND: No, I never did testify before Congress and the only one in our operation that did was Mike Farbman because there was a tremendous interest up there on the Hill, in the micro-enterprise area. Congressman Benjamin Gillman, an influential Congressman in international affairs, was keenly interested and Mike was called on to testify from time to time on Agency progress in promoting micro-enterprise. By this time there was an Agency Congressional earmark of almost $200 million that the Bureaus and Missions were to spend on micro-enterprise. As I recall, they even had Muhammad Yunus testify as he had many admirers on the hill.

Q: And there was a very active advocacy group, a private advocacy group that was pressing hard.

CHETWYND: That's right. I know that the private advocacy group has really started the push on the small-scale enterprise activities. I think that, for example, a couple years ago they had a micro-enterprise congress in which 3,000 people from all over the world attended. And they're trying to get the results incorporated into the UNDP Global 2000 plan.

Q: How do you account for the fact that some like this one had passionate support behind it and others did not? What were the things that seemed to generate enthusiasm and support, when others did not?

CHETWYND: Good question. I guess you had to have Congressional backing. This is increasingly the case. Micro-enterprise started off as this little germ of an idea, became a project, became a Division, became an Office, became a Congressional Mandate.

Q: Became a movement.

CHETWYND: Right, became a movement. It is big. Of course, Muhammad Yunus had a lot to do with the global push behind micro-enterprise as well. Remember, he got the Nobel Prize for his work on micro-credit through the Grameen Bank in Bangladesh. However, the work in natural resources and the environment we were pushing should have received that kind of backing. Perhaps if Al Gore had been pressing that issues on my watch our environmental programs might have come to enjoy similar status. But, I don't sense that it ever had the same kind of support in the Congress as say, Micro-Enterprise.

Q: It got caught up in the environment.

CHETWYND: I guess that's another point, and that is, if you are in an area that has an outside lobbying group then you will do well. You will do well in Congress and you will do well in the Agency. So, AID is prohibited by law from promoting its own programs in the U.S., even through educational programs, but that's a bit of a shame. There are areas where we do see the needs quite clearly on the strength of our being on the ground in so many countries in Field Missions and being connected with the major research institutions in this country. We ought to be able to engage in informing the public. I don't know what the answer is to that.

Q: Did you find, given the several administrations that you went through, that there was some sort of ideological swing that moved you one way or the other and affected your work?

CHETWYND: Yes. There was pretty clearly a change obviously with the *New Directions* legislation. There was a change when the Reagan Administration came in. I think that one of the initiatives that the Reagan Administration introduced that I wish we had gotten into earlier was (I think I mentioned this before) work more with the private sector. We had ignored the private sector pretty much, but it's obvious that the private sector has got to be at the heart of a countries' growth and development. Who knows how much more effective we might have been if we had gotten involved earlier in private sector work and work with local government.

Q: What about the work in municipal government? It's become quite common. Any of that spinoff from earlier work?

CHETWYND: I think that the work in municipal development is a spinoff of a few things. The Agency had been working primarily at the national level on development administration and management. That focus was bound to filter down eventually. However, we had a hand in leading the way through our pioneering work on Municipal Finance and Management with the Research Triangle Institute. This is one of the projects we transferred over to the Office of Housing during that re-organization and it became a major program there. As I noted, our project, Decentralization: Finance and Management focused on decentralization of public services and our work with Market Towns all helped prepare the Agency for this work with local governance. Of course, the Managing Energy and Resource Efficient Cities (MEREC) project was in fact a local government project.

Q: And the decentralization movement? Is that part of your time?

CHETWYND: Yes, in fact we introduced a lot of decentralization and local government programs in the late 1980s and early '90s. And these, I think, put us in a better position than we might have been to respond to the needs of Russia and Eastern Europe for their transition experience. I think we were hindered in this work to some extent in large regions of the world, like for example in Latin America where it just was not in the nature of things for us to be able to work at the local level effectively. Everything was so centralized until relatively recently when the democracy movement has obviously created a sea change in Latin America.

Q: How about the other regions?

CHETWYND: I think we have had the greatest success working at the local level in Asia. I think in Africa our work at the local level was hindered just because we had limited resources always relative to the magnitude of the problem. I think that people in USAID just felt that working at the local level of government in Africa was never a priority. However, the project we did in Tamale when you were Mission Director in Ghana was certainly an exception to that rule.

Q: Were there significant differences between the regions in terms of those things, apart from the local government portion, that they picked up on or were more interested in especially in the different development interests? Or was it not bureaucratic?

CHETWYND: I always felt like the Bureaus' programs in some way reflected the nature of the Region. Our work in Latin America was, I think, largely with the central ministries. The work in the African Bureau was largely in agriculture because it was a largely rural region. And our work in Asia was much more eclectic and I guess we probably did more local government work in Asia than any where else, though we did attempt some work in Latin America: Panama City, Leon, Nicaragua; Potosi, Bolivia to name a few.

Involvement with the newly independent states of the former Soviet Union — late 1980s

Q: And then what happened, considering at that time I guess, there were the newly independent states . Did that impinge on your work while you were there?

CHETWYND: Yes. And thank you for raising that. In the late 1980s we knew that we were going to have to provide technical assistance to the former Soviet Union. So we tried to develop a portfolio of programs that would prepare us for this challenge. We (our office with our supervisory unit the Human Resources Directorate in the Bureau – remember Ruth Zagorin who headed that unit?) set up a working group with the National Academy of Scientists. The group was a panel of distinguished experts in comparative political systems, comparative government, comparative economic systems, public administration, law, foreign affairs, etc. to help us sort through this question of how countries undertake a transition to democracy. How do you make the transition to a free market economy and democratic society in this part of the world that was so burdened by and steeped in the communist system? The panelists were very thoughtful, they gave a lot of time, thought and energy to this question and in the end I'll never forget what the panel co-chair, Charles Tilley, New School for Social Research, advised us in his concluding comments. Paraphrased, here is what he said: "Look. No one has ever done this before. We can tell you what the end state should look like and we know all about the systems that these countries are experiencing and are transitioning from, but no one has ever made the transition in this direction. We have studied the transition in the other direction that is from private and democratic to the communist totalitarianism system of governance and economy." So basically they couldn't tell us. They said, "OK, we know you're going to do this thing but in doing so please do no harm." They really did not have a good sense of how to go about this transition but they did agree on one point. Promotion of civil society organizations such as NGOs creates the fundamental infrastructure for a democratic society. They thought this even more fundamental than respect for human rights and minority rights, opposition rights, citizen participation, limits on the power of central government and an independent and protected judiciary (rule of law) – all of which they thought were important. They also cautioned us that this transition would be long term and not to expect short term results.

We did develop a whole series of programs to prepare the Agency for this work with the former Soviet Union and satellites on transitions. We had one project called Transitions to Democracy which was to support analysis and assessment of democratic needs on a country by country basis. Under this project, teams actually went into countries to do democratic sector assessments. We had one called the International Foundation for Electoral Systems which would go in to help countries to set up and manage and carry out their elections. We had one called Decentralization of Finance and Management which was working on policy reform and institutional reform and development. We also had programs in the economic area. We had a program with the Institute for Policy Reform for improving policy capability. We had a program called Implementing Policy Change which worked in all countries but which was useful in these countries. We had a program also called Decentralization: Finance and Management that as I explained earlier was geared to helping countries with decentralization of public services.

Q: Was there any policy or strategy paper for the Agency to deal with these transition countries or was it a matter of feeling our way?

CHETWYND: Well, I'm not sure about what happened after I left as I went straight into a serious sabbatical with a great deal of travel and focus on life after USAID. However, it is fair to say we were feeling our way at the time I left. The report of the working group I described, *The Transition to Democracy: Proceedings of a Workshop*, was given wide distribution. Administrator Roskens had opened the workshop, along with Rich Bissell to get policy level attention.

Here's a reflection on this period that might be helpful. During this period of the late '80s and early '90s, there was tremendous competition within the U.S. government to get in on this transition action. I'm talking about across the board in the U.S. government, for getting in on helping these countries with the transition. It was a very sexy thing. Agriculture was in there, Treasury, HEW, everybody was in there fighting for a piece of this action. The State Department was supposed to be coordinating it for the US government and appointed Ambassador Richard Nelson for this task. He was basically unknown and had been an ambassador in a very small, relatively insignificant country and I felt that we weren't giving this whole government-wide effort the kind of leadership that it should have had. My feeling is that we should have sent a very strong signal to the Russians who were taking this thing very, very seriously. It would have been much more effective I think had we brought in Jimmy Carter, Richard Nixon, Henry Kissinger or someone of that ilk who could have knocked heads across government departments and brought some order to the chaos in this area while at the same time impressing foreign leadership in these countries and among our allies. It would have made for much better coordination and leadership.

Retirement from USAID — 1992

You retired in 1992?

CHETWYND: Yes.

Q: How do you look back on that period of time? I must say it was a period of many opportunities for creativity. There must have been frustrations in getting things off the ground. How do you size up that period of some twenty years?

CHETWYND: I really feel very good about it. I always had a chance to be creative and I felt that I had a tremendous opportunity to work with creative people. I think that one of the unique things about our operation over the twenty years is that we took a very multi-disciplinary approach with everything that we did. We had physical scientists, anthropologists, sociologists, political scientists, geographers, economists and so on, all working together in a problem solving mode. I really enjoyed my entire AID career. There were always frustrations, always problems, always bureaucratic struggles, and there were disappointments, but, you know...as..

Q: What stands out in your mind as lessons of that experience and how you functioned in the crosscutting world of developmental issues?

CHETWYND: First of all if you are a Central Agency you must realize that the culture of the Agency is oriented towards the field mission, not the central bureaus. So, if you are going to succeed as a Central Bureau you've got to learn to live and be productive in that culture. That means you have to listen to the Regional Bureaus, you have to ally with the Regional Bureaus, you have to scratch them where they itch and it's through working with them that you are empowered to provide the kind of technical leadership that is the mandate of a central research and technical support group. So living within the culture, recognizing the culture for what it is and operating or behaving accordingly is, I think, the way to have success. I think that every opportunity to influence the Congress should be acted upon, in terms of the way you package information and the way you represent your programs, you can't go out there and start lobbying but you can certainly take every advantage there is to inform the Congress.

Q: Other lessons?

CHETWYND: I think I mentioned some of the lessons of bringing in young people, giving them an opportunity to perform through intern programs, building networks. I think networking is still a very important activity for someone that is working in a Central Bureau in the Agency.

Q: Clearly one of the lessons is to build a network.

CHETWYND: That's right. You need to build a network of resources outside of the Agency that can be drawn upon and build a network of colleagues within the Agency.

Q: Did you find over that long period any evolution in the quality or the level of expertise of the staffing for the Central Bureau?

CHETWYND: What do you mean by that?

Q: I think that there were some views from what I've heard from other people that we've interviewed that the level of technical competence of the Agency has not held up as much in later days as much as it was in the beginning. The people that have come in have not brought in or given as much emphasis to the high standards of technological competence.

CHETWYND: I think that it always sounds like sour grapes, when you've retired from the Agency and are asked to look back and compare it to what it was in the old days. I sense that the Agency is not attracting the caliber of person that it was back in the '50s and '60s and '70s. I just thought that the people who made it to Mission Director and Bureau Heads and so on, back in those days, was really quite outstanding within the government. I don't think that that's any longer the case. However, that view could just be a function of my age, being more in awe of our leaders when I was younger than when our leaders were my peers.

Q: Do you have any sense of why that may be the case?

CHETWYND: I think that the AID program under Kennedy was creating a great deal of excitement. I think that the country was even maybe a little excited about it. You remember with the initiation of the Peace Corps and the Alliance for Progress and there was a lot of powerful rhetoric around this idea of America helping the rest of the world to develop and transform. I think that the Agency has just been bludgeoned by Congress to such a degree that it is tough to attract the top people. There are too many other opportunities out there. When young people come to me and ask about a career in International Development in AID, I say, well, you really have to have it eating at your gut. You've got to prepare to do the catechism, be prepared to learn language, go through the Peace Corps, etc. You better have a background such as an MBA that you can fall back on because the opportunities are diminishing rapidly, it seems to me. I just read in the paper this morning that the AID program is something like $1.8 billion less than what the Administration has asked for. I may have those numbers wrong, but it's just been a gradual deterioration of budget. The other reason that the technical level within the Agency may be lower is that we are now an Agency of managers and not an Agency of technical hands-on doers. The real opportunities for a technical person to operate in a technical venue is no longer there. For hands on technical work you need to be a contractor.

Q: Let's come back to some of those points. Why don't we have a review of some of the consulting work that you've done since then. I think you've had some interesting assignments. After you retired in '92, what were some of the tasks that you took on?

CHETWYND: The first year after retiring I did a lot of traveling. My wife took the year off from her law practice and we decided to see what retirement was really like. It was good. However, at the end of that year, I was asked by RTI if I would be the Director of a Municipal Finance and Management Project (MFM), which was a $25 million project with technical assistance to Russia, Ukraine and Central Asia. I wound up working intensively the next three years in a part of the world that I had never thought I would see. I remember the first trip to Russia. Ron Johnson, the Vice President of RTI, Ted Priftis, the USAID project manager and I found ourselves standing in front of the onion dome of St. Basils on Red Square and we just sort of looked at each other and said, "Can you believe that we are actually here?" It just seemed unreal. That was a project that drew on a lot of my past experience in municipal development and management. It was a three year contract and, like I said, it was very intense. We had offices in nine cities in this region. Moscow, Nizhny Novgorod and Vladivostok in Russia, Kharkov, Lvov and Ternopil in Ukraine, Atyrau in Kazakhstan and Karakul in Kyrgyzstan.

Q: With personnel assigned to all these areas?

CHETWYND: Yes. We had local and American staff in all nine offices.

Q: What was the project supposed to do?

CHETWYND: The project was supposed to assist the cities in coming up with a system of financial management and municipal management that was more consistent with a democratic system of governance and a free market economic system. We did a lot of computer systems work in these cities. We think of the Russians as being so advanced technologically, and yet they were really operating almost in the dark ages when it comes to management. One of the reasons for that is that municipal management was really a very low priority under the old system. Most of the decisions were made at the national level. The communist party was very much involved in decision making up and down the line. The local government was not responsive to the local citizens, as such. The city was managed from the center through local representatives of central ministries and were overseen by the communist party, which had a parallel organization at all levels of government.

Q: Sounds like an impossible thing to reform.

CHETWYND: It was tough, because these people came with a great deal of baggage from the past. As I sometimes told consultants on their way to the field, *when you're working with these folks and trying to relate to them, think of what it would be like if they had won the Cold War and somebody had come in and told us,* "Sorry folks, the democratic system, the free market system is not the viable system for the next millennium and we're going to have to make a transition to a command economy and a communist system of governance." *Even if we accepted that, or maybe even if we welcomed it, how difficult it would be for us to grasp the concepts, because all of our lives we had been taught a different way. All of the synapses in our brain would be wired the wrong way. Just think of it in that way when you are trying to get your ideas across with these people.* In fact, I enjoyed working with the Russians. I found that there were enough Russians open to change to make it worthwhile. There were also enough Russians who were opposed to or finding it painful to change to make it very difficult.

Q: In what areas that you were trying to bring about change and in which did they seem to be the most responsive ?

CHETWYND: They loved the new hardware and software and they were very eager to come up to speed in that department.

Q: What did they use it for?

CHETWYND: They used it for the new systems of management that we were giving them. For example in Nizhny Novgorod, we installed the same system of financial management as we use, for example, in Chicago, Los Angeles and Dallas. It's a system that has a lot of transparency, has a lot of audit trails and accountability. It has double entry bookkeeping (which was new to them) and all kinds of things that they were in no way accustomed to using and to which they were sometimes resistant. I mean I can appreciate the difficulty that they are having today negotiating with them to give up on their time tested principles and MOs.

One example of this we encountered while installing this new financial management system in Nizhny Novgorod. It involved their taking a financial management software program from American Management Systems (AMS) that was licensed to AMS. They had to sign the license agreement and this was something that was just not part of their culture. They did not understand using but not owning the software. We were giving them the stuff, why couldn't they have access to the code, change it, sell it, do anything that they wanted to do with it. So after three months of inaction, they sent back the license agreement totally changed. They had even changed the format for it from full page to three columns. They had completely rewritten it...completely! And you can imagine the reaction of the legal office of American Management Systems. You can't tinker even a little bit with a license agreement. .

I knew it wasn't going to work, so I invited the two key Russians in the mix to come here and negotiate face to face with AMS in their headquarters. They came here and after a solid week of negotiations we were nowhere. So I said okay, forget about this, take the weekend off, don't think about it. We're going to come back on Monday, I'm going to extend your stay here and we're not going to leave the AMS building until we drink champagne. So, Monday we showed up and to make a long story short, I called home and said that I wasn't coming home to supper that night. Then I called home and said I'm not coming home at all tonight. I didn't come home the next day and I didn't come home the next night. It wasn't until 1:00 AM on the third day of negotiating, never having left that room, never having slept and bringing in fast food, and having exhausted the …, that we drank Champaign and signed the license agreement. During this time there were calls back and forth to Russia.

Q: They're really tough negotiators.

CHETWYND: They are tough negotiators. Basically we Americans come into a negotiation with the sense that we are going to have some tradeoffs. They come into a negotiation with a posture. We make a concession, they repeat their posture. We make another concession, they repeat their posture. And so on that process goes, until in the end you've gone as far as you can go. And it's only at that point, and only when you signal that you've reached that point by doing something bizarre, that they come around and make the final concession. I've talked to a woman lawyer working for the space program who only succeeded in getting a sign on after she burst out crying. Our much loved Chief of Party in Nizhny Novgorod once threatened to quit the country over just such an issue and he went through all the motions of doing just that when at the last moment they sent to the train station and begged him to come back and agreed to his point. . In my case, I simply said that we were not going to leave the building until we drank Champaign. In the end they said I just wore them down. .

Q: You didn't even start out with a concept of this kind of relationship in which it was not just negotiations; it was also a different cultural phenomenon.

CHETWYND: They had some valid points, for example, the standard license agreement will reference some commonly accepted state code as the basis for arbitration. In this case New York State is the one that AMS uses because it is a very commonly accepted code in this country. The Russians said, "This doesn't make any sense at all. What are you going to do, send the state police out here if something goes wrong?" So, in the end we went with the Geneva Convention arbitration system and they were satisfied. We made a few concessions like this and in the end that project went very well. AID got into a dissemination phase where we spread these MFM activities out to a number of different cities. My successor worked with at least twelve different cities in Russia and got it to the national level in Kyrgyzstan and to adoption by the Association of Mayors in the Ukraine. A lot of national level legislation is still going on today as a result of this project. It was very successful.

Q: What were some of the other components? You talked about financial management systems, computer systems, were there other components of reform?

CHETWYND: Yes, we did different things. For example in Moscow we came up with a reform of the ambulance service there. In Vladivostok and in cities in the Ukraine we helped them establish economic development offices and regional economic development authorities.

Q: How did you decide? Were these something that they wanted help with?

CHETWYND: We would work with the municipal administration, with the mayors and so on, in an attempt to come up with priorities. They would usually have a wish list of things. The USAID Missions also had their ideas of what the priorities should be. We worked very closely with the mayors and with the Missions and with our contractor resources to come up with priority areas. We had certain mandates within the contract -- municipal finance, municipal management and municipal development. I know that's pretty broad, but would look for those areas of overlap between what the city and the USAID wanted and what the project would allow. For example, in Kharkov, Ukraine, one of our key activities was a reform of the personnel management system of the city. This included standardized job descriptions, competitive hiring procedures, how you set the salaries of city employees and employee evaluation system.

Q: How did they deal with the decentralization of authority? Was that an issue?

CHETWYND: That was an issue in all of the cities. In all of the cities they were fighting for more authority. For example, in Kyrgyzstan we developed the first city charter of the country. The President was very enthusiastic about it and wanted to pick it up as a national model for all of the cities in Kyrgyzstan. In Ukraine we did a lot of work in helping to set up the Association of Mayors, which now is the Association of Cities. That organization did quite a bit of lobbying at the national level to try and improve the autonomy of the cities.

Q: After you finished that project, anything that stands out as something you learned from starting up that project? It must have been a very special experience working in that situation.

CHETWYND: It was a special experience. One take away from this work was the sense that all the US programs working on the transition could have been more effective, that is had a greater collective impact and learned from each other had there been more coordination between them. I think that in all the countries, the Ambassadors and so on were struggling with the issue of how to get the programs more coordinated.

Q: You mean by the U.S. side?

CHETWYND: Yes, that is getting the U.S. side more coordinated. I think we could have been more effective had we been more coordinated. But it's hard to get contractors to coordinate because it runs against the culture of contractors to do that. I think as an Agency we need to think about some way of bringing about coordination between contractors that somehow copes with the natural corporate structure being basically competitive. I don't know what the answer is to that but the problem to me is fairly clear. I think that maybe the answer lies somewhere within the government procurement office.

Q: Other observations about this experience?

CHETWYND: Yes. I think that we are always, always constrained by the convoluted rigors of the government's contracting processes. There are huge delays because so many elements of what we did required approval of the contracting officer, who normally was not a technical officer in the field of the various contracts. I felt that there was conflict between the technical side of the Agency and the contracting side. And there was conflict between the contractor and the contracting arm of the Agency, such that there were many disputes and many delays that just shouldn't have been. I think the Agency could be much more effective if it could somehow work out these constraints to operation. Maybe the answer is to somehow bring Congress in on resolving that problem because of course the Agency's contracting has become what it is in response to layer upon layer of Congressional restrictions and requirements.

Q: Any other?

CHETWYND: Yes. These transition contracts were mostly three year contracts. I don't know what the hell we thought we were doing. I don't know why we thought that we could get in and get out of Russia, for god's sake, in three years. Taking the long term approach was one of the few things our NAS Transitions panel agreed on.

Q: Any idea why three years was it? There wasn't any long-term prospectus?

CHETWYND: Well, you know we managed to get another year or so, a trickle of additional resources to continue with the outreach part of the program. I just don't know how we thought we could get the job done in places like Russia with these three year

projects? The other thing is that they were huge. And my nightmare as a project manager was how the we were going to spent $25 million effectively in three years? I think that we (the US and other donors) rushed in with sizable resources and very unrealistic expectations. I don't know what that was all about. I think that Congress wanted very quick results there and perhaps was skittish about long term commitments with Russia and these former communist states.

Q: Do you think it made a difference in the countries?

CHETWYND: Oh yes. I think that we opened the eyes of a lot of people to the notion that there is another world and there are better ways. I mentioned there are so many problems that weren't addressed and ultimately created the situation that we are in today. We did not recognize the safety net problem. We did not focus at all on the need for a safety net for the elderly and retired. We were laser focused on transition. Secondly, because we didn't really understand the sequence of the events of the transition and how one institutional change would lead to the next and so on so we made some mistakes. When I say we, I mean the Russians and the donors together. I mean the Russians are certainly stirring in their own juices and there are certainly things that we could have done to help make it all work better. These would include, addressing the safety net, getting them to recognize that the rule of law goes beyond constitutions and city charters. It goes into the police protection of the society and we basically had a breakdown of that. We had a breakdown of law and order because there was no such thing as a local police force. The police forces were all national. With the transition came the breakdown of a legal system to cope with the law and order and rule of law needs of the country. Vacating the legal system that the communist party and its regime had imposed created a great void into which the Mafia exploded and expanded. That's been something that Russia and the rest of us have been living with since that time. There's just so much that needs to be done so quickly in transition.

Designed a decentralization program in Poland

Q: That's very interesting. And after this experience did you have others of experience.

CHETWYND: I went to Poland and worked with the Mission there in designing a decentralization project for about fifty cities in Poland and it was called the Local government Partnership Program. It was a program in which there was to be sharing of information among and across cities and assistance from the United States to help with the management and development of local institutions and capacity of up to fifty cities in Poland. Now, more recently, I have been working in Ukraine on a program for the cities to prepare proposals for the World Bank and other international lenders. The part that I've been working on, in fact my wife, a lawyer, has been working with me as a team, is how to get the public involved in the project selection and development and in the project preparation process. It was basically, how to introduce and strengthen the local public participation element in selected cities that were being readied to apply for World Bank and international for municipal public works.

Q: Community support.

CHETWYND: That's right. Because no lender is going to go in there without public support for a project because they think that a lack of public support could lead to early default.

Q: You were training local people to do this?

CHETWYND: Yes, we were helping them to do public surveys, to do focus groups of various stakeholders, to do stakeholder analysis and identify the stakeholders. We worked with them to hold public hearings and incorporate public hearings into project selection and design.

Q: Whom were you working with ?

CHETWYND: Well, we were working as part of a Research Triangle Institute team. Of course it was a USAID sponsored program. But on the recipient's side, we worked with the mayor and the staff in two pilot cities. My first job was to head-up a selection team in which we went in there and selected two of the four candidate cities to participate in this program. Now we're working with the mayor and his staff and his setup committees for this activity. The committees include representatives of private and voluntary organizations and other stakeholder groups as well as members of the city staff. We train trainers in participatory approaches and then go in and work with the city resources and train them. Included in the tools that are conveyed are surveys, focus groups and public hearings. Public hearings are coming up now so we go back out there in September. And, that's the way it's gone since I left AID.

Concluding observations

Q: That's a fascinating career and many exciting areas that you've been associated with. Looking back over thirty or so years, what kind of universal lessons come to mind about how you've worked with developing countries and local programs?

CHETWYND: Oh boy. That's a good question. First of all, I think that the basis for any kind of a program we undertake in any given country ought to involve a lot more information exchange than has ever gone on in the past or goes on now. In other words, we should engage in a more extensive dialogue with the country and intended beneficiaries as part of program design.

Q: You're not talking just in developing countries, but in the U.S. too?

CHETWYND: I wasn't thinking of the U.S., but that wouldn't be a bad idea either. In fact, that is what we did in developing the urban development program and policy for USAID at the start back in the early 1970s. We solicited the expert advice of top professionals in this country through regional seminars and then took this inquiry to the developing countries.

Q: Any other lessons?

CHETWYND: I guess I've already cited a number of lessons, but there probably ought to be a more systematic capturing of AID's experience as we go. I mean this effort was obviously and effort to do that, but my sense is that you've had to fight tooth and nail to get resources for this program. We ought to make a greater effort to learn from our experiences, I think, than we do. For example, there's kind of a culture or a syndrome in which a Mission Director comes into a program and has his or her own ego to worry about. They want to put a mark upon the program and tend not to be as concerned as I think they ought to be about what has gone on in the past and building on that as opposed to starting off with brand new initiatives that bear their mark. It's a natural instinct but should be tempered by a building block approach.

Q: Do you find that there's a tendency to ignore previous experience?

CHETWYND: Yes. From the project level to the country program level to the policy level, I think that there is a tendency not to look back so much because the culture is one of trying to come up with something new and innovative that's attached to your name or your administration or regime. The system rewards this kind of behavior, so naturally it's fostered. If someone comes in and says, "I think my predecessor has done a pretty good job here and the best thing to do is to build on that and try to expand it", they're probably not going to get any increase in their budget and they're going to have to constantly innovate. So, the culture needs to change in order to be able to capture the benefits of the past. USAID is taking evaluation much more seriously now and that is a good sign.

Q: Do you think that foreign assistance made a difference over these years?

CHETWYND: Oh, yes.

Q: How would you characterize that?

CHETWYND: First of all, no matter where you go you find people who have been educated in this country through U.S. foreign assistance programs. In fact, I think, and this is a radical statement, if we had put every plug nickel of our foreign assistance program into training and educating of local people that we probably would have an even greater impact than what we have had because none of that would have been a mistake. Given the range of our resources, we have a number of things that have been mistakes and failures. I think overall, we've influenced people through opening up their minds to new ideas, giving them skills, giving them frameworks for viewing the world in their own work, for establishing trust in the United States and in the west and in our systems. We are struggling with a lot of problems, but look at how effective the work in promoting democracy has been and how it has changed dramatically the face of Latin America and is beginning to change Africa. That's also a good example of how the state Department and AID could work much more closely together. It might result in the State Department becoming much more committed to long-term objectives and being far less wedded to

short-term political and diplomatic goals and objectives. If the State Department would think more long-term, and think more strategically long-term and developmental, just think of the resources (USAID's programs) that they would have to back their policy.

On the other hand, think of how much more effective the AID programs would be if they had the Ambassador and the Secretary of State fully onboard and promoting these programs with the Congress and the Administration. I think that if the wave of the future is that AID is forced to conform to short-term political and diplomatic objectives in any given country, rather than taking a longer-term developmental view, then I think that it will work to the detriment of our future success, both diplomatically and in terms of economic and institutional development. But, if we sit down together at maybe a kind of national dialog, sponsored by the Administration and involving others, maybe once Jessie Helms has passed from the Senate, and talk about how the State Department's modus operandi and AID's modus operandi can be integrated in such a way that there are tradeoffs and complimentarily, I think that the future of our diplomacy and our international development work would be well served.

Q: Compared to the impact that you've mentioned in the training area, are there other areas which you think that over the years with AID and foreign assistance has made a particularly distinctive contribution?

CHETWYND: Oh, yes. I think in the areas of policy reform and helping the World Bank and IMF carry out their objectives, we have been very effective and complementary to those organizations because they are project oriented so seldom engaged for a long-term period. Secondly, I think our work in institutional development has been very important, from development of medical and agricultural faculties to population control institutions to local government systems.

Q: There was a period, and maybe it's still there, that the Agency thought that institutional development isn't as important as we might think. Have you noticed that?

CHETWYND: Institutional development doesn't have a very high profile or immediate payoff. It's a long-term thing and everyone might agree that institutions are critical for development, but I think that Congress and probably the Administration are reluctant to invest the amount of time and resources into institutional development that it requires. They tend to need more instant gratification or results than institutional development produces.

Q: Other areas of contribution that you can think about?

CHETWYND: One of the things that we tried to do in the early stages of urban development was to work across sectors by taking a multi-sector approach to municipal development, a holistic approach, thinking we could build up a holistic consciousness within sectors. However, in actuality, I think that in any city, even today, it's rare that you find a holistic approach being taken. The sectors tend to work naturally in isolation, like transport, education, health, utilities. It's up to somebody or some element of the city

to coordinate and you can do that through land use planning, zoning, city planning, economic development boards, etc. Mayors and city managers should be thinking holistically about their cities, but more often they are pre-occupied with the urgent problem of the day, as are the sectoral leaders. I think that while it's interesting from an intellectual standpoint to think holistically, the real world is that sectors work on sectoral problems and while we need to strengthen the sectors in their work, it is critical also to strengthen the organizations that bring an overall plan and vision to the city that each of the sectors can address. That is why we focused early on land use programming, perceptions and leadership.

Q: Did you find that the integrated rural development approach was that was sort of a holistic-type effort?

CHETWYND: It was a holistic-type effort and I think that for reasons that I just stated, that integrated rural development was not going to be a great success and I don't think that it was in very many places. For one thing, it generally focused on a very wide region that lacked the integrative institutions like zoning and land use planning that help tie things together. These programs also tended to focus on the very poorest regions – regions where there was often a physical reason for its poverty. Such poverty is often difficult to overcome – at least in the short run.

Q: What's the alternative approach if it's not holistic?

CHETWYND: I think the alternative is to take the approach that I mentioned, that is to get into a dialog. If you're working at the national level, take some time and some resources to get into a dialog. People get excited when they engage in a dialog about future resources. They really do. And they will devote their own time and resources to that dialog as well. So whether you are working at the national level or working at the local level, get engaged in a dialog about what's important and what's doable.

Q: Setting priorities?

CHETWYND: Setting priorities. And then coming up with the most effective modus operandi and identifying obstacles and identifying stakeholders. I think that we certainly learned this lesson. That's the way that you work with the Regional Bureaus, that's the way you work with the Missions, we ought to be working that way with our host countries and with the institutions and levels of governments that we worked with in those host countries. That's the way we succeeded with the Managing Energy and Resource Efficient Cities project. We sat down with the mayor and citizens and representatives of city government and had really interesting workshops in which people presented their own ideas in their own areas and used group decision-making techniques to come up with priorities. Basically you took democracy down to the level of prioritization and project development.

Q: Any general observations about your experience in foreign assistance before we close?

CHETWYND: I think that the foreign aid program, from the Marshall Plan on, has been a good thing. A good thing for America and a good thing for the world. Obviously we made some mistakes but that we did this at all is to our credit and to the benefit of many. I recommend strongly that we continue to use it as a tool of our international policy and diplomacy.

Q: That's a good point on which to end this excellent interview. Thank you very much.

CHETWYND: Thank you.

End of interview