

309.223

AID/CM/TA-147-358  
(4)

CASE STUDIES IN AID CONTRIBUTIONS  
TO  
HUMAN RESOURCE DEVELOPMENT

*Revised October 20, 1973*

Purchase Order #3139168  
Contract #AID/CM/ta-147-358  
June 14, 1973

John M. Badgley  
Institute of the Rockies  
Missoula, Montana  
and Cornell University



## CASE STUDIES IN AID CONTRIBUTIONS TO HUMAN RESOURCE DEVELOPMENT

By John Badgley\*

This is a report on ten country programs which illustrate AID approaches to human resource development. It is a sequel to the paper "A Concept of Human Resources Suggesting Actionable AID Programs," a statement of my approach to the subject. That paper prescribed: "the human resource component of development projects should be essentially concerned with creating new options for the populace." I assume that "human resource" is a quality enabling individuals to create and order culture, denoting an open-ended process with no ultimate goal to the process except as may be determined by successive generations of spokesmen in each state. The paper concludes that two decades of experience in development planning teach that improvements which really offer "new options" persist only insofar as they are institutionalized within the society. By dredging the memories of those with substantial field experience, this report offers a preliminary evaluation of AID contributions to such institutionalization.

We interviewed two dozen AID officers, who were nominated by their peers as people with substantial expertise in one or more countries. Criteria for their selection also included specialist knowledge of a branch of some human resource program and a supervisory role which gave them a general perspective as well. Our method was determined by our object, to establish some general principles if possible, therefore we sought nominees from diverse countries on each continent where AID has operated. We limited our selection to people in the Washington area at the time, a financial constraint. Ten country cases were finally chosen, although some with expert knowledge of six additional countries were also interviewed.\*\* The selection was weighted towards Asia because more American assistance has flowed in that direction. For example, Korea, Taiwan,

---

\* With the assistance of Raymond Ahearn and Marcie Berman. The Education and Human Resource Division, AID, provided support for this project, and the author is indebted to James Singletary for his encouragement. The views expressed in this study are not to be construed as AID policy, although quotations are personal opinions of experienced officials.

\*\* Cases include Afganistan, Brazil, India, Indonesia, Kenya, Korea, Pakistan, Taiwan, Thailand, and Vietnam; with Morocco, Nepal, Nigeria, Panama, Peru, and Turkey as references.

India, and Pakistan have each absorbed more assistance than has Latin America, Africa, or the Middle East. This reflects a long-standing policy to support those states of strategic importance on the Sino-Soviet periphery during the Cold War. Additionally, in terms of sheer numbers there was a humanitarian argument for the policy since Asia has over half the world's population.

The report on each country includes a brief summary of the size and scope of U.S. assistance, as well as a comment about its significance to the country's overall development scheme. Evaluative statements by the respondents form the substance of each case: here we adhere as closely as feasible to the context of the discussion when quoting. Each official spoke privately, and neither their views nor our report represents government policy. Moreover, the views expressed about any country are a composite of perceptions and do not necessarily represent the views of any individual nominee. This is more of a heuristic exercise, with the modest goal of stating in cogent form what many already know, perhaps in a more disjointed fashion. Frequently the greatest virtue in a systematic enquiry is that it states more forcibly what is already common sense to specialist

For purposes of comparison the ten cases are divided into three categories: Type One, Large Program and Moderate Population (Korea, Taiwan, Thailand, and Vietnam); Type Two, Large Program and Large Population (Brazil, India, Indonesia, and Pakistan); and Type Three, Moderate Program (Afghanistan and Kenya). \*For purposes of occasional contrast six other countries are considered, ranging in size from 1.5 to 70 million.

Our statistics on U.S. assistance are derived from the time-series "Overseas Loans and Grants, 1973" which are prepared by AID annually for budget purposes. Welfare data are taken from the United Nations' Statistical Yearbook, 1972, while education statistics come from UNESCO's Statistical Yearbook, 1971. The World Bank's working paper, Urbanization, (June 1972) is our reference for urban trends.

\*A large program indicates an overall contribution in excess of \$500 million, while a moderate one is \$50 - 500 million. A large population indicates more than 100 million by 1973 while a moderate population is in the 10 - 50 million range. We recognize that the vast majority of countries are now smaller than any we have used for cases.

## TYPE ONE

Large Program and Moderate  
Population

## Republic of Korea 1946 - 1972

The United States has provided Korea with over eleven billion dollars in public assistance during this twenty-seven year period. Approximately half was for economic assistance, \$5.6 billion, of which nearly three billion sustained AID and predecessor agency activities. The remaining \$2.6 billion was for the Title I and II Food For Peace program, which made an important contribution to the nutrition of the entire population. AID budgets averaged about \$125 million annually between 1962 and 1967, an amount cut by two-thirds since that time. Another significant trend is the shift from a predominately grant program in the '50s and '60s to loan-based support on a much smaller scale in the '70s (in 1972 \$26.5 million of the \$30 million program was in loans). While some argue that both the Korean and Vietnamese assistance programs are so atypical as to be useless lessons because of the devastating wars; the Korean experience does support the basic premise of this report, that change will persist if deeply institutionalized. In the Korean instance improvements are most evident in the economic and educational sectors, while the abrupt return to autocratic rule in 1972 suggests that in the social and political arenas the movement away from traditional modes of life are less well founded.

The budgetary significance of American assistance is revealed in a comparison of government revenue to the AID program. As recently as 1966 total U.S. public support equalled the domestic revenue of \$500 million, and the AID program alone accounted for nearly \$150 million. Yet in terms of dependence the Korean government was better off than over the previous two decades for the trend towards economic autonomy was advancing. By 1972 revenues approximated \$2.5 billion, while overall U.S. support totalled \$860 million, nearly three-fourths of which was military. The AID program of \$30 million was relatively miniscule compared to annual

budgets in the '50's, affirming that one major American objective, a self-sustaining growth economy, had been accomplished

However an expanding GNP was only one of several U S goals, others being promotion of stability and democracy in a free society as well as self-reliance in security matters. There are substantial reasons to believe that these latter objectives have not been achieved, and within the interstices of these sectors is human resource development. To provide perspective for this relatively minor categorical program, consider the general approach AID has taken to the human resource sector. Most economic aid in all recipient countries has been offered in two categories by AID, program and project assistance. Program assistance consists of the transfer of resources in the form of commodities and primarily finances imports, while project assistance deals with specific undertakings which are divided into two types, capital and technical assistance (TA). In the official argot, human resources are sustained by the technical assistance program which was funded at the four to six million dollar level over the past decade in Korea. It, in turn, complemented the specific economic objectives of monetary stabilization, industrialization, and self-sufficient food production. However by our criteria, not only TA but the Food For Peace program contributed even more directly to human resources by improving the quality of the diet through measurable increases in cereal and protein intake.

Officials interviewed recognized that TA primarily influenced the human resource component indirectly, for most of the projects aimed at a demonstration effect. Production of food and agriculture, power, industry and mining, transport, health and sanitation, education public administration, housing, and private enterprise were all areas of TA activity, but with their budget allocations they could scarcely expect to directly influence these areas. Indeed, it can be argued that capital loan funds had more immediate impact for they financed construction, provided incentive for Koreans to reform management practices, and for Americans to invest in the private sector. These factors had real impact on government revenues, which rose substantially and permitted a leap in education budgets, then a doubling in numbers of teachers and classrooms with proportionate enrollment increases between 1955 and 1970. Korea now has a position second only to Japan in East Asia in terms of the percentage of primary and secondary age population actually

in school. But other public services improved less substantially despite budget increases, and AID projects in these fields have had less measurable success. For example in housing, 270,000 additional units were built between 1960 and 1970, yet the population increased by 4.3 million causing an actual decline in the quality of housing if one uses the standard U.N. measure of occupants per room. The problem is most severe in Seoul, where 30% of the population resided in slums with no municipal control in 1970, with an annual increase of 8% to be expected.

The priority of this sort of social problem is rated lower by the nominees whom we interviewed than is the priority for economic growth. They saw progress in that sector is critical and attributed <sup>it</sup> to a successful AID approach to the problem in the early '60s. They contend that the American-Korean relationship has been extraordinary for non-communist Korean leaders were quite susceptible to U.S. influence; nonetheless after a decade of deep involvement by the late '50s the Koreans had great lack of confidence in the American commitment, and consequently in their own ability to cope with their problems. Therefore the AID mission determined to focus on the task of encouraging Koreans to recognize their own achievements, capabilities, and potential.

Building confidence was a cumulative process, and the critical test came, according to one official, with the entrance of Japanese aid and investment in large amounts by the mid-sixties. Latent Korean fears of Japan were overcome by confidence in their ability to control their own economy. The groundwork for that confidence was laid between 1963 and 1965 when these steps were taken to fit the economy into the international system in a competitive fashion: the exchange rate was transformed into a floating system which in turn permitted removal of trade controls, export expansion, and new monetary management. New staff groups were created for continual policy analysis and decision-recommendations at the ministerial level, which permitted active management of monetary policy. The money supply, money market, and interest rates were all problems faced during this period, which subsequently had a profound effect on exports, national savings, and on government revenues. To recite this litany of improvements in financial institutions does not measure their influence on the economy, which can only be taken by reviewing the data. The value of Korea's exports nearly doubled every two years after 1964, and imports rose even more precipitously giving a trade deficit of \$1.2

billion in 1969. In the same five year period industrial production and power output tripled, while GNP per capita rose \$70 or nearly 43%. These trends have continued in the '70s which is the basis for our nominees optimism about Korea's economic future.

It would seem that AID's primary goal was economic growth, but more important for our purposes is an explanation for the relative failure in other spheres, educational improvements notwithstanding. President Park Chung Hee saw increase in the GNP as the key goal in development, and felt that free speech and political choice, or serious improvements in mass welfare was something that would eventually follow. While there was concern in the press about income distribution and inflation (the consumer price index rose more rapidly than in all other Asian states but Laos and Vietnam), most Koreans were suspicious of other alternatives than the system Park directed. They were uncertain of the proper role for opposition parties, and particularly suspicious of dependence upon local initiatives. The long heritage of central dominance under the Yi Dynasty and the Japanese colonialists imbued officials and much of the public with the attitude that tax collection and revenue allocation was a task suited to the center. Consequently there has been little local or opposition involvement in the planning process.

What reformulation of institutional functions has occurred reflects Korean values, in the view of our respondents. For example, farmer co-operatives were a priority item for AID, yet the Korean government transformed them into agricultural associations dominated by the center with control over minute farmer decisions. While U.S. influence over this same sector in Japan was comparable, such cooperatives flourished, yet the Koreans were reluctant to abandon this authoritarian feature in their lives. "The situation correlates highly with the persistent system of familial hierarchy, and the other side of the coin accounts for the flourishing economy for Koreans, knowing each others' values well, operate in a financial log-rolling fashion which permits efficient production within a milieu of corruption." The main reason for such productivity is the relatively low labor cost for skilled workers, highly motivated by increasing benefits despite the raging pollution around Seoul, the crowded housing, and the soaring inflation.

The substantial vote awarded the opposition in the last general election apparently reflected more discontent with existing conditions than a determination to change the military-dominated, autarchic style of governance. Once President Park disbanded Parliament, abandoned the Constitution, imprisoned his foes in politics, the academy, and the press, the public revealed no stomach for continued opposition. The lassitude expressed when political rights were removed is partially explained by Korean culture according to one AID official. The country is small beside its three giant neighbors, China, Russia, and Japan. It is homogeneous, geographically unified, and predicated upon a superior-subordinate relationship in both social and language structure. Little has changed in this sense in either North or South Korea, according to this view. There is an abiding awareness of security threat, or the uncertainty of the American relationship, and conviction that eventually the country must swim alone in dangerous seas. Few have questioned the onerous demands upon young men for military service, for example, and the expensive army and air force is an unchallenged budget item. Finally, the overwhelming awareness of competition with North Korea for domination over all the Korean peoples is so common that few are prepared to challenge the central government when it evokes that issue to legitimize its actions.

#### SUMMARY

The Korean case is a prime example of a large program operating in a country of moderate size, suggesting substantial influence upon the development process. That influence is measurable in terms of the national product (five-fold increase in the past decade), education (doubled enrollments in a fifteen year period), nutrition (protein per capita increase 20% and caloric increase of 18% in seven years); while it is scarcely demonstrable in such areas as housing, water supply, public transport, and many welfare amenities. Finally, AID programs seem to have had no measurable influence on political life. The record is mixed and what one's opinions about the purpose of development are will largely determine one's conclusions about the success or failure of AID contributions to human resource development in Korea. The most significant new "option" available for Koreans is in the societal change from a predominately rural to a majority urban populace<sup>by 1980</sup>; in other societies such movement has resulted in substantially more amenities and greater participation in public life by larger proportions of people. Whether that will be the case in Korea is a moot issue, our answer will come only after several decades.

TAIWAN  
(Republic of China)  
1946-1972

Assistance to Taiwan amounts to half of the Korean total, slightly over five billion dollars, nearly two thirds of which (\$3.1 billion) has been spent for military programs. Since the bulk of American aid to the Republic of China from 1946 to 1948 was spent on the mainland, the Taiwan program has really been in effect for three years less time than the Korean. Furthermore, 31% of the economic assistance loans have been repaid compared to less than 13% in the Korean case, although per capita support is \$121 in Taiwan and \$160 in Korea, at 1973 population levels, for the total program in each instance. As with per capita GNP comparisons, these figures represent more accurately the significance of U.S. aid in terms of its potential influence. AID itself has been out of operation in Taiwan for the past decade, the important period of assistance being from 1949 to 1961 during the Marshall Plan and Mutual Security Act eras. Since that time Export-Import Bank loans and Food for Peace programs (the latter in the 1961-65 period) have constituted the U.S. assistance program.

The emphasis of American assistance to Taiwan has been on security and economic development, as was the case in Korea. However most of the <sup>non-military</sup> budget was allocated for creation of hydro-electric power and heavy industry, there was little official U.S. investment in education or other sectors directly related to human resources. For example, very few professional educators were in the U.S. mission, the predominant skills being project writing, auditing, and other such "paper pushing" techniques. There was consensus among our nominees that Taiwan had an abundance of human resources, for two reasons. High level manpower was available because of the substantial number of mainland Chinese with university education and management experience, while the Taiwanese had forty years experience under the Japanese in the modernization of their agricultural practices. What was essential to make American assistance policy a success was mutual trust so the U.S. would supply the wherewithal for the Chinese who already had the know-how.

While both of our respondents agreed that there was compatibility between the Chinese and Americans, both in goals and in operations, they differed somewhat in emphasis as to how this success was achieved. The Joint Committee on Rural Reconstruction (JCRR) was cited as an exemplary institution in this context, for the three Chinese and two American members truly worked to resolve all conflicts, relating to one another on an intimate daily basis. There was joint respect and understanding on the JCRR which established the pattern for relations between all Americans and the counterparts. Furthermore, there was intellectual rapport between the mission director and the Governor, the Ministers of Education and Finance and with the provincial heads, following a principle of direct contact with project sponsors and managers on the part of the JCRR staff.

A second view held that the collaboration was effective because of the pragmatism of the Chinese and not so much the mutual sensitivity, which was more "mutual" on the Chinese side. The island leadership courted the Americans for political, economic, and social reasons. They inundated the U.S. technicians with flattery while propagandizing them through the only English language newspaper with anti-communist literature. When combined with the predominance of a large and conservative U.S. military-intelligence community the milieu was such that most civilian Americans as well were converted to the Chiang Kai-shek cause. It was the mood of the time to minimize conflict and emphasize harmony, and the KMT government was totally rational in seeking that end. For example, a major criteria for promotion of Chinese bureaucrats was their effectiveness in working with Americans.

Whatever the motive, the enthusiasm and confidence at the highest level filtered down to the lowest technician and contributed to rapid change and improvements in almost all sectors. One official attributed this more to the windfall effect of the Japanese colonial policy, which prepared Taiwan's farmers to be self-reliant and innovative. It is illustrative that the farmers' associations which remained so centralized in Korea, became the backbone for local solutions to irrigation, credit, marketing, and even urban development. These community cooperatives administered the land reform programs as well, which was the basis for subsequent modernization. Additionally, the Japanese left a heritage of health-care centers which became the basis for a significant health program accessible to everyone on the island by bicycle.

The most impressive change came in the education sector: numbers of teachers at the secondary level, for example, rose from 3,777 to 28,449 between 1950 and 1968, while numbers of students increased ten-fold with nearly half (297,847/770,102) female. The ratio of males and females enrolled is now nearly equal, assuming the trends up to 1968 have continued, which explains the extraordinary transformation of this society from a rather typical Asian peasant to an urbanized, industrial state with a large pool of skilled workers (urban ratio was 64% in 1970 and increasing twice as fast as the population rate). Whereas most of the countries we are considering have a female ratio of a third to a half at the secondary and vocational levels, Taiwan has completely shattered the Chinese tradition which placed a premium on education for boys, first. Considering the difficulty the United States and Japan are having in bringing women onto the teaching staffs at the tertiary level, Taiwan's performance is truly exceptional with two-fifths of the college and university faculty being female. Consider these selected enrollments: as of 1968 6,453 of 16,090 medical students were women, 29,538/61,259 in the social sciences, and 4,943/10,653 in education--out of a total 161,337 at this level. At this highest level of manpower training Taiwan is doing even better than Korea, which has comparable achievements at the primary and secondary levels. Yet bear in mind that very little U.S. assistance was given in the education sector! Likewise, in the health field Taiwan has roughly kept pace with Korea (1,823 people per bed compared to 2,976 in Taiwan, while the latter is better off in ratio of physicians to population); in housing the Taiwanese are much better off (1.6 people per room compared to Korea's 2.5 rate), and all with little or no U.S. aid in these sectors.

The benefits from AID, actually MSA and ECA, programs flowed essentially into two sectors in a direct fashion. Mainland Chinese immediately gained from the large industry and power programs since much of the commerce was controlled by them, however the indigenous Taiwanese owned much of the land and the substantial agricultural programs provided them with incentives. U.S. technicians helped with management and resource transfers, while the farmer associations were primarily responsible for the spread of new techniques which permitted the explosion in output, a 50% rise between 1958-68, an impressive figure but modest compared to the five-fold increase in industrial output during the same period, and a three-fold

electricity increase. The funds for expansions in the social overhead costs are directly attributable to sharp increases in the GNP, from \$1.1 billion in 1958 to \$4.8 in 1970, with revenues rising to one billion by 1970. It is intriguing to note that U.S. military assistance to Taiwan in 1972 was only one seven<sup>th</sup>/of that given to Korea (\$88/561 million, and that no public assistance, apart from an ExIm loan, was given. Taiwan in the late '60s was as well off as Japan in the mid '50s, with a comparable economic growth rate. The only disturbing factor was the persistently high population growth rate, about 2.5%, which has not dropped much despite substantial family planning programs supported by private American foundations and, indirectly, by some U.S. public health care funds in the '50s.

By nearly all criteria but political freedom (opposition leaders are still threatened with imprisonment and censorship is common in all the media), Taiwan must be considered an AID success story. In terms of human resources, both at the mass and elite levels, this country has transformed itself during the period of substantial U.S. support. One official attributed this to the range of priorities in the assistance program, including bricks and mortar for all sorts of public facilities, while both agreed that the American input in the quality of people and work performed was negligible, that being a consequence of the culture itself.

#### SUMMARY

The record of human resource development on Taiwan is outstanding, ironically AID had very little direct effect on that record. Our nominees agreed that development priorities were largely determined by the Chinese leadership, that there was a most happy association between the U.S. mission and this leadership, and that American funds were wisely used. The indirect influence of this support was substantial in terms of public improvements during the '60s and '70s, but when the program was large in the late '40s and '50s the effect was felt more by the mainlanders than the Taiwanese, but for the land reform program. In retrospect this was a model economic development program because of its strategic priorities which now benefit the entire population. Its timing was the key to its success, for the assistance was provided after forty years of Japanese modernization efforts, and under a sophisticated mainland Chinese leadership.

THAILAND  
1949-1972

The character of the American assistance program in Thailand is substantially different from that in Korea and Taiwan. Recall that those programs were \$160 and \$121 per capita, while the Thai aid is \$41 per head, or a total of \$1.7 billion for a 1973 population of 39 million.\* The potential for impact is bound to be less at this level of assistance, nonetheless the total is sufficient to include Thailand in the same category with the two divided countries already considered, as well as Vietnam. Thailand shares with the latter another distinction, an assistance program that becomes substantial after the Korean war. Also, only about two-fifths (\$674/1,747 million) of the total aid is economic; however the actual AID portion is commensurate to that in Korea and of course far exceeds the AID program in Taiwan over the past twelve years. Another distinction is that only 10% of the program has been in loans (\$56.3/563 million) since 1962, connoting a critical economic condition, that Thailand is far behind Korea and Taiwan in its economic development, and is therefore incapable of paying off large public debts. However in terms of per capita GNP Korea and Thailand are comparable (\$245/181--1969), the decisive difference being in population distribution with Thailand having 15% urban in 1970, a ratio only 4 points above the 1960 figure. Therefore one would expect that the American assistance program would have concentrated on the agrarian sector, where most people live. Such was not the case.

The nominees interviewed concurred that the chief rationale for the AID mission in Thailand was to complement the strategic military objective of containing communist forces in Vietnam, Laos, and China; that the program could not be justified on an economic basis. Highest priority was given to acquiring base rights, securing the borders, and to strengthening Thailand as a military ally. This set of priorities led to road and regional development projects which were adjunct to military programs, and although the AID mission shared a desire to increase GNP along with the Thai government leadership, the over-riding concern was to enhance

Not wishing to enter into the demographic debate, I note that AID assigns Thailand a population of 37.4 million as of 1970, a figure substantially larger than the World Bank estimate of 31.2. The AID estimated growth rate is 3.3 while the Bank's is 3.1.

stability, a Washington-determined top priority. Consequently the military program has had substantially greater influence than the economic in planning Thailand's development. While not as obsessive an issue as in Vietnam, the nominees considered the problems encountered within the AID mission to be derivative of the same approach.

Illustrative of this priority was the concern for the politically vulnerable Korat plateau, the Northeast. A major human resource project was located here to teach literacy, sewing, cooking and other vocational arts. AID supplied equipment to over fifty schools both here and in the southern-most Thai provinces where another insurgency was located. The program was designed for out-of-school youth, with only a token fee, and one official considered it a salient success, enrolling about 200,000 youths between 1960 and 1968. However the project was discontinued after its format was institutionalized "for two reasons, because of the U.S. bureaucratic need for a new project with a new success story, and also because of Thai ministerial infighting. The Ministries of Labor and Education struggled for its control on a permanent basis, once its success was apparent, and the AID mission avoided the conflict by terminating it.

The American involvement in the education field was extensive, both in terms of Thai trained to the D.Ed. level in the United States and U.S. educationalists brought to work in the Education Ministry and at the universities. Yet, one senior USOM official, an expert in the field, felt the Americans really made only a small dent in the educational policies and practices. Excessive attention was given to the tertiary level, with consequent impact limited to Bangkok. "By and large, our education program failed the cultivators families, which remain only about 50% literate." He went on to contend that, "we were constrained by Thai culture, which was scarcely compatible with the egalitarian precepts of our own education system. In fact, AID was used by the Thai to reinforce the traditional curricula, and projects that were effective in human resource development were dropped because of other priorities." Another interviewee noted that recently in a SEADAG seminar Thai participants complained rather bitterly of the inferior roles allocated them by U.S. educational teams. He acknowledged the validity to this charge and considers the problem to stem from "professionals gaining skills but not responsibilities, then

perceiving the system to be unjust." There is a consensus that too many U.S. resources were concentrated at the university level, not providing the Thai with a self-sufficient manpower training program at secondary and vocational levels. Also, the participant training program became counter-productive because it created substantial inferiority-cum-resentment among the highest trained Thais.

A review of the educational data confirms the interview responses of the officials. Between 1960 and 1970 the enrollment at the 1st and 2nd levels declined as a ratio of their respective age groups, not much but by a few percentage points while most other countries' rose during this same decade. While the numbers of university graduates increased, it was far below the huge leaps in Korea and Taiwan (from 4,669 to 7,363 between 1961-67). Those familiar with the health statistics have long opposed the emigration policy that permitted a majority of Thai nursing graduates to move to the United States, a problem only slightly less serious among physicians (1 per 4,313 pop.) Hospital beds per capita is an exceptional improvement, 843 people per bed, which reflects one major impact of the AID "bricks and mortar" policy. However at the secondary education level, only 11% of the eligible female population was enrolled formally in any sort of program in 1968, far below the Korean and Taiwan achievements. In nutrition the Thai also lag behind, with only two-thirds of the caloric intake per capita of the U.S. (1964-66) and significantly less than Korea (2100/2490). Protein intake was a quarter less than <sup>in</sup> with Korea or Taiwan.

Food production was a major AID program, and focused on agro-business. The sale of cash crops was a key indicé used by USOM, and although greater productivity was gained, and Thailand's rice agriculture was diversified, the major gainers were larger land-holders and those linked to Japanese trade, primarily the Chinese entrepreneurs. As in Korea, advanced agricultural research organizations were established with AID support, so improved processing, seeds, disease prevention, and fertilizer application became practical; however the small farmer has scarcely been affected yet. "What we have done out there, we primarily did in Bangkok, with a focus on urban or semi-industrial activities, consequently Thailand has a serious shortage of scientifically trained cultivators.

Economic indicators underline a number of successes in Thai development policy. The national product has grown on the average of 8% over the past decade, giving aGNP in excess of \$8.5 billion this year, or about \$200 per capita. As in Taiwan the consumer price index has been rising at a controlled rate, 3-4% annually, for most of the decade, and there has similarly been a sharp rise (six-fold) in electricity production since 1960. Marine and industrial curves of productivity have risen rapidly, but the critical area of foreign trade is a bleak statistic with the trade deficit exceeding a half-billion dollars per annum in recent years. Much U.S. aid has gone to make up this difference in supporting assistance and Title I projects, but Thailand's once strong reserve position is now severely weakened.

One official noted the spillover effects of the military program on the Thai work force, suggesting that it has taken men out of rural areas, with few skills, and returned them to settle in urban areas with new expectations to work in the private sector with vocational training received in the military. Furthermore, the military expenditures have been a bonanza for the tourist industry which is now equipped to handle the booming Japanese tourist trade, having lost the GI patronage from Vietnam. The spinoff from in-country purchases by the U.S. military has also created boomlets in the Northeast towns which gave them a substantial new tax base.

Yet, the future is uncertain for the Thai government has not had a clearly defined development policy as have the Taiwanese, nor a strategy for behavioral change as the country becomes more urban, as have the Koreans. "Too many of us were looking at financial ledgers and worrying about Thai security, and giving little thought to the nature of Thailand. While we didn't particularly try to reinforce Thai values of belief in Buddhism, devotion to the king, the teaching of Thai, and loyalty to the family; neither did we try to introduce something more modern. Thai cultural traits are essentially unchanged, but if Thailand is to modernize the domination of the elite in Bangkok should be modified to permit the now satellite towns greater control over their future."

## SUMMARY

One is left with the sense of dissipated energy and funds in the AID approach to development in Thailand. While "waste" would be too strong a term, the confusion of goals--military security, stability, economic growth, and modernization--combined with a program substantially smaller per-capita and a society more rural and traditional than in the Korean or Taiwanese case's leaves one with a sense that human resource development in Thailand primarily re-inforced elite rule and offered only tangential benefits (perhaps accidental would be more appropriate) to the rural cultivators. Urban life has measurably improved for the expanding middle-class, and the landed farmer is as well off in Thailand as in any part of mainland Asia. But the Thai case demonstrates the difficulty of seeking serious human resource improvements, especially among the majority populace, when the top priority for U.S. assistance is the military-security rationale. We will see this problem more clearly in Vietnam, and perhaps more tragically in Pakistan.

VIETNAM  
1953-1972

American assistance to Vietnam commenced with a small MSA program in July, 1953 (FY 1954) and rose to a fantastic \$30 billion during the height of the war, if one includes U.S. military costs. The official AID figures in the 1973 "Overseas Loans and Grants" report a 19 year total of nearly \$18 billion, however no one would represent this as the actual cost of goods and services delivered by the U.S. government, it has been much higher. To harness the financial data in a meaningful fashion is not practical, but we can review the major programs which influenced the human resource development sectors and point to vital trends of societal change

Bear in mind several unique features in the Vietnamese case as compared to others in this category. The world-view of the intellectuals and military leaders was unlike any the Americans had encountered in previous assistance programs. French colonial policy created a close cultural embrace, despite the rejection of French rule, and few Vietnamese welcomed the Anglo-Saxon heritage as a replacement. English was symbolic of that contending heritage, therefore it was a rare bureaucrat or soldier in the '50s who chose to use English and move into the American milieu. To U.S. administrators experienced in Korea, Japan, Taiwan, or the Philippines where relationships had been warm, and communication in English, the Vietnamese seemed difficult to work with or understand.

Furthermore the Americans found themselves engaged at the outset in a contentious political struggle with a decade-old insurgency. ~~.....~~ when Ngo Diem took office. The history of the conflict was not familiar to most Americans, except in over-simplified ideological form, and those few experienced Indochina hands from OSS days (Mr. Rusk notwithstanding) were in no position to direct Vietnam policy from Washington. By 1961 two billion dollars worth of assistance, three quarters of it economic, had been budgeted, yet the economy was dangerously weak. Resurgent war threatened to destroy the U.S. effort. The new Democratic administration had <sup>to face</sup> the same decision as did the Republicans eight years

earlier. Should the faltering anti-communist regime be abandoned or should the ante be increased? Again the latter choice prevailed and efforts were redoubled. When President Johnson faced the same choice in 1965 he again doubled the budget. In no instance outside Indochina has a U.S. administration faced such a series of decisions. The result is familiar to most Americans as a tragedy, and to AID as the basis for a separate Bureau, providing AID-Vietnam with a budget in excess of the entire operation for the rest of AID in some years.

Despite this huge program, one official felt the operation was so over-shadowed by the military programs that AID would have been wise not to have been in Vietnam at all. The tension between the two bureaucracies and the confusion over goals were a detriment to an effective program, he contended. The goals were not unlike those now familiar <sup>from</sup> the foregoing studies. Stability and economic growth were priorities second only to pacification, and human resources development ranked high as a program to promote these ends. A nominee involved in Vietnam since 1963 observed that "once Johnson made the decision to remain, he needed to preserve the rationale of demonstrated concern for the people, therefore we had a large human resource program."

"At the outset in 1963 we had little Vietnamese involvement. Learning had been an elite symbol for them, as the French lycee system emphasized the relationship between learning and class status. In 1963 an official would not even want to be seen with his American advisor and our advice was avoided. For example, at a meeting with the Minister of Education, out of an agenda with eight items, only one was discussed and we never resolved it. Every sort of ploy was devised to prevent action and we were forced to deal with operational people through the back door. It was only when they realized that rural education was a political necessity that the Vietnamese began to support our program. Now we deal at the top."

All nominees agreed that the turning point came with the 1968 Tet offensive. After that their attitude was one of, "when do we start."

For the Americans education had had a priority second only to security since the early sixties. One official described the participant training program between 1960 and 1963 as the most significant. The brightest lycee graduates, about thirty a year, were sent to the States for their B.A. They had a return rate of 85%, even though many would have competed with the best Americans for jobs. "Now these people are in their 30's and constitute a group of Young Turks in the establishment. They come as a well-connected cadre interested in a dynamic, innovative government. Two are Ministers and five others form the nucleus of a new

engineering faculty." While the 120 graduates of that experimental program performed well, it was terminated and never replicated. A current variation focuses on selection with need as a key criteria, rather than leadership potential. The results are said to be disappointing.

Americans had a deeper involvement in education than in any other country under consideration. One respondent stated that, "We created the Ministry of Education as it now is structured. We slowly moved in and modernized it." There was tremendous ferment initially, for an education management team went in, made recommendations and developed the system as it now stands, with management analysts, research, and planning teams. The statistics shadow these changes. Between 1960 and 1969 enrollment ratios rose from 46 to 100 for One and from 5 to 28 for Two, with female ratios being 91 and 23 respectively. Referring to the most recent, and unpublished data, one official noted that, "there are four million children now enrolled, with 85,000 at the college level, a tremendous increase unequalled in other LDCs." He went on to note that in 1943 there were a total of only twenty graduates from lycee throughout the colony. However when queried about the quality of education, the officer reported that this meant anywhere from two to six hours in the classroom. "In some schools four shifts are necessary, and pay increases of up to 50% may induce teachers to teach as many as three shifts."

"Bricks and mortar" programs have also been accentuated, with some 12,000 schools constructed plus provision for sufficient textbooks (over ten million), and teacher training within Vietnam. The "ninety-day wonder" program for elementary school teachers, at province-level, elevated fifth and sixth grade achievers into school teachers to staff the vastly expanded facilities. This program and that in the U.S. for participant training absorbed a third of the budget in response to a perceived need to create a professional manpower base. Both at the highest and mass levels of education, AID exercised great influence.

Programs in health, nutrition, community development, family planning, agriculture, credit, marketing, and business management persisted through the height of the war. One respondent observed that some 500 health and nutrition advisors are still with AID in Vietnam, plus the Food for Peace and refugee programs which touch on the same dimension of human resources.

Using a 1973 population figure of 20 million, the per capita aid figure comes to an astonishing \$900, suggesting the depth of involvement and consequent responsibility the U.S. <sup>has</sup> for whatever happens to the society. Yet the war has been sufficiently debilitating to prevent Vietnam from reflecting substantial improvements in other social indicators, as compared to the three countries just considered. Caloric intake is about equal to Thailand's and protein consumption is slightly lower. Physicians and nurses per capita are much lower than in Thailand, less than half, and of course housing is unmeasured because of the war destruction.

Economic data is somewhat more encouraging, particularly since European and Japanese businesses and governments have shown greater interest in assisting in the capital sector. While inflation is bad, seven-fold in ten years, production has risen steadily since 1968 and is higher on a per capita basis than at any time since World War II. There are none of the "miracle" trends which characterize Taiwan or Japan, but the economy is slowly improving.

The dangerous area is in those sectors where U.S. payments provide major institutional support. Most apparent is the army and the social services. One official observed, "I would hate to be in their shoes for the next few years. I anticipate many of the 'outreach' programs in the hamlets will be dropped or atrophy as budgets decline. Yet they are trying to make a modern Vietnamese nation, a complete revolution. They are emphasizing the humanities, language, literature, even sports to take the Vietnamese out of their 'selfish, individualistic, familial' culture and bring them into meaningful participation apart from the war." There is considerable doubt that the government can keep up the pace, for the U.S. input has been so massive, and a let-down is expected.

Comments about Vietnam's future, in terms of the human resource development program input, varied from a conviction that this may become the most dramatic example of guided development, to an uncertainty that much will remain in a decade of all the American efforts. Our respondents reflected the same division of opinion that has characterized the entire effort from the outset. While there is consensus about the vitality of the people, especially in Saigon, there are wide differences about the depth of institutionalization. One has the sense that few institutions could carry on without extraordinary leadership, that the

habit of "progress" is not particularly embedded. Although resources were practically limitless for a time, the war and resultant displacement of the people may outweigh the advantages of a sort of tabula rosa in many government ministries where Americans worked.

#### SUMMARY

While development was not the reason for the U.S. commitment to Vietnam, it provided a key rationale for continued involvement. The large AID budgets in the '60s and '70s have exceeded support for any other country and our respondents acknowledge an inevitable AID responsibility for whatever transpires there. Both elite and mass education were emphasized by the mission, and the huge participant training program was unequalled, both in the civilian and military sectors. Every aspect of education has been influenced, from the education of the present Education Minister, to the organization of the Ministry, to the pedagogy centers, and on out into the village schools. Curriculum content and even textbooks reflect AID investments. Other Ministries experienced something less than this renovation, although the institutional revisions described by the Korean expert may well have been equalled in Vietnam, in the financial sphere. What remains most uncertain is whether the kind of institutional changes induced will be absorbed within the culture that emerges as the American presence continues to recede, or whether the authority of the Saigon government will erode to the point where its American patron and the changes associated with it will become negative propaganda for the insurgent regime. Too many questions remain unanswered to state any forceable conclusions.

TYPE II

Large Program and Large  
Population

Brazil  
1942-1973

Brazil shares with Taiwan the distinction in 1973 of being a development success. Economic growth seems to be self-sustaining at an extremely high level, and social indicators give planners a sense of complacency that the formula of heavy capital-technical infusions can lead to the rapid growth imputed by classic theorists of development. But the Brazilian experience has been inconsistent and our nominees agreed that the populist Goulart regime (1961-64) raised a host of economic problems that took years to resolve, despite rhetoric about real growth and serious income re-distribution. While the periods of dramatic improvements came only in the late '50s and in recent years, they are sufficient to evoke optimism among experts about Brazil's future.

The duration and scope of U.S. public assistance to Brazil is as extensive as anywhere in the world. The program began in 1942 as a response to the military need for a base from which to move troops on to Africa. In the subsequent three decades over \$4.5 billion in assistance was provided, all but \$400 million of it economic. The extraordinary feature of the Brazilian relationship, however, is that a third of the American aid has already been repaid, and most of the total is scheduled for repayment. Although Brazil has received \$45 for each of its hundred million people, a ratio similar to Thailand's, because most was in loans rather than grants the program's potential leverage should have been much less than in the Thai case, or any of the Type I countries.

In fact, our nominees reported a "honeymoon" relationship. "They wanted everything and we went all over the place." The program was small at the outset, entirely related to American needs for troop housing, adequate food, health, and amenities. But U.S. experts travelled extensively as part of the minerals exploration, rubber development, and food production programs. The Geological Survey worked with Brazilians in the

Amazon and Northeast to search for lead, zinc, magnesite, barite, and other materials in critically short supply. Another program in industrial education started then, with some 55 Americans and 156 Brazilians eventually brought into participant training. Also, in 1942 the long-range health program (SESP) commenced, and had significant impact in the '50s (through the \$16.8 million U.S. budget). Some 200 Americans worked for SESP in Brazil, and over 3,000 Brazilians were brought into the special health services, including communicable diseases, maternal and child care, public water systems, and medical statistical reporting.\*

The immediate post-war years were characterized by small technical assistance projects of limited duration. One nominee referred to that as, "an era when we had the unsophisticated assumption that all these countries needed was our technical expertise. We thought in terms of Johnny Appleseeding the world." At that time the Brazilian government formed an action group, known as Servisio, to respond to American initiatives and implement their recommendations. Servisio was efficient, energetic, and resourceful but unable to survive after our funds were dropped." There was no way to incorporate it into the bureaucracy. Meanwhile, at the highest level the two governments created a series of commissions to study the economy. Specialists on both sides reviewed "agriculture and livestock development, banking, electric energy, fiscal problems, fishing and fisheries, industrial development, labor and manpower, minerals, refrigeration, transportation, and warehousing." In 1950 a Joint Economic Commission was created to prepare "soundly worked-out projects for consideration of the Ex-Im Bank and the World Bank." While the need for private capital was acknowledged, public loans were needed to overcome bottlenecks in basic sectors.

The '50s are known as the Point Four period, and the Ex-Im Bank became a major source for Brazil's development program, some \$720 million in loans being made by 1963, with financing for 25 projects. The Joint Commission also funded 421 individual study grants in the U.S. in the '50s. Some \$2.8 million per year (average) was the level of technical assistance up to 1957 when the effort was intensified to reach \$12 million in 1960, the last Point Four year.

\* These figures are taken from a review of the U.S. aid program in Brazil prepared by Phillip Schwab, 1972 (xerox).

The Alliance for Progress commenced with the Goulart years in Brazil, and the AID mission found itself at odds in key priorities with the elected officials. However it was feasible to work directly with the States and regions so the Federal level was often bypassed. A Special Northeast Agreement was signed which permitted a concentrated U.S. effort in that destitute region. While the Brazilian concern with macro-economic problems persisted, an echo of the Joint Economic Commission recommendations, AID became increasingly involved in social and educational problems. Still, highest AID priority was given to stabilization and growth, a value shared with the military regimes that followed Goulart. Throughout this time the AID mission had close links with the Finance Ministry as it attracted the younger, foreign-trained economists who related well to their American counterparts. They were regarded as "Young Turks" in contrast to other civil servants. Among key planning officials there was a congruence of goals and ideas, "with intellectual direction on the U.S. side," according to one respondent.

In operation the Alliance for Progress programs of the '60s were substantially expanded versions of earlier projects. Dams, highways, schools--such bricks and mortar efforts were intensified, particularly after 1964 when the Branco regime seized power. Program loans for some \$525 million were quickly negotiated and helped reduce the wild inflation. During this period the Americans earned student and liberal press opprobrium by withdrawing support from university education and successfully urging the end of government subsidization for student tuition. Nonetheless our nominee considered this a wise move despite its political costs in the short run (middle and upper-class families had for decades re-inforced their positions through this subsidized system, which worked largely to their advantage since few working-class families sent children to university). Secondary and vocational education was combined under U.S. pressures, whereas the tradition called for two streams commencing at age 12, a measure of U.S. influence in education. Regretfully, our informant observed that, "we hoped for a more spectacular and popular program under the Alliance, however we did achieve an important objective."

As in several of the Type I cases, officers emphasized that education was the social sector where AID had the greatest success (impact). The

quality of counterparts, emphasis on improved administration (institutionalization), and training large numbers of Brazilian educators: these were the reasons given for the evaluation of success. The fields of nutrition and health were less well cultivated. "The situations were different," remarked one officer, "as the Ministry officials were much more cautious in Health and Agriculture." For example, the Brazilians were reluctant to admit the wide-spread incidence of typhoid, so the control plan was sold as a "water safety" scheme to each city. Agriculture programs were also inhibited: "We had neither the leadership nor the interest of the central government in improving conditions on small farms." The Northeast regional program was cited as an example of unfulfilled goals. At the outset the involvement was motivated by the pre-occupation with stabilization, a political goal, yet the region was intrinsically poor and a focal point for discontent over the past century. "Programs don't make it rain" commented one officer, a veteran of the Northeast, "and there was simply no solution on a regional basis...there had to be a national approach to aid these 30 million people who are imprisoned by their environment, such as subsidized migration from the region to underpopulated areas in the West, yet no strategy was followed that was commensurate with the dimensions of the problem."

United Nations' data sustains the opinion that overall improvements are now commonplace. For example, Brazil has the best housing (ratio of people-per-room) among our ten cases (1.1 compared to India's 2.6). And in education the ten year trend is as heartening as Taiwan's although Brazil commenced in 1960 from a lower threshold (in 1969, 25% of the eligible females were enrolled at Level II). The number of university graduates rose from 17,500 in 1960 to 55,800 in 1970; the science and engineering majors increased from 2,300 to 13,300. Nutrition trends advanced more slowly, per capita protein intake rose from 60 to 67 grams per day over the decade, while caloric consumption went from 2470 to 2620. Hospital care, in terms of beds per capita is approaching the European standard, at 270 in 1970, and while the number of physicians and nurses is quite insufficient to fit in that category, Brazil is far ahead of any Asian state under consideration. Only in family planning expenditures did Brazil fall behind out Type I cases in social indicators, with the reason obviously tied to religion. Finally, Brazil's GNP has risen at

9% rate for the past three years, and an average 6% between 1967-1969. Despite continued inflation, per capita product is approaching \$400, a doubling in per capita terms over the past decade.

Urbanization trends contain the contradictory evidence of both promise and tragedy. Brazil's overall societal direction is moving at a rate paralleled to Taiwan, from 45% to 54% between 1960 and 1970. The now-familiar opportunities available to a predominantly urban population contrast sharply with the accelerating numbers of flavellos, the slums. One third of the people residing in San Paulo, Rio, and Brazilia (4 of 12 million) are in uncontrolled slums where sewage, water, transportation, and schooling are desperate problems. In the predominantly rural Northeast, the numbers without social services from the government are even larger, in stark contrast to the improving conditions for the employed urbanites. Employment for these unskilled families is a massive problem largely unaffected by previous AID programs.

AID strategy for the future calls for termination of bilateral assistance, and the data reflects a well-advanced trend replacing it with multilateral loans. Annual U.S. loans and grants dropped from about \$400 million in the mid-60s to \$30-40 million in the early '70s, while the combined IBRD, IMF, IDB, and Ex-Im loans are climbing to the billion range. Before 1980 over half of the U.S. loans will be repaid because of the powerful position Brazil has developed in exports, which will exceed \$4 billion in 1973, securing a continued balance-of-payments despite dramatic increases in imports to finance development projects. Meanwhile, the country is gaining self-sufficiency in many areas of manufacturing, thanks to earlier investments in power and construction. While food production is not quite keeping pace with population increases, there have been shifts in crops, and in 1973 the value of soy bean exports surpassed coffee. Cotton and timber exports are also increasing rapidly.

On the wider issue of quality of life, our nominees felt conditions were improving for a majority, but that the flavellos are a growing problem. Inflation has hurt the poor most, while the salaried and unionized have gained in real incomes. The political problem underscored by the film, State of Siege, was variously assessed as unnecessarily exacerbated "by a few stupid officers" to the view that "this is a severe issue which the government refuses to face, but one it could easily resolve." "The difficulty is that even with rapid growth, a stellar balance-of-payments position, and occasional elections, repression is such that the Congress

in this country is turning against support for Brazil." There was a consensus that Brazil's development problems are not resolved, merely shifting in nature, and that from a democratic view, more politically desirable change must gain higher priority. None were sanguine that this would happen.

When queried as to where AID and its predecessor agencies made their greatest impact on human resources one official responded, "by convincing people that they could change things, and to do it they had to organize themselves." In answer to the question as to how AID might have operated differently to improve its performance, another respondent seemed to contradict the first, "we failed to involve Brazilians early enough in the planning to make it their plan." The gap between the act of convincing the host country that a particular innovation is necessary, and the act of assuming indigenous control over the consequent process appears to have been a real problem in Brazil. The case of Servisio is illustrative, as there was no ability to integrate new approaches into the old system. Recent changes belie the experiences of the '50s and '60s, and it may be that innovations have a multiplier effect, culminating in the rapid improvements that now characterize Brazil.

#### SUMMARY

The pattern of economic growth institutionalized in Brazil has great promise. The country is increasingly competitive in exports and conditions for a majority of the people are improving, while worsening for a significant minority because of inflation. The southern section of the country is remarkably advanced while the northeast is still ragged. Several key Ministries involved in human resource development performed effectively, while others long-rejected modern management techniques and new technology. The option of lower-level governments as partners was important to AID when it became hamstrung at the Federal level. As in Taiwan the cooperative spirit was emphasized but the capacity of the domestic leadership to command change was less evident until recently. The ability of the government to withstand larger amounts of criticism as the populace becomes more articulate and better organized will test its accomplishments at the highest level of human development. Can the complex political system live with the fruit of greater economic achievement, more demand for freedom? One measure will be meaningful employment. AID may have made a substantial contribution to that solution by creating the combined academic-vocational stream for all youths. It will clearly mean "new options" for the next generation.

INDIA  
1946-1972

India is the recipient of the largest American economic assistance program, the total exceeding \$9 billion when it was terminated this year. While this amounts to only \$16 per capita, it was a program of such size and diversity that our brief evaluation of its human resource impact is bound to be so reified as to miss salient features. However, we can review the policies and describe the key operations influencing this sector, reflecting the views of our nominees.

The AID mission had three foci, capital transfers and Title I sales, institution-building, and commodity transfers under Title II in the Food for Peace program. Capital assistance (\$4 billion of which \$1.6 billion is repaid) was in the form of loans and provided foreign exchange as well as local currency which was derived from the sale of agricultural commodities to India, then loaned back to the government at low interest and over long terms (with the unofficial understanding that much of the U.S. rupee holdings would never be used on the market). The institutional development programs included project assistance to many sectors but concentrated on education, particularly in agriculture, science, and engineering. In addition to work with several institutions under Federal control, such as the Indian Institute of Technology at Kampur, AID contractors worked in six States on extension programs and agricultural research. Science training for high school teachers at the secondary level was a related endeavor.

The Title II program (\$700 million) was designed to transfer food stocks held by the Commodity Credit Corporation to meet famine needs and promote economic development. In the early '50's the famine aspect was emphasized in the Indian program; however, AID commenced to use Title II to stimulate concern for overall nutrition in the '60's, emphasizing substitute feeding and the importance of proper diet for pre-school children, the "Children's Charter," as well as pregnant and lactating women. This shift reflected increasing interest in targeting limited assistance within a seemingly limitless population. Who was it most important to help?

The increasing focus of AID programs as the years passed came about consequent to the general failure of the Indian development program to either restrain the population explosion or improve the lot of most Indians. The new mission director in 1964, John P. Lewis, was held in high esteem both in Washington and Delhi, and thereafter many program initiatives came from the field in response to specific problems faced by Indian planners. The esprit among the Americans and Indian counterparts was very high, according to one respondent, and the AID mission was able to attract the best American talent to work on contract or within the mission. A collegial atmosphere prevailed, quite contrary to the popular image of deep divisions between the Indian and American bureaucracies. Lewis' influence was particularly effective, according to one view, and he had access at the highest level. His quiet confidence was infective on both sides.

Despite close working relations, the Indian government was diligent in demonstrating that no foreign aid policies impinged upon sovereignty, no pre-conditions were permitted. This concern for public faith in the Government's independence posed severe problems during the Johnson years when a "short-tether" policy prevailed. Washington influence forced a currency devaluation while India was experiencing recurrent droughts. Intellectual rapport was excellent among the professionals, but the political necessity for terminating the dependence upon U.S. aid became increasingly clear. Paradoxically, while it was important to India to set development goals with no foreign interference, the Government never denied the need for assistance; indeed, officials were "always searching for new ways to obtain more, particularly commodity loans which would support increased imports." But aid had to be on India's terms.

Termination *of* the assistance program was probably inevitable. On the one hand were Indian preferences for greater flexibility in the use of U.S. dollars, while on the other side the U.S. Treasury made "additionality" a condition of the loans, which forced Indians to maintain pre-existing levels of American imports in commodities where the U.S. was usually non-competitive. Public versus private sector arguments, as well as the use of American-owned repes were also sources of friction throughout.

Conflict notwithstanding, there is consensus that the AID mission performed an invaluable service at the higher levels of human resource development. Because of the high quality personnel in the mission, professionals of similar training on the Indian side used AID to surface important information, opinions, and ideas, then to test these out with unfettered research. "The emphasis on sheer competence is technical assistance at its best," commented one nominee.

A measure of how effective this relationship was is illustrated by this tragicomic episode, a proposed project. One possible contractor was a U.S. firm unacceptable to the Indians. Informal opinion among experts suggested that the Indians' point of view might well be reasonable. However, AID could find no legal basis for disqualifying the firm. Eventually the project was withdrawn more or less by mutual agreement. No serious repercussions were felt at the working level on either side because of the candor among the professionals, and a consequent understanding of each other's situation.

AID officials experienced little political pressure despite Mrs. Gandhi's and the Left's antipathy towards U.S. Vietnam policy. Criticism of the technical assistance program was rare, though it was in part American pressure responsible for the shift to a land-grant, service-oriented idea of college, as at Kanpur. The I.I.T. enjoyed a superior reputation and attracted Indian expatriots who would normally not have returned. In one respondent's opinion, criticism was muted because AID concentrated on science and agriculture fields, areas that tend to be conservative in India. But in 1971, the U.S. "tilt" towards Pakistan during the war was the last straw for a regime already uneasy in the dependency role. Our nominees agreed that need for U.S. aid was much less in terms of top level human resources, for at the center the AID approach to development planning had substantial impact. Generally, at State and local levels, but for specific programs as at Kanpur, the American influence was minimal in human resource development.

AID "failures" are measurable in terms of Indian development plan failures, in the opinion of one informant. A prime example is the lack

of improvement among most cultivators. The Indian government and AID, chose to maximize production, not maximize distribution of income after the drought years of 1965-66. Big farmers could yield the most rapid returns so they received the credit assistance for new seeds, fertilizers, pesticides, and irrigation. The mis-directed Green Revolution, in that sense, was as much AID's responsibility as it was the Indians'

A cursory review of the social indicators reveal the depth of India's poverty. For example in 1960 half of all housing was in one room dwellings (as compared to 2.9% in Brazil in 1969). As recently as 1965 only 7% of the eligible females were enrolled in Level II, compared to 25% in Brazil and 23% in Vietnam. Of course India has an enormous number of college graduates, over 262,000 in 1965 alone, but the tragic consequences of this high-level schooling is professional unemployment. Engineers find themselves teaching primary and secondary school in small towns, while arts graduates are fortunate to obtain any job. Although the civil service has expanded enormously both in the States and at the Federal level, the employment crisis only worsens. Health statistics are better than in Indonesia or Pakistan, but below any of our Type I countries. The ratio of physician is only one per 4,795, while hospital beds number one per 1,571 (1970). Finally, nutrition is declining in terms of quality on a per capita basis. Between 1960 and 1970 caloric intake dropped from 2030 to 1990 and protein consumption dropped from 51 to 49 grams per capita on a daily basis.

It is this sort of data, more than the education accomplishments which demonstrate the failure of AID and Indian government programs in mass human resource development. If food consumption is at half the level of that in the United States, on the average, any innovations and evidences of energetic improvements among the bulk of Indian society would be a miracle. While we have not used morbidity data in this report, health specialists find that two to three chronic diseases are common to most people in the tropics at this level of food consumption and in such housing conditions. Despite the enormous amount of U.S. assistance, and the congenial intellectual atmosphere at the top, AID-India must be scored very low in the human resource sector, for India's most elemental problems are essentially untouched after two decades of "development."

## SUMMARY

The complexity and size of India, a population exceeding all other countries under consideration, make the AID program shrink to the point of insignificance on a per capita basis. While gross economic measurements demonstrate improvement, per capita changes are very small. In the key social indicators the \$15-20 per capita gains in national product are swallowed by income mal-distribution, suggesting that human resource development is limited. The institutionalization of change is characterized by our nominees as effective among civil servants at the center, but the majority of bureaucrats and white collar employees seem untouched by these innovations. Despite development failures, India is the first case reviewed where democratic practices still prevail, in all other cases excepting Pakistan and Kenya, the political systems have been taken over by one or another form of military rule. This fact should give us pause before labeling the overall Indian development program as a failure, suggesting that our socio-economic indicators may be too crude to say much about the quality of life in the society, or even the real priorities of the government in planning.

INDONESIA  
1949-1972

Indonesia is the only large state under consideration which has received most of its U.S. assistance recently. Prior to 1966 the various governments were anxious to avoid dependence upon either side during the Cold War. A small public assistance program persisted in the '50's and declined to a trickle in the early '60's when President Soekarno pulled Indonesia out of the United Nations and confronted newly re-organized Malaysia as leader of anti-imperialist forces in Asia. Since the coup attempt and subsequent countercoup against Soekarno in 1965, U.S. aid has passed the billion dollar level, twice the total of pre-1966 assistance. The AID program rose from \$31 million in 1967 to \$115 in 1972, in addition to the Food for Peace programs which have been in the \$90-\$150 million range since 1968.

Unlike India and Brazil where American aid formed the largest contribution from the multi-national donor community, the Inter-Governmental Group on Indonesia (IGGI) has kept non-U.S. support near the two-thirds level, Japan and Europe providing the difference. Furthermore, as with Brazil, in recent years, most U.S. aid is in loans except for military grants. Under President Suharto the government has diverted public concern away from foreign maneuvering and towards domestic development. The economic recovery since the shattering inflation of the early '60's is significant, although consumer prices since 1963 had risen 700-fold and the money supply 800-fold in 1970, suggesting something less than effective control. Thanks to enormous increases in imports and more effective distribution, commodities are available throughout the country, financed largely by the IGGI loans and petroleum exports. Government services are improving because of a 25-fold increase in revenue collections since 1966 (13 billion to 320 billion in 1971) or about \$1.5 billion, still a small budget for 120 million people.

It is difficult to distinguish U.S. from IMF-World Bank influence on the development process in Indonesia. The Bank established its first permanent overseas staff in Jakarta after the coup, and many Americans served in that group. Relations have been cordial between the Bank, AID, and senior planners in the Indonesian government, therefore it would be

artificially analytic to suggest that American influence has been limited to the AID program. Additionally the Ford and Rockefeller foundations have maintained strong university programs which reinforces the public aid effect. Holding this network together is the so-called "Berkeley Mafia", the University of California-trained Indonesian economists and their protégés who have exercised dominant influence over development planning since 1966.

One nominee sees three periods in AID-Indonesia's history: pre-coup, the post-coup stabilization of 1966-67, and the subsequent time of rising confidence. Assistance during the pre-coup period was confined mostly to technical assistance in education, public health, and civic action. American university contract groups carried out most of these activities in Indonesia, with some 600 participant trainees coming annually in the U.S. He recalled that the Indonesian Communist Party was particularly strong during that period and that TA was generally rationalized as "encouraging groups hostile to the spread of Communist influence within the government, the armed forces, the police, and certain intellectuals. The civic action program, particularly, sought to offset Communist influence through public works projects as tangible counter-evidence to their propaganda."

Immediately after the coup U.S. assistance focused on financial stability, through development loans and P.L. 480 funds. For example in 1967 \$50 million of the \$56.6 million total budget were in loans for essential imports. Stabilization aid from abroad, combined with fiscal and credit restraints by the Suharto regime, permitted a reduction of the astronomical inflation. Since 1968 the Indonesian government has attempted to complement its stabilization measures with tangible signs of development. To promote this process AID now assigns top priority to agriculture, family planning, transportation, and education--such project assistance accounts for most of the program. Most recently the various donors in the ICGI, including AID, have pressed for consideration of social sector problems that were relegated to lower priorities by previous planners: employment, income distribution, and employment-related education and training. In the view of one official, the demonstration effect of Pakistan's disintegration may account for the Indonesian leader-

ship's concern for more equitable distribution of "development's benefits". The Government now tends to view the growth of an industrial infra-structure without regard to regional equity as short-sighted and even counter-productive.

Discussion of, and commitment to, projects with greater social value has led to consideration of growth point theory in the outer islands. It is illustrative that the Government has sponsored a study of West Sumatra as a geo-economic unit because of its ethnic unity and effective leadership. Population pressures on Java primarily account for this concern about rural development in the Outer Islands. The "push-pull" pressures that drive talented rural youth towards the cities (causing Jakarta to be a third uncontrolled settlement), is a related problem, which has caused the Government to make block grants to local communities and adopt a more decentralized tax allocation system. While AID is not providing funds directly for decentralization, there is active support through the assistance loans for the Government's innovative policies. This is a new departure for until now the effect of overall development planning has been uneven in terms of benefits among various ethnic groups. Government training has concentrated in the past on creation of an indigenous non-Chinese entrepreneurial capability, but there was no conscious effort to enhance certain groups at the expense of others. Yet, Indonesia shares with India such ethnic diversity that this freshly recognized problem is creating a new demand for distributive justice in development planning.

Bank and Fund officials share our AID nominees' optimism about Indonesia's development accomplishments and future. The indicators they cite are largely economic, derived from trade statistics, fiscal and monetary reporting, and investment. Furthermore, they emphasize the unmeasurable "intellectual climate" which has been uniquely hospitable for professional planners in recent years. But the social indicators are less reassuring: nutrition levels are the lowest of all the countries under consideration and are declining, daily calories = 1920 per capita in 1970 while 43 grams of protein was average (compared to 72 in Korea): there was only one physician for 27,655 people, and one hospital bed per 1,452 in 1971; in education only 10% of eligible males were enrolled at the secondary level with no reported female ratio in 1969, and UNESCO

had no relevant Level III data, a poor sign. Finally GNP per capita has risen by less than \$20 since 1965, a modest gain, although annual 6% gains since 1967 have established a favorable trend.

Despite the earlier concern for conspicuous evidence of U.S. assistance to human development to counter communist propaganda, and the most recent commitment to improvements in the social sector, especially education, the bulk of American public assistance has gone to large power and transport projects. As one official commented, to administer a \$25 million project is bureaucratically as easy, or easier, than a one million dollar one. Usually the human resource projects are in the smaller domain since it is often difficult to absorb large sums in a project that does not involve bricks and mortar. Although AID's contribution to Indonesia's development has been substantial, it is not clear that past priorities for cement and fertilizer will remain as relevant in holding together the fabric of a society undergoing such population pressures. Indonesia is exploding at a rate above 2.5%, and Java's rural population alone will pass 80 million before the century is out. Such intense pressure on the land is unprecedented, and some analysts contend that already the buildup caused, or was a major contributing factor, to socio-economic collapse in 1965.

The relatively sanguine evaluation of the specialists on Indonesia is not as convincing as that of experts on Brazil, another large and "exploding" country. In this instance as in the Indian case, the enormous handicap of rural poverty and village isolation from the mainstream of modernization prevents the institutionalization of change outside of elite and middle class circles. Those working close to the economic data are understandably pleased, but such achievements as seem reasonable in that sector would appear too modest to count for much yet in the society at large.

#### SUMMARY

Indonesia is the only large AID program that has increased in recent years. The economic effectiveness of this commitment is substantial and will have long-range impact in productivity. However, the social indicators reveal many shortcomings in the development process and demonstrate the widespread failure of Indonesia's first two decades of human resource

development. While millions are now in primary school, the secondary and tertiary levels are far behind the national needs, as are vocational programs. Health and nutrition reporting is very weak, what is available suggests poor conditions for the vast majority.

PAKISTAN  
1949-1972

"Pakistan was two countries, tied by the Muslim religion and Pakistan International Airways," observed one of our informants, and in 1973 there is some doubt that what remains of Pakistan will adhere. \$4.8 billion in U.S. assistance went to Pakistan, "to maintain the balance of power on the subcontinent, prevent the collapse of the state, and secure a base for the Air Force." In retrospect only the last of these three objectives was accomplished, and the hidden humanitarian achievements which have not been compelling to Capitol Hill until recently, were obliterated during the Bangla Desh crisis and most recently by the devastating floods in West Pakistan. Yet, for most of the '60's development specialists in the United States considered Pakistan to be a model case, and methods used there to be guides for others. The major lesson now would seem to be avoidance of the sheltered world that development planners permitted themselves to occupy in the '50's and 60's. As recently as 1968, in the AID summary statement of the Near East and South Asia budget for Congress, this assertion went unquestioned.

"In the past ten years Pakistan has moved from virtual economic stagnation to an impressive record of economic growth. Effective development policies and a readiness to experiment helped bring about this change..."

Although the report went on to acknowledge difficulties with drought, not a doubt was raised about nutrition, health, education, and economic disparities between East and West Pakistan. Indeed, such data was apparently irrelevant to AID-Washington at that time, although serious consideration of the economic disparity was in the minds of some in the field.

From the outset of a significant American assistance program in 1952 attention of planners on both sides focused on economic development and stability.

"GNP growth was regarded as the most significant index, and by the Kennedy era we had come to believe that agriculture should be the leading sector. Technical assistance was used to press the Green Revolution which was a West Pakistan phenomenon, and by the end of 1967 we had firm evidence of real growth, following drought years and initial failures in the late '50's and early '60's."

However debate within the AID mission over East Pakistan, "the other half," led to reconsideration. Money invested in West Pakistan was yielding

greater results, but the GNP factor had slipped in its dominance as, "we worried more about the distribution of income." In time the U.S.-sponsored projects in the West were phased down as funds were made available for two new projects in the East, on rice production and training of university staff to "conduct research on problems of national scope." Of course throughout this period the Comilla project was supported, but not without considerable controversy over the approach which emphasized small farmer cooperatives for credits, marketing, and irrigation.

One nominee observed that this shift within the mission actually mirrored the desires of top Pakistani planners, who were very closely identified with the Harvard Advisery Group. Intellectuals led by Mahbubul Haq (The Strategy of Economic Planning: A Case Study of Pakistan) in the late '50's began to raise the issue so there was re-inforcement for those in the mission with comparable concerns. In fact the three-way relationship between the American academics, the Pakistani planners, and the AID mission was considered "exemplary" by our informants. Yet, one technical assistance officer who described himself as, "the world's worst political scientist," found himself uneasy throughout his assignment because, "we really lacked understanding of Bengali culture, we spoke of 'them'." The West wing had taken advantage of the East from the outset by taking foreign exchange earnings from jute raised in the East, and re-investing it in the West. "It devolved into the Punjabis robbing the Bengalis, but the extent of the robbery lessened as time passed." Also, West Pakistanis "received the lion's share of import money from our program loans, had we corrected that problem there would have been more incentives for development in the East."

Re-designing the development plan to provide equal benefit to the East posed severe problems. One was in locating projects for investment which could usefully absorb capital even when standards for funding were lowered. Another was the Bengali aversion to development projects that would fit in the federal scheme, for they were very suspicious of new ventures dominated by West Pakistani managers. A more general difficulty faced those working on rural income redistribution, although an effort was made by AID to skew benefits to small farmers (five acres and under), land reform was most difficult because the Government was very dependent upon the infamous "twenty-two families" who controlled

large sections of the fertile Indus and who were mostly responsible for the improvements in agricultural productivity. To dispossess them was to kill the goose who laid the golden egg.

Finally, throughout Pakistan there was little serious effort to work on either nutrition or health, except under AID's impetus. "Apart from simple food distribution, there was difficulty in finding a handle for the program. Our budget was small and there really wasn't much to work with in terms of counterparts or organization." The impetus for health improvements was largely limited to malaria eradication, a program allowed to atrophy when the incidence declined in the '60's. The AID mission devoted nearly a third of the TA budget to education, a program "the Pakistani government was not enthusiastic about, so we combined it with other schemes in the multi-sector division."

The magnitude of the U.S. assistance in Pakistan is deceptive, when compared to the other Type II cases. Nearly a fifth of the total went for military assistance, and three-fourths was awarded prior to 1965, thus the economic portion in the past half decade has been less than Indonesia's, although the total per capita program is about \$42 or nearly double India's and triple Indonesia's. Since so much of the funds were spent when GNP was the over-riding consideration, there is little surprise in the social statistics, which reveal minimal, and possibly a counter-productive, AID impact. Nutrition levels are on a par with India's in East Pakistan, but overall show a measured improvement--reflecting sharp gains among the salaried and land-owning groups in West Pakistan. per capita daily calorie rates rose from 2000 to 2410 (1960-1970) and grams of protein per day rose to 55 by 1970. Hospital care was poorer than in any of our other Type II states, while education data showed significant improvement only at Level I, slight increases in Level II and a doubling of college students. As in India, some 93% of the eligible female high school population is not in school. Numbers of university graduates are about equal to Brazil's, as of 1970. Again, we lack morbidity data, but reports from Bangla Desh indicate a deplorable condition following the 1971 typhoon and 1972 war. Yet, Pakistan's GNP was rising at an average 7% rate the last half of the '60's, and most economists were predicting continuation of the trend throughout the '70's.

The Harvard Advisory Group claimed Pakistan's Third Development Plan to be a model of concentration on macro-economic policies which would maximize the market forces. The result, as one nominee commented; "Everything worked fine but the society fell apart." As to why this happened:

"We simply failed to see the ethnic issue for what it was." Furthermore, "we added to the sense of relative deprivation among small farmers and the landless by supporting the middle and large farmers through the leading group, the capitalists and bankers. They gave us the greatest return in GNP for our investment. Also, we were following a policy of involving counterparts, and in Pakistan our counterparts were usually from the West."

"...In looking for those with the capacity for innovation we failed to find it among the Bengalis, the poor cultivators really didn't care about the development of Pakistan. They wanted the structure to control the profiteers while we tended to reverse the equation."

The Pakistan case reveals most starkly the issue that is still an undercurrent in other countries, the relative priority that should be assigned equity. In Pakistan the issue took an ethnic dimension and therefore had clear delineation, but in most states the problem of improving conditions for the "lower majority" is being faced most reluctantly. Our nominees generally agreed that these larger objectives were probably impossible to achieve in Pakistan, that because of the ethnic controversy U.S. development goals were doomed from the outset. If that is a correct assumption, then perhaps AID should re-evaluate its existing country programs, and those of other countries where assistance has not been feasible in the past, to determine which should survive and where new initiatives should be taken.

#### SUMMARY

In the same decade that Pakistan's GNP tripled in size, the rumblings of political dissatisfaction rose to destroy the state as it was constituted at birth. Economic inequities were a major cause for the collapse, and AID policies reinforced the institutions that accounted for the inequities. In retrospect this train of events is logical and the dispassionate observer can critique the case as a failure, a lesson to be avoided in the future. But those involved reveal the difficulty of facing the larger issue when on a daily basis there are significant returns, both psychic and economic. At the time their efforts seemed very fruitful. None of our nominees felt themselves morally or professionally

wrong for their advice and actions, and all shared a conviction that the best American planners supported AID-Pakistan policies, in fact helped create them. As in no other case under review, the Pakistan experience underscores the dangerously simplistic assumptions about economic growth that have prevailed, and still sometimes dominate the thinking of development strategists, who casually dismiss human resource development as a residual benefit of rising productivity.

## TYPE III

## Moderate Program

Afghanistan  
1949-1972

Compared to states examined thus far, Afghanistan's has been a modest assistance program, \$8-35 million annually over the past two decades. Our informants revealed few of the pressures that were undercurrents in the foregoing programs, rather one senses a leisurely pace within this remote country which seemed to permeate the AID mission as well. But perhaps I read into the interviews my own romantic perspective! Most of the assistance has been in grant form, \$341 million out of \$445 million, with military aid accounting for only \$200,000 - \$300,000 annually, a tiny program indeed. The per capita assistance from the U.S. is \$27, almost identical to the India level and below other Type I and II cases. American objectives seem to have matched this low intensity for our nominees agreed that they have been limited and ambiguous.

The program began as an anti-communist venture, part of the containment policy, and through the '50's the competition between Russians and Americans led to several conspicuous projects, the most outstanding being the Soviet-built airport at Kabul and the American one at Kandahar. The U.S. goal was chiefly political, to stem the U.S.S.R.'s influence. But the means to that end were "to help the Afghans develop nationhood and to become economically self-sufficient." Our nominees agreed this was a task far beyond the time-frame of U.S. assistance for. "Afghanistan was, and is, a pre-industrial pastoral society."

Another observation is acutely important. "While Afghanistan has a monarchy, the king maintains power because he represents the least threat to the various ethnic communities. There is little in their history that ties Afghans together." The recent coup underscored this problem with which development planners must cope. In this century the kings have been a modernizing force, spearheading the move for improving the status of women, liberalizing education, and challenging the authority of the reactionary mullahs.

The social system remains a labyrinth of personal and family links, which is reflected in the bureaucracy, itself a conservative force at

the higher levels where civil servants function "essentially as courtiers." For the AID officials this meant that, in the words of one informant, "we dealt with counterparts who were not modern men, but prototypes of an earlier bureaucratic culture." There was such a shortage of skilled managers that third country nationals, usually Indians, were hired to staff the mission. And within the culture a premium was placed on propriety, as is customary in ascriptive societies, so that Afghans were most reluctant to challenge donor proposals or decisions. "We had to bend over backward to elicit disagreement." Yet, "we were criticized by Afghans for making development decisions, and our collaboration often seemed manipulated, awkward, or outright hostile."

Despite these personal quirks, the Afghan situation was termed "favorable" and "conducive to development." One officer assigned the causes to "an independent people, decently nourished, and living in a temperate climate. Basically we agreed on the purpose for our mission, the divergences came in the operations." Another comment could probably be generalized for many countries.

"Whether or not our development goals would have been accepted by the Afghan villagers is difficult to tell. The mission director and his deputies were fairly isolated from the peasants because the society dictated that they only converse with 'high-level' types who have a tendency to take postures. Visiting U.S. Senators, for example, meet speakers of English and holders of the cocktail glass; and the result is often mutual respect but rarely dialogue. They confused knowing officials with knowing the country."

Foreign-trained planners had comparable difficulties:

"They became like foreigners and misunderstood the abilities of their own people. They soon wanted to legislate change by fiat."

The common problem with participant training, re-entry into one's society, was accentuated in Afghanistan. Another informant argued that, "it's the easiest way to change individuals but there is no effect upon the society, except in the Establishment, unless one is patient and waits for the quality of ideas and capabilities to spread. "The wait often proves too long for either U.S. assistance missions to measure the benefit, or for the trainees to enjoy the psychic satisfaction of helping to improve the lot of their people. In fact the experience may be negative as one nominee noted when asked what effect upon Afghan values was evident from AID programs "The extended family's authority was diluted by participant training."

Since the AID program focused on participant training, these criticisms should be accompanied by the observation that the Afghans selected were enthusiastic about training in the United States. "They became more diligent than they are generally given credit for being, and their command of English measurably improved." Since so few Afghans had professional training, creating a cadre of skilled technicians was a significant contribution.

In passing I should recall that these "softer" social projects came rather late in the day, for the '50's and early '60's were labeled as the Highway Era by old Afghan hands. Major roads were built, "to stitch Afghanistan into the free-world, and to permit nation-building by enabling rural folks to reach Kabul. The six major ethnic groups have each lived in the same valleys for centuries, now highways are changing all that by encouraging integration."

The switchover to social projects enabled AID to support education, public administration, and agriculture. Contracts were let with five American universities and, "hundreds of advisors descended, most of whom worked with Pathans who were dominant in the civil and military services." Consequently, with no AID policy on the problem, projects developed which offered little benefit to other ethnic groups, but were automatically designed by and for Pathans. Geographic distribution of the AID programs was also uneven, when taking into account the tacit agreement with the Russians to limit American activities to the southern half of the country. "Our projects were either in the Kabul area, or southeast of the Hindu Kush in Pushtun--speaking areas." At the risk of over-emphasizing how AID was manipulated by one minority, note that ex-Prime Minister Daud sought unity for the Pakistani and Afghan Pathans, and had a map drawn of Baluchistan included in Afghanistan, giving the country a seaport.

Indicators of trends within the population primarily reveal the long steps Afghanistan must take if its people are to enjoy modern amenities. The country has one of the worst hospital health delivery systems in the world, with one hospital bed per 7,000 inhabitants and one physician per 18,000. In education the enrollment ratios have doubled or tripled in the past decade, but the starting point was so low as to be almost unmeasurable. 2% of eligible females enrolled in

primary and .4% at the secondary levels in 1960, up to 6% and 1% in 1970; and a total university graduating class of 728 in 1969 for a country of 16 million! Infant mortality is extra-ordinarily high, nearly a quarter, and morbidity rates are simply unreported. Urban population is merely 7% and increasing at only 3-4% annually. While poverty is commonplace in Afghanistan, our nominees agree that pride is even more deeply rooted. "Somehow, there is a spirit of freedom among these people that is exceptional." Perhaps we, and Afghanistan's leaders, are mistaken to seek modernity for the country if it should damage that pride.

#### SUMMARY

AID-Afghanistan has had a marked impact on human resources among middle-level technicians and bureaucrats. This elite is measurably better trained than twenty years ago. But such issues as income distribution or equity among ethnic groups were never surfaced as AID priorities. There was lack of an underlying assistance philosophy during most of the period, and inadequate knowledge of the complex cultures, for almost no Americans could use any indigenous language but Pharsee, and that was very restricted within the mission. As with other countries at the lower end of the development scale, inability to communicate in the native languages was a major obstacle to exchanging ideas, and understanding "the nation".

KENYA  
1953 - 1972

The smallest program under consideration, \$8 per head, or \$100 million for 12 million people over the past two decades, may also have been the most efficient in the production of human resources. While I am captive of our nominees' evaluations, this case suggests several rare accomplishments. Participant training was well-targeted and career-timed to maximum advantage. The return rate was extraordinarily high and absorption into high levels of the civil service was usually smooth. Probably the chief reason for this effectiveness was the unremarkable but lucid goal of the U.S. mission, to assist the Kenyans in becoming as self-sufficient as possible in their development.

The program commenced in 1953 when Kenya was still a decade away from independence. "Many of the British civil servants and businessmen anticipated another three to four decades before they would be compelled to leave." The mission felt otherwise but maintained a low profile as the British relationship was pre-eminent, the U.S. role was ancillary to theirs. Because Kenya was very short of people skilled and educated for modern life, the initial task of the mission was to identify Kenyans who could move into responsible positions immediately upon their return from training in the United States. British and Kenya Government leaders welcomed American assistance, because the Mau Mau rebellion had drained the treasury of the Kenya Government and had placed additional demands on the already strained British colonial resources. African leaders looked upon the Americans as a counterfoil to the colonial presence and, hence, as a lever to hasten independence.

One nominee felt the British did a very effective job in preparing the ground for sovereignty, "as several enlightened administrators expedited placement of blacks in key position." Without their cooperation the U.S. training program would have failed for they assisted in preselection training.

"Then we sent as many as possible to the States, some  
109 in agriculture alone...These people came back dir-

ectly into district-level jobs and created the 4-K program, patterned after our 4-H. The clubs acquired over 100,000 members. We were also able to bring 30 tribal leaders for observation trips to the States, mostly Kikuyu, Masai, and Luauw. We supported some eight farmer training centers established earlier and reduced the training time from one year to two weeks to hasten the spread of modern cultivation and livestock methods."

Other programs were sustained for public administration, veterinary training, community development, and university expansion. Later, high level administrators were brought in for postal services, harbor management, rails, customs, currency, air transport, and even legislative methods.

Development was conceived also in community terms by Kenya Government and AID officials--namely, improving rural living conditions by building on relevant and useful customs and traditions and through the greater participation of tribal people in the modern sector of the economy and of society. Less explicit but no less real in these pre-Title IX days was the goal of preparing people through these local development activities for their political and civic responsibilities in an independent and self-governing nation. Concurrent with the development of professional training in Kenya for African officers-- a principal focus of American assistance to Kenya's community development program--was the promotion of courses and other training activities to upgrade existing subordinate staff and local leaders. In developing a cadre of national, provincial and district officials and leaders, participant training was viewed as a complementary program to local training efforts. The manpower was produced which helped to develop and subsequently to implement a national plan for community development, one of the first major program announcements of the newly independent Government of Kenya early in 1964.

The measure of the participant training programs, both domestic and in the U.S., can be taken today by the high proportion of former AID-sponsored leaders who are now in every branch of the senior civil service. Focus of the mission throughout was to build upon existing institutions, traditions and customs--fortunately the Kenyans had a vital leadership to respond to the American initiative. By building on language and mores familiar to local people the mission was able to translate the modern notion of 'self-help' into something meaningful for most tribes.

The program also made conscious efforts to enhance intertribal contact and the sense of nationhood. For example, as part of their field work training, community development personnel were stationed in areas different from those of their tribe and background, not only in terms of language and culture, but also in matters of climate, topography, and vegetation. It was an innovative step for a country where tribal antipathies have been more a factor of national life than have modes of collaboration. While community development personnel subsequently were posted with less priority attention being given to tribe, it would be difficult to measure how much the sense of nationhood was enhanced. When pressed as to which tribes were really affected by AID programs, one nominee acknowledged that only three or four of the largest out of fifteen tribal communities has received most of the assistance.

Overall achievements in Kenya are commendable in both the social and economic sectors. Per capita national product has risen to about \$140 and income distribution is somewhat better than in most LDC's. Health care is superior to most, with one hospital bed per 774 people but only one physician for 7,800 people. Nutrition levels declined in the '60's from a calorie level of 2290 to 2200 and daily protein intake to 68, down from 72 grams daily. Housing is still poor, over half the dwellings were one room houses as of 1962; while education in formal schooling improves only slowly--Level I up from 49% to 60%, Level II up from 3% to 8% of their age group actually enrolled. University education is comparable to Afghanistan in terms of numbers and proportions.

#### SUMMARY

While Kenya is not a show place for democracy or economic development, AID programs have been effective because they were timely, innovative, and well-conceived. Training manpower for key positions at all levels of government, combined with mass-level agricultural and self-help community improvement programs relevant to a majority of the rural populace, were the foci. Some consciousness of ethnic traditions and AID impact on those traditions was apparent in the programs. The Kenyan example illustrates how to enhance human resource development within the constraints of acceptable donor behavior.

## AN AFTERWORD

I contended in the "concept" paper that human resource development is a messy process to measure or analyze. Despite my own injunction that such measures must be culturally relevant to have much effectiveness, my effort at evaluation leaves me dissatisfied. The chief problem is lack of reliable or relevant data. Our information, derived from U.N. sources, is both gross and often non-comparable. Certainly it is unreliable, for we are dependent upon indigenous re-interpretations of mandates established by U.N. agencies for comparable measurement. What we lack is regionally and ethnically relevant reporting on income distribution, employment, health, nutrition, and family planning.

This study also is limited by its method, a report on AID administrators evaluation of their own performance. How can I evaluate the evaluations? Some effort to do that was made in the text of the cases, when it seemed feasible because the U.N. data strongly confirmed or conflicted with our nominees' opinions. By and large their comments were self-analytic, what was often missing were reflections about the larger goals of their respective missions. Perhaps that is to be expected since their professional skills call for performance in fields of expertise, not in the generalizable principles of development itself.

In writing up the interviews I am struck by the recurrent sense of successful teamwork mentioned by the informants. The "counterpart" concept is both pervasive and its priority highly prized; yet I wonder about its importance if development criteria is mass impact rather than elite collaboration. That is a tentative observation, what is more striking is the cultural loyalty among most of our two dozen nominees. About half seem to have achieved that rare human condition of becoming bi-cultural. With several salient exceptions I felt they could return to "their" country and move easily in the interstices of the society. In most cases their involvement stretched over a decade, with occasional assignments elsewhere but with persistent interest.

Concern for the now-popular issues of employment, income distribution, and nutrition was not evident in their earlier experience, when capital and technical assistance was more tied to the mechanical theories of economic development. The majority of cases are not resounding successes in these fields, from what measurements and evaluations we have.

Clearly, the multiple missions of various programs confused the means and ends. The Kenya case is outstanding because the mission really seemed to know what it was doing, whereas the much larger programs in Type I and II cases suffered from counter-vailing activities.

Since American strategy for bilateral assistance is being modified, with focus shifting from the large states to smaller and less politically sensitive countries, one can hope that U.S. contributions to human resource development will be better defined and more evident in the future. Two decades is a short time to institutionalize any major human activity on a world-wide basis. Looking toward the '80's, we should scan our past approaches quite critically and focus more directly on what we want to achieve, a better human condition, even though that means greater sensitivity to indigeous values and institutional development.



## APPENDIX A

### NOMINEES INTERVIEWED

Mr. Robert J. Ballantyne  
Dr. Joel Bernstein  
Dr. T. C. Clark  
Mr. John Cooper  
Dr. Milo Cox  
Dr. Martin Foreman  
Dr. Eleanor Green  
Dr. James Green  
Dr. Leon Hesser  
Dr. Abraham Hirsch  
Dr. Christine Hugerth  
Mr. Ullmont L. James  
Mr. Robert Johnson  
Dr. Robert G. Johnson  
Dr. Alvin Lackey  
Mr. David Mathiasen  
Mr. Russell S. McClure  
Dr. William Miner  
Dr. Raymond Moyer  
Mr. Richard Podol  
Mr. Philip Schwab  
Dr. Alexander Shakow  
Mr. Mark Ward

Interviews were conducted between July 18 and July 25, 1973 in Washington, D.C. The interviewer was Dr. John Badgley, assisted by Mr. Raymond Ahearn and Miss Marcie Berman.

APPENDIX B  
SOCIAL INDICATORS

\*HEALTH

		<u>Pop. per bed</u>	<u>Pop. per physician</u>
Afganistan	1971	7,051	18,655
Brazil	1968	274	1,953 (1969)
India	1968	1,571	4,795 (1970)
Indonesia	1971	1,452	27,655
Kenya	1970	774	7,829
Korea	1971	1,823	2,133
Pakistan	1968	2,570	4,018
Taiwan	1969	2,976	3,170
Thailand	1970	843	7,971
Vietnam	1970	478	12,236

\*\*HOUSING      T=Total,    U=Urban,    R=Rural

	<u>Average Size</u>	<u>%with one rm.</u>	<u>% 3 or more persons/r.</u>
Afganistan	- -	- -	- -
Brazil (U-1969)	4.7	3.5%	2.8%
India (U-1960)	1.9	53%	- -
Indonesia	1.7	- -	- -
Kenya (U-1962)	1.9	52.9%	41.1%
Korea	1.9	45.7%	58.9%
Pakistan (U-1960)	1.8	56.5%	59%
Taiwan (T-1966)	1.8	- -	23.5%
Thailand	- -	- -	- -
Vietnam	- -	- -	- -

\*United Nations Statistical Yearbook, 1972 Table 202  
 \*\*United Nations Statistical Yearbook, 1972 Table 203

\*URBAN TRENDS: Extent of Slums

	<u>Population</u>	<u>% Uncontrolled</u>	<u>Urban Annual Growth Rate</u>	<u>% Urban</u>
Afganistan 1970 Kabul	500,000	- -	2.3%	7%
Brazil 1961 Rio	3,326,000	27%	4.6%	54%
India 1961-Calcutta	6,700,000	33%	2.9%	19%
Indonesia (1961 Djakarta)	2,906,000	25%	4.2%	18%
Kenya - -	- -	- -	5.1%	9%
Korea (1970-Seoul)	440,000 Dwel- lings	30%	4.1%	64%
Pakistan 1970 Katachi	3,246,000	- -	4.3%	16%
Taiwan (1966 Taipei)	1,300,000	25%	4.1%	64%
Thailand (1970 Bangkok)	2,100,000	- -	4.5%	13%

\*World Bank, Urbanization, Sector Paper, June 1972.

\*NUTRITION

		<u>Calories</u>	<u>Grams Protein Daily</u>
Afganistan	1964-66	2060	65
Brazil	1970	2820	67
India	1960-62	2030	51
	1969-70	1990	49
Indonesia	1961-62	1930	42
	1970	1920	43
Kenya	1961-63	2290	72
	1970	2200	68
Korea	1962	2100	59
	1969	2490	72
Pakistan	1960-62	2090	48
	1970	2410	55
Taiwan	1960-62	2350	59
	1969	2620	68
Thailand	1964-66	2210	51
Vietnam	1964-66	2200	49

APPENDIX C

EDUCATION

Enrollment ratios derived from UNESCO Statistical Yearbook 1971 Table 2.7, pp. 120 ff. (in percentages of age group)

	<u>Country</u>	<u>Level I</u>		<u>Level II</u>		<u>Level III</u>	
		Total	Fem	Total	Fem	Total	Fem
<u>Type I</u>							
Korea	1960	96	--	27	14	4.7	1.6
	1969	104	101	38	30	7.2	3.7
Taiwan	(Combined Levels I & II)						
(1970)	1950	47	36				
	1968	78	73				
Thailand	1960	83	79	12	9	1.0	1.117
	1968	80	76	13	11	1.5	1.3
Vietnam	1960	46	37	5	3	.88	.32
	1969	100	91	28	23	3.6	2.9
<u>Type II</u>							
Brazil	1960	100	101	11	10	1.58	.89
	1969	128	129	25	25	4.36	3.21
India	1960	42	26	10	4	1.69	.57
	1965	56	39	15	7	2.65	1.13
Indonesia	1960	60	53	6	--	.53	--
	1969	70	63	10	--	--	--
Pakistan	1960	33	16	11	3	1.85	.43
	1969	44	25	16	7	3.60	1.18
<u>Type III</u>							
Afghanistan	1960	10	2	1	.4	.13	.02
	1969	20	6	5	1.0	.38	.12
Kenya	1960	49	31	3	2	.04	.01
	1968	60	48	8	4	.67	.11

\* Age Groups

Level I 6 - 14  
 Level II 15 - 18  
 Level III 19 - 22

EDUCATION (cont.)

Graduates, Level III with distribution by field, Op.Cit.  
Table 2.18

	<u>Country</u>	<u>Total</u>	<u>Humanities</u>	<u>Education</u>	<u>Social Sci.</u>	<u>Sci &amp; Engin.</u>
<u>Type I</u>						
Korea	1960	16,837	3,430	212	4,397	2,270
	1969	35,644	3,898	7,050	7,650	8,600
Taiwan	(By field of Study, Table 2.14)				(Nat. Sci.)	(Med.)
	1955	18,174	1,051	4,232	5,590	712
	1968	161,337	10,653	61,259	40,000	16,090
Thailand	1961	4,669	207	1,096	954	733
	1967	7,363	307	1,521	1,613	870
Vietnam	- -	- -	- -	- -	- -	- -
<u>Type II</u>						
Brazil	1960	17,577	2,600	1,930	2,100	2,300
	1969	55,793	6,800	3,833	12,127	13,300
India	1960	179,000	116,700	19,000	18,000	--
	1965	262,500	119,913	30,000	23,000	62,000
Indonesia	- -	- -	- -	- -	- -	- -
Pakistan	1960	18,558	9,900	1,402	1,517	3,600
	1967	48,425	25,866	3,993	5,931	8,700
<u>Type III</u>						
Afghanistan	1961	300	69	- -	29	40
	1969	728	142	183	61	103
Kenya	1965	143	22	15	31	59
	1969	463	118	30	109	140