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PRINCETON UNIVERSITY

Woodrow Wilson School of Public and International Affairs

ANNUAL REPORT FY 1979

LDC INCOME DISTRIBUTION AND PUBLIC POLICY AID/otr-c-1492

June 30, 1978 - June 30, 1979

I. Annual Report Summary Sheet

LDC Income Distribution and Public Policy AID/otr-c-1492

Project Title and Contract Number

Henry Bienen

Trustees of Princeton University

Principal Investigator and Contractor

Princeton University, Princeton, New Jersey 08544

Contractor's Address

June 30, 1976 - March 31, 1980
Contract Period (as amended) From-To

July 1, 1978 - June 30, 1979
Reporting Period From-To

Total Expenditures and Obligations
Through Previous Contract Year

Through 6/30/79: \$433,812

Total Expenditures and Obligations
for Current Contract Year

6/30/78 to 3/31/80: \$726,265

1. Summary Sheet

Work is proceeding on studying the economic and political aspects of income distribution, especially the effects of government policies on distributional outcomes in Turkey, Nigeria and Egypt. Subjects being addressed are the general economics, politics, and historical-ideological framing of income distribution, rural/agricultural, rural-urban, and urban dimensions, and the equity impacts of taxation, agricultural policies, education, other public services, industrial policies and unionization. The Turkey volume is being edited at the publishers, Holmes and Meier. It should be published by the end of 1979. The Nigeria papers are near completion and should go to the publisher by the end of 1979 for copy editing. The Egypt papers are well underway; second drafts will be presented October 31-November 4, 1979.

II. Project Objectives

The project objectives, as stated in the contract, are to assist developing countries and donor agencies in meeting their need for a better understanding of ways to improve the formulation and implementation of social equity objectives within the context of economic development efforts.

Extensive research has been completed in Turkey and Nigeria, and is underway in Egypt to define the current nature of income distribution in these societies, the historical development, and the influence of government economic policies on distribution, with an eye to the most equitable alternatives commonly considered. We have proposed Mexico as a "fourth country" and meetings were held in Mexico City in May, 1979 with a view to carrying out a major study on Mexico along the lines of the Turkey, Nigeria, and Egypt studies with similar project objectives in view.

III. Accomplishments to Date

As we reported in the 1978 Annual Report, we have been pleased with the way this ambitious project has unfolded. Heavy responsibilities were placed on in-country participants for framing, organizing, and carrying out the projects.

The Turkey volume is now complete. Final meetings were held in Princeton in October 1979 to consider all papers and work on the overview paper. These meetings were attended by Professor Ergun Ozbudun and Dr. Aydin Uluşan, the Turkish Principal Investigators. They were also attended by Drs. Robinson and Dervis, now at the World Bank, and by Professors Bienen, Lewis, and Danielson from Princeton.

Subsequently the volume was sent to Holmes and Meier, a major publisher of works on political economy in developing countries. The manuscript was accepted for publication and is now being copy-edited.

The table of contents are as follows:

Ergun Özbudun, Professor of Political Science, Ankara University
Aydin Uluşan, Vice President, Yapi ve Kredi Bank, New York - editors
and authors of:

"Income Distribution in Turkey."

Serif Mardin, Dean, Faculty of Administrative Science, Boğaziçi
University

"Turkey: The Transformation of an Economic Code."

Ergun Özbudun

"Income Distribution as an Issue in Turkish Politics."

Kemal Derviş, Economist, Economics of Industry Division, The
World Bank

Sherman Robinson, Economist, Economics of Industry Division,
The World Bank

"The Sources and Structure of Inequality in Turkey, 1950-1973."

Aydin Uluşan

"Public Policy Toward Agriculture and its Redistributive Implications."

Üstün Ergüder, Associate Professor of Political Science,
Boğaziçi University

"Politics of Agricultural Price Policy in Turkey."

Charles Mann, Foundation Representative, Wheat Research and
Training Center, Rockefeller Foundation

"The Effects of Government Policy on Income Distribution:
A Case Study of Wheat Production in Turkey Since World
War II."

Metin Berk, Department of Economics, Boğaziçi University

"Public Policies Affecting the Distribution of Income Among
Cotton Producers in Turkey."

Michael Danielson, Professor of Politics and Public Affairs,
Princeton University

Ruşen Keleş, Professor of Urban Studies, Ankara University

"Urbanization and Income Distribution in Turkey."

Michael Danielson
Ruşen Keleş

"Allocating Public Resources in Urban Turkey."

Timur Kuran, Stanford University

"International Migration: The Unorganized Urban Sector and
Income Distribution in Turkey, 1963-1973."

Maksut Mumcuoglu, Professor, Faculty of Law, Ankara University

"Political Activities of Trade Unions and Income Distribution."

Ataman Aksoy, Department of Economics, Middle East Technical
University

"Wages, Relative Shares and Unionization in Turkish Manufacturing."

Ayşe Öncü, Department of Social Sciences, Boğaziçi University

"Chambers of Industry in Turkey: An Inquiry into State Industry
Relations as a Distributive Domain."

Sevgi Aral, Department of Sociology, Middle East Technical University

"Social Mobility in Turkey,"

Selçuk Üzgediz, Boğaziçi University

"Education and Income in Turkey."

The book, entitled The Political Economy of Income Distribution in Turkey shows how subtle are the distinctions to be made as we assess changes in income distribution over time. Even basic conclusions about changes in terms of trade between agricultural and industrial sectors appear differently when population shifts are taken into account. When non-conventional benefits are taken into account, we see a more complicated picture of distribution of benefits. Thus, when public services as well as monetary income are analyzed, various regions and income groups stand in different relationship to each other. Nonetheless, when all complications are taken into account, a consensus in the project emerged that in no major area of public policy has significant distributive success been achieved in the last quarter of a century. Turkey cannot be put forward as an unqualified success for incremental redistributive reform. But there are partial cases of redistributive success in the fields of education and also in interregional equality, and from the effects of unionization of industrial labors' share of income.

At the same time that Turkey has not achieved major redistributive successes, it is clear that political participation has increased. Such a broadening of political participation has frequently been hypothesized to bring about more equitable distributions of income. Our studies point to areas where political pressures did work for more equitable outcomes, for example, interregional distributions, legalization of squatter housing.

Political pressures affected agricultural price support policies, but the net effect of these policies was not redistributive. What Turkey does show is that relatively high growth rates were more important than distributive affects politically speaking. Absolute levels of income improved for many people and this prevented rapid politicization and radicalization of rural and urban lower classes. Government employees, on the other hand, had a worsening position and this was translated into leftwards orientations.

The project papers explore relationships between income, changes in income, political support, and the role of the state and ideas of equity in Turkish history. We believe that our attempt to do interdisciplinary work was justified by the result. We are more convinced than ever that critical problems of income distribution must be seen in political economy frameworks and that economists, political scientists, historians, and sociologists must discuss at length their definitions, procedures, methodologies in order to address conceptually and empirically these problems. One major benefit from the Turkey project was the close collaboration that emerged across disciplines, a collaboration often more difficult to achieve in the social sciences than collaboration between citizens of different nations.

We also learned a great deal from the effort in Turkey. We found that group meetings were essential for clarifying vexing questions. While some participants from other projects were able to benefit from meetings with participants in the Turkey effort, the fact that projects were in different time phase and some cost constraints made inter-project meetings somewhat difficult to achieve. Nonetheless, cross-project

collaborations did occur and continue to occur. Some Turkish participants will travel to Portugal in the Fall to meet with Egyptian, Nigerian, and hopefully Mexican colleagues.

NIGERIA

As noted in the 1978 Annual Report, meetings were held in Lagos in July 1978. In January 1979, Professors Bienen, Page, Gersovitz traveled to Lagos. There Professor Rimmer from the University of Birmingham and Professor Morrison from MIT joined a large group of Nigerian colleagues including Professors Diejomah, Teriba, Sada, and Drs. Anusionwu, Odufalu, Fajana, Ayeni, Omorgiwa. The major problem in coverage in the Nigerian project has proved to be the critical rural sector. Professor Olatunbosun, one of the early and key participants, has been preoccupied with personal difficulties. In order to remedy gaps we had contracted with Dr. Idachaba from Ibadan, who had been spending a year at IFPRI. But Dr. Idachaba could not meet commitments and returned honoraria payments. Subsequently, Professor Peter Matlon of the Department of Agricultural Economics at Michigan State University agreed to join our project. Professor Matlon has been working on income distribution in Northern Nigeria. His micro studies give us some detailed information plus a focus on the north of Nigeria which has been missing in the project. We had also hoped to remedy lacks in the rural sector by having Dr. Wes Weidemann of Wisconsin, formerly of the Rockefeller Foundation and University of Ibadan, also worked with us. But Dr. Weidemann's data could not be sprung loose in time to work on the project. Finally, we had known of the large agricultural census which was started in 1975 in Nigeria. Professor Gersovitz returned to Nigeria

in March, 1979 to see if we could have access to this data base in order to analyze it for the project. He was able to see questionnaires but the Nigerians have not yet processed the census data and are not likely to do so in the near future. We are still hopeful something can be done in this area. Professor Gersovitz also talked with colleagues at the University of Ife's Department of Agricultural Economics and it may be possible to build on research in progress by Dr. Ladipo of Ife.

The problems on the rural sector side of the Nigerian project are real. Elsewhere, we have some important studies near completion. As described in the 1978 Annual Report, a solid and original effort on taxation by Dr. Omorgiwa is completed. A major study on education by Anusionwu and Diejomaoh is in hand. A useful account of the effect of financial intermediaries and of indigenization programs by Teriba is completed. Morrison is in the process of analyzing attitudinal data correlated with social status and income proxies. Fajana has done an important study on inter-industry wage differentials. Ayeni has done solid work on the urban sector in macro terms. Sada has used highly original survey data to explore access to urban services and has analyzed household surveys for profiles of income distribution in selected urban areas. Rimmer has done a thorough study of equity issues in contemporary Nigerian history and has put equity concerns in a needed historical perspective. Bienen has analyzed notions of equity in Nigerian politics and has looked at the ways that party, civil service, and military elites have handled equity issues in ethnic and income terms. A newcomer to the project, Dr. Odufalu of Lagos University, has started to analyze expenditure effects.

Most of the studies were well along at the presentation of second drafts in Lagos in February. Professor Bienen returns to Lagos in August for final discussions with colleagues and for work on the overview paper for the Nigerian project. This paper will be written jointly with Dr. Diejomaoh, the Nigerian principal investigator.

The additional financial support we received with the help of Ambassador Donald Easum made it possible to carry out new research on education and income distribution in Nigeria and to fill some gaps in the Nigerian project, especially on the impact of expenditures on distributional issues.

We are convinced that the Nigerian study will emerge as a major contribution to analysis of distributional problems in developing countries and that it will be an important addition to analysis of political economy in Africa's largest country.

Egypt

In August, 1977, the project agreement and budget were amended to cover a country project in Egypt. The principal investigator in Egypt has been Dr. Gouda Abdel-Khalek, an economist at the University of Cairo. In Princeton, Professor Robert Tignor, an economic historian and Chairman of the History Department has been the principal investigator. Professor Tignor has been on leave from Princeton for the Spring Semester, 1979. He has been in Cairo working on the project. This has very much helped communication between Princeton and the Egyptian scholars. Also, Professor Tignor has been meeting once every two weeks with the Egyptian team thus there have been more joint meetings and discussions than in any other country project so far. Moreover, two Princeton scholars, John

Waterbury and Fouad Ajami spent time in Egypt this last year working on their own papers. Ajami lived in Cairo for some months. There has been more Princeton research in the Egyptian study than others heretofore.

In January 1979, a large group of Princeton and Egyptian scholars met in Luxor for four days of meetings at which first draft papers were presented and discussed. Since John Lewis had just gone to OECD, Henry Bienen chaired the meetings. Other Princeton participants included: Fouad Ajami, John Page, Michael Danielson, Charles Issawi, Dean Donald Stokes and Robert Tignor. Bent Hansen, Chairman of the Economics Department at Berkeley, also attended as a discussant of the papers. His contributions were extremely valuable and we hope to have his continued participation, including a paper from him.

The support from AID/Cairo has been most helpful. Professors Bienen and Stokes met with AID Director Donald Brown and John Chang. The latter has taken over from Peter Davis as AID contact officer in Egypt. After some delays, the AID financed survey of income distribution is going forward at the Center for Social and Criminological Research under the direction of Dr. Hoda Magahid. Professor Tignor is keeping close contact with that survey. If it is completed in time for the project participants to use its results in their paper, we will have a major input into our study. If not, we intend to analyze the data in a supplementary work to the project. Dean Stokes, a survey expert, has been consulting with the survey personnel.

Professor Tignor informs us that the papers are moving along to a second draft stage. Meetings will be held in Portugal at the end of October and Nigerian and Turkish representatives will join the Egyptian and Princeton teams to discuss second draft papers. Some papers were

well along in the first draft stage (economic history, taxation, education); others needed much more work (foreign aid, agriculture). One paper, the philosophical conception of equity in Egypt, may have to be dropped. We will know better at the second draft stage. Our hope would be to have a final manuscript in the late Spring, 1980.

Mexico as a Proposed "Fourth Country"

From the inception of the country studies, AID and Princeton agreed that four countries should be analyzed. Originally, Mexico was a country we very much had in view, especially since Leopoldo Solis came to Princeton under ILO funding and produced a major monograph on the economic policies during the Echeverria period. After the United States Embassy in Thailand did not support a study of Thailand as a "fourth country," we revived discussion with Mexican colleagues. Leopoldo Solis had become Deputy Director of the Banco de Mexico. Manuel Camacho, a former MPA from Princeton's Woodrow Wilson School has become a professor at el Colegio de Mexico. Both were excited about a Mexican project. Moreover, a significant number of Mexican scholars were at work on income distribution problems and it was felt that the time was ripe to pull together scholars in this country and in Mexico who shared interests in analysis of the critical political and economic problems of equity and growth in Mexico. Furthermore, Paul Sigmund, Professor of Politics at Princeton, has been working on problems of nationalization in Latin America and was increasingly turning attention to Mexico after his book on Chile under Allende was published.

Professors Bienen, Page and Sigmund travelled to Mexico City in May, 1979 and met with more than fifteen Mexican scholars and officials.

There was much enthusiasm for moving ahead with a proposal on Mexico. At Princeton, the above names plus Professors Raymond Hill, Michael Danielson, and a new colleague who has worked extensively on urbanization in Latin America, Professor Richard Moore, were all interested in participating in work on Mexico. A proposal has been put forward to AID to add Mexico as a fourth country in an amended contract.

Should Mexico be added, we will have four major countries with some geographic spread. All are countries of size and in the middle to high range of development among developing countries. Two, Nigeria and Mexico have had large oil revenues. All have recently had major political reforms and attempts to construct reform measures to deal with distributional issues. While the theory of the project which emphasizes that the unique aspects of each country must be taken into account has been maintained, nonetheless, there is some real cross-country comparability. This comparability exists for subject matter and for analytical focus on policy instruments. We expect to be able to put forward an overview volume which will review recent literatures on income distribution and at the same time generalize where possible the results of the country studies.

IV. Dissemination and Utilization

AID has received the manuscript of the Turkey volume, now being copy-edited at the publishers. We intend to buy significant amounts of this work for distribution and we hope AID will also want to do this.

The Nigerian papers have been widely circulated in the United States. Major scholars on Nigeria have requested and received copies of papers. In Nigeria, various policy making bodies requested drafts and received them from Professor Diejomaoh.

We now know that one publisher, Holmes and Meier will publish the Nigeria and Turkey volumes and we expect that all the country studies will come out under the auspices of this publisher. We are hopeful for good distribution by this publisher in Nigeria and Egypt. We also expect to produce a paperback version of the volumes, perhaps not including all papers, for a cheaper and wider dissemination to students and a more general audience. We hope that the Turkish colleagues will go forward with a Turkish language version.

Already, Turkey and Nigeria papers have been much in demand. We also believe that our hope for cross-country fertilization has taken place. The aim of the project to do collaborative work has been fulfilled. The project has brought together a significant number of scholars within the three countries and has made a wider scholarly community more aware of work being done in our project and outside it. Moreover, research networks have been elaborated for future reference. Thus we hope to be able to continue to work on related problems of agricultural development strategy within Mexico, Colombia, Egypt, Sudan, and Nigeria. Our further hope is that some present collaborators would take part in this work too.

V. Work Plan

1. Turkey project is finished. The publisher informs us that the book should be out before January, 1980.

2. Nigeria project is coming to an end. Final papers should be written by Fall, 1979 and should go to the publisher shortly thereafter. The book should be out by late Spring, 1980.

3. Egypt. Following the first draft papers given in Luxor, January 1979, discussed above, work commenced on second drafts. They will be presented at the end of October 1979. It is our hope to have final drafts by Spring 1980 and to bring the manuscript to the publisher by late summer, 1980.

4. Mexico. A proposal has been made to AID for a Mexican amendment. A conference would be held in September in Mexico and first drafts presented in the Fall of 1980. We would hope to have final papers by Fall, 1981.

5. Without waiting for the results from Mexico, work will begin next Fall (1979) on the overview volume. But the Mexican results would definitely be taken account of as they unfold.

VI. Minority Involvement

Recruitment of participants for individual country studies was handled largely by the principal investigators in the host country. Most of the personnel on the Turkey project are Turkish nationals, and two are women. On the Nigerian project, most are Nigerians, although there are no women. The Egyptian project is staffed mainly by Egyptians, with two women participating. The proposed Mexican project participants are mostly of Mexican nationality, with no women.

The Princeton participants, drawn from the ranks of existing faculty members, are all white males; one is a native of Lebanon, another of Egypt.

VII. Princeton Personnel Changes

Professor John Lewis, the former director of the project, took leave in January 1979 and became Chairman of OECD-DAC. He has remained partially active in the project, advising on certain papers, and we hope he will contribute to Princeton's final cross-project commentary. In his absence Professor Bienen assumed the directorship of the project and of RPDS.

Reinforcement of the Princeton economics input was provided by Assistant Professor John Page, from the Stanford Food Research Institute, who has joined Princeton's Woodrow Wilson School and Economics Department in September 1978, and has participated in discussions in Nigeria, Egypt and Mexico. Professor Mark Gersovitz has become active in the Nigerian project. Consultants from other American universities (e.g., Bent Hansen of the University of California, Berkeley, in the case of the Egypt project and Clark Reynolds of Stanford Food Research Institute for Mexico), have been involved.

RPDS has just been augmented by the arrival (in July 1978) of Dr. John Waterbury, who becomes Associate Professor of Politics and International Affairs in September, 1979. He has been involved in the Egypt project and will be involved in the cross-country work.

Thanks to the addition of Dr. Waterbury and the capabilities of an able team of secretaries headed now by Administrative Secretary Jerri Kavanagh, who replaced Jean Nase, it has been possible for RPDS to economize by eliminating, as of August 1978, the position of Executive Assistant, formerly held by Susan Chizeck. RPDS has been able to utilize the Woodrow Wilson School's business office, headed by Agnes Pearson, for help on budget and administration.



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SSIE NUMBER

NOTICE OF RESEARCH PROJECT

SUPPORTING ORGANIZATION:		SUPPORTING ORGANIZATION NUMBER(S):	
Agency for International Development		Contract No: otr-c-1492 and/or Control No:	
PROJECT TITLE:			
Less Developed Countries Income Distribution and Public Policy			
INVESTIGATOR(S):		DEPARTMENT/SPECIALTY, School or Division	
Henry Bienen Director, Research Program in Development Studies		Woodrow Wilson School of Public and International Affairs	
PERFORMING ORGANIZATION:		PERIOD FOR THIS NRP:	
Name and Address: Including Zip Code.	Woodrow Wilson School Prospect Avenue Princeton University Princeton, N.J. 08544	Start Date: June 30, 1976 End Date: March 31, 1980 Annual Funding: \$722,618 (Approx.)	
PROJECT SUMMARY: Be brief-200 word maximum: (Include Objective, Approach, Current Plans and/or Progress)			
<p>Project objectives are to assist developing countries and donor agencies in meeting their need for a better understanding of ways to improve formulation and implementation of social equity objectives within the context of economic development efforts.</p> <p>Work is proceeding on studying the economic and political aspects of income distribution, especially the effects of government policies on distributional outcomes in Turkey, Nigeria and Egypt. Subjects being addressed are the general economics, politics, and historical-ideological framing of income distribution, rural/agricultural, rural-urban, and urban dimensions, and the equity of taxation, agricultural policies, education, other public services, industrial policies and unionization. Papers on Turkey are completed and at the publishers for copy editing. The Turkey volume should be out by December 1979. The Nigeria papers are passed second draft, having been collectively reviewed by the participants. The Egypt papers are between first and second drafts. Second drafts will be presented October-November 1979.</p>			

IX. Budget

Line item No. ¹

	Expended from 6/30/76 to 6/30/77	Expended from 6/30/77 to 6/30/78	Expended from 6/30/78 to 6/30/79	Remaining	Total
I. Subject to only nominal Princeton University Indirect Costs:					
A. <u>Turkey Country Study Costs</u>	<u>\$46,580</u>	<u>\$ 9,303</u>	<u>\$ 31,517</u>	<u>\$ 1,000</u>	<u>\$ 87,400</u>
1. Salary	7,500	1,500	6,000	500	15,500
2. Consultants	11,500	7,773	12,727	500	32,500
3. Local research expenses	27,580	30	11,790	--	39,400
B. <u>Nigeria Country Study Costs</u> ²	<u>\$21,090</u>	<u>\$ 32,088</u>	<u>\$ 23,425</u>	<u>\$ 15,497</u>	<u>\$ 92,100</u>
4, 5. Salary and consultants	4,975	7,968	23,425	3,032	39,400
6. Local research expenses	16,115	24,120	--	12,465	52,700
C. <u>Egypt Country Study Costs</u>	--	<u>\$ 36,075</u>	<u>\$ 27,959</u>	<u>\$ 57,835</u>	<u>\$119,978</u>
8. Salary	--	3,000	1,500	3,000	7,500
9. Consultants	--	10,625	7,730	16,645	35,000
10. Local research expenses	--	22,450	16,838	16,837	56,125
11. International Travel and subsistence	--	--	5,865	15,488	21,353
D. <u>Conferences and Meetings</u> ³	<u>\$25,498</u>	<u>\$ 18,767</u>	<u>\$ 26,311</u>	<u>\$ 25,264</u>	<u>\$ 95,840</u>
7. Planning conferences for 12. Nigeria, Egypt, "fourth 13. country": International 17. travel, in-country per diem, 18. and in-country travel of 19. Princeton participants; cross-country task force meetings					

IX. BUDGET (continued)

Subtotal: categories A., B., C., D.	\$ 93,168	\$ 96,233	\$109,212	\$ 87,852	\$386,465
14. Princeton indirect costs in A., B., C., D	<u>3,120</u>	<u>0</u>	<u>2,080</u>	<u>0</u>	<u>5,200</u>
SUBTOTAL: Items subject to only nominal Princeton indirect costs	\$ 96,288	\$ 96,233	\$111,292	\$ 87,852	\$391,665
II. Subject to USG-Approved Princeton University Indirect Cost Rate					
E. Princeton University Costs ³	\$ <u>43,198</u>	\$ <u>56,734</u>	\$ <u>73,657</u>	\$ <u>161,011</u>	\$ <u>334,600</u>
15. Salaries and fringe benefits	17,139	22,799	35,335	70,161	156,434
16. Research assistance	5,082	1,531	700	4,087	11,400
20. Duplication and printing	0	0	5,000	16,000	21,000
21. Editorial assistance	0	0	4,000	2,000	6,000
22. Research coordination	6,198	1,995	0	5,807	14,000
Subtotal: Princeton direct costs	\$ 28,419	\$ 37,325	\$ 45,035	\$ 98,055	\$208,834
23. Indirect costs ⁴					
(a) Through FY 1978 @ 52%	\$ 14,779	\$ 19,409			
(b) Beginning with FY 1979 @ 64%			\$ 28,622	\$ 62,956	
Indirect costs: (a) plus (b)					\$125,766
<u>GRAND TOTAL</u>	<u>\$139,436</u>	<u>\$152,967</u>	<u>\$184,949</u>	<u>\$248,863</u>	<u>\$726,265</u>

Footnotes:

1/ Line items numbers refer to AID contract amendment of 8/31/77 to contract No. AID/otr-C-1492.

2/ Contract amendment uses nomenclature of "salaries" for principal investigators' fees, "consultants" for participants" (i.e., authors' fees.) In the case of the Nigerian, unlike the Turkish and Egyptian, principal investigators, these two components of compensation have not been differentiated. Nigerian planning conference (item No. 7) has been included with other country-project planning conferences.

3/ Items 17, 18, and 19 in the contract amendment table (international travel, per diem, and in-country travel of Princeton participants) have been reassigned from E. to D. because Princeton had agreed that these items would not be subject to its normal indirect costs.

4/ The 52% rate was the one built into the contract. However (see text) resident DOE auditors recently have recalculated the Princeton indirect cost rate at 64% beginning July 1, 1978, and under standard practice this is expected to become effective for all U.S. Government contracts with the University.

a) By agreement, used for research dissemination.