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GOALS, COMPLIANCE AND EFFECTIVENESS IN
THE AGENCY FOR INTERNATIONAL DEVELOPMENT

Nancy Ruther: April 1979

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GOALS, COMPLIANCE AND EFFECTIVENESS IN
THE AGENCY FOR INTERNATIONAL DEVELOPMENT

IN FULFILLMENT OF THE REQUIREMENTS FOR
THE MASTERS IN PUBLIC AND INTERNATIONAL
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TABLE OF CONTENTS

	PAGE
<u>INTRODUCTION</u>	i-v
<u>CHAPTER I. THEORETICAL FRAMEWORK</u>	1-17
A. The Program in Question	1-3
B. A Theoretical Base: Goals, Compliance and Effectiveness	3-17
1. Compliance Theory: Key Concepts and a General Hypothesis	4-10
2. Goals, Compliance and Effectiveness: Key Concepts and a Specific Hypothesis	11-17
<u>Figures</u>	
I.1. Typology of Compliance Relations	7
I.2. Analytical Specifications of Some Key Concepts Referring to Lower Participants	10
I.3. Typology of Goals and Compliance	13
<u>CHAPTER II. ORGANIZATIONAL GOALS OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT (AID)</u>	18-37
A. Stated Goals of AID	18-25
1. Goal Statements	18-23
2. Implications for Goal/Compliance Relationship	24-25
B. Actual Goals of AID	25-37
1. Sources and Indicators of Actual Goals	26-36
2. Analysis of Actual Goals and Implications for Compliance	36-37
<u>Figures</u>	
II.1. Comparison of Congressionally Approved Resource Levels, '74-'77	27
II.2. Partial Organigram for AID ('77)	31
II.3. Partial Organigram for USAID/Bolivia (1977)	32
<u>CHAPTER III. COMPLIANCE STRUCTURE FOR THE AGENCY FOR INTERNATIONAL DEVELOPMENT (AID)</u>	38-91
A. Institutional Setting and Key Actors	39-43
1. Institutional Setting	39-41
2. Key Actors	41-43
B. Power Elements: Means Available and Exercised	43-52
1. For U.S. Personnel	43-47
2. For Bolivian Government Personnel	47-52
C. Involvement and Related Elements	52-68
1. Of U.S. Personnel	54-62
2. Of Bolivian Personnel	62-68

TABLE OF CONTENTS (continued)

	Page
CHAPTER III (continued)	
D. Organizational Boundaries and Key External Factors	69-88
1. Organizational Boundaries	69-76
2. Key External Factors	76-88
E. Summary and Implications for Effectiveness	88-91
<u>Figures</u>	
III.1. Organizational Boundaries for USAID/Bolivia	70
III.2. Program Design Cycle for FY 1979	73
III.3. Steps in Project Design and Implementation Process	74 & 75
III.4. Schematic Presentation of AID's Compliance Structure	90
<u>CHAPTER IV. EFFECTIVENESS OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT (AID); EXAMPLE FROM THE USAID/- BOLIVIA HEALTH PROGRAM, 1974-1978</u>	
A. An Approach for Analyzing Effectiveness	93-107
1. General Concepts of Organizational Requirements for Effectiveness	93-99
2. Specific Indicators for Measuring Fulfillment of Organizational Requirements	99-107
B. Boundaries and Effectiveness	107-131
1. Effectiveness Considerations	107-108
2. Shifting people and positions	108-131
C. Goals and Effectiveness	131-169
1. Effectiveness Considerations	131-136
2. Changes in Development Indicators	136-138
3. Resources Available and Mobilized	138-149
4. Administrative Changes	149-154
5. Program/Project Design Changes	154-166
6. Structure/Processes to Meet Recurring External Requirements	166-169
D. Compliance and Effectiveness	169-194
1. Effectiveness Considerations	169-175
2. Satisfaction of Lower Participants	175-179
3. Participation in Decision-making	179-184
4. Adequacy of Communications	184-187
5. Openness of Elites	187-189
6. Level of Agreement on Strategy and Tactics	189-192
7. Agreement on Staff Required	192-194
<u>Figures</u>	
IV.1. Summary of Indicators of Effectiveness	100
IV.2. Changes in the Organizational Boundaries of the AID in the Health Program	109

TABLE OF CONTENTS (continued)

	Page
CHAPTER IV (continued)	
<u>Figures</u>	
IV.3. Changes in the Group of Key External Actors	110
IV.4. Changes in the Managers Group	113
IV.5. Long Term Technical Assistance	121
IV.6. Short Term Technical Assistance	124 & 125
IV.7. Changes in Key Members of Bolivian Director Level Group	126
IV.8. Organization of Bolivian Ministry of Health and Units Participating in the RHDS	128
IV.9. Marker Events for Effectiveness Analysis	132
IV.10. Budget Projections for 1975-1979	139
IV.11. Funding Commitments for 1974-1977	139
IV.12. Projection Commitments for Health	140
IV.13. Projected Program Financing	141
IV.14. Projected Annual Financing	141
IV.15. Budget Projections	142
IV.16. Delays in Commodity Orders	146
IV.17. Amounts, Timing, Types of AID Funding	164
<u>CHAPTER V. CONCLUSIONS</u>	195-199

ANNEXES

- I. Author's Experience during the Internship Period
- II. Participation in the Health Sector Assessment
- III. History of Health Programs in Bolivia: 1938-1974
- IV. Summary of Key Correspondence for the RHDS Project

BIBLIOGRAPHY

One of the most fascinating aspects of social science research is its knack for posing seemingly simple questions that generate complex answers. In this case, the question seemed simple enough: Why had it taken the Agency for International Development (AID) nearly three years to initiate its rural health program in Bolivia when it was supposed to be completely operational in three and a half years? Was it a problem of insufficient funding? Were there too few competent technicians or administrators? Were the health problems so complex that a new technology had to be developed to resolve them? I think not. . . Rather, the reasons for the delays lie in the character of AID as an organization - a highly complex organization subject to internal and external pressures from multiple sources.

This paper attempts to unravel this complex of factors and relationships in order to understand the reasons for the delays in the AID health program in Bolivia. It reflects my understanding of the U.S. foreign assistance program managed by AID which developed while I worked with AID from November, 1974, to November, 1978. During those years, I was based both in Washington and in LaPaz, Bolivia. For three and a half years, I was the AID officer responsible for managing the health and nutrition programs of AID's Bolivia field office, USAID/- Bolivia. A summary of my work experience is presented in Annex I which provides information on what began as an internship period after leaving the Graduate School of Public and International Affairs of the University of Pittsburgh.

purpose

This is actually the third incarnation of a paper that began as an exposition of my experiences as an intern with AID. During the

first two writings, it became clear that only a more intense analytical effort would allow me to resolve the contradictions that I encountered daily within the organization that seemed to subvert AID's well-meaning attempts to assist Bolivia in grappling with its tremendous problems in agriculture, education and health. Numerous colleagues working with AID and different consulting groups as well as personal friends in Bolivia and in Washington helped me reflect on ideas as they surfaced. Two authors were particularly useful in my search for a theoretical framework that seemed to fit an organizational analysis of AID: first, J. Tandler's Inside Foreign Aid (#13) provided an insightful analysis of the operational issues in various "development assistance" organizations; second, A. Etzioni's Comparative Analysis of Complex Organizations (#6) provided a middle-level theory that seemed to have clear support in its application to other types of complex organizations. While I have relied on these presentations for guidance, the resulting analysis is based on my experience with AID. Finally, the contents of this paper do not reflect the official views of the Agency for International Development nor have any AID officials reviewed it in an official capacity.

Chapter I

Theoretical Framework

The purpose of this first section is to refine the question in order to identify the underlying and larger issues which will facilitate analysis and lead to answers. First, I will describe the program in terms of what it proposed to accomplish with what resources and over what period. Second, compliance theory will be presented as a basic framework for identifying the underlying issues in organizations such as AID (Agency for International Development) in terms of its goals, its structure, and its effectiveness in attaining its goals.

A.) THE PROGRAM IN QUESTION

Despite AID's working in health improvement programs in Bolivia for over twenty years, the health status of the average Bolivian especially in rural areas was still extremely poor in 1974, and the Bolivian government's capability to act to improve the situation remained minimal. (See Annex III) Similar situations existed in most other Latin American countries. Largely as the result of an initiative by the central AID offices in Washington, USAID/Bolivia (United States Agency for International Development/Bolivia) carried out a major diagnostic effort for nine months in 1974-1975, in an attempt to define a strategy for attacking both the basic health problems of the rural areas of Bolivia as well as the problems in institutional weaknesses of the

Bolivian health sector to meet health needs over the long run. The strategy called for a focus on preventive public health measures and management improvement in the health sector. It was approved in February, 1975, by the central AID offices. The document and strategy received high praise for analytical excellence, clarity in problem definition and soundness of strategy proposed.

HSA

By approving the overall strategy, AID/Washington provided the green light to the in-country AID team to prepare the documentation necessary and design a series of projects. The first step in the strategy was a pilot rural health project with \$300,000 in grant funding. This project would last 18 months and provide the model for future health services. The second step would be to initiate nutrition improvement activities under a loan project (\$4 million) which would begin some twelve months after the pilot health project was underway. This would provide specialized experience in a key related field to the basic health services and enable the Mission to begin expanding the rural health services model quickly as a third step. This third step would be undertaken with a \$5 million loan project to the Ministry of Health which would initiate the comprehensive rural health delivery system in three of Bolivia's nine departments. At roughly the same time or 18 months after the pilot project was underway, AID would provide another loan (\$3.5 million) to develop a network of potable water systems to complement the less capital intensive health activities. After two years of action under these projects, AID would initiate the fifth and final step of expanding the rural health system to the entire country using the vehicle of a loan project amounting to \$12 to \$15 million. (# 8 p. 400-450)

AID
Strategy

In three and a half years, AID proposed to have between \$24 and \$28 million dollars available to the health sector in Bolivia. In

roughly eight years, AID proposed to have an effective, comprehensive rural health program operating all over Bolivia. At the same time, the AID funds were expected to be disbursed, i.e., fully used by the Ministry of Health in the rural health services program.

As of October, 1978, or three and a half years later, AID had made available to the Bolivian health sector only approximately \$5.5 million of which only roughly \$500,000 had actually been disbursed. In terms of the program of health services, only the pilot health project was being implemented fully; the potable water project was in its first stages of defining procurement requirements; the nutrition project was reduced to \$640,000 instead of the \$4 million proposed and was in its earliest phases of policy definition and skills training. The funds for the three department loan were authorized by AID/W in November, 1978, and the full national health service strategy was in a rough stage of conceptualization.

B.) A THEORETICAL BASE: COMPLIANCE, GOALS AND EFFECTIVENESS

After reviewing the above scenario, hindsight tells us that the reasons AID could not meet the strategy was because the strategy was overly ambitious in its schedule and it was extremely ambitious in trying to pour that much money into a managerial vacuum. Perhaps, the basic problem was in timing rather than a more serious problem. Yet, a group of nearly fifty highly qualified professionals designed, reviewed, argued and approved this strategy over a period of nearly a year. A review of Etzioni's compliance theory of complex organizations helped to identify some other reasons why so much time and talent could produce such an unworkable strategy. One of the key assumptions of this paper is that because of its very nature, the organization itself often

determines results more than the efforts of the individuals working within the organization. This assumption is supported repeatedly in the literature on complex organizations (#6; #14).

B-1) Compliance Theory: Key Concepts and a General Hypothesis

The underlying premise of compliance theory is that organizations require special types of compliance if they are to fulfill their given purposes since they have been created for purposes which are believed to be unattainable through individuals or less specialized collectivities. Etzioni defines compliance as a relationship between power and commitment: "...a relation in which an actor behaves in accordance

with a directive supported by another person's power and to the orientation of the subject to the power applied." (#6, p. 21-22)

More simply, compliance is a relationship consisting of the power employed by superiors to control subordinates and the orientation of subordinates to this power. Subordinates do have power but they have less.

"Three power-means may be manipulated by superiors to support their directives including physical, material and symbolic rewards or deprivations. Organizations tend to allocate these means systematically and strive to ensure that they will be used in conformity with the organizational norms," which tend to be oriented to goal attainment. (#6, p. 4)

Etzioni used the term "involvement" to describe the orientation of subordinates to this power and to the organization. The organization will strive for positive involvement or "commitment" because it is more effective than negative involvement or "alienation." (#6, p. 8, '9)

Before discussing the association between these two sets of elements, it is useful to further define the individual components. In terms of power, Etzioni defines three basic types which differ according to the means applied:

"COERCIVE power rests on the application, or threat of application, of physical sanctions...; generation of

frustration through restriction of movement; or controlling through force the satisfaction of (basic) needs...

"REMUNERATIVE power is based on control over material resources and reward through allocation of salaries and wages, commissions and contributions, 'fringe benefits', services and commodities.

"NORMATIVE power rest on the allocation and manipulation of symbolic rewards and deprivations through the employment of leaders, the manipulation of mass media, allocation of esteem and prestige symbols, administration of ritual, and influence over the distribution of 'acceptance' and 'positive response'." (#6, p. 5)

In organizational terms, the holders of power may be considered as those in "power positions" who regularly have access to the means of power, generally on the condition of enforcing the organization's norms. Those in higher positions may be called elites or "organizational representatives" and those in lower or subordinate positions may be called "lower participants". (#6, p. 5) Etzioni has shown that, "Organizations can

be ordered according to their power structure, taking into account which power is predominant, how strongly it is stressed compared to other organizations in which the same power is predominant, and which power constitutes the secondary source of control." (#6, p. 6)

In terms of involvement, Etzioni identifies three zones along a continuum that ranges from high to low or from positive to negative.

"Alienative involvement designates an intense negative orientation; it is predominant among hostile foreigners (for example).

"Calculative involvement designates either a negative or a positive orientation of low intensity. (For example,) calculative orientations are predominant in relationships of merchants who have continuous business contacts.

"Moral involvement designates a positive orientation of high intensity. The involvement of the parishioner in his church, the devoted member in his party, and the loyal follower in his leader are all "moral'." (#6, p. 10)

All

Although this classification of involvement can apply to the orientations of actors in all kinds of social units and to all kinds of objects, it is

used in this paper to refer to organizations. Specifically, "it applies to the orientation of lower participants in organizations...to the organizational power system..... including: 1) the directives the organization issues; 2) the sanctions (or incentives) by which it supports its directives; and 3) the persons who are in power positions." (# 6 p. 10, 11)

By juxtaposing the power set and the involvement set, Etzioni shows a typology of nine possible compliance relations (see Figure I.1.) It follows logically from the theory and has been proved empirically that the diagonal types are found most frequently i.e., congruent relationships are more frequent than incongruent types. Etzioni attributes this to the fact that organizations are under external and internal pressure to be effective and congruence is more effective. The empirical occurrence of the six less effective, incongruent types can be explained by the fact that organizations often depend on external sources for the means and license to exercise power at the same time that the involvement of the lower participants may be skewed by external factors that the organization does not control directly. Finally, Etzioni allows that there also may occur some mix of two compliance relationships within the same organization and that this mix or dual compliance structure may or may not be congruent as defined by the same criteria. (# 6 p. 12, 13) To facilitate the subsequent discussions and also recognizing the fact that the three congruent types are the most frequent, the following shorthand will be used to refer to compliance types:

- 1) Coercive compliance -- the coercive-alienative type;
- 2) Utilitarian compliance -- the remunerative-calculative type;
- 3) Normative compliance -- the normative-moral type. (#6 p. 14)

Based on this theoretical foundation, Etzioni proposes a working hypothesis which helps elucidate the issue of AID's effectiveness:

FIGURE I.1.: Typology of Compliance Relations

Kinds of Power \ Kinds of Involvement	Alienative	Calculative	Moral
Coercive	1	2	3
Remunerative	4	5	6
Normative	7	8	9

(#6, p. 12)

"Congruent types are more effective than incongruent types. Organizations are under pressure to be effective. Hence, to the degree that the environment allows, organizations tend to shift their compliance structure from incongruent to congruent types and organizations which have congruent compliance structures tend to resist factors pushing them toward incongruent compliance structures." (# 6 p. 14)
(Emphasis His)

This hypothesis is a dynamic one because it allows for change as the organization works to increase its effectiveness or to avoid diminishing its effectiveness. According to the concepts outlined above, this change may take place in either the power or the involvement element of the organization. The hypothesis is also highly applicable in this case because it provides a clearcut framework for analyzing the source and manifestations of incongruence that AID faces. It facilitates answering both the initial question of this paper as well as providing insight into possible changes that AID could institute to increase its effectiveness.

The statement of the hypothesis shows one area that was not covered in the earlier definition of concepts, namely, organizational "boundaries" which ultimately determine the internal actors and the "environment". Following the logic of the compliance theory, Etzioni defines the boundaries of an organization as the set of actors who score high on three dimensions of participation within the organization. The first dimension is the nature of the actors' involvement in the organization -- alienative, calculative, or moral -- which refers to both the direction and intensity of the actors' involvement. The second is the degree to which participants are subordinated to organizational powers. The third is the amount of performance required from the participants in the organization. Although these dimensions are more clearly

applicable to lower participants, they can also apply to higher participants. Their utility lies primarily in defining the lower boundaries of organizations because the tendency is to find greater variation among organizations at the lower levels of participants. It follows that these lower levels will also be the greatest source of incongruence. (#6, p. 17-20) In order to provide guidance on the application of these concepts, Etzioni provides a schematic showing their possible application to various standard types of organizational actors. (See Figure I.2.)

As we will see later, this definition of participants and boundaries will be particularly important in determining AID's effectiveness. What difference does it make when AID defines its participants as including or excluding the personnel of the local agencies? Although there may be situations in which it is not possible or desirable for AID, Etzioni argues that they must be included: "We should like to underscore

the importance of this way of delineating the organizational boundaries. It draws the line much 'lower' than most studies of bureaucracies which tend to include only persons who are part of formal hierarchy: priest, but not parishioners; stewards, but not union members; guards, but not inmates; nurses, but not patients. We treat organizations as collectivities of which the lower participants are an important segment. To exclude them from the analysis would be like studying colonial structures without the natives, stratification without the lower classes, or a political regime without the citizens or voters." (#6, p. 21)

Nor does the hypothesis refer to goals which form an integral part of the issue of AID's effectiveness. Using Etzioni's conceptualization, compliance is the hub of the wheel and goals form one of the spokes. The next section will attempt to provide an operational definition of goals and presents a typology for analyzing goals, compliance and effectiveness.

FIGURE I.2.: Analytical Specifications of Some Concepts Referring to Lower Participants*(*)

<u>LOWER PARTICIPANTS</u>	<u>Nature of Involvement</u>	<u>Subordination</u>	<u>Performance Obligations</u>
Inmates	High, negative	High	Low
Employees	Low, negative or positive	Medium	High
Customers	Low, negative or positive	None	Low
Parishioners	High, positive	Low	Low
Members	High, positive	Medium to Low	Low
Devoted Adherents	High, positive	High	High

*This table contains a set of definitions to be used. It is not exclusive or exhaustive, either in concepts referring to lower participants or in possible combinations of "scores" on the various dimensions.

(*) Taken from #6, p. 20

B-2) Goals, Compliance and Effectiveness:
Key Concepts and a Specific Hypothesis

Given their importance in analyzing the issue of this paper, the variables of goals and effectiveness must be defined clearly before proceeding with the identification of indicators. Goals may be defined at two levels. At the more general level, goals are sets of meanings depicting target states. At the organizationally specific level, goals represent a state of affairs which the organization is attempting to realize. This is an important distinction for the analysis of organizations' effectiveness because it suggests that goals per se are cultural entities while organizations are social units and therefore less consistent than goals for two reasons. First, cultural images require means to be achieved yet social units rarely have sufficient means to meet cultural anticipations. Second, organizations are multifunctional and must devote part of their means to maintenance or other functions and part to goal attainment. (#6, p. 134)

Effectiveness may be defined as the degree to which an organization realizes its goals under given sets of conditions. Under the given conditions, how close does the organizational allocation of resources approach the optimum distribution for the actual goals of the organization? (#6, p. 135-6) In general, the two variables may be separated conceptually although in real situations they may be less easily distinguished: the goal may be extrapolated from organizational patterns; effectiveness may be

determined by comparing the actual achievements (or micro-patterns) to the aim. (#6, p. 136)

Using the compliance theory, we may posit that certain combinations of goals and compliance are more effective than others and that the association between goals and compliance may be demonstrated by using effectiveness as the explanatory variable. The resulting hypothesis may be stated as follows: Each of the three congruent goal/compliance relationships is more effective than the other two combinations that might be associated with the same goal. (#6, p. 112) This hypothesis is based on Etzioni's three types of organizational goals which are:

- 1.) ORDER goals: organizations with order goals attempt to control actors who are deviants; they are negative goals inasmuch as the aim is to prevent the occurrence of certain events;
- 2.) ECONOMIC goals: organizations with economic goals aim to produce commodities and services which are supplied to outsiders;
- 3.) CULTURE goals: organizations with culture goals aim to institutionalize conditions required for the creation and preservation of symbolic objects, their application and commitments to them; worldview or science may be the symbolic objects among others. (#6, p. 104-5)

A typology of the relationship between goals and compliance is presented in Figure I.3. which shows the congruent relationships: order goals and coercive compliance; economic goals and utilitarian compliance; and culture goals and normative compliance. In the case where an organization serves more than one goal, this model would expect that one goal would be predominant and that there would be a parallel combination in the compliance structure. (#6, p. 107)

FIGURE I.3.: Typology of Goals and Compliance

Types of Compliance \ Types of Goals	Order	Economic	Culture
Coercive	1*	2	3
Utilitarian	4	5*	6
Normative	7	8	9*

* Congruent Types

(#6, p. 106)

By elaborating on this basic model or typology, several corollary hypotheses may surface and also help in the analysis of AID. The order/coercive combination will not be discussed because AID does not seem to fit that category except in limited areas. The combination of economic goals and utilitarian compliance structure is deemed congruent because the goal is generally based on some type of rational productive activity requiring a systematic division of labor, power, communication and also a high level of coordination. Goal attainment, then, requires that performance of these activities be measured precisely and that there be some degree of voluntary co-operation. Precision measurement is difficult to accomplish within a normative compliance structure while co-operation is difficult to obtain in a coercive compliance structure. Both are facilitated in a utilitarian structure because remuneration tends to generate a degree of worker self-interest required for co-operation at the same time that the measurement of production can be accomplished with sufficient precision by comparing the outlay of monetary rewards and sanctions to production units. The normative compliance structure may cause effective performance when the work is unusually gratifying or if it is used for short periods or in crisis situations. However, as the "dramatic" production becomes routinized, the utilitarian structure will be introduced. An example might be a child-feeding organization which is created after a typhoon using volunteers on a shoestring budget. After the crisis is over, the organization may become an orphanage or other child welfare organization with regular employees and budget. (#6, p. 112)

In the case of culture goals and normative compliance, the goals tend to be more ambiguous and their measurement less precise.

At the same time, their achievement tends to require high degrees of collaboration and mutual adjustment for the execution of complex activities or a large variety of different activities. This requires positive and intense commitment of the lower participants to the organization or at least to its representatives. Personal identification with the representatives seems to be critical to effectiveness and tends to be impossible under the coercive or utilitarian compliance structures. However, if commitment to the organization is high, then identification with its representatives need not occur. Although the utilitarian structure may enable the organization to function, it is not likely to enable to achieve its goals effectively. At best, it produces superficial, overt and expedient commitment which is not good for the internalization of values which is generally necessary for attaining culture goals. (#6, p. 112, 113)

Two other factors may be considered especially pertinent in thinking about organizational goals. First, organizations tend to have both stated and actual goals or "front" and "hidden" goals. (#6, p. 122,3) For the purposes of this paper, the actual goals will be more important for the analysis of AID inasmuch as they result from internal definitional processes rather than from externally-set goals. The difference between the stated and the actual goals will be important in determining the extent of the control which the agency exercises in setting its own goals and performance standards. Second, organizational goals may be stated with different degrees of specificity. To the extent that the goals are specified clearly thus minimizing confusion over their interpretation, the performance required to attain the goals is also more easily identified. By minimizing confusion over the activities required to achieve the goals,

we would expect that the goals/compliance relationship would be more easily managed and therefore lead to more congruent and effective relationships. When the goals are not clear, the organizational activities themselves may become the goals. (#6, p. 150-152)

The environment of the organization also presents a set of factors which influence the goal/compliance relationship. In terms of the goal, social values play an important role and the location of the goal-setters is important. Are the goals set by actors external to the organization? How much initiative does the organization have in setting its own goals? In terms of power, the possible external factors include the amount of resources available and the social license of the organization. On involvement, several external factors impinge on the organization including prior values, other memberships and personality of the participants. If any of these or other external factors are pushing the organization away from a congruent goal/compliance relationship, the organization's effectiveness will tend to diminish until a new relationship is established or until the previous congruent relationship is stabilized. In the interim, one would expect to find increased tension within the organization, wasted resources, lack of coordination, skewed allocation of resources or other signs of strain within the organization.

Returning to effectiveness, it is important to remember that it cannot be measured simply by goal realization. Rather, organizational effectiveness is determined by the ability of the organization as a multifunctional unit to achieve a goal. Does the pattern of relationships among the elements of an organizational system enhance or detract from the service of one or more goals? This implies a time factor since increased effectiveness in goal attainment in the short run may jeopardize

long term goal attainment. (#6, p. 133) Etzioni has adapted the Parsonian typology for societies to illustrate four possible sub-systems of organizations which are:

- 1.) goal attainment -- gratification of the system's goals;
 - 2.) adaptation -- control of the environment;
 - 3.) integration -- maintenance of solidarity among organizational units;
 - 4.) tension management -- reinforcement of the integrity of the value system and its institutionalization.
- (#6, p. 141-142)

All four sub-systems must be balanced in the organization's actions and decisions and adequate resources must be devoted to each if the organization is to be effective in achieving its goals over the long run.

In the following sections II, III and IV, each of these areas will be addressed for AID. Specific indicators will be identified based on AID's organizational structures and processes in general and in specific reference to the health program in Bolivia.

Chapter II

Organizational Goals of the Agency for International Development (AID)

The goals for the Agency for International Development are set by the United States Congress. In the first part of this section, formal goal statements for the organization will be reviewed as they are found in the Foreign Assistance Act (FAA). This Act was passed initially in 1961 and has been subject to modification and refinements of policy or goal statements during the annual Congressional budgeting process. In order to better understand the current "stated" goals of AID, the refinements of Congressional policy will be discussed particularly those made in 1971 and 1973 which marked significant shifts in the basic goals of AID. Given the likely differences between these stated goals and AID's actual goals, the second part of this section will review the policy interpretation and implementation mechanisms that serve to reveal the "actual" goals of AID. The implications of this goal structure for AID's effectiveness will be discussed in light of the congruence hypothesis.

A.) STATED GOALS OF AID

A-1) Goal Statements

The basic goals or policy framework for AID as the organization of the U.S. government which is responsible for development assistance

are found in the first pages of the Foreign Assistance Act of 1961 as amended annually to provide for further clarification or modification. The fundamental reason for the U.S. government's undertaking development assistance efforts is stated in Section 102, where: " The Congress

declares that the freedom, security and prosperity of the United States are best sustained in a community of free, secure, and prospering nations. In particular, the Congress recognizes the threat to world peace posed by aggression and subversion wherever they may occur, and that ignorance, want and despair breed the extremism and violence which lead to aggression and subversion."
(FAA, p. 2)

It goes on to authorize development assistance efforts for two basic reasons: "The Congress declares therefore that it is not only expressive

of our sense of freedom, justice and compassion but also important to our national security that the U.S. ...assist the peoples of less developed countries..."
(FAA, p. 2)

Finally it states the broad purpose of this assistance which may be taken as AID's overall goal to be to: "Assist the peoples of less developed

countries to acquire knowledge and resources essential for development and to build the economic, political and social institutions which will meet their aspirations for a better life, with freedom and peace."
(FAA, p. 2)

On the face of it, there seem to be two types of goals expressed in these statements: first, a culture goal insofar as they refer to the acquisition of knowledge and the establishment of social institutions; second, an economic goal insofar as they refer to acquisition of financial or physical resources. The overall method of AID's assistance is described in the remainder of the Act as one of providing technical assistance, financial assistance and commodities to the peoples of the less developed countries to support their efforts to develop. Thus AID's two primary goals may be seen as: resource transfer, an economic goal;

and resource mobilization, a culture goal. Although there might be room to include the order type goal in AID's goal by extrapolating from the justification statements, it is not predominant in the remainder of the statements in the Act and will not be discussed extensively in this section.

The Act provides further specification of this very general goal statement in a set of seven principles which support the argument that AID's primary goals are economic and culture goals. The first three principles reflect the resource mobilization or culture orientation; the fourth, fifth and sixth stress the economic or resource transfer in orientation; the seventh is neutral in goal orientation. These seven principles are summarized below:

1.) Self-help. "...development is primarily the responsibility of the people of the less developed countries themselves. Assistance from the U.S. is shall be used in support of rather than substitution for, the self-help efforts that are essential to successful development programs and shall be concentrated in those countries that take positive steps to help themselves.

2.) Fundamental needs. "...the first objectives of assistance shall be to support the efforts of the less developed countries to meet the fundamental needs of their peoples for sufficient food, good health, home ownership and decent housing...and educational and work opportunities.

3.) Regional cooperation. "...assistance shall be utilized to encourage regional cooperation by less developed countries in the solution of common problems and the development of shared resources.

4.) Multilateral assistance. "...other countries shall be encouraged to increase their contributions to development programs and projects so that...the costs and benefits may be shared equitably by all.

5.) U.S. Balance of Payments. "...assistance shall wherever practicable be constituted of U.S. commodities and services in a manner consistent with other efforts of the U.S. to improve its balance of payments position.

6.) Cost-effectiveness. "...promote efficiency and economy in operation so that the U.S. obtains maximum possible effectiveness for each dollar spent.

7.) Program coordination. Other U.S. development related programs in the Act shall complement and be coordinated with the programs discussed above. (FAA, p. 2, 3)

In 1973, the U.S. Congress called for new directions in the development assistance program because of perceived changes in U.S. international relations, i.e., in AID's environment. Section 102, b, "Statement of Policy" of the Foreign Assistance Act states: "...the

conditions which shaped the U.S. foreign assistance program in the past have changed. While the U.S. must continue to seek increase cooperation and mutually beneficial relations with other nations, our relations with the less developed countries must be revised to reflect the new realities. In restructuring our relationships with these countries, the President (through AID) should place appropriate emphasis on the following criteria..." (FAA, p. 3, 4)

The "New Directions" provided much greater goal specificity and also a more limited sphere of action for AID. They also indicate a shift in the goal mix by placing greater emphasis on the culture orientation of AID's goals. The first four stress resource mobilization; the fifth and sixth focus on resource transfer; and the seventh again is goal-neutral. These new criteria parallel and expand on the earlier seven principles and are summarized below (emphasis added):

1.) Collaborative style. "Development planning must be the responsibility of each sovereign country. U.S. assistance should be administered in a collaborative style to support the development goals chosen by each country receiving assistance.

2.) Focus on the poor. "...highest priority to undertakings submitted by host-governments which directly improve the lives of the poorest of these people and their capacity to participate in the development of their countries.

3.) Critical development problems. "Bilateral development aid should concentrate increasingly on sharing American technical expertise, farm commodities, and industrial goods to meet critical development problems and less or large scale capital transfers..." which should be made through the multilateral framewrok.

4.) Functional sector focus. "Future U.S. bilateral support for development should focus on those functional sectors which affect the lives of the majority of the people in the developing countries: food production, rural development and nutrition; population planning and health; education, public administration and human resource development.

5.&6.) Private sector role. "U.S. cooperation in development should be carried out...through the private sector..." and "the economic and social development programs to which the U.S. lends support should reflect the role of U.S. private investment in such programs.

7.) Development resource coordination. "...the agency (AID) should have the responsibility for coordinating all U.S. development-related activities." (FAA, p. 4)

In 1975, Congress further reinforced the shift toward resource mobilization or culture goals by adding two clauses. Section 102, c, further defines and limits the scope of AID's efforts by calling for even greater emphasis on the participation of the poor in their countries' development. Section 102, d, goes on to specify criteria by which AID should carry out development assistance programs. In AID parlance, it is called "targeting" on the "poor majority" or on the "poorest of the poor". (FAA, p. 4) It states that: "For the purposes

of assuring that development assistance is increasingly concentrated in countries which will make use of such assistance to help the poor toward a better life... the President (through AID) shall establish appropriate criteria to assess the commitment and progress of countries in meeting the objectives set forth (in the Act). ...(AID) shall specifically take into account the efforts of countries to:

1.) increase agricultural productivity per unit of land through small farm, labor intensive agriculture;

- 2.) reduce infant mortality;
- 3.) control population growth;
- 4.) promote greater equality of income distribution, including measures such as more progressive taxation and more equitable returns to small farmers; and
- 5.) reduce rates of unemployment and underemployment.

"Presentation materials submitted to the Congress with respect to assistance under this chapter, beginning with fiscal year 1977 shall contain detailed information concerning the steps being taken to implement this subsection." (FAA, p. 5) (Emphasis added)

In line with the greater goal specification under the "New Directions" in 1973, Congress also added Sections 103-106 to the Foreign Assistance Act which provided further specification of the goals of development assistance according to functional categories. Since the effectiveness issue in this case will be limited to the area of health, only section 104 will be reviewed. The specific subgoal for health is stated in Section 104 as: "...to increase the opportunities and moti-

vation for family planning, to reduce the rate of population growth, to prevent and combat disease, and to help provide health services for the great majority..." (FAA, p. 9)

Thus the sub-goal is clearly divided between health and population control but Congress provides even further specification adding nutrition, service delivery methods, types of services and target recipients or participants. "Assistance provided under this section (104) shall be

used primarily for extension of low cost, integrated delivery systems to provide health and family planning services, especially to rural areas and to the poorest economic sectors, using paramedical and auxiliary medical personnel, clinics and health posts, commercial distribution systems, and other modes of community outreach; health programs which emphasize disease prevention, environmental sanitation and health education; and population planning programs which include education in responsible parenthood and motivational programs as well as delivery of family planning services and which are coordinated with programs aimed at reducing the infant mortality rate, providing better nutrition to pregnant women and infants, and raising the standard of living of the poor." (FAA, p. 9) (emphasis added)

A-2) Implications for the Goal, Compliance Relationship

7
6
4 } Aware that the stated goals as described above may not be the actual goals under which AID defines its compliance structure, they do provide some basic directions for the subsequent analysis. First, there do exist two basic goals for AID -- one economic and one culture which would indicate that AID is likely to have a dual compliance structure of the utilitarian/normative type. Second, there has been a shift in priorities in AID's goals in the last five years which theoretically should create additional strains on an organization's compliance structure. Third, there seem to be internal inconsistencies within the stated goals caused by the added goal specification without a concomitant winnowing of earlier specification statements. For example, it will be difficult for AID to create a compliance structure that can both use only U.S. commodities and at the same time support the development goals of the host government. Fourth, the shift will exacerbate the inconsistencies in the stated goals making even more difficult the task of differentiating actual and stated goals because the actual goals will be shifting or buried in bureaucratic subterfuge. Fifth, the environment has been defined as one of extreme complexity including the set of actors involved in U.S. international relations especially those in the developing world. It is cross-cultural and cross-national which means that the divergent cultures and political schemes will be likely to place additional burdens on AID to mesh its goals which have been identified as cultural entities with its compliance structure which is predominantly social and political by virtue of representing U.S. foreign policy. Sixth the stated goals have set the boundaries of AID's compliance structure to include the host governments and peoples.

B-1) Sources and Indicators of Actual Goals

The primary source of information on the actual goals of the highest level of AID's organization, including Congress and the top administrative group, is AID's overall budget over the years since the "New Directions" were formulated. Also of use, are the policies provided by top management. In the previous section, the functional sector focus of the "New Directions" was identified as an attempt to shift AID to resource mobilization goals. In line with this attempt Congress allocates resources according to the same functional categories since Fiscal Year 1974 (FY 74) thus forcing AID to incorporate the resource mobilization goal in its program presentation and accounting exercises. This budgeting technique also enables Congress to set priorities among the functional sectors and effectively define the critical development problems -- one of the other pillars of the resource mobilization strategy of the "New Directions." These resource allocations are shown in Table II.1. and represent the bulk of resources that AID manages in the U.S. development assistance program.

By controlling AID's means so tightly and by providing such specific policy guidance (see earlier discussion of FAA, Section 104), Congress leaves AID little room to maneuver in defining its own goals. In the area of health, the budget is even more restrictive. It also provides an example of how AID management and Congress work together in setting goals. According to section 104 of the Foreign Assistance Act of 1961 as amended in 1977, "Not less than 67% of the funds made

(available under this section (population planning and health) for any fiscal year shall be used for population planning..." (FAA, p. 8)

This effectively made health the fourth priority in five programs to be funded by Congress. The change was made largely because of strong

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TABLE II.1.: Comparison of Congressionally Approved Resource Levels by Functional Category for FY 74 - FY 77¹ (In U.S. \$Millions)

Annual Resource Levels Functional Categories	FY 74		FY 75		FY 76		FY 77		Total	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Food & Nutrition (Sec. 103)	291	55	500	66	618	59	745 ²	61	2154	61
Population Planning & Health ³ 33% (non-add) (Section 104)	145	28	165	22	243.1	23	275.6 (91) ⁴	22 (7)	828.7 (273.5)	23 (8)
Education & Human Resources Development (Section 105)	90	17	92	12	89.2	9	101.8 ⁵	8	373	10
Special Development Problems (Sec. 106)	-	-	-		99.6 ⁶	9	104.5 ⁶	9	204.1	6
TOTAL⁷	526	100	757	100	1,049.9	100	1,226.9	100	3,559.8	100

1. Synthesized from figures cited in the FAA of 1961 as amended in 1977, pp. 6-10.
2. An additional \$200 M was provided for the International Fund for Agricultural Development (IFAD).
3. According to section 104 of the FAA of 1961 as amended in 1977 "Not less than 67 per cent of the funds made available under this section for any fiscal year shall be used for population planning..." (p. 8). The non-add row represents 33% allocations for health programs.
4. Of this amount, \$15 M was reserved for training rural health and FP auxiliaries and paramedical personnel.
5. Of this amount, \$1 M was reserved for South African Training program.
6. Of these amounts, \$30 M was reserved for reimbursing private voluntary organizations for costs of shipping food and non-food commodities obtained through private donations.
7. These amounts represent the initial funding levels approved and do not include special interest funds or subsequent adjustments. They serve to show general priorities.

lobbying by the head of AID's Population Office. In general, there seemed to be general agreement within AID that the functional sectors chosen by Congress were appropriate. There were two minor areas of contention which showed that AID's actual goals were somewhat broader than these stated goals. In health, the Agency interpreted the 67-33 requirements for population and health funding to mean "in different programs" rather than "within each program or project" which enabled the Agency to continue to fund health projects with no population component and vice versa. For Bolivia, this meant that AID could maintain its "health only" goal. In the other functional areas, AID has argued that basic infrastructure such as roads and electricity are also valid functional goals within an overall development strategy. The USAID/Bolivia program includes several projects in these areas which indicates again that AID's actual goals are broader than the stated goals. (#30, 31, 36, 37, 41, 42, 43, 44, 45, 5)

Within AID itself, several policies have been established since 1973, top management attempted to respond more directly to the Congressionally set goals. Most of these guidelines serve primarily to assure that all documents coincide with the legislated goals. Two of the most significant policies have been directed toward "host country contracting" and "private voluntary agencies." Under the first, the recipient government is responsible for contracting technical assistance rather than leaving it to the AID staff in an effort to increase the government's participation in all aspects of project management. Under the second, AID field missions are instructed to encourage and fund small projects that local or U.S. voluntary agencies will manage in an effort to increase direct participation at the community level.

Both focus on resource mobilization. However, the action response from the Mission level has been perfunctory in the case of USAID/Bolivia. Although most technical assistance contracts were done through the host country contracting process, an audit report being developed by the Regional Audit staff in Bolivia in June, 1978, showed an overwhelmingly negative response by Mission personnel. The response to the "voluntary organization push" was also lukewarm as indicated by only four projects amounting to less than \$1 million being funded by USAID/Bolivia in four years. (#43) This indicated dissonance on the emphasis being given to the resource transfer and mobilization goals with the higher levels leaning toward the mobilization goal and the lower levels leaning toward the transfer goal.

The central AID offices are caught in the middle. The regional bureaus which are responsible for coordinating various countries programs, show somewhat schizophrenic goal patterns. Given their proximity to top management and the Congress, they tend to support the shift to resource mobilization as a primary goal. This may be seen in their frequent memos admonishing field staff to devote more time to project implementation and in their concern with government implementing capability in project review meetings. At the same time, these concerns are readily dropped when their prestige is threatened by falling behind in authorizing more funds for new projects, i.e., resource transfer. It is safe to say that the central offices tend more to the resource transfer goal than to the resource mobilization goal as their actual goal, although they are likely to place more emphasis on the mobilization goal than will the field missions.

Focusing on the field mission of USAID/Bolivia as the most likely location of divergence from the stated goals, a set of indicators has been generated to determine actual goals. The Bolivian field mission may be used as a microcosm of the larger organization because its composition reflects the composition of the overall agency in terms of personnel categories and also reflects the central-level Latin American Bureau in personnel groupings. (See Figures II.2., II.3.) It is also a sufficiently small group to make difficult attempts to cloud its actual goals. Finally, the fact that it is considered to be one of the best field offices in which to serve by Latin American Bureau personnel for reasons of promotion and program interest, also means that it is representative of the actual goals of other similar field offices.

The indicators are based on several assumptions about AID's structures and processes. First, it is assumed that staff officers and offices are more likely to assume resource transfer goals while line officers and offices are more likely to assume resource mobilization goals. Staff officers include loan or finance officers, program officers, controllers, and administrative officers; while line officers include technical officers in health, education, agriculture, population, or community development. Also, line offices will be supported by technical advisors on a project basis. Second, it is assumed that of the two basic processes within AID, project design focuses on resource transfer inasmuch as it makes resources available. Project implementation focuses on resource mobilization inasmuch as it transforms resources into actions for resolving the problem(s) to which the project or program is directed. Third, it is assumed that the field missions are the best located units in the organization to direct efforts toward

This sounds interesting

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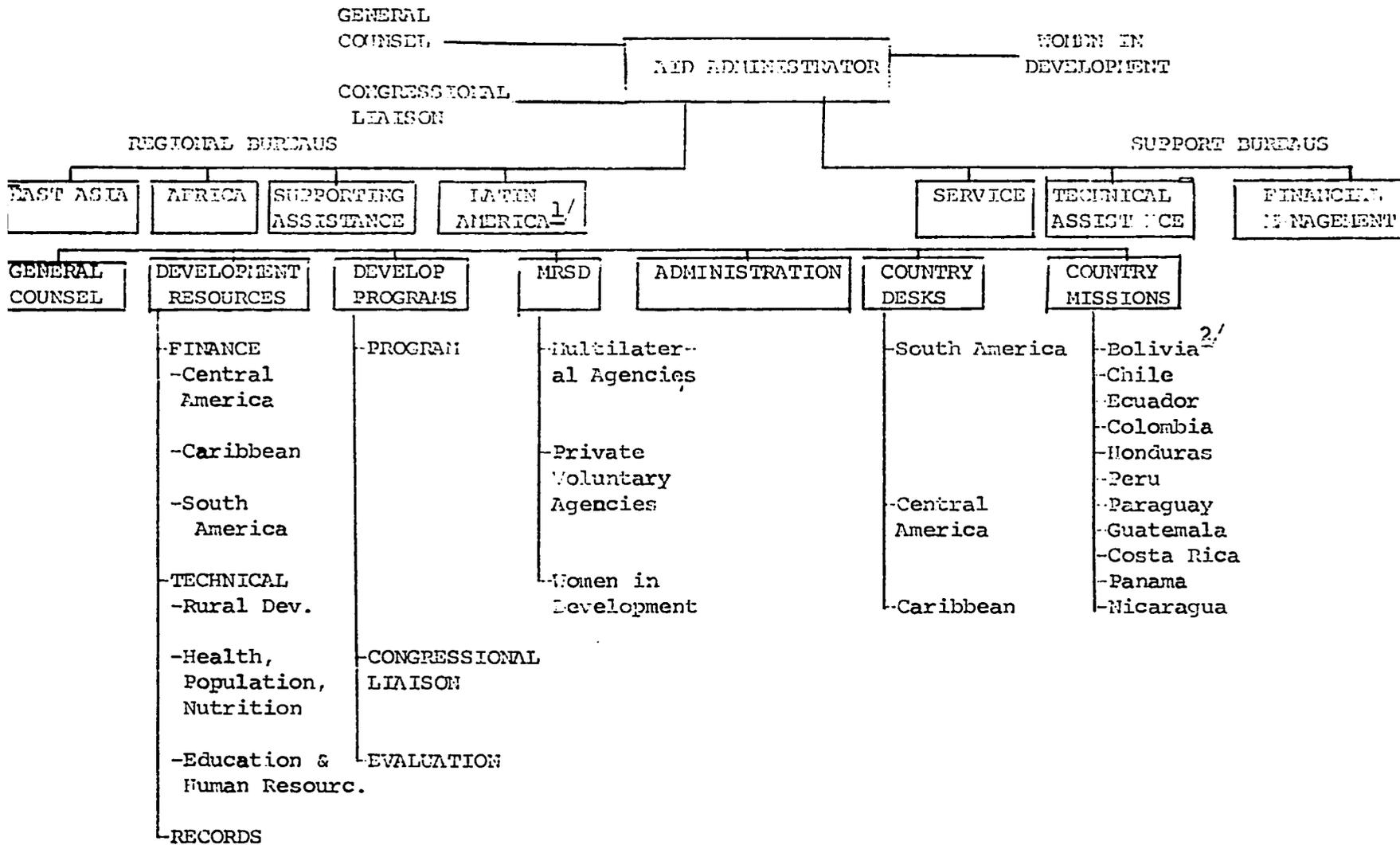


FIGURE II.2. PARTIAL ORGANIGRAM OF THE AGENCY FOR INTERNATIONAL DEVELOPMENT AS OF OCTOBER, 1977.

1/ Only the L.A. Bureau is shown since it relates directly to the case project.
 2/ The structure of the Bolivian Mission is shown on Chart II, p. 33.

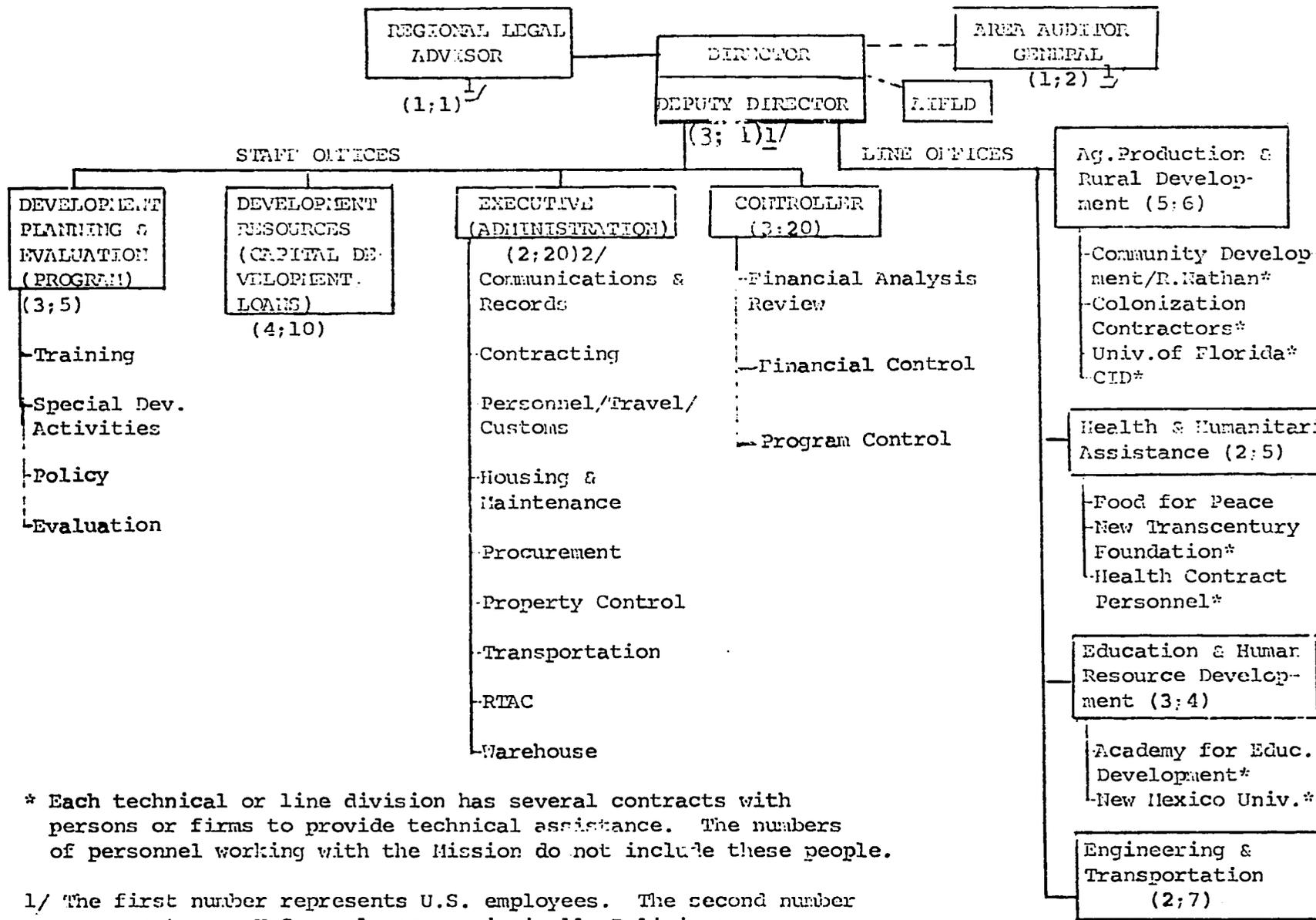


FIGURE 11.3. PARTIAL ORGANIGRAM FOR THE USAID/BOLIVIA MISSION AS OF OCTOBER 1977

* Each technical or line division has several contracts with persons or firms to provide technical assistance. The numbers of personnel working with the Mission do not include these people.

1/ The first number represents U.S. employees. The second number represents non-U.S. employees, principally Bolivians.

2/ The number of non-U.S. employees does not include service personnel, such as drivers, carpenters or plumbers.

achieving resource mobilization goals. Finally, three terms connected with AID's budgeting process must be understood: "target" is a planning figure which refers to the amount of funding expected to be obtained for project and program funding in a given period, generally in annual terms; "obligation" refers to the securing of funds, generally for a specific project, by obtaining central authorization and the host government financial commitment in writing; "expenditure" refers to the actual disbursement of funds for a given activity under a project or for sets of activities in several projects or programs.

Working from these assumptions and definitions, we can derive a set of five indicators for AID's actual goals as being predominantly resource transfer or resource mobilization:

- 1.) Career path. The positions with faster advancement and greater likelihood of leading to high management positions will be staff positions if the actual goal is resource transfer and will be line positions if the actual goal is resource mobilization.
- 2.) "Best" budget ratios. The most frequently cited measure of performance will be the ratio of target to obligation when the actual goal is resource transfer and will be expenditure to obligation when the actual goal is resource mobilization.
- 3.) Line/staff ratios. The ratio of line officers to staff officers will be 2/1 or higher in a field mission when the actual goal is resource mobilization and will be lower when the actual goal is resource transfer. (If technical assistance personnel is ^{as} not included in the ratio, the proportion of line officers will drop to 1/1)
- 4.) Personnel time priority. All field mission personnel will devote more time to project design activities when resource transfer is the actual goal and will devote more time to project implementation when resource mobilization is the actual goal.

5.) Field/Central ratio. The ratio of personnel in the field to personnel in the central offices will be less than 1/1 when the actual goal is resource transfer and will be greater than 1/1 when the actual goal is resource mobilization.

Applying these indicators to AID, it is clear that its actual goal is predominantly one of resource transfer. In terms of career path, staff officers have much more rapid advancement on the whole and virtually all Mission Directors and central Office Directors in the Latin American Bureau came from the ranks of staff offices, particularly loan officers, program officers and legal advisors. This is based on personal conversations with over twenty long-term employees of AID holding positions as chiefs of staff and line offices, Mission Directors and Deputy Directors as well as regular staff and line officers. In terms of best budget ratio, it is clear both from reviewing Mission and AID documents in general, particularly the Congressional Presentation and Annual Budget documents, that the target to obligation ratio is much more common. (#30, 31, 36, 37, 41, 42, 43, 44) Also virtually all business meetings and discussions within the Bolivia mission are centered on past projected and target/obligation ratios. There is a sense of pride among the USAID/Bolivia employees that they have traditionally been able to obligate more money than was originally targeted. When the extremely poor expenditure to obligation ratios are mentioned (which is rare), the reaction tends to be one of "Washington won't care" or "If the Bolivians can't spend it, we'll just send it back to the U.S. Treasury."

The line/staff ratio of 1.2/1 with technical assistance included in the number of line personnel and of .5/1 when it is not included further supports the conclusion that the actual goal is more resource transfer than mobilization oriented. According to a time/act-

↳ but resources are not actually being transferred

ivity survey carried out by the central AID personnel office in November, 1977, nearly 70% of the work hours of line and staff officers in field missions is spent on program design and the necessary obligating documents.* The fact that the priority for personnel time is resource transfer-oriented is further supported by the author's observation that virtually all overtime hours are spent on project design. For the final indicator, the conclusion is the same. Despite several attempts by the central AID personnel office to shift the balance, the field/central staff ratio has remained at roughly 1/2 for the last five years.

Although these indicators reveal an overwhelming tendency toward the resource transfer goal as the predominant actual goal of AID, there are two factors that would tend to admit the resource mobilization goal into the actual goals of AID albeit as a secondary goal. Although there seems to be no neat way of measuring them, they do exist: first, in the attitudes of the individual officers especially of the ^{staff} line officers; second, in the use of technical assistance. Most individual officers consider resource mobilization to be important and often complain about having too little time for project implementation. This might lead to the conclusion that they view resource mobilization as a long-term goal and resource transfer as the immediate goal. The reliance on technical assistance for seeing that projects are implemented lends credence to this view that AID's actual goals include resource mobilization. There was a definite tendency within the USAID/Bolivia Mission to rely heavily on technical assistance teams for establishing the day-to-day working relationships with the Bolivian government agency in charge of a given project or program and for assuring that the AID

*Unpublished report.

resources were used as planned which implies a learning process. The technical assistance team would be expected to learn enough of the ways of the Bolivian functionaries in order to be able to translate the technical objectives of the project into actions that would transform AID resources into Bolivian development actions. Likewise, they would be expected to motivate the Bolivians sufficiently to want to be able to adapt to the different approach presented by the project.

B-2) Analysis of Actual Goals and Implications for Compliance

The discussion of AID's actual goals has reaffirmed certain points made in the tentative analysis of the stated goals for their implications for an effective compliance structure. First, while we can still conclude that AID has two goals, it is clear that the economic or resource transfer goal is predominant and the resource mobilization or culture goal is secondary. This indicates that AID will need a utilitarian compliance structure primarily complemented by certain normative elements if it is to be effective in achieving its goal of resource transfer with potential for resource mobilization in the longer run. Second, there do seem to exist struggles between levels within AID over the definition of its actual goals which are likely to cause incongruities in its compliance structure. Given the strong role of Congress and its emphasis on the resource mobilization goal and the extreme reliance on the field mission for goal attainment with its emphasis on the resource transfer goal, we may expect to find the greatest goal displacement occurring at the level of the field mission with concomitant incongruities in its compliance structure. Third, the boundary definition does not come out clearly in the review of the actual goals. Given the other views of the field mission, it may be assumed that the host government and peoples are viewed as customers

in accord with their economic goal orientation. However, the reliance on technical assistance does permit inclusion of the host government into the compliance structure, albeit in a more ambiguous role than the Congress might desire according to its statement in Section 102, d. (FAA, p. 4) Also, the cultural and political complexities posed by defining the organizational environment as the set of actors involved in U.S. foreign relations are somewhat simplified by focusing on the field mission in one country.

Chapter III

Compliance Structure of the Agency for International Development (AID)

This chapter focuses on the concepts of power, involvement, organizational boundaries and external actors and values. The first section provides a summary sketch of the institutional level of AID, determines AID's social license and also defines the four key groups of actors for AID's various levels of AID. The second section covers the principle factors which determine AID's means of exercising power and permit their classification. The third section covers the different types of involvement found in AID, especially in its Bolivia mission, and also classifies the predominant involvement patterns. The variables of socialization and communication are discussed also to lend strength to the involvement classification. The fourth section analyzes the organizational boundaries and external factors of AID from different perspectives to shed some light on the sources of incongruence that surface in the discussion of the power and involvement elements. The fifth and final section summarizes the implications of these variables for the goal/compliance congruence relationship and its implications for AID's effectiveness, especially for its effectiveness in the case of the Bolivian health program.

A.) INSTITUTIONAL SETTING AND KEY ACTORS

A-1) Institutional Setting

Because it must function between countries, AID is unusual in the realm of complex organizations particularly at the institutional level. (#13, p. 108) Thompson defines the institutional level by saying that the organization "...is also part of a wider social system which

is the source of the 'meaning', legitimation or higher-level support which makes the implementation of the organization's goals possible. In terms of 'formal' controls, an organization may be relatively independent; but in terms of the meaning of the functions performed by the organization and hence its 'rights' to command resources and to subject customers to discipline, it is never wholly independent. This overall articulation of the organization and the institutional structure (in which it is expected to perform) ...is the function of the... institutional level of the organization."
 (#14, p. 11) (emphasis added)

He goes on to explain why this level is more critical for AID than for other organizations whose environments are less complex. His emphasis on the organization's inability to control the institutional level is particularly instructive for the application of the compliance theory to AID. "Here (at the institutional level) the organization

deals largely with elements of the environment over which it has no formal authority or control. Instead, it is subjected to generalized norms, ranging from formally codified law to informal standards of good practice, to public authority, or to elements expressing the public interest."
 (#14, p. 12)

Although the institutional level will be discussed in more organizationally concrete terms in section D (below), it is necessary to understand the broad trends at this level before and during the five year span of the program at issue.

Within the U.S. beginning in the early seventies, there seemed to be less and less direct opposition to the foreign assistance program.

This may be attributed to many factors but two major ones were the general desire in the U.S. to "make up for Vietnam" and to respond to the economic crisis following the "oil embargo" that it perceived as being particularly damaging to the least developed nations. It may also be attributed in part to then President Nixon's emphasis on international affairs in U.S. policy. As AID began to refocus its efforts toward the "least developed countries", i.e., those most directly and negatively affected by the skyrocketing oil prices and with the lowest GNP and GNP per capita figures, Bolivia became a top priority in the Latin American region. Although Bolivia does produce minimal amounts of petroleum, it does not export petroleum and is the poorest of the South American countries. Only Haiti is poorer in Latin America and the Caribbean.

At the same time, Bolivian-U.S. relations were growing closer. The installation of a rightist/nationalist military government by General Hugo Banzer in 1971 marked the end of nearly twelve years of leftist/nationalist military governments in Bolivia during which the U.S. and AID had maintained a very limited and distrusted presence. Under Banzer until July, 1978, and with his successors to date, the two governments established cordial diplomatic relations and AID was invited to increase its activities which it did annually. Between 1972 and 1977, AID was authorized to provide between \$20 and \$40 million dollars a year to the Bolivian government for projects in the three priority sectors. (#26 - 46) This task was facilitated by a clear trend in the Bolivian government's operating ministries to maintain personnel stability and better organizational control of their own programs than had been the case previously. The entire framework for the Bolivian and U.S. governments'

engagement in a development assistance program also was enhanced by the general political and economic stability in Bolivia. The tight political control in general and the extensive self-imposed and forced exile of Bolivia's political and intellectual elites was not viewed as a major constraint to mounting such a program.

A-2) Key Actors

The typology of "power positions" and power participants is useful in identifying the key actors in AID's compliance structure because it stresses the identification of key power-subordinate relationships and the way they are managed. However, AID requires some unusual applications because of the diverse political and cultural settings of its field offices and the geographic distance between the central and field offices. In order to simplify the analyses of the power and involvement variables, the power positions and power participants will be divided into two groups: those internal to AID composed of personnel paid directly with U.S. funds; and those included in AID's operations (using the broader definition of the organization) which is composed of host country personnel paid from Bolivian government funds. The power positions identified as elites or "organizational representatives" will be divided similarly.

Within AID, there are two levels of elites -- one in the central offices in Washington and one in the field offices, in this case in USAID/Bolivia. Within Bolivia, there are also two levels -- one in the Presidency and Cabinet and one in the director level of the line ministries of agriculture, education and health. AID also has a "swing" representative level in the lower staff and line officers, especially in the group of project managers, who function as organiza-

tional representatives with the Bolivian director level group at the same time that they function as the lower participants within the AID hierarchy. The director level group in the Bolivian line ministries is in a similar "swing" position in its own organization, by functioning as the subordinate to the AID representatives at the same time it is in a power position within the respective ministries. Long-term advisory groups may be considered to hold positions similar to that of the AID project manager group although their status is not as clearly defined by standard operating procedures. This group will be discussed in depth in the following sections in an attempt to clarify their role in the compliance structure.

The role of external actors is also crucial. Tendler has shown that external actors such as the State Department, the Treasury, the Department of Commerce and the General Accounting Office of the U.S. Government play powerful roles at the managerial and operational levels of AID as well as at the institutional level. (#13, p. 41-44, 49-51) Because of this, the top level and lower level personnel of the AID central offices tend to function frequently as subordinates to these external actors. In some sense then, these external actors act as a "board of directors" of AID while AID's top management forms the first group in a series of elite-subordinate swing positions. To simplify the analysis, however, the external actors will remain as such and the central AID personnel will be referred to as the organizational representatives.

At the level of the Bolivia field office, the elite group will be referred to as "managers" and consist of the Director and Office Chiefs. The group of staff officers, line officers (a group synonymous

with project managers) and long term technical advisors will be considered to be in the "swing" position acting at times as elites and at times as lower participants. The group of Bolivian professionals will be considered as "lower participants" and will consist of the group of direct level personnel directly involved in managing projects in their sectors. The upper level Bolivian professionals, i.e., the policy-makers, will be considered primarily as a group of external actors because their role is primarily institutional and secondarily managerial in terms of AID as an organization. The same assumption holds for the U.S. based external actors.

B.) POWER ELEMENTS: MEANS AVAILABLE AND EXERCISE

In analyzing the power elements of the AID compliance structure the focus will be at the level of the Bolivia mission looking first at the U.S. paid employees and then at the Government of Bolivia employees. It will consider both rewards and sanctions; both the means that are exercised by the "managers" and by the organization. It will provide comparisons with other similar organizations as may be useful to the analysis. Finally, it will show the types of power that are available and explain why certain ones are used more frequently than others in order to identify the primary and secondary sources of control within AID as demonstrated by the Bolivia mission.

B-1) For U.S. Personnel

A Brief review of AID's rewards and sanctions shows that the organization relies primarily on remunerative types of control over its employees, through the allocation of material resources both physical and financial. The "managers" can influence their allocation although the central level retains allocation authority through the central

personnel and administrative systems. The "managers" direct power over the employees stems from two sources. First, to the extent that the "managers" use their personal authority, they may translate these forms of remuneration into prestige symbols and determinants of organizational acceptance which are normative types of power. Second, using their organizational authority, they control the type of projects and amounts of money that the employees work with as well as the amount of individual authority they may exercise in their routine activities which again becomes normative power by virtue of controlling the employee's professional prestige as well as his/her potential for promotion and higher salaries. Training is another lesser mechanism controlled primarily by the central level which affects only 2-5% of AID employees and provides additional professional prestige and possibilities for faster promotion and higher salaries. The primary source of control, however, is the allocation of material benefits through the means of salaries and fringe benefits.

The fringe benefits or perquisites available to AID employees in the field, both U.S. direct AID employees and long-term technical assistance employees, are substantial and when compared to the U.N. agencies' benefits they are higher. Tandler reads the litany of benefits that are allowed under the Overseas Allowance and Differential Act of 1960 (ODAA) which has not changed significantly from the time of her writing in 1974. "The privileges and allowances available to the AID

employee abroad -- and to a somewhat lesser extent the State Department employee -- were roughly the following: access to the Army PX; a housing allowance (or government leased housing) in the form of a ceiling, which covered rent and utilities; APO (Army Post Office) privileges, which made it possible abroad to circumvent the mail system of the host

country and to import goods duty free from all over the world; the loan and free maintenance by AID of furniture, stove, refrigerator, air conditioner, washing machine, and dryer; the right to organize a liquor pool, whereby liquor could be purchased at approximately one-third U.S. retail price; government medical care in case of accident; one free trip per year for each dependent enrolled in U.S. schools; and several other allowances (education, hardship, transfer, etc.) whose availability was dependent on particular circumstances." (#13, p. 31)

In Bolivia, the PX was replaced by a U.S. employees commissary which purchased U.S. goodstuffs and other standard U.S. grocery store items; there was a 20% post differential paid above salary as hardship pay; tuition was paid by AID for children enrolled in the American Cooperative School for kindergarten through senior high school; and each employee was allowed to import a vehicle for personal use duty free with shipping charges paid by AID. In comparison, the U.N. agencies personnel, from WHO/PAHO or UNICEF for example, received no post differential, no housing allowance, no free shipping for personal vehicles, no educational allowances, except at the highest ranks, had no duty free purchasing pools and had no special medical care.

In terms of salaries and promotions, AID has higher salaries and faster promotion schedules than either the State Department or U.N. agencies, although the promotion schedule has been slowing down since 1975 as the central personnel office attempts to bring a better balance between higher and lower ranks within the agency. (#13, p. 14, 15, 17) In terms of salaries of lower ranks, in 1974, an entering officer of the State Department received a salary of approximately \$8-9,000 a year compared to a similar entering officer of AID with an annual salary of \$13-14,000. Compared with the salaries of lower U.N. professional

positions, AID in 1978 was paying an average annual salary of \$18-20,000 compared to UNICEF and WHO/PAHO annual salaries of \$9-14,000. Also, U.N. employees were required to deposit 20-25% of their basic salary in a savings account in their home countries in order to keep their living style in accord with the standard of living of their country of residence. World Bank and Inter-American Bank employees tend to receive salaries on the same or higher scales than those of AID.

For long-term advisory personnel, AID offers fewer fringe benefits but not significant ones. In Bolivia, a long-term advisor, i.e., one who will be working in the country for 12 months or more, receives the same benefits except for APO mail services, free medical services, and household appliances, furniture and maintenance; but does receive a housing allowance and a shipping allowance for all necessary household effects. The salaries are the same or slightly higher than those of direct AID employees but the advisor does not benefit from the promotion mechanism nor from the foreign service retirement plan. By the same token, the long term advisory group is less subject to manipulation of these material rewards as prestige and status symbols by the AID managers than would the direct employee be.

How can the managers turn these rewards into sanctions? The remunerative sanctions available to the AID manager are few and essentially rise from the withholding of rewards by such actions as refusing a recommendation for promotion or reducing the scope of activity of the officer which will affect future promotions. The primary source of sanction is in the normative sphere by withholding prestige or status symbols which is weak mechanism compared to the continuing basic rewards which are

each employee's "right". The stronger remunerative sanctions of transfer to an undesirable post (with fewer promotion possibilities), firing or forced retirement are seldom used and their frequency goes down as the severity of the measure increases. The stronger sanctions are also largely under the authority of the central level which by virtue of its size and complexity alone is less likely to apply such measures than would a mission director or field personnel officer. The same is not true for the long term advisory group which is directly subject to the authority of the field management level. Although the remunerative sanctions of firing or replacement with lower salaried technicians are not applied frequently, they are applied more frequently than with direct employees and therefore the threat of their application itself is a fairly strong sanction.

In summary, remuneration is the primary source of control for AID employees and long term technical advisors with greater potential use of remunerative sanctions with the advisory group than for AID employees. The normative source of control is largely dependent on the personality of the management group in a given field office and therefore secondary as a form of reward. Although it is the primary source of sanction for AID employees, it is substantially weaker than the power of the remunerative rewards and therefore does not change the classification of normative as the secondary source of control. In line with the actual goals of AID, the power means are predominantly remunerative and secondarily normative.

B-2) For Bolivian Government Personnel

Given the critical role of Bolivian government personnel in implementing the development programs which AID is assisting and given the fact that AID is a U.S. government organization, the question of the

means of power available and exercised by AID to control the Bolivian government's performance is complex. By focusing at this point only on the director level which is directly responsible for project and program implementation and design within the Bolivian Government, the analysis can be simplified and the organizational means of power can be discussed rather than the larger political and economic means over which AID has little influence as an organization. The analysis will focus on the means available to the organization and to the individuals within the organization responsible for assuring the Bolivian participation.

Like the means available internally to AID managers for AID employees, the primary means available to the organization are remunerative rewards with little possibility for remunerative sanctions. Similar normative means are also available but with less tangible symbolic objects than internal to AID and largely left to the personal authority of the individual in the swing position, normally the project manager. The staff officers involved with the Bolivian personnel tend to have less frequent contacts and more formal contacts in which they tend to act primarily as representatives of the standard AID procedures and, by implication, of the remunerative means of power. The long term technical advisory group is even more involved with the Bolivian personnel than the project manager in most cases but because AID maintains control of their salaries and benefits, they tend to act primarily as extensions of the project manager although the primary means of control available to them is normative. The project manager tends to set the stage for both staff and advisory groups: if the project manager relies heavily on the organizational means available, the remunerative means will predominate; if the project manager relies heavily on the personal means avail-

able, the normative means will predominate. Concomitantly, the staff officer's role will grow in importance as the project manager stresses the standard organizational or remunerative means while the advisory group's role will grow in importance as the project manager stresses the normative means. These relationships are subject to modification by the managers of the field office but tends to be a question of degree rather than of substantive change. For the Bolivia field office, the predominant means used was the choice of the project manager.

In terms of the remunerative means available to AID in controlling the performance of the director level Bolivian personnel, the primary one was the amount of funding available for different combinations of services and commodities under specific project and program combinations. This was also the primary source for sanction, again, by withholding the funding. Secondary sources of control were found in providing salary supplements and obtaining general salary increases from the Bolivian government for personnel associated with AID-funded project. In the Bolivia mission, the managers maintained a policy of no direct salary supplements from AID funds so this means was exercised only in special instances and infrequently. From 1972-1976, the managers encouraged the policy of obtaining general salary increases from the Bolivian government and this power was exercised frequently. After 1976, with a change in management, the policy was changed and this means was exercised only in special instances and infrequently. As the use of these two means decreased, the use of the sanction of withholding funds for new projects or within on-going projects became more frequent. On the same point the U.N. agencies indulged heavily in salary supplements to director level personnel although they did not use the funding poss-

ibility "carrot and stick" mechanism as frequently largely because their funding was much lower than AID's funding. The remunerative means tended to be used less frequently in those instances where the project manager relied more on the normative means of personal persuasion and educational methods.

The normative means available to AID to control the performance of the Bolivian personnel involved in AID financed programs are limited and difficult to exercise. They include training, travel opportunities, social functions which may provide people with more prestige or broader outlook on their sphere of activity be it health or education or agriculture. For the individual AID officer the principle means are personal persuasion, friendship and "rightness" of approach in technical and administrative matters which influences the positive response of the Bolivian personnel. In any given project with its specific set of personalities, the exercise of these normative means may place a more normative face on the basically utilitarian means discussed above. Given the strength of the remunerative means, however, they may convert the training and travel elements of the normative set of means into strictly remunerative mechanisms. The U.N. agencies, in comparison, tended to rely heavily on friendship, traingin, social activities and personal persuasion in line with their internal emphasis on reducing differences between the standards of living and as a means of complementing their remunerative control source of "salary supplements." The sanctions, here again, were primarily withholding actions or expression of disapproval when the normative relationship between the AID officers and the Bolivian personnel was strong.

In reviewing the means of control in the Bolivia field office, it seems that the remunerative means were predominant. There were also numerous AID officers who did establish a basis for integrating the normative measures and who relied on these measures to a great extent. This mix is consonant with the mix of internal control mechanisms. The primary reasons why most officers stressed the remunerative measures seemed to have been: their short stay in Bolivia (an average of less than three years); the pressures from within AID to "produce" new projects, a process which did not require full participation of the Bolivians except to agree to the total funding and general commitments; the lack of clear procedures or guidelines for exercising the more normative types of power made its exercise more difficult; and, the fact that highest demand for innovation and the creative behavior that normative control requires for effective application was placed on the lowest group of internal participants, i.e., the same group that in most organizations would have the most routine behavior patterns. (See Tendler for a detailed analysis of these reasons, #13, p. 14-22, 23-25, 88-90)

With long term advisory groups, the situation is not as clear. Although AID exercises primarily remunerative controls over their performance,, they are expected to function much like teachers and in some instances like preachers, i.e., personnel who have definite normative functions vis a vis the lower participants of the organization. They are expected to be able to function in this potentially confusing setting because of their professional training and their socialization. Nonetheless, their effectiveness in creating the normative power relationship with the Bolivian personnel was enhanced when the AID personnel had already prepared the ground for establishing such a relationship with

the Bolivians. It was further enhanced if the AID relationship with the advisory group was based primarily on similar normative control means, i.e., professional respect and friendship. When this did not exist, the technical advisory groups tended to establish more perfunctory but still normative control means by adopting a professorial style. Etzioni discusses similar types of variations within the normative range of control behavior in educational institutions as they are manifested from the primary grades through high school and college. (#6, p. 127-130)

Relating this remunerative/normative power mix to the economic/-culture mix in the actual goals of AID, there seems to be a certain degree of congruence. The possibilities of variation depends largely on personalities in different groups and dots the organizational landscape with question marks. If the technical advisory groups can provide the normative control of the Bolivian personnel required for AID to meet its resource mobilization goal, then the tendency of AID personnel to rely on remunerative means with the Bolivians may not undermine the dynamic that would allow them to realize the goal they presume "dreamily" to pursue. If the reliance on the remunerative means by AID officers with the Bolivian personnel and with the long term advisory groups is too strong, then even attainment of the resource transfer goal may be jeopardized. A review of the involvement factors is necessary to help resolve this issue.

C.) INVOLVEMENT AND RELATED ELEMENTS.

The three principle determinants of lower participants' involvement with an organization are their orientation to: the directives issued by the organization; the sanctions/incentives used by the organization to support its directives; and, the persons in power positions. Further,

involvement is positive if the directed line of action is seen as both legitimate and gratifying to the individual responsible for carrying it out. (#6, p. 16) As stated earlier, the three primary types of involvement are: alienative (intense, negative); calculative (low, negative or positive); and moral (high, positive). The same differentiation between U.S. and Bolivian participants will be used in the analysis of their involvement with AID as it was used for the analysis of power means.

The socialization of the participants, both prior to and during their association with AID will be considered because it is important in determining the intensity and direction of commitment to AID. Socialization may be defined as "the acquisition of requisite orientations for satisfactory functioning in a role," and may be both instrumental and expressive in nature. (#6, p. 345) Instrumental socialization is associated with utilitarian compliance patterns and expressive socialization is associated with normative compliance patterns. (#6, p. 248) The variable of communication, "the symbolic process by which the orientations of lower participants to the organization are reinforced or changed," will also be discussed. (#6, p. 241) As in the case of socialization, instrumental communication distributes knowledge and information while expressive communication changes or reinforces attitudes, norms and values. Expressive communication is associated with normative compliance patterns and tends to flow downward with supportive horizontal networks. Instrumental communication is associated with utilitarian compliance patterns and tends to flow vertically, transmitting directives down and information up through the organization. (#6, p. 241)

C-1) Of U.S. Personnel

In considering the type of commitment of AID employees and long term technical advisors to AID as an organization, it must be remembered that they are also professionals, most of whom have academic or professional advanced degrees. As professionals who have chosen to work in the field of international development, they share similar professional values and skills as a result of the intense socialization process that typically occurs in programs of higher education. (#6, p. 249-252)

In the U.S., this socialization takes both expressive and instrumental forms so that the personal and ethical values and norms of these professionals tend to be compatible. Unlike the typical organization's group of "lower participants", the work of professionals generally characterized by: "...high intrinsic satisfaction from work, positively

associated with positive involvement..." and, "...this commitment is sometimes dissociated from the organization and the job and vested in the work itself, for which the profession --- not the organization --- serves as a reference group and object of involvement. As one would expect from the...extensive use of remunerative rewards, despite the intrinsic satisfaction and other symbolic gratifications, commitment to professional organizations is not as high as in... normative organizations." (#6, p. 53)

Since the most common denominator among the diverse fields of "development specialists" is their dedication to the ideal of development which requires both resource transfer and resource mobilization to be realized, then it would seem that AID has selected its employees to create a built-in bias for moral involvement patterns. Care must be taken not to confuse this tendency to high positive involvement with the professionals' actual organizational involvement patterns. Because of their more direct relationship with the organizational means of control,

the direct AID employees however tend to show more direct involvement with the organization than their colleagues, the long-term technical advisors. As would be expected since AID's primary means of control are remunerative, the calculative involvement pattern is predominant both with the group of direct AID employees and with the advisory group. The high positive commitment to the work itself is found primarily in the AID line officers, especially the project managers, and in the advisory groups.

The general orientation of the lower AID officers in the Bolivia field office to the three key elements of the organizational power system, was predominantly of low intensity and negative with respect to directives especially those emanating from the central offices; low, positive in terms of the incentives; low, negative with the sanctions; and, low to high positive with respect to the persons in the "managers" positions. The directives from the central office addressed four major areas: policy; procedures; timing; and personnel. The policy directives provided new refinements to AID strategies such as more emphasis on basic needs or increasing beneficiary participation at the community level of projects. Although they are considered legitimate and theoretically gratifying, they tend to be viewed as repetitious statements of the obvious which will require additional paperwork for program justification and contribute very little to resolving the actual problems. Procedural directives were viewed in much the same way but the response was more intensely negative because they caused further delays in already lethargic delivery systems. Timing directives which generally affected the schedule of activities were taken as standard operating procedure -

frustrating but expected. Personnel directives which called for reductions in support staff, no new officers for line or staff positions, or delays in promotion or transfer elicited similar responses. Even the personnel directive in September, 1978, saying that all promotions from FSR-4 to FSR-3 would be frozen indefinitely was taken with a certain equanimity, largely because personnel policy is subject to rapid shifts that generally do not affect the long term career status of the lower officers in grades FSR-7 through FSR-4.

Tendler discusses the roots and manifestations of this low, negative orientation to the central directives in terms of the standard "internal family squabbling and banter characteristic of most decentralized organizations". (#13, p. 26) However, she sees it as more dysfunctional in the case of AID than usual because of AID's need to generate more adaptive and innovative behavior in a more complex setting than most organizations. She says: "Missions often talked of Washington not

as their harassed ally, manning the front line of defense against the rest of government, but as one of their harassers...In a similar vein, (the central offices commented on mission behavior)...that mission personnel 'get what is commonly referred to in our agency as localitis, and they may very well be pushing programs, projects, and policies which a cooler judgment, a broader vision, indicate are not all that important.'...each party's distrust of the other's competence and comprehension tended to produce a self-protective and devious quality in the mission's dealings with Washington and a correspondingly impatient and unanalytical attitude in Washington toward problems encountered in the field."
 (#13, p. 26)

This greatly debilitated the communication process insofar as the instrumental substance of the communication did not provide sufficient information from the mission to the central offices and, in like turn, the directives from Washington did not meet the needs felt by the

mission. In critical situations, the standard utilitarian channels of communication through telegrams, memos and letters were replaced with the use of normative channels through telephone and personal travel for meetings which allowed the field and central personnel to form more supportive, horizontal networks of communication...and resolve the immediate problems. Because of AID's heavy reliance on the utilitarian channels, largely because of the financial cost of using the normative channels on a regular basis worldwide, the communication process reinforced the calculative orientation of the employees.

In terms of the orientation to incentives and sanctions, most lower officers express satisfaction with their salaries and benefits and also with their personal authority. This does not generally manifest itself in more than an expression of "receiving one's just desserts", i.e., a low but positive response. Since serious sanctions are frequently exercised, they are generally seen as highly legitimate and, to a lesser extent gratifying. In one case of the forced transfer of a staff officer to one of the least desirable posts in the Middle East, there was a high degree of consensus that the action was justified by his extremely lackadaisical performance over an eight month period. In a similar case where an office chief was forced to transfer, two of his subordinates requested and were given transfers in protest of the "managers" action. Lesser sanctions generally take the form of personal treatment and scope of authority and tend to be viewed as less legitimate and more distasteful. In two cases, lower officers were not authorized to make the presentation to the central offices' review panel of two projects which they had developed and other lower officers made the presentations in Washington. Both officers receiving the "managers"

sanction also received support from their peers and from dissenting members of the managers group.

The orientation to persons in power positions is based almost entirely on personalities although there is a general respect for the positions themselves. In the case of two Mission Directors in Bolivia, there was a low intensity response to both men. The first tended to enjoy a more positive response because of his dedication and the fairness of most of his decisions. The second tended to generate a more negative orientation among the lower officers because of his generally cynical attitude toward the work and the seeming capriciousness of his decisions. In another case, an acting Mission Director enjoyed a high positive response from most of the lower officers because he adopted an extremely active and supportive interest in all aspects of the mission's activity as well as being extremely dedicated and sufficiently fair in most decisions.

The long term advisory group shares many of the same orientations of the AID employees group but to a lesser degree. Their commitment tends to be more directly related to the work where it varies between low intensity and high intensity positive. In terms of their orientation to AID as an organization, it tends to be predominantly calculative and of low intensity and negative direction toward the agency per se but somewhat more positive in reference to directives and the persons in positions of power. Largely because of the technical advisory group's emphasis on the work, their technical and administrative standards tend to be higher than may reasonable be expected of AID as a much larger and more complex grouping. Nonetheless, there tends to be a sense of disdain for AID among the advisory groups based on their perception

that AID is "unprofessional", inept and weighed down by the burden of representing U.S. foreign policy interests. This lack of respect for the organization that employs them is not unique to the advisory groups. It is found within AID's own employees, other development assistance agencies and other U.S. Government agencies. (#13, p. 12) It is important, however, insofar as it reduces the likelihood of AID being able to capitalize on the advisory groups' potential for energizing the AID-host country working relationship. The orientation of the advisory groups rarely is reduced to an alienative type of involvement despite their alienative posturing because it would destroy their primary source of remuneration and survival.

The substance and types of communication are also determining elements in the orientation of the long-term advisory groups. Unlike their counterpart direct AID employees, the physical distance between those issuing directives and controlling sanctions and incentives and themselves is minimal. The primary persons in power positions for the long term advisory groups are located in the AID field office in the same city as the long term advisory groups' offices. This reduces the need for relying on the utilitarian channels of memos and letters and allows more frequent and continuous use of normative channels. Also, it tends to promote the introduction of expressive substantive issues into the communication process since the project manager or other AID officer in charge is aware of the daily changes in the work setting and the progress toward achieving the project's objectives. Nonetheless, both channels and both types of issues must form part of the communication process. The utilitarian channels are used for standard information/directive purposes such as providing monthly progress reports or formal

requests to assure proper distribution of project vehicles to the Bolivian personnel involved in the project. The normative channels such as personal meetings are used for more expressive issues such as choosing best strategy for implementing a vaccination campaign or how to select the evaluation indicators for determining a production cooperative's progress. Given the advisory groups' tendency to high positive commitment to the work, they are likely to work most efficiently when the normative channels and issues predominate in the communication process. In such cases, which were frequent in the Bolivia field office, the orientation of the advisory group's to the organization became more positive and more intense because of their more positive and intense commitment to the key person in a power position vis a vis themselves and their work.

With these considerations in mind, the advisory groups' orientation to AID directives tends to be positive and of low intensity. The primary formal directives to which an advisory group must respond are the project documents which explain the philosophy, objectives and resource mix for a specific and limited effort and the scope of work in the technical assistance contract. Because the advisory group chooses to bid on a given project and negotiates the contracted scope of work, they logically respond positively to these directives although the intensity of their response is likely to be higher for the work involved than for the organization issuing the formal directives. The response to informal directives from the AID employee responsible for their performance under the contract, usually the project manager, will tend to be more positive if they are agreed upon jointly and do not signify any financial loss for the advisory group. In terms of orientation to

standard organizational directives such as procurement policy, salary limitations, reporting and administrative requirements, the advisory groups tend to see them as necessary evils. Since the sanctions and incentives are almost entirely remunerative for the advisory groups, their orientation to them is low intensity but positive. The best descriptor of most advisory groups' view of the incentives is that they have the "right" to the incentives. The attitude toward the sanctions which are fairly serious, is that they are legitimate but distasteful.

The orientation to persons in power positions tends to be low positive for the "managers" and low negative for the administrative officers with whom they must negotiate their benefit packages. The view of the project managers with whom they maintain continuous contact and from whom they receive their professional directives depends primarily on personalities and professional competence of both parties. If either party doubts the other's competence, then the calculative orientation will predominate. If a bond of mutual professional and personal admiration develops, the orientation will be primarily moral. If the advisory group and the project manager agree on the importance of Bolivian participation, either high or low, then a high positive relationship tends to develop. If they disagree, the orientation of the advisory group is likely to become more calculative. In one example from the Bolivia field office, the first project manager was responsible for the initial hiring of an advisory group for a large rural development project and a normative compliance relationship developed based on mutual respect and agreement on the need for high participation by the Bolivians involved. Upon his departure and replacement with another project

manager, the mutual respect was not generated and there was a disagreement on the degree of Bolivian participation required at the community level. The compliance relationship turned to a strictly utilitarian one and eventually, the personnel in the advisory group was changed.

C-2) Of Bolivian Personnel

There are several factors that make the general orientation of the Bolivian personnel to AID stand in stark contrast to their U.S. counterparts' orientation. Rather than the calculative-mixed-with-moral orientations to the organization and the work found among the U.S. employees, the Bolivian personnel's orientation is primarily characterized by calculative and alienative types of involvement. The director level Bolivian personnel, is composed primarily of professionals with similar titles to their U.S. counterparts but the socialization that occurs in Bolivian professional training is different from that which takes place in the U.S. It is more instrumental largely because it has its roots in an authoritarian educational system which does not stress problem solving and creativity but rather stresses the application of known solutions to known problems. Expressive socialization is primarily the task of the family and peers and the professional training is frequently considered to be a means to personal prestige and earning power more than a means to "satisfying work".* This socialization pattern tend to produce a lesser commitment to the work per se than is generally found among U.S. professionals and a concomitantly more important

* These statements are obvious generalizations and must not be construed to mean that every Bolivian professional takes this attitude but rather that there tends to be greater emphasis on these factors among Bolivian than among U.S. professionals. P. Freire and other educators discuss this theme in their analyses of Latin American education.

commitment to personal prestige and authority which limits the willingness of many Bolivian professionals to engage in joint efforts requiring high levels of coordination and mutual adjustment. Also, politics plays a much more important role in the effective socialization of most Bolivian professional than with U.S. professionals. This expressive socialization, which is a strong force, tends to reinforce the historical distrust and dislike of the U.S. as an imperialist force which has traditionally frustrated Bolivia's development. Thus, there is an underlying alienation to AID as an organization representing the U.S. government.

Given the limited role of U.S. socialization patterns among the Bolivians and of Bolivian socialization patterns among the U.S. personnel, the role of the communication process takes on extreme importance in reinforcing and changing the orientations of both groups to AID in its activities in Bolivia. As may be surmised from the earlier discussions, however, the reliance of AID on utilitarian communication processes is not equal to the task in most cases. When there is an optimal mix of communication processes between the AID employees and the long term advisory groups, there is more likelihood of establishing adequate communication processes with the Bolivian personnel involved.

Just as there is significant physical distance which inhibits the adequate management of communication between AID's central field offices, there is also a significant cultural distance which must be bridged if the AID officers and Bolivian director level personnel are to establish adequate communications. Although increasing numbers of AID officers and technical advisors have Peace Corps and other "foreign" experience which tends to reduce the cultural barriers on the U.S. side,

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 AID places barriers to its full utilization by relying on the utilitarian communication modes of formal meetings, letters, and memos. This mode emphasizes the transmission of directives on limited instrumental subjects such as technical approaches or administrative procedures while it tends to cut-off the Bolivians from providing sufficient information to affect the directives. The communication process is even more difficult because all AID official documents are in English and, when presented to the Bolivians, they are translated "as a courtesy". To the extent that the U.S. employees speak Spanish fluently or the Bolivian speak English fluently, this barrier may be reduced. Finally, both the socialization and communication barriers may be reduced when the Bolivians have travelled or studied in the U.S. Again, the factors promoting positive orientations on the part of the Bolivians is largely determined by personal characteristics while the organizational factors tend to reinforce or remain neutral with respect to the negative aspects.

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 The orientation of the director level Bolivian personnel to AID's directives may run from low, negative to alienative depending primarily on the basic legitimacy they attribute to the organization, the amount of influence they have had on the directives and the degree of ease or difficulty in carrying out the directives. Most AID directives to the Bolivian director level relate to: Project Agreements, a contractual agreement to the objectives resource mix and implementation plan for resolving a given problem or set of problems; Letters of Implementation, a sub-contracting type of agreement which specifies exact amounts of financial and human resources that will carry out given activities in a certain amount of time; and procurement documents which define specific requirements for technical services or commodities

to be purchased with AID monies under AID regulations for carrying out the activities described in the Project Agreement and the Letters of Implementation. All of these documents are designed to meet specific statutory requirements for AID's internal operations and are generally drafted in English by the staff officers and/or project managers for review with the long term advisory group and with the Bolivian director level personnel. In the case of procurement documents, the central AID offices and the central procurement board of the Bolivian government must review and approve the specifications before any actual procurement activity begins such as request for proposals for technical assistance or invitations for bid for commodities.

Even if the Bolivian personnel grant legitimacy to these directives, they are not generally perceived as gratifying because of the amount of effort involved in complying and the long delays before results can be seen. In most procurement actions, the development of the specifications takes from six to twelve months and the actual bidding, contracting, delivery of the goods takes another twelve to 24 months. Generally, those ministries whose personnel have had many years of experience working with AID such as the Ministry of Agriculture manifest low, negative commitments to such directives in the same vein as AID's employees to the central level directives -- a necessary evil. Those with longer experience with AID also tend to have more influence on the nature of the directives because they "know the ropes" which further diminishes their negative orientation. These same officials are more likely to be those that have most benefited from AID's rewards in terms of receiving training; being sent on observational trips to the U.S. or other countries with programs similar to the ones they manage in Bolivia; having their personnel's salaries raised and their programs vehicle requirements met under pre-

vious AID financed projects; or being on the "guest list" for semi-official social functions of AID's "managers".

The same rewards which enhance their incomes and prestige, also tend to elicit low positive responses to AID because they are seen to be fleeting rewards which may be terminated with a change in government. They do, however, have the effect of diminishing alienative responses to AID directives to the point that the responses become low rather than high negative ones. With these same types of Bolivian director level personnel, the orientation to AID personnel and long term advisors tends to be primarily low, positive. High positive orientations are more likely to develop to individual AID officers and advisors in these groups because their overall orientation is already somewhat positive. When this occurs, their influence on AID directives tends to increase and the overall orientation to AID becomes more positive.

In the case of groups of Bolivian director level personnel which have had less intense and less frequent contacts with AID, its projects or personnel, the orientation tends to be low, negative or alienative to the directives and to the individual AID officers and advisors although the orientation to the rewards tends to be positive, but of low intensity. In these cases, the individual AID officers and advisors must develop strong normative relationships with the Bolivian director level personnel if the directives are to be accepted and acted upon. In the case of the Bolivian Regional Development Corporations, the Mission Director and other members of the "managers" group developed personal ties with the Corporations' managers and then the lower level AID officers developed similar ties with the director level personnel

in order to initiate programs with them. In the case of the Ministry of Planning, a similar approach was taken with the director and the nutrition officer, a project manager. In the case of the Ministry of Health, the personal relationships were established by an advisor and followed by the health project manager* and another low level staff officer. In the Ministry of Health the distrust was particularly high because of the conflict between their policy of population promotion and AID's policy and previous project activity in population control. Even in these types of situations, there were some cases where a high positive commitment to the long term advisors was generated among the Bolivian director level because of their respect for the advisor's technical competence and active sympathy to the Bolivian's problems and assistance in resolving them whether they fell within the scope of the AID activities or not.

In reviewing the involvement patterns manifested at the field level of AID in Bolivia, it seems clear that the calculative orientation was predominant with tendencies to moral commitment to the work if not to the organization on the part of the U. S. employees especially among the project managers and long term advisory groups. The orientations among the Bolivian director level personnel tended to be less positive than their U.S. counterparts but also were predominantly calculative with secondary orientations being alienative for the most part. There were some instances of moral commitment among the Bolivian personnel, particularly to the long term advisory group that may be construed to

*The author was the project manager in both cases.

be person-to-person commitment rather than organizational commitment.

This calculative/moral mix is consonant with the remunerative/-normative mix found in the sources of control exercised by AID over its employees and advisory groups. Although the calculative/alienative mix is not congruent with the power exercised by AID as an organization over the Bolivian director personnel, it is not surprising when one considers the degree of politicization of AID's institutional level and the weakness of its reward/sanction system vis a vis the Bolivians' performance and participation in AID activities. The analysis of AID's organizational boundaries and the role of external actors and values in AID's compliance structure may serve to clarify the sources of incongruence and indicate how they may affect AID's effectiveness in achieving its goals.

Although this incongruence in the compliance structure may be interpreted as paralleling a similar incongruence in the goal/compliance relationship, it may also be a sign that an order goal should be included as one of the important actual goals of AID as an organization. The underlying rationale for development assistance as stated by the U.S. Congress in the Foreign Assistance Act of 1961 would not rule out such a goal but there was no strong indication in the operating structure of AID nor in its internal sources of control that would justify its inclusion. The existence of alienative involvement by one of the "lower participant" groups, however, indicates that it may indeed be found at the institutional level of AID which is the subject of discussion of the next section.

D.) ORGANIZATIONAL BOUNDARIES AND KEY EXTERNAL FACTORS

This section will round-out the analysis of AID's compliance structure by describing the relationship of the three factors that serves as the prime tool for delimiting organizational boundaries --

the nature of involvement and degree of subordination of lower participants plus the amount of performance required of them. This last factor, performance requirements, provides the basis for analyzing the effectiveness of AID in achieving its goals. Also, the definition of AID's boundaries will make clear the reasons for classifying the external actors as such. The analysis of their roles in defining the compliance structure of AID will provide a deeper understanding of their power over the institutional level of AID, the final analytical factor in considering the goal/compliance relationship which determines AID's effectiveness.

D-1) Organizational Boundaries

According to the scheme presented in Part I, organizational boundaries are defined by the degree of participation that the organization requires of different groups of actors. A high participation score is required in one of three areas for the group to be included as part of the organization. The classification of the three groups -- AID employees, long term advisors and Bolivian director level personnel -- (presented in Figure III.1.) shows that all three groups must be included within AID's organizational boundaries. The classification of their participation in the areas of involvement and subordination to organizational power reflects the conclusions presented in sections B., and C., above. Commitment to the work per se is included as a variable in the area of involvement because of its significance to AID as a professional organization. In the area of subordination to power, the long term advisory group is classified as high to medium since it does not tend to have as long-term a commitment to the organization as would the direct AID employees and on a comparative scale, tends to be less sub-

FIGURE III.1.: ORGANIZATIONAL BOUNDARIES FOR USAID/BOLIVIA

	AID Direct Employees	Long term Advisors	Bolivian Director Level Personnel
1.) Nature of Involvement	calculative	calculative	calculative alienative
(Work Commitment)	medium	high	medium
2.) Degree Subordinated to Organizational Power	high	high/medium	low
3.) Amount of Performance Required by the Organization	high	high	high

ordinate to the organization's authority. The determination that the Bolivian director level group ranks low on the scale of subordination to AID's power is based on comparison with the U.S. employees and also on the fact that this group is directly subordinated to the government of Bolivia. They are only secondarily subordinated to AID for limited efforts through AID financed projects which become part of their normal duties as employees of the Bolivian government.

The classification in the area of the "amount of performance required" is based on a set of four major activities in AID's operations: Program design entails planning primarily at the strategy level. AID's development assistance for two to five year periods including problem identification, technical approaches, financial and other resource requirements, and justification of strategy in terms of Bolivia's financial and managerial absorptive capacity and development situation. The end-result documents under this rubric include the Development Assistance Plan (5 yr. period), the sector assessments (5 yr. period), and the annual budget submission (ABS) and the congressional presentation (CP) (both 2 yr. periods). Project design may be considered as the tactical planning level where the problem statement, resource mix, duration of effort, objectives and development justifications are further specified. This process generally takes two years from the initial conceptualization of a project through the technical approval and authorization of funding. Project implementation is the process whereby the resources made available in the design process are mobilized according to the guidelines set in the Project Agreement. AID classifies the basic actions in project implementation under the names of technical services, commodities, training outside the country in the U.S. or in

countries other than Bolivia, and others which include all other activities, generally those requiring little or no procurement activity. The administration of the activities required to apply these resources to the problem occurs through project implementation letters. The Project Agreement marks the initiation of project implementation. Project completion generally takes 3-5 years. Liaison refers to those activities of the U.S. and Bolivian personnel which establish the basis for working together in the other three areas of activity. Liaison is particularly critical for performance of project implementation activities.

Figures III.2., and III.3., show the timing involved in carrying out these activities and also the relationship between program design, project design and project implementation. Although the performance requirements for all three groups of participants are high, the actual performance requirements are not the same for each of the groups across all four areas of activity.

The predominant activities of the Bolivian director level are in liaison and project implementation, especially in staffing, scheduling and procurement tasks. Their activities in project design are generally limited because AID's restrictive guidelines for acceptable projects tend to turn project design into a "cookie cutting" exercise. In program design, upper levels within the Bolivian government are consulted by the AID managers which leaves little activity for the director level in this area. The same mix of performance requirements is found for the long term advisory groups although their role in project design tends to be greater, especially in the areas of developing technical specifications for various project components.

FIGURE III. 2.: PROGRAM DESIGN CYCLE FOR FISCAL YEAR 1979*

1. ABS leaves Mission for Washington review (AID/W, OMB, President) <u>1/</u>	4/77	19 months before FY 1979 begins.
2. CP leaves Mission for Washington review (AID/W, OMB, President) <u>2/</u>	9/77	12 months before FY 1979 begins.
3. President presents budget to Congress	2/78	8 months before FY 1979 begins.
4. Congressional reviews, hearings and <u>approval</u> .	10/78	As FY 1979 begins (sometimes later)!
5. Project proposal submitted to AID/W for approval	2/79	In fifth month of FY 1979 (two years after conception).
6. Project activities begin	2/80	Five months after FY 1979 ends.
7. Project complete	2/84	<u>Seven years</u> after project was initially conceived.

*This table is for illustrative purposes only. The Development Assistance Plan (DAP) and the Sector Assessments are not included because they are written every five years while the ABS and CP documents are annual up-dates of those documents and refer to them as guideposts.

1/ ABS, Annual Budget Submission.

2/ CP, Congressional Presentation. Document based on the ABS but provides more detail on the implementation status of the individual projects and summarizes changes in their design after the initial approval by Washington. Through this process, the U.S. Congress reviews each proposed project and may modify their design or reject them.

34

FIGURE III. 3. STEPS IN PROJECT DESIGN AND IMPLEMENTATION PROCESS

<u>S T E P S</u>	<u>TIME REQUIRED FOR STEPS</u>
1 <u>PROJECT IDENTIFICATION DOCUMENT (PID)</u> ^{1/} - Document of 3-4 pages through which the Mission notifies AID/W of a project idea - approx. funding requirements	18-24 Mos prior to approval
2 <u>PROJECT REVIEW PAPER (PRP)</u> ^{1/} (<u>IRR</u>) ^{2/} - Document of 10-30 pages which provides detailed outline of project and funding req's; with AID/W approval and modifications Mission proceeds to final project design.	12-6 Mos prior to approval
3 <u>PROJECT PAPER (PP) (PROP)</u> ^{2/} (<u>CAP</u>) ^{2/} - Document of 100 pages plus appendices which provides detailed description of project, analysis of all project elements, complete implementation and financial plan; after careful review and approval within Latin American Bureau, DLC* must review and approve.	1-3 Mos prior to approval
4 <u>AUTHORIZATION</u> - Telegram from AID/W advising Mission that project is approved and supporting financial documents providing specific disbursement authority.	<u>OFFICIAL PROJECT INITIATION</u> 1-3 Mos.
5 <u>PROJECT AGREEMENT (PROAG)</u> ^{2/} - Contractual document which obligated US grant funds and specifies responsibilities of US and GOB signatories; signed by USAID, Min. Finances, Min. Planning and Min. Health in case of health projects.	<u>OFFICIAL PROJECT INITIATION</u> 1-3 Mos.

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- 1/ The PIO, PRP, PP process was introduced in 1975. However in late 1977, AID eliminated the PRP and broadened the PID for a two-step process. In reality, most projects still require an interim report between PID and PP.
- 2/ Prior to the integrated loan-grant system of the PID-PP, AID required only a final proposal for grant funds called the PROP. For a loan funded project, the Mission had to submit a first outline or Intensive Review Request (IRR) to AID/W before proceeding to the final project design in the Capital Assistance Paper (CAP).

FIGURE III. 3: STEPS IN PROJECT DESIGN AND IMPLEMENTATION PROCESS (CONTINUED)

<u>S T E P S</u>	<u>TIME REQD. FOR STEPS</u>
6 <u>PROJECT IMPLEMENTATION ORDER(S) (PIO)</u> ^{5/} -Document with standard format which earmarks (designates) a given amount of total funds available under ProAg to specific activities inc. procuring technical services or commodities and providing training outside Bolivia	
a) <u>PIO/TECHNICAL SERVICES (PIO/T)</u>	1-12 Mos Post ProAg
i) Technical assistance contract - Institutional; personal services	6-18 Mos Post PIO/T
ii) Other technical service contract	6-18 Mos Post PIO/T
b) <u>PIO/COMMODITIES (PIO/C)</u>	1-12 Mos Post ProAg
i) Purchase order and BIDS	2-18 Mos Post PIO/C
ii) Receiving reports	6-24 Mos Post PIO/C
c) <u>PIO/PARTICIPANTS (PIO/P)</u>	1-24 Mos Post ProAg
- US or third country training	2-36 Mos Post PIO/P
d) <u>OTHER COST</u> ^{4/}	1-48 Mos Post ProAg
- Reimbursement vouchers	1-48 Mos Post ProAg
- Purchase orders	1-36 Mos Post ProAg
7 <u>PROJECT IMPLEMENTATION LETTER(S) (PIL)</u> ^{5/}	1-36 Mos Post ProAg
- Document(s) which describes in detail the actions authorized in the ProAg; may serve to earmark funds which will be used directly by GOB implementing agency rather than by AID.	

3/ Since late 1977, the ProAg is used for both loan and grant financed projects. Previously, it was used only for grant financed projects with separate loan agreements.

4/ Generally earmarked under the PIL for host country, disbursement.

5/ Prior to 1978, the PIL was used for loans and PIO's for grants.

* DLC is Development Loan Committee composed of representatives of Dept. of State, Dept. of Commerce Exim Bank, Treasury OMB and other interested Departments such as HEW for health projects. The DLC only reviews loans.

Among the AID officers, the predominant activities are those of project design, program design and project implementation, generally in that order of priority. For the project manager, project implementation takes precedence over program design and liaison is more important than for the staff officers. In project implementation, the project manager's role is more one of overseer than of technical director, the latter function often being delegated to the advisory groups. For the staff officer, project design takes precedence over project implementation and program design tends to be more important than implementation also. Liaison is generally limited to a financial or administrative watchdog function for the staff officer group. Finally, for the Bolivian personnel, AID's performance requirements are not the only claims on their work time. Oftentimes, the AID-related activities comprise less than 20% of their total activities which include managing their on-going, Bolivian funded programs nationwide as well as meeting the performance requirements of other international donors' projects.

D-2) Key External Factors

The review of the external factors, considered to be windvanes for the institutional level explains the sources of incongruence within AID's compliance structure and within the goal/compliance relationship of AID. The external factors relate to each of the three elements in these relationships in different ways but all have one point in common: their control over the three elements. Social values and the location of those setting the goals of the agency largely determine the types or interpretations given to the goals of AID. Resource availability and social license for the organization are determined by actors and values outside the organization which determines the means of control or AID's

power. Prior values and other memberships of the participants in the organization depend largely on factors external to the organization and determine the participants' involvement in the organization to a large extent. The simplest way to identify these factors and analyze their impact on AID seems to be by identifying the key groups of external actors and reviewing their relationships to and influence over the organization. The three principal groups for this purpose are: the U.S. Congress and other federal agencies in the U.S.; the State Department through its Embassy in Bolivia which has a fairly direct connection with USAID/Bolivia; and the upper echelons of the Bolivian government.

Although "history" may be too grandiose a term for an organization that is only 18 years old, this perspective provides fuller understanding of AID because of the value-based nature of the institutional level. From the time of its inception, AID has been subordinated to a high degree of control by the U.S. Congress as seen in the number of legislative constraints and the lack of Executive support. The Congressional control of AID has been greater than of that of other U.S. agencies and greater than may normally be attributed to the principal goal-setter for several reasons. First, unlike similar parliamentary groups in the European countries, the modus operandi of U.S. Congress is highly utilitarian, focused primarily on "the power of the purse". (#6, p. 109) It relies on resource allocation to see that its directives are carried out by the Executive and it has established intricate "accounting" procedures to be applied by several watchdog agencies to assure that the funding is used to carry out its directives, the principal one being the General Accounting Office (GAO). This creates a tendency by the U.S. Congress to set operating guidelines as well as goals through

which it can maintain better control of the Executive's actions.

Second, foreign aid did not enjoy popular support in the U.S.

which made it more subject to Congressional overseers. As Tendler

puts it: "Foreign aid was never popular with the American public;

its proponents made unrealistic claims about what could be accomplished in order to push it through Congress (in 1961); and it was politically safe for a politician to criticize the program, since none of its activities lay in the constituencies of colleague politicians. ... (this) resulted in a series of... amendments to the foreign assistance legislation which limited considerably the agency's goals." (#13, p. 38)

Third, AID was created as a temporary agency which left it open to higher than normal Congressional scrutiny in deciding whether or not to continue the program. It also led to a less than normal degree of support from the Executive since it was an "unstable commodity" within the federal organization as well as being politically volatile. Tendler again summarizes the situation: "These (congressional) constraints, along with

a lack of strong executive support for the agency, created a kind of open season on the agency for other government agencies acting in their own interests or expressing the interests of private interest groups." (#13, p. 38)

Tendler maintains that these constraints at the institutional level were so strong that they became internal constraints as a sort of organizational paranoia and inordinately strong resentment developed within AID with regard to the Congressional watchdogging activities and the influence of AID's sister federal agencies. "It has been gener-

ally recognized that criticism of the foreign aid program weakened the agency and kept it from doing what it wanted to do. Less understood is the fact that the process of living with criticism profoundly affected what the agency WANTED to do and what it was capable of doing." (#13, p. 40) (Emphasis Hers)

In terms of the watchdog agencies, AID was not subject to more or different kinds of control than other federal agencies but because its task was different and its cross-national setting was unique, these controls were ill-suited or even irrelevant to AID. Making matters worse, the same personnel responsible for auditing, investigating and evaluating the home agencies were responsible for applying their techniques to AID, in a very foreign setting. Tandler states the dilemma well: "The distant

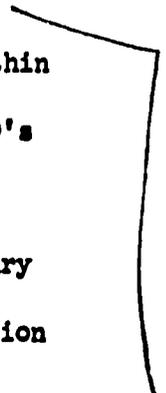
location of the foreign aid bureaucracy's constituency and projects removes the scene of action from the watchdog entities' world of experience. They do not have a feel for this other world they must check up on, and hence have a hard time judging what is an acceptable degree of failure, what is an inevitable and unimportant type of problem, what is a reasonable explanation of a problem and what is devious, what raises suspicions and what does not--the kind of feel that helps guide these investigators through their work on the home bureaucracies. The watchdogs seem to compensate...by making a stricter and more comprehensive application of routine check-and-balance criteria...This increased rigorousness, of course, only emphasizes the inapplicability of such criteria to areas outside the domain for which they were devised. (For these reasons, AID)... frequently does not receive criticism and control in areas where it is, in fact, making mistakes." (#13, p. 41)

In reaction, AID tended to "retreat under the safe cover of close adherence to standard procedures, and to fear the exposure that might result from risk-taking and experiment." (#13, p. 42) Both reactions would tend to reinforce AID's reliance on a utilitarian compliance structure and inhibit shifts to a more normative pattern.

A similar situation of organizational paranoia developed within AID toward the federal agencies which were charged with overseeing AID's compliance with the legislative constraints identified in Part II in the goal statements and specification provided by Congress; the Treasury Department charged with assuring a positive balance of payments situation

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important



for the U.S.; the Department of Commerce charged with promoting U.S. exports; the State Department charged with executing U.S. foreign policy and the "home" bureaucracy of AID primarily concerned with assuring that AID's projects were politically acceptable and advantageous to general U.S. foreign policy; and the Export-Import Bank also charged with promoting U.S. exports.

According to administrative procedures established by the Presidency, Treasury and the Office of Management and Budget had veto power over any AID project over \$10 million. According to the legislation, Treasury and the other agencies were to be consulted before AID would approve any projects and the forum was called the Development Loan Committee (DLC). (#13, p. 44) "Although the statutory directive

to consult with Treasury and other departments did not confer formal veto power on them, the practice of AID administrators in recent years has been to arrive at a consensus with these departments before approving a project." (#13, p. 44)

Beside establishing standard procedures for meeting the legislative demands, AID went beyond the normal organizational response. AID allowed the external agencies a right to effective veto power largely because of its own weak position within the Executive. This tended to have the same result as the reaction within AID to the watchdog agencies. The procedures themselves became increasingly important particularly in the areas of "purchasing U.S. goods" with project funds and "use of U.S. foreign exchange monies" in projects. Tendler states: "Foreign assistance legislation placed a series of constraints

on AID action in the name of protecting certain private or public U.S. interests...the harmfulness of this type of constraint has been recognized... The government entity charged with policing the legislative constraint frequently ended up having a power over the organization considerable greater than the original constraint intended--a power that spread into areas where the policing agency

may have had no authority or experience. The constraint itself, then, posed one type of problem for the agency; an almost completely independent problem was the power over AID gained by the policing entity in the form of its (the former's) daily presence --actual, expected, feared--on the agency's work scene...(This) illustrates how AID was undermined by institutional forces within the very government that created it..." (#13, p. 44)

Since the time of Tendler's writing in 1974, the situation has changed to a limited extent as the agency has moved away from large capital projects to intermediate technology and community oriented approaches. The new type of project does not present AID with the same heavy pressures on maintaining the U.S. economic position because the projects are more local-cost intensive and the agency's total budget is smaller. Also, AID has institutionalized these requirements to such an extent that the external actors do not have as many opportunities for sniping. Finally, AID is no longer a complete neophyte in bureaucratic in-fighting and is more capable of defending itself against the more blatant incursions of the past.

The third reason for AID's unusually weak position within the U.S. government lies in the fact that AID's beneficiaries are not U.S. voters. They are not even U.S. residents. "AID's beneficiaries--the

aid receiving countries--were outside the American political system, and hence, could not be drawn upon for the politicking necessary to gain congressional support or for the hell-raising necessary to prevent threatened appropriations cuts." (#13, p. 39)

This lack of constituency in the U.S. was translated into another debilitating problem on the other AID front, i.e., in the host country where AID was generally unloved. Finally, the constituency issue further complicated AID's position vis a vis the watchdog entities because it relied so heavily on beneficiary inputs to carry out its programs. "The

recipient was partially responsible for designing the projects to be financed, mobilizing local political support for budgetary appropriations for local currency costs, and providing the local institutional overhead, professional capacity, and sheer will that was essential for carrying out the project. Hence the AID organization was extremely dependent on the public it served, but that public was both institutionally and politically outside its control. At the same time, however, the agency was held completely accountable by the watchdog entities for the quality of its output, even though such a large part of that quality was beyond its control." (#13, p. 42)

Just as the beneficiary was outside AID's control, so too the recipient country personnel were deprived of normal channels of criticism if they were dissatisfied with AID's performance. The AID officer could not call on the beneficiary for constituency support and to treat the beneficiary as a constituent required a moral commitment not usually found among government employees. The coin had another side: "...when

the beneficiary felt that AID was giving him short shrift, he muttered under his breath and toed the line instead of 'writing his congressman', telling the newspapers, organizing action groups, or seeking alliances with sympathetic groups within the bureaucracy. He accepted something unacceptable as the price of getting foreign assistance." (#13, p. 43)

By relying on limited communication channels, AID being cut off from the normal political channels of beneficiary feedback, the AID beneficiary was more prone to be resentful of the agency's efforts. This was exacerbated even further by AID's obvious association with U.S. foreign policy. Although AID made a good target for critics of foreign policy in the U.S., it was an even better target in the host country where the projects were actually affecting the landscape and the people. Comparing the State Department and AID in terms of their vulnerability to criticism for representing U.S. foreign policy, Tendler says: "Wherever

large amounts of money are being spent, there will be an unavoidable minimum of misspending, inefficiency, and graft. The number of possible mistakes in a program like AID's, therefore, will be much greater than in the State Department, simply because the latter does not have to build projects and rely on outsiders for essential inputs. The State Department, under criticism, could at least attempt to close ranks. AID, in contrast, was exposed on all sides: the objects on which it had spent money were out in the open for anyone who wanted to see, and persons outside the agency who had worked on its projects were around for questioning. ...the foreign aid program...brought on to the political scene a more tangible target than the State Department for rising dissatisfaction with U.S. foreign policy." (#13, p. 43)

This increased vulnerability tended to create further reason for AID to maintain a protective stance rather than promote more innovative approaches to the problems of development and of working in developing countries. For the host country personnel involved in AID's efforts, the difficulties in establishing more normal communication channels tended to force them to rely on diplomatic and political channels in order to influence AID. This tended to give the U.S. Embassy in the country a greater amount of control over the AID field missions than the legislative or basic organizational directives may have required. Further, by being forced into the use of diplomatic channels or reliance on that style of communications, AID contributed to the host country perception of it as a standard-bearer of U.S. foreign policy. This had a snowball effect of reinforcing host country alienation from AID and reinforcing AID's utilitarian communication patterns--neither of which tend to contribute to an effective working relationship.

In Bolivia, these conditions were much the same. The importance of the U.S. Embassy in determining AID's relationship with the Bolivian government varied with the degree of political stability of

the government in power and on the intensity of interest in a given issue on the part of the key figures in the U.S. Embassy and in the Bolivian Presidency. After the initial diplomatic agreement on increasing the AID program in 1971 between the Banzer government and the U.S. Embassy, the AID mission established normal operational ties. Because of the basic political agreement, the amount of open criticism of the AID program among the director level Bolivian personnel was minimized but the underlying alienative attitude continued. The Bolivian position was one of strength relative to AID because of the overall political stability. It was further enhanced by the government's generalized efforts to strengthen its planning and administrative processes which enabled it to deal more rationally with AID by fitting the AID program into their overall development plans.

Within AID, the two factors were propitious to developing a positive relationship with the Bolivian government. Of AID's three priority program areas, the area of agriculture and rural development coincided with one of Bolivia's top priority areas for action and in health/population/nutrition and education, the Bolivian plans called for increasing efforts. Since the Bolivian government planned to devote the bulk of its limited resources to the productive sectors, the plans called for reliance on external resources to build larger programs in health and education. (#21, p. 5-8) AID could provide these resources according to the Functional Sector mandate from Congress at the same time that the multilateral donors such as the IBRD and the IDB could assist the Bolivian government in the major productive sectors such as mining and transportation. The second positive aspect of the Bolivian mission was the unusually high number of younger officers who had previous Latin American experience,

spoke Spanish fluently and were not as prone to the protective behavior that older officers tended to develop. This tended to facilitate the establishment of positive relationships with the director level personnel and diminish their need to rely on the higher political and diplomatic channels to air their differences on the AID program. The primary negative factor in the Bolivian situation was the high personal interest of the Ambassador in AID's program. This forced the AID mission personnel to keep in mind his political concerns which tended to be more conservative than those of the AID staff. It also tended to induce more frequent use of the higher diplomatic channels in setting AID's program priorities than one might expect in a more normal AID-Embassy relationship.

The unusually high interest of the Embassy in AID's program was particularly important in determining the objectives and amounts and timing of resources for AID's assistance in the health sector. Since the Bolivian government had adopted a strong anti-population control policy which was supported by the Catholic Church, AID proposed to initiate a small health project eventually leading to a major funding program in health. By maintaining low key efforts in population, AID hoped to positively influence the Bolivian government to accept some form of planned parenthood into the larger health program. This was acceptable to the director level Bolivian personnel because they judged it to be a strategy that was both compatible with their government's policy and with AID's. The Ambassador, however, placed considerable more emphasis on population activities than on health, thus converting into a political issue and undermining AID's basic strategy.

A similar situation developed with the narcotics control efforts of the State Department. Although it was a State program, only AID was

considered capable of managing funds and so, the Bolivia mission was forced to develop a project with the Ministry of Agriculture focused on substituting the production of coca, the basis for cocaine, with other agricultural products. To minimize the damaging effects of this political influence of the Embassy on its program and general relationship with the Bolivian director level personnel, the AID mission adopted delaying tactics in its project development process. While these delays did tend to create frustrations particularly with the Ministry of Health which wanted to start its program, they did enable the Mission to avoid a direct confrontation with the Embassy and the policy levels of the Bolivian Government, thus maintaining its program, albeit at a lower intensity than planned.

During major political changes in the Bolivian government, however, AID could not defend itself and the Embassy concerns took over as the role of AID had to be re-defined as the U.S.-Bolivian relationship was re-defined. With the change of government in Bolivia in 1978, the Embassy voice dominated AID's programming process. In support of the U.S. policy of promoting democratic elections which the Banzer government had accepted, the State Department wanted to increase the resources available to Bolivia through AID. As a result, AID planned and received authorization for a \$75 million, five year program of wheat transfer under Public Law 480, Title III. Under this program, the U.S. government would ship \$75 million in grain which the Bolivian government would sell through normal commercial channels. The proceeds of the sales would go to a joint account which would provide funds for specific projects in agriculture and health to be managed jointly by AID and the Bolivian ministries involved. At the same time, though less directly negotiated

through the Embassy, AID prepared a proposal for a major rural health program with the Ministry of Health -- \$13.5 million from U.S. funds and \$6.5 million from Bolivian funds for five years. This project directly supported the Banzer government's pledge to initiate a major health program for Bolivia's rural population. Since there had been a change in Ambassadors, the program did not include population planning but followed the initial AID strategy.

In sum, the AID field office in Bolivia is subject to control from external factors and the primary actor in the U.S. group is the Embassy. In the Bolivian group, the highest echelons of government represent the second set of controlling factors since they determine the host country policies; they are the primary source of control for the Bolivian director level personnel whose primary "membership" is in the Bolivian government; and, they determine the degree of political stability in the country to a large extent. Although the degree of control exercised by the principal external actors over AID has been decreasing in the U.S., their control is still strong at the field level particularly in times of political change. Even in times of little political change within the host country, the personality of the key actors in the Embassy may allow them to exercise greater than normal control over the activities of the AID field office. The closeness of the relationship of AID to the Embassy tends to reinforce and justify the host country's perception of AID as an "imperialist" organization. Although the AID field office can diminish the tendencies toward alienative involvement through its lower officers' relationships with the host country personnel in normal situations, this becomes extremely difficult at times of political change when AID must submit to State Department authority in terms of redefining its role with the host country.

Relating these conditions in the institutional level to the goal/compliance relationship, it may be said that the institutional factors at the field level in times of high political action, may shift the goals toward an economic/order mix rather than the more typical economic/culture mix. These shifts places extreme strains on AID's normal compliance patterns, particularly on the normative elements. Even the normal low, positive involvement of the AID direct employees and the long term advisory personnel is likely to shift to low, negative involvement during such a period because the normal working routines are disrupted and the relationships with the Bolivian counterpart personnel is made more difficult. Concomitantly, the involvement of the Bolivian director level personnel is likely to shift toward the alienative type and take longer to return to the calculative type of involvement than will the return to normal involvement patterns among their U.S. counterparts. In such a situation, AID's overall effectiveness would be expected to drop drastically.

E.) SUMMARY AND IMPLICATIONS FOR EFFECTIVENESS

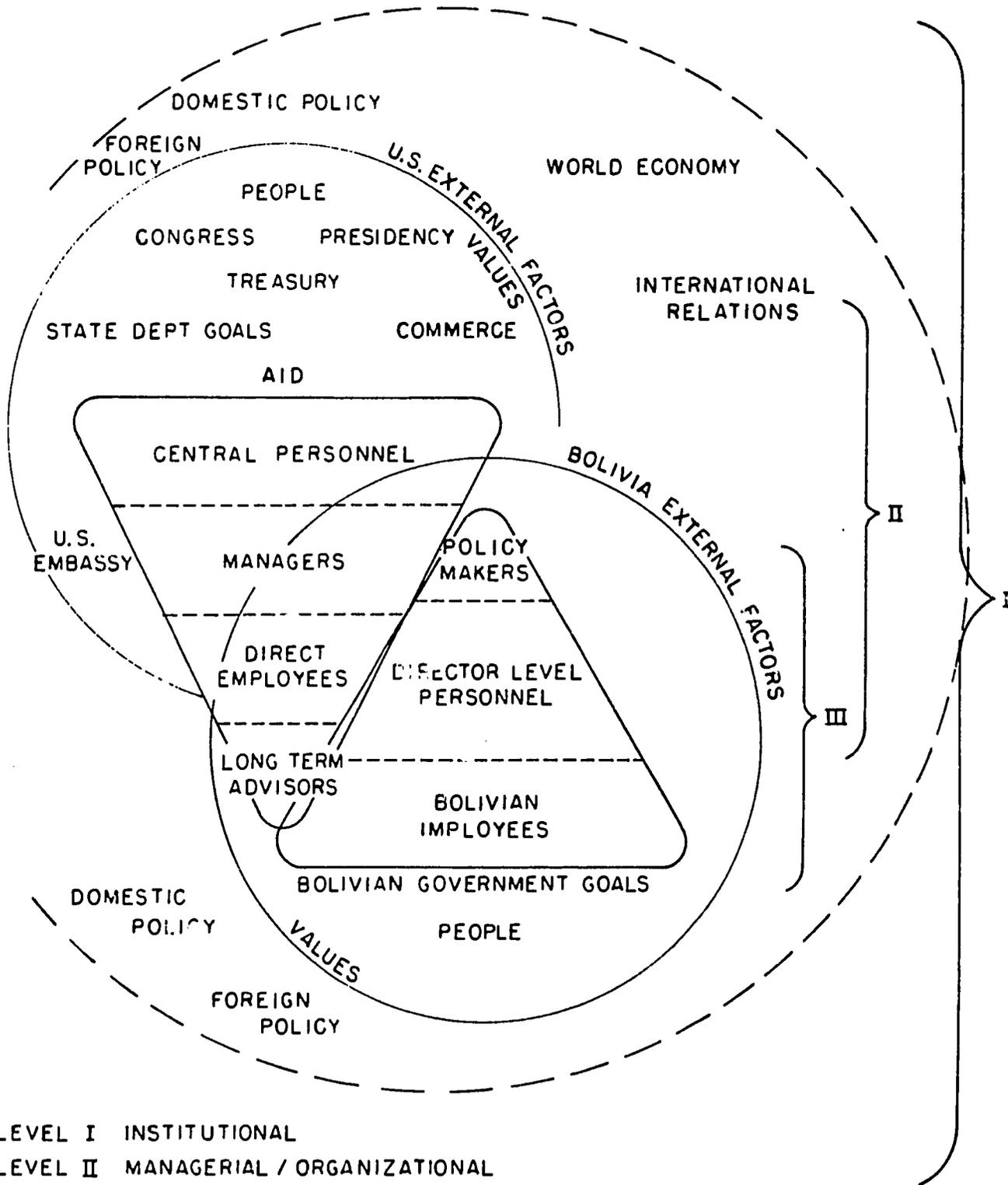
This discussion of AID's compliance structure and organizational boundaries has shown them to be extremely complex in and of themselves. The fact that the institutional level permeates all levels of the organization and maintains inordinately high control of the organization creates further complexity and incongruence within the compliance structure. (See Figure III.4. for a schematic summary of AID's compliance structure.) The goal/compliance relationship seems to be fairly congruent when only the U.S. employees are considered. However, when the Bolivian director level is included, certain incongruence appears as AID's remunerative/normative power is crossed with the Bolivians' calculative/alienative involve-

ment. In normal situations, AID may obtain congruence by emphasizing the normative sources of control, especially through its project managers and long term advisory groups, thus converting the alienative involvement into calculative or even moral involvement patterns among the host country officials. The use of this mechanism is difficult under normal conditions but becomes nearly impossible when conditions of high political interest or tension arise in the immediate environment of the AID field office through the U.S. Embassy or the policy-making level of the host government. In such cases, an order goal may be added to AID's actual goals, which are normally economic and culture goals of resource transfer and mobilization. Such goal replacement tends to nullify AID's normal compliance patterns in the short-term and create dislocations, particularly in the involvement factors, over the longer term.

During the five year period under review, the occurrence of high political tension was infrequent until the last year, 1978, when the Bolivian government went to elections. This allowed the AID field office in Bolivia to operate under a favorable compliance/goal mix and so it should have been effective. To the extent that it activated the normative aspects of the compliance structure through judicious management of the long term technical advisory groups, it also should have been effective toward achieving the resource mobilization goal. In the specific case of the health program, however, the discussion indicated that there was unusually high political interest both from the Embassy and from the Bolivian policymakers throughout the five year period. Therefore, it could be expected that AID's effectiveness in its performance to achieve either the resource transfer or the resource mobilization goal would be considerable lower than in the other two programmatic areas of rural

This had this explanation: is not in English!

FIGURE III.4. SCHEMATIC PRESENTATION OF AID'S COMPLIANCE STRUCTURE



- LEVEL I INSTITUTIONAL
- LEVEL II MANAGERIAL / ORGANIZATIONAL
- LEVEL III TECHNICAL / OPERATIONAL

development and education. AID's effectiveness, particularly in the area of health, will be the subject of the next section as the final step in the analysis of AID in terms of the goal/compliance congruence hypothesis presented at the beginning of this paper.

Chapter IV

Effectiveness of the Agency for International Development (AID):

Example from the USAID/Bolivia Health Program, 1974-1978

"There are three major effective combinations of goals and compliance : order goals and coercive compliance; economic goals and utilitarian compliance; and culture goals and normative compliance. The other six combinations are less effective than these three, although organizations having such combinations may 'survive' and even to some degree realize their goals. In the six ineffective types we would expect to find not only wasted means, psychological and social tension, lack of coordination and other signs of ineffectiveness, but also strain toward an effective type. We would expect to find some indication of pressure on goals, compliance, or both, to bring about an effective combination. ...The tendency toward an effective compliance-goal combination may be blocked by environmental factors affecting any one of the three major variables making up the relationship: involvement, power, and goals." (#6, p. 119)

The first three sections have shown that AID's goal-compliance combination is incongruent and that there are powerful environmental factors affecting each of the three major variables, both individually and jointly. This section shows how AID "strained toward an effective combination" by analyzing the USAID/Bolivia health program as AID attempted to meet its primary and secondary goals of resource transfer to and

resource mobilization within the Bolivian health sector. First, this section presents a series of indicators for each of the four organizational subsystems mentioned in the first section. Then it analyzes the shifts that occurred in organizational boundaries, goals and compliance patterns within the health program's frame of reference. Through this analysis, AID's performance in the various indicators is discussed in order to determine the adequacy of its activities in each of the critical organizational subsystems, i.e., in terms of meeting the organizational requirements for effectiveness. Such an analysis leads to conclusions as to AID's effectiveness in the health program in Bolivia and, at the same time, provides insight into AID's potential for overall effectiveness.

A.) AN APPROACH FOR ANALYZING EFFECTIVENESS

A-1) General Concepts of Organizational Requirements for Effectiveness

As stated in Section I, there are four basic subsystems by which an organization may be analyzed to determine its effectiveness: goal attainment, adaptation, integration and tension management. Each of these areas corresponds to one of the four basic needs that an organization must meet if it is to be effective: gratification of the system's goals; control of the environment; maintenance of solidarity among the system's units; and reinforcement of the system's values and their institutionalization. "The empirical power of these distinctions has

been reported in studies of non-organizations (such as small groups, families and processes of socialization) as well as of organizations... The Iowa State studies applied them to the study of compliance." (#6, p. 141)

The Iowa State studies conceptualize these four subsystems for analyzing organizational effectiveness of utilitarian organizations

(farm co-operatives), and of normative organizations (Civil Defense Preparedness Agencies). The Iowa State group subjected their empirical observations to rigorous statistical analyses using the specific variable identified for each subsystem. (#6, p. 142-152) This section relies on a case study approach to provide a similarly concrete conceptualization of the four subsystems as they appeared in USAID/Bolivia health sector program, particularly in the Rural Health Delivery Systems (RHDS) Project. This conceptualization should prove useful in extending the theoretical understanding of development assistance organizations in general. It is also useful, "...to study the tensions and adaptations

and the effects on the compliance structure of organizations whose goals are vague or not measurable... (and) would be of value not just for those organizations ...whose goal realization is extremely difficult to assess, but also for (those) whose goals are vague enough to allow for different interpretations of achievements...." (#6, p. 151)

Because of AID's inherent complexities, the conceptualization is limited to the functional requirements of the four subsystems as they were represented in the principle activities and decisions of AID in the RHDS project. Other elements of the AID program in Bolivia are included as necessary to provide a fuller understanding of the implications of specific activities. The working hypothesis for this discussion follows from Etzioni: "...high effectiveness (is represented by) a

high reading on all four subsystems, rather than merely goal attainment. An organization is more effective if several or all of its system needs are fulfilled than if its output is merely maximized." (#6, p. 144)

Although the author was one of the key actors in the health program for three and a half of the five years under discussion, this does not significantly detract from the validity of the "post hoc"

method employed here. The Iowa State group of compliance studies proved that organizational effectiveness and individual effectiveness are associated but the correlation tends to be weak or insignificant. "It

is the organization's success which the 'appropriate' congruent compliance structure is expected to help promote, not necessarily individual achievements. One would expect individual and organizational effectiveness to correlate, but certainly not in a one-to-one association. Organizational effectiveness may be higher or lower than aggregation of individual efforts.

"Each individual may carry out his mission to perfection, but if the organizational coordination patterns and division of labor are not optimal, the collective effectiveness could well be less than the sum total of the effectiveness of individual participants. On the other hand, if resources are available to the collectivity that are not the result of current performance, e.g., large amounts of savings or capital, the organizational achievements may well exceed those of its present participants.

"...the Iowa State compliance group, ...did check the correlation between organizational effectiveness and individual effectiveness (in farm production cooperatives). Yetley distinguished between the two by measuring the manager's personality (his suitability to his role) separately from the success of his co-op. He found that the relationship between the two variables is not only not tautological, but not even necessarily high. Of four different relationships explored, role performance was significantly related only to economic effectiveness, and that only at 0.18 ($F=3.607$)." (#6, p. 148)

Although goal/compliance congruence is treated as the key explanatory variable in analyzing effectiveness, the Iowa State studies also showed that compliance patterns are more critical variables for internally determined effectiveness than for externally determined effectiveness of organizations. In the case of the farm co-operatives, they found that 26% of the organization's effectiveness could be attributed to compliance patterns in terms of maintaining sufficient net operating revenues -- an achievement which is largely subject to markets and

customers which are external to the co-op. In areas such as meeting members' needs or maintaining efficient operations which are primarily subject to internal factors, they found that compliance patterns accounted for 48% and more of the co-operative's effectiveness. (#6, p. 149-150)

The internal and external determinants of effectiveness are difficult to distinguish in AID's case because of the permeability of its boundaries. Given the case study approach, such precision is not possible in measuring the impact of internal and external factors on AID's effectiveness. Despite these caveats, the analysis of AID's effectiveness does consider the relative weight of internal and external factors. In general, it is fair to say that the external factors weigh most heavily on the goal side of the equation and, therefore, compliance patterns may be expected to have relatively little influence in the goal attainment subsystem. By the same token, it may be expected that the compliance patterns will be important to adequately meeting the organization's needs in the other three subsystems, especially in the integration and tension management subsystems.

At the risk of redundancy, the dynamic nature of the relationships between goal, compliance and effectiveness is critical to this analysis. A change in any one of the elements creates ^Jspineoffs in the other elements that make exact conclusions about their impact on effectiveness difficult. The analysis is oriented primarily toward identifying the direction of the changes in AID's effectiveness throughout the health program. It also attempts to identify factors within the organizational dynamic which seemed to have a singular impact on AID's effectiveness. Three factors of particular interest were: the shift in goal primacy from the resource transfer goal to the resource mobilization goal;

Tactics followed similar classifications. Both in Niaz's study and in Jones' subsequent work, it was found that the mix of strategies and tactics employed tended to reflect congruent compliance patterns. It is most interesting to note that utilitarian strategies generally use both utilitarian and normative tactics, with the more successful utilitarian strategies relying principally on normative tactics. (#6, p. 481-3)

"Jones also examined the relationship among compliance strategies used,

client's receptivity to the goals being advanced, and procedures through which these goals were set (were they set by elites, by the clients, or jointly?)

"Here he found only weak associations, indicating a very mild tendency for more participatory change agents (i.e. elites) to be more selective in their means than less participatory ones. This, Jones explains is due to the fact that less participatory elites are more akin to persons shooting in the dark, while the more open ones are better informed a priori about what will work. This is a significant point indicative of the virtues of upward communication, representing viewpoints rather than mere information (the latter being available, say, through domestic intelligence gathering), and of the superiority of open elites to closed ones.

"Jones also found a close correlations between the strategy used and the level of goal achievement (effectiveness). 'For example, in the normative class of strategies, ...26% was found in the category of goals not achieved, ...25% was found in goals partially achieved, and ...30% was found for goals achieved.'

"This is by far Jones' most interesting finding... Viewed together with the previous one, on the indifference of the performance of change agents and the relevance of client's involvement, this last finding clearly suggests that overall success is much more significantly affected by differences in the extent to which clients are involved than by elites' performance. ...It suggests reliance on normative compliance or, when this is not practical, reliance on a normative-utilitarian combination, rather than on coercive measures or coercive-utilitarian strategies, because the former are more compatible with client participation." (#6, p. 483-4)

We could expect, then, that the more AID relies on the normative or normative-utilitarian compliance patterns available to it, the more effective it would be. At the organizational level, the managers tend to consider projects as tactical components in their overall utilitarian strategy of resource transfer. Therefore, the projects should be predominantly normative or normative-utilitarian in their compliance structure and be largely oriented to achieving the resource mobilization goal of AID if AID is to be effective in attaining its primary goal of resource transfer. At the operational level of AID, the technical personnel tend to consider projects to be strategic components of their sectoral program strategy while project implementation is considered as the tactical measure. At this level, then, we would expect that the program strategy would be predominantly normative and the tactics would also be normative if the program is to be considered effective.

A-2) Specific Indicators for Measuring Fulfillment of Basic Organizational Requirements for Effectiveness

As in the discussion of the compliance structure, the specific indicators developed to measure AID's ability to fulfill its requirements in the four subsystems tend to be somewhat different for the U.S. and the Bolivian elements. Although many of the same indicators apply to both groups, the criteria for measurement are different --because of the differences in the groups' relationships to the organization. The indicators are presented in Figure IV. 1.

GOAL ATTAINMENT is as the subsystem composed of those activities and decisions through which AID attempts to directly advance one or more of the areas considered necessary to achieving its end-goal of Bolivian national development or its means-goals of resource transfer to and resource mobilization within the

FIGURE IV. 1.: SPECIFIC INDICATORS OF EFFECTIVENESS

GOAL ATTAINMENT

- 1.) Changes in national and sectoral development indicators directly and indirectly affected AID's efforts; and
- 2.) resources available to and mobilized within the Bolivian rural sector, particularly in the rural health program.

ADAPTATION

- 1.) Administrative changes tactical in nature sought and achieved;
- 2.) program and project design changes, (primarily strategic but also tactical in nature) sought and obtained;
- 3.) internal structures and processes established to meet recurring external requirements.

INTEGRATION

- 1.) Satisfaction of lower participants with the organization and with the work per se;
- 2.) participation in decision-making;
- 3.) adequacy of communications; and
- 4.) openness of managerial group and other elites involved in the USAID/Bolivia health program.

TENSION MANAGEMENT

- 1.) The level of agreement with the organization's basic strategy and tactics for the given program or project among the lower participants and between the lower participants and the managers;
- 2.) degree of agreement on types and numbers of personnel required for carrying out activities.

Bolivian rural sectors of agriculture, education and health. Two primary indicators have been identified to measure the effectiveness of the USAID/Bolivia mission in the health program in this subsystem:

- 1.) Changes in national and sectoral development indicators directly and indirectly affected by AID's efforts; and
- 2.) Resources available to and mobilized within the Bolivian rural sector, particularly in the rural health program.

The primary criteria for measuring AID's effectiveness according to the first indicator include: improvements in Bolivia's gross national product and its per capita distribution; improvements in health status indicators nationwide, in rural areas and in the rural areas in which the AID financed programs are working actively; and, increasing policy priority within the Bolivian Government to the rural sectors and particularly to rural as opposed to urban health services. The major sources of data for these measurements were AID documents such as the Development Assistance Plan (DAP), the Bolivian Health Sector Assessment (HSA), the Annual Budget Submissions (ABS) and the annual Congressional Presentations (CP); and in Bolivian Government documents such as the Five Year Development Plan and the annual Operational Plans.

For the second indicator, the primary measurement criteria include: USAID/Bolivia ratios of funds targeted and obligated, and funds obligated and disbursed for all three sectors, especially for the health sector; Bolivian Government financial commitments and expenditures particularly in rural health; numbers of personnel active on either full or part-time bases in the design and implementation of the rural health program; the number of new or modified rural health action systems designed and/or functioning nationwide and within the areas where the AID financed health programs are working actively, and population

served by the rural health program. The primary sources of data for these measurements were AID documents such as the Annual Budget Submissions (ABS), the Project Papers (PP), the procurement documents (PIO/T's, C's); joint AID-Bolivian Government documents such as Project Agreements (ProAg), Implementation Letters, Counterpart Release Letters (CRL's), project evaluations; and Bolivian Government documents such as annual operational plans and sectoral budgets. A final measurement criteria is the amount of time required for completion of these documents, particularly the joint AID-Bolivian ones, since this reflects the difficulty or ease of reaching agreement on the goals of the joint effort, both in terms of strategy and tactics.

ADAPTATION is the subsystem composed of those activities and decisions through which AID attempts to fulfill and introduce changes in its externally determined requirements, i.e., those requirements determined by Congress, the U.S. Embassy in Bolivia or the Bolivian government, in order to improve its effectiveness in attaining its goals. Three primary indicators have been identified for measuring the amount of time, staff and other resources devoted to this subsystem:

- 1.) Administrative changes tactical in nature, sought and achieved;
- 2.) program and project design changes, (primarily strategic but also tactical in nature) sought and obtained;
- 3.) internal structures and processes established to meet recurring external requirements.

In identifying these indicators, it has been assumed that the number of changes introduced was indicative of AID's ability to control its environment when the environment presented limitations on goal attainment. Fulfillment of external requirements was indicative of AID responding to its "need to survive" by delaying goal attainment when the external requirement was not compatible with effective action. When the external

requirement promoted effective action, it showed AID promoting goal attainment by meeting the external requirement as expeditiously as possible.

The criteria for measurement of the third indicator are related to those external requirements which AID has internalized. These criteria included: number and types of standard operational procedures to meet external requirements; source of external requirement; number of persons and offices engaged full and part-time in carrying out procedures; number and type non-personnel resources required for carrying out standard operational procedures. The principal source of data for measurement of these criteria was observation of staffing patterns and scheduling of activities within the Bolivian Mission of AID.

The criteria for measurement of the second indicator included: frequency and importance of changes in the timing, amounts, and types of resources available for program and project efforts; frequency and importance of changes in the technical and policy objectives for program and project efforts especially in terms of family planning; stability of new objective or resource available resulting from the change obtained. The sources of data for measurement of these criteria included the same documents mentioned under goal attainment as well as less formal policy statements and internal working documents or communiques.

INTEGRATION is the subsystem composed of those activities and decisions through which AID attempts to maintain viable working relationships and sufficient solidarity among the lower participants, both U.S. and Bolivian; and sufficient commitment to AID and their individual jobs to promote adequate levels and types of efforts for goal attainment. The four principal indicators are:

- 1.) Satisfaction of lower participants with the organization and with the work per se;

- 2.) participation in decision-making;
- 3.) adequacy of communications; and
- 4.) openness of managerial group and other elites involved in the USAID/Bolivia health program.

The criteria of measurement for the first indicator included: changes desired, attempted and achieved in rewards available by U.S. employees (benefits, salaries) and by Bolivian employees (training, travel, benefits); changes desired, attempted and achieved by U.S. and Bolivian employees in terms of position, workload and authority; frequency and types of unresponsiveness in basic rewards delivery (salaries, benefits) system; amount of voluntary overtime; personnel turnover. These were measured by observation and by reviewing the working documents which reflected the changes mentioned such as contract amendments, promotions, personnel evaluations or payroll delays.

The criteria for measuring the second indicator include: types, frequency and importance of decisions made; types, frequency and importance of decisions made; types, frequency and importance of participation in the decision-making process by U.S. and Bolivian employees; and the source and frequency of initiatives in raising decision issues. Observation and a review of scheduled meeting, participants in meetings and of minutes of the meetings were the primary methods available for applying the measurements.

The criteria for measuring the third indicator include: frequency, language and substance of communication among lower participants, i.e., expressive and/or instrumental; frequency of use of different types of communication media among lower participants, i.e., letter memo, telephone, personal contact in groups or personally; source of initiative in communication process. This was measured by observation

and by reviewing written correspondence, records of telephone conversations and of meetings. It was assumed that if the communication process were primarily one-sided or the types of communication means used most frequently or the substance of the communications were skewed to one set of factors; then the communication process would inhibit successful action toward goal attainment. It was expected that the communication patterns among the lower participants would change according to the pressures from the other subsystems, especially from the goal attainment subsystem.

The criteria for measurement of the fourth indicator include: access of lower participants to the managers and other elites; frequency and type of contacts of lower participants with the managers and other elites; degree of collegiality assumed by the manager or other elite with the lower participants. Actual measurement of these criteria relied heavily on observation but also on review of decisions made, frequency of meetings and the number of participants and importance of issues discussed.

TENSION MANAGEMENT is the subsystem composed of those activities and decisions through which AID attempts to establish a sense of common purpose and to develop the basis for continuing joint action among and between U.S. and Bolivian personnel, both of which are necessary if AID is to work toward attaining its goals with minimal conflicts over basic issues. The three indicators identified include:

- 1.) The level of agreement with the organization's basic strategy and tactics for the given program or project among the lower participants and between the lower participants and the managers;
- 2.) degree of agreement on types and numbers of personnel required for carrying out activities.

The primary criteria for measuring AID's performance under the first indicator include: time devoted to and methods used in

consultation and negotiation in the principle strategy and tactics defining processes between different groups involved in their execution; number and importance of issues raised and adequacy of solutions made during consultations or negotiations; language(s) of major documents stating strategy and tactics to be followed; language ability of participants; source group for issues raised. In applying these criteria, the primary sources of information were the documents mentioned for the other three subsystems as well as working documents which show what issues were raised and how they were resolved. The language of the documents was critical since the Bolivian participants (for the most part) did not understand English and many of the U.S. participants at the Washington level did not understand Spanish. Agreement required that the documents be conceived in both Spanish and English. In terms of the source of issues being raised, if one group tended to raise more issues than others, it would indicate that their needs were least served and therefore likely to create tensions that would inhibit their effectiveness. AID's ability to avoid the occurrence of major conflicts and to minimize their debilitating effects on performance depended in large part to its performance under the first two criteria.

Since staffing was the major on-going funding area, the issue of staffing became a major source of potential conflict requiring clear agreement and resolution before action could begin. The criteria for measuring the second indicator attempt to reflect the importance of this issue and include: time required for provision of full staff; frequency of expressions of satisfaction/dissatisfaction with staff on basis of language ability, professional competence or professional specialty; frequency of acceptance/rejection of candidates proposed for given positions; time required for execution of recommendations of professional

staff and consultants. The sources of data for measurement of these criteria were observation and review of working documents. Although it was recognized that many of the delays in staffing or in acting on recommendations could have been attributed to unforeseen administrative delays or other reasons, it was assumed that many of them could be avoided if adequate prior consultation had occurred, i.e., if tension management had been managed adequately in the beginning.

B.) BOUNDARIES AND EFFECTIVENESS

B-1) Effectiveness Considerations

In professional organizations, it is difficult to separate the influence of the actors from the influence of their roles - the person "makes" the job. Earlier discussions have shown that personalities are important in defining AID's compliance structure, particularly in its more normative-moral combinations. In the discussions of goals, the role of the persons in the goal-setting positions was also seen as a critical consideration, particularly in reference to the U.S. Embassy staff. Among the indicators of effectiveness, personal attributes and skills are also represented. For example, language capability is important for integration and tension management subsystems and participant satisfaction is important for the integration subsystem. People are important in each of the four subsystems and in their relationships.

Organizational boundaries are defined by people participating in the organization. The specific boundaries for the health program in Bolivia provide a tool for identifying and analyzing the roles of the participants. The description of changing boundaries also provide a backdrop for analyzing the effectiveness of the goal/compliance mix in the health program in Bolivia. The changes that occurred in the shape

and size of the boundaries of the health program also reflect changes occurring in the goals and compliance patterns of AID during the five years of the health program to be analyzed here.

Figure IV. 2 shows that the nature of the changes in the organizational boundaries of AID in terms of the health program was positive between 1973 and 1978. The next section discusses further the fact that the number of people working in the program -- both U.S. and Bolivian, at both director and field level -- increased significantly during the same period. Translating the shifts noted on Figure IV. 2 into goal-compliance relationship terms, it can be seen that there were efforts to create an increasingly normative compliance structure. From the previous discussions of strategy and tactics, it may be expected that the health program tended to become more effective. From the discussions of the goals of AID, it may be expected that AID placed increasing emphasis on the goal of resource mobilization during the period of analysis within the health program.

B-2) Shifting People and Positions

The changes in the organizational boundaries of USAID/Bolivia the health program are traced through: 1) the key external actors; 2) the managers; 3) the "swing" group of U.S. financed personnel; and 4) the Bolivian director level group.

In the group of key external actors, the changes were relatively more frequent than in the other three groups and their significance for operations and particularly for goal determination was high. The changes are summarized in Figure VI.3. , according to the positions. The amount of time that a key actor held a given position may be viewed as a proxy for the amount of work required in the adaptation subsystem of the

FIGURE IV. 2.: CHANGES IN THE ORGANIZATIONAL BOUNDARIES OF AID IN THE HEALTH PROGRAM*

	AID direct employees		Long term Advisors		Bolivian director level personnel	
	SHIFT		SHIFT		SHIFT	
	FROM	TOWARD	FROM	TOWARD	FROM	TOWARD
1) Nature of Involvement	calculative	calcul-moral	calcu	calcu-moral	alien-calcu	calculative
Commitment to work per se	medium	medium-high	high	high	medium	medium-high
2) Degree subordinated to organizational power	high	high	medium	high	low	medium-high
3) Amount of Performance Required by the organization	high	high	high	high	high	high

*See Figure III.1. for comparison.

FIGURE IV. 3.: CHANGES IN THE GROUP OF KEY EXTERNAL ACTORS

	Time in Position		Interest in Health program*
	Date started	Total	
<u>U.S. EMBASSY</u>			
Ambassador #1	1971	4.0 yrs.	high
#2	1977	1.5 ***	low
Economic Officer #1	1972	3.5 "	high
#2	1976	2.0 ***	low
<u>BOLIVIAN PRESIDENCY AND CABINET</u>			
President #1	1971	7.0 yrs.	medium, high
#2	1978	0.5 "	high
Minister of Health #1	1972	4.0 "	low
#2	1976	1.8 "	high
#3	1978	0.5 "	high
Minister of Planning #1	1971	7.0 "	low
#2	1978	0.5 "	high
Minister of Finances #1	1971	4.0 "	low
#2	1975	2.0 "	low
#3	1977	1.8 "	low

*The interest exhibited in the health program changed for all actors in early 1978. In the presidential elections, health became a major issue in the "Rural Social Insurance Plan".

**These two officers continued in their positions after October, 1978. None of the same Bolivian officers remained in their positions after October, 1978, because of a bloodless coup d'etat.

organization. The longer an actor held a position, the more routinized the responses of the program became to the demands placed on it by that position as the demands became more routine. The amount of influence exercised by the different actors was also important. When the first Ambassador intervened in the program, the USAID/Bolivia managers and "swing" group were forced to adjust the health program goal to include family planning and spent inordinate amounts of time in meetings with the Embassy staff on the issue. Similarly, when the first President made it clear that family planning was absolutely not acceptable in Bolivia, the "swing group was forced to adjust the program's tactics to erase all family planning. At the same time, they had to maintain sufficient elements of population control in the strategy to mollify the first Ambassador. On the positive side, the second and third Ministers of Health placed high priority on the rural health program which created a much more energetic response among the Bolivian director level personnel to implement the program. In a single stroke, this energized the goal attainment subsystem, by reducing the demands placed on the "swing" group for maintaining the integration subsystem. These positive factors in the environment were matched with the departure of the first Ambassador who was replaced by a man who took very little interest in the details of the health program, thus freeing the Mission personnel from the immediate adjustment tasks.

The other actors shown in Figure IV. 3. played minor roles for the most part although their potential role was significant. The Economic Officer of the U.S. Embassy tended to follow the Ambassador although the first Economic Officer supported the first Ambassador's views wholeheartedly. The second Economic Officer, like the second Ambassador, was much less concerned about the population vs. economic growth issue. The Minister

of Planning, throughout, was not interested in the health sector. Although a positive interest could have served to accelerate the implementation of the program, the neutral position did not hinder it. The role of the Ministers of Finances was similar although their lack of support was more detrimental to the overall goal attainment since it presented problems to the Bolivian director level in obtaining additional funds.

With the declaration of elections and subsequent politicization of all government offices, the role of the Presidency and of the other Bolivian Ministers became more important particularly in the goal attainment subsystem which reverberated into all the subsystems. The role of the U.S. Embassy also increased in terms of re-defining the AID program. In this re-definitional process, the Embassy played an extremely strong role in AID's resource transfer strategy largely because of the introduction of the P.L.480 Title III Program. This affected the health program since health and agriculture were the only two program areas authorized to receive funding under the program. The Ambassador took a keen interest in the definition of the terms of this program, as did his Economic Officer, because he was an economist by training and had been a career economic officer in the foreign service.

In the managers group, there was a fair degree of stability considering that the minimum tour of duty for an AID officer is two years and the maximum is usually four years. The changes are summarized in Figure IV. 4. As with the group of external actors, the duration of one person's tenure in a given position is important. A second important consideration is the individual's language capability which was directly associated with his or her ability to work within the Bolivian cultural and organizational context. Both of these factors influenced the managers'

FIGURE IV. 4.: CHANGES IN THE MANAGERS' GROUP

POSITION	LANGUAGE CAPABILITY	TIME IN POSITION	
		START	DURATION (yrs)
<u>DIRECTOR</u>			
Director #1	high	1973	3
#2	high	1976	2*
Deputy Director #1	high	1974	2
#2	high	1975	1
#3	low	1977	2
<u>PROGRAM OFFICE</u>			
Chief #1	high	1971	3
#2	high	1974	0.5
#3	low	1974	0.8
#4	high	1975	3
<u>LOAN OFFICE</u>			
Chief #1	high	1972	4
#2	high	1976	0.5
#3	high	1976	1.5
#4	high	1977	1.5*
<u>HEALTH OFFICE</u>			
Chief	high	1966	12
<u>ADMINISTRATIVE OFFICE</u>			
Chief #1	low	1972	4
#2	low	1976	2*
<u>CONTROLLERS OFFICE</u>			
Chief #1	average	1972	4
#2	low	1976	2*

*Officers still holding the same position as of 10/13/79.

ability to address the needs for integration and tension management. The time in the position was also important to their ability to maintain continuity in the goal attainment and adaptation subsystems.

The director's approach set the pace of activities and the attitude toward the work and toward Bolivian participation to a large extent. Under the first director, the Mission's activities were directed toward resource transfer. Program and project design activities were emphasized to the almost total exclusion of resource mobilization activities such as project implementation and liaison. Because of the first Director's continuous interest in and support for each officer's work, solidarity among the AID employees was high and their work was highly efficient in terms of obtaining resources. With the Bolivian director level, however, the relationships tended to be strained. Although the health program was not the Director's first priority, it did receive very high support and interest from him which assured adequate support from the other staff offices. Under the second director, work efficiency dropped and employee solidarity was greatly impaired until virtually all staff was replaced -- a process which took nearly a year and a half. Although the second director placed greater emphasis on project implementation and liaison than his predecessor, his aloofness and lack of support for the work of his employees tended to decelerate the general pace of activities in the Mission. Because of the greater emphasis on liaison, however, the tenor of the relationships between lower level staff and their Bolivian counterparts improved.

The Deputy Director played a less important role in the setting the pace and direction of activities but tended to complement the Director by covering areas that the Director sloughed off. This worked well with

the first and third deputies. The first deputy took over most of the liaison functions of the Director and helped to slow activities to a manageable pace. The third deputy took over most of the administrative functions and helped to ease tensions within the Mission. The second deputy was not used to his capacity because, as a political appointee, he was not taken seriously either by the Managers or by the lower officers

Of the lower ranking members of the managers' group, the Chiefs of the Health Division, of the Program Office and of the Loan Office played critical roles in the health program. Although the Health Division Chief had sufficient experience in Bolivia to enable him to establish good working relationships with the Bolivian Director level group, two factors limited his role to a very minor and often negative one. First, he was a Population Officer. As such, he was a vocal proponent of family planning and the Bolivians suspected his motives in promoting rural health. Second, he was planning to retire and was not anxious to take on the additional responsibilities required to establish a major new program. The Program and Loan Offices therefore, assumed the responsibility. Relying heavily on short term advisors working on the Health Sector Assessment, they provided one junior officer from the loan office to take charge. A second junior officer from the program office was assigned part-time to the health program. Because of the pressures from the Embassy to which the Program Office normally responded. When the junior loan officer was scheduled to change posts, the junior program officer was given the full responsibility after the basic program design was complete. This was justified since the program was to be started with grant financing which fell primarily under the purview of the Program Office. Much later as the health program was targeted to receive loan financing the Loan Office Chief assigned another junior officer to

assist in the design and implementation of the program.

The roles of the other four members of the managers' group were less important to the health program. The Administrative Chief had primary responsibility for all procurement of technical assistance and commodities under the initial program. As would be expected from their limited language capability, the Administrative Officers had little understanding of the Bolivian administrative system. This lack of understanding combined with the fact that they had very limited project implementation experience and the limited technical expertise available within the Mission, caused severe delays in the administrative support required. The Controllers had significantly better understanding of the financial control constraints within the Bolivian administrative systems and were supportive within the AID financial administration constraints. The Chiefs of the Rural Development and the Education and Human Resources Divisions were involved tangentially in the health program, primarily vying for the Director's time in resolving issues within their programs.

In the "swing" group, there were relatively few changes in terms of people leaving but the number of people changing positions was significant. Another significant change that occurred in this group came from the increasing numbers of long-term advisors, the changing composition of short-term advisors, and the long lag between groups of short-term advisors working in the health program. Language capability in Spanish and professional competence were critical in these positions and, for the most part, the members of this group had adequate control of Spanish for their tasks and were highly competent in their technical field. Of the AID officers working in the program initially, technical competence in health was low although their technical competence in AID

procedures, particularly program design, was high. The lack of technical competence in health was offset by relying on short-term advisors with high technical competence in the health field. In later stages of the program, the technical competence of the AID officers in health increased. This tended to strengthen solidarity between the AID officers and the Bolivian Director level group and reduced tensions with advisory personnel by reducing their burden in liaison activities with the Bolivian personnel.

The high frequency of position changes within this group -- seven times in five years -- indicates that the goal/compliance relationship was strained and that the integration subsystem bore the brunt of AID's attempt to achieve congruence. The first case of position change occurred with the advisor hired on a short-term basis to coordinate the team of 13 short-term advisors hired between January, 1974 and January, 1975, to develop the Health Sector Assessment. Although he began with a six month contract, it was extended to cover a total of eighteen months. This made him the first long-term advisor in the health program and expanded his duties from limited coordination of a technical planning effort to include design and implementation of the first project in rural health. After a year in the U.S.A. working a doctorate in public health, this same advisor returned as a long-term advisor responsible for the research and evaluation activities within the RHDS project.

The second case of position change also occurred within the long-term advisory group. Although it was less dramatic, it was indicative of AID's ability to make changes in the integration subsystem in order to promote goal attainment. After completing a small study as part of the Health Sector Assessment, this person was hired under a long-term contract to help initiate the baseline studies in the RHDS project area. This task could not be carried out because of general delays in all other

areas of project implementation. After a process of redefinition within the RHDS project, this advisor took the new long-term advisory position established to assist the communities in the area organize themselves to direct and participate in expanding community health services in the RHDS project area. These three changes also indicated AID's responsiveness to the needs of the tension management subsystem. Since these two people had developed strong working relationships with their Bolivian counterparts, it was important to keep them within the project activities to reinforce the Bolivians' commitment to the new concepts and practices being introduced in rural health services.

The third series of position changes was also an important case of AID's response to the integration and tension management subsystems within the health program. After serving as the long-term advisor working with the central level Bolivian health staff, this person was allowed to spend four months in Washington in an AID career officer training program. Upon his return to the Bolivian field office, he took over responsibilities as an assistant health officer to the RHDS project and as the project manager for the nascent Rural Sanitation project. After approximately one year of service in these capacities, he transferred to the loan office where he continued in the position as project manager for the Rural Sanitation project and provided liaison for the entire health program which was entering the beginning phases of a major loan/grant program in rural health based on the model developed in the RHDS project. Since this person was fluent in Spanish, had developed good rapport with the Bolivian director level group and had advanced training in public health, these changes enabled AID to strengthen its internal capability in health and to maintain good working relationships with the Bolivian health personnel. These changes resulted in

AID's strengthening its longer range goal attainment capability in both the resource transfer and the resource mobilization areas of health in Bolivia.

The fourth series of changes represents a similar case of AID's response to its changing needs in all four subsystems. As mentioned earlier, the assignment of health program responsibilities to a junior program officer in the early stages of the health program was necessary to defend the program against the attacks from the U.S. Embassy. This same person was named project manager for the RHDS project in mid-1975 while maintaining program office responsibilities. This responded to the need to initiate project activities, despite the lack of a strong technical officer for the position. It was also responsive to the integration subsystem by recognizing that the Program Office had tacitly assumed the duties of the technical office because of the weaknesses in that office. Since there was no opposition from the technical office, this formal delegation of operational authority to the Program Office served to enhance its prestige sufficiently to act as incentive for taking the unusual and extra workload.

The same types of attention to the needs of the various subsystems was displayed in the subsequent changes in position of this person. After roughly one year with the joint program office and project management duties, the officer was assigned to the Health Office as the Project Manager for the RHDS project. Subsequently, she was named Nutrition Development Officer and assumed the additional responsibilities for designing and acting as project manager for the Nutrition Planning project. As the number of activities within the health program increased, the goal attainment requirements shifted and AID responded with concomitant shifts in the responsibilities and location of its officers.

In terms of this officer, as in the case of the others, it was important to maintain this person within the health program because she was fluent in Spanish, had developed good working relationships with the Bolivian director level personnel and had developed technical competency in the health area that was respected both by the Bolivians and the technical advisors involved in the health program.

With the group of long-term advisors, the critical change occurred in their numbers and time of arrival and not in their positions. In 1974 when the health program strategy was being designed there were no long-term advisors. Considering Health Sector Assessment Coordinator as a long-term advisor who left Bolivia in August, 1975, the second long-term advisor was hired in September, 1975. Other long-term advisors began working in LaPaz in February, 1976; in the research activities in Santa Cruz in October, 1976; and in the overall tactical programming and direction activities in in Santa Cruz and LaPaz in November, 1976. These changes are shown in Figure IV. 5. The most salient point arising from Figure IV. 5. is that nearly three years elapsed before a full team of long-term advisory personnel was working in Bolivia despite its importance in goal attainment and integration, especially in terms of resource mobilization and work with the Bolivian personnel. Even once the group was at full strength, the change in the LaPaz advisory position reduced its numbers from four to three and required another year before returning to full complement. Their order of arrival is also interesting. The critical position of Regional Public Health Advisor was not filled until 17 months after project funds were available.

Since the role of short-term advisors was directly related to goal attainment activities, the changes in the numbers and orientation of this group were important for goal attainment. Also, short-term advisors

FIGURE IV. 5: DELAYS IN LONG-TERM TECHNICAL ASSISTANCE

PIO/T NUMBER	DATE ISSUED	POSITION	DATE FILLED	DELAY FROM PROAG (MOS)
PSC 511 11-106 T	9/5/75	Investigation and Evaluation Advisor (I and EA)	9/5/75	2
*50100	1/30/76	Regional Public Health Advisor (RPHA)	11/76	17
*50099	1/30/76	Public Health Administration Advisor (PHAA)	2/76	7
50105	1/30/76	PHAA (Additional ^{2/} 7 Mos of services)	-	-
50099 AM. # 1	9/1/76	PHAA (Reduce to 8.5 ^{2/} Mos)	-	-
60102	9/7/76	PHAA (Additional 6 Mos ^{2/} of services)	8/77	11 ^{2/}
*60076	9/7/76	Research and Evaluation ^{3/} Advisor (R and EA)	10/76	4 ^{4/}
*60096	9/7/76	District Public Health ^{3/} Advisor (DPHA)	10/76	3 ^{4/}
50099	5/4/77	PHA (reduce by \$2,000)	-	-

* English and Spanish but no Min. Health signature.

1/ This personal services contract was used in lieu of a PIO/T to earmark the funds for these services.

2/ These three actions all reflect the resignation of the first PHAA, E.L.. Kadunc, and the Mission's attempt to provide adequate funding for his replacement. Mr. Kadunc served 8.5 Mos of a 13 mo. contract. His replacement began work in 8/77 under a 13 mo. contract. The delay is calculated against the departure of the first PHAA, not against the ProAg.

3/ The R and EA position was added in the re-design for FY '76. The DPHA previously was called the I and EA but his work had very little to do with research or evaluation. His title was changed in 9/76 DPHA to reflect his general public health duties at the level.

4/ The different delay times are due to signing contracts early and late in the month of October.

placed heavier than normal burdens on the integration and tension management subsystems because of: the extremely short duration of their work (average three weeks); the unpredictability of their professional competence, personal sensitivity to the issues confronting the program and their language capability; and, the critical nature of the tasks they were expected to undertake. Although the tensions were located both in the AID field office and among the Bolivian personnel, they tended to be more serious with the Bolivian personnel for several reasons; it was not common practice among the Bolivian health director level personnel to rely on short-term advisory services; AID administrative procedures minimized the role of the Bolivian staff in choosing the consultants and setting their schedules; there was little time available to resolve differences in technical opinion.

In 1974, there were fourteen short-term advisors working on the Health Sector Assessment for a total of nearly three work/years. In 1975 and 1976, there were only four short-term advisors working on the tactical aspects of the health program in the RHDS project for a total of only a little over two work/months. In 1977, there were eleven short-term advisors working on the tactical aspects of program implementation and on the strategy best suited to the RHDS project for a total of ten work months. In 1978, there were eighteen short-term advisors working both on the operational elements of the RHDS project and the long-term strategy and tactics for a major initiative in rural health service expansion for a total of sixteen work months or 1.3 work years.

The drop to near zero in the number of short-term advisors in 1975 and 1976 after such an intense effort in 1974 may be seen as "the burn-out effect". The 1974 effort was oriented to the resource

transfer goal and achieved its purpose with the approval of the Health Sector Assessment and its plan for financial assistance. The price was high in the integration and tension management subsystems. It was so high that no further efforts were possible with short-term services for two years largely because the initial efforts had debilitated the AID-Bolivian integration and tension management subsystems. As the AID field office strengthened its staff of direct employees and long-term technical advisors, the integration and tension management subsystems were re-built and the major short-term advisory efforts of 1977 and 1978 were made possible. Also, during the slow years, the health program was under pressure from the U.S. Embassy and Bolivian Presidency on the family planning issue which resulted in heavy adjustments in the adaptation subsystem. To a certain extent this resulted in goal displacement which also lessened the need for short-term advisory services. Figure IV. 6. shows the changes within the short-term advisory services provided during the RHDS project.

In the Bolivian Director level group, there was little change in terms of people leaving positions but there was a significant increase in the numbers of people and units involved in the RHDS project. Virtually all the key actors in this group held their positions for one year or more as seen in Figure IV. 7. This Figure is of even greater interest when taken in conjunction with the changes in the swing group of AID officers and long term technical advisors. The usual assumption is that the developing country government will undergo constant changes in its personnel and that the foreign agency will provide stability and continuity. This was obviously reversed in the case of the RHDS and created frictions with the Bolivian personnel. Despite

FIGURE IV. 6 : DELAYS IN SHORT-TERM TECHNICAL ASSISTANCE FOR THE RHDS PROJECT

PIO/T NUMBER	DATE ISSUED	SPECIALTY	DATE FILLED	DELAY FROM PROAG (MOS)
50101	1/30/76	8 Persons	<u>1/</u>	
		1) Economist	8/76	2
		2) Anthro	9/76	3
		3) Demographer	8/76 <u>1/</u>	2
		4) Health Planner	Not filled (NF)	-
		5) PH Educator	2/77	7
		6) Info Specialist	8/76 <u>1/</u>	2
		7) Communications	2/77	2
		8) Logistics	NF	-
*50101 AM # 1	6/30/76	Increase to 12 persons; change scopes of work	NF	-
50101 AM. # 2	9/30/76	Decrease to 8 persons; integrate scopes of work	NF <u>4/</u>	-
*60097	9/30/76	Rural Health Planners	NF	-
<u>2/</u> 50101 AM. # 3	5/4/77	Close out	-	-
<u>3/</u> 60097 AM. # 1	5/4/77	Close out	-	-
*60106 <u>3/</u>	5/4/77	Human Resource Planning	10/77	16
<u>2/</u> *50106	5/4/77	Epidemiology	7/77	25
AM. # 1	6/30/77	Modify Scope of work	-	-
AM. # 2	8/30/77	Second specialist	8/77	26
*50107	5/4/77	PH Education	NF	-

* English and Spanish but no Min. Health signature.

**FIGURE IV. 6.: DELAYS IN SHORT-TERM TECHNICAL ASSISTANCE FOR THE RHDS PROJECT
(CONTINUED)**

PIO/T NUMBER	DATE ISSUED	SPECIALTY	DATE FILLED	DELAY FROM PROAG (MOS)
* 50108	5/4/77	Mgmt Information	NF	-
* 50109	5/4/77	Admin. Development	8/77	26
* 50110	5/4/77	Financial Analyst	8/77	26
* 50111	5/4/77	PH Training	7/77	25
* 50112	5/4/77	Anthropology		
		First task	7/77	25
		Second task	1 2 78	31
* 50113	5/4/77	Info. System Design	7/77	25

- 1/ These advisors met the needs cited in the PIO/T but were funded by AID/W. No contract was written against these elements of the PIO/T.
- 2/ PIO/T 50101 was replaced by the series of PIO/T's 50106 - 50113 to facilitate contracting.
- 3/ PIO/T 60097 was replaced by PIO/T 60106 to complement the 50106 - 50113 series and to facilitate contracting.
- 4/ Filling these positions became extremely difficult because of the need to get "Vietnam" authorization, ie, that there were no AID employees out of Vietnam who could fill the position. Once this was received on 2/23/77, AID/W requested individual PIO/T's.

FIGURE IV. 7.: CHANGES IN KEY MEMBERS OF BOLIVIAN DIRECTOR LEVEL GROUP
(6/75-10/78)

POSITION	Period Involved in RHDS Project		Key AID Liaison Groups	
	Date Started	Duration	Primary	Secondary
<u>Central Level</u>				
1) Subsecretary of Public Health			AID Swing Officers	IT/TA*
#1	6/75	1.5		
#2	11/76	1.5		
#3	7/78	0.25. ^{1/}		
2) Executive Committee			AID Swing Officers	IT/TA
Planning Chief	6/75	3.5...		
Dir. Genl of Public Health	6/75	3.5...		
Administration Chief #1	6/75	1.5		
Administration Chief #2	11/76	2.0...		
<u>Regional Level</u>				
1) Regional Health Office			LT/TA	AID Swing Officers
Director #1	6/75	1.5		
Director #2	11/76	2.0...		
2) Project Coordination Office				
Coordinator #1	6/76	1.0		
Coordinator #2	10/77	1.0...		
<u>Local/District Level</u>				
1) Project Field Office			LT/TA	AID Swing Officers
Coordinator	3/76	2.5...		
Training Director #1	6/76	3.0		
Training Director #2	7/78	0.5		
Hospital Director	6/75	3.5...		
2) District Outreach Team ^{2/}	11/76	2.0...		
3) Village Level Workers ^{2/}	8/77	1.5...		
4) Community Health Committees ^{2/}	8/77	1.5..		

*IT/TA = long term technical assistance

1/ "1.5..." indicates that the same person was holding the position as of 10/78.

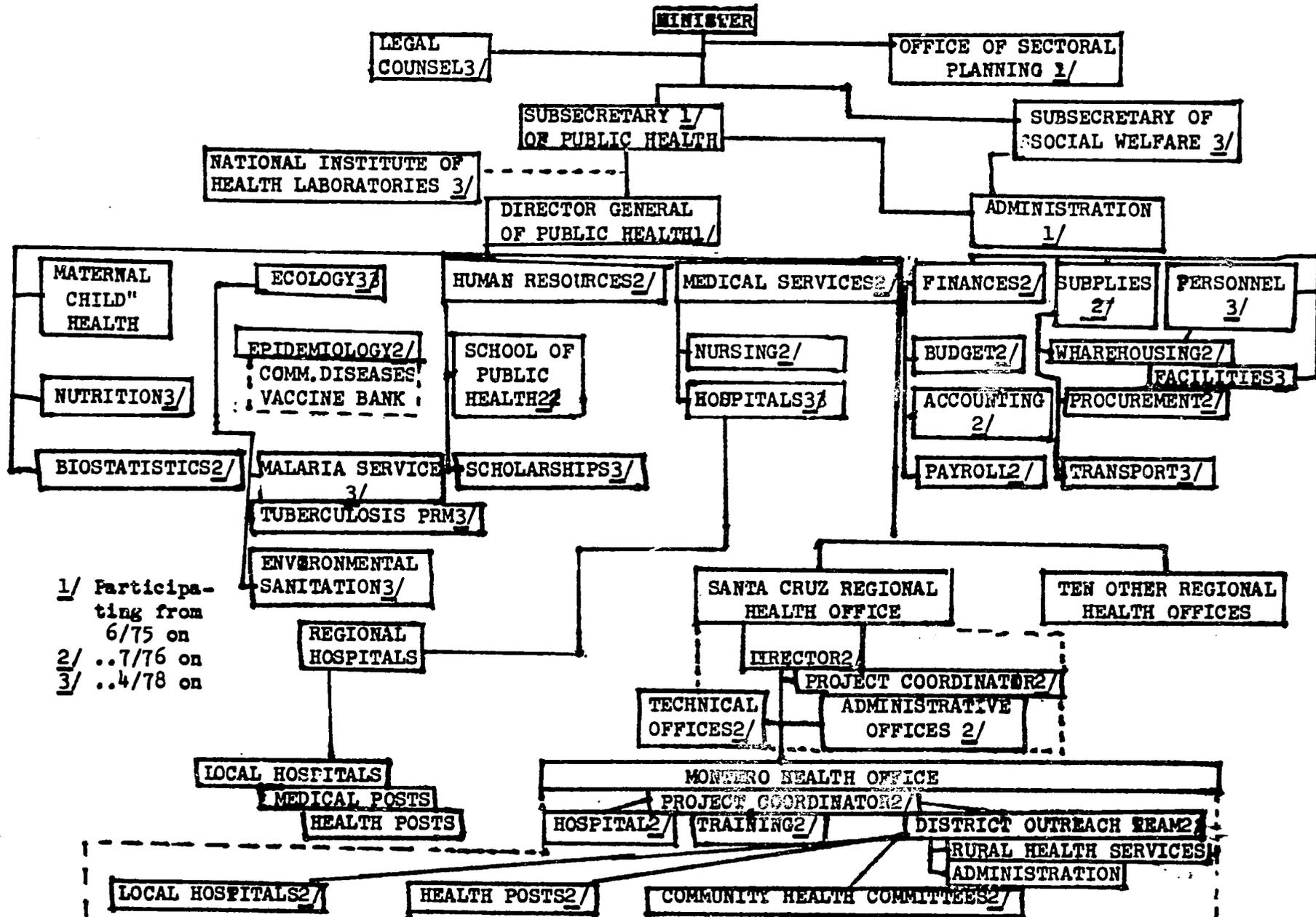
2/ These groups are not part of the director level group. They are shown here to provide a clearer picture of the RHDS Project boundaries. The dates reflect the period in which these groups were formed.

the occasional complaints which did require additional attention to the integration and tension management subsystems, the Bolivian personnel stability greatly facilitated the actions in both these systems.

In terms of the indicators suggested for measuring effectiveness in the integration subsystem, the stability enhanced AID's ability to establish adequate communications -- adapted both to personalities and to positions. It enabled the Bolivian personnel to feel comfortable enough with AID and to understand it enough to initiate communications and decisions on the project's objectives and operations. It encouraged moves to establish more collegial rather than more formalized working relationships. All of these tended to enhance the ability of AID to meet the Bolivians' rewards requirements and thereby increase their satisfaction with the project. Similarly, this stability facilitated action in the tension management subsystem and promoted the reliance on the normative techniques of mutual consultation in identifying and resolving issues as they arose.

Figure IV. 8. shows the overall structure of the Ministry of Health and the units within it as they began to participate fully in project activities at various levels. This broadening participation of the Bolivian director level and integration of their technical and professional staffs is indicative of increasing effectiveness across all four subsystems. In the first phase, roughly from 6/75 to 7/76, the tension management subsystem was emphasized as the AID swing group and the highest members of Bolivian director level worked toward reaching agreement on basic strategy and tactics for the RHDS project and on committing the necessary resources to achieve their objectives for the project. Concomitantly, the integration subsystem was emphasized as the two groups established their modus operandi. In the second phase,

FIGURE IV. 8j: ORGANIZATION OF BOLIVIAN MINISTRY OF HEALTH AND UNITS PARTICIPATING IN RHDS PROJECT (6/75-10/78)



1/ Participating from 6/75 on
 2/ ..7/76 on
 3/ ..4/78 on

from 7/76 to 4/78, the two groups continued deepening their activities in these two subsystems and began to work actively to attain the project goals as seen by the addition of the operational personnel at the regional and field levels and in the areas of training, administration, information and the service areas of communicable diseases and nursing. As a result of these efforts to initiate operations in several of the basic service delivery and support systems, the third phase brought the addition of more service groups at the central level and strengthening of the groups already working in the project. These working relationships also enabled the two groups to meet the various policy changes, particularly the toughening of the Bolivian Government's policy against family planning, without seriously jeopardizing the overall progress of the project.

Despite this generally positive picture, there were several underlying factors that made the tasks in all of the subsystems difficult. First, the commitment to the work per se was higher among the lower levels of the Bolivian director level group. This led to conflicts between levels of the project's operations with the Bolivian personnel in which the AID officers and long term advisors were often used as foils. This placed special pressures on the integration subsystem and was lessened somewhat when good telephone service was installed between LaPaz and Santa Cruz. Second, all the Bolivian personnel naturally responded first to their Bolivian government requirements and other on-going external donor projects. This placed higher requirements on the tension management subsystem and integration subsystem as the AID personnel worked to generate a sufficient priority for the RHDS project within the Ministry of Health and to show the advantages of the RHDS project compared with their other activities as well as ways that all the

activities could be combined reducing total activity with the same or better results.

Third, most of the director level personnel had prior experience working with AID on two programs that had taken very different approaches from that of the RHDS. Under the InterAmerican Public Health Service (SCISP), AID's predecessor had acted as a parallel Ministry of Health paying higher salaries and providing good logistic support and multiple advancement opportunities for its Bolivian staff. This created, over its twenty years of operations, a dependency on the U.S. organization that AID rejected as a result of its new guidelines and as expressed in the RHDS project. (#8, p. 387-397) The image change was more difficult because, at the same time that the RHDS Project was getting underway, the Mission's Family Planning Project was responding freely to requests for small amounts of equipment or financial assistance while placing few requirements on the Bolivians for accountability. Finally, the Bolivian personnel were highly suspicious that all AID activities were hidden attempts to force them to initiate family planning activities which they rejected. This was reinforced by the existence of the Family Planning Project. Until the forced termination of that project in November 1976, this suspicion was breaking down slowly and only afterwards, were the efforts in the tension management and integration systems truly effective.

The lack of language ability in English for the Bolivian director level personnel was not terribly serious since virtually all the AID personnel were sufficiently fluent in Spanish to work in Spanish. While not a major handicap, the lack of English language capability did pose certain constraints on deepening working relationships insofar as the cultural differences continued to present barriers. Also, the

requirement that every item of written communication be presented in both languages presented delays and additional costs at virtually every step of the/RMDS Project. It also provided a handy point to initiate complaints against advisory personnel or any other potential point of contention even though the major issue may not have been the language problem. Again, this placed unusual burdens on both the tension management and the integration subsystems.

C.) GOALS AND EFFECTIVENESS

C-1) Effectiveness Considerations

The goal of the health program in Bolivia shifted back and forth between the resource transfer and resource mobilization goals. External factors revolving around the treatment of the family planning issue, were the primary cause of these shifts although certain internal administrative and technical constraints also contributed. Both the goal attainment and the adaptation subsystems must be considered in the review of AID's effectiveness toward achieving its goals. This joint treatment is useful since AID has relatively little autonomy in setting its own goals and also because its mechanisms for achieving these goals are set by external actors, especially the U.S. Congress and the "watch-dog" agencies. The Bolivian Presidency, Ministers of Health and Ministry of Finances also played key roles in determining AID's health program goals and the mechanisms available for performance toward the goals.

Figure IV. 9. provides a schematic description of the key marker events that reveal these shifts. Complementarily, the charts of the changes in the boundaries of the program provide further evidence of the changes. The first phase began in late 1973 with the preparation of USAID/Bolivia's five year Development Assistance Plan (DAP) which identified an overall strategy for resource transfer to the three key

FIGURE IV. 9: : MARKER EVENTS FOR EFFECTIVENESS ANALYSIS

	JAN	FEB	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPT	OCT	NOV	DEC
1975	-HSA approved <u>1/</u>				-RHDS PP #1 approved <u>2/</u>						-Five Year Plan approved <u>2/</u>	
	-on-going Family Care Project <u>2/</u>				-ProAg #1 signed <u>1/</u>		-Commodity and TA procurement initiated <u>1/</u>				-Counterpart funds OK's <u>1/</u>	
	<u>/PHASE I/</u>						<u>/PHASE II/</u>					
1976	-PIL #1 signed <u>1/</u>		-Bolivian field staff on-board <u>4/</u>		-RHDS PP #2 approved <u>2/</u>		-PIL #2 negotiations <u>3/</u>		-commodities arriving <u>1/</u>			
	-RHDS project re-design process <u>3/</u>				-ProAg #2 signed <u>1/</u>		-service system design process <u>3/</u>		-family planning issue hardened <u>2/</u>		-new director and Minister of Health	
							<u>/PHASE III/</u>					
1977	-NEW U.S. Ambassador <u>2/</u>		-additional AID funding requested <u>1/</u>		-PIL #2 signed <u>1/</u>		-Rural Sanitation loan begins <u>1/</u>		-ProAg #3 signed <u>1/</u>		-RHDS project evaluation <u>3/</u>	
	-MinHealth budgeting process <u>2/</u>		-Nat'l rural health plan approved <u>2/</u>				-ST/TA for final systems design <u>3/</u>		-services begin in 12 communities <u>1/</u>			
1978	-Presidential election process <u>2/</u>		-rural social insurance (SSC) program planned <u>2/</u>		-National RHDS program planned loan/grant PP designed <u>3/</u>		-new President and Minister of Health <u>2/</u>		-new office set-up for SSC <u>2/</u>		-loan funds authorized <u>2/</u>	
	-services modified and strengthened <u>1/</u>				-on-going RHDS evaluated <u>3/</u>				-services in 31 communities <u>1/</u>			
	<u>/PHASE IV/</u>											

1/ Primarily goal attainment.

3/ Primarily tension management.

2/ Primarily adaptation.

4/ Primarily integration

development sectors including health. This phase ended approximately at the time of the approval of the Health Sector Assessment in early 1975 in which USAID/Bolivia completed its strategy design for the health sector resource transfer program. The second phase covered a transition to the primacy of resource mobilization beginning with the first step in the tactical design or project planning marked by the approval for the first RHDS Project Paper (PP) and the signing of the first Project Agreement (ProAg). During this phase, the first Ambassador raised the family planning issue and a series of negotiations with the AID Mission ensued which resulted in a prohibition against increased resource transfer until such time as the RHDS was proved to be an adequate vehicle for AID resources in health and population.

The third phase, marked by the approval of PP#2, covered the period in which AID had begun its efforts to design and initiate implementation in a series of modified health service and support systems in the project area. This focus on resource mobilization, i.e., proving the adequacy of the RHDS as a health service delivery vehicle, was further reinforced albeit with a different orientation with the Presidential hardening on the anti-family policy. The new Minister of Health acted energetically to erase the family planning stigma attached to the Ministry of Health by strengthening its rural health services capability and focused on the RHDS vehicle for his campaign. With the arrival of the new Ambassador, USAID/Bolivia was able to address its full energies to goal attainment without responding to the need to maintain a balance between the two conflicting policy stances. The phase culminated with the first full project evaluation in late 1977. The fourth phase covered a second major transition as AID once again focused its energies on

designing a major resource transfer program. Resource mobilization retained equal priority because of the momentum toward that goal and because of the policy priority given to the program by the highest level Bolivian policy makers. The trigger for the shift within AID was the initiation of the Bolivian presidential elections with the U.S. Ambassador viewed as requiring an additional major commitment of resources in order to maintain U.S./Bolivian relations.

In terms of the hypotheses posited earlier for effectiveness toward goal attainment, these changes show mixed results. It was hypothesized that the more AID relied on a normative/utilitarian mix in its strategy and tactics for the health program, the more effective it would be. At the strategy level, as expressed in the Health Sector Assessment, the changes caused a substantial delay in attaining its goal of major resource transfer to the Bolivian rural health sector. By requiring a shift to primarily normative tactics and a more normative strategy, the changes tended to better enable AID to achieve the HSA's goal of resource mobilization, i.e., preparing the Bolivian Ministry of Health to initiate a major rural health service program. This achievement is reflected in the increasing number of Bolivian initiatives in rural health based on the RHDS concepts.

Second, it was posited that as the adaptation subsystem was stressed in response to an external threat, there would be increasing goal displacement and effectiveness would drop. In the second phase, this proved true to a large extent. As the USAID/Bolivia officers devoted most of their time to walking the thin line of non-confrontation with either the Bolivian or the Embassy policy on family planning, the actual implementation activities were minimal and the resource transfer

process halted. Virtually all Mission health activities were oriented toward redefining the project strategy and tactics to meet the new goal requirements. It proved true again in the fourth phase when the U.S. Embassy forced a return to the emphasis on resource transfer to the health sector. Unlike the first instance, however, complete goal displacement did not occur. Because the project had developed sufficient momentum toward the resource mobilization goal, project activities continued albeit at a slower pace than they may have taken. The USAID/Bolivia swing group and the Bolivian Director level did devote most of their activities to the new effort but most of the long-term advisors and the lower level Bolivian personnel continued in their normal activities within the project.

Finally, it was posited that as goal specificity increased that effectiveness would increase proportionately and that as the discrepancies between stated and actual goals decreased that effectiveness would increase proportionately. Considering that AID's stated goals emphasize the resource mobilization goal although its actual goals are primarily oriented toward resource transfer, the shifts toward resource mobilization as the primary actual goal of the health program should have increased AID's effectiveness toward both goals. The evidence seems to support the validity of this hypothesis insofar as it required only one year after the full adoption of the resource mobilization goal to initiate a major resource transfer program in the form of the Rural Sanitation loan of \$4 million. /Roughly one year later, the resource transfer goal was further achieved by the authorization of an additional \$10 million in loan funds and \$3.7 million in grant funds for the expanded RHDIS program. Similarly, the events support the validity of the goal

specificity hypothesis particularly in terms of the service and support systems that were actually functioning to provide services to increasing number of communities in the RHDS Project area.

C-2) Changes in Development Indicators

Although it is impossible to show a direct relationship between the AID program in Bolivia and overall Bolivian development progress, the changes in the aggregate economic growth indicators and health status indicators provides insight into the global nature of the task that AID had undertaken. From 1970 to 1975, the Bolivian Gross Domestic Product (GDP) showed an average growth rate of 6.6% per year which was one and two points higher than in the preceding ten years. (#20, p. 139) Without adjustments for current prices, the total dollar value of the Bolivian GDP in 1975 was estimated at \$2,605 million as compared to an estimated value of "just over \$1 billion" in 1970. (#20, p. 139; #5, p. 13) Resources made available from AID between 1970 and 1977 equaled approximately \$150 million which represented a minimal amount relative to Bolivia's overall resources. (#12, p. 1-3) On income distribution, which AID uses as an indicator of equity in the development process it is attempting to affect, there is no strong basis for time comparisons but there are indications that it was worsening as the agricultural population continued to fall further behind in relative and absolute terms. (#20, p. 169-173) The income distribution for Bolivia in 1977 was described in the Musgrave Report where the group of self-employed workers served as a proxy group for rural workers:

	Lowest 40%	Highest 20%
1) All employees	19	46
2) Self-employed	22*	41*
Total	13	61

Source: #20, p. 169-173

*The greater share of income for self-employed workers at the lowest and highest ranges is caused by the generally low income to this group which is reflected in the "Total" where the distribution is heavily skewed.

This superficial overview shows that the economic growth performance in Bolivia was good and better than in most Latin American countries during the same period but that inequalities continued to present serious problems.

The data available for measuring changes in health status even by the grossest measures of population growth and total mortality and the composite indicator of life expectancy are even weaker than those for measuring economic performance. No changes were observed between 1970 and 1977 in life expectancy which was estimated at 46 years. Similarly, the estimates for infant mortality remained constant at an average of 154 per thousand live births and up to 250 per thousand in the rural areas. (#16, p. 237; #24, p. 1) Again, the inadequacies of the data base made it impossible to measure AID's effectiveness toward its global objectives in the health sector. AID was somewhat effective at introducing improvements into the data gathering and analysis processes and made a certain contributions to this area.

To determine the effectiveness of AID in increasing the priority assigned to the rural health sector is equally difficult to assess because of the multiplicity of factors influencing Bolivian policy. Nonetheless, an increasing number of major policy documents were generated between 1975 and 1978 by the Bolivian Ministry of Planning, the Presidency and the Ministry of Health. All of these placed primary emphasis on improving the level and coverage of services in the rural areas. These documents and the time of their approval are shown in Table IV. 9. These planning initiatives for rural health were supported by the increasing resources available from Bolivian funds for rural health. The Five Year Plan projected \$52 million for rural health, a

substantial increase over the historical investment in rural health which was near zero. (#21, p. 25) Within the national budget, the Ministry of Health showed a lightly positive trend. As the primary institution responsible for rural health, the Ministry of Health budget between 1970 and 1975 increased its share of the central government budget from 3% to 4% (#16, p. 237). Although this trend slowed between 1975 and 1978, it did continue. (#24, p. 5)

C-3) Resources Available and Mobilized in the Rural Health Program

The analysis of AID's performance against this set of indicators can be substantially more concrete because it is focused on the discrete funding and technical and administrative components of the health program over which the agency had more direct control than in the case of the global indicators. Figures IV. 10-15 describe AID's effectiveness in terms of the resource transfer goal as seen in the target/obligation ratios between 1973 and 1978.

The first set of tables (Figures IV: 10, 11, 12) shows the targets that the AID Mission in Bolivia set for itself and compares its ability to actually provide the level of funding projected. Figure IV. 10 shows the total resources projected to be transferred to all four of the functional categories. The health category, shown under the heading Population and Humanitarian Assistance (PHA), received the lowest priority as inferred from the lowest percentage of total projected funding among the three major categories. Figure IV. 11 shows the actual commitments of funding made in each category. PHA also showed the lowest target/obligation ratios among the three major categories indicating poor performance toward achieving the resource transfer goal when compared to the performance of USAID/Bolivia in the other program

TABLE IV. 10.: PERCENTAGE OF BUDGET FOR HEALTH PROGRAMS IN BUDGET PROJECTIONS FROM FY 1975 - FY 1979 FOR USAID/BOLIVIA

(\$000) Dollar Totals	Budget For	% PHA	% F&N	% E&HR	% SDA
69,232	FY 1975	10.1	55.5	24.2	10.0
109,057	FY 1976	10.1	64.7	24.2	0.8
85m975	FY 1977	18.3	50.1	31.4	0.1
105,742	FY 1978	12.9	59.4	27.5	0.2
125,291	FY 1979	8.8	55.7	21.4	7.4
99,059		11.8	58.3	26.3	3.5
(495,297)		(58,556)	(288,789)	(130,412)	(17,453)

Source: USAID/Bolivia Annual Budget Submissions FY 73, 74, 75, 76, 77.

TABLE IV. 11 : ACTUAL FUNDING COMMITMENTS FOR PROJECTS: FY 1974-1977 (\$000)

Funds Committed By Category	Fiscal Year				Total ²
	FY 1974	FY 1975 ¹	FY 1976	FY 1977	
Food and Nutrition	\$ 27,639 % 72.0	21,295 77.7	16,667 74.7	18,890 54.1	84,491 68.6
Education and Human Resources	\$ 10,000 % 26.0	5,370 19.6	5,254 23.5	11,735 33.6	32,359 26.3
Population and Humanitarian Assistance	\$ 271 % .7	485 1.8	325 1.5	4,220 12.1	5,301 4.3
Special Development Activities	\$ 520 % 1.4	253 .9	51 .2	70 .2	894 .7
TOTAL	\$ 38,430 % 100	27,403 100	22,297 100	34,915 100	123,045 100

Source: USAID/Bolivia Annual Budget Submissions (ABS) for FY 1976, FY 1977, FY 1978, FY 1979.

^{1/} These figures are estimated rather than actual commitments since the FY '77 ABS did not present actual commitments.

^{2/} These are percentages of the four-year total and not the average percentage of each category.

FIGURE IV. 12. Comparison of Budget Projections and Actual Commitments for Health Programs of the USAID/Bolivia Mission

Budget Projections & % Fulfillment By FY	Fiscal Year Commitments (\$000)	FY	FY	FY	FY	T. Q. ^{5/}	FY	FY	FY
		1973	1974	1975	1976		1977	1978	1979
FBS '75 ^{1/}	\$ Projected	234	707	6,113	---	---	---	---	---
	% Committed	100	33.3	4.7	---	---	---	---	---
FBS '76 ^{1/}	\$ Projected	---	271	7,037	3,796	---	8,293	6,229	---
	% Committed	---	100	4.1	8.6	---	59.9	---	---
ABS '77	\$ Projected	---	---	237	14,900	63	770	---	---
	% Committed	---	---	100	2.2	---	3/	---	---
ABS '78	\$ Projected	---	---	---	323	25	12,170	1,120	---
	% Committed	---	---	---	100	---	34.7	---	---
ABS '79	\$ Projected	---	---	---	---	---	4,220	5,855	950
	% Committed	---	---	---	---	---	100	---	---
Actual Funding Commitments In PMA Categ.	Rural Health	---	---	235	250	---	200	(200) ^{4/}	(6,050) ^{4/}
	Family Care	x2/	124	52	62	---	---	---	---
	Sanitation	---	---	---	---	---	4,000	---	---
	Tech. Support	x2/	147	35	13	---	20	(20) ^{4/}	---
	Total	234	271	322	325	---	4,220	(220) ^{3/}	5,372

1/ The title of the budget document changed from Field to Annual Budget Submission in FY 1977.

2/ The FBS 1975 does not provide a breakdown by projects.

3/ The percentage is not applicable since the \$770 figure was for grant support for a major loan program which was never initiated.

4/ Projections to be submitted to Congress as of November, 1977.

5/ The Transition Quarter (T.Q.) was the mechanism used to program funds when Congress changed the beginning of the Fiscal Year from July 1 to October 1.

FIGURE IV. 13: Projected Financing for 1974 - 1977 (\$000)

Type Category	Grant	Loan	Total	
			\$	%
Agriculture	5,285	47,000	52,285	53
Education	800	29,000	29,800	30
Health and Population	1,576	13,000	14,576	14
Other Project	2,885	--	2,885	3
Sub Total	10,546	89,000	99,546	100
Non-Project	14,279	32,000	46,279	32
TOTAL	24,825	121,000	145,825	100

Source: DAP, 1973-1978, USAID/Bolivia.

FIGURE IV. 14.: Projected Annual Financing for Projects, 1974-1977 (\$000)

Year	Projected \$	Total %
1974	32,339	32
1975	27,837	28
1976	22,670	23
1977	16,700	17
TOTAL	99,546	100

Source: IBID

FIGURE

IV. 15: Comparison of Projected USAID/BOLIVIA Budget Allocations for Four Basic Funding Categories from FY 1975 to FY 1979. (Source: Annual Budget Submission, FY 1975 - FY 1979).

Date Published	Functional Appropriation Categories		SDA		E & HR		F & N		PHA		TOTAL		
			Amount (\$000)	% of Total	Amount	%	Amount	%	Amount	%	Amount	%	
July 1973 Teca. Sup. PI480 I & II excluded	1975 Actual	1973	6,397 ^{1/}	39.8	4,071	25.4	5,354*	33.3	234	1.5	16,056	100	
	Estimated	1974	301	1.0	5,941	19.3	23,887*	77.5	707	2.3	30,836	100	
	Requested	1975	287	1.3	6,755	30.2	9,185	41.1	6,113	27.4	22,340	100	
	Three-year total			6,985	10.0	16,767	24.2	38,426	55.5	7,054	10.1	69,232	100
	1/ Includes SDA, Public Safety, Narcotics and Housing. * Includes Rural Electrification and Community Development												
	1976 Actual	1974	520	1.4	10,000	26.0	27,639	72.0	271	.7	38,430	100	
	Estimated	1975	253	.7	5,370	16.0	21,295	63.0	7,037	21.0	33,955	100	
	Requested	1976	144	.4	11,101	30.0	21,631	59.0	3,796	10.0	36,672	100	
	Projected	1977	144	.4	10,770	30.0	16,440	46.0	8,293	23.0	35,647	100	
	Projected	1978	60	.2	10,700	32.0	16,250	49.0	6,229	19.0	33,239	100	
	Five-year total			1,121	.6	47,941	27.0	103,255	58.0	25,626	14.0	177,943	100
Three-year total			917	.8	26,471	24.2	70,565	64.7	11,104	10.1	109,057	100	
July 1975	1977 Estimated	1976	50	.1	5,300	14.5	16,180	44.4	14,900	40.9	36,430	100	
	Requested	T.Q.	15	.2	7,650	90.0	771	9.0	63	.7	8,499	100	
	Requested	1977	50	.1	14,100	34.3	26,126 ^{2/}	63.6	770	1.8	41,046	100	
	Three-year total			115	.1	27,050	31.4	43,077	50.1	15,733	18.3	85,975	100
2/ Includes 3,750 for nutrition and 3,100 for coca substitution.													
June 1976	1978 Actual	1976	51	.2	5,254	23.5	16,667	74.7	325	1.5	22,297	100	
	Estimated	T.Q.	15	.9	85	5.5	1,405	91.8	25	1.6	1,530	100	
	Requested	1977	75	1.7	9,485	20.2	20,840	50.0	12,170	28.6	42,570	100	
	Projected	1978	75	1.9	14,280	36.3	23,870	60.7	1,120	2.8	39,345	100	
	Three-year total			216	.2	29,104	27.5	62,782	59.4	13,640	12.9	105,742	100
June 1977	1979 Actual	1977	70	.2	11,735	33.6	18,800	54.1	4,220	12.1	34,915	100	
	Estimated	1978	8,740	22.4	1,165	3.0	23,226	59.6	5,855	15.0	38,986	100	
	Requested	1979	500	1.0	18,120	35.3	31,820	61.9	950	1.8	51,390	100	
	Projected	1980	400	.7	11,400	20.7	26,900	48.9	16,300	29.6	55,000	100	
	Projected	1981	5,400	9.2	13,300	22.5	29,100	49.3	11,200	19.0	59,000	100	
	Projected	1982	500	.9	7,900	13.6	35,700	61.6	13,900	24.0	58,000	100	
	Three-year total			9,310	7.4	31,020	24.8	73,939	59.0	11,025	8.8	125,291	100
Six-year total			15,610	5.3	63,620	21.4	165,636	55.7	52,425	17.6	297,291	100	

areas. Figure IV. 12 shows the specific projections and actual commitments on an annual basis for the health program only. The dismal target/obligation record in health, when separated from the other two major categories, supports the argument that its performance was low. More importantly, it shows that this low level of achievement was not attributable to competition from the other programs since each funding category was considered separately in the agency's overall funding framework.

These tables show that AID consistently over-projected its ability to transfer resources to the Bolivian health sector, as well as to the other sectors. The grossly inflated projections for health, serve to strengthen the argument that AID considered its goal to be primarily resource transfer despite the Congressional emphasis on resource mobilization. The fact that AID achieved 100% of its projected funding level in mid-1977 after a year of activities toward the resource mobilization goal supports the hypothesis that AID tended to be more effective in resource transfer when it devoted more attention to resource mobilization. Although it does not appear in Figure IV. 12, AID actually obligated 225% of the funding it had projected for the health sector in FY 1980. This amazing change occurred as the Bolivian mission and the Ministry of Health entered the fourth phase where resource transfer and mobilization were given equal priority and higher joint priority than they had received previously. (#9) This supports the hypothesis that effectiveness increased as congruence increased between actual and stated goals.

The second series of tables shown in Figures IV. 13, 14, and 15, supports the earlier argument that AID stressed compliance with externally set goals in its formal policy-making documents. Its official

policy statements will coincide with Congressionally determined goals and the policymaking process and will stress adaptation to these external goals rather than arguing its case for more realistic goals. In the Development Assistance Plan, 1973-1978, USAID/Bolivia carefully projected funding levels for the three major categories to coincide with the proportionate amounts assigned to the agency worldwide and especially to its Latin American program. (See Figure IV. 13.) Figure IV. 14 projected total resource requirements to diminish over time. This coincided with unwritten Congressional guidance that after five years of financing, Bolivia should have been able to take over the program much as Europe had done under the Marshall Plan. The incongruity of the actual goals with these diminishing projections is shown in Figure IV. 15., which represents the actual AD monies committed to Bolivian program. Indeed the resources did decline somewhat but they increased substantially in 1977 just when they should have been at their lowest. This overall trend is seen more clearly when one considers the annual projections for future years shown in Figure IV. 15. Annually in budget requests, USAID/Bolivia projected steadily increasing funding levels which were reduced in the central Washington offices in an attempt to synchronize the funding levels with Congressional desires.

The second funding ratio which is necessary to the analysis of AID's effectiveness toward the resource mobilization goal is funds obligated and expended. Overall, USAID/Bolivia performed poorly under this indicator. Having obligated a total of \$139,838,000 between July, 1974 and January, 1978, USAID/Bolivia had expended only \$35,852,000 or approximately 26%. In the RHDS Project, approximately 37% of the total funds obligated, i.e. \$885,000 had been disbursed. (#12, p. 2, 3) Of the

funds available to the RHDS project from June 1975 to October, 1978, 48% had been disbursed as of January, 1978. (#12, p. 3) Compared to overall Mission performance, the RHDS project than in most of the other mission projects and that it was somewhat more effective. Figure IV.16 presents a summary of the major commodity procurement actions that USAID/Bolivia undertook as part of its expenditure tactics for resource mobilization. Essentially, it shows that there were delays of seven to seventeen months from the time AID began the process of procurement to the time the goods were available to the Ministry of Health for use in the field. Similarly, Figures IV. 5 and 6, show delays of two to seventeen months and of two to thirty-one months in AID's attempts to have long-term and short-term technical advisors respectively working in the field. These delays were indicative of how ill-adapted AID was for working toward the achievement of its resource mobilization goals and to a lesser extent toward its resource transfer goals.

According to Tendler and supported by the author's experience, this dysfunctional behavior was largely attributable to the constraints placed on AID by the Congressional and watchdog agencies both formally and informally. As the RHDS project progressed and the USAID/Bolivia personnel gained experience, the delays were diminished particularly in terms of hiring short-term technical assistance. The delays for the procurement and distribution of commodities were also decreased as the project requirements were defined more precisely and the individuals working on the project gained experience with the types of suppliers and supplies available. With the additional experience and definition, many of the standard delays built-in to the AID procurement processes were circumvented. This required that the AID employees identify mech-

FIGURE IV.16: DELAYS IN COMMODITY ORDERS FOR THE RHDS PROJECT

PIO/C Number	Date Issued	Type of Item requested	Date <u>1/</u> items delivered	Ful- <u>2/</u> fillment of Request	Delay from ProAg
*50095	10/75	medical and educational equipment	11/76	80%	17 mos.
*50098	12/75	- drugs and vaccines	10.76	82%	16 mos
*69151 ^{3/}	11/76	- medical supplies	1/76	100%	7
**60092	9/76	- drugs, medical supplies	7/77	97%	12
**60099	9/76	- vehicles	8/77	100%	13
**60100	9/76	- educational equipment	6/77	94%	11
**60101	9/76	- medical equipment	6/77	98%	11

* English - Spanish.

** Signed by Min. Health and USAID/Bolivia.

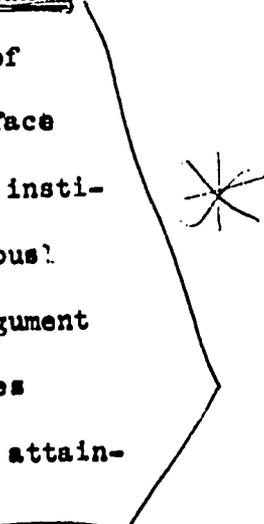
1/ This represents the date by which 90% or more of the items arrived in La Paz. Delivery to Santa Cruz may require anywhere from one to six months after arrival in La Paz.

2/ % of total request that was delivered or expected to be delivered. "Unfulfilled" represents items cancelled or lost.

3/ This PIO/C was issued to procure items unavailable under PIO/C 50095.

anisms to speed the process that would be "legal" without responding to the "letter of the law". *

Reviewing the financial commitments and expenditures of the Bolivian Ministry of Health for the RHDS project, a significantly more positive picture emerges. The second half of 1975 must be disregarded because the Bolivian director level group could not make expenditures that had not been included in their 1975 budget. The Ministry of Health expended 83% of the total funds they committed to the RHDS project between 1976 and the end of 1978. Considering that they had committed over \$367,000 or roughly 40% of the amount that AID had committed, this revealed substantially more effective performance than AID's.** Indirectly, this supports the argument that AID moved to an emphasis on the resource mobilization strategy and was fairly effective in achieving that goal. It is also notable that AID was more effective in promoting Bolivian resource mobilization than in moving its own resources. This is of interest primarily because it seems to indicate that AID did not face as many constraints from the external factors within the Bolivian institutional sphere as it did within its own. Considering the notorious lethargy of Bolivian bureaucracies, this strongly supports the argument that AID must devote substantial resources to adaptation activities vis a vis the U.S. institutional factors to the detriment of goal attainment.



In terms of the final two indicators of service systems functioning and population covered by these health services, the results are equally positive. According to the evaluation of the RHDS project

* Support for these statements is found in USAID/B monthly reports.

** Taken from monthly project reports of USAID/Bolivia.

carried out in June, 1978, there were 31 communities participating in the health services with a population of approximately 45,000 people. The services were being provided at 30% to 90% of target effectiveness, a measure based on target levels for the overall project compared to actual Ministry of Health service delivery capacity. Finally, the support elements of the RHDS project were operating at 50% to 90% of targeted effectiveness according to the same measures. (#9, p. 1-24) Overall, the project was evaluated as operating at roughly 60% of its targeted capacity. (#9, p. 1) This is perhaps the strongest statement in support of the argument that AID shifted to resource mobilization and was comparatively more effective in performance toward that goal than toward the resource transfer goal.

The marker event labeled "counterpart funds okayed" must be discussed before considering the indicators for the adaptation subsystem. In November, 1975, the Program Office and the Project Manager requested and obtained an additional \$100,000 in Bolivian currency from the Counterpart fund held by the Ministry of Finances. (14) Although this marker event required action in all four subsystems, the USAID/Bolivia personnel considered it to be critical to goal attainment. The need for additional funding was considered to be crucial because AID/Washington had cut the funding by \$75,000 from the Mission's original proposal and the budget was deemed to be too low as originally planned in the Project Paper #1. Since the Mission had no further recourse within the AID accounts, the Counterpart fund was tapped to cover budget shortfalls. Of the funds obtained, 23% were required to cover Ministry of Health funding shortfalls for personnel and travel pay until the 1976 Bolivian budget would take effect and cover these costs. The remaining 77% was required to cover shortfalls in AID funding that was finance

to
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activities such as training, baseline studies and purchasing office equipment.

By obtaining these funds, AID demonstrated its ability to effectively overcome obstacles in the path of achieving its resource transfer and mobilization goals. It is particularly instructive in explaining AID's ability to mobilize Bolivian resources more easily than U.S. resources. The counterpart fund was technically controlled by the Bolivian government but, in reality, it was controlled by USAID/Bolivia. The fund was financed from previous sales by the Bolivian government of food commodities donated by the U.S. under the PL 480 Title I program. As part of the Title I program agreement, AID was given authority to approve all expenditures made from the fund. In practice, USAID/Bolivia controlled expenditures from the fund and the Ministry of Finance approved them. In the case of the Counterpart Release Letter #48 for the RHDS Project, the Program Office drafted the letter authorizing expenditures and the Ministry of Finance typed it on its own stationary for the Minister's signature and the USAID/Bolivia Director's clearance. Although AID did not have such direct control of other financial channels of the Bolivian Government, it did wield considerable informal influence over the Bolivian budgeting process with respect to resources budgeted for implementation of projects involving USAID/Bolivia funds.

C-4 Administrative or Tactical Changes Sought and Obtained

For a thorough analysis of AID's performance under this indicator a more detailed analysis of the operations of USAID/Bolivia than is possible within the limits of this paper would be required. Nonetheless certain basic tendencies have been identified that may point

the direction of further analyses. Annex IV provides a review of some of the internal communications on which this analysis is based.

Within the limits of the health program, the basic operational structure of AID was heavily biased toward utilitarian tactics, i.e., it emphasized procurement actions for technical assistance and commodities from U.S. sources. The format of the Project Agreement, the basic document guiding AID activities in project implementation, provided for three areas of activity: procurement of technical services; procurement of commodities; and other costs. The "other costs" component allowed AID to finance local costs for activities directly related to providing services in the field such as training, local contract personnel and off-the-shelf purchases of small quantities of goods. This component was the primary mechanism for AID to directly mobilize resources under a project. In the ProAg's for the RHDS Project, this component comprised less than 5% of ID's activities. (#27, 34, 40) For the first two components, there were numerous standard restrictions regulating the use of AID funds in securing the goods and technical services required for project implementation which may be translated as resource mobilization. The two major regulations governing these funding components were that the U.S. be the source of the goods and services and that the procurement be carried out in a highly competitive fashion. These basic regulations and the multitudinous sub-regulations governing AID's activities tended to restrict AID's ability to respond quickly and flexibly to changing situations as the RHDS project developed.

Two temporary regulations were added during the RHDS Project which further limited AID's ability to mobilize its resources by creating additional delays in the basic processes. First, as the Vietnam war effort ground to a halt, AID was confronted with unusually large number

of employees without positions as AD employees left Vietnam. In response, all Missions were required to fill any new position for regular or advisory personnel from the overflow group unless there was a sufficiently strong reason for hiring outside this group. This temporary regulation remained in force for over twelve months beginning in August, 1975 just as the HDS project was getting underway. It created delays of up to ten months in hiring advisory personnel because the Mission was unable to identify qualified candidates within the overflow group and AID/Washington was extremely reluctant to provide authorization for any other contractor. Soon after this personnel regulation was rescinded, AID/Washington imposed another regulation requiring that AID/Washington approve all contracts for technical assistance and commodity purchase prior to commitment of funds. Under this regulation, USAID/Bolivia was required to advertise in the U.S. and Latin America for every technical advisory position including one and two week assignments for follow-up advisory visits. This responded to Congressional and GAO findings that AID's procurement process was not sufficiently responsive according to U.S. standards. The addition of these "internal" regulations to the already lethargic procedures, caused substantial delays in all procurement actions that would have enabled AID to effect the transfer of the resources it had committed in its Project Agreements.

Given these constraints, it is not hard to understand why USAID/Bolivia's primary adaptive response was characterized by attempts to survive which delayed goal attainment. The mission's desire to respond meticulously to these requirements was more acute because a regional auditor's office was located in the mission. At the same time, the shift to the resource mobilization strategy created greater needs for flexibility and speed. The net result was a constant conflict between the project

manager and the administrative office as the former attempted to circumvent the regulations as frequently as possible and the latter attempted to follow the regulations closely.

Generally, the loan office and the Director supported the Project Manager and there were numerous minor changes made in AID's basic administrative procedures to enable the/RHDS project to function. Waivers were obtained for: purchasing of motorcycles from Japan for fieldworkers; for purchasing drugs and kerosene refrigerators from neighboring Latin American countries; for hiring Colombian experts in various fields for long-term and short-term advisory positions; and for providing higher than regulation salaries for certain long-term technical advisory personnel who were critical for project implementation. Also, the mission provided two vehicles and office equipment on a grant-in-aid basis to the project field office from Mission stocks. Finally, waivers were obtained from AID/Washington and from the Director. These extended the final dates for expenditure of funds for commodity procurement, technical services procurement, training and overall project completion. Without these waivers, virtually all project funds would have been returned to the U.S. Treasury. Such action would have effectively paralyzed efforts to achieve both resource transfer and mobilization goals.

These minor changes in the overall tactical structure of the mission enabled the/RHDS project to maintain a certain degree of effectiveness and to increase its effectiveness as time went on. As the mission began to circumvent the standard regulations, it also improved its performance in the/RHDS project enabling the project to successfully work toward its resource mobilization goal of providing health services and establishing the basis for a larger rural health program in Bolivia.

USAID/Bolivia was able to effect only these minor changes because of the strength of the externally-set policies to which the delay-causing regulations responded. Seen in this light, AID's efforts in the adaptative subsystem served to promote goal attainment, albeit slowly, despite serious structural constraints imposed on AID at the institutional level.

For the Bolivian Government, especially the Ministry of Health, the number and importance of the administrative changes were more significant. The changes that the RHDS project promoted were primarily of an "environmental controlling" nature which worked directly to promote attainment of the resource mobilization goal in rural health. One set of changes acted to decentralize administrative processes; the other set acted to restructure the personnel system for rural health. The first set included such actions as: introducing rural travel pay for technical and professional health personnel working in the field which acted as incentive pay for staying in rural health; integrating service programming and budgeting at the local, regional and national levels; authorizing on-site salary payments; authorizing local procurement of basic medical and office supplies; and providing a local vehicle maintenance fund. The second set included such actions as: authorizing regional level selection of field personnel; introducing two new personnel categories one at the field level and one in the communities; authorizing community-Ministry contracts for Health Promoters that would be paid by the community in return for Ministry training and initial drug supply; and re-defining the functions of each group of rural health workers, both the technical and professional groups.

In working to introduce these administrative changes, the Bolivian director level group and the AID swing group confronted barriers

with several institutional factors and actors. The Ministry of Finances, as the agency with the power of the purse, was extremely reluctant to authorize rural travel pay as well as other funding that the RHDS project required. Working through the Minister(s) of Health, after convincing him of the merits of the case, and with the force of an international agreement which had to be honored, the Bolivian director level and the AID swing group succeeded in obtaining the necessary authorizations and funding in virtually every instance. For the changes in the personnel structure, the barrier was less easily identified with a single agency. The barrier was one of traditions within the Ministry of Health combined with professional territoriality and vague guidelines from the Ministry of Planning. At each step during the process of making these major personnel changes, different groups or persons would voice opposition including advisors of the Pan American Health Organization, the Bolivian Nurses Association, the directors of technical divisions of the Ministry of Health, the University medical faculty members and the Ministry of Planning health planners. Gradually, their resistance waned and most actually came to support the changes.

C-5) Program and Project Design or Strategic Changes Sought and Obtained

As may be expected from the general trend toward resource mobilization identified in the marker events and from the mix of survival and environment-controlling adaptive actions at the tactical level, the changes at the strategic level of the RHDS project tended to shift AID toward more normative/utilitarian mixes of strategies and tactics. The RHDS Project and health program strategy shifted as the direct AID group and the Bolivian director level group responded to threats from external actors and as they initiated efforts to influence the external actors.

In general, the strategies that resulted on the direct AID side were more stable than those that resulted within the Bolivian sphere of the RHDS project. This difference was most notable in resource availability. AID was structured to assure funding under a given set of objectives for three to five year periods for any given project. The Bolivian government was structured to provide funding on an annual basis and longer term commitments were unusual. Similarly, Bolivian objectives were more subject to change because of the annual review and revision procedures within the planning process. Also their program objectives tended to be more directly subject to political changes than were those of AID.

To the extent that the new strategy remained unchanged, there was less need to devote time and other resources to the adaptation subsystem. This freed the RHDS personnel to focus on goal attainment more directly. The stability of the AID project strategy tended to compensate for its weaknesses in controlling the environmental factors at the tactical level. Similarly, the relatively greater instability of the Bolivian strategy for rural health was offset by its relative strength in controlling environmental factors at the tactical level. This balance in the adaptation subsystem allowed AID to focus on the integration and tension management subsystems, this created greater overall effectiveness since AID was better structured to perform well in the other two subsystems than in the adaptation subsystem.

The Project Paper was the principle document in which AID defined and modified its strategy in the technical and policy areas. Figure IV. 9. shows that there were four different Project Papers or amendments involved in the RHDS project. In all of them, the focus

remained on rural health in accord with Congressional policies for AID. For the Bolivian government, the Project Implementation Letters were the primary documents that defined and modified its strategy for the RHDS project. Other documents such as the National Health Plan, 1977-1980 and the Rural Social Insurance Plan provided background policies that guided or influenced the RHDS project.

The first Project Paper, approved by AID/Washington in June, 1975, called for a small scale effort which would accelerate AID's program in health. It called for a dual strategy focused on the development of a rural health planning methodology, which would involve research activities primarily, and combine with a demonstration effort in providing rural health services on an integrated basis. This focus responded to the concern of the U.S. Ambassador that a major increase in health services without family planning would have a detrimental impact on Bolivia's economy. Therefore further research would be needed before AID could launch a major program. It also responded to AID/Washington's interpretation of Congressional guidelines insofar as the demonstration component would provide health services directly to the rural poor. A time limit of eighteen months was given for these efforts as a result of USAID/Bolivia's attempt to force the Ambassador to accept a major program in the shortest time possible. The short timespan was also responsive to the traditional concept of grant funding in which grants were used for short-term, high risk efforts. The strategy included family planning in health education and maternal child health components of the project.

The second Project Paper, approved in June, 1976, changed the technical focus radically although it was to continue on a small scale. Essentially, the objective of the RHDS project was to establish a prototype

for rural health services that the Ministry of Health would be able to carry into a national rural health program. This change enabled USAID/Bolivia to justify to Congress its inability to initiate a major resource transfer program in health as had been planned without mentioning the real reason which was Embassy opposition. It also responded to the Ministry of Health's interest in expanding its services and helped initiate the process of working with Ministry of Health officials rather than considering them as external actors. Family planning continued as a component of the project despite increasing disagreement between the Embassy and the mission swing group as the swing group realized the depth of the Bolivian opposition to family planning. AID/Washington also pressed to include a stronger family planning component.

The family planning component was deleted from the project in November, 1976, without the Embassy's or AID/Washington's approval in response to more serious threats to the project from the Bolivian external actors. As a result of a vigorous attack on family planning from the Catholic Church, the Bolivian government hardened its policy against family planning to one of complete prohibition. The mission personnel deleted all reference to family planning from the Project Agreement and other joint Bolivian/U.S. documents in order to maintain the possibility of funding activities in the health sector. Soon afterward, the longstanding family planning project was also terminated with approval of the U.S. Embassy and AID/Washington.

In sum, USAID/Bolivia was forced to shift from resource transfer to resource mobilization. It was forced to make the RHDS prototype work before initiating a major health loan program because the U.S. Embassy prohibited the initiation of a major resource transfer program without

family planning. At the same time, it was impossible to initiate a major program with family planning because of Bolivian opposition. In order to keep open the option for an eventual resource transfer effort, AID advised Congress that the major loan program would depend on the success of its resource mobilization effort in the RHDS project. (#42) This resource mobilization strategy continued even after the first Ambassador left Bolivia because the constraints to resource transfer had become a Congressional requirement wetchdogged by AID/Washington. A seemingly simple maneuver in the adaptation subsystem had been institutionalized in the goal attainment subsystem.

The third strategy change occurred in June, 1977 when AID/Washington approved an amendment to the second project paper. This amendment primarily provided additional funding and another extension of eighteen months for the completion of project activities. The focus was the same but the deletion of family planning was formalized. This amendment was necessary for USAID/Bolivia to justify its deviation from the Congressional policy to include family planning even though there was no direct pressure from the U.S. Embassy since the first Ambassador had left the country. It was also directly responsive to the Bolivian policy-makers and tended to relieve tensions with the Bolivian director level. This amendment also officially reinstated the resource transfer goal into the USAID/Bolivia health program. It stated that the/RHDS project was progressing, albeit slowly, and that it showed excellent potential for serving as the vehicle for a major loan to the Bolivian rural health efforts. This revival of the resource transfer objective was needed in order for the mission to obtain the small amount of additional funding required for maintaining the momentum that the RHDS project had developed toward its resource mobilization goal.

The fourth Project Paper was approved by AID/Washington in July, 1978, to initiate a \$10 million loan program accompanied by a \$3.5 million grant for technical assistance over a five year period. Funds were authorized in November, 1978 to take advantage of new funds available to the agency in the new fiscal year. The original small scale RHDS project continued in accord with the objectives established in the second project paper. The new loan program strategy was the same as the earlier strategy but provided greater specification of the technical components. In essence, the resource transfer goal was being met at the same time that the resource mobilization strategy was maintained. This major addition to the health program responded to the U.S. policy of providing resources to the new government in Bolivia which was aligned with U.S. interests. It also responded to the Bolivian government policy of increasing its efforts in rural health. A compromise was made on the issues of family planning and the rural social insurance model of rural health services. AID did not include family planning except as a long term objective and the Ministry of Health did not include the social insurance model except as a long-term programmatic objective.

Looking at the strategy for the Bolivian government, the first Project Implementation Letter was signed by all participating agencies between January and March, 1976. Through this document, USAID/Bolivia provided instructions to the Ministry of Health on disbursement procedures, personnel requirements and relationships with the other participating agencies including the regional development corporation of Santa Cruz and the Methodist Church. (#28) The document reflected AID's desires for the Ministry of Health more than actual Ministry of Health intention despite official authorization from Ministry of Health officials. This

was due to AID's perception of the Ministry of Health as an external actor in the RHDS project-- a role that was natural given the mission's focus on the resource transfer process which assumed that the Bolivian actors were prepared to initiate activities once AID has provided the financial resources. The document did reflect Bolivian policy support for rural health services in the Santa Cruz area because the negotiation process between the AID swing group and the Bolivian director level had provided a basis for integrating the U.S. and Bolivian positions in both strategies and tactics. These jointly defined objectives were formalized in the second project paper and the second project agreement documents rather than in this first project implementation letter.

In their attempt to overcome the weaknesses of the first project implementation letter, the AID swing group and the Bolivian director moved rapidly to prepare the second Project Implementation Letter. It was ready for signature when the family planning policy crisis occurred in November, 1976, which delayed the actual signatures for over a year as the new Minister and Administrative Chief of the Ministry of Health and the Ministry of Finances officials entered the negotiations. The first draft had encompassed the technical focus of the second Project Paper and had provided minimal attention to family planning in order to respond to the Embassy's requirements for the RHDS project without conflicting directly with the previous policy of the Bolivian government. The second draft which became the first official strategy statement of the Bolivian government for the RHDS project, deleted all reference to family planning, deepened the technical specifications and provided high priority status to the rural health reforms proposed under the RHDS project. It introduced a strong expression of the Ministry of Health's intention

to use the RHDS prototype as the basis for a major expansion of rural health services. Ministry officials also introduced a series of evaluations of the project and supervisory visits by the Minister and members of the director level group to the project offices in Santa Cruz in direct response to the new Minister's desire to assure that the RHDS project could serve as the national prototype.. .without any taint of family planning. (#35) The amendment to the second Project Paper and additional funding obtained for the project by USAID/Bolivia attempted to respond to these Bolivian initiatives.

The third Letter of Implementation was not prepared for many reasons although it was technically a prerequisite to continuing disbursements of AID funds. One of the primary reasons was that there was no need for major changes from the strategy approved in the second Project Implementation Letter. Also, the AID swing group did not want to open formal strategy discussions about the RHDS project which could have invited incursions from the new Presidential initiative for rural health, i.e., the Rural Social Insurance Program.* The new health initiative was seen to be a major departure from the RHDS prototype and from the National Health Plan 1977-1980 which had provided for a major rural health program based on the principles of the RHDS prototype. (#24)

Although they were not formalized in a new Project Implementation letter, the Ministry of Health strategy underwent significant changes between June, 1977, and November, 1978. In the project's technical focus, the Ministry of Health initiated major changes in three areas. First the training and supervision methods for auxiliary nursing and health

*The Rural Social Insurance Plan was not distributed widely. The author was given a copy for review but returned the document to the Ministry of Health officials.

promoter personnel were re-worked despite initial opposition from the professional nurses and the Nursing Division. Second, the preventive and curative mix of services was revised and integrated programming methods were introduced despite initial opposition from technical divisions' personnel and physicians. Third, the information collection and analysis system was revised despite initial opposition from PAHO advisors. Short-term and long-term advisory personnel from AID played key roles in helping the Bolivian director level group introduce these changes.

At the policy level, there were equally significant changes. First, the Ministry of Health recognized the crucial role of community participation and authorized the systematic application of a new community organization methodology which included a requirement for formal contracts between the Ministry of Health and the individual communities which defined reciprocal rights and responsibilities for health services. Long-term advisory personnel played a key role in introducing this change which confronted a long tradition of non-participatory, curative health services in rural areas. Second, the Ministry of Health, in conjunction with the Ministry of Planning, presented a major strategy change emphasizing rural over urban health with integrated health services and primary health care in its National Health Plan, 1977-1980 (#24). This new direction responded to several outside sources including the World Health Organization's campaign to promote primary health care strategies and AID's on-going presence in the RHDS project. With the initiation of presidential elections, the political pressure increased to provide rural health services to larger segments of the population. In response to this general pressure and in direct response to promises made earlier under the Banzer regime, the Ministry of Health developed the/Rural Social Insurance Plan. This

plan was extremely ambitious and after all other sources had expressed their unwillingness to fund the program, AID was approached. As a compromise, AID agreed to provide loan funds for a rural health expansion using the RHDS prototype which could help the Bolivian Government establish the basis for moving into a social insurance mode of rural health service delivery. The final strategy for rural health expansion to be financed jointly by AID and the Ministry of Health, was based on the RHDS model and the National Health Plan, 1977-1980. (#9).

Accompanying these changes in the overall strategy for the RHDS project, there were changes in the amounts, timing, and types of resources available to the project from AID and from the Bolivian government. Figure IV. 17. presents these changes for AID. The amount of AID funding increased annually in small increments. "Small" is the proper term when compared to the typical AID funding levels in the millions of dollars. These additional funds reflect AID's ability to maintain its resource transfer orientation despite the opposition of the U.S. Embassy and also indicate that AID was able to meet its financial requirements for maintaining the project under the resource mobilization goal. The timing for project completion was also extended annually despite the original schedule of 18 months for completion and the annual Congressional reviews. These extensions also support the argument that AID was able to maintain some goal attainment efforts despite the barriers presented by the U.S. Embassy and the traditional limitations on project extension.

The most revealing changes occurred in the types of funding available. AID used grant funding continually despite its normal pattern of loan funding in Latin America because, the grant funding mode was more appropriate to resource mobilization activities because of its greater

**FIGURE IV. 17.: AMOUNTS, TIMING AND TYPES OF AID RESOURCES AVAILABLE
TO THE RHDS PROJECT***

Project Agreement No.	Time for Expenditure of Funds	Amount of Funds (\$000)	Amount available by Type		
			Tech. Services (%)	Commodities (%)	Other Costs (%)
#1 (1975)	3 years**	235	87%	10%	3%
Counter part Funds (1975)	3 years	100	--	--	100%
Sub-total	n.a.	335	61%	7%	32%
#2 (1976)	3 years**	250	63%	18%	19%
Counterpart Funds (1976)	2 years	13	--	--	100%
Sub-total	n.a.	263	60%	17%	23%
#3 (1977)	3 years**	200	25%	60%	15%
TOTAL	6 years	798	52%	24%	24%

*Source: #27, #34, #40, #4

**Three years is the maximum statutory limit for expenditures of AID funds. In each case, USAID/Bolivia planned to expend all funds within 18 months of project approval and later obtained maximum extension up to three years. In two instances, USAID/Bolivia was forced to de-obligate funds because they had not been able to expend them within the time limits.

flexibility. Even within the traditional patterns of grant funding, however, the RHDS project was somewhat unusual. Overall, there was an unusually high proportion of funds allocated for commodities (24%) and "other costs" (24%). Typically, grant funds are used for research after the first Project Agreement deviates from this mold. Also, the decrease from 87% to 25% of the total funding going to finance technical assistance and the increase from 10% to 60% for commodities procurement shows that the RHDS project deviated from the traditional patterns. This deviation supports the argument that the RHDS project shifted from the resource transfer toward the resource mobilization goal. The special effort to obtain counterpart funds to cover the deficit in the "other cost" category further supports this argument. In the third year, the RHDS project no longer required the special counterpart funds because the Ministry of Health was funding these areas. Finally, the approval of the loan/grant program to extend rural health activities at the same time that the grant-funded RHDS project continued indicated that AID had performed effectively toward both the resource transfer and resource mobilization goals.

The amount of funding from the Bolivian government also increased annually. Likewise the duration of the funding commitments was extended annually but the annual budgeting process made the extensions less stable than the AID funding extensions. Annually, the Ministry of Health was vulnerable to funding cutbacks from the Ministry of Finances and required constant attention to the adaptation subsystem as the Ministry of Health defended its gains for such key items as rural travel pay and new personnel categories.

The types of activities that the Bolivian government financed remained stable for the most part. Bolivian funds covered personnel

costs primarily but the mix of funding did shift gradually to provide more money to cover the increasing costs of travel; supply replacement; vehicle operation and maintenance; and office operations and maintenance. This shifting funding mix required the Ministry of Health to maintain high levels of liaison with the Ministry of Finances in order to secure their authorization of the extra funds for categories that deviated from the traditional health funding patterns. The fact that the Bolivian director level group was able to maintain and increase the amount of funding available to the RHDS project, despite the strong opposition of the Ministry of Finances, indicated a fairly high level of effectiveness in working toward the resource mobilization goal.

C-6) Internal Structures and Processes Established to Meet Recurring External Requirements

Chapter II, D. identified four areas of performance requirements as part of the definition of AED's organizational boundaries: program design; project design; project implementation; and liaison. Figures III. 2, and III. 3. presented schematic descriptions of how the program and project design cycles function and how the project design and implementation cycle operates for AID. The discussions immediately preceding this section, have shown that AID made frequent changes in its strategy and tactics for the RHDS project in response to policies and pressures from Congress, the U.S. Embassy and the Bolivian policy-makers. Because of the frequency of such external pressures, AID field offices worldwide have been structured to depend primarily on standard operating procedures to meet the constant external requirements from all groups. The Bolivia field mission followed a fairly standard pattern of organization in this regard. Within the health program, various offices were involved in responding to the external

pressures it faced. Each change in strategy or tactics required action in one of the four areas of performance requirements by one or more of the offices within the field mission.

The major source of recurring external requirements was the group of U.S. actors for AID. The Congressional Presentation, the Annual Budget Submission, the Project Papers and virtually all of the administrative procedures involved in project implementation were done in accord with externally-set requirements. Any deviation from a standard operating procedure, therefore, required AID to justify the deviation either directly to the U.S. Congress, i.e. in the case of amending a Project Paper, or to retain written justification for the deviation in the files for auditors or for the review of any of the various watchdog agencies. The need to provide justification for the watchdog agencies was very real in Bolivia's case since there were two GAO audits of the overall AID program between 1975 and 1978. Of the different offices within the Bolivian mission, most of their activities were devoted to these standard operating procedures: the Controller's and Administrative offices 100%; the Program Office 90% to U.S. concerns and 10% to Bolivian policy and its implications for the overall program; the Loan office 80% to U.S. concerns and roughly 20% to Bolivian administrative and policy issues and their implications for project implementation and design; the three technical divisions -- 40-60% to U.S. concerns especially during the ABS and CP preparation periods and the remainder to Bolivian external issues that would affect the projects under their responsibility.

The managers group of the mission was responsible for liaison activities with the Bolivian policymakers. However, there were virtually no standard operating procedures developed to guide the U.S.-Bolivian

liaison activities largely because the Bolivian institutional level did not place direct pressure on AID as did U.S. groups. Also, the Bolivian policy factors did not arise as constraints to the overall resource transfer program as did the U.S. factors and therefore received relatively less attention. Most liaison activities with Bolivian external actors in the Health program were carried out by the swing group.

A similar situation was found on the Bolivian side of the equation. Although there were numerous external agencies operating in Bolivia besides AID, there were few standard requirements of the Bolivian government. The Ministry of Planning and Coordination had an office responsible for liaison with all external funding agencies but it was extremely weak and most liaison activities were carried out between high level policy-makers and the directors of the different foreign groups. Within the Ministry of Health there was an inoperative office of international coordination. In general, the Minister, Subsecretary of Public Health and the Planning Chief assumed the role of liaison officer with foreign officials. Within the RNDIS project, this pattern was changed. An Executive Committee was formed which assumed all liaison functions with AID. This standardization facilitated the overall management of the project for both AID and for the Ministry of Health. However, it also placed a heavy burden on the three members of this committee both for the simple reason of requiring extra time to carry out the dual role of project liaison and project manager and for the more complex reason that the dual role required a break from their traditional roles.

In sum, USAID/Bolivia was organized to devote most of its energies in the adaptation subsystem to U.S. institutional factors which were primarily concerned with the resource transfer process. The field office

did not have any standard operating procedures for its liaison activities with the Bolivian institutional level. This level of policy contact was left to the U.S. Embassy which had little interest in the resource mobilization process. Similarly, the Bolivian government relied on informal procedures to carry out liaison with the external actors involved in foreign assistance programs in Bolivia. The existence of a functional Executive Committee for the RHDS project which was composed of the key members of the Bolivian director level group and of the AID swing group provided a basis for strengthening efforts to manage or respond more effectively to pressures from the institutional level actors, both Bolivian and U.S.

D.) COMPLIANCE AND EFFECTIVENESS

D-1) Effectiveness/Considerations

On the compliance side, the overall trend throughout the RHDS project was one of increasing reliance on normative/utilitarian methods between the USAID/Bolivia and Ministry of Health groups of personnel. There was consistently greater attention paid to the integration and tension management subsystems as USAID/Bolivia and the Ministry of Health strengthened their joint efforts to perform effectively toward the resource mobilization and transfer goals. The changes in the compliance structure of AID for the RHDS project may be traced through the shifting patterns of action in the integration and tension management subsystems in each of the four phases of the project's development. (See Figure IV. 9, p. 132) These changes parallel the changes in the goal attainment and adaptation subsystems and the two groups of efforts were closely related. Conceptually, the efforts may be distinguished although in practice, the distinctions are much less clear because they occur simultaneously and tend to be mutually reinforcing.

In the first phase of strategy definition, AID viewed the Ministry of Health as an external actor. Because of this orientation, tension management took a backseat to adaptation efforts and integration was addressed minimally. As mentioned earlier, this avoidance policy created increased tensions between the direct AID employees and the Bolivian director level group and tended to heighten the alienative involvement of the Bolivian participants. The long-term advisor who was primarily responsible for designing the AID health strategy described the problems of this approach in his final report :

"I was expected to develop a program which would be compatible with Bolivian strategies; one that the Government of Bolivia (GOB) would support and agree to implement; and which would in fact contain Min-Health input. (I don't believe that anyone really wanted an imposed program with which Bolivian officials would be caught unawares and requested to implement.) At the same time however, I was repeatedly advised to proceed very cautiously when talking to GOB officials and not promise anything--after all, there was not yet an approved program. This is a fairly incongruous position... In effect, I was safe, the Mission opened itself to the more devastating criticism of developing unilaterally imposed interventions. This hardly the appropriate atmosphere for effective programming." (#2, p. 30)*

In the second phase, the avoidance policy was rescinded since the program was approved. Tension management took first priority as the AID swing group and the Bolivian director level group attempted to define a mutually acceptable strategy. Integration activities also began as the two groups began to structure their working relationships, especially in the creation of the National Executive Committee and in the hiring of the regional and local coordinators. During this phase, the alienative

*For insight into the roots of this alienative compliance pattern, see Annex III which describes the development of health programs in Bolivia

compliance pattern gradually was transformed into a more utilitarian pattern with certain normative elements as the U.S. and Bolivian persons developed a certain commitment to the work itself. These efforts resulted in the official strategy change marked by the second Project Paper.

The third phase saw major emphasis placed on integration as the Bolivian and U.S. personnel involved in the RHDS project established their working relationships and began to manage day to day operations. Tension management also received high priority during this phase particularly in terms of reaching agreement on the tactics to be employed in service delivery and support for those services. Tension management predominated for a short time during this phase as the family planning issue flared up and the RHDS project group was forced to restructure its strategy and reassure one another as to their intentions for the project. Overall, integration was dominant because of the increasing numbers of employees involved in the project -- both advisory personnel and Bolivian field and director level personnel. This focus on integration activities with the new personnel was made possible by the activities in tension management during the second phase when basic agreement on staff requirement had been reached between the U.S. and Bolivian staffs.

In the fourth phase, the balance between integration and tension management activities was even as AID and the Bolivian personnel attempted to maintain the pace of activities in the field while also defining the new strategy for a major program expansion effort. The processes tended to be difficult to separate in this last phase because they were mutually reinforcing to a large extent. Because of the importance of the expanded rural health strategy, many more Bolivian actors became involved in the

meetings and discussions than had been involved in the/RHDS project previously. The basic agreement-seeking activities of the tension management subsystem would have been seriously hindered had not the integration subsystem been able to undertake the additional decision-making and communication activities required of it. Thus, the building process that had occurred in the earlier phases enabled the U.S. and Bolivian personnel to avoid a return to the coercive/alienative compliance pattern that was used in AID's first major strategy definition effort four years before.

The discussion of changes in the boundaries for the RHDS project touched on the subject of AID's responsiveness to the needs of the integration and tension management subsystems and showed a positive trend. In terms of the specific indicators of effectiveness in these subsystems, the earlier discussion showed how AID was particularly flexible in meeting the needs of its employees and the needs of the Bolivian director level group in terms of making changes in their positions, authority and pay. It also showed increasing agreement on staffing requirements and improvements in obtaining new staff as expeditiously as possible. It mentioned positive and negative changes in the areas of participation in decision making and in openness of the managers' group. The most salient aspects of the boundaries discussion for purposes of this overview, however, are the stability of the lower participants and the inclusion of the Bolivian director level group as formal participants in the RHDS project and in the overall AID health strategy. The stability of the lower participants greatly enhanced their joint efforts in the integration and tension management subsystems by allowing them to generate mutual understanding and a fairly high level of trust. The inclusion of the Ministry of Health as a full participant enabled AID to broaden its scope of the area of internally controlled actions it could hope for greater effectiveness.

The discussion of goals and effectiveness also touched on several issues related to compliance and effectiveness. Primary among them, was the shift toward resource mobilization which would require a shift toward more normative compliance patterns. The following discussion of the specific indicators will further support the contention that the compliance pattern did shift toward more normative modes. In terms of the three hypotheses raised in the earlier discussions, the interface between goals and compliance is interesting. The first hypothesis posits that effectiveness will increase as reliance on normative/utilitarian strategies and tactics increases. The overall improvements in effectiveness in the goal attainment subsystem supported this hypothesis and the trend to place more priority on integration and tension management complements this conclusion. Within the RHDS project, the number of service and support systems functioning increased at the same time that Ministry of Health participation was increasing and deepening. These improvements occurred simultaneously with the increasing attention to the integration and tension management subsystems which by their nature tend to rely predominantly on normative and normative/utilitarian methods.

Second, it was hypothesized that as the organization places greater emphasis on its adaptation subsystem in response to external threats that goal displacement will occur and effectiveness will drop. The discussion of goals and adaptation supported this hypothesis but also mentioned that the goal displacement had not been as severe in the fourth phase of the RHDS when extreme pressures were confronting the RHDS project. Unlike the first instance of major external threat, the integration and tension management subsystems were sufficiently strong to enable the RHDS staff groups to adopt environment-controlling adaptation tactics during the second round of major external threat. This

This does not destroy the validity of the hypothesis but it does show the need for some qualifications.

The third hypothesis suggested that as goal specificity increased that effectiveness would also improve. The Goal/Adaptation discussion supported this hypothesis. The overall trend in the integration and tension management subsystems also supports this hypothesis but from a different perspective. Since the tension management subsystem focused on generating agreement on basic strategy and tactics and the integration subsystem focused on enabling action within that conceptual structure, they may be viewed as source of increasing goal specificity. Since these two subsystems were subjected to less external control, it was necessary for AID to devote increasing resources to strengthening these efforts in order to maneuver the/RHDS project into a stronger position vis a vis the external actors and achieve some degree of effectiveness in goal attainment.

The value of these last two arguments lies in their implications for the weight of the compliance element in determining AID's overall effectiveness. As the integration and tension management subsystems became stronger, the efforts in the goal attainment and adaptation subsystems also became more effective. Although causality would be difficult to substantiate, the last two arguments would tend to support a conclusion that AID's effectiveness in goal attainment and adaptation depend to a large extent on its effectiveness in tension management and integration. This relationship would be logical given the fact that the integration and tension management subsystems are primarily subject to internal control by AID. Given the overwhelming strength of the external factors which undermine AID's efforts in goal attainment

and adaptation, it would be reasonable for AID to attempt to devote more of its resources and time to establishing solid bases in the internally controlled subsystems.

The following analysis deepens this argument. It focuses on the indicators for both the integration and tension management subsystems because of their close relationship and because they form the major area of internal control for AID. The analysis will be based on the correspondence listed in Annex IV, on the monthly reports of project status available in the USAID/Bolivia offices and the author's experience. Because of the psycho-social nature of these two subsystems, the analysis is somewhat more subjective than the earlier analyses. In order to provide the basis for generalization from this limited experience, the analysis is based on structured examples of key elements of the process that occurred during the four years of full implementation of the RMDS project.

D-2) Satisfaction of Lower Participants

The level of satisfaction of the lower participants within the RMDS project with AID's rewards tended to increase as the project developed. The greater satisfaction resulted from the participants' adjusting their expectations and from AID's increasing its ability to meet the expectations. In terms of the basic rewards available such as salary, benefits and training, the U.S. funded employees tended to require fewer improvements than did their Bolivian counterparts. AID provided the improvements requested in virtually every instance although more slowly than the petitioner may have desired. The Project Manager received salary promotions annually and highly favorable personal evaluations. All long-term advisors received cost-of-living increases in their

benefits packages. In addition, the two lowest paid long-term advisors requested and, after fairly extensive negotiations, received salary increases. In one case, the salary was increased by 40%. The benefits for the Bolivian director level group underwent fewer changes as might be expected given AID's limited options in providing utilitarian rewards for host country personnel. By providing \$100,000 in counterpart funds, AID enabled the Bolivian directors to hire a very experienced physician as the Regional Coordinator -- an action that would have been impossible or extremely difficult if only standard MinHealth salaries could have been offered. The counterpart funds also provided initial funding for the field level personnel, for rural travel pay and certain other costs that MinHealth normally would have been unable to cover. This also provided them with justifications that they used with fair success in convincing the Ministry of Finances to institute these changes in health financing on a regular basis. Finally, training in specialized short courses was provided to the two most supportive groups of technical personnel, namely the Biostatistics and Training personnel. Later, the members of the Executive Committee requested that AID arrange a similar custom-tailored course in the U.S. on planning and management techniques for rural health. AID agreed and the course was being planned at the time the author left Bolivia in October, 1978.

The major changes in position, workload and authority occurred within the U.S. group as were discussed in the section on boundaries and effectiveness. This showed high responsiveness on the part of AID but it also created additional pressures on the liaison activities of the Project Manager in the short-term. This additional workload was justified since she was receiving regular promotions and also received

additional in-house prestige and stronger personal evaluation reports as a result of her extra efforts. Initially, the Bolivian director level group attempted to shift its workload onto the AID swing group which was refused as part of the swing group's attempt to change the MinHealth-USAID/Bolivia relationship away from its paternalistic modes of the past. (See Annex III for details) After the initial animosity of this rejection diminished, the Bolivian director level group began to press AID to delegate more of its authority to the Ministry of Health in the selection and timing of advisors and general budgeting practices of AID for the RHDS project. Since AID was not permitted by law to grant greater control of funds, this latter request was also refused. Instead, the AID swing group increased its efforts to include the Bolivian director level in all decisions, small and large, concerning funding and advisory assistance. Internal to the Bolivian director level group, there were also fairly constant battles over the amount of authority to be controlled by the local and regional levels as opposed to the central level. As time wore on and as the pressure from the regional and local coordinators (Bolivians') and AID increased, the central MinHealth directors delegated most of the authorities requested.

In terms of the overall unresponsiveness of the rewards system of AID for the RHDS project, it was manifested primarily in delays in the delivery of rewards rather than obdurate policy problems. With the direct AID employees, the rewards were almost always forthcoming on a regular basis. With the long-term advisors, the primary problems arose from delays in the delivery of salary payments and other accounting problems. In the case of the one long-term advisor who was not a U.S. citizen, AID's contracting regulations presented policy barriers

to providing him with a salary commensurate with his professional experience and capabilities. This problem was addressed by the Mission and after a year of negotiations, he was awarded an adequate, albeit still low, salary and benefits package. For the Bolivian director level, the training rewards were provided on a timely basis for the most part. The other elements that may be classified as rewards such as the counterpart funds, did suffer delays until MinHealth was able to establish the internal control procedures that AID required for disbursements and accounting. The six month delay in the signing of the first Project Implementation Letter was caused by the negotiations primarily on this point.

The amount of voluntary overtime serves as a proxy for the level of commitment of the different participants to the work per se, i.e., to the/RHDS project, but not necessarily to AID as an organization. An important element in measuring AID's performance against this criterion is that the Bolivian members of the Executive Committee in LaPaz spent roughly 10-20% of their time on RHDS activities except for special periods; the advisory staff and the regional and local coordination Bolivian staff members devoted 100% of their time to the RHDS activities; and the direct AID employees devoted 40-60% of their time to the RHDS. In addition to their full-time working commitment to the project, the local and regional coordinators and advisory staff also devoted substantial amounts of their personal time to project activities. Similarly, the Project Manager devoted significant amounts of her personal time to project activities particularly in consultations with the advisory and coordination staff both in LaPaz and in the field. The AID swing group in general devoted considerable overtime efforts to the preparation of

the project papers and also to the Congressional justification and budgeting processes as they related to maintaining an adequate level of financing for the RHDS project. At the central level of the Ministry of Health, the Executive Committee did not contribute much overtime to the project but their total time in RHDS activities increased as the project developed. In the final planning effort for the RHDS expansion, this group was devoting 50-60% of their time to the effort. Other members of the MinHealth technical divisions did devote substantial overtime to the RHDS activities including members of the Biostatistics, Administrative and Nurses Training groups.

The ultimate expression of dissatisfaction with the organization or with the RHDS project itself was resignation from the position within the project or from the organization. The fact that there were so few resignations or changes to positions outside the RHDS project by members of the AID swing group and of the Bolivian Director level, indicates the effectiveness of the integration subsystem. The most significant change in this area occurred when the first regional coordinator resigned because of philosophical differences with the second Subsecretary and also because he felt he had been granted too little authority in his functions. In general, the satisfaction of the Bolivian director level group with the AID rewards would not be measured well by this indicator since they could not leave the RHDS position without also relinquishing their MinHealth job. The following discussions provide additional insight into the effectiveness of the AID rewards and incentives to work effectively within the RHDS project.

D-3) Participation in Decision-making

The previous discussions have shown that there were numerous

requirements for decision-making at all levels of the BHS project that arose frequently. The extent of participation in the decision-making process was seen to increase as the project developed. This broadening process was indicative of the increasing attention to the integration subsystem. Within the AID mission, there was wide participation in decisions among all groups. The inclusion of junior officers in the meetings and debates between the AID mission and the U.S. Embassy during the preparation of the first project paper served to both enhance these young officers prestige and to improve their understanding of the policy framework in which they were to work. The conflicts between the Project Manager and the Administrative office in the initial phases of the project indicated a lack of priority to the integration mechanisms. The problem was resolved gradually as more offices and personnel became involved in the interpretation of the basic regulations governing procurement actions. It was seen that as the participation in the resolution of these problems increased, the solutions became more concrete and came more quickly. Similarly, many of the Ministry of Health's changes in personnel and authority levels responded to the needs of lower levels within the Bolivian director group. For example, the delegation of authority for regional selection of personnel was critical to moving toward the resource mobilization objective and responded to the need to diminish central/regional tensions that were inhibiting overall project progress.

In the design of the first project paper, there was little consultation between the AID swing group and the Bolivian director level. A year later, during the design of the second project paper, there were constant consultations among the Executive Committee, the AID swing

group and the regional and local coordinators of MinHealth. As a result of the strengthening of the integration subsystem, the second Project implementation letter was prepared expeditiously in a joint effort by all parties. Even after the change in Ministers and the hardening of the policy on family planning, this process of consolidation continued. The Bolivian director level and the AID swing group maintained constant contact through formal meetings, phone contact and travel to Santa Cruz in an effort to assure the commitment of all participating agencies. The fact that two of these agencies namely the Regional Development Corporation and the Methodist Church, were traditional rivals of MinHealth and still agreed to maintain their commitments was indicative of the strength of the RHDS project's unified front.

Similar strengthening of the integration processes occurred in the areas of commodity procurement and technical assistance contracting. In the first round of commodity procurement, the Bolivian director level group was not consulted nor were the documents translated into Spanish until late in 1976. This slight caused MinHealth to drag its heels when AID required them to provide transportation to Santa Cruz. In the second round of orders, MinHealth was consulted at both central and regional levels and the Bolivian director level group was in accord with the commodities required and also agreed to provide for their transportation in country. Although this consultation process did improve the overall project effectiveness in terms of moving the goods, it did not improve the mix of goods. The same mistakes were made in the second round of orders since MinHealth insisted on procuring more sophisticated goods than were needed for the simple health services envisioned. However, in the third round of commodity procurement, the field personnel of

MinHealth had realized that much simpler equipment and medicines were needed and they presented the requirements to AID for approval and procurement. The deepening process for the identification of needs and selection of personnel for short-term advisory services followed a similar pattern although AID maintained more direct control than in the case of the commodities.

Throughout the project, there were multiple sources of initiative in raising important decision issues. In virtually every instance, the issues were treated seriously and solutions were found to which all parties could agree. For example, the Executive Committee promoted undertaking the first in-depth project evaluation. The AID swing group agreed as did the regional MinHealth director level group. The three groups worked together to direct and participate in the evaluation. However, the roles were reversed as the evaluation was being edited and published. The AID long-term advisors had to nudge the Executive Committee to complete the document and distribute it. Although the initiative on any given issue shifted fairly frequently, the different groups and levels of actors within the/RHDS project tended to identify themselves with specific groups of issues. These groupings were largely informal and provided the basic cohesion required for effective consultation and resolution of major issues as they arose.

The Executive Committee took the role as the buffer between the Bolivian external actors and the RHDS project. As such, it tended to take the initiative in raising issues that would make the AID requirements more compatible with Bolivian government "modus operandi." An example of this, was the Executive Committee's official request to AID that all short-term advisory personnel for the RHDS project remain in

Bolivia for not less than three months and that they receive prior approval from MinHealth. AID could not guarantee short-term advisory personnel for this time period because of both financial and availability constraints but the initiative did result in much closer coordination. Similarly, the Executive Committee was the primary source for raising and securing adequate resolution of the issue of integrating the RHDS project efforts into the regular chain of command of MinHealth. Despite initial opposition from the AID swing group and the regional directors, this integration was completed and all actors concerned supported the integrated structure when it was clear that it was much stronger and held much greater promise for long-term stability than did a more vertical structure.

On several occasions, the regional director level group joined with the long-term advisory personnel and the AID direct hire groups to press the Executive Committee to provide final definition for the project's tactical requirements such as rural travel pay, or regional personnel selection. Although, the Executive Committee tended to be extremely cautious in such decision areas, the multiple pressure groups provided these members with greater strength in justifying and presenting their policy recommendations to the actual policymakers. Another grouping that occurred more frequently in the third and fourth phases of the project was one where the short-term advisory personnel and members of the central technical divisions pressed the Executive Committee and the AID participants to introduce technical modifications. Generally, the regional director level group led these efforts.

The groupings around the major issue of the fourth phase i.e., the decision to proceed with a major national rural health program, were particularly interesting. Although the reasons for the initiative

were extremely diverse, all of the actors involved were pressing each other for a satisfactory resolution of the same issue. The Executive Committee and the Subsecretary of Public Health had not identified any other source of external financing for the major rural health program that the lameduck Banzer government was using as a major presidential political platform. They directed the pressure for funding to USAID/Bolivia in a last ditch attempt to secure funding. Similarly, the U.S. Embassy was pressing AID to identify and complete project designs so that the U.S. government would be able to demonstrate its support for Bolivia's "return to democracy." Finally, AID itself was under pressure to generate an expansion proposal based on the RHDS project to meet its promises to the U.S. Congress and also because the Latin American Regional Bureau needed to obligate additional monies in the health category if it were to be able to maintain its prior year budget levels in that category. Finally, the regional director level staff and the long term advisory personnel generally agreed that the RHDS project in the field needed an additional impulse if it were to continue to develop as a strong prototype. The national expansion plan seemed to provide that impetus.

D-4) Adequacy of Communications

The communication process between the AID and Bolivian groups involved in the RHDS project underwent a shift from instrumental to predominantly expressive modes and from one-sided to multiple source initiatives. Since the expressive communication modes tend to support normative compliance patterns, this trend reflected the strengthening process that the overall integration subsystem underwent during the RHDS project. It also reflected the overall shift toward more normative goals discussed earlier.

The frequency of contacts increased from monthly and weekly meetings of the Executive Committee and the Project Manager to continuous, informal and formal contacts at all levels. This broadening communications network was sustained by these two groups plus the long and short term advisory staffs and the Bolivian central, regional and local staffs. Although this broadening process was partially a result of AID's standard efforts in project implementation, the substance of the communications and the methods employed were somewhat unique and allowed the RHDS project to be relatively more successful than similar AID efforts. Initially, the major issues were limited to AID's administrative requirements and MinHealth's compliance with them, as was evident in the first project implementation letter. The issues became more varied and more numerous as the areas of policy and technical as well as administrative approaches for health care were discussed, analyzed and addressed. This broadened communication process was evident in the negotiation of the second project implementation letter and also in the preparation of the project paper for the first stage of the national rural health program.

The means of communication also shifted and presented conflicts with standard AID and MinHealth communication patterns by overcoming these delay-producing conflicts, the two groups of personnel further reinforced the integration and tension management subsystems and tended to promote overall effectiveness in goal attainment. The increasing reliance on telephone and personal contacts were not sufficient for AID's internal processes. Each verbal agreement required written request, justifications and official agreement before the agreement could be acted upon. For example, there was a standard form required to request permission to make a telephone call to the field offices. The same form was required for

summarizing the results of the conversation and the actions to be taken as a result. At the same time, MinHealth relied almost exclusively on personal, verbal agreements without written confirmation or commitment because of the political sensitivities that might be aroused. This tended to limit MinHealth's ability to maintain an "organizational memory" and also made AID's request for written requests and justification seem to represent inordinately onerous burdens. Finally, the "crisis only" use of the telephone and personal contacts, i.e., the more expressive channels, between the central and field office of AID operated against attempts to move toward the resource mobilization strategy. The highly instrumental standard AID channels were not flexible enough to respond quickly to the increased frequency of changing tactics that the mobilization strategy required.

A brief discussion of several of the key areas of this process of changing communications may serve to clarify these arguments. They are presented as examples and not as an exhaustive listing of the myriad changes that actually occurred. The formalization of the central Executive Committee provided a communication nucleus for the Bolivian director level and the AID swing group. This critical transmission and processing center cleared the basic substantive issues and provided for greater clarity in the vertically transmitted directives and informational communications. It also provided the basis for continuity in decisions and a sense of memory for the RHDS project. Similarly, the appointment of a full-time project manager within the AID mission provided the critical liaison/translation point that was officially recognized by both sides of the organizational equation. The installation of a microwave telephone network between LaPaz and Santa Cruz provided

the technological change that was critical to enabling the different levels of personnel to communicate with one another quickly and clearly at a low cost. This facilitated the vertical flow of information and directives; increased the frequency of personal contact; helped maintain clarity; and enhanced mutual understanding of the issues that were confronting all groups working in the project. The increased availability of funding for travel between Santa Cruz and LaPaz that occurred after the second Minister of Health took office had a similar positive impact on the project's communications. The frequency of personal contact increased; common understanding of problems in the field increased as the central personnel went to the field more frequently; and the networking function of the Bolivian director level group began to operate more efficiently. Finally, the general seminars and training activities broadened the participation of MinHealth and advisory personnel in the different communication networks. These were particularly important to increasing the flow of ideas and understanding in the technical operations of the RHDS project.

D-5) Openness of Elites

Although different aspects of this indicator have been discussed in the section on boundaries and effectiveness, it is useful to summarize the overall trends from the perspective of effectiveness in the integration subsystem. Within AID, the trend was negative, i.e., the managers group tended to become more closed as time went on. This trend was largely the result of the weight of the director in determining the managerial style of the field office. The first director was highly accessible to AID personnel but not to Bolivians. This led to a highly collaborative and supportive managerial style within the Mission but

restricted liaison efforts initially in the/RNDS project. As the project manager established her credibility with the director and the managers group in general, this limitation was largely overcome and the situation generally was highly positive with broad support and clear understanding between the swing group and the managers group within the mission. The second director adopted a more closed style characterized by communications through hierarchical channels and monthly meetings for the exchange of information and receipt of directives. Although liaison efforts were free of the previous restraints, the generalized support of other members of the managers group for the/RNDS project was weakened by lack of support and clear guidance from the key actor, i.e., the director. The strength of the networks that had been established under the first management style tended to balance and negate the potential negative impact of the later closed style.

Within the Ministry of Health, the Executive Committee was to both the organizational elite and a key group of lower participants. The heads of the technical divisions were seen as members of the project management group and they were slowly integrated into their duties as active members of the management group as the technical communication networks expanded. The Subsecretaries of Public Health played a role that was similar to the AID director's role in terms of being critical for setting the overall management style. The first Subsecretary was highly supportive and deeply involved in all aspects of the/RNDS project but his initiatives were seriously undermined by the overall weaknesses of the Minister and his authoritarian style. Although this closed style at the highest level tended to thwart the Executive Committee's attempts to initiate expanded communications with the technical divisions at the central level, the Subsecretary carried sufficient weight to enable the

Executive Committee to adopt a fairly open style with the regional and local levels of the RHDS project management. The second Subsecretary was generally antagonistic toward AID and toward the RHDS project but was very supportive of the Executive Committee and of rural health.

Despite his authoritarian and closed style, he tended to provide the Executive Committee with the additional prestige and weight needed to enable them to expand the central communications network. This opening was further promoted by the support from the Minister himself whose management style was significantly more open than was his predecessor's.

Again, the basic networks that had been established under the first Subsecretary were sufficiently strong to allow them to continue under the mixed conditions of the second Subsecretary and Minister.

D-6) Level of Agreement with Basic Strategy and Tactics

Each of the myriad changes that the RHDS project underwent required action in the tension management subsystem within USAID/Bolivia, within the Ministry of Health and/or between the two groups. As the project developed, the mechanisms available for these actions and the overall subsystem became stronger and were activated more frequently. The key tension management mechanisms for the Bolivian director level group were the Executive Committee meetings and conversations and the location of the long-term technical assistance as counterparts to the key members of the Bolivian staff of the RHDS project. Within AID, the key mechanisms were: the project manager/loan officer support team; monthly meetings with the managers group; and standard reporting and informal reporting procedures to AID/Washington.

The language of major documents was cited earlier as a major indicator of effectiveness for the tension management subsystem. Al-

though the AID mission tended to recognize the importance of making all the basic project documents available to the Bolivian implementing agencies, all documents had to be in English according to AID regulations. Further, in terms of financial and time costs translations were problematic because of the sheer volume of documents that would have required translation had they all been translated. It was appropriate that AID be responsible for translating materials from English to Spanish but the problem was exacerbated by the fact that the Ministry of Health had no translation capability. Nonetheless, there was a definite trend for AID to provide more translations of basic project documents as the project went on. The guiding document, namely the Development Assistance Plan, was in English only and received highly limited distribution to AID officials. The Health Sector Assessment likewise received limited distribution to an English-speaking audience. Only the final strategy chapter was translated and distributed to the Bolivians. This was perceived by them to be one more incidence of AID's attempting to impose a health strategy on them. The entire document was translated in late 1978 when it had become an interesting historical item. The first project documents also received limited distribution among the Bolivians. The first project paper was never translated but the Project Agreement, the project implementation letters and the procurement orders were all available in Spanish as well as English. Subsequent project documents were either translated immediately into Spanish for distribution to the Bolivians or were written in Spanish and translated into the English for distribution within AID. The final major document, the project paper for the loan/grant expansion project, was written in English based on Spanish reports for the most part. Certain annexes to the document were

written in Spanish and submitted to AID/Washington in Spanish. The major portion of the document was translated and distributed to the Bolivian director level group within two months of its presentation in Washington.

There were two major recurring issues to which the tension management activities were addressed during the RHDS project. Other lesser or sporadic issues may be inferred from the previous discussions of the goal attainment, adaptation and integration subsystems. The first critical and recurring issue revolved around the role of family planning and population control in the RHDS project and the overall rural health strategy. It was openly addressed and largely resolved in the process of re-designing the RHDS project during the second phase of the project. It was discussed further and resolved more fully in the third phase after the hardening of Bolivian policy on the issue through the process of defining and negotiating the terms of the second project implementation letter. The dropping of the family planning from the project showed significant attention to tension management on the part of AID because the solution forced USAID/Bolivia to defend the solution against the force of strong Congressional and AID/Washington policy stances.

The second major recurring issue revolved around the definition of rural health services and its implications for structural changes in the Bolivian health care system. Did rural health mean a preventive program reaching to the smallest population groupings and based on paraprofessional personnel and rudimentary drugs and equipment or did it mean expansion of curative health services to rural areas based on professional personnel and sophisticated diagnostic and treatment methods? AID tended to side with the former definition while the Ministry of Health

generally took the latter second position. As the RHDS project developed, the two sides tended to come closer to agreeing on the first model as being the most appropriate in terms of cost and feasibility and health impact given rural Bolivia's health problems. Despite basic agreement on the technical elements, the final design of the RHDS expansion was instructive of the continuing issues to be resolved by tension management actions. Three issues arose during this process: 1) government control and vertical programming vs. community participation and clustered programming; 2) coverage expansion of all departments but only limited areas within each one vs. two to three departments covering all areas within each one; and 3) technical and professional personnel based at a hub clinic taking services to the communities vs. a mix of technical/-auxiliary/professional personnel grouped at different levels of a service/-administrative hierarchy of increasing complexity. The final issue which was confronting AID/MinHealth actions was the need for basic changes in MinHealth managerial structures to support rural health services.

D-7) Agreement of Staff/Required for Implementation

Although most of the elements required for measurement against this indicator were discussed in the section on boundaries and effectiveness (IV. B.), they will be summarized from the perspective of effectiveness in the tension management subsystem to clarify the overall argument. Overall, the trend was positive. It must be remembered that this is primarily an indicator of agreement on tactics and cannot be applied until there is sufficient agreement on strategy to make agreement on tactics meaningful. The two primary areas of agreement on personnel were: 1) MinHealth field staff; and 2) AID short-term technical assistance.

The availability of counterpart funding in the second phase of the RHDS project obviated the need for reaching an immediate agreement with the Ministry of Health in terms of the types of field personnel required to implement the project. The real point of agreement came later in the second phase when MinHealth took on the financial commitment from its own budget resources for the field staff. This was particularly crucial for the two field coordinators who were receiving salary supplements from counterpart funds. The fact that MinHealth continued the same level of salary supplement rather than rescinding it was strong proof of their agreement with AID's original staffing requirements. One failure to reach agreement was shown by the fact that the position for nutritionist was never filled despite funds being available for the position. First, there were very few professional nutritionists in Bolivia and even fewer who were willing to work in the rural areas. Second, MinHealth's nutrition division was unusually autonomous and not directly controlled by members of the Executive Committee which made it more difficult to secure their support. Finally, there was a lack of agreement within MinHealth itself as to the appropriate role of nutrition within its overall health services program. This lack of consensus on the role of nutrition programs stemmed from their traditional association with the Catholic Church, a traditional opponent of the Ministry of Health; from their reliance on U.S. foodstuffs under the P.L. 480, Title II program; and from their limited accountability to MinHealth for their financial resources.

The disagreements on the need for and timing of short term technical assistance stemmed from three sources: 1) the underlying disagreement on structural changes within the MinHealth; 2) the "overkill"

factor residual from the Health Sector Assessment process; and the initial failure of the AID swing group to consult MinHealth on the first group of short-term advisory personnel that worked on the RHDS project. The last two sources of disagreement gradually dissolved over time. The basic disagreement on the need for structural changes was also resolved for the most part as MinHealth gained respect for the advisors that came and as MinHealth began to utilize their services for broader areas than just the RHDS project requirements. The third and fourth phases saw MinHealth requesting return visits of certain advisory personnel and concurring more readily with unknown advisory personnel when the AID swing group presented sufficiently sound justifications for their presence.

Chapter V

Conclusions

On the face of things, USAID/Bolivia fell far short of achieving its resource transfer goals for the Bolivian health sector. Looking more deeply into the situation, however, there were significant achievements toward the resource mobilization goal which provided a more solid basis for longer term efforts by AID to transfer larger amounts of financial resources to the Bolivian health sector. The initial efforts under the resources to the Bolivian health sector. The initial efforts under the resource mobilization pattern may also have helped to assure more effective use of the larger resources in the long run.

In terms of the goal-compliance structure of the overall organization of AID, there was a large gap between its stated and actual goals which tended to inhibit its action toward any goal. Although the utilitarian compliance structure was largely congruent with the organization's actual goal of resource transfer, it was not congruent with the stated goal of resource mobilization. Theoretically, such incongruence should

not have caused dysfunctional behavior within the organization. In practice, however, it led to serious dysfunctions because AID was inordinately vulnerable to the control of the institutional level, especially in the "person" of U.S. Congress and the watchdog agencies, which set the goals and evaluated AID by its performance toward these stated goals. The problems in the overall goal-compliance structure of the organization were exacerbated by the unusual boundaries of AID and AID's schizophrenic attitude toward the foreign governments on which it depended to carry out its programs and achieve its goals.

Given these limitations, it was not surprising that overall effectiveness was mixed for the field mission in Bolivia. In general, the USAID/Bolivia organization performed well in terms of resource transfer but its performance was marginal in terms of resource mobilization although its official statements would lead one to different conclusions. The health program did not fit into this overall pattern. Its performance was comparatively poor in terms of resource transfer but significantly better in terms of resource mobilization. In the case specific analysis of the effectiveness of the RHDS project, AID demonstrated its ability to address adequately the four critical organizational subsystems both jointly and separately. This indicated that AID could function effectively under the resource mobilization goal, normative/utilitarian compliance structure even though this departed from its typical resource transfer goal, utilitarian compliance structure.

The reasons for this break from the typical goal compliance pattern were discussed in the detailed analysis of the RHDS project's effectiveness from which certain generalizations may be extrapolated for

AID's overall potential for effectiveness. The RHDS project, the cornerstone of the USAID/Bolivia health program, was an anomaly within the Bolivian AID program and within the Latin American Bureau of AID. It was a small scale action project in an organization where action projects were, by definition, large scale. It was financed with grant funds which normally were used to finance technical assistance contracts for major action programs. It was the only project within the author's knowledge for which the central AID offices required proof of resource mobilization capability before authorizing the initiation of a major resource transfer program. It was one of the rare health projects that did not include any form or mention of family planning. There was an abnormally high level of interest in and control over the project taken by the institutional actors -- both U.S. and Bolivian. This combined with an unusually weak technical office to force USAID/Bolivia to replace (not only displace) the resource transfer goal with the resource mobilization goal; and to create unusual working and authority arrangements within the Mission for the project; and to establish strong liaison arrangements with the Bolivian participants using an unusual normative compliance pattern.

Without minimizing the role of the individuals involved, it is fair to say that the same institutional factors that normally inhibited AID from effective action toward the resource mobilization goal had a reverse effect in the RHDS project. They inhibited its action toward the resource transfer goal. Ultimately, this forced AID to work toward both goals simultaneously. This organizational tactic was successful since the RHDS project did lead to the initiation of a major resource

transfer program at the same time that the earlier project continued in its established mobilization mode.

Although the experience of one project in one country is too limited a basis for answering it, a very interesting question arises from this analysis. Which goal compliance structure would be the more effective organizational strategy for U.S. development assistance? The primarily normative goal/compliance pattern would be more effective in terms of enabling U.S. development assistance to achieve its dual underlying goals of improving the conditions of life of the world's rural poor and ultimately improving the world's political stability. Realistically, these changes would be difficult if not impossible, because they imply not only a major overhaul of AID as the organizational base for development assistance but also significant changes in the U.S. foreign policy framework. Nonetheless, such changes are mandatory for pragmatic reasons such as their potential to reduce the often justified alienation toward the U.S. of many professionals and policy-makers in the developing countries and also for achieving the expenditure efficiencies that the U.S. Congress rightly demands. Finally, such structural changes are also desirable on moral grounds.

As Judith Tendler says, "...the U.S. and other developed countries have a moral obligation and practical need to transfer resources to the developing countries." (#13, p. 109) The organizational strategy of the U.S. for resource transfer in its present form is self-defeating at best and damaging to all concerned at worst. Tendler ascribes these problem results to organizational limitations rather than to historical determinism. (#13, p. 110) Although I consider both elements to be at

work in current U.S. development assistance efforts, it is my hope that the analysis presented here may help promote organizational changes in two ways: first, by providing an analytical framework for other research efforts in this area; and second, by identifying certain areas of organizational change that could increase the overall effectiveness of AID in transforming the massive resources available to it into positive development actions.

ANNEX I: AUTHOR'S EXPERIENCE DURING THE INTERNSHIP PERIOD

Annually, the Agency for International Development (AID) hires up to sixty International Development Interns for management-level positions. After two years of a combined in-service training and ~~train~~ work period, the interns become regular foreign service officers. In November, 1974, after completing my coursework at the Graduate School of Public and International Affairs, I joined this program as a Program Officer/Intern. The first three months in Washington provided a general orientation to AID through different group training exercises. During the second three months, I worked in the Latin American Bureau with the Program and Bolivian Desk Offices.

These two assignments provided me with varied experiences in the Agency's operations and policy-making process. In the Program Office, I was involved in the Agency review of the Bolivian Health Sector Assessment and education projects and in preparing the Congressional Presentation for the Bolivian program. The Congressional Presentation was valuable for understanding the funding issues and other relationships between the Agency and the Congress. Other assignments also contributed to my understanding of the role of the Latin America Bureau vis a vis other offices of AID and other international agencies. These included: an agricultural conference with the Inter-American Development Bank; a review of co-operative development strategies within the Latin American region; the Mission Directors' Conference; reviews of technical study proposals with the other AID Bureaus; and staff meetings with the staff of the Latin American Bureau of AID and State.

While working with the Bolivian Desk Office which is responsible for country liaison functions, I helped prepare the Agency's response to

200

a Congressional audit of the Bolivian AID program. I also participated in the annual Bolivian program review done by the development assistance agencies working in Bolivia, including the United Nations Development Program (UNDP), the World Bank, the IDB, and the U.S. Departments of Commerce and of Agriculture. I was also responsible for the initial review of the Bolivian AID operational and project budget to be submitted to the Office of Management and Budget.

Since I already spoke Spanish, I did not receive language training. Instead, I went to Bolivia immediately after my three month assignment in AID/Washington. I arrived in Bolivia in April, 1975. Normally, an Intern is expected to rotate through different offices of the Mission in order to understand the total operation. I did not because of short-staffing and program exigencies. Then as now, the Bolivian program had the largest project portfolio of all the Latin American countries, coming to \$30-40 million dollars annually in loans and grants. As an Assistant Program Officer in a severely short-staffed office (one full-time American employee and two Bolivians), I assumed responsibilities not normally assigned to Interns. Rather than rotate to different offices, I agreed to take on a variety of assignments within the Program Office. Specific accomplishments during the two-year internship included: coordinating the Mission program presentation to Congress for Fiscal Year 1978; helping to prepare the Mission's program budgets for Fiscal Years 1977 and 1978; preparing successful proposals for funding voluntary agency projects in rural sanitation, rural health and community and sex education.

Besides these standard Program Office tasks, I also served as the Mission's Women in Development Coordinator. In that position, I

managed a study on the role of Women in Rural Development in Bolivia which was done by a local consulting firm under contract to the Bolivia AID Mission. I was also responsible for overseeing the Bolivian portion of a Washington-funded program for training women from marginal urban areas in vocational skills. In this capacity, I was responsible for assuring that the overall Mission program responded adequately to the Congressional policy* of increasing the participation of women in AID's development efforts.

During the two years as an Intern, I also took responsibility for managing a pilot rural health project for which funds were authorized in June, 1975 for \$235,000. Also, whenever the Chief of the Health and Humanitarian Division was out of the country (a total of six months), I assumed responsibility for the Division's programs. One was a small family planning project with the Ministry of Health and private agency with funding of \$250,000 annually. The second was the P.L. 480, Title feeding program which was administered by several U.S. and Bolivian agencies and contributed an average of \$12,000,000 worth of foodstuffs annually to maternal-child, school feeding and food for work projects.

The Project Management duties in rural health were among my most interesting since I worked directly with several Bolivian agencies. Specifically, I was responsible for: assisting the five implementing agencies organize the project implementation committees and initiating activities; assuring fulfillment of commitments made under the project agreement and Letter of Implementation; contracting and supervising technical services from four permanent advisors and from 19 short-term advisors; solving day-to-day implementation problems; and re-designing

*Percy Amendment, 1973.

and negotiation with the Ministry of Health, with the other Bolivian agencies involved and with AID/Washington to expand the project's scope from research to rural health services delivery. This project expansion required an increase of AID funding of \$250,000 and an extension of 18 months both of which were granted by AID/Washington in June, 1976. The Bolivian agencies also provided additional funds.

My third major area of responsibility while still an Intern was to develop a nutrition program for the Bolivia Mission. Beginning in November, 1975, I worked with the Ministry of Planning and the Inter-ministerial Food and Nutrition Commission in developing the Government's Five Year Plan for the sector. At the same time, I began working within the Mission to introduce the concept of nutrition as a ~~multi~~-sectoral problem requiring a multisectoral response in which not only health but all the technical divisions would have to participate. The Mission had four technical offices: Agriculture and Rural Development; Education and Human Resource Development; Engineering and Transportation; and Health and Humanitarian Assistance. My major accomplishments in the year as an Intern were: developing the Mission Nutrition Sector Assessment and strategy which was approved by AID/Washington and the Mission; the proposal and authorization of \$500,00 in AID grant monies to initiate the strategy through a project with the Ministry of Planning; and the creation of a full-time position in the Bolivia Mission for a Nutrition Development Officer.

In November, 1976, I completed the Internship Program and was named the Mission's Nutrition Development Officer and the second officer in the Health and Humanitarian Assistance Division. Basically, this change meant that I was relieved of direct responsibility for programming duties

203

such as budgeting and Congressional liaison in order to devote all of my working time to health and nutrition activities. I continued to be involved heavily in programming duties insofar as I provided the technical and funding information for the Division's activities to the Program Office. To a certain extent, I simply moved to another side of the same programming duties although I did have more freedom to travel to project sites and to meet with Government officials on specific project matters. In my final position, I was responsible for liaison between AID and U.N. health and nutrition programs and for maintaining liaison with central AID Offices involved in the technical programs of health and nutrition. I was also responsible for overseeing the efforts of two small health projects which focused on rural sanitation and on mobile health units as a method of improving health service systems. My responsibilities continued in the rural health project and expanded to include the design of a major loan program in rural health.

In the realm of nutrition, my primary duties included supervising a team of two long-term and 15 short-term advisors; assuring the full implementation of the Nutrition Improvement Project with the Ministry of Planning and the Regional Development Corporations; supervising and coordinating the activities of three small projects in introducing soy into traditional diets; introducing compound flours of high nutritive value into the national milling-baking system; and a new system of subsidized food distribution. Finally, I was charged with improving the nutritional impact of supplemental feeding programs and with developing a loan program to support nutrition improvement activities in Bolivia.

In October, 1979, I resigned from my post to begin a program of studies in agricultural economics and nutrition at Cornell University.

204

HEALTH SECTOR ASSESSMENT PARTICIPATION

Composition and Participation of COB Working Commissions

<u>Commission</u>	<u>Agency</u>	<u>Members</u>		<u>Advisors</u>	<u>Meetings</u>
		<u>Planned</u>	<u>Actual</u>		
Communicable Diseases	INET *	2	6	USAID (2)	8
	SNEM	1	1		
	MinAg	1	1		
	MinEd	1	0		
Maternal and Child Health	MPSSP *	1	2	USAID (1) PAHO (1)	5
	IBSS	1	1		
	JNDS	1	0		
	VolAg	1	0		
Nutrition	MPSSP *	1	3	USAID (1)	6
	MinAg	1	0		
	MinIn Co	1	0		
	MinCoPl	1	0		
	MinEd	1	0		
Environmental Sanitation	MinUrb *	1	1	USAID (2)	8
	MPSSP	1	1		
	Corpaguas	1	1		
	AccCiv	1	0		
	SNDC	1	0		
Medical and Hospital Attention	IBSS *	1	1	USAID (1)	5
	ColMed	1	1		
	FFAA	1	0		
	MPSSP	1	0		
Intersectoral Programs	MinCoPl *	1	0	N/A	0
	MinEd	1	0		
	MinAg	1	0		
	MinFin	1	0		
	MinInCo	1	0		
Administration	MPSSP *	2	2	USAID (1)	7
	MinFin	1	0		
	MinCoPl	1	0		
Finances	IBSS *	1	1	USAID (1) PAHO (1)	11
	MPSSP *	1	2		
	MinFin	1	1		
	MinCoPl	1	1		

* Chairpersonship

(Cont.)

205

<u>Commission</u>	<u>Agency</u>	<u>Members</u>		<u>Advisors</u>	<u>Meetings</u>
		<u>Planned</u>	<u>Actual</u>		
Human Resources	ESP *	2	3	USAID (1)	9
	IBSS	1	0		
	CNES	1	1		
	UMSA	1	1		
Health Facilities	MPSSP *	1	1	USAID (1)	7
	IBSS	1	1		
	MinUrb	1	1		
	SNDC	1	1		
	MinFin	1	0		
Pharmaceutical Supplies	MPSSP *	1	2	USAID (1)	3
	IBSS	1	1		
	INLASA	1	1		
	MinInCo	1	1		
Information Systems	INE *	1	2	USAID (2) PAHO (1)	12
	RegCiv	1	0		
	CNES	1	0		
	MPSSP:	1	1		
	IBSS	1	1		
Executive Committee	MPSSP *	9	9	USAID (3) PAHO (1)	10
	IBSS	2	2		
	MinUrb	1	1		
	MinCoPl	1	2		
	INE	1	1		

*Chairpersonship

Key:	AccCiv	Accion Civica de las Fuerzas Armadas
	CNES	Consejo Nacional de Educacion Superior
	ColMed	Colegio Medico Boliviano
	Corpaguas	Corporacion de Aguas Potables y Alcantarillado
	ESP	Escuela de Salud Publica
	FFAA	Fuerzas Armadas
	IBSS	Instituto Boliviano de Seguridad Social
	INE	Instituto Nacional de Estadistica
	INET	Instituto Nacional de Enfermedades Transmisibles
	INLASA	Instituto Nacional de Laboratorios de Salud
	JNDA	Junta Nacional de Desarrollo Social
	MinAg	Ministerio de Agricultura y Asuntos Campesinos
	MinCoPl	Ministerio de Coordinacion y Planificacion
	MinEd	Ministerio de Educacion y Cultura
	MinFin	Ministerio de Finanzas
	MinInCo	Ministerio de Industria y Comercio
	MinUrb	Ministerio de Urbanismo y Vivienda
	MPSSP	Ministerio de Prevision Social y Salud Publica
	REGCIV	Registro Civil
	SNDC	Servicio Nacional de Desarrollo de la Comunidad
	SNEM	Servicio Nacional de Eradicacion de Malaria
	UMSA	Universidad Mayor de San Andres
	VolAg	Agencias Voluntarias y Religiosas

CONSULTANT INPUT ON WRITING OF HSA DOCUMENT

	<u>Chapter</u>	<u>Author</u>	<u>Editor</u>	<u>Draft Distribution</u>
I	The Setting - Factors Contributing to Health Status	Becht	Becht	11/27/74
II	Health Status and Major Problems	LeBow	Becht	7/23/74
III	Role of Health Programs in Social and Economic Development *	Zschock Fisher	Fisher	6/19/74 8/15/74 1/10/75
IV	The Structure of the Health Sector	Becht	Becht	9/17/74
V	Analysis of Health Programs	LeBow	Fisher	10/1/74
VI	Analysis of the Infrastructure	Daly, Austin Zschock	Becht Friedman	9/10/74
VII	Problems and Programs Which Require Intersectoral Coordination	Becht Daly	Fisher	12/9/74
VIII	Government Plans for the Health Sector	Becht	Becht	12/27/74
IX	The Role of Foreign Assistance in the Health Sector	Landry	Becht	9/25/74
X	The Mission's Proposed Health Sector Program: *	Landry	Landry	12/6/74

* A revised Chapter III has been drafted by DHEW/OIH and was submitted to USAID/Bolivia in September 1975.

** A classified supplement on family planning was prepared by A.S. Landry and N.L. Ruthre in July 1975.

DISTRIBUTION OF TDY TECHNICAL INPUT *

<u>Name</u>	<u>Field</u>	<u>Mandays</u>	<u>Percent</u>
Austin, A.G.	Public Administration	63	9.7
Becht, J.N.	Health Planning & Coordination	235	36.2
Daly, J.A.	Planning/Information Systems	27	4.2
Douglass, H.R.	Health Facilities	17	2.6
Echeverri, O.	Rural Delivery Systems	11	1.7
Eckroad, J.C.	Environmental Sanitation	26	4.0
Fisher, R.	Health Economics	15	2.3
Fortun, J.E.	Anthropology/Sociology	21	3.2
Krystynak, L.F.	Human Resources	19	2.9
LeBow, R.H.	Health & Medical Services	105	16.2
St. John, R.K.	Communicable Diseases	11	1.7
Taylor, B.B.	Rural Health Services	10	1.6
Wilson, D.	Nutrition	38	5.9
Zachmann, R.	Pharmaceutical Supplies	17	2.6
Zschock, D.K.	Health Financing/Economics	34	5.2
Total Mandays		649	100.0

*Includes days worked in Bolivia and in U.S.; excludes international travel days and consultations in AD/W.

Note : Of the 649 consultant mandays, 17 (2.6%) were spent in the U.S. for research and writing. A total of 120 days (18.5%) were spent for field work within Bolivia by the consultants.

Full-time Support Services

Secretarial Services	113 person/weeks
Administrative and Research Assistance	36 person/weeks

208

ANNEX III:: HISTORY OF HEALTH PROGRAMS IN BOLIVIA: 1938-1974

A. U.S. HEALTH PROGRAMS IN BOLIVIA

A brief review of the history of U.S. health programs, which may serve a shorthand for action structures and processes, strengthens the analysis of the ends-means contradiction by revealing the strength of the utilitarian and coercive rationales of development assistance programs in Bolivia. A review of the process of defining a new strategy as revealed in the Health Sector Assessment and a cursory commentary on how it was developed, helps reveal the nature of the modus operandi of the action structures available to development assistance programs. It helps reveal their strong basis in financial and technical resources transfer technologies (in Thompson's sense of "core technologies").

1) HISTORY OF HEALTH PROGRAMS IN BOLIVIA

U.S. sponsored programs (albeit through a private group*) to improve health conditions in Bolivia antedate the initiation of official health programs by the Bolivian Government. In 1932, the Rockefeller Foundation began a program to combat yellow fever and other tropical diseases in Bolivia. The Bolivian Ministry of Health was created in 1938.

*The historically close relationship between the Rockefeller Foundation and U.S. Government policy-makers is well-known.

The Rockefeller Foundation initiated its tropical health efforts at roughly the same time that Standard Oil, a Rockefeller corporation, began exploring for oil in Bolivia (A. Sampson, 1975). Interestingly enough, oil in Bolivia is found primarily in the tropical areas.

In like manner, the Rockefeller Foundation ended its assistance in 1953, after the Bolivian Government nationalized all foreign mining operations including those of Standard Oil.

The obvious political and economic interests of the Rockefeller Foundation help show a coercive and utilitarian rationale underlying the earlier health assistance programs. This does not deny its positive impact on health status and in strengthening Bolivia's capability to resolve its health problems. The Foundation did eradicate yellow fever and train a corps of epidemiologists who were key to initiating the malaria eradication efforts (#8, p. 387-9).

The early direct U.S. Government health assistance in Bolivia followed much the same pattern. In the early years of World War II, the U.S. Government was interested primarily in supporting its war effort by assuring supplies of critical products by establishing cooperative mechanisms for defense in the southern hemisphere. Part of its strategy was to initiate "Cooperative Services" in education, agriculture and health in Latin America. In health, the

service was best known by its Spanish acronym SCISP for the Servicio Cooperativo Interamericano de Salud Publica (#8, p. 390). The Bolivian SCISP was initiated in 1942, to provide sanitary assistance to the rubber workers in the tropical zone of northern and eastern Bolivia. Specifically, it proposed to attenuate and eventually eliminate malaria which had such a drastic negative impact on the rubber workers. Under the SCISP, an American General was assigned to Bolivia to act as Co-director of health services. His Bolivian counterpart was the Minister of Health (#8, p. 387-397).

The SCISP was initiated with a one million dollar grant from the U.S. which was supposed to last for two years. The program actually lasted for twenty years. Over that period, it is estimated that a total of \$6.9 million was invested in the SCISP of which the U.S. Government provided \$3.6 million (52.4%); the Bolivian Government provided \$2.9 million (42.2%); and, other sources provided \$4 million (5.4%). This is attributed primarily to unidentified third parties, (#8, p. 391). Further, it is estimated that upward of 150 U.S. technical and administrative personnel staffed SCISP over any given year, primarily in malaria eradication program (#8, p. 392). At the same time, Government of Bolivia expenditures for official health programs dropped from an annual average of 6% of the G. D. P. in 1942 to an annual average of 2% of the G. D. P. in the

early 1960's. To date official Bolivian expenditures have never recovered (#8, p. 389).

During its "lifetime", the SCISP underwent several changes. From its initial military support efforts with the rubber workers in 1942 - 1943, the SCISP broadened its program to one of pilots project and personnel development from 1942 to 1955. In 1956, it added a major malaria eradication campaign to its program. Eventually, the malaria program was to garner nearly \$4 million of the total 6.9 million spent by the SCISP. In 1959, until its official end in 1962, the SCISP was operating five fairly well-defined health programs including: medical services; sanitary engineering; malaria eradication, industrial hygiene; and administration.

The accomplishments of these programs included such things as: constructing the first fifteen official health centers in Bolivia; eradicating smallpox in 77% of the population and malaria in 70% of the population at risk*; providing advanced public health training for 203 Bolivian professionals; and, providing the design for an occupational health program and for basic health facilities. (#8, p. 391 - 397).

The objectives of the SCISP also, were revised to reflect its

*By 1969, malaria was in resurgence and only 52% of the population at risk was covered.

broadening health improvement orientation and to officially justify its continuing existence. From the initial objective of military support by 1962 the objectives had been expanded to:

- "1. Establish a cooperative effort for the identification and solution of public health problems in their order of importance;
 2. Assist the Government of Bolivia to collaborate with neighboring countries and international agencies in resolving health problems of common interest;
 3. Develop demonstration public health programs;
 4. Train cadres of specialized public health personnel to staff demonstration and operational programs;
- and,
5. Carry out studies to evaluate the results of the SCISP operations in order to facilitate the planning of future health programs." (#8, p. 391).

These shifting objectives are particularly interesting inasmuch as they reveal a shift in the basic rationale for the program away from the coercive/utilitarian rationale of gaining military support. Although they are expressed in terms which would tend to a normative rationale, i.e., helping solve Bolivia's health problems, they actually indicate a change to a more utilitarian rationale, i.e., justifying the continued existence of the program. This is not obvious from a simple review of

the purpose statements but rather from the entire action/purpose context of the program. A similar review of the changes in the foreign assistance legislation in light of AID's historical action context might indeed reveal a similar justification for increasingly normative purpose statements to disguise an increasingly utilitarian rationale for the organization as a whole.

From conversations with both AID and Bolivian personnel who were involved in the SCISP in Bolivia and from reviewing the documents, it becomes clear that the actual structure of the SCISP also underwent major changes.* In its twenty years, the SCISP grew from a simple organization with a Co-Director and a few U.S. technicals into a parallel Ministry of Health and oftentimes a stronger organization than the Bolivian Ministry of Health. It had a secure source of financing; a group of highly trained and well paid personnel; and it was not subject to changes in the political situation of the country. At the same time the actual Bolivian Ministry of Health failed to grow and may actually have decayed in some respects. Its budget resources decreased in real terms; it was subject to political forces in a highly volatile period of Bolivian history. The only change that the SCISP was truly susceptible to was a change in direction when the Co-Director changed.*

In sum, it is fair to say that the SCISP did achieve several of its

*Personal conversations with A. Landry, AID official responsible for phasing over the SCISP to the Alliance for Progress program in health; and with C. Cuevas former employee of the SCISP.

technical objectives of improving health status and of training technical health personnel. In terms of its institutionalization objectives of developing a cooperative effort and establishing future health programs, however, it appears to have failed dismally. It may have been assumed that the trained personnel would have formed a core staff of an official Bolivian health program once the SCISP closed. Although there are no data on the subject, many of the Bolivians who were trained and employed by the SCISP did join the Ministry of Health in the early 1960's. However it has been estimated that a substantial number but close to 50% left the country or went into private practice in order to maintain their standard of living.* The SCISP's failure in its institutionalization objectives becomes clear when one reviews the extremely slow expansion of Bolivian health programs since the SCISP and their fairly heavy dependence on foreign resources, though not U.S. direct resources.

It would not be fair to blame these problems on the SCISP since obviously the Bolivian Government has made no major effort to improve the situation. However, the SCISP played an important part in retarding the Bolivian health sector's institutional capabilities through twenty years of parallel and often controlling activities. The strongest support for this statement is in the fact that the Bolivian health sector has never recovered its pre-SCISP share of the GDP, i.e. 6%.

*Personal conversations with E. Zambrana and C. Cuevas, former SCISP employees, currently M.O.H. employees.

215

during and after SCISP, nearly 36 years, the health sector has maintained its 2% share of the GDP.

From 1962 to 1974 there was a hiatus in health activities sponsored by the U.S. Government in Bolivia. The year 1962 marked the termination of the SCISP and the introduction of the Alliance for Progress, President Kennedy's response to the development needs and the political unrest in Latin America. The transition from the SCISP structure to the current AID structure has been described as very fluid. In 1962, AID named its first Director in Bolivia whose primary task was to integrate the three Cooperative Services (Agriculture, Education and Health) under a joint administrative and programming mechanism.* Although the U.S. military no longer named the Director as in the days of the SCISP, the military objective continued through the Public Safety program under the Alliance. Thus, the coercive rationale continued until 1973 when the Public Safety program was discontinued. The official policy statements tended to maintain the utilitarian and normative rationales.

Under the new AID structure, the health programs continued the SCISP programs for the most part but they depended on the administrative system of the Bolivian Ministry of Health. During this period, AID had one or two U.S. technicians as opposed to the 125-150 that had worked in Bolivia during the SCISP. This limited technical staff with the

*Personal conversations with A. Landry.

216

support of short-term technical advisors, maintained a small program.* From 1962-to 1966, AID provided \$600,000, to establish the Institute of Occupational Health (INSO) to which the Government of Bolivia contributed \$400,000. In 1965, AID provided some minimal support for equipment, vehicles and short-term advisory assistance to the Ministry's Communicable Disease Institute (INET) and to its Office of Planning. Between 1963 and 1967, AID's engineering division built 41 potable water systems serving an average population of 2878. In 1967, the Government of Bolivia created CORPAGUAS to continue the work of providing Bolivia with basic sanitation services. CORPAGUAS, was formed largely of Bolivian engineers who had been working with AID's program as employees of the Ministry of Housing and Urbanism. From 1967 to 1974, AID provided approximately \$1.4 million to initiate family planning activities through the Ministry of Health. This activity, called the Family Care Project, helped to create the Maternal Child Health Division of the Ministry and the National Family Center (CENAF). It also set up a mobile health program in a small town near LaPaz called Ayo-Ayo, and was to initiate public health and family planning programs in the three Bolivian medical schools. (#3, p. 398-407). Finally, the Ministry's Division of Nutrition continued to coordinate the feeding programs which were supported by the P.L.480 foodstuffs donated by AID. This Division had been created during the SCISP.

*The total Bolivia program provided over \$50 million in loans alone from '62-'74. (USAID/B Controller Summary, 1/31/78).

Although I do not have access to specific cost data of the other international agencies working in health in Bolivia from 1962 to 1974, a review of the Ministry's budgets and personal conversations have led me to believe that the bulk of the costs of rural health services programs were covered by non-government agencies. From 1970-1974 on the average, 90.9% of the budget of the Ministry of Social Welfare and Public Health MSW/PH was for operating expenses while only 9.1% was for investment. Considering that only 30% of the budget goes to public health, then 27.3% of the total budget went for public health operations and only 2.7% for investment. (#8, p. 233-238). This represents an average budget of \$1.8 million for public health. Of that, an average of \$100,000 per year was used for medical supplies and an average of \$160,000 (the investment budget) was used for constructing health facilities and water systems and for purchasing vehicles. The limited capability of the Ministry is even clearer when one considers that these total amounts for public health represent only \$.39 per person and \$.06 per person for supplies and facilities.

For vehicles alone during the same period, UNICEF provided an average of \$75,000 per year. UNICEF also re-equipped 645 health centers at an estimated cost of \$645,000 during the same period. "In 1972, external assistance to the health sector reached the level of approximately \$2 million going principally to the Ministry of Social Welfare and Public

Health..."*, primarily to public health activities. (#23, p. 40).

The UNICEF support for supplies, vehicles and facilities represented an expenditure of \$.16 per person or slightly more than 2.5 times the total Ministry expenditure for the same items. The total foreign contribution represented \$.44 per person for general public health services representing \$.05 per person more than the Ministry expenditure in the same area.

Perhaps even more revealing of the degree and meaning of this reliance on external assistance are the statements in the Ministry of Health's plans for the sector. In reference to its efforts to expand its services to the bulk of the population, i.e., that which lives in rural areas, the Ministry makes special mention of the role of external assistance from the SCISP and then from the Tripartite Agreement between the Government-WHO/PAHO-UNICEF, which was in effect from 1968-1973. It states:

"The extension of health services to rural areas initiated by the SCISP in the 1950's took on special importance and significance in the current decade (1970's) with the signing of the Tripartite Agreement Government-UNICEF-WHO/PAHO... The participation of UNICEF was extremely effective in terms of promotion and of accomplishments. A

*Personal translation from the Spanish.

continuation of this expansion is contemplated with the participation of other sectors and with financing that could come from different sources (Rural Social Security System and International Assistance)..."*

It goes on to cite the accomplishments of the Tripartite agreement as the major success of the five year period, 1968-1973, "especially due to UNICEF support in the areas of equipment and personnel development." (#23, p. 38) In its discussion of four out of five service programs, the Plan calls for continuing external assistance for basic operations. (#23, p. 4-85) Finally, it provides a table projecting the needs for external financing for operational costs as well as investments from 1974 to 1978, which is presented in Table III.A.

The Plan '73 - '78 also recognizes the need for increased Government support particularly for investment budget and supervisory activities, which generally translates into vehicles and per diem costs. Finally, it recognized the need for the Ministry, as the sectoral leader, to take greater responsibility for coordinating all external cooperation in the health sector (#23, p. 3, 4 and p. 52). This recognition is markedly different from the focus of the ten-year plan for the health sector written

*Personal translation from the Spanish.

220

TABLE III. A.

PROJECTED AMOUNTS OF EXTERNAL FINANCING AND ANNUAL INCREMENTS (SOURCE: PLAN '73 - '78, MBS/SP, LA PAZ BOLIVIA, 1973)

Type of Funding \ Year % 1)	1974	1975	1976	1977	1978
Operational	24%	21%	14%	8.6%	3.5%
Investment	21%	19%	16%	22%	22%

- 1) The percentages are based on the total resource requirements. The remaining amounts would be covered from national sources.

in 1966 where there is no mention made of coordinating external cooperation yet there is a tremendous reliance on it for program implementation. In the discussion of each service program, the Plan '66-'75 calls for WHO/PAHO to supply technical assistance and for AID and/or UNICEF to supply material assistance and, in most cases, personnel costs. (#22, p. 224-252). It also calls for a major expansion of health services to rural areas and a concomitant investment budget without mentioning where the resources will come from. (#22, p. 265). Finally, in the 1966 Plan, there were four external agency representative named as drafters of the plan along with ten Bolivians while in the 1973 Plan, no foreign representatives were named. This trend toward increasing independence from foreign assistance, may be an indicator of greater institutional strength within the Ministry of Health. For AID, it may be an indicator of the need to assume a more fraternal stance with the Ministry rather than the more paternal stance it took during the SCISP days.

II. summary then, the U.S. Government historically has played a strong role in Bolivian health programs. The rationale for its involvement shifted between 1942 and 1974 from utilitarian/coercive to utilitarian/normative. After the "parallel ministry operation" of the SCISP from 1942 to 1962, the U.S. Government played a lesser role which allowed the Ministry to strengthen its capabilities. The Ministry also began tapping other sources of external financing to maintain its programs.

From 1962 to 1973, the U.S. Government through AID played a minor role in health compared to the other external agencies but still an important role compared to the total resource availabilities of the Ministry of Health. The basic technology of the U.S. SCISP was health services delivery but, post SCISP, the U.S. technological base switched to health financing. The action structures of the U.S. program were debilitated as SCISP personnel left and the AID program was forced to depend on the Ministry for implementing programs. It is of particular note that AID's major investment was in family planning activities during this period, an area identified by the DAP as being somewhat sensitive politically in Bolivia. Largely because of its limited staff and financial assistance in health, USAID/Bolivia maintained a low-profile in health during this period.

2) NEW STRATEGY FOR HEALTH PROGRAMS IN BOLIVIA: THE HEALTH SECTOR ASSESSMENT

In 1973, USAID/BOLIVIA decided to increase its involvement in the health sector and embarked upon a major diagnostic effort called the Health Sector Assessment. Based on the findings of this Health Sector Assessment, USAID/Bolivia proposed to initiate a major program of financing and technical assistance in rural health in Bolivia. The process of developing the Health Sector Assessment (HSA) marks the beginning of a transitional period, and the initiation of a major decision-

223

making process. As mentioned in earlier discussions, this diagnostic effort was inspired principally by directives from AID/Washington in its attempt to respond to the Congress's "New Directions" which called for increased attention to the rural poor and to health programs as one of the rural poor's principal needs. It also followed closely on the Mission's general diagnostic and strategy setting effort of the DAP.

In January 1974, the USAID/Bolivia embarked on major assessment efforts in the three sectors of Congressional priority -- agriculture, health and education. The purpose of each of these sectoral assessments was "to analyze the current status of sector activities in Bolivia and to provide guidance for planning future USAID programs". Further, it was the intent of the Mission to "provide coordinated mutually supportive interventions in the agriculture, education and health sectors". (#8, p. iii). The Health Sector Assessment (HSA) was the last to be completed and it involved the efforts of over 60 Bolivian officials from 12 agencies and 15 technical advisors for a total of 649 workdays. It took nearly 12 months from start to finish and cost between \$400,000 and \$500,000. (Becht, p. 13,14) (For the exact roles of these persons, see Annex II).

As in the case of the DAP, the HSA required substantial time on the part of many members of the AID staff in Bolivia and in Washington. In Bolivia, there was a coordinating committee to assure the compatibility of all three sectors assessments; the Director reviewed all drafts

personally; and the Chief of the Humanitarian Assistance Division devoted the bulk of his time to the HSA effort as did his administrative assistant. In addition the Ambassador and the Political and Economic Sections of the U.S. Embassy reviewed the document carefully and provided comments and, finally, approval. In Washington, at least 15 persons were involved for substantial periods both in providing technical support during the effort and in the review and approval meetings in Washington.

Basically, this 480 page document approved in February 1975, provides a description of the health situation in Bolivia, its conditioning factors, and its social-economic implications. It proceeds to a rather administratively-oriented analysis of the programs underway in Bolivia, the structure of the health sector, the infrastructure available, the intersectoral programs that influence health status and the international resources that are being applied to different programs. Finally, it presents the Government of Bolivia's (GOB) plans for the sector and describes the proposed AID program of capital and technical assistance in the sector. In accord with the Congressional guidelines, the AID strategy called for a pilot project in a limited geographic area which would be followed by a full scale health and sanitation activities. These latter activities would be funded by loan and grant funds from AID and would focus on a third of the national territory where the agriculture and

225

education programs also would focus. The family planning and feeding programs would be continued and strengthened and a nutrition loan program would follow the initiation of the health and sanitation programs. Eventually, AID would provide loan and grant financing to expand this "low cost comprehensive rural health delivery system" on a nationwide scale. (#8, p. 434)

Was the strategy feasible for the AID Mission to carry out with the Ministry of Health? It probably could have been but history tells us that it has not been carried much past the first pilot effort. Since the document is certainly comprehensive and fairly strong analytically, the search for the reason must go beyond the end product to consider the process from which it resulted. After ten years of minimal activity in health in Bolivia, it certainly seems to be logical to analyze the sector before jumping into a program. The Bolivians worked with the AID technical experts in developing the analysis. The strategy flows fairly well from the prior analyses. The USAID/Bolivia strategy followed the Congressional guidelines. The analysis was as accurate as any done up to that time or perhaps better since it was the first comprehensive effort. The Mission certainly devoted adequate personnel and funds to do a complete job. Where, then, did the HSA fall down?

The primary reason was that the HSA was used as the focus of a massive data-gathering exercise rather than the basis of a joint

learning and decision-making process. Although AID had every intention of basing a major program of financing in the health sector on the results of the HSA, most of which would require Ministry of Health implementation, there are only very cursory descriptions provided in two official communications of that intention to the Ministry of Health.* (Oleson-Lechin letter and Torres-Lechin letters 6/75). Thus, the Ministry participated in the data collection exercise with the technical advisors contracted by the Mission but neither group was given time or any prompting to hold meetings to discuss program issues or policies. Rather, the Mission largely derived its description of GOB strategy from planning documents and informal discussions. The Mission's strategy, likewise, was derived from internal Mission discussions with only minimal input from the advisory group and no official input from the GOB. (#2, p. 12).

This lack of participation certainly inhibited both the GOB and AID from fully appreciating the real potential of their joint working relationship.** Not only was the potential for a strong joint program greatly diminished but Min. Health lost some of its faith in AID's ability to work with them -- AID did not translate the HSA into Spanish nor did the GOB ever publish its reports in support of the HSA. Also

*Personal conversation with Ministry of Health Officials involved in the HSA.

**Much of this section on the HSA is based on conversations with J. Becht, his report and limited conversations with A. Landry

227

AID was left in a very incongruous position vis a vis Min Health --- why mount all the effort of an HSA if there was no program to flow from it? When AID requested that the Ministry of Health take responsibility for the first program effort, it is little wonder, that the Ministry did not consider that to be their role. Finally, it inhibited the full utilization of the technical experts that the AID Mission had hired by keeping them focused primarily on data-gathering tasks rather than on analytical or brainstorming activities with the Bolivian and Mission personnel. Essentially, the data-gathering focus kept the Mission from taking full advantage of the "extender" function of the advisors.

Other lesser reasons, many of which harken back to the lack of participation, may also be cited. First, despite the warnings of the HSA advisors that family planning was best left alone in any official programs* the Mission was under pressure from Washington and the Ambassador to include family planning. The Mission bent to the pressures and caused additional reserve on the part of the Ministry of Health to become involved with an AID-sponsored program. Second, although the HSA did a complete analysis of the sector, the strategy was largely predetermined by the Congressional guidelines to focus on rural comprehensive public health programs. Third, since the HSA was the last of the three

*Conversation with J. Becht, 3/6/78

228

assessments and because of AID's heavier emphasis on agriculture and productive schemes, the proposed health program was limited to the geographic area of the agriculture program despite the GOB's desire to mount a national rural health program. Fourth, since this was the first HSA done in the world by AID, there were many initial administrative set-up problems such as contract delays as well as technical problems such as ambiguous guidance from AID/W. Firstst, there was constant pressure because of deadlines not to take enough time to complete the document as thoroughly as the HSA team might have desired. This time pressure both within the Mission and with the GOB. (#17, p. 27-8). These may not be all the reasons for the less-than-possible success of the HSA but they suffice to provide an idea of the kinds of barriers that the HSA confronted.

SUMMARY OF KEY CORRESPONDENCE
ANNEX IV

- 3/4 Becht-Landry memo - Issues to be resolved re imp. of EDP in Santa Cruz.
-indicates Becht was setting-up a project without knowing with what funds.
-ASL comment indicates USAID/B may have grant if JRD agrees.
- 3/20 Becht-Landry-Torres meet:
-review HSA and Commission results and discuss APD interim 18 month effort until loan might be negotiated,
-need for MOH to provide an office in US/Santa Cruz and cnpts.
- 3/18 Landry-Parker letter re request ST/TA of Zshock and Taylor to design economic and household surveys in US to be in Bolivia by 5/16.
- 4/22 Landry-Massey memo re request 3-4 contract for Anellos to assist J. Becht.
- 4/24 Landry-Parker letter re request AID/W send info on replacements for J. Becht to be on board by Aug. 75.
- 4/26 Landry-MacMoil memo re request travel for J. Becht to La Paz on 4/28-5/6 to finalize APD PROP, consult with UNICEF and MOH and prepare contracts for Anellos and secretary; on 5/12-16 to prepare APD ProAg and consult with MOH and MinPlan.
- 5/2 La Paz 3090 re received Taylor report; request news of Zshock report and Becht replacement.
- 5/13 Becht-Landry memo re suggested pre-conditions to AID support of MOH prm. under APD and loans.
- 5/16 Becht-Landry memo re questions to be answered by APD.
- 5/16 Becht-Massey memo re requisition for office equipment for advisors in APD Project.
- 5/23 Becht-Alegria letter re explanation of APD to planning technician of MinEducation and request for assistance in integrating rural teachers into rural health.
- 5/29 State 125270 re Zshock available first week of June, but needs more info; AID/W searching for Becht replacement and PHHA candidate.

- 6/3 La Paz 3763 re Zshock clarification.
- 6/19 Landry-McMoil memo re authorization for travel in Santa Cruz and to come to La Paz on 6/17-20 to finalize APD ProAg and set up implementation mechanisms with MOH.
- 6/ Ambassador's review of APD PROP -- eval. in June is key to predicting loan; statement of project objective should be made clear and it is to provide the analytical base for a future loan program; the PROP must be experimental and must include FP; cost analysis is critical.
- 6/10 TA temporary contracts (P.O.s) for Lynn and Eloy Anello.
- 6/16 TA Becht-Landry-Diaz memo -- contract personnel requirements for APD: two long term; 7 short term. Becht assumed other advisors would also be available; suggested an institutional contract to minimize admin. headaches and named CSF.
- 6/20 Landry-Massey memo re urging approval for PSCs with Anellos for continuity after Becht's departure.
- 6/23 La Paz 4335 -- Becht arrives AID/W 6/25.
- 6/23 Becht-Landry memo re scopes of work for two long-term advisors for APD.
- 6/23 State 146813 re AID/W urgently requests Becht attend PROP review 6/23.
- 6/25 State 151187 -- APD PROP approved and Mission authorized to negotiate ProAg with GOB; AID funding reduced to \$235,000 per FY 75 control levels; purposes re-stated and frequency of evaluations increased with first one in September/October 1975. Becht hand-carrying modified logical framework; modified PROP narrative and financial plan follow; additional guidance follows on monitoring required to determine viability and timing of proposed rural health loan.
- 6/30 State 153763 -- accounting numbers for APD disbursements.

Implementation Correspondence

- 7/7 /Request for contract for sec. in Santa Cruz
- 7/7 Request for 1 grant-in-aid vehicle.

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232

- 7/3 Grant-in-aid finalized.
- 7/24 Lynn and Eloy Anello P.O. #262/75 extended 1 month to 8/31/75.
- 7/24 Request for second grant-in-aid vehicle and office furniture.
- 7/29 Requisition for office furniture and equipment.
- 7/28 J. Becht to LaPaz to prepare PIO/ s and Ts and set up MOH org. and disbursement procedures - Ruther-Eckersley.
- 7/29 Becht-ETD August 20, 1975 -- Massey-Eckersley.
- 7/30 Request for 2 mos. P.O. services Diaron.
--Becht-Ruther (done 8/1/75)
- 7/31 "Reclamando" contracting E and L Anello
--Ruther-Jensen.
- 8/1 LaPaz 5384 Request authorization -- Survey Design and Imp. Advisor for PSC E. Anello.
--Vietnam close-down and req. AID/W authorization.
- 6/16 Outline of TA reqs. and recommendation to use an institutional contract.
Becht-Landry-Diaz memo.
- 8/ Notes of meeting with J. Becht on Proj. Imp.
--secure commitments COPP, Meth and San Simon.
--IT and ST/TA and Bolivian personnel
--form MOH committees
--set up surveys with IA/DR help.
- 8/ Notes from Daly, Frericks, Anello, Ruther meeting
- 8/13 Proj. Comm. Meeting re set up committees.
- 8/13 State 190865 authorize Anello contract.
- 8/19 Request for UNICEF materials from MOH for Santa Cruz.
Massey-Torres letter.
- 8/15 Meeting of Exec. Comm. re authorize Tech. Nurse course, tell Regional Comm. to get personnel, CON AND MOH to set up disbursements.
Need OK on land for construction, PIL to write and sign, need to define list for PIO/cs, fixed salary scales for IOT.

233

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- 7/7 Request for 1 grant-in-aid vehicle.

- 8/26 State 203242 ST/TA of Daly, Frericks, Bogue, Schorr for
9/1/75.
- 9/5 PSC with E. Anello for 13 mo. \$24,100.
- 9/19 Request for office equipment.
--Torres-Oleson letter.
- 9/29 Request Grant-in-Aid
--Ruther-Jensen memo
- 9/4 Request of satellite map loan from Geobol.
-Landry-Brockmann letter.
- 9/4 Request granted.
--Brockmann-Landry letter.
- 9/5 Meeting of Regional Committee - Suarez, Tapia, Landry,
Ruther, Ruiz, Anello, Gumiel.
--participation of U. San Simon, clarification of tech.
nurses, quarterly disbursement with Tapia as Coordinator,
hiring personnel for DOT, request for ham radio for
Montero, request to Methodists for construction, the
Santa Cruz Health Committee will act as the Departmental
Consultative Committee.
- 9/8 Office equipment arrived Santa Cruz.
Chavez-Landry-Jensen memo.
- 8/13 PSC with R. Chavez for Proj. Secretary 15 months.
- 9/9 General notes (Ruther-Anello letter)--budget overruns to
be covered by counterpart, request confirm OOPP contribution.
- 9/9 La Paz 6305 ready to contract G. Robinson as PHAA; request
names for RPHA in Santa Cruz.
- 9/19 Daly trip report -- problems of staffing and communications;
draft survey instruments ready; no Bolivians.
- 9/15 Request Yaron's report; E. Anello Proj. Mgr.???
Landry-Yaron letter.
- 9/14 Frericks trip report re survey and sampling procedures
completed; setbacks: J. Becht left without time to
initiate project, lack of funds to work; E. Anello's
lack of experience.

235

- 9/24 LaPaz 6706 responding to AID/W worry about APD -- delays due to lack of IT/TA, MOH skeptical until advisors on board.
- 9/24 La Paz 6693 -- request AID/W complete contract with G. Robinson urgently.
- 9/24 La Paz 6697 -- request AID/W contract Brooner since project underfunded.
- 9/29 Ruther-Cuevas letter -- justification for technical nurse course.
- 9/30 La Paz 6882 -- request AID/W authorization to contract Echeverri for PHA.
- 10/1 Gumiel-Anello telcon -- Ruther named Proj. Manager, unable to purchase aerial photos for sample in Santa Cruz, Min. Finance clearing counterpart funds, no problem expected with OOPP contribution.
- 10/ Oleson-Klein letter -- why APD delayed: delay in identifying and placing two major advisors and timing of short term advisors; Becht's departure; underfunding from AID and difficulties in getting MOH budget support.
- 10/ Oleson-Steadman memo re same as above plus Ruther named Project Manager; Project moving ahead; MOH committees formed; survey instruments ready. Implementation Letter ready for review 11/2.
- 10/14 Anello-Ruther memo -- Diaz trip and meetings which confirmed OOPP (\$45,000), Methodist and MOH/Regional readiness to sign letter of implementation, Dr. Serrate ready to be Regional Coordinator with salary increase.
- 10/30 Monthly Report -- Progress: questionnaire translation in process; district MOH counterpart working with Anello, counterpart funds nearly ready; aerial photo arrangements nearly complete; MOH authorized use of land for construction; DOT salary scale and incentives authorized by MOH. Problems: only one of three advisors on-board; MOH has not authorized nursing course; no MOH Regional Coordinator; survey delayed for lack of aerial photos for sample definition; accounts not set up. Pending Actions: contract two advisors; name Regional Coordinator; initiate aerial photography; confirm Univ. San Simon participation; Minister must resolve dispute on nursing course which has arisen between Planning and Nursing representatives.

- 10/16 Bogota 9991 -- Echeverri interested in RPHA position but requests full info.
- 10/20 La Paz 7450. Approve Robinson draft contract except for commissary privileges which are not allowed by Ambassador.
- 10/24 Payment for transport of office equipment to Santa Cruz.
- 11/7 Landry-Becht letter -- request monthly and final reports to release final payment.
- 11/7 Anello-Ruther memo -- request dates of advisor's arrival to plan for short term advisors.
- 11/6 Anello-Ruther memo -- request for communication specialist in January; suggest 6 months contract. for health education for wife due to pregnancy; resolve nurse course.
- 11/6 Anello-Ruther-Diaz memo -- itinerary for Diaz trip to Santa Cruz and alternate budget for OOPP contribution.
- 11/12 Outline of short-term advisory requirements for Program Office to draft PIO/T for AID/W to contract 8 advisors.
- 11/19 Anello Monthly Report: assisted Ruther in designing demonstration component; scheduled Dr. Schorr for January; reviewed Letter of Implementation with OOPP, Methodists and Diaz; Public Health Nurse for DOT to start work on December 20; request for incentive pay to hire DOT personnel; renovation of offices has begun; construction plans made and approved.
- 11/19 Counterpart Release Letter \$48 signed providing \$100,000 additional to APD for local costs.
- 11/24 Landry-Ruther memo -- suggested additions to survey questionnaire.
- 12/2 Ruther-Anello message -- requesting urgently list of drugs and supplies for PIO/Cs and Letter of Implementation budget; vaccines are available through Vaccine Bank for April use; the MOH has authorized the additional 100 meters needed for construction; the disbursement should be ready on Fri., if it is Ruther will bring it to Santa Cruz on Sunday.
- 12/4 La Paz 8646 -- request for Schorr's services 1/5-19.
- 12/10 La Paz 8680 -- request info on alternate candidate for La Paz position - PHAA.

237

- 12/11 La Paz 8817 -- request Kadunc short-term assistance and possible long term contract for January.
- 12/15 Radiogram Ruther-Anello -- urgently need drug and supply list or lose funds on 12/30.
- 12/17 State 297640 -- Schorr unavailable.
- 12/22 Kadunc-Landry memo -- summary of conversation.
- 12/22 Kadunc-Landry memo -- comments on Health Facilities Questionnaire
- 12/23 Landry-Becht Letter -- have received report and payment is on the way.
- 1/5/76 La Paz 0099 -- Short term advisor Donahue okay for January 20 but we need the aerial photo expert too.
- 1/15 La Paz 0481 -- request authorization to hire Lynn Anello as health educ. advisor.
- 1/15 Managua 0230 -- E. Kadunc enroute to Washington.
- 1/8 Monthly meeting AID - office equipment stolen but AID may replace it; DOT personnel not hired; PHA still not in sight.
- 1/16 State 10509 --R. Darland can assist Donahue in aerial photo aspects.
- 1/19 La Paz 0585 -- PIO/Ts for AID/W contracting of short term advisors will be sent in two weeks.
- 1/21 La Paz 0616 -- Mission agrees that additional money in FY 1976 should come under/RHDS loan/grant project in Congressional Presentation.
- 1/23 La Paz 0712 -- request AID/W assistance in identifying alternate candidates for/RPHA.
- 1/23 La Paz 0697 -- list of expected outputs of the RHDS loan/grant project for the Congressional Presentation FY 1977.
- 1/ Radiogram Gumiel-Anello -- McMoil will pick up the signed Letter of Implementation on Tuesday to hand-carry to La Paz.
- 1/30 La Paz 0878 -- PIO/Y 50101 was sent to AID/W today; under it AID/W is to contract various short-term advisors needed.
- 1/30 La Paz 0877 -- PIO/Ts 50099 and 50100 for the PHAA and the RPHA were sent to AID/W today. Please advise of RPHA candidates.

- 2/4 La Paz 1076 -- Durland not as useful because of delay; advise RPHA candidates.
- 2/6 La Paz 1093 -- repeat request for AID/W authorization of Lynn Anello's contract.
- 2/10 State 32209 -- Kadunc arrives 2/12 to begin assignment as PHAA.
- 2/11 State 32794 -- AID/W authorizes L. Anello contract
- 2/23 State 42358 -- AID/W authorizes contracting 8 short term advisors under PIO/T 50101.
- 2/24 Grant-in-Aid of office equipment from USAID/Bolivia to MOH/Santa Cruz.
- 2/26 La Paz 1647 -- Echeverri definitely not available; advise availability of other candidates for RPHA position including Bradbury.
- 2/ Radiogram Gumiel-Anello - USAID/B has approved Letter of Implementation and MOH and Min. Finance are expected to sign soon; send quarterly budget for March-May immediately to facilitate disbursement.
- 3/1 Kadunc-Puther memo on first trip to Santa Cruz -- too much reliance on formal studies which has inhibited "getting to know" the situation and writing it down; need for detailed activity plan; reconsider number of MOH personnel in DOT.
- 3/2 Bogota 2218 -- Echeverri not available but suggests L. Woolley or C. Tobon for RPHA.
- 3/8 La Paz 1924 -- USAID/B sending job information to Tobon and Wolley; request CVs.
- 3/8 State 55981 -- AID/W also suggest M. Anumada for RPHA position - 30 years experience.
- 3/9 Kadunc-Gumiel memo - please notify Santa Cruz that R. Durland arrives 3/11 in Santa Cruz.
- 3/10 State 57219 -- AID/W seeking 8 short term advisors but needs to know how much has been spent on previous services.
- 3/10 La Paz 2004 -- reject Anumada because of age (over 70) and request check on Bradbury.

- 3/16 DeVries-Kadunc - request assistance for Carlota Ramirez upon her return to MinPlanning after MPH at Michigan Univ.
- 3/22 La Paz 2284 -- request P. Farley assistance in re-designing RHDS/APD.
- 3/23 Airgram TOAID A-048 -- sending two copies of PIO/T 50101 to P. Farley, AID/W.
- 3/30 "El Pais" advertisement of DOT positions available.
- 4/5 La Paz 2758 -- panic need for RPHA or short term replacement; list of revised dates for 8 short term advisors follows; need copy of Donahue report.
- 4/7 Landry-Lustig -- comment on Project Performance Tracking (PPT) as a limited-utility tool for reporting on project implementation.
- 4/9 Executive Committee Meeting Minutes -- the DOT's Public Health Nurse and 4 others will start work on April 1; need to speed the aerial photo interpretation process; need to find positions for the auxiliary nurses in training; USAID/Bolivia should donate another vehicle to the Project; MOH is providing vehicle maintenance and gas; BES may do a study on FP in the Project if the Minister approves; MOH will find a way to incorporate the Regional Coordinator into the official MOH personnel list.
- 4/7 Kadunc-Ruther memo on trip to Santa Cruz -- major problem is lack of program and schedule of activities; lesser problem of advisors' narrow definition of roles and confusion over secretary's duties to Project and to Consulate; the construction will be delayed 6-7 months.
- 4/9 La Paz 2840 -- initial contract offer to C. Tobon for RPHA position.
- 4/14 State 89302 -- Boehme hand-carrying CVs of candidates and Donahue report; review and select.
- 4/17 Becht-Landry letter - Becht available for RPHA position in July
- 4/27 La Paz 3108 -- request USAID/Colombia put D. Ostergaard in contact with C. Tobon and L. Woolley for interviews in Bogota.

- 4/20 Ruther-Jensen memo -- donated vehicle in July; until then project may use AID vehicle in Santa Cruz.
- 4/22 La Paz 3131 -- request AID/W contract Mefford, Fusco and Tobon for short-term assignments as soon as possible.
- 4/24 State 099118 -- Farley not available so AID/W sending G. Boostrom to assist in RHDS/APD re-design 4/26 - 5/21; AID/W trying to contract Fusco.
- 4/29 Bogota 4226 - C. Tobon requires substantial salary increase to take RPHA position; Ostergaard will discuss upon return to La Paz; Wooley not available for interview.
- 4/29 State 103844 -- Mefford available short-term but wants confirmation of RPHA position before signing short-term contract; Fusco available in May; AID/W urges hiring Becht for RPHA; AID/W trying to expedite authorization to contract Tobon.
- 4/30 La Paz 3397 - issue travel orders for Boostrom.
- 4/30 Anello monthly report.
- 5/6 State 109833 - AID/W requests revised PP to reflect defacto design changes and time extension; expect review of PP in AID/W no later than June 1; authorization of Tobon contract follows.
- 5/5 Ruther-Anello memo - request for improvement in content of monthly reports and more regular submission.
- 5/13 Bogota 4736 -- Woolley CV mailed today.
- 5/19 La Paz 3911 - Mission is preparing PP incorporating revisions from PHDP; request AID/W confirm date of review and if Mission representation is desired.
- 5/25 State 127907 - Fusco arrives 5/25.
- 5/25 La Paz 4061 - request reply to La Paz 3911
- 5/27 La Paz 4155 - N. Ruther will represent Mission on June 12 meeting in AID/W.
- 6/2 La Paz 4334 -- request K. Farr assist Project 6/13-7/10 in developing schedule of activities and programming Rural Health Seminar.
- 6/10 Chart of sites selected for RHDS services initiation.

241

- 6/4 Bogota 5417 - meeting set for Ruther and Tobon 6/18; meeting with Woolley in the works.
- 6/8 La Paz 4588 - request AID/W authorization to contract for Research and Evaluation Advisory services (15 work/months).
- 6/8 Executive committee meeting minutes.
- 6/30 Kadunc Monthly Report.
- 6/30 L. Anello monthly report.
- 7/1 Ruther-Kadunc memo - suggestions for improving monthly report.
- 6/30 Waiver of Implementing Documentation - PIO/Cs and PIO/Ts until 8/31/76 to get adequate supply information and the action plan of the PIL to schedule STITA.
- 6/29 Ruther-Oleson memo - request for waiver of salary regulations to provide salary of \$1,500 to Dr. C. Tobon.
- 7/14 MacMoil-Olseon memo - agree that waiver is necessary but suggest offer of \$1,100.
- 7/21 E. Anello monthly report (good quote for D in focus). (Also on PIO/cs).
- 7/20 Serrate-Landry - official invitation to attend the Rural Health Seminar.
- 7/20 Guatemala 5146 - Dr. Viaw will arrive 7/23 to participate in Rural Health Seminar.
- 7/21 Becht - Ruther letter -- CV and expression of interest in working as the Research and Evaluation Advisor; agreement with change in focus and commendation for turning it around.
- 7/23 Oleson-Torres letter - audit of the Project to begin on Aug. 16.
- 7/31 Proceedings and Recommendations of the First Rural Health Seminar, MOH, Montero, 1976.

(First Project activity planned and executed completely by MOH personnel!!)
- 8/4 Executive Committee Meeting Minutes - discussion of conclusions of Seminar and their relationship to the RHDS Project.

- 8/4 Landry-Serrate - excusing inability to attend because of illness.
- 8/10 Ruther - Cabezas memo - request amendments to PIO/ Cs including cancellation of serveral items.
- 8/12 La Paz 6385 - Mission will send contract and cable terms for Dr. Tobon on 8/16.
- 8/13 MOH official receipt of 7 boxes of vaccines placed under refrigeration.
- 8/16 Douglass-Ruther letter - offer to provide services in health facilities systems.
- 8/17 La Paz 6491 - request extension of services of Emrey to complete info-eval. system report; advise flights of Severn and Emrey.
- 8/18 Kadunc - Serrate letter - in C. Cuevas absence, initiated disbursement process; request CV from F. Shellenberger.
- 8/25 La Paz 6718 - Kadunc accepts IDI nomination and inquires as to salary.
- 9/1 State 216527 - Becht cleared for 14 month contract as Reasearch and Evaluation Advisor.
- 9/2 MOH official receipt of 2 boxes of anti-polio vaccine placed under refrigeration.
- 9/1 R. Emrey Final report on the Information and Evaluation System for the RHDS Project.
- 9/8 Landry-Oleson decisions memo - for the/RHDS Project, the following actions are necessary : sign Letter of Implementation by Sept. 18; contract offer will be sent to J. Becht via J. Oleson; follow-up on Kadunc's replacement and his return; develop regular system to follow-up on short-term advisory contracting; explain data gathering procedures for J. Oleson and Ambassador; include family planning study in Letter of Implementation; prepare interim report on RHDS loan/grant project.
- 9/27 Kadunc-Landry-Ostergaard memo - resignation to join IDI program.
- 12/10 Executive committee meeting minutes - review and discussion of advisors' recommendations for a logistic support system in the RHDS Project and for developing a national logistic support system.

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245

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246