

LAFF

THE LAFF SOCIETY

For the men and women engaged in Life After The Ford Foundation

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The LAFFing Parade

David Smock, who worked with international programs from 1964 to 1980, has co-written a book titled *Managing a Mediation Process*, which offers guidance to international mediators on how to make their work more effective. It is his tenth book and was written with Amy L. Smith.

Melvin L. Oliver delivered this year's Martin Luther King, Jr. lecture at Vanderbilt University Law School on January 21, speaking on how the housing crisis has affected African American wealth. Oliver is the SAGE Sara Miller McCune Dean of Social Sciences and professor of sociology at the University of California, Santa Barbara. He is the author of the book *Black Wealth/White Wealth: A New Perspective on Racial Inequality*.

Before joining the faculty at Santa Barbara he was vice president of the Foundation's asset building and community development program, which helped build human, social, economic, environmental and interpersonal systems among poor and disadvantaged individuals and communities throughout the world.

Felice Michaels Levin, a writer and program evaluator at the Foundation from 1968 to 1985, was acknowledged by the University of Wisconsin Foundation for the many bequests she has made over the years to several campus units as part of her estate plans. Most recently, Levin, who has a bachelor's and a master's degree from the university, invested in a charitable gift annuity. "I just love it," she said. "It's a wonderful vehicle for giving. It provides a defined benefit while you're alive and supports a cause close to your heart when you're gone."

Through the years she has contributed primarily to the English and mathematics departments, and established two scholarship funds to honor her late husbands, the Joseph Goodman and Felice Michaels
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Girls studying in a Swat valley school.

SWAT: SHANGRI-LA REVISITED

The Swat valley, an area the size of Delaware with a population of 1.3 million, is in the North-West Frontier Province of Pakistan, about 100 miles from Islamabad, the capital. On February 16 the Pakistan government announced it had reached an accord with the Taliban, accepting a system of Islamic law and agreeing to a truce with militants who already were in control of 70 percent of the area. According to an article in The New York Times, the Taliban for more than a year has "...terrorized the local population with floggings and the burning of schools.... Several hundred thousand residents have...fled...."

by Will Hertz

The news that the Taliban has taken control of the Swat Valley gave a painful jolt to those of us who remember the valley as an edenic paradise, peaceful and serene, surrounded by the fore-range of the Himalayas.

I visited Swat several times during the 1960s when a comfortable resort hotel in the capital, Saidu Sharif, was the site of a Ford-supported week-long management seminar for Pakistan business executives. The seminar was taught by a team of four Harvard Business School professors, some regulars and some first-timers. Back in Boston, I am told, the Harvard profs competed for the privilege of a week in Swat.

Many of the seminar participants brought their wives, as I did, for a week's retreat from the noise, confusion and summer heat of Karachi and Lahore. The Swatis were courteous and hospitable. Most of the women were visible in their facial features. The girls all went to school. The water was drinkable. His Highness the Wali ran an honest and competent government, wore jeans and played bridge in the evenings with the Harvard profs.

And the scenery was glorious. Snow-clad peaks in all directions, hungry fish in the Swat River, canoes running the rapids, picturesque villages, fruit trees and ruins of the Buddhist Gandhara sculpture art in the
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Lost Paradise

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museum and gardens. Even the road was motorable 30 miles or so to the glacier at the end of the valley.

When I got to Pakistan as an assistant representative in 1964, the Foundation had an on-going program with the West Pakistan Management Institute in Karachi to train mid-level business personnel. A spin-off from this program was the organization of a West Pakistan Management Association for higher-level executives. The association was the formal sponsor of the annual Swat seminars.

At first the Harvard professors brought cases from the U.S.A. But the institute initiated a program to collect business cases from

Pakistan companies, with the help of a case-writing specialist provided by the Foundation. In time, the Pakistan cases were added to the Swat curriculum.

But let's face it: Everybody came to Swat for the scenery, handicrafts and culture as much as for the management education. It was in the bazaar that I bought an embroidered skull cap I still wear at the synagogue on Rosh Hashana. It was a great spot before or after class for fishing and canoeing, trips to the bazaar and picture-taking of the breathtaking mountains and the striking Gandhara sculpture.

Some folks en route to Swat stopped off at the residence of the Pakistan govern-

ment's district officer in Malakand on top of a high cliff overlooking the valley entrance. The British Raj had built the house in the mid-nineteenth century as a police headquarters. When Stevie and I visited, our host showed us the Gandhara sculptures the British had set in the garden wall and the bedroom where Winston Churchill slept and kept his journal on his first overseas assignment in India in 1897.

A check on the internet indicates that the Pakistan Management Institute and Association are still in business with a range of programs. But I wonder about the Swat hotel, the museum, the girl students and the Buddhist art. ■

DELIVERY CHOICES

Readers who prefer to receive the newsletter in hard copy delivered by U.S. Mail, please so indicate to Nellie Toma at treasurer@LAFFSOCIETY.ORG

NEW LAFF WEBSITE

The LAFF Society now has its own website: www.laffsociety.org. It's still in the development process, but you will find early entries under "Home," "About," "Membership," "Upcoming Events," "Directory," "Newsletters," "LAFF Blog," "Contacts," and "Site Map." Peter Geithner, LAFF president, welcomes your comments and suggestions for improvement.

WRITE ON! WRITE ON!

This newsletter needs contributions. Send us reminiscences (e.g. those of Nasr and the Swat Valley in this issue), news of alumni, comments that may be of interest to fellow staff members. It would be a bit embarrassing to have some blank pages in the next issue.

The LAFF Society

c/o Nellie Toma
31-21 75th Street
East Elmhurst, NY 11370

E-Mail: treasurer@laffsociety.org
www.laffsociety.org

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Simple: Meet The People

A columnist for *The Charlotte (N.C.) News & Observer* reached out to a former governor to explain the defeat last fall of two of that state's leading political figures, Gov. Mike Easley and Sen. Elizabeth Dole.

And the advice grew from **James Baxter Hunt, Jr.**'s time as a Foundation adviser in Nepal. "...an effective leader," wrote columnist Rob Christensen, "must move among his people to be successful. Hunt was constantly on the move when he was governor."

Hunt was an economic adviser to the Nepalese government from 1964 to 1966, "living with his family in a foundation-provided house with mud walls," Christensen wrote. It was there, he stated, that Hunt learned the value of spending time away

from the office and among the people.

Obviously he learned well, for Hunt, a Democrat, was elected governor four times, more than any other in the state's history. He left office after his first two terms to run for the U.S. Senate against another legendary North Carolina figure, Jesse Helms—and lost. Eight years later he won the first of two more terms as governor.

He gained national recognition for his espousal of education reform and support, particularly in the fields of teaching standards and early childhood education. He served on the Carnegie Task Force that created the National Board for Professional Teaching Standards, and on the Spellings Commission on the Future of Higher Education. ■

PRESIDENT'S MESSAGE

My compliments to the contributors, editor John LaHoud and designer Susan Huyser, for providing us with our latest Newsletter. The reminiscences, analyses, and reports remind us of the quality and diversity of our membership and the important ways they continue to be productively engaged in their lives after the Ford Foundation.

In the hope of helping the Foundation take advantage of the rich reservoir of talent and experience you represent, I have sent a separate message to each of you (also posted on www.laffsociety.org) seeking your views on the desirability and nature of a closer relationship between the two organizations. Please take time to read the message and respond with your comments and suggestions.

With your responses in hand we plan further discussions with the Foundation's leadership. We will also be forming a committee to search for a new president and another committee to plan for the Gala to be held at the Foundation in the fall, when the new president will take office. If you would be willing to help, please let me know.

In the meantime, our local chapters continue to be active with meetings recently held or planned in Beijing (February), Washington (April), New Delhi (May), and New York. In the process of formation are thematic chapters involving both alumni and current staff with common program interests.

Peter F. Geithner

Fran Korten, a former Foundation staff member in Jakarta, was interviewed on January 26 by Amy Goodman for Democracy Now Magazine, a daily television and radio talk show Goodman co-hosts and which is aired on more than 750 stations. The subject was Korten's memories of working in Indonesia with President Barack Obama's mother, Ann Soetoro. Korten was with the Foundation for 20 years in Manila, Indonesia and New York, where she worked on grants for community-based approaches to the sustainable use of land, trees and water, efforts she is continuing with the Positive Futures Network in Bainbridge Island, WA, which she joined in 1998 and for which she is executive editor of its publication, YES! Magazine.

Her husband, David Korten, who had been a Foundation project specialist in Manila, is a consultant with the Positive Futures Network and is the founder and president of the People-Centered Development Forum.

The following is a slightly edited version of the full transcript of the interview that appears on the society's LAFF Blog: "YES! Magazine's Fran Korten on Her Friendship with Barack Obama's Mother."

Korten: I worked for the Ford Foundation for five years in Indonesia. This was 1983 to 1988 and Ann Soetoro worked in the office right next door to mine.

Our homes, in fact, were just a block apart and we rode in the carpool together every day. So for two years—she left before I went on—we saw each other every single day and were in many meetings together.

Goodman: Describe her for us.

Korten: When I see Barack Obama's calmness, I see that in his mother. She was extremely low-key, calm, unflappable, clear and kind of solid in her way of being, rather quiet. I did not know much about her family. When I read *Dreams of My Father*, I was kicking myself for not having asked her more about her very interesting life. There was a lot there that I didn't know, even though I knew her well as a colleague and her work, particularly with women in the villages of Indonesia.

Goodman: What was her portfolio there?

Korten: The Ford Foundation divides its programs by different emphases, and her work was to help economic development in villages through women's organizations. That was kind of an unusual way of approaching things in the country, a male-dominated country, although, in Southeast Asia, women



Ann Soetoro

REMEMBERING THE PRESIDENT'S MOTHER

often control the money. So there were many avenues for helping women economically and that was her work. She spent a lot of time in villages.

Goodman: Doing exactly what?

Korten: I don't really know a lot of the details. I know that she later went on to do a lot of this micro-lending work, where women's groups get small loans in order to, for example, develop a business in sewing clothes or in making some kind of food, like a soybean product called tempeh (that is) popular in Indonesia. One could imagine that women's groups were encouraging this kind of entrepreneurship.

And there was always a women's empowerment side to this work. So you're not only helping them earn a little money, but you're helping them think of themselves differently. And I know that that was very much part of Ann's thinking about her role as a change agent in that country.

Goodman: Did you ever meet Barack, "Barry," as a little boy?

Korten: I didn't. He wasn't a little boy when we were there. He was actually at Occidental College. His sister was about 13 or 14, Maya, his half-sister, the daughter of his mother and her Indonesian husband. So, Barack was about 21 at the time that I knew Ann. I remember her talking about her son, and I knew she had a son, but it was Maya that was the presence for us. Our kids went to the International School and Maya was there also. And partly because we lived just a block away the kids rode the bus together from school. She was one of their good friends.

Goodman: Very little is really talked about Ann Soetoro because she died of cancer when she was something like 52. When did you realize that the Ann you knew, that you carpooled with, the woman you worked next door with at the Ford Foundation in Jakarta—when did you know that she was the mother of the man who was rising through the ranks in Chicago, really soaring, as he became, now of course, president?

Korten: I think it was before Barack ran for president but after his famous 2004 speech, when he was on the rise. I had absolutely no idea. I, of course, had followed Barack Obama, but without any awareness that this was the son of my friend and colleague.

Goodman: Did Barack and Ann look alike?

Korten: Not even a little bit. She was a rather largish woman and not very tall. And, of course, he is thin as a rail and quite tall. She, of course, is a European, white American and he is a multicultural man who in America we consider black.

Goodman: Are there any particular stories you remember with Ann?

Korten: There's one really striking one for me. I was driving my daughter to school, to a theater rehearsal in the evening, and in the middle of an incredibly chaotic traffic situation, which is typical in Indonesia, and in a torrential downpour, my car stalled. I got some guys to push the car, but when they did they pushed it so that one tire was in the canal. I got out to deal with the chaos and my daughter went around and locked the doors. So I now had a stalled car with one tire in the canal with locked doors and the keys inside.

I went to a nearby doctor's clinic and made a phone call to Ann. I remember her response vividly to this day. She said, in Indonesian, "*Mana bisa?*" How can that be? She was just very calm, gave me some good advice about what to do next. When I see Barack Obama's coolness and calmness in the face of whatever crisis, it harkens back for me to that moment when she responded to my plea for help in the face of a very perplexing situation that was so at ease and clear.

Goodman: Now, maybe, viewers and readers will understand when Barack Obama is confronted with a massive global problem and he mutters, "*Mana bisa?*"

Korten: That's it, "How can that be?" I'm sure that those thoughts must run through his mind as he looks at the financial meltdown or the mess in Iraq and in Afghanistan: "*Mana bisa?* How can that be?" ■

New Chapter In Egypt

On January 20, in Cairo, Egypt, former Foundation staff who had worked in the region held their first official meeting as a new chapter of the LAFF Society. The guest of honor was **David Arnold**, president of the American University in Cairo who also is a former Foundation employee.

Alia Arafa, the head of the chapter, writes in this article about the initial gathering of former staff at which it was decided to form a LAFF chapter.

Overlooking the River Nile, in a simple and elegant flat where the regional representative of the Ford Foundation in Egypt, Judy Barsalou, lives, more than 15 former Foundation staff members gathered last September 11 at her invitation for *Iftar*, the ritual evening breaking of the fast, for Moslems, during Ramadan.

The group was quite diversified, but with many commonalities. They are all talented and skilled, and have fond memories of the times when they worked at the Ford Foundation, of their colleagues and of the friendships they formed.

Barry Gaberman, a former senior vice president of the Foundation who was visiting in Cairo, gave the group background information on the LAFF Society and an overview of its initiatives.

Among those present were **David Arnold**, president of the American University in Cairo who worked at the Foundation from 1984 to 1997, initially as its first program officer in the field of governance and later as the Foundation's representative for India, Nepal and Sri Lanka.

Others included **Salwa Hanna**, the office administrator for the Foundation in Cairo for more than 24 years; **Kiki Khorasany**, now a jewelry designer and one of the most successful business women in Egypt; **Barbara Ibrahim**, who was a Foundation officer responsible for the urban poverty program for more than nine years and now is the director of the John D.

Gerhart Center for Philanthropy and Civic Engagement at the American University in Cairo, and **Tom Olson**, who had worked for the Foundation in Lebanon for eight years.

After *Iftar* and over tea the group exchanged notes about life before and after the Foundation, and how their work there had affected their lives. Judy Barsalou then asked Barry Gaberman to help them set up a LAFF Society chapter in Egypt, because the group believes it is important that the Foundation recognize the immense talent and wealth of knowledge that exists in former staff.

They agreed that they would begin to discuss, at their first meeting, means by which they could engage in and help shape new Foundation initiatives.

They also were delighted to have had a chance to reconnect with former colleagues, and to know that the Foundation remembers them. ■

Arafa, 47, is executive director of the Arab African International Bank's foundation for social development, We Owe it to Egypt. She

went to work for the Foundation in 1983 during her last year of college, and left in 2000 to pursue post-graduate studies, obtaining a master's degree in public administration from the American University in Cairo, specializing in development studies. Since then she has held several senior positions in prominent international development agencies, including the United Nations and Care International.

She helped establish a human rights program on refugee studies, the Forced Migration and Refugee Studies program, at the American University, and has taught and conducted research in Egypt and the Gulf region on such topics as good governance and social development.

"Working in the Foundation not only developed my talents," she says, "but, most important, made me realize and trust my potential, which helped me plan where I want to be and how to get there. The Foundation has improved my life and advanced my human achievement. I will always be grateful to all those at the Foundation who helped shape who I am now."

A BEGINNING IN CHINA



Alumni of the Foundation in China attended a dinner last fall at which they agreed to inaugurate the Beijing chapter, create a chapter directory and draft an "FF Beijing Family Tree". Each of those present shared a story about his or her relationship with the Foundation.

The dinner's host was Peter Geithner, the Foundation's first representative in China and president of the LAFF Society. Others there included alumni Andrew Watson, Joan Kaufman, Phyllis Chang, Zhang Ye, Li Xin, Ge Youli and Chen Yimei, and current staff members Liang Bo and Niu Caixia.

STRATEGIES FOR HARD TIMES

As nonprofit organizations struggle along with all sectors of society to make sense of and survive the volatile economic downturn, Michael Seltzer, an executive, consultant and writer in philanthropy and the nonprofit sector, and a former Foundation program officer, offers suggestions in the following article, which appeared in February in PhilanTopic, The Foundation Center's blog. This is a slightly edited version of what also has been posted on the LAFF Society web site.

In recent days, a number of nonprofits have been forced to make painful financial decisions. The trustees of Brandeis University voted to close their art museum and sell much of their art collection. The Bolshoi Theater of Moscow cancelled its overseas tour to Mexico. AARP has mandated that all D.C.-based employees take three-week unpaid leaves. United Ways around the country have laid off staff. Pick up your local newspaper and you're likely to find more bad news from Nonprofit Street. And this is only the start of what is likely to be the most widespread belt-tightening in the history of the sector.

When nonprofits are forced to cut back, the human costs borne by employees, clients, communities and the organizations themselves are often incalculable. How do you calculate the cost of higher tuition fees in terms of their impact on families and young people forced to make different choices? Or the cost of cuts at soup kitchens serving homeless men, women and children? Or of longer waiting lists at domestic violence shelters? How do you calculate the cost of damage to mission, reputation and morale at a nonprofit forced to cut services even as demand for its services soars?

The short answer: It's difficult, if not impossible, which makes it all the more important for nonprofit leaders to employ practices that mitigate, as much as possible, the negative consequences of any downsizing.

Here are five things you can do to minimize the cost to others:

1. Set an example: Boards should ask their executive directors to reduce their salaries before they ask staff to take pay cuts. Such

action makes a simple but powerful statement: We are all in this together.

2. Provide additional emotional and professional support to employees: As the recession tightens its grip, a growing number of nonprofit employees are facing serious financial choices. A nonprofit forced to downsize can signal its commitment to its employees' well-being by doing simple things, like distributing a confidential survey to gauge what forms of assistance would be most valued, or bringing in counselors.

3. Don't blindside internal and external stakeholders: Keep your board, staff and donors in the loop with variables and uncertainties in your organization's financial picture, and be sure to communicate changes in that picture at your earliest convenience.

Meet with stakeholders on a regular basis to solicit their advice and counsel, and to generate ideas and strategies for weathering the storm.

4. Focus on your core competencies: Every organization has its tried-and-true programs

and initiatives, as well as less-secure and less-established efforts. Now is the time to preserve the former and make hard decisions about the latter.

5. Seize every opportunity to express appreciation to staff: Words can't be deposited in a bank but acknowledgements of a job well done cost nothing, and count for more than many of us realize. Don't be stingy with them.

I could go on, but this crisis isn't about me, it's about us. We're all in this together, and the surest way to make it through these tough times and come out stronger, as organizations and as a sector, is to stick together. ■

During a career of more than 40 years in the philanthropic and nonprofit sectors, Michael Seltzer has been a consultant, grantmaker, board member and executive director for many organizations, including at one time the Foundation's program officer in charge of strengthening and advancing organized philanthropy worldwide.

In May 1989 he received the first Terry McAdam Award from the Nonprofit Management Association for his book, "Securing Your Organization's Future," published by The Foundation Center in 1987. He has written and spoken extensively on how private philanthropy can be more strategic in its grantmaking, including as a regular contributor to the PhilanTopic blog.

ACLU Faces Losses In Madoff Fallout

The American Civil Liberties Union (ACLU) may lose more than \$1.5 million over the next few years as reaction sets in to the wide-ranging and massive fraud allegedly committed by Bernard L. Madoff, who is reported to have admitted that his investment-management business was "a giant Ponzi scheme" that could cost thousands of investors as much as \$50 billion.

In an article in the January 15 issue of *The Chronicle of Philanthropy*, "In Scandal's Wake," its author, Ben Gose, reports that at least five foundations have announced they will be closing. Two of these are con-



Anthony D. Romero

tributors to the ACLU, the larger being the Picower Foundation in Palm Beach, Fla., which was one of the 75 wealthiest grant makers in the country with assets of nearly \$1 billion. The other is the JEHT Foundation in New York, which has given away up to \$30 million a year. Both are among the largest foundations in the nation supporting charities

working for social justice.

Anthony D. Romero, executive director of the ACLU and a former head of the Foundation's human rights program, is quoted by Gose saying that the loss of
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ACLU Faces Losses

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pledges from these two foundations are small relative to the organizations's more than \$100 million budget, but that they come at a time when the charity is dealing with declining gifts from others and a pension plan that is not fully financed.

As a result, he says, the ACLU, which has long received Foundation support, may not be able to move as forcefully as it had hoped possible in the changing conditions in the country. The article says Romero had hoped to work closely with the Obama administration to correct what he called the "damage done" to civil liberties and civil rights under the Bush administration. But he fears now, says the article, that the ACLU will have to cut its budget, freeze some positions and cancel an annual conference that brings its 900 staff members together.

"Just when we can go on the offensive and clean up some of this mess," he is quoted in the article, "we're going to have fewer resources to do it."

"Just when we can go on the offensive and clean up some of this mess... we're going to have fewer resources to do it."

Among his concerns, notes the article, is that lawyers representing people who lost money with Madoff may try to sue the ACLU in an attempt to seek the return of gifts made by the two foundations with what the article describes as "fictitious Madoff investment gains".

Also, as an example of the impact on his organization from individuals caught in the scandal, he said a nearly 90-year-old woman who had made six-figure gifts in the past "lost it all" in the Madoff scheme. He said he was in his office on New Year's Eve calling 10 donors who in the past had given at least \$10,000, but had yet to make a gift in 2008.

Romero has led the 87-year-old ACLU since September 2001. According to the organization's web site, he has "presided over the most successful membership growth in the ACLU's history and more than doubled national staff and tripled the budget of the organization since he began his tenure."

In 2005, Time magazine listed him as the fifth most influential Hispanic in America. ■

CRUNCH: ANATOMY OF A FINANCIAL CRISIS

All financial innovation involves, in one form or another, the creation of debt secured in greater or lesser degree of adequacy by real estate....All [financial] crises have involved debt that, in one fashion or another, has become dangerously out of scale in relation to the underlying means of payment.

J.K. Galbraith, *A Short History of Financial Euphoria* (1990)

We have met the enemy and he is us.

Pogo (1970)

How did the guys who put some dead rats in the pot end up eating some of their own stew?

Jeremy Grantham (July 2008)

by Jerome W. Anderson

Introduction

Ninety-one years ago a young American journalist named John Reed happened to witness the fall of the Czars and the rise of what would become the Soviet Union. His overly sympathetic account, published a year later, was titled *Ten Days That Shook the World*. Well, last September witnessed ten days that shook the world of finance to a degree not seen since the Great Depression.

As *The Economist* magazine described it in its September 20 issue, "Ten short days saw the nationalization, failure or rescue of what was once the world's largest insurer [AIG], with assets of \$1 trillion, two of the world's largest investment banks [Lehman and Merrill], with combined assets of another \$1.5 trillion, and two giants of America's mortgage market [Fannie and Freddie], with assets of \$1.8 trillion."

If that were not enough, several days later the two last large, stand-alone investment banks, Goldman and Morgan Stanley, announced they would seek shelter and become deposit-taking bank holding companies. The mind reels at the image of a humble secretary opening a checking account at 85 Wall Street, Goldman's headquarters, and receiving a toaster as a lagniappe from a grateful former Master of the Universe.

Then, almost as afterthoughts, first the country's biggest savings bank, Washington Mutual, failed and was laid in a shroud at the door of JP Morgan Chase, and for a while Wells Fargo and Citi fought over Wachovia's carcass like two hyenas until Citi ceded the prize. Utterly amazing.

Thereafter, in a classic negative feedback

loop, the pain ramified far beyond the capital markets as a recession, now officially declared to have begun 14 months ago, deepened and spread globally. By March it will have become the longest since the Great Depression, and its end is hardly in sight.

Then, as if tragedy had descended into farce, however tragic for its victims, Bernard Madoff's Ponzi scheme was exposed, further sapping confidence and providing a Gatsbyesque punctuation to the end of an era.

What Has Happened

The causes of this debacle can be summarized thusly: globalization; massive trade (and fiscal) deficits; enormous capital inflows; easy money and towering debt; technology, and deregulatory zeal. Of course, those human constants— instant gratification and greed—powered it all. Still, the roots of the crisis lie chiefly in the extraordinary rise of debt in American society in the last 20 to 30 years. In the private economy it tellingly occurred essentially in only two places: the consumer and financial services sectors. Consumer debt was 163 percent of GDP back in 1980 but hit 346 percent by 2007. Over the same period, the financial services sector's debt as a proportion of GDP exploded from 21 percent to 116 percent.

Where did all this cornucopia of capital come from? Again, in simple terms, globalization and relatively free trade meant that, in an era when the dollar is untethered to gold, our trading partners—such as petrostates and the new behemoths of Asia—had every mercantilist incentive to recycle their surpluses into the world's sole reserve currency, and we printed all they wanted. The U.S. financial services sector was happy to help them just as the U.S. government was pleased to take its

portion of surpluses in exchange for Treasury and other official or quasi-official obligations to fund its yawning deficits.

The result was a classic credit bubble, aided and abetted by deregulatory zeal and accommodationist monetary policy at the Fed. Essentially, our foreign friends issued us credit cards as we all went on a shopping spree, and Wall Street went on a bender.

For all of these fun and games, mortgages provided the perfect combination of opacity and leverage, and little prevented originators and securitizers from going down market into the nether regions of sub-prime. And all of this machinery was greased by over-the-counter derivatives, which Warren Buffet called back in 2003 “financial weapons of mass destruction” for their role in securitization (especially “collateralized default obligations”) and bond market speculation (credit default swaps).

In the sober light of dawn, which began to break in the obscure subprime subsector of the mortgage market two years ago, the financial system—commercial banks, investment banks, hedge funds, and other “players” in the “shadow banking” system—began the painful process of deleveraging.

The list of fallen icons is astounding, and the end is certainly not in sight. Increasingly, two of the largest remaining banks, Citi and Bank America, resemble Japan’s “zombie banks” of the 1990s, effectively wards of the state but still acting as though independent.

The policy response to these woes has been rapid and in many ways unprecedented. The Federal Reserve cut the fed funds rate essentially to zero and thus entered what economists call a liquidity trap, but what more colloquially is known as pushing on a string. Because it has been forced to engage in open market transactions (“quantitative easing”) to introduce more liquidity into the system, its balance sheet, which had run in the \$800 to \$900 billion range for years, has ballooned to \$2.2 trillion—and may yet double that amount.

Meanwhile, after a panic-stricken Congress passed legislation called the Troubled Assets Relief Program, or TARP, the Treasury abandoned the legislation’s principal purpose and began injecting massive amounts of capital into banks’ balance sheets, and a few other members of the deserving corporate poor, like Detroit, though evidence of success is scant. Of course, without it things might have grown much worse. With monetarist, or Friedmanite, remedies essentially exhausted, the old Keynesian

pump-priming trick, otherwise generally discredited as too slow and poorly targeted, has now been pulled out of the economists’ grab bag, and a massive stimulus package of not far from \$1 trillion has just been passed by Congress. The new Administration also has announced hazy plans for another effort to jumpstart the banking system (son of TARP?), whose losses generally are thought to exceed \$2 trillion.

All this frenzied government action began not as conventional remedies for a recession but as a prophylactic to prevent debt deflation. Alas, given the scale of remedies applied or expected, eventual inflation is a given. The world’s appetite, especially China’s, for U.S. government debt is not infinitely elastic, so higher interest rates and, therefore, higher prices throughout the economy are going to be the tribute we pay for their succor. At least our children and grandchildren will pay them back in inflated, and thus depreciated, dollars.

For now, since 50 percent of foreigners’ huge holdings of Treasury obligations mature in three years or fewer, the alternative, if they decline to roll them over, is that you, dear reader, and I soon will have to pay them back through drastically higher taxes.

Why It Has Happened

The problem with debt deflation, in simple terms, is that when everyone is overleveraged and suddenly needs to sell—and when what they want to sell is, in some sense, distressed—prices will plummet and markets may seize up. This is exactly what we have been watching for two years, and the process has accelerated and now is a full-blown, international banking crisis so profound that banks are afraid to lend to each other. The critical process of securitization essentially has stopped.

This time the process has been compounded by complexity, the complexity of the instruments that provided the leverage in question. Many of them were not designed to be sold or, rather, resold by the initial purchaser in the “originate and distribute” business model that propelled Wall Street in the credit boom. That circumstance had two baleful consequences. First, at a time when “fair value” accounting had been imposed on most financial institutions, these opaque securities left balance sheets exposed to the sheer “unknowability” of their value, and huge write-downs had to be taken. Second, when the pressures of deleveraging forced their sale, they could be sold only

at massive discounts to par.

This opacity and complexity produced a final, fatal phenomenon: credulity among regulators, auditors and credit-rating agencies. All wanted to believe, and for a while they did, and there was no harm. Then came a reckoning of Biblical proportions. One hears echoes of the 1990s tech stock boom, although that folly was a mere whisper compared to the thunder of this one.

Where We Go From Here

Whatever may happen to the broader economy and to the financial system, it is clear that the banking system will emerge from this crisis both humbled and smaller. Humpy Dumpty will not be put together again.

It seems likely that, having signed up for the federal dole and insulted the electorate’s sense of decency, the investment banking business will evolve into some kind of regulated utility, as commercial banking has been for nearly a century, despite the much lighter hand on the tiller felt in recent years as a result of deregulation. The shadow banking system itself likely will be forced to appear in the sunlight as a result of what is being called re-regulation. It would not be surprising if, especially in its role as a provider of credit, it also would be made subject to substantive constraint comparable to that imposed on commercial banks.

Otherwise, the big hangover will take time to disappear. For individuals, the process of deleveraging will have the morally admirable effect of raising the nation’s personal savings rate, which for a while was zero, or even negative, to a more traditional level of around 8 percent. It already has reached 3.6 percent. Yet, for society as a whole, Keynes’s “paradox of thrift” will mean that overall economic activity will be rather moderate for a while and the economic recovery tepid.

From a policy perspective, Reaganism is almost certainly dead, and the Austrian school of economists has been sent to the rear pews. Yet, since financial history is a lot more cyclical, even circular, than linear, they will return in time to offer blessings on another episode of cowboy capitalism. ■

Jerome W. Anderson, founder and president of Boston Investment Advisers, worked for the Foundation from 1973 to 1981. For the first four years he was in the General Counsel’s Office, responsible for all financial and investment matters, and then was assistant to the treasurer.

LOOKING BACK: A LIFE IN EDUCATION

Sheldon Shaeffer, a program officer for the Foundation in the 1970s, retired recently from UNESCO in Bangkok, now having all the time he needs to pursue his favorite form of relaxation: “Sitting in my garden in Pattaya on a weekend afternoon with the International Herald Tribune crossword and a glass of whiskey.”



Sheldon Shaeffer

Shaeffer's career in education and international development included three years with the Foundation as a program officer for education and culture in Indonesia from 1975 to 1977. At the time he had a bachelor's degree in history and a master's in anthropology from Stanford University, and after working for the Foundation earned a doctorate in international development education from Stanford.

Beginning in 1980 he worked for several international organizations, including UNICEF and then, in 2001, as director of the UNESCO regional bureau for education in Bangkok.

Following are excerpts from an interview that appeared in the UNESCO Bangkok Newsletter just before his retirement in December. He responded to questions from the staff, posed by Clive Wing.

Wing: What's your motto for success in life?

Shaeffer: Work very hard for many hours a day, not just office hours. And, try many different things. When people introduce me and go through my resume, three years here, five years there, I always semi-joke and say that I can't keep a job anywhere. I think the ideal is to try to move around to do different things. One of the discouraging things about international agencies is people tend to stay forever.

Wing: I'm a believer in that people shouldn't stay longer than five years.

Shaeffer: That was the idea in the Ford Foundation. People would arrive, contribute and then move on. But that doesn't happen. People get comfortable. The longer one stays the more difficult it becomes to go back to academia or find something else to do. The idea of being able to move on every five years is a good one, although it's not

necessarily been planned into my career. Neither has going from country level to regional to global, or going from fairly narrow issues in education to a much broader range of education challenges, all of which I managed to do, sometimes more by accident than design. It's proved to be a very rewarding career.

Wing: How do you like to relax?

Shaeffer: Sitting in my garden in Pattaya on a weekend afternoon with the *International Herald Tribune* crossword and a glass of whiskey.

Wing: Which of your dreams has yet to come true?

Shaeffer: From a personal point of view I can't think of any, which worries me. I've had a rich and rewarding career. In terms of professional dreams yet to come true, one is assisting the Thai education system to analyze its challenges more systematically and respond to them more comprehensively, but that's proved too difficult.

Wing: Statistics drip off your tongue but you seem “itchy” about numbers and very wary of saying that anything is 99 percent. Why are you suspicious of statistics and statisticians?

Shaeffer: In several agencies where I've worked I've had to fight for qualitative research methodologies as being as valid and reliable as quantitative ones. Proving the richness of small numbers of samples as compared to what is seen to be the reliability of large sets of data has always been a struggle. I'm not averse to them, but I find it difficult to sit down and read accurately a complicated statistical table. I've always felt it was more important to understand facts and information from a qualitative perspective, rather than try and analyze them only from a statistical point of view. Statistics can be useful to identify a problem for further qualitative research or to prove a hypothesis, but they have to be seen as complementary.

Wing: Isn't it a scandal that we still have at least 510 million people in Asia who are illiterate?

Shaeffer: I would consider it even more

scandalous because the number you quoted is based more often on answering “yes” to the question, “Are you literate?”, or “Did you go to school for five years?” What we've found in countries where we've done representative sample surveys of literacy performance is that the actual rate is 20 to 25 percent less. I keep saying to UNESCO and ministers of education, “Don't quote the 510 million figure, assume it's 640 million.”

Take into account, too, that the literacy gap between those who speak the national language and those who speak other languages at home is bigger, and the gap between men and women is bigger, as is the gap between urban and rural dwellers. So the scandal is even greater.

But it's traditionally been difficult to get donors interested in adult literacy. For example, at the Jomtien Conference in 1990, trying to get the World Bank to consider illiteracy an important issue was difficult. The feeling was, “Let's not deal with illiterate adults because eventually they'll disappear. So instead, let's try to make all children literate.” Never mind the loss of a generation.

This is such a mistake when you're trying to deal with literate families and literate parents encouraging their children to go to school. Adults have literacy needs as well. The Literacy Decade and literacy conferences that have been held recently in an attempt to put it higher on the agenda have had a bit of an impact, but much more should be done. Governments should do surveys of literacy to find out the real nature of the problem.

What we're finding out more and more from international studies and national studies like those done recently in Thailand is that a large percentage of children in school are not literate. So this assumption of the past—let's concentrate on school children and make them literate so we don't have to worry about them in future—isn't true either. The truth is that a relatively large percentage of students in school are not considered functionally literate. That's a developed and a developing world phenomenon.

Being able to create a strong foundation in literacy also means extra training for teachers. If you don't get literate in the first few years, then you're likely to drop out and never become literate. Very few teacher training systems around the world identify teachers early on who will teach the initial grades and give them special skills to do so. And very few education systems put their best teachers in grades one and two. ■

Salim Amin Nasr: Man of 'Quiet Passion'

Salim Amin Nasr, who headed the Center for Peace and Reconstruction in Lebanon and had been a program officer for the Foundation in Cairo, died last September. This tribute was written by Augustus R. Norton, who headed the Foundation-funded Civil Society in the Middle East program at New York University (NYU) in the 1990s, and appeared originally on his website "From the field" (<http://bostonuniversity.blogspot.com/>).

A man of majestic integrity, Salim Amin Nasr was enormously dedicated to his country and moved by a quiet passion for fundamental ideals of fairness and justice.

We met nearly 25 years ago. By the late 1980s, Salim conceived and headed the Center for Peace and Reconstruction in Lebanon, a far-sighted effort to bring together leading moderate Lebanese dedicated to reviving civility in Lebanon. I remember the meetings as gatherings of impressive, courageous people intent upon supplanting the war society that then still prevailed in Lebanon.

Later, Salim, a gifted sociologist, became a program officer for the Ford Foundation in Cairo. In that capacity he worked very

hard to construct a network of Arab social scientists united by their commitment to political reform and improved governance. He was a passionate supporter of the project that Farhad Kazemi and I headed at NYU, the Civil Society in the Middle East. The program was designed as an effort to evaluate the vibrancy of associational life in the Middle East, as well as examine the mechanisms and tactics regional states used to impede civil society. This was no two-aspirins-at-bedtime approach to political reform but a clear-headed effort to imagine a better future for the region's societies.

Salim might have stayed on at Ford—the Foundation certainly wished him to do so—but he decided to return to Lebanon in the mid-1990s, where he worked hard on reform and governance issues at the Lebanese Center for Policy Studies, then headed by Paul Salem.

I have special memories of Salim, perhaps none so poignant as a high-quality conference in Italy when this rigorous, serious intellectual was moved to tears recounting an episode during the civil war when his life hung by a thread at a checkpoint. Colleagues around the room could not con-

trol their own tears. He cared deeply about his work because he knew that he was not engaged in a sterile academic exercise, but work that might truly make a difference.

He loved good music. When he was in Manhattan he would make a quiet excursion to a little cafe in Greenwich Village, La Lanterna di Vittorio, where there was usually fine opera played, and he would savor wonderful coffee and something sweet.

I last saw him more than a year ago in Jubayl (Byblos), Lebanon. Salim's wonder-

Salim conceived and headed the Center for Peace and Reconstruction in Lebanon, a far-sighted effort to bring together leading moderate Lebanese dedicated to reviving civility in Lebanon.

ful wife, Marlene, asked me to talk to him, to ask him to slow down. He had been ill for several years, and he was quite frail, but I told her he could not slow down. His work kept him going.

He was so very proud of his son and daughter, Amin and Zeina. I am sure they will honor their father with their love. They and their mother have lost a wonderful man, but Lebanon has lost an extraordinary son. ■

In Memoriam

Edna Schwartz, an administrative assistant and secretary for several Foundation offices and programs for fourteen years, died February 8. She was 88. Mrs. Schwartz joined the Foundation in 1979 as an administrative assistant to Milfred Fierce on the South Africa Project of the Foreign Policy Study Foundation, which was housed at Ford. She joined the Foundation staff in March 1983 as a part-time secretary in the Office of the President, assigned to Barron Tenny, the executive vice president, secretary and general counsel. She became full time in 1983 when she was named secretary to the late Thomas Bayard, a program officer in the U.S. and International Affairs Programs. Six years later she was promoted to supervising secretary in the Latin America and Caribbean Program, then headed by Thomas Trebat, and retired in May 1993.

Lloyd E. Ohlin, 90, who conducted pioneering research on the sociological conditions that cause crime, especially among the young, died December 6 at his home in Santa Barbara, California. The cause was complications of Shy-Drager syndrome, a neurodegenerative disease.

Ohlin had been a consultant to the Foundation during a long career of academic work and public service, and received considerable Foundation support for the organization Mobilization For Youth (MFY), an early anti-poverty program he helped create and that became a model for similar efforts throughout the country in the 1960s.

MFY was a \$12.9 million effort on the Lower East Side of Manhattan that provided job training, psychological counseling, drug treatment, legal assistance and other services to African-American and Hispanic youth that

were designed to prevent delinquency. It also acted as a neighborhood service center, provided jobs for people in the area and helped them learn how to organize to confront issues of immediate concern to them, such as education, welfare and the police.

The principles behind MFY were presented in a ground-breaking book he wrote in 1960 with Richard A. Cloward, *Delinquency and Opportunity: A Theory of Delinquent Gangs*, in which he argued that juvenile delinquency was a symptom of poverty and a result of the lack of opportunities for the poor because they are poor.

"The trouble comes," he said in a 1961 interview in *The New York Post*, "with the break between aspirations and opportunities. When we lead people to aspire to higher and higher standards and then fail to produce
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In Memoriam

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opportunities for them to do so, they are left with a sense of having been denied and they become delinquents.

“The boy who joins a gang isn’t in a rut. He has aspirations, but no place to go with them.”

Ohlin’s long and varied career began when, after receiving a doctorate from the University of Chicago, he worked as a sociologist for the Illinois Parole and Pardon Board. He then was the director of the Center for Education and Research in Corrections for the university until, in 1956, he joined the faculty of what was then the New York School of Social Work at Columbia University. He went to the Harvard Law School in 1967, one of the very few non-lawyers ever to be on its faculty, and retired in 1982.

He was a consultant to the federal government on criminal justice issues under three presidents: John F. Kennedy, Lyndon B. Johnson and Jimmy Carter.

His first wife, the former Helen Hunter, died in 1990. He is survived by his wife, Elaine Cressey Ohlin, two sons, two daughters, five step-grandchildren and a brother.

Michael A. Koenig, an international expert in partner violence and child abuse in developing countries, and who had worked for the Foundation in Bangladesh and India in the 1990s on population and reproductive health issues, died January 27 of cancer at his home in Baltimore, Maryland. He was 56.

Dr. Koenig, who earned a master’s degree in sociology and a doctorate in population planning from the University of Michigan, first worked for the Foundation as a consultant to the Population Program from August to October 1982, arranging for a Bangladeshi collaborator on the effects of infant mortality in rural Bangladesh.

He had begun working in Bangladesh in 1981 as a postdoctoral fellow in population dynamics at the Johns Hopkins University School of Public Health, and throughout that decade conducted research and helped develop programs dealing with child-survival issues, women’s status and reproductive behavior, childhood mortality and HIV/AIDS prevention in Bangladesh and India.

He became a program officer for the Foundation in reproductive health in New

Delhi from 1992 to 1998, where he helped develop programs in India, Nepal and Sri Lanka. After he left the Foundation he joined the faculty of the Johns Hopkins University Bloomberg School of Public Health, and at the time of his death was a full professor in the department of population, family and reproductive health.

“It was Mike’s work that put gender and sexual violence on the global radar screen,” said Dr. Robert William Blum, chairman of the department. “Nobody was talking about gender and sexual violence in developing countries such as India, China and Africa in the 1980s. Today, no one would argue that it doesn’t exist.”

Dr. Iqbal Shah of the World Health Organization, one of many international organizations Dr. Koenig had consulted for, said, “He was driven by his dedication to improve the lives of people, especially of women in developing countries. The Social Science and Operations Research Panel has lost its co-chair, an objective and caring reviewer, and the world has lost one of its finest human beings.”

Dr. Koenig is survived by his wife, Dr. Gillian Foo, a son and daughter, his parents, and a brother and sister.

Sol Chafkin, 84, an expert in international economic development and in the economics of nutrition, and who worked at the Foundation for more than a decade starting in 1971, died January 4.

An obituary in *The New York Times* noted that Chafkin was “devoted to his family, to helping poor and hungry people throughout the world, and to challenging conventional wisdom.”

Chafkin joined the Foundation in March 1971 as a program-related investment consultant in Indonesia and New York and, in June 1972, became administrative officer in charge of the Office of Program-Related Investments. He was the officer in charge of the Office of Social Development, National Affairs, from January 1974 through September 1979, and program officer in the Office of the Chairman for the Foundation Working Group on Nutrition and Health until he retired in July 1981.

Chafkin also worked for the Agency for International Development and for the Peace Corps. At the time of his death he was living in Riverdale, New York. He is survived by his wife, Dorothy, three children, seven grandchildren and a sister. ■

Rights Group Honors Nobel Laureate

Breakthrough, an international human rights organisation working in this country and in India, recently awarded its Inspiration Prize to the Nobel laureate economist Amartya Sen at its annual fundraising dinner in New York City.

The presentation was made by the organization’s founder and executive director **Mallika Dutt**, who had been the program officer for the Foundation’s Human Rights and Social Justice Program in the New Delhi Office. Making the presentation with Dutt was Shashi Tharoor, a former United Nations undersecretary general and an author.

The citation noted that Sen, who is a professor of economics at Harvard University, has “written extensively on social

Breakthrough uses media and popular culture tools to raise awareness about human rights issues, including women’s rights, HIV/AIDS, immigrant rights and social justice.

and economic development, with focus on inequality, status of women and need for education.”

Also honored at the dinner, attended by some 200 guests, including many prominent Indian Americans, was John Thornton, former president of the investment bank Goldman Sachs. He is an expert on United States-China relations, and director of the Global Leadership Programme at Tsinghua University in Beijing.

Breakthrough uses media and popular culture tools to raise awareness about human rights issues, including women’s rights, HIV/AIDS, immigrant rights and social justice.

Its most recent campaign in India calls on men and boys to take a stand against domestic violence. In this country, it is part of a national campaign to restore due process and fairness to immigration policy. Its recent initiatives include a cutting-edge video game ICED (I Can End Deportation), and a 3D simulation of detention conditions. ■

VACCINES AND SCIENCE-BASED POLICY MAKING

by Richard Mahoney

The 1960s and 1970s saw the introduction and rapid growth in use of several new contraceptives, including intrauterine devices and pills.

The Foundation's Population Office undertook a wide-ranging set of activities including a major program—at one time the world's largest—to support research in reproductive biology and contraceptive development. The office also supported work by the Population Council and others to undertake product development and to work on various social science and policy issues.

The issues that were addressed in those days concerning contraceptives are echoed today in the field of vaccines and immunization. Family planning and immunization are two fields that have attracted zealous opposition, and the way in which this opposition has been addressed illustrates the value of science-based policy making.

Science has come a long way in the last 200 years. Medical investigators have learned to do studies that assess whether vaccines really do what we hope they do. The carefulness with which these studies are carried out is illustrated by the fact that the cost of developing a new vaccine is now roughly \$1 billion, of which the cost of conducting clinical trials to demonstrate safety and efficacy is a very large part. In the last few years, new vaccines have been developed against cervical cancer and against pneumonia and diarrhea in infants. The global use of these vaccines will save annually the lives of hundreds of thousands of women and more than one million children.

Studies are constantly under way to assess the safety of vaccines. Because they are given to otherwise healthy individuals, the safety standards they must meet are naturally higher than for drugs for treating serious illnesses. Sick individuals are willing to suffer side effects to obtain the benefits of the medicines. But parents do not, and should not, accept vaccines that do not achieve the highest level of safety possible. Thus, the U.S. Centers for Disease Control and Prevention (CDC), the National Institutes of Health and pharmaceutical compa-

nies spend billions of dollars each year supporting studies to evaluate the safety of vaccines, considered by experts in public health to be perhaps the most cost-effective intervention available to combat disease.

There are problems with vaccines, but not the problems we might expect. Ironically, one of the problems is that they prevent people from getting sick. Because many diseases that were very common in human history have virtually disappeared, including polio, measles, mumps, diphtheria, tetanus, pertussis (whooping cough) and meningitis, young doctors in training do not see patients who suffer from these diseases and are not able to sufficiently address the needs of patients in the rare cases they are encountered.

Vaccines are considered by experts in public health to be perhaps the most cost-effective intervention available to combat disease.

Also, patients get used to the idea that their children do not and probably will not ever get these diseases. Headlines in newspapers that report on claims of vaccines' adverse events may have greater impact on parents than the fact that their children are not getting sick from the diseases. Such claims with respect to vaccines against pertussis and measles led to a dramatic drop in vaccination against these diseases in Europe some years ago. The claims eventually were not confirmed but, in the meantime, many children died or suffered severe avoidable illnesses.

The claim that hepatitis B vaccine causes autism in children has also had a substantial negative effect on the uptake of this very important vaccine. Yet numerous studies, including one published just in 2008, have failed to confirm any association between hepatitis B vaccine and autism.

Another claim about vaccines is that a mercury-containing preservative—thimerosal—used in multi-dose vials might adversely affect the health of children. No scientific evidence has been reported demonstrating

an association between vaccinations and illnesses caused by mercury. But when anti-vaccination advocates raised concerns, the companies concluded that the cost of protecting themselves from potential liability suits was greater than the cost they would incur by removing mercury from vaccines.

One step for the manufacturers was very simple: They stopped putting vaccines in multi-dose vials. A preservative had to be put in these vials because health personnel would often vaccinate more than one person from a single vial over several days. However, there is a high cost now being borne by the American public for this removal of mercury from vaccines based on unsubstantiated claims. Vaccines in single-dose vials are much more expensive. Fortunately, the World Health Organization and governments of developing countries have largely continued to use multi-dose vials with thimerosal.

Skepticism about science and medicine is healthy. There should not be an unquestioning acceptance of recommendations to use vaccines and other drugs. But anti-vaccine and family-planning groups have an obligation to understand the harm they may do as well as the good they think they may achieve. Opposition to contraception, sometimes with unsubstantiated claims of adverse effects, did much to impede women's access to methods that could give them greater control of their fertility. Opposition to condoms in HIV prevention programs has done much harm. It is well documented that restrictions on access to contraceptives are effective in increasing the incidence of abortions.

Impediments to vaccine access leads directly to otherwise avoidable mortality and morbidity. Policy making based on the best available science is the best policy making. ■

*Richard Mahoney has had a long career in international public health and vaccines. He served in the Foundation's Population Office from 1970 through 1979 under **Bud Harkavy**. When he left the Foundation he helped found, with Gordon Perkin, the Program for the Introduction and Adaptation of Contraceptive Technology (PIACT), which eventually became PATH, the world's largest non-governmental organization for research in health technology. He was a founding member of the International Task Force on Hepatitis B Immunization, which played a major role in the global introduction of hepatitis B vaccines. He is now with the Pediatric Dengue Vaccine Initiative in Seoul, Korea, and has a home in Sedona, Arizona.*

The LAFFing Parade

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Goodman Levin Scholarship Fund for law students, and the Harry Levin and Felice Michaels Levin Scholarship Fund for graduate students in library and information studies.

The history of the Comprehensive Community Revitalization Program (CCRP) in the South Bronx in New York City is related in the recent book, *Going Comprehensive: Anatomy of an Initiative That Worked*, written by **Anita Miller**, program director and designer of the initiative, and **Tom Burns**, a national community development consultant who has worked with the CCRP.

“This book,” writes Miller, a former Foundation program officer, “is an attempt...to distill and explain a powerful yet still-evolving approach to neighborhood redevelopment, an approach that is not only producing here-and-now results but is revolutionizing the way urban practitioners think about the future of cities and their neighborhoods....All across the country funders and neighborhood-based organizations are creating programs that incorporate

CCRP-like elements within their particular environments.”

One of those has been the Local Initiatives Support Corporation (LISC), whose current president, Michael Rubinger, states in the book’s foreword that the LISC “has drawn both inspiration and practical lessons from the experience” of the CCRP, which “helped to reshape the entire field of community development by showing how community-based organizations could, with the right support, broaden their focus from bricks and mortar revitalization projects toward much more comprehensive approaches to improving the quality of their neighborhoods.”

“Skeptic Turned Mentor” is the title of a blog on the LAFF Society web page in which **Richard Magat**, former head of the Foundation’s Office of Reports and a founder of the society, recounts his initial meeting and lifetime association with the late **James W. Armsey**, an employee of the Foundation for 21 years who died last November. Armsey started at the Foundation as assistant to the president, Henry T. Heald, and was then a program officer overseeing grants in higher education, journalism and educational television.

FINANCIAL REPORT 2008

CY 2007

Balance on 12/31/07 **\$6,467.19**

CY 2008

INCOME

Dues, donations, interest \$6,916.19

EXPENSES

Newsletters \$5,154.00

Secretarial services 1,972.18

Supplies 184.59

Website 846.00

Sub-total 8,166.77

Income/expenses -1,250.58

Balance on 12/31/08 **\$5,216.61**

Nellie Toma

Secretary/Treasurer