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MICHAEL MAXEY

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BACKGROUND

I was born in Grenada, Mississippi, on November 4, 1952, and attended public school there. I graduated from John Rundle High School in 1970. I attended Mississippi State University, where I was awarded a Bachelor's (1977) and Master's (1981) degrees in agronomy. Additional post-graduate study at the University of Costa Rica resulted in a master's in business administration (2003) with a major in international marketing.

From 1974 to 1976, I served as a Peace Corps volunteer in Brazil. I later worked with the U.S. Agency for International Development (USAID) in Guinea-Bissau. In 1983, I became a direct hire with the United States Agency for International Development (USAID) and was commissioned as a United States Foreign Service officer in 1987. I completed assignments in the Regional Office of the Eastern Caribbean (Barbados), Honduras, Costa Rica, Peru, Nicaragua, and Washington, D.C. In 2006 – 2007, I was detailed to the Millennium Challenge Corporation. I retired from USAID in 2007 but was reappointed to serve in Iraq.

From 2008 to 2009, I was a reappointed Foreign Service officer serving in Iraq as a USAID Representative on an Embedded Provincial Reconstruction Team (ePRT) North Babel. After Iraq, I began a series of personal service contract assignments with USAID: Iraq – 2010; West Bank Gaza – 2011 – 2012; Yemen – 2012 – 2013; and Honduras – 2017 – 2018. From 2015 – 2019, I worked intermittently as a Deputy Chief of Mission role player for the Foreign Affairs Counter Threat (FACT) course at the Foreign Service Institute (first at Summit Point, West Virginia, and then at Fort Pickett, Virginia). In 2019, I became the executive director of a 501c3 non-profit established by my family, the Marie Maxey Foundation, to provide scholarships to youth in underserved communities.

INTERVIEW

Q: Today is November 26, 2023. We are beginning our interview with Michael Maxey. Did I pronounce your last name correctly?

MAXEY: Yes, Michael Maxey (max-ey)

Q: All right, where and when were you born?

MAXEY: I was born in Grenada, Mississippi, on November 4, 1952, the day Dwight Eisenhower was elected to his first term. My mother was Annie Marie Carpenter, and my father was Andrew Jackson Maxey. My father's family was from North Mississippi in Itawamba County, and my mother's family was from Montgomery County. Both families farmed cotton in the Mississippi Hill Country. I was the first of their children to be born in a hospital – my two older brothers, Hugh Irby Maxey and William Larry Maxey, were born at home. So, yes, Grenada, Mississippi, is where I was born. My great-great-grandfather, Edward Maxcy, moved his family to Itawamba County in 1836, and I was a Mississippi resident until 1970.

Q: Is that where your family stayed? Did you grow up there?

MAXEY: Yes. My family stayed in Grenada: my brothers, Hugh and Larry Maxey, served in the military, but both came back to Grenada to live. I joined the Peace Corps in 1970 and never returned except to complete my studies at Mississippi State University. My mother and father have passed away and are buried in Grenada's Woodlawn Cemetery. My brother, Hugh Irby Maxey, passed away in 2002 and is buried at Maxey Memorial Gardens in Tallahatchie County, Mississippi. I have several cousins in

Mississippi and an aunt, Ruby Carpenter Jones, who lives in Coahoma County. She turned one hundred years old in 2023. I currently live in Fairfax County, Virginia, with my wife, Ana Julia Maxey.

Q: Now, speaking of which, a lot of people do ancestry work. Have you looked back at your ancestry, and do you want to mention any of it here?

MAXEY: Sure. A distant cousin, Edythe Maxey Clark, wrote a comprehensive book regarding our family genealogy: "*The Maxeys of Virginia*." I am descended on my father's side from Edward and Susannah Maxey of Virginia. The first record of Edward Maxey was in a Charles City County court document showing him as part of a contingent of eight indentured servants brought to the colony in 1691 by William Byrd I. The court order was filed on March 24, 1691, and testified to Byrd having paid passage to the colony of my ancestor and others. Byrd was due fifty hectares for each person whose passage he paid. This was called the headright system, and he used it extensively. Over his lifetime, Byrd paid the passage for up to six hundred people, obtaining 30,000 hectares under the headright system. Edward Maxey would have served a five to seven-year term, most likely at Westover Plantation located on the James River near Charles City, Virginia. Westover plantation was established in 1689, and Edward Maxey likely completed his indenture there. He next appears in court records in 1720 in Henrico County, Virginia, twenty-nine years later, where he is awarded a bounty of one hundred pounds of tobacco for a wolf's head killed by his servants. During his lifetime, Edward Maxey acquired 800 hectares of land, built an Episcopalian church, and acquired servants. A history of my family tree is on my blog -- https://sleepless-in-baghdad.blogspot.com/2024/11/maxey-family-history.html.

Q: That is amazing.

\MAXEY: I researched the use of indentured servitude in the early colonial period; this was how most immigrants arrived in Virginia during the 17th century. If it is ok, I'd like to include a summary of the literature that I put together on indentured servitude and a synopsis of my family taken from *The Maxeys of Virginia*. A summary of the literature is also on my blog -- https://sleepless-in-baghdad.blogspot.com/2024/11/indentured-servitude-colonial-virginia.html. The completely digitized 800-page history of the Maxey family is available from a distant cousin, Terri Maxey Allhouse, and a hard copy of the book is in the Library of Congress and in the family heritage section of the Fairfax County Regional Library in Fairfax, Virginia. For anyone interested, I would be happy to answer any questions – they can just query me through my blog.

Q: Absolutely. I mean even in high school we learned about the whole indentured servant thing, and I believe they also did transfer. In other words, you were convicted of some crime but instead of putting you in jail they just sent you to the colonies and good luck.

MAXEY: Yeah, and there were different means of emigrating to Colonial Virginia, and I have studied this part of our history; in fact, I went to Westover Plantation. I met the owner who is a descendant of a former US ambassador who bought it in the 1900s, but it is still a working plantation. Edward Maxey was probably there for five to seven years, but by the end of the 1600s, he was most likely moving toward the frontier west of Richmond. Land records from the 1700s show that he obtained 800 hectares of land, and his children were landowners. According to my research, it would be exceedingly rare for an indentured servant to acquire land, much less 800 hectares. So, he must have been an exceptional person. He left a will which we have a copy of that disposed of his land and other belongings. I know that he could sign his name because the will is signed by him while the witnesses signed with an X. He left a sizable amount of

land to his heirs. The attachment I mentioned, basically a review of literature and my family history can shed some light on some of this and I'd be happy to share information on this part of our country's history. Historians are right that indentured servants were essentially poor people who, either voluntarily or through force, emigrated to the colonies. What gave me a sense of pride was that Edward Maxey was able to overcome a difficult situation, raise eight children, help them acquire land and make a good start in the New World. I also like that in his will he bequeathed his soul to Almighty God.

Q: That is incredible. Are there any other people in your family line who also were well known in politics or the military or so on?

MAXEY: Well, there was Samuel Bell Maxey, a lawyer, Confederate general, and prominent Texan, who played a significant role in the Civil War by organizing an Indian Brigade to fight for the Confederacy. This brigade, also known as Maxey's Indian Brigade, was primarily composed of Native American soldiers from various tribes, including the Choctaw, Chickasaw, Creek, Seminole, and Cherokee nations. A couple of books were written about him: "Samuel Bell Maxey: A Biography" by Louise Horton, which explored his early life, military career, and political experiences, and "Sam Bell Maxey and the Confederate Indians" by John Waugh, which focused on his leadership of Native American troops during the Civil War. Samuel Bell Maxey later wrote a history of Texas, *Maxey's Texas*. Camp Maxey is named after him near Paris, Texas. It is also interesting that Abraham Lincoln's law partner and later biographer, William H. Herndon, was married to my ancestor, Mary J. Maxey.

Q: Now what sort of a town were you growing up in? Was it principally agricultural or near a river and transit? What was the economic driver at the time?

MAXEY: Mississippi was and is primarily an agricultural state. Grenada is on the Yalobusha River. When I first went to Peru, I looked at a geological map and realized that all the major cities on the coast were on the rivers. In Peru, having a source of fresh water was essential. At the same time, in Mississippi, I believe the primary reason for establishing a town near a river was for access to markets and transportation. Cotton production and processing produced five-hundred-pound cotton bails that had to be transported to market. Using the rivers made that much more efficient and less expensive. My parents' lives revolved around cotton production. During the Great Depression, their families lost their farms and became sharecroppers on a cotton plantation in Webster County, Mississippi—the Kermit Worthy Place. A sharecropper was furnished with land, seed, and equipment to produce cotton, for which they were given one-third of the yield minus his expenses. It was a rough way to make a living. My parents' families were there; they met, became sweethearts, and married in 1940. My dad had scarlet fever as a child, and it affected his hearing so that when he reported to the draft board in 1942, he was told to work in the war industry. He ended up working in a coal mine in Alabama. World War II changed everything in terms of our family. It was the impetus for moving off the land and into town. So, after the war, my mother and father moved to Grenada, which was the place you went to because they had factories there. There were good jobs with relatively high pay. My father started working for Binswanger Mirror Company in 1947. I was the third child -- the only one born in Grenada, and I was their first child born in a hospital. Grenada County had about 20,000 people, and the town of Grenada had about 10,000. I lived in Grenada from 1952 to 1970, when I left for college at Mississippi State University in Starkville, Mississippi.

Q: The mirror factory did it principally serve the local area or it went all the way out to the rest of the country?

MAXEY: The Binswanger Glass Company started a local company in 1872 in Richmond, Virginia. By 1903, additional branches were established in Memphis and later in Houston. In 1947, Binswanger expanded into manufacturing with a mirror plant in Grenada, Mississippi. My father was among the first employees hired at the plant. During the 1950s and 1960s, the company expanded significantly and modernized and was eventually sold to National Gypsum in 1968. With globalization of the 1980s and 1990s there were significant shifts in ownership and structure, including acquisitions by Australian companies and later Mexican glassmaker Vitro. However, the 2008 financial crisis forced the company into cost-cutting and consolidation, and in 2011, it declared bankruptcy. Sun Capital Partners acquired Binswanger, which is still in operation. A history of Biswanger Mirror Company is on the internet at https://binswangermemories.blogspot.com/p/history.html.

I didn't have a plan to leave Grenada other than pondering the adventure of international travel and learning about the culture of a foreign country. I was not focused on the impact of globalization – I didn't consider the future in terms of staying in Grenada. As it turned out, economic opportunities became fewer as globalization took off – with factories originally located in the rural South moving overseas. Much of the support for the "America First" movement today seems to be coming from the impacts of free trade on our industrial base.

Q: Did your mother work while you were growing up?

MAXEY: My mother was a homemaker at first but later worked at another local factory in Grenada – the Pennaco Hosiery Mill. When my mother went to work, we had a housekeeper, Alice, an African American woman who cared for me as a toddler. My mother later told me that Alice would say, "Hug me, Baby!" and I would run and jump into her arms. I loved Alice. Mother also told me that Alice would put me on the kitchen counter and play the song "Dumbo" from the Walt Disney movie and say, "Dance for me, Baby!" and I would dance away. Those were formative years – I was probably two or three years old. Alice eventually took a job at a local restaurant.

I remember that later, when I was eight or nine years old, a friend made a racist remark, and I told him he was wrong. In reading B. F. Skinner's book, "About Behaviorism," I discovered that although people think they are in control, they are playing out a scenario pre-determined by their heredity, family, and interaction with the world. I wrote a blog post about the book - https://sleepless-in-baghdad.blogspot.com/2022/09/about-behaviorism.html. My early influences shaped my life in ways I probably still don't understand. I do remember Alice, though.

My mother was a significant influence on my life and shaped my thoughts and feelings about the world probably more than any other person. She taught me to never quit working and that no matter what, you have to keep trying. She also taught me the lessons she learned from the Great Depression and how, as a ten-year-old girl, her family lost everything in a bank foreclosure on their farm. I think that is why I still, at age 71, work part-time with the State Department. So, yes, my mother worked while I was growing up and continued working during my adult life. She finally retired at 80 from her job as a rural carrier for the US Post Office. I think my brothers and I learned how to work from our mother.

Q: Now did your father go up in the corporation or did he go on to somewhere else.

MAXEY: My father worked successfully with Binswanger Mirror Company. He started there when he was in his late 20s. Within five years, he was a foreman, and he was advancing when he became ill in 1958

with cancer. He died in February 1959 at the age of 39. My mother was devastated. My two older brothers were traumatized as well. My oldest brother, Hugh, left a year or so after my father died to join the Navy. My middle brother, Larry, tried to help out by getting a job as a newspaper delivery boy for the Daily Sentinel Star, our local newspaper.

I didn't understand what was happening, although I realized my mother was having a bad time. One thing I remember, though, is how she made sure I was in church every Sunday. She later told me that she had gone through a faith crisis during the time after my father died, but she wanted to make sure I would learn to trust in the Lord. I still carry my faith in God today and have tried to impart it to my three children. I've always told them what my mother taught me: "We may not know what the future holds, but we know who holds the future."

The other thing I remember is how my mother went to secretarial school in Greenwood, Mississippi, about a 45-minute drive from our home, so she could get a better job than the one she had at the Pennaco Hosiery factory.

Q: Wow, so none of the kids could work at that time when your father died.

MAXEY: No, other than my brother, Larry, getting a paper route and my mother's job as a secretary at local car dealership – that was the only work income we had. I remember Mr. Brister, Ward Bister's father, who owned a pharmacy and helped get medicine for my father. Also, John Keeton, an attorney in Grenada, gave my mother a hundred dollars, which was a lot back then. Thankfully, we were able to receive Social Security survivorship payments after my father died. That program allowed us to keep our house and for me eventually to go to college.

I remember my mother talking about Franklin D. Roosevelt with reverence. For our family, he was seen as a saint – through the Works Progress Program, my father had been able to work during the Great Depression, and through the Social Security system, we were taken care of when he died. I believe in public safety net programs for the poor based on my own experience growing up.

Q: Were any of your other relatives, further relatives in the vicinity or were you basically yourselves there?

MAXEY: We had extended family. My father had nine siblings: John Ellis, Evie, Estelle, David Dee, Pauline Willie Mae, Maurine, Nancy Cumi, and Earle. On my mother's side were seven siblings: Willie, Howard, Abner Lee, Ruby, Oscar, and Arthur. Most of our family lived in North Mississippi. After my father died, the Carpenters, my mother's family, maintained a close relationship with us. Every Sunday, we visited my grandmother's, Mary Carpenter, home at Bellefontaine in Webster County. All the cousins would be there. We divided gender and age into groups to play different games. It was always a fun time with great food and much entertainment. We would have 20 kids out playing on a Sunday in the yard of my grandmother's home. Those were good memories from what was a challenging time.

Q: Wow. Well, let's move to your schooling. Was it public school or how was it done at that time?

MAXEY: My early education started with Miss Passer's kindergarten program when I was six. I remember the colors, drawing, and learning some basic school discipline regarding how to act and follow instructions. I attended public school at Lizzie Horn Elementary. The teachers were good, and I received

the basics, the three R's (reading, writing, and arithmetic). My fourth-grade teacher, Mrs. Blythe, was nurturing and kind. She encouraged me to read. She also joined in as I attempted to sing a solo of the "Old Rugged Cross" during "show and tell" – I was clearly in trouble, and she saved me. I have always remembered that. I felt relieved and loved. I wish all of my teachers had been like her.

In 1963, my mother remarried. My stepfather was Kelvie Elias West, a retired Marine Non-Commissioned Officer. He was a good man and a hard worker. In 1966, we moved to a new home, and I transferred to the county public school, Jones Road Elementary School. Making new friends and being in a different environment was interesting and exciting. The following year I entered John Rundle High School. For the first time, I learned more advanced basics and began investigating subjects that interested me. Thomas White was a good friend. We enjoyed hunting and fishing. Earle Burkley, Hal Keeton, and Ray Hylander were also good friends.

In 1968, my stepfather had a heart attack, went into cardiac arrest, and died at our home. I was a sophomore, and I felt kind of lost for a while that Spring. I also noticed I didn't seem to have as much focus. My goal was to finish high school and not much else.

Q: Are there other recollections from school, boy scouts, or cub scouts or any of the other activities that are typical?

MAXEY: I remember church. We went to the First Baptist Church, and there were a lot of activities. Most of my friends in public school were also in our church. We went to church camps every summer at Gulf Shores near Biloxi, Mississippi, on the Gulf Coast. I remember we did a choir trip to New Mexico by bus—that was exciting. We toured Carlsbad Caverns, and the guide turned the lights off during the tour. Total blackness.

Another activity I had was a job I started when I was 13 years old at Spain's Big Star, a grocery store. I was a "sack boy," meaning I placed all the customers' groceries in bags and then carried them to their car. My salary was 46 cents an hour, and I was thrilled. Mr. Herbert Spain was the owner of the grocery store. He was gruff and a disciplinarian, but he taught me to work, be diligent, and do a good job. T. Gerald Bowen owned Piggly Wiggly, and I worked for him for three years in high school. Mr. Bowen was a stickler for customer service. We had to greet our customers and ask how they were doing. He instilled in all the employees a sense that the customer, white or Black, didn't matter; they were our priority.

Years later, when I was a duty officer at the US embassy in San Jose, Costa Rica, I helped a young American citizen who had been robbed and was penniless on a rainy night. The lady I helped later sent a letter to the embassy thanking me, and the Deputy Chief of Mission sent it to me with a thank you note. He also mentioned it in our community newsletter. Really nice of him. People asked what happened, and I joked with friends that all I had ever learned about customer service came from my time at Big Star and later at Piggly Wiggly supermarket. I posted about the incident on my blog – Sleepless in Baghdad -- https://sleepless-in-baghdad.blogspot.com/2023/06/mementos-once-upon-time.html?q=costa+rica.

Q: OK they paid you in cash in a plastic bag. But did they give you your actual piece of paper that said oh we are taking this out for social security and this for that.

MAXEY: I can't remember if they gave me a written breakdown of my wages and the deductions. Years later, I checked with the Social Security Administration, and the record showed I was credited with

earning $270 in 1965. I think that was about what I had earned for the part of the year I worked with Mr. Spain. Mississippi raised its minimum wage to $1 in 1968 when the federal minimum wage increased under amendments to the Fair Labor Standards Act. Mississippi, like several other states, does not have its own state minimum wage law and follows the federal minimum wage. I didn't know that then, but I thought increased pay was great.

Q: Okay, so that must have been after school. So, as you are going through school, are your mother or your brothers talking to you about college?

MAXEY: Not really. Both my brothers had gone to college, so it seemed like the natural thing to do. My oldest brother, Hugh Maxey, had gone to a community college and then to Mississippi State. My middle brother, Larry Maxey, had earned a football scholarship to the University of Mississippi. Larry was a great athlete – he excelled at football, basketball, and baseball. I remember that he won two trophies at the annual football banquet. I had imagined they were for his offensive skills since he was a tight end with many receptions, but they were both for his skills as a defensive linebacker. He was at Ole Miss, and my brother, Hugh, was at Mississippi State.

I decided to go to Mississippi State, and when I started looking at what I wanted to study, I saw that they had an agricultural program with Brazilian students. Brazil had interested me for several years—my fourth-grade teacher, Miss Blythe, had encouraged me to read, and she had a copy of Life Magazine -- it was a big-picture book with news stories, and one was about the new frontier, Brazil. Later, when I met some of the Brazilian students at State's seed technology lab, I started thinking about possibly going to Brazil one day. In my junior year, I saw an ad by the Peace Corps, and it just clicked that service as a Peace Corps Volunteer could be a way to fulfill my dream of discovering Brazil.

Q: Which year did you graduate?

MAXEY: I graduated from high school in 1970 and then went to Mississippi State. In the Spring of 1974, I finished school and joined the Peace Corps.

Q: To go to Brazil.

MAXEY: Yes.

Q: Before we go too much further, I do want to ask about your growing up in the 60's and so on. Did any tumult come to Grenada?

MAXEY: Yeah, Martin Luther King came to our town, and Joan Baez came as well. There were protests by Blacks against the Jim Crow laws enforced in Grenada. The primary issue was school desegregation. After Blacks tried to attend public schools during my freshman year in 1965, there was a near riot as white men beat children in the front of the high school. I believe it made national news. I remember being on a bus, pulling into the school, and seeing black children running. It was surreal.

Anyway, there were attacks on black students trying to integrate the Grenada public schools, and federal marshals, along with officers from other federal law enforcement, came to Grenada in large numbers. I was always trying to figure out how we could have a situation where part of our community was treated differently based on race. Many of my friends had a view of race that differed from mine. I was like, why

am I different? I don't have this prejudice that was kind of ingrained. I think Alice, my childhood maid, had much to do with that.

At any rate, the tumult we had was that in 1966, there were civil rights marches, economic boycotts, and violent confrontations. The economic boycott by blacks against white businesses caused some shops to fail -- there was a good deal of resentment and bitterness in the community. It was said around town that the Ku Klux Klan was involved in the beatings and possibly in a fire that destroyed the high school. I remember that things settled down, and one of the Black students who enrolled in our high school was in the band with me. Charles Latham and I both played trombone. We stayed in touch over the years. He established a mentoring group for children, 100 Black Men, and was recently elected mayor of Grenada. I love Mississippi.

Q: Sure, All right. It is funny that you mentioned Joan Baez because at this point looking back on Joan Baez, nobody would imagine how influential she was in terms of being kind of a counter cultural influence back then.

MAXEY: As far as I was concerned, she was fearless. This was not easy, and it was a very dangerous thing. In 1963, we had three civil rights workers—James Chaney, Andrew Goodman, and Michael Schwerner -- killed in Philadelphia, Mississippi. This was a very serious and dangerous time. I didn't see her when she was in Grenada with Dr. King. I saw the news reports after she was there. I imagine she made that trip with trepidation.

It is strange to me, though, because the people in Mississippi, white and black, are welcoming, you can't drive down the highway without someone waving at you. People speak to each other and there is a sense of the importance of good manners. It is how we were raised. There are many distorted views of the South and, I admit, we have a complex history. There are differing views among our own people. The people in the Delta were always a little different.

I was born in the Hill Country, as opposed to the Delta, and I inadvertently discovered a book about our culture entitled "Lanterns on the Levee" by William Alexander Percy. I had been searching for a history of the South that described the economics of slavery and discussed its cultural and economic impact. The book I sought was Hinton Helper's "The Impending Crisis of the South: How to Meet It," published in 1857, which used data from the 1850 census to describe the lack of innovation, investment, and equitable economic growth of the Antebellum South. Helper's book was banned in the South before the Civil War. After the war, a historical narrative cited the "planter class" from the Delta, as the aristocratic nobility that had fought against the degradation of Southern culture and values.

Percy described their efforts as like those of the nobility of medieval times to care for and protect the peasants (poor and middle-class whites) and the slaves (blacks and mulattos). I first saw this theme in Erik Larson's history of the start of the Civil War, "Demon of Unrest," in which the concept of chivalry promoted in Sir Walter Scott's Waverly novels was central to manhood and honor in the South. An affront or insult to one's honor could not be accepted, and acceptance of compromise was seen as a weakness. Economics played a central role in this "honor system," with slavery being the most valuable commodity and its protection and expansion necessary for the survival of the South. The Civil War ensued with the loss of over 600,000 lives, the destruction of the South, and freedom for the slaves. Whoever the leaders of the South were prior to the war were severely mistaken about how to deal

with the election of Abraham Lincoln. Their hubris destroyed much of the South. I wrote about this on my blog - https://sleepless-in-baghdad.blogspot.com/2024/11/lanterns-on-levee-mississippi-delta.html.

Q: All right. Let's go ahead and follow you into college at this point. At least one of your brothers had finished college so he could tell you a little bit about it. What were your expectations?

MAXEY: My oldest brother Hugh majored in agriculture, and I did things like hauling hay and helping with farm work, but not farming. When I decided to major in agronomy, I expected to learn about agriculture and get a job related to the sector. I got there, and most of the people in my classes were sons and daughters of farmers. They couldn't figure out what I was doing there. They were asking me like you don't have a farm. You grew up in the city. You don't have a farm? Have you ever driven a tractor? Well yeah ,,, actually, no.

My expectations were that I basically wanted to graduate and then see what would happen. In many ways, I was not unlike Blanche DuBois, "… depending on the kindness of strangers." I remember that I took a computer course in my senior year. This was when you had to use punch cards. You would code (put holes in the punch card) and then load them into the computer. If you did a perfect job, the program would run a calculation or create a design. But if you made a mistake, you had to go back through and check each card. I enjoyed it because there was a kind of symmetry to it. In other words, if you did it correctly, you could get some interesting results regarding statistics or whatever you were looking at. However, my expectations were relatively limited. As I mentioned, I went to the seed technology laboratory and met some Brazilian students, which piqued my interest in Brazil.

Q: Then in college were there other recollections you had thinking back now had an influence or a motivational influence on you?

MAXEY: I didn't have a clear focus; I joined a fraternity. I was in the Kappa Sigma fraternity and ran to be my residence hall's president, and I got that. Then, I ran for the student senate in my sophomore year, and I got that. But I didn't have a clear focus. I met people who influenced me and taught me things like how to study, move forward, and have a goal. I remember they were little things.

I remember one of my teachers, Mrs. Lou Murphy, who was my first-year English composition teacher. She taught me how to write. She explained how to approach writing as if you were building a car. You must start with an idea and combine the parts for a final product. She taught me to "see" what I was going to write – who was the audience and what was my objective. Then, she just gave us rules on active writing and structure. I learned how to write with Mrs. Murphy.

In 2018, I wrote to her son, Bucky Murphy, a lawyer in Canton, Mississippi, and told him of his mother's impact on me. Another person who made a big difference in my life was my high school teacher, Mrs. Ainsworth. She taught me to type. At the time, I thought this was useless, but little did I know that being able to type would be critical in word processing, drafting reports, and providing analysis – almost everything I did as a Foreign Service officer.

Q: Even in college were you able to type papers or compositions?

MAXEY: Yeah. I had a typewriter and would type reports and papers required in my classes. I later did a master's degree at Mississippi State and had to type my thesis. In Costa Rica, I earned an MBA through the

University of Costa Rica, and I used word processing software to type both English and Spanish versions of my thesis. A copy of my MBA thesis is on my professional website -- https://www.maxey.info/remittance-thesis,

Q: Wonderful. Other than those activities nothing else in college, drama, or public speaking or so on?

MAXEY: Not really, although I did have interesting jobs in the summer and learned life lessons in almost all of them. The goal was to make money for tuition, but there was also a sense of adventure. One summer, I worked on the Mississippi River as a deckhand on a towboat, hauling barges up and down the river. I found there were 26 locks between St. Louis and Winona, Minnesota. My life lesson from that job was an observation that the more money you made, the less physical work you had to do. That seemed an important consideration. It helped me focus on finishing college.

Another summer, my friend from Grenada, Thomas White, had gotten work on the Mississippi Gulf Coast with Geophysical Services Inc., a seismograph company that mapped the Earth's crust for signs of oil. Thomas told me that I should go to Gulf Coast with him. So, I did, and they hired me. The work paid well but it was a hard job. I first worked on a crew that set sensors in the ground to interpret the vibrations that bounce back when a charge is set off. It was hard, repetitive work in the Mississippi outdoors. Later, I became part of a survey crew and I was given a Kaiser blade (also, called a sling blade). We chopped our way through swamps and woodlands. Hard work. And I almost stepped on a rattlesnake. Again, this kind of experience made me appreciate an education.

Q: Very interesting. When you said Mississippi coast, I would assume it was fishing or trawling or something but that is interesting.

MAXEY: I was near the coast but definitely working on dry ground most of the time. Like I said, some of the work involved crossing swampy areas, and the rattlesnake incident happened in one of those marshing areas. I walked through a thicket into an opening, and a huge rattlesnake was coiled and ready to strike. I fell backward, and the snake took off. It seemed like everything that happened was encouraging me finish school and get a job that didn't involve carrying a Kaiser blade.

Q: Were there any other good jobs that you recollect?

MAXEY: I was a marketing analyst for a summer with American Cyanamide in my last year of college. They made Prowl herbicide. I was a field agent for them, traveling across the South, asking farmers about their experience using it. The work was interesting. I learned how to gather information, write reports, and make presentations. I also learned how to talk to farmers. It was exciting work. I drove from Georgia to the Texas Panhandle to interview farmers. I was reaching out to Prowl suppliers when I arrived in an area. I stopped by and told them I worked with American Cyanamide and wanted to find out how effective Prowl herbicide was in controlling weeds in their customers' soybean fields. By and large, the suppliers, farmers' cooperatives, and farm supply stores were helpful. Most of the farmers I reached out to were forthcoming.

This was a good experience in that I had to work on interpersonal skills and learn how to engage with people on a one-to-one basis. I also learned how hard, economically, farming was for some of the farmers I met. People were just trying to survive. I kept wondering why they held on, and I learned that for some, it was just their love of the land and their family's tradition of farming. I learned to think about what

motivates people. My most indelible memory from this time was the death of Elvis Presley – I was in a small motel in Georgia when the news was announced in August 1977.

Q: Now throughout this time any foreign languages?

MAXEY: I learned a minimum amount of Portuguese in college. After Peace Corps service in Brazil, I took two Portuguese classes. Later in my career, I had to switch to Spanish. I tested at FSI 3/3 for speaking and reading Portuguese and eventually a 3/3 in Spanish. My Portuguese speaking is limited now, but I can understand the language pretty well.

Q: Now you mentioned the Peace Corps. How did that come about?

MAXEY: Well, I had this interest in Brazil. I was trying to figure out how to go there. I looked at different options that could have been possible, but the one that really jumped out was Peace Corps, so I applied. They asked you to list your three top choices. I put Brazil, Brazil, Brazil. They said we have a job there, ag extension agent in the northeast of Brazil. That sounds great. All my friends said I was crazy. Well, not all of them. I remember my brother, Larry, and friends like Earle Burkley and Bob White were supportive. They told me I would do well. That meant a lot. I was 21 years old when I left Mississippi.

Q: Now when you agreed to go to Brazil and do the agricultural extension what sort of training did they give you?

MAXEY: First, we flew into Philadelphia, Pennsylvania, and had three days of orientation. So, the first thing they did was give us some cultural training. We watched the film Black Orpheus. It was great because it was about Carnaval, and you have to understand that cultural significance is attached to the celebration in Brazil. The message I took away from the training was that we must understand a mindset that may not be focused on the long term. Brazilians lived in the present. Understanding that was important.

The other area the training focused on was Brazil's political history. There was a military coup in 1964. We talked about that. The trainers wanted us to know that the military regime was repressive and that we had to be careful. There was an emphasis on respecting the people and authorities, how the culture is different, and how not to get into trouble unnecessarily. We were also taught that the Portuguese word "jeito" (manner or way) was magic in Brazil. The phrase "dar um jeito" (to find a way or make it work) spoke to the Brazilian knack for adapting and improvising solutions in tough situations. The message was "be resourceful and find a way to have an impact."

The orientation and training went on for three days, and then we flew down; there were 60 of us. We were in three groups of 20. We flew down to Rio de Janeiro. We had one day in Rio. I remember that we left JFK on a direct flight to Rio that lasted ten hours. It was at night, and I remember sleeping for part of the trip. I also remember that on the day we arrived, we went to see some of the tourist sites like Pão de Açúcar (Sugarloaf) and the Christ the Redeemer statue on Corcovado mountain. The next day, the three groups flew on different flights to the Northeast. My group headed to Fortaleza, Ceara. One group went to Recife. Another group went to Natal.

I remember that Dick Goughnour was in the Natal group. He was an accountant, and the groups were divided by expertise – so his was the financial group, and mine was the agricultural group. Later when I

got my first job with the US Agency for International Development in Guinea-Bissau, Dick was one of the first persons I thought of when Jim Maher, the mission director there, wanted a finance person. I wrote to Dick in Minnesota and he reached out to Jim and was hired to work in USAID Guinea-Bissau. He went on to an illustrious career in the Foreign Service serving as mission director in Brazil, Santo Domingo, Peru, Kenya and Thailand.

So, Dick's group went to Natal, Rio Grande do Norte. My group, the agricultural group, went to Fortaleza, the Peace Corps staff took us to an agricultural university outside of the city. I remember journaling about the "shadows turned from concrete to adobe" as we drove into the night. After we arrived at the agricultural school, they took us to a barracks segregated by sex. We had cots to sleep on -- mosquitoes were everywhere, and I couldn't sleep. So, I went outside to smoke a cigarette. A guard was there, and I asked, in sign language, for a light. That was my first interaction with a Brazilian in the Nordeste (Northeast).

We spent a week at school, and we ate in the student cafeteria. That first morning I was in line for breakfast, and I saw another Peace Corps Volunteer, Phil Jones, trying to communicate through hand signals how he wanted his eggs. Phil was great, and everyone laughed, which made me feel more at ease as we started our Portuguese classes. I was so lost trying to speak Portuguese. My first teacher was a middle-aged former professor, Edson Martins Filho. He did not speak a word of English. All his lessons were in Portuguese, and we learned as if we were children learning their native language. It was an immersion experience. We interacted with the students at the university, as well. I remember one student telling me that Nixon was finished with a sign of a knife across the throat, and I thought, "O Lord, Nixon's been assassinated!" It turned out that President Nixon had resigned from the Presidency that day – August 8. 1974.

The other thing I remember is going to a local bodega (small grocery store) at night after class to buy a beer and drink it on stools outside the bodega on the sidewalk. Other Peace Corps volunteers would be there, and it was a time to connect after a day of language classes. This is where I learned the importance of bonding and networking over a cold Bhrama Chop beer. This excellent beer was, we learned, especially good after being out in the field all day as an agricultural extensionist.

After a week of training, we went into Fortaleza, a big city. with a training center, but we spread out with some of the volunteers going to live with families and others going into boarding houses downtown. We would start classes every day at 9:00 am, lasting until 5:30 pm. I remember we had a break for lunch that was an hour and a half, and there were hammocks where people could nap. I had no Portuguese at all. I mean the first word I learned. Professor Martins kept tapping on the blackboard and said, "Quadro Negro" (blackboard), and we figured out what he was trying to say.

The teachers would also use cartoons and pictures and speak Portuguese, and we would figure out what they were trying to say. They also taught us Brazilian songs. I remember singing "Maria Bonita" and "Manierho Sou." Anyway, I found a boarding house in Fortaleza. The guy who managed it was named Don Joao. He was friendly, and I felt at home. It was just a wonderful, rich experience. It was the first time I had been out of Mississippi. We would go to the beach on weekends, and I remember being at Praia do Futuro (Future Beach) on a Sunday morning, and suddenly, it struck me that a whole world had always been there beyond my horizon. That was the start of my international career and I was hooked on finding new experiences and living overseas. I later read John Keats' "On First Looking into Chapman's Homer"

and the line "… much have I traveled in the realms of gold and many goodly states and kingdoms seen," resonated with me. It captured a lot of what I thought of as my experience in the Foreign Service.

So, this is where it started – in the Peace Corps -- and about six weeks, halfway through our language training, we were sent out to the interior to go to a town and meet local people there. There was no agenda for the trip other than to go to a town, Describe what was happening there, and then come back. They just wanted to make sure we could do that, I guess. That was the first time I was out doing that, and then after three months, we had a graduation, and I was assigned to Mosorró, Rio Grande do Norte, the second largest town in the state. I worked there for a year and was assigned to another, smaller town called Apodi in late 1975.

Q: What distinguished that town as you recall?

MAXEY: Apodi was a smaller town than Mossoró. Both towns were in a semi-arid zone – not quite desert, but very dry. It was hot year-round with summer temperatures in the 90s. I remember there was a distinct dry season and a short rainy season. When it rained, it tended to be a downpour. Kids would come out and play in the rain. There was a flood in Mossoró shortly after I arrived in December 1974.

Mosorró was on a river while Apodi had a lake – it was a natural lake. To me, they were both pretty towns. Mossoró was the state's second-largest town, with a nice hotel, shops, and a movie theater. The area depended on agriculture and livestock. There were salt flats nearby where a salt extraction industry was operating. One thing that distinguished Apodi was its remoteness. Mosorró was on a major highway between the capitols of Rio Grande do Norte and Ceará – Natal and Fortaleza, respectively.

Apodi was two hours by bus inland. I was an oddity as one of the few foreigners in town. There was a priest from Holland there – he had decided to leave the priesthood and married a local girl. I was the only American. People were friendly, and I worked with the national agriculture extension service -- EMBRATER (Empresa Brasileira de Assistência Técnica e Extensão Rural). I worked with a Brazilian agricultural economist to help farmers develop a crop production plan. A final plan was approved, financing was provided, and we then supervised the disbursement to the farmer so he could implement the plan. This was a supervised credit model funded by the World Bank. We would normally disburse a loan in three tranches based on the farmer's progress in implementing his production plan. This was a great experience. I learned to talk to farmers to better understand what was happening that limited their productivity and ability to care for their families. I was getting more fluent in Portuguese. I felt my work in Apodi was the best part of my Peace Corps service.

Q: At what point did you start to feel fluent enough to more or less get along?

MAXEY: I want to say after nine months. I remember I was traveling to Recife, where the Peace Corps regional office was located, and on the trip I realized that I was feeling very confident in my Portuguese. I noticed more when traveling. Every couple of weeks, I'd go into the regional office of EMBATER in Mossoró. Less often I would travel to Natal or Fortaleza. It could be a medical visit or whatever. Just a little bit of R and R.

At one point, the person selling the bus tickets at the station asked my name so he could note that on the ticket. They never asked for identification, only your name. Every time it was a struggle as I pronounced my name – Michael Maxey – the person would invariably ask me to repeat it. This would go on sometimes

two or three times. I finally decided it was better to have a local-sounding name, so I replied that my name was "Miguel da Silva" instead of Michael Maxey. Everything worked fine after that. So, from then on, I became Miguel DaSilva or Miguel Americano.

Q: I had the same problem in Costa Rica. Nobody could pronounce my name. So, I became Max Tower.

MAXEY: Max Tower, that is great. I had a friend from Grenada, Mississippi – his name was Earle Richmond Burkley. We were best friends in high school. He came down to visit me in 1976 and we went to Rio. No one could pronounce "Earle," and when they tried to pronounce "Rich," the name sounded as if they were saying "Hick."

Q: Now in the agricultural extension to recall if it was successful or that some of the farmers were able to move away from some of the tranches and really get a concern going.

MAXEY: Some farmers became successful and did not depend on supervised credit. These were the larger farms. The real issue we had to face was a relatively hostile climate. Like I said, Apodi was located in the high desert in the Northeast of Brazil. The region has limited rainfall, and crops depend, by and large, on rainfall rather than irrigation. This area is located within the Sertão (semi-arid, high plains region) of Northeast Brazil. We worked with perennial cotton, which yields a long staple, luxurious feel cotton (like Pima or Sea Island cotton). We also worked with basic grains, vegetables, and livestock programs (cattle, dairy, and poultry).

My first year in Mossoró was one where we focused on agriculture extension programs. I remember we did a project with the owner of a huge cashew plantation. I didn't work with small-scale farmers when I was there. After going to Apodi, I was able to work with these farmers. I was the driver for a lady who was a home economist with EMBRATER working with farm families. We would visit families and provide nutrition information, check on their children's health, and check for malnutrition. We had a jeep, and she would have me go through some of the roughest places. It was especially treacherous when it rained. I remember going through mud flats that I never thought would be possible. She was a very dedicated professional.

I had a Minolta single-lens reflex camera, and I took photographs of our trips, of the people, and Apodi. During the COVID pandemic in 2020, I was on the internet and found that Apodi had a Facebook page. I just started posting some of my photos. I didn't think it was significant, but I started posting these, and people went crazy. They loved the photos and were asking me to come back. I was looking at the town and was surprised by its development. It was agriculture-based. I was surprised, pleasantly surprised. My son, Justin Maxey, says he will go with me next year – of course, he wants to go during Carnaval, and I prefer to go at a more tranquil time of year.

Q: I have to ask you, did you have an experience at Carnaval?

MAXEY: I went to Salvador, Bahia, the first year I was in Brazil. I entered Peace Corps training in July of '74, and my first Carnaval was in February '75. I went by bus from Mosorró, and it was a twenty-five-hour bus ride. I made a last-minute decision to go and I had to catch buses as I went along. I remember arriving in Salvador and being downtown. I ran into Phil Jones. We stayed up all night. Salvador's was a street Carnaval. Other places had Carnaval more of a celebration in clubs where you attended dances and parties that were part of a specific club. In my second year, I participated at those events in Natal, the

capital of Rio Grande do Norte. After the Peace Corps, I kept up with Phil. He lives in Alexandria, Virginia. I told him we should really try that again. I have been told it is more dangerous now. We had no idea, no concept of danger. We just went everywhere and did everything with absolutely no problem. So, Carnaval was fantastic.

Q: It was still under military rule. Was that part of your experience in any way?

MAXEY: We were advised to be careful about any political discussions. We were also told to be cautious with any political jokes. I remember seeing wanted posters at the bus stations for young students involved in politics or social change movements. This was an era of liberation theology, and the military authorities were casting a broad net for potential communist influences. I read "Pedagogy of the Oppressed" by Paulo Freire, and I remember that he had to go into exile in Chile. Authoritarians don't want to have a dialogue, and they tend to want to follow the "banked" model of education, where you fill the student or the person with the information you believe is most important. Teaching them to think or to question the status quo in any way was seen as dangerous. I remember in my town one person had been complaining about the price of gasoline. The president of Brazil was coming on the TV or the radio to speak and the person was heard to say, "Look out, if he's talking, that means gas prices are going up again." That was not taken well by somebody who heard him, they called the police, and who questioned the malcontent. I learned to be careful about what I might say.

Q: Are there any other recollections about Peace Corps That were valuable to you later in the Foreign Service. Talents or skills.

MAXEY: I learned to listen and adapt to any situation I faced. The Brazilians had a saying: "Quem não tem cão, caça com gato" ("If you don't have a dog, then hunt with a cat."). It meant that you had to be flexible and find ways to solve problems you faced. The word "jeito" (manner of doing something) also came into play. There was always some way of working things out – someone could always help if they wanted. You had to ask and be ready to accept their help. This was the cultural concept of "jeitinho brasileiro," which involves finding creative solutions to overcome obstacles. When you ask someone to "dar um jeito," you request their assistance navigating a problem or situation. This is a crucial part of Brazilian culture and highlights their adaptability and resourcefulness. When you live in Brazil you learn how important that concept is. About half of our Peace Corps group in Rio Grande do Norte and Ceará did not find a way to adapt, so they left Brazil before finishing their Peace Corps service. Out of my group of twenty, ten people left before their two years were completed. The other thing I learned during Peace Corps is not to give up – to keep going one day at a time and focus on that rather than the magnitude of the problem you are facing. You do that, and then you think, hey, I can do this. It doesn't look that easy, but you know the situation is manageable if you break it into smaller segments. I came back from the Peace Corps with tremendous self-confidence.

Q: Yeah, I think that is a common experience. Learning basic resourcefulness when something doesn't work. You have only a few things at hand. Use the few things at hand and keep trying to fit the puzzle pieces together until something happens. Sure. Then as you approach the end of your two-year tour. It is a two-year tour with the Peace Corps.

MAXEY: Yeah, '74 to '76.

Q: Were you thinking of extending for another tour or where was your mind at that time?

MAXEY: I wanted to go back to school. I finished with the Peace Corps and went back to Mississippi State. I got back home in September of '76. So, in that January of '77 I went back to Mississippi State for classes. I got straight A's and finished my undergraduate degree. I finished my degree in June of '77 and I was offered a job that summer in agriculture marketing.

Q: Now how did the job come about? Did you want it? Or did you just kind of fall into it.

MAXEY: Well, there was a recruiter on campus with American Cyanamid. American Cyanamid made different kinds of herbicides. Their Prowl herbicide was used on soybeans and cotton. They needed feedback from the farmers using their product, so they hired me as a junior marketing analyst to do surveys across the South. They provided a car and gave me these survey forms to use in interviewing farmers to learn how they used Prowl and what problems or issues they were having. I learned on the job how to find the farmers and conduct the interviews. Basically, they told me to go all the way from Georgia to West Texas. I travelled during the week and I would be home on the weekend. That was my first professional experience in the US. I really enjoyed that. The first thing I would do when I got to a town would be to contact the local agriculture chemical supply store -- whether it was a co-op or whatever. Then I tell them who I was and that worked for American Cyanamid, and I would ask them for the names of farmers using Prowl. I would randomly select farmers from that list and reach out to them for an interview. Normally, I would drive to their farm. For some, I did telephone interviews. I met some farmers who were under a time constraint and couldn't talk but they were always nice. Most of the time they would figure out a way to talk to me. That was my first experience as a agricultural professional in the United States. I learned a lot and I enjoyed meeting and talking to farmers.

Q: Talking to these farmers, were they small farmers? Were they part of an ag company? How did they break down?

MAXEY: These were, I would say, medium-sized farmers. These were farmers, I want to say, anywhere from 100 to 400 hectares. They were not massive farms. They were farming soybeans and cotton. These were just down-home people, really quite nice. The size of farms tended to change as you went east to west, with farms in Georgia averaging 200 hectares each, while in West Texas, the farms would average 500 hectares.

Q: Were you already beginning to see with them the large Ag companies just purchasing up plots of smaller farmers.

MAXEY: Farmland was consolidated, especially in the Mississippi Delta and out west. I noticed it less in other areas like North Mississippi, Tennessee, Alabama, and Georgia. The Mississippi Delta was different; a planter class had always been there, and a white elite controlled the area. A book published in 1940 seemed to capture their sense of privilege, "Lanterns on the Levee" by William Percy. I wrote a summary of the book on my blog -- https://sleepless-in-baghdad.blogspot.com/2024/11/lanterns-on-levee-mississippi-delta.html.

Q: That was what was going on in the 70s much more quickly. That is why I wanted to ask you about it because of course the whole notion of family farm begins to reduce considerably in the sense of small holder. Large Ag companies would still be farming but the relationship of the farmer to the company

would be of a different nature. That is what I was wondering about as you are going through because that is an historical change.

MAXEY: Definitely.

Q: Now once again from doing that you are traveling, and you are seeing a lot of the back country that most people don't see. But were there other skills that you picked up that were again valuable for the Foreign Service?

MAXEY: I think talking to people and learning how to interview farmers was important. My Foreign Service experience was with the US Agency for International Development (USAID). So, we had to interact with people not necessarily as interlocutors but trying to figure out what was needed. What assets do you have? What needs are there? How can we be productive and help you? So, I was able to talk to farmers about their issues with Prowl herbicide, the cost, and the impact. What do they see in terms of their farming needs? Back then, people could make money in agriculture, even on a medium scale. Learning how to talk to people was one of the most important things I learned. The other was learning to be flexible. You had to set your schedule, and you had to be self-motivated.

Q: So how long did that job last?

MAXEY: I worked for American Cyanamid in 1977 and got an offer in January 1978 to work overseas in Guinea-Bissau as an agronomist with USAID under a personal services contract. The offer came through the Seed Technology Laboratory at Mississippi State. Dr. Hunter Andrews, a professor doing research and teaching at the Lab, contacted me about the job. Dr. Curt Delouche was the director of the Lab. I had taken classes there and knew they had a contract with USAID. One of the places they were working was in West Africa. They didn't have anybody who could speak Portuguese for Guinea-Bissau. Formerly Portuguese Guinea. So, they talked to me and said we may have a job for you. They asked about my language fluency, and I said I speak Portuguese. They asked if I was comfortable working with rice production. I had a little experience in Brazil with upland rice, so I said, "Yes." Dr. Andrews and Dr. Delouche put me in touch with Jim Maher, the mission director for USAID Guinea-Bissau, and Jim offered me a job. It was a personal services contract. I took that job and that is how I started my Foreign Service career. That was my first job; later, I became a direct-hire and then a commissioned Foreign Service officer.

Q: Now Guinea Bissau even though it is Portuguese speaking is quite a departure from Brazil.

MAXEY: Yeah, I didn't know that. I thought, "They speak Portuguese. They are on the ocean, so it is probably more or less the same as Brazil." I got there, and it was very different from Brazil. Guinea-Bissau won independence from Portugal in 1974. It lasted eleven years, from 1963 to 1974, and was part of Africa's broader wave of decolonization. The African Party for the Independence of Guinea and Cape Verde (PAIGC), under the leadership of Amílcar Cabral, led the fight for independence. Cabral was assassinated in 1973 in what was believed to be a plot by the Portuguese. The conflict was marked by guerrilla warfare tactics, significant international support for the PAIGC (notably from the Soviet Union and other socialist states), and an eventual withdrawal of the Portuguese in 1974.

So, when I got there in January 1978, the place was in bad shape. I remember riding into Bissau from the airport with an American who worked in the embassy's administrative office. He must have seen the

dismay on my face, and I remember him commenting, "Yeah, this is another socialist paradise." So, I was shocked and then I discovered that most Bissauans spoke Creole rather than Portuguese. The first two phrases of Creole I learned were *Cassibi*, which means "I don't know," and Bumisti, meaning "I want." The elites spoke French. The young men I worked with on the national rice program spoke Portuguese.

So, I could do my job. It was an exciting place. Twenty-four Americans were in the country. There were about 1,000 Cuban volunteers and 200 Russian advisors. That is where I learned my first Russian phrase -- *Dobroye den*, *tovarishch* (Good day, comrade). This was at the height of the Cold War. I quickly figured out why I was there; it was because the Russians and Cubans were there.

Jim Maher, the USAID mission director, had been a Food for Peace officer in Brazil and in North Africa. He was fluent in Portuguese and French. Lou Macary was the program officer with the mission. They were great mentors, and I must credit them for helping me make it through my first assignment with the Agency. They were also open to suggestions, and when I heard they needed a finance person for the mission, I told them about Dick Goughnour, who was my friend from Peace Corps.

I wrote Dick – he was in Duluth, Minnesota, and told him about the job opening. He applied and was hired under a personal services contract. It was great to have Dick with me in Guinea-Bissau. There were some good people in the embassy as well. When I arrived in January 1978, Dean Curran was Chargé d'Affaires, and Edward Marks was the ambassador. I served under Ambassador Marks and later under Ambassador Peter Jon de Vos.

The USAID office was not in the embassy itself. The embassy was in a building in Bissau, and the USAID office was down the street on the second floor of an office building. Most of my work was at the Granja Pessebe (Pessebe farm), which was located near Bissau and was the center of the national agricultural research program. Guinea-Bissau was focused on increasing rice yields. Different international agencies were helping them introduce, test, and disseminate the high-yielding rice varieties developed in the Philippines by the International Rice Research Institute (IRRI). My job was to help the Ministry of Agriculture establish a national seed testing laboratory to ensure seed quality and standards. Part of my work also involved training staff on how to conduct germination tests on seed samples.

Q: OK so you get there, and you are on the personal services contract. Rice is not a crop I immediately associate with West Africa. Was it a job to sort of better establish or improve yields? What was the nature of the work?

MAXEY: Interesting. I thought that rice originated in Asia and was brought to West Africa by traders. But there was an indigenous African rice -- *Oryza glaberrima* -- which was domesticated around 3,000–3,500 years ago in the Niger River Basin. It was well adapted to the challenging environments of West Africa. While robust, *Oryza glaberrima* had lower yields than the Asia-origin rice -- *Oryza sativa* -- we are familiar with in the US. *Oryza sativa*. It originated in China approximately 9,000 years ago and was introduced to West Africa via Arab traders. It expanded significantly during the 16th century with the transatlantic trade and European colonization.

When I arrived in Guinea-Bissau, the farmers inter-planted Asian and West African rice. The former had higher yields, and the latter was more resilient. Famers were logically trying to hedge their bets and get the most yield from their rice crops. My work with the national seed testing laboratory was to verify the

quality of rice seed and provide mechanisms to ensure good seed was available to farmers. You want farmers to have confidence that their seed will germinate and establish a crop.

So, we would do field trips. I kept a journal of these field trips, and I was amazed that farmers were self-selecting rice types that showed different characteristics they found useful. When we talked to the farmers about it, they would explain their use of various seed types for specific reasons. One type produced a crop in a short rice growing season. It would not have a high yield, but it would be quick. A different kind of rice had a barb at the end of the seed called an awn. I asked the farmers what it was for. "Oh, this keeps birds from getting that rice," they said. I thought that it was incredibly ingenious how they interplanted different types of rice to meet their needs.

I realized that what I had seen in interviewing farmers in the US and how innovative they were using various production techniques was similar to how farmers were trying to adapt the best they could to conditions in Africa. The goal of the Ministry of Agriculture was to bring in more of the high-yielding Asian rice varieties, which was a good strategy. Still, in terms of survival, the Bissauan farmers were doing everything possible to mitigate risk. These farmers were using appropriate technology, and as I started to research rice cultivation in West Africa, I found a book published in 1974 by Peter Wood entitled *Black Majority: Negroes in Colonial South Carolina from 1670 through the Stono Rebellion*. The author posited that US rice production originated in the slave trade. In a research paper published in 2000 entitled "The African Origins of Carolina Rice Culture" by Judith Carne, there was a broader discussion of technology transfer from West Africa to South Carolina.

My wife and I recently visited Charleston, South Carolina, and toured a former rice plantation there – Middleton Place. The tour guide explained that they were producing small quantities of Carolina Gold on the plantation but that the latest crop had failed. I asked why and she said, "The birds ate the rice." I thought to myself, "Hmm, they need some Bissauan farmers here with their awned rice seed."

Q: Fascinating, wow. Ok you are doing some of that. Was part of your job also helping farmers preserve the rice from vermin.

MAXEY: Yeah, we would have these metal containers for storage. You had to ensure the rice was dried to 12% or 13% moisture content before you tried to store it like that; we worked with them to dry the rice and then store it in metal containers. The World Bank had small-scale loans, and we tried to coordinate with them. The key was having a market-focused agriculture supply system. We worked with policymakers to set up a market for storage containers and other agriculture production, processing, and storage systems. The key was for the farmers to receive a price for their output that would allow them to purchase the inputs they needed to continue expanding.

This market-based approach was hampered by socialist policies that focused on establishing a system of *Amazens do Povo* (Peoples' Warehouses) which were supposed to provide supplies and equipment to farmers at a reduced price in exchange for a part of their production. The system didn't work because it took away the incentive for production. The government took most of the output and left a subsistence amount with the farmer. The supplies and equipment were frequently unavailable. You would also go to these warehouses for groceries and consumer goods. So, you would drive by and see fifty people in line and ask what could be in stock. You'd ask, and someone would say, "Oh, they have toilet paper today." People would line up to buy whatever was available. There was no market mentality on how to make things sustainable in that sense.

The socialist system in Guinea-Bissau was part of their struggle for independence. Luís Cabral, the brother of Amilcar Cabral, was their leader, and he continued a focus on socialism. I understood this and wanted to do what I could to help change the focus to one of production incentives for farmers through higher yields and new crops. When I was getting ready to go to Guinea-Bissau, I saw that the International Soybean Program (INTSOY) at Purdue University had a variety of trials that you could request to conduct a variety of testing overseas. I asked for a kit and took it with me.

Using that kit, we established a variety trial, and I sent the results to Purdue. I recently found my summary of the results of the soybean trials and published it on my blog (https://sleepless-in-baghdad.blogspot.com/2024/11/intsoy-variety-test-guinea-bissau-1981.html). In Guinea-Bissau, there was interest in expanding soybean cultivation because of its protein content and how it could be used as an animal feed. That was one of the things that was definitely of interest. Some people were ambitious and wanted to do something. They just had a system that stymied any initiative and sustainability. My main focus was on working with rice farmers and helping them obtain high-quality seed rice.

Q: But in terms of the purpose of the rice was it almost entirely domestic consumption or was there some thought of marketing in the vicinity?

MAXEY: It was all domestic consumption. Guinea-Bissau produced around 30,000 metric tons of rice annually in the 1970s, and nearly none was exported. Recently, I read that the country produced over 200,000 metric tons in 2022, and still, none of it is exported. So, yes, the rice production was for internal consumption.

There was cross-border trade between Gambia and Senegal. The border crossings were problematic. The embassy personnel would go to Ziguinchor in the Casamance region of Senegal for R&R and to buy groceries and other supplies. I made a trip in 1978 with Tim O'Hare, another former Peace Corps Volunteer working as a contractor with USAID, from Bissau, Guinea-Bissau, to Banjul, The Gambia, by bush taxi. We had to cross three borders each way. Everything went well until the return trip to the Senegal–Bissau border. The guards there said the groceries we purchased in Ziguinchor were "contraband" and had to be unloaded. We decided to head back toward Ziguinchor and cross farther down the border.

We found a road, it led by a Senegalese military outpost, and when we drove by, there was a shout from the soldiers, but we kept going, waving as we passed by. In retrospect, that was probably a dangerous thing to do. It was risky because later after we had traveled aways a farmer ran toward us as we crossed the border, shouting that the road had been mined during the war between Guinea-Bissau and Portugal.

We got through to Bissau, but I remembered that incident. We could order some food and other items through a European supplier. I ordered a Berretta over/under twenty-gauge shotgun and started hunting chukar partridges. Jerry Fowler worked with the USDA, and he liked to go birding. So did Ambassador de Vos. I went with them a couple of times. I also made field trips with my guys to meet farmers and get samples of the rice types they were using. We also inspected seed storage facilities.

Guinea-Bissau was beautiful. I remember that butterflies would cover the road during the rainy season, and you never knew what you would see as you rounded any corner. I remember driving along, glancing into the jungle cover, and seeing a chimpanzee staring at me. When we were on a field trip near the Guinea (Conakry) border, we crossed the Corubal River into Guinea (Conakry) to see rice cultivation there. It was

an exciting time. Some stories come back –like when we saw a sign on a main road that warned of unexploded ordnance in the area. We actually found an unexploded mine on a road during a field trip and I have a photo of me and one of the young men working in the national seed lab pointing to it.

Q: Wow I guess in this job as a personal service contractor you were finding out there were ways of applying for direct hire. How did that work out?

MAXEY: I knew about the International Development Intern (IDI) program that USAID used to bring in new employees, but I didn't have a post-graduate degree. Being accepted into the program wasn't necessarily required, but a graduate degree made you more competitive. I started checking on how to get into graduate school. Also, I was fortunate to have been requested, as part of my job, to take the young men working on the national seed lab program to the United States on a tour of agricultural research facilities. I was their guide and interpreter. A photograph of our group is on my blog -- https://sleepless-in-baghdad.blogspot.com/2018/04/guinea-bissau.html?q=Bissau,

That was a great experience and one of the stops on the trip was at Mississippi State. It gave me a chance to show the group what a functioning seed program looked like and I was able to brief the staff at the Seed Technology Laboratory on how the work was going in Guinea-Bissau. Dr. Delouche, the Seed Lab director at Mississippi State contacted me later in 1978 and said they had funding for an assistantship, that would pay my tuition and provide a monthly stipend for living expenses. I was elated.

I returned to Mississippi in 1978 and started a master's program in seed technology. I completed my classes in one year and concluded my thesis research in the second year. This was a wonderful time. I was living on my own and studying classes that interested me. I also had a sense of what I wanted to accomplish. I met some great people at the Seed Technology Laboratory – Edgar Caberra, a graduate student from Guatemala, was a good friend. The professors were great -- Dr. Howard C. Potts, Dr. C. E. Vaughan, and Dr. Hunter Andrews. I had a good friend from Grenada, Rob Burkley, as my roommate.

It was a great time to be home and prepare for an exciting future. As I was finishing up my master's program, I was offered a job at the Texas A&M Agricultural Research Station in China, Texas, to be the manager of the largest foundation seed rice program in the world. It was one of the premier programs in the country. I took the job in 1980 and completed my thesis research at Mississippi State in 1981. At the research station in Texas, I learned a lot about farming. In late 1980, I was contacted by Jim Maher and offered a job in Guinea-Bissau with USAID under another personal services contract.

Q: And we will follow you into that, but I just want to ask you one question about the Texas experience. Once again rice is not something I typically associate with Texas. Do you know how it ended up that they were doing a rice seed program?

MAXEY: The history of rice production in the United States is interesting. Rice was introduced to South Carolina in 1694, where the region's wet, marshy environment proved ideal for rice cultivation, leading to its establishment as a staple crop. Slaves from West Africa brought essential knowledge and techniques for rice farming, including methods for constructing irrigation systems and managing water levels. In the mid-1800s, rice production moved westward to Louisiana. Steam-powered pumps enabled fields to be irrigated along the Mississippi River, facilitating large-scale cultivation.

Rice farming began in Texas in 1853, and it significantly expanded in the 1880s due to the completion of the southern transcontinental railroad, which improved transportation and market access. Japanese farmers, invited by the Southern Pacific Railroad and the Houston Chamber of Commerce, played a crucial role in establishing the rice industry on the Texas Gulf Coast by introducing high-yielding Japanese rice varieties and advanced cultivation techniques. Arkansas, California, and Mississippi also developed major rice production areas.

In all these areas, rice farmers formed associations to support regulations to improve rice yields and promote rice exports. In Texas, the rice industry was supported by the Texas Rice Improvement Association (TRIA). The TRIA paid my salary as Texas A&M Foundation Seed Rice program manager. So, in the United States, we have rice farming in Arkansas, Louisiana, Texas, Mississippi, and California (the production area is between Sacramento and San Francisco). The US is the fifth largest exporter of rice in the world. Rice is also a big part of USAID's Food for Peace program, which provides food from U.S. farmers -- including sorghum, corn, beans, rice, and vegetable oil -- to more than 45 million people in 35 countries. Rice production in the US is pretty big – we rank 10th in the rice production in the world and 6th in exports of rice.

Q: I didn't realize that because you always associate rice with Charlston and some of the tidal areas there but of course rice ended up dying out in South Carolina because it exhausted the soil. But I guess the notion or basic idea of raising it moved and they were able to manage soil.

MAXEY: Soil fertility was an issue but the principal cause of the demise of South Carolina's "Carolina Gold" rice was its labor costs. Rice cultivation required working in swamp-like conditions to control water flow – it was hard work, and there were disease issues, including malaria. The Civil War and freedom for slaves brought about the decline of their rice industry with yields declining by fifty percent from 1860 to 1880. This was why farmers in Louisiana and other states moved into rice production at the beginning of the 20th century.

Another issue was the cost of fertilizer. Nitrogen fertilizer wasn't available to farmers until The first industrial-scale Haber-Bosch plant commenced operations in Germany in the early 1900s. The whole technology of fertilizer production changed. I read a book recently, *When We Cease to Understand the World*, by Benjamin Labatut, where the author described the German technology that was first able to extract nitrogen from natural gas. Before this technology, guano (bird droppings) was extensively used as fertilizer.

I found out about guano when I was assigned to Peru in 1996. I had never known about it before. There are islands off the coast of Peru rich in seabird guano, protected as the Guano Islands, Islets, and Capes National Reserve System. Peru began mining the guano in the early 1840s, and it became immensely lucrative. A British company first managed the trade, and then it was nationalized. Over twenty years in the mid-19th century, around $500 million in guano was imported to the US.

When we first arrived in Peru, we took a cruise ship tour of the Guano Islands park, which was fascinating. I remember that we saw the Paracas Candelabra, a large prehistoric geoglyph located on the northern face of the Paracas Peninsula near the park.

So yes, fertilizer technology changed everything. I remember it was an absolute science in Texas regarding timing the application to the rice fields. There were specific guidelines on how to time fertilizer

application, and I liked having that clear guidance. The other aspect of managing the rice farm was the decisions you had to make on herbicide application. Everything was applied from crop duster airplanes. One thing that struck me that I never thought about with farming was the riverboat gambling aspect of agriculture. I remember talking to my mom about this because I was worried. Herbicide applications were $5,000 each. It would be flown on, and if you got rain within 24 hours, you would lose the effectiveness of that application and have to do it again. I was saying back then you could buy a car for $5,000. I thought, "I just bet a car that it will not rain within 24 hours."

Technology and, I guess, gambling was all part of the whole thing in trying to farm. That was one aspect of the job that I didn't like. I preferred having control of the circumstances as much as possible. So, production of rice seed was very interesting but not an area in which I wanted to make a career.

Q: Just one last wonky question with rice seed and so on. Was it all the varietals or were they focusing on just one type?

MAXEY: Oh, there were different types. We were evaluating different rice varieties. We had plant breeders at the China Texas experiment station, which was part of Texas A&M. The plant breeders came up with other varieties. What you get is when a plant breeder gives you that seed, and you start producing "foundation seed" rice. Multiply that by one year, and the next seed will be "registered seed." One more production season allows you to produce "certified seed," which is what is sold to farmers.

So, my job was to manage the process of expanding the production of a plant breeder's new variety to a level where it could be used commercially. One of the most popular varieties was LaBelle. It was long-grain rice that was high-yielding and had good disease resistance. In 1980, a new variety was released called Newrex, which had a shorter growing season. Part of the reason for wanting a crop with a shorter growing season was because of red rice.

Red rice is a wild rice variety that was a severe problem for rice farmers. Red rice had dormancy – that is, it would stay in the soil for long periods of time prior to germinating. After a farmer had planted his rice, if a field had red rice, you see it start to come up. It had a weaker stem so if you had enough red rice in the field it would break and fall down and pull down the good rice. This was called lodging, and you could lose an entire rice field. A big part of my job was to make sure our foundation seed rice was not contaminated with red rice. That is what we would do.

Q: Sorry, one more. Talk about marketing then. Were they looking just exclusively at improving the quality of seed and its durability or were they thinking about marketing? Were they thinking about places around the world where they might make inroads in terms of the market?

MAXEY: The plant breeders were looking at marketing characteristics in terms of yield, quality, and how the rice would be used. I remember that Newrex had a better flavor, an important market quality. Riceland Mars, privately owned by the Mars brothers, was an unincorporated Riceland subsidiary. They were a big company.

The farmers we sold to were the people who produced and sold to Riceland and others. We were selling certified seed to farmers who wanted to have a great crop and then sell it. So, there were issues that they were facing that we were trying to deal with, too. I mentioned red rice. Red Rice is a native variety of rice with a dark husk, and its leaves have a rougher edge than regular rice. To ensure the rice seed we were

producing was free of weed seeds and red rice, we would walk through the rice field and remove any weed plants or red rice plants.

This activity was called rouging, and we hired high school kids to walk the rice fields and remove any weeds, red rice, or off-type rice plants. We would line up on one side of the field, spread out in a straight line about six feet apart. We would then walk in unison across the field, pull out the weeds, red rice, and off-types, and put them in a bag we carried. It was hot work. You worked barehanded to feel the rice plant by texture and see any off colors, and we would pull them out.

David Prince and his wife Susan worked with me on the foundation seed program. They were great. David took the lead on how the rouging was managed. It was great with the high school kids. They responded to every challenge we gave them with the work. We weren't babying anybody. We would say this is what you have to do; here is how you do it. The message was that you had to make it work – we'll help and give you whatever you need but it's up to you to do the job. The high school kids really grew up. Their parents noticed the change as well.

I remember having one of their fathers come to the farm and ask what we were doing. So, a dad of one of these kids came and said, "I just wanted to see what was going on here because my son says he is driving a forklift." I said, "Yeah, well, we are trying to be safe here, but everybody has got to pick up the slack wherever we need it, and I see your son is very responsible." These kids took that to heart. I remember the head of the experiment station stopped on the road when we came out of one field. Everybody was just wet with sweat and tired. He stopped and said, "Mike, how many boys have you got out here working? I said, "Sir, we don't have any boys; we have eight men." That was a lesson I tried to use in my career. I learned a lot about managing a team and leading people in the Texas A&M Foundation Seed Rice program.

Q: All right. If that is it in terms of the period of time you spent there, I don't want to rush you, but it sounds like that was the extent of what you were doing. You were only there a year as I recall.

MAXEY: I got to Texas in January 1980, and I left in April of 1981 to return to Guinea-Bissau. The work in Texas was challenging. I had to manage the production of ten thousand hundredweight of certified rice seed which was produced on 130 hectares that we grew on the Texas A&M Agriculture Experiment Station in China, Texas and on rice farms that we contracted with near Beaumont, Texas. We also produced soybeans as a rotation crop in the rice fields. All of that was a steep learning curve but it helped me grow professionally.

The other thing that was important was that I had to learn how to make presentations to farmer groups and researchers. I learned how to communicate with different groups. We had conferences at the research station and there one of the participants was from the University of California – Davis. He asked me if I would be interested in a job in Egypt managing a seed rice program the university had signed with USAID. I told him I was interested, and he sent me a short-term contract to go to Cairo for three weeks to see the program and for them to interview me for the job. That happened in late February 1981. I did the consultancy, and they offered me a two-year contract to work in Cairo. So, there was a lot going on during my time in Texas. About the same time, I started think about Guinea-Bissau.

Q: Now what brought you back to Guinea Bissau. Was it again a connection to AID? How did that work?

MAXEY: Yes, I was contacted by USAID. Things had gone well in Texas and David Prince, who had worked with me for all of the 1980 growing season, was ready to take over the Foundation Seed Rice Program. David and his wife, Susan, were great people and David was a very dynamic person. It was a blessing that they came and worked with me in Texas. So, when I got a call from Jim Maher, the USAID Guinea-Bissau mission director, asking me to come back for a two-year contract, I thought that was the best option. The work in Cairo was a Egyptian government project that was part of a huge state bureaucracy on top of an overall socialist system. I saw it as an almost impossible task. The work in Guinea-Bissau was less complicated and I thought I could have a greater impact there instead of in Egypt. The salary that Jim Maher offered me was double what I was making with the Foundation Seed Rice program. I thought, "Let's try it again." So. that is when I went back to Guinea-Bissau under a contract.

Q: At personal service contract.

MAXEY: Yeah, as a personal service contract for two years making around $3,000 per month.

Q: That was decent money in '79.

MAXEY: That was good money for someone a year out of graduate school.

Q: All right you get back there . You are already acquainted with the rice growing techniques and so on, what is your value added when you get back there.

MAXEY: The main thing we were trying to do was build the national seed testing laboratory, assess the types of rice varieties indigenous to Guinea-Bissau, and establish a national seed testing capability that would ensure farmers were able to obtain high quality crop seed. USAID was in a transition phase going from a "Poorest of the Poor" focus (1960s–1970s) seeking to address widespread hunger and poverty by improving food production in the world's poorest regions. This was also the era of the Green Revolution and there was tremendous emphasis on introducing high yielding crop varieties to small scale farmers. There was not a strong focus on markets – the idea was to allow farmers to produce enough to feed their families and contribute to national production goals. Basic infrastructure became a later focus with efforts to improve rural livelihoods by integrating agriculture with health, education, and infrastructure development. It was not until the 1980s and 1990s that USAID began to promote economic growth through market-driven approaches and private sector engagement.

So, my value added to the efforts in Guinea-Bissau was limited by the social and political situation we faced. It took us a year and a half to get the seed testing laboratory built and once we got it built the electricity was an issue in terms of making it function. There were a lot of challenges there. The main thing I talked about before was the lack of sustainability. In a market system, investments are based on whether you can profitably undertake an economic activity. There was no bottom line, only a limited attempt to respond to market forces. When I was in Texas the farmers came together, formed an association, and paid my salary. Our foundation seed rice program added value because ensured these farmers could obtain, at a fair price, high quality seed rice. We worked together and rice farming could be a good business. The farmers in Texas were producing for a clear market system. West Africa and the socialist system did not necessarily respond to market forces. The state planned the production and distribution of rice. There were no market signals for allocating resources and there were insufficient state resources to cover all the needs. Guinea-Bissau is where I learned first-hand the importance of a functioning private sector and the problems that arose when market forces were distorted.

Q: Sure. Were there aside from the internal nonmarket problems, did you also run into political or military issues in other words thoughts of coups or cross border military or even migration issues?

MAXEY: Yeah, our ambassador was Peter DeVos. He and his wife, Nancy, were great people. Top notch. He liked photography and he liked architecture. He was taking photos of buildings in Bissau and he was stopped by the police and questioned about why are you taking these pictures around town. That was kind of the first time I realized we needed to be more careful about what we were doing in terms of not giving an appearance that we were gathering intelligence.

In Guinea-Bissau, I didn't have a security clearance, and I was not part of any classified meetings or information. I remember that we had a summer intern who drafted a marketing study that focused on the business model of the "Amazens do Povo" (Peoples' Warehouses). I never saw the report, but I believe that one of the issues that was raised in the study was corruption. That would have been sensitive information, and I remember that the report ended up being classified.

Sometimes in our field work, we would see things that I would include in my trip reports. For example, we were coming back from a field trip and the roads were really in bad condition and it was dark when suddenly a convoy of troops appeared. What struck me was that it was a night movement. I mentioned it in my report, and I remember David Hazard, our communication specialist at the Embassy, saying the night movements were to avoid satellite detection.

About the same time, I heard rumors that Guinea-Bissau was covertly supporting a separatist movement in the Casamance region of Senegal. I never got anywhere near that stuff or involved with it. I didn't really want to -- but there was always an undercurrent of something going on. We were a really small post. Like I said 24 Americans total in the embassy. At the end of the day, my job was to supervise the construction of the seed testing laboratory and train the staff in how to use it.

Q: All right, you get it built and is that the end of your personal services contract? That was your goal and you completed it.

MAXEY: Yes, so the personal services contract was coming to an end in November 1982. I started applying for jobs. One of my applications was to the International Development Intern (IDI) program at USAID. Becoming an international development intern was an entry level position in USAID that included a year or so in Washington DC for training and then support during your first assignment to upgrade your skills. I applied for the IDI program in February 1982.

I was contacted by USAID Washington. They asked that I come to DC for an interview. They flew me back in February of 1982. I remember landing at Reagan National airport and taking a taxi into Rosslyn in the middle of a snowstorm. I was glad to the US – to be home. I was interviewed by several people, one of them was Ambassador Jack Hood Vaugh. Ambassador Vaughan was the second national Peace Corps Director succeeding Sargent Shriver in 1966 and is credited with garnering bipartisan support for the Peace Corps during his tenure. He also oversaw the increase in volunteers to 15,500, the highest number in its history. The interviews were conducted over two days, and it was a panel approach where a job candidate had to do individual interviews and then be ranked by a committee. I wrote about the interview and meeting Ambassador Vaugh on my blog -- https://sleepless-in-baghdad.blogspot.com/2014/11/how-it-all-started.html.

Seven months after the interview, I received word in Guinea-Bissau that I was selected to enter the March 1983 IDI class. That turned out to be a great class. I remember Beth Cysper, Alexi Panehal, Andrew Sisson, and Carlos Pascual were in my IDI class.

Anyway, after I finished the IDI interviews, I went back to Guinea-Bissau and just kept working. I didn't hear anything for a while, so I applied for a job as a seed program manager with a contractor working with USAID Bolivia. But as I mentioned, I got the cable from USAID offering me a slot in the IDI program.

The cable said a reply was needed as soon as possible. We didn't have phone service in Guinea-Bissau, so, I drove to Ziguinchor, Senegal, which was about a hundred miles away by road and you had to take two ferries and make it across the border between Guinea-Bissau and made a call to USAID Washington from there. I was very excited about the new job and the fact that it was a tenure track position – that is, if my performance was good, I could become tenured within five years and then be commissioned as a Foreign Service officer. I saw this as a great career opportunity.

In early 1983, I want to say, January, we came back to the states. I was married and my wife and I came back. We came to Washington DC. The training program was eight to nine months then language training. It was a relatively lengthy training program. I was 30 years old when I entered USAID as a direct hire. Most of the people in the group were in their mid to late 20's. So, I didn't feel out of place. The program provided a great orientation about everything related to USAID. We also studied international development theory along with a review of international agriculture. We studied the bureaucratic aspects of USAID and State Department. It was a flexible program; in fact, I was able to take an economics course at the Foreign Service Institute (FSI) during the training program.

In terms of language, I was asked about fluency, and I told them I was fluent in Portuguese. They tested me at FSI and I scored a S3/R3 fluency level which was good enough to meet my language requirement for tenure. I also remember that I got a step increase in my pay scale for demonstrating language fluency with that exam. So that meant I got my tenure requirement for language when I first came in which was very important since my first assignment with USAID was Barbados and, of course, English was the language there. I remember that a colleague in the Agriculture Development Office, Donnie Harrington, had to return to USAID Washington and enter language training to get his tenure requirement. Anyway, it was helpful to have the language requirement out of the way.

In terms of being assigned to Barbados, I thought I can't make this stuff up. I mean, hey USAID took me from Guinea-Bissau, which at that time was ranked as one of the worst countries in the world according to the World Bank Quality of Life Index, and put me in Barbados, a tropical resort that had over 250,000 tourists per year. When I got to Barbados, I was assigned to USAID's Regional Office of the Caribbean (RDO/C) which was started as a response to Cuban and Russian influence in Grenada. On October 25, 1983, the US led a coalition that occupied Grenada.

This was another instance of how the Cold War impacted my life in a major way. Peace Corps was one of the first responses by the US to counter Soviet influence in Latin American. My job in Guinea-Bissau was only because we were responding to Cuban and Soviet influence there. Now, I ended up going to Grenada in early November.

I turned 31 years old in November 1983 and I found myself in the middle of a major foreign policy initiative. I found that US policy regarding our containment strategy for stopping the spread of

communism kept sending me to interesting places – later that included Honduras and Costa Rica. So, anyway, I started in Barbados in the USAID Regional Development Office of the Caribbean (RDO/C) and I managed agriculture development projects on the Windward and Leeward Islands.

Q: There is a small irony that you come from the small town of Grenada, and you are there for the invasion of the small island of Grenada.

MAXEY: Yes, that is interesting. When I was growing up we learned the history of our town. We learned that Grenada, Mississippi, is named after Granada, Spain. The spelling "Grenada" was chosen to anglicize the original Spanish name, making it more familiar to English speakers. This practice of adapting foreign names to English phonetics was common in 1836 when the time the city was established. So, technically we were not named after the island of Grenada. Christopher Columbus sighted the island in 1498 and named it "La Concepción," Spanish sailors likely renamed it "Granada" for the Andalusian city and the British anglicized it to "Grenada" in 1763.

As it turned out, Grenada was not one of my islands that I worked on. I was assigned to the agriculture development office which implemented projects across several Caribbean islands. We were trying to enhance agricultural productivity and support rural development. Earlier, I mentioned the phases that USAID went through in its development approach. Well, for the 1980s, the focus was on private sector development and market-driven opportunities. I managed the St. Vincent Agriculture Development project which was trying to help farmers diversify their crops and increase yields of high value products. In 1985, St. Vincent and the Grenadines' economy was dependent on agriculture for employment with one in four economically active persons working in the ag sector. The sector also made up almost fifteen percent of GDP.

So, finding ways to help make it more productive and gaining access to higher value markets was critical. The project included funding for an agricultural census, technical support for production and marketing, a credit program for small-scale farmers, and some institution building activities that included staff training. This was my first attempt of managing a market-led development project. We successfully completed the national agriculture census, established a successful credit program for farmers, and increased yields of winter vegetables. We were less successful in breaking into the winter vegetable market in the US. There were a number of issues – the two biggest ones were a lack of adequate transportation channels to get product to the US market, and the other was the difficulty in getting buy in from a US importer.

We also implemented another investment promotion initiative, the High Impact Agriculture Marketing Program (HIAMP). This project was managed by Bill Baucom, the Agriculture Development Office Director, and it was trying to strengthen the Eastern Caribbean's agricultural sector by promoting private investment, improving market links, and introducing innovative agricultural practices. We worked in the following countries: Antigua and Barbuda; Dominica; Grenada; Saint Kitts and Nevis; Saint Lucia; and Saint Vincent and the Grenadines. I managed projects in St. Kitts, Nevis, Antigua, St. Vincent, and the Grenadines. Those were my islands that I had, and I had different programs.

In Antigua, I managed a livestock development project with Winrock International. In St. Kitts, it was a natural resource management project trying to prevent soil erosion and rehabilitate areas already impacted by it. This was a learning experience and I believe it helped me in my next assignment, in Honduras, as USAID continued to have a heavy focus on private sector development. This era was one in which the

Reagan administration was leading the fight against communism in the Caribbean and Central America. Grenada and our actions there were an important part of stopping any encroachment by the Soviet Union.

On February 20, 1986, President Ronald Reagan made a brief but significant visit to Grenada to commemorate the third anniversary of the US-led intervention. The military operation, launched in October 1983, aimed to overthrow a Marxist government, restore democracy, and protect American citizens following a violent coup. During his day trip, Reagan addressed a crowd in Grenada's capital, St. George's where he highlighted the island's recovery and the transition to peace and stability. The visit underscored Reagan's commitment to countering communism in the Western Hemisphere and strengthening U.S.-Caribbean relations.

As a junior officer, I was detailed to the White House advance team, working with the Secret Service to assist with security barrier construction. I accompanied a USAID team to Grenada two weeks before the President's trip. The team included Jim Baird, our chief engineer; John Johns, executive officer; and Michael Huffman, program officer. We rented a house to set up our operation, and I remember John stocked the refrigerator with beer. There was good camaraderie and a sense of excitement.

This was my first time working on an advance team. I was assigned to work with a Secret Service agent. A really nice guy. I enjoyed working with him. At the end of the event, he gave me a key chain with the White House emblem. My job on the advance team was supervising a crew building a barrier wall on both sides of a podium from which President Reagan would address the crowd. I enjoyed working with the Grenadian crew. We had to dig post holes for 140 20-foot-high posts on which would be put siding to prevent a view of the president from the hills surrounding St. George. The objective was to prevent anyone from getting a clear shot at the president.

We took the job seriously. I remember coming to the site one morning and having the watchman run up and tell me that he had caught a man loosening the poles set the day before. He called the police, and they questioned the man. He was apparently delusional and was released. We often ate out in Grenada during advance work. I remember an Italian restaurant that was quite good.

Michael Huffman, in the USAID program office, and I were friends outside work. We enjoyed our time in Grenada and talked about different scenarios for the day of the president's visit. For a moment, we would become the center of the universe, and there was the potential for a novel in this situation. President Reagan was accompanied by several key figures: Governor-General Paul Scoon; Prime Minister Herbert Blaize - The Prime Minister of Grenada at the time; and Prime Ministers of Barbados, Jamaica, Trinidad and Tobago, Dominica, and St. Lucia. He also brought some key members of his cabinet including Secretary of State George P. Shultz, National Security Advisor John M. Poindexter, and White House Communications Director Pat Buchanan.

I remember the day of the visit. There was a carnival atmosphere, and we managed different parts of the venue. My Secret Service friend saw me and said, "You really know how to throw a party!" I had my camera and was able to take photographs of the event. President Reagan arrived and was ushered into a big tent behind the podium and barricade we had built. He walked out of the backside of the tent and approached us for a photo opportunity. I was surprised. The president was a big man, and he flashed his trademark smile. He really did look like a Hollywood star. He came to us and posed for the photograph. Four months later, I was sent a copy of the picture and a “thank you” letter from the president. Really a

nice touch by the Gipper. I published a post about this event on my blog -- https://sleepless-in-baghdad.blogspot.com/2024/12/president-ronald-reagans-day-trip-to.html.

Q: Just a quick thing before we go on, how did you meet your wife?

MAXEY: My first wife was from Mississippi, and, well, my first marriage didn't work out, and I don't know if anybody talks about this. She was with me in Guinea Bissau, and while the living conditions were tough, we stuck together, and things seemed solid. We went to Barbados and things didn't work out; there were other people whose marriages just ran into trouble there. Anyway, my first wife decided to return to Mississippi.

I stayed in Barbados and a few months later I went home, and we met in Jackson, Mississippi. I thought we could work out our problems, but everything was set up by her lawyer. I signed the divorce papers and returned to Barbados. We were married for four years. I remember when I came into USAID in the International Development Intern (IDI) training, they said that the Foreign Service lifestyle was very hard on marriages. I never saw divorce statistics but I know we were not alone. I don't think people understand the stress the Foreign Service can put on a marriage. Just moving every tour or two was very stressful. I salute all the Foreign Service couples that made their marriages work.

I was blessed to meet my wife of the last 34 years, Ana Julia Maxey, in Tegucigalpa, Honduras, in 1987. We dated for over two years and were married in July 1990. We went through a church-based counseling program before we were married. Two things that really made a difference were the commitment from the beginning that through the Lord we would stay together and that we would raise a Christian family. We have three adult children, and they are doing well. In 2021, we were blessed with our first grandchild. We now have three grandchildren. I must admit that I had a lot that I was trying to do in terms of career and a lot of my focus was on that. I know that was difficult and I know there are things I could have done differently. I am a firm believer in Romans 8:28 – "All things work together for good for those who love the Lord and are called according to his purpose." So, I don't always know why things happen the way they do but I know God has a plan.

Q: Yeah, and I am not trying to pry into all sorts of private information. The reason I asked about how you met your wife is that a lot of the time Foreign Service officers and USAID you kind of have to tell your spouse if they had never had international experiences, this is what you are getting into. You know that can be something that they look forward to and it could be something they are uneasy about. Family considerations do come into play.

MAXEY: I agree. As I mentioned, the reasons for my divorce, like many, were complex and personal but I believe the unique challenges faced by Foreign Service Officers had an impact. In some ways, our experience parallels those of military personnel where you have frequent relocations every two to four years creating a constant upheaval, disrupting family routines and breaking down social support systems. The lack of consistent career opportunities for accompanying spouses was another issue. These factors place significant pressure on personal relationships, creating an environment where maintaining a healthy marriage becomes more difficult. Guinea Bissau was a difficult assignment, but, I believe, we had a greater sense of being together in a survival mode than the later assignment to Barbados. Barbados where you had 250,000 tourists coming through every year was like living in Miami. It's hard to explain.

Q: So let's go back to Barbados, the whole presidential thing but were there other professional things that you did there that are worth mentioning?

MAXEY: Yes, this was the first time I had worked on various projects. Starting with the Reagan Administration there was a strong focus on promoting private investment in partnerships with smallholder farmers and others in the supply chain. My main focus was on managing the St. Vincent Agriculture Development Project. In order to promote private investment, we designed activities to address constraints faced by smallholder farmers, including limited access to agricultural inputs, inefficient marketing systems, and market intelligence to guide policy and investment decisions. We had a winter vegetable pilot activity that demonstrated high potential for production of four crops that could be marketed in the US during the offseason.

The concept was to establish a long-term lease on a "core farm" that could produce the volume and quantity of vegetables needed to reach an appropriate economy of scale for export. Transportation constraints as well as effective marketing links to the US produce sector limited interest from prospective vegetable importers. The pilot effort proved the concept that these crops could be produced in the quantity and quality required by the market but the private sector partners did not materialize. Bill Balcom was the chief agricultural officer with USAID's Regional Development Office/Caribbean (RDO/C) located in Barbados. The other agriculture officers were David Jesse and Donny Harrington. We had a good team.

Bill was a good mentor. He taught me how to think analytically. In a good way he was critical. He would go through and tell me this, let's walk through and have me justify what I did. He was an agricultural economist. That was very helpful. Bill made sure I was busy.

I was managing projects beside the St. Vincent agriculture project. In Antigua, we had a livestock program with the Rockefeller Foundation. That was the first time I worked with them. It was an interesting program aimed at addressing production problems with disease and herd management. It also had a component to move further by creating a partnership between livestock producers and local meat packing operations. Again, the idea was to build the links with the private sector that would last beyond the life of the project.

There were segments of the US development contractors who didn't believe in the private sector approach. Their focus was on helping the poor with direct assistance, strengthening host government agencies, and providing subsidized production credit. This was the model in which the Caribbean policymakers seemed most comfortable. There were vestiges of central planning type stuff.

I remember at one point the minister of agriculture in St. Vincent was complaining about the low consumption of fresh milk on the island. Bill checked to see the local tax on milk and found it was one of the highest in the region. He said we should tell the minister that he could try for lowest consumption in the world if raised that tax a little bit more. Bill was an interesting guy, and he taught me a lot.

Another island I was responsible for was Dominica -- we had a fisheries program in Dominica. That is the only place they say where Columbus would actually recognize if he came back. It is pretty much unchanged. You fly into Dominica and land on one side of the island where the airport is and then you go over the mountains in a car. The landscape is green and lush with literally prehistoric plants and huge ferns. Just absolutely beautiful. The lady that was the prime minister, Mary Eugenia Charles, she was a

favorite of President Reagan and she had supported us for the intervention of Grenada. We other USAID projects on Dominica.

Q: Principally vegetables for the American market.

MAXEY: We did the winter vegetable in St. Vincent and the Grenadines and the target market was the United States. In Dominica, we worked on the fisheries project that was associated with the Smithsonian Institute. There were education and health projects as well. I kept journal and I was reading it recently, I was really struck by the beauty of Dominica. Having a Caribbean assignment as my first tour was incredible.

Q: All right then this is your first tour in USAID as a direct hire.

MAXEY: Yes.

Q: Were people then talking to you about your career or where you might want to go next, how you might want to structure your career.

MAXEY: Yes, there were some major career milestones early on and I was focused on them. The first was the tenure process required for commissioning as a Foreign Service officer. Tenure is the process through which a career candidate becomes a permanent member of the Foreign Service. It confirms that the individual has met the required professional standards and performance criteria. I came in as a career candidate and I had to be tenured within five years or I was out.

Bill Baucom, the head of the agriculture office, helped me meet the criteria for tenure. He gave me increasingly more responsible roles and counseled me on how to improve my performance. We talked about the type of work that I wanted to do. He encouraged me to be creative. I told him once that I was not creative, he said, "No, no. That is a self-fulfilling prophecy. Don't say you are not creative. You are creative." He was a mentor.

In terms of thinking about my next assignment, the way AID worked was you reached out to key contacts where a job was available and where you wanted to work. I remember sending examples of what I do and what I thought was important. The market focus that we did in St Vincent I thought was pretty critical. I think what you want to do in any situation is to find out where people really want to have in terms of a production and marketing system, identify the missing pieces, and determine how to address constraints and support private sector investment. You can add to it. But you don't create it. The market and the private sector create it and you just help facilitate the process.

What came up after Barbados was a job in Washington. A private sector job, not necessarily in agriculture but in private sector development. I was set to do that in 1987 and about three months before I was supposed to go to Washington, I got a call saying you are needed in Honduras. You need to learn Spanish. It was the height of the Contra era in Honduras and there was a lot of program expansion happening. They were expanding tremendously. So, USAID and the Foreign Service Institute sent me a pilot Spanish language training program in Antigua Guatemala, for three months.

I went to the Francisco Marroquin school. It was kind of hard. I was talking to someone and thought I was really being fluent, and they said, "No, everything you said was Portuguese. I said, Oh well, OK." My

language skills improved, and I scored a FSI Spanish 3 (out of 5) in speaking and reading which was considered professional level fluency. The time in Antigua Guatemala was very interesting. There was an eclectic group of people in the numerous language schools there. On weekends we would take trips. The first time I went to Chichicastenango, a town famous for its Santo Tomás Church, where Mayan rituals are performed on the church steps. I remember the incense burning and mist in the air. It seemed mystical. There were also great weavings sold by the local women. The whole atmosphere reminded me of Peace Corps in Brazil and in the Casamance, Senegal, where you were swallowed by the culture – it just kind of overwhelmed you in a really positive way. I always remembered how blessed I was to have these opportunities.

I went to Honduras as an assistant agriculture development officer. We had great people on the staff there. Dick Peters was the agriculture office director. His deputy was David Flood. Other agriculture officers were Kurt Rockeman, John Warren, Bob Wilson, Lee Arbuckle, Craig Anderson and Jack Jordan. We also had really strong local hire staff – Guillermo Alvarado, Armando Busmail, Peter Hearne and Ramon Alvarez.

I was made the project manager for a livestock project – Fondo Ganadero which provided technical assistance and a credit fund for building herd size in Honduras. About five or six months into my first tour, I was made the project manager of the Irrigation Development Project (IDP). The project was about nine months into its implementation. This was a huge project with a goal of putting 5,000 to 6,000 hectares under irrigation. I managed the program for a year and a half as we pivoted from a smallholder farmer focus on simple irrigation systems to a commercial credit program that worked with medium to large farmers to create a national irrigation sector. Armando Busmail came on board in late 1988 and managed the project from 1989 - 1994. David Schaer was our agriculture office director, followed by Dwight Steen. Enrique Castello was our credit manager and interface with the Honduran banking sector. Carlos Valderrama was the chief-of-party for the Winrock International technical assistance team supporting the Ministry of Agriculture Water Resources Directorate. Roberto Rivera was the Honduran Ministry of Agriculture manager of the program. This project went on to promote a vibrant bank credit program that financed the irrigation of 5,300 hectares whose production amounted to five percent of agriculture exports.

A key policy victory in turning the project around was the privatization of the water management system for the Comayagua Valley, a major irrigation area – the project helped establish three privately managed "water users" associations. David Flood, the deputy director of the agriculture office in USAID Honduras, recommended that we bring in Rafael Diaz, a private consultant, to bring the entire team together -- something like 150 people -- and develop a project work plan for 1989. We went to Zamorano Agricultural College outside Tegucigalpa for a three-day retreat. Rafael led a very interesting log frame methodology with each team determining their goals, activities required to reach them, and the inputs/resources needed to finance the activities.

We came out of the exercise with a detailed work plan that showed actions, timelines, outputs, and progress toward project goals. It was the first time I saw the power of this methodology to create a strategy that was owned by the staff -- they owned it because they designed it. I remember that later, when a staff member complained to me about what he considered an overly ambitious goal in his component, I said, "Ok, but you designed it and signed off on the final plan." He took it to heart and doubled down to get the job done. I was amazed at the power of people being bought into the design and implementation process.

The project turned around and did really well. I was promoted to deputy director of the agriculture office and Rafael Rosario took over the project. Armando Busmail did a fantastic job in managing the program day to day. I did a post on my blog about this work – see https://sleepless-in-baghdad.blogspot.com/2024/12/honduras-irrigation-development-project.html.

We had a huge portfolio of agricultural projects in Honduras. David Flood left the mission in 1989, and as I mentioned, I was made the deputy agriculture office director. In my first post, Barbados, we didn't have as dynamic an agriculture sector as in Honduras, so I looked back on my experiences in Peace Corps, Guinea Bissau and what we had just done in St. Vincent to support how move local agriculture development.

You know before I mentioned that there were different development philosophies among the technical staff, well that applied to the program staff in the mission. There were some in USAID Honduras who wanted to take a "poorest of the poor" approach and direct assistance to the smallholder farmer while others were saying this is good in theory but were is the sustainability? The private sector links were needed to make a marketing channel sustainable.

Now, the other issue was the economics of basic grains. USAID policy favored an emphasis on high value crops but this design was approved with a focus on lower value crops – basic grains. I remember that Rich Whelden in the program office was a good colleague in trying to make things work. So were Gene Szepesy and Lars Klassen, the director and deputy director of the program office. I believe that they helped change the mindset of the mission regarding moving toward a market led development strategy. Basic grains were important but not necessarily the best crop to promote for economic sustainability.

Q: Just let me ask a question: this is a tropical climate. It would surprise me that there are basic grains, maybe other rice that would thrive in a climate like that. Why did they choose grains?

MAXEY: Well, the primary crops of subsistence farmers were red beans and corn. Those were the two basic grains they would grow. That production was for consumption as well as for sale. And that is good. There was a market for it. But the projected profit margin was low, and certainly couldn't have financed anything but the simplest irrigation system. So, we looked at the winter fruit and vegetable market. What we did was to turn it into a financing program for the private sector to set up a national irrigation supply sector with banks' lending to farmers. The Irrigation Development Project helped farmers. that were seen as credit worthy, obtain production loans. This type of investment needed technical training, access to equipment and water. We established programs to provide training, improve water access, and help with access to the US market.

The idea was to use this approach to create a national irrigation capacity that was private sector based. With the technology in place, it would be available to a wide array of farmers. I remember we were working with people in Choluteca in one part of Honduras and it was a guy who had a service station. He wanted to set up a farm. He had collateral in the form of the service station which meant he could qualify for a loan and we had the technology and market connections to make sure he would make money. He set up the farm and became very successful and he hired local residents to work in his production fields. He was doing irrigation for cantaloupe which was exported to the U.S.

As more people in Honduras started looking at this business model, the whole approach took off. It became very successful. You had people who never had access to irrigation supplies and equipment that

were now having access. Also, you had banks that understood how to lend for agriculture projects, including non-traditional systems that needed irrigation as part of its production plan. Production increased dramatically for fruits and vegetables. You had containers being shipped to the US and import companies coming down making investments in production areas. These types of enterprises are still operating in Honduras. Honduras is now the second-largest supplier of melons, pineapples, and okra to the US, and the third-largest supplier of cucumbers and butternut squash.

Q: They are beginning to do interesting things in other crops areas just in looking at the supermarket. Buttercup squash is a different kind.

MAXEY: Yes, this production and the other vegetable exports increased significantly under our project. And, yes, one of the crops we promoted was butternut squash. Our focus in the mission was a pivot to market-led development. We looked at what was in demand in the United States for the winter market and we determined who was also involved in the sector. There was some exportation of winter vegetables in the Comayagua Valley and we thought that it was one of the places where we needed to make an impact.

We had a produce marketing expert that helped promote commercial partnerships with our farmers. The success of this approach became self-perpetuating system with banks put in their own capital and people investing in irrigated vegetable production. David Schaer, the agriculture office director, brought in a vegetable marketing expert, Mark Gaskell, who led the over marketing effort. David had worked with Mark in USAID Panama.

Our agriculture portfolio grew exponentially in both number of projects and financing due to the Cold War politics of the US Contra program aimed at destabilizing the Sandinista regime in Nicaragua. David Schaer, the agriculture office director, came to Honduras, and brought a team of consultants with him — kind of a shadow staff partnered with his direct hire staff. I believe it worked pretty well. As a direct hire, you were tasked with supervising the implementation of our programs by contracting companies as well as non-governmental organizations. We signed off on project activities, but now we had extra expertise available in-house. Also, the consultants were able to take on specific tasks and help either confirm or dispel a particular approach. Mark was a marketing guy and he saw butternut squash and other fruits and vegetables as the way to go in terms of targeting our irrigation efforts. So, yes, we produced an array of export crops including butternut squash.

Q: It is the sweetest squash I have ever tasted.

MAXEY: Yeah, I really like butternut squash. Easy to cook and great tasting.

Q: I only mentioned that because there was a real success in diversification and then the only other question about this about irrigation and the ___ and so on is how you were sure about marketing. Were you talking to American companies and others about yeah, we see a market for this.

MAXEY: Well, as I mentioned, we had marketing experts help make the contacts and set up marketing contracts with US companies that wanted to import. Most of the time it was risk of not being certain about the buyers, transportation, customs, etc. that prevented investment by the Honduran private sector in export crop production. I mean there was investment in banana production and export but not so much in winter vegetables. We were successful in creating a lot of different partnerships.

When we showed the viability of irrigated production, more and more companies started asking for Honduran products and were ready to work with our farmers. There was a history – which was the banana business on the coast and that is where everything was a vertical integration of the banana plantations and the preparation and export. Sam the Banana man from New Orleans. It was an interesting thing. I was in New Orleans going down a boulevard and it looked just like San Pedro Sula in Honduras. Basically, San Pedro Sula was incredibly influenced by the banana industry. To the point of their street layouts incorporated as the streets in New Orleans where he had his residence. So, there was a history there of this type of market. What we were changing was this time it was owned by the Hondurans. Once we connected people together, we got out of the way.

Q: Also, because you mentioned initially there were some doubts and some uncertainty from the mission director and USAID Washington Ultimately how did you evaluate success. You have described most of it but how did you do a detail to evaluate it especially in terms of sustainability.

MAXEY: Well, when I arrived in Honduras in October 1987, John Sanbrailo was the USAID mission director. He supported an export-led strategy and really demanded that the irrigation project be redesigned. My thought about any resistance was from the original design of the project in 1986 and the stories I heard when I arrived in the mission a year later about how there had been differences of opinion on the design between program and agriculture staff. The program staff at that time won the debate and we had a "poorest of the poor" type approach hardwired into the project.

An independent evaluation of the Irrigation Development Project (IDP) No. 522-0268 was done in 1993. It concluded that: a) the IDP had a highly significant impact in increasing the awareness of the banking community, government entities, and other sectors of the benefits of irrigation for high-value crop production; b) through short-term training in-country and extensive hands-on experience, promoted a privates sector capability for designing and constructing high quality on-farm irrigation systems; c) established a self-sustaining credit program for irrigation development through twelve private banks; d) assisted in the privatization of Comayagua's three irrigation districts by water users associations organized by farmers in water users associations; and e) ensured that seventy-five percent of the project's production area was generating high value export crops (e.g., bananas, tomatoes, melons, watermelons, onions and squash) with export earnings estimated at four to five percent of the Honduran total. The overall estimated reduction in unemployment was 1.5 percent with indirect benefits exceeding direct benefits by more than five times.

The evaluation report noted that there were six project managers over the life of the project. The critical person that moved the project forward was Armando Busmail. I chaired the selection committee that hired Armando and we turned the project around in its second and third year of its implementation. Armando was the local hire manager for almost the entire life of the project. The report determined that the IDP could serve as a model in other countries where the benefits of irrigation are yet to be realized. I posted a summary of the evaluation on my blog -- https://sleepless-in-baghdad.blogspot.com/2024/12/honduras-irrigation-development-project.html.

Q: Interesting. I just want to go back one step in the process. You said you began to see lending. Was that private lending by Honduran banks?

MAXEY: Yes. Private banks financed the construction of 3,518 hectares of irrigation in Honduras. Private banks are still financing new irrigation development, and loan repayment is apparently excellent. Our

approach was to focus on medium to large scale farmers who had title to their land. Interviews with banks indicated that loans for irrigated production were inherently risky. The project helped minimize that risk and encourage private financing of irrigation. However, subsistence farmers without land titles did not have access to credit, so, we made a conscious decision to promote overall growth in the agriculture sector and count on the increased employment from this activity to reduce poverty.

Three major irrigation districts in the Comayagua Valley were rehabilitated and productivity was increased. Export production area expanded significantly with overall agriculture exports increasing by four to five percent. The employment generated with a reduction in unemployment of 1.5 percent. Indirect benefits were estimated to exceed direct benefits by more than five times. According to the final project, it resulted in a substantial increase in the national capacity to construct irrigation projects, drill wells, and supply irrigation equipment. The demand for irrigation equipment (especially sprinkler and drip irrigation) increased substantially, with one supplier reporting a tenfold demand from 1987 to 1993.

Q: Their social security was you were getting American.

MAXEY: We provided a loan guarantee program that offset the risk for private banks but once the irrigation sector took off there was interest in the banks making these loans because it was good business. Also, the repaid loans became part of a revolving fund to finance new irrigation loans. Part of the approach was to help establish production and marketing partnerships between Honduran producers and American companies that supplied fruit and produce to the US market. There was risk throughout the entire marketing channel. We helped remove some of that risk. Market dynamics took over once our farmers started producing and exporting fruits and vegetables.

Q: And it was because you convinced the American companies to take the risk.

MAXEY: We provided the funding to limit risk. So, if there was a default by farmers with the bank we would cover that risk under the initial disbursement of funds. Repayments were put into a revolving fund to provide more loans. We had funding because of the Contra initiative. This was at a time when a tremendous amount of resources was being put into Central America, so funding was not a problem. The issue was how to best use the money that was being provided to Central America. Twenty years later I went to Iraq and I really had a kind of a déjà vu. There was a great deal of funding – money was not the issue. The issue was how to use the funding in a way that would have a positive and significant impact.

Q: I am sorry to throw all these different questions. I was just trying to get the concept of once you get it started you bring in all the different stakeholders so the American companies who were looking for product, the U.S. government that was going to provide I don't know some kind of insurance in the event of failure of the crop but also money to the Honduran bank to make loans and ultimately on the ground the irrigation and the know how to cultivate What is all vertically integrated.

MAXEY: Well, the way it worked is we designed a long-term project that included all these components and we drafted a cooperative agreement – a conditional grant mechanism – and it was awarded to Winrock international. I had worked with them in the Caribbean, and they were in Central America when I got there. They had technical expertise. The main thing was to have a market focus. Once you know your market, then you can start addressing constraints on being competitive. USAID helped farmers be competitive.

I thought back to my experience in Guinea Bissau and the problems we had there of not having a market focus, of not having a sustainable system. They try but programs are not sustainable. And then even in the Caribbean we tried o jumpstart production for the winter vegetable market, and you could see the potential but a failure to reach scale. Everything came together in Honduras -- it was the first time we had all the pieces together. We had the money, the expertise. We had the land. We had water resources. We brought in the technology. The companies that wanted to import winter vegetables to the U.S. Everybody was there and it was just putting it together in a sustainable market focused system. That convinced me for the rest of my career of what I had to try to do. It had to be market focused. There had to be a demand for it. There had to be people who were willing to produce it for a given amount of money. There had to be people who were willing to buy it. If you don't have those components, you can create a great program.

The previous focus on the poorest of the poor created tradeoffs that affected sustainability – without a market focus, a government's effort would only be successful as long as funding and support was being provided. We learned how to manage some of the more humanitarian aspects of our programs. For example, our food aid funded projects using PL480 money (that is where food aid is sold in the host country to generate local currency which was used to finance projects. We were looking at the impact of those projects we were financing, and we found out that if women were working where it increased their income out of every dollar of income that a woman received, 70 cents went to the family. Whereas if you had a dollar of income generated for a man you had 30 cents maybe. Social and development impacts could be increased by how you targeted the assistance.

So that was one where you would look less at the market maybe than looking at what women could do to generate income and how to work with that, but by and large it was all market focused things. There were circumstances where you wanted to have a direct impact. Female headed households. There was always an issue of how do you support them. We found that if you can create female employment, you can have a dramatic, positive impact on families.

Q: So, the last aspect of evaluation was this program earmarked and did you have a particular congressperson looking deeply into it and saying why weren't the poorest of the poor helped?

MAXEY: The issue we had was with our program office. In USAID you have your technical offices where there is health, education offices, private sector, and then you have a program and policy office that is in charge of implementing USAID strategy. And making sure we are addressing the intent of the administrator and the administration. So those were the ones who were giving us grief. John Sambrailo was our mission director. John, he understood the sustainability factor was absolutely critical And I think he ran a lot of interference on any issues that came up and when push came to shove whether we were going to go with the larger scale farmers, he came down on our side and made it happen. That was just one of those things that later in my career we moved toward that. I have got to think about the administrations we had. President Reagan, then and that was I mean there was a mentality from I think the 70's the poorest of the poor but it was changing with Reagan in power but there was still a holdover. The bureaucracy still had that mentality of focusing on the poor. We were coming in with how do you make it sustainable. The poor need a job and you create jobs by having competitive enterprises and to make that happen you had to have a market, private sector focus.

Q: All right it sounds like this might be a good place to break because we have been on for about two hours. You have just done a very successful project and you are about to move.

MAXEY: Yeah, I got to Honduras in 1987 and I left in 1992. I was there for five years.

Q: Oh, so you may still have a few more things you want to review about this project.

MAXEY: Well, in retrospect it was a learning experience and one that helped shape the way I approached work in USAID for the rest of my career. Before we leave Honduras, I should mention that I met my wife, Ana Julia Toro, there. We married in 1990 and started raising a family – we had three children during our foreign service career. Our oldest child, Dominique Michelle Maxey, was born in Tegucigalpa in 1991. Our second oldest, Jackson Maxey III, was born in Costa Rica, and our youngest, Justin Maxey, was born in Peru. Annie and I have been married thirty-four years. So, Honduras had a profound impact on my life.

Q: All right, let's pause here.

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Q: All right today is December 11, 2023. We are resuming our interview with Michael Maxey. Michael, we have gone through about two of your tours Honduras and Barbados. But you had another story that is going on at the same time that is a parallel story. Why don't you go ahead.

MAXEY: Yeah, I wanted to recap one part of the Foreign Service life. That was the impact on relationships and marriages. I don't think I was necessarily unique, but we went through a situation in my first assignment as a personal services contractor with AID in Guinea Bissau. I was married and we went there, and it was really kind of a rough place to live but the relationship I thought was really strong. Then I was hired by AID as a Foreign Service officer and my first assignment was in the regional office for the regional office for the Caribbean which was in Barbados. We got there and things just really, it was a great place to live. But there were a lot of issues just in terms of adapting.

Anyway, long story short, we went through a divorce. My next post was Honduras. When I got there one of the first things that happened relatively early in the tour was, I met my future wife. One of the first things she did was to invite me to her church. It was a two-year period where we really were trying to figure out what we were going to do with our lives and everything, but we got married in 1990.

That was probably the most pivotal moment in my life career or otherwise was encountering her. Our first child was born in Honduras, my daughter. She is 32 now. Just that whole situation of trying to find a balance between career and family and making things work and I think faith was a really big part of that. Faith really came into play a little bit later and I will talk about how that happened and having to just really turn to the Lord in terms of situations I faced and that we faced as a family.

But that is pretty much it for Honduras. I was there from 1987 to 1992. Five years. I started out as a program manager and was promoted to office deputy director and went through a lot of different work. I talked before about the irrigation project. How that really showed me the key was and also built on the experiences from the Caribbean. Having a market focus and not trying to create something for somebody and say here it is but asking the people we were working with what do you want to do and what is missing and what are the risks involved. How can we bring partners together? I learned a lot in Honduras.

So, we finished up there in '92 and I was supposed to go to Peru. I was assigned to Lima, Peru. My assignment in Lima was to be the food for peace officer. I don't know if you remember in 1992 was when

the shining path Sendero Luminoso—there was danger of Peru really falling to Sendero Luminoso. I went home on home leave in July of 1992, we shipped everything to Lima and we got a message towards the end of August saying your position has been frozen, they are not letting any other people in for security reasons. So, I was in limbo.

I said what am I going to do? They said well you are going to go to Washington. You will be on compliment there and then we will figure out what to do. I said what about all my stuff? They said well we are going to hold it in Lima. When we find out where you are going to go, we will send it there. So, we had baby food and all kinds of stuff in that shipment. Anyway, I went to Washington and even though I had been in Honduras for five years they wanted me to go back to language. That worked out very nice. I went to FSI for language training. I upgraded my skills and finished with a 3-3 in Spanish. The really tough thing was transitioning from Portuguese from my Peace Corps experience in Brazil to Spanish. Even today I can listen to tele novellas in Brazilian Portuguese, but it is difficult to speak because I start mixing stuff. Anyway that is what happened.

We were there for about a year ’92 to ’93 and then I got a message saying Peru is not going to happen. What we need you to do now is to go to Costa Rica to be the deputy of the program office there. Peter Kranstover was the head of the office. And Ron Venezia was the mission director. Peter DeVos, this is really interesting to me. Ambassador DeVos was my first ambassador when I worked in Guinea Bissau. He was a relatively young officer and became ambassador there. He wrote me a letter of recommendation for the IDI program and everything. Just a really nice guy. He was the ambassador and so we ended up going there for three years. I started in the program office. The whole contra issue changed everything in Central America. We hadn’t really had a program in Costa Rica that was that big but because of the issues in Nicaragua we ramped up a huge program in Costa Rica. But by the time I was going to go there it was shutting down. My job was really to help close out the mission which we did. It was the only mission in my entire career that we closed. There is still an office for disaster assistance that is there but there isn’t an AID mission there.

Q: Just as a quick aside I worked in Costa Rica from ’86 to ’88 during sort of the height of the contra war. By the time I left in late ’88, they were already talking about sunsetting USAID Costa Rica. Beginning to do turn keys and turning over Seed farm foundations and so on, that USAID had created. Costa Rica was considered as becoming a middle-income country.

MAXEY: Dan Shy was the mission director when you were there. Probably. Dan really created an empire. There is some interesting stuff that came out. He built a university, EARTH -- Escuela de Agricultura de la Región Tropical Húmeda (Agriculture School for the Humid Tropics). I don’t know if you ever went to the USAID building but it was huge, I remember being told that the annual water bill was $5,000. It was beautiful inside with an atrium and a lot of ornamental plants. I found a memo in the program office written by a staff economist. When I got there, we didn’t have an economist on staff. He wrote a paper on the impact of the food aid monetization which was so large that it had an inflationary impact on the country. The economist argued, unsuccessfully, that USAID was imposing a “tax” on the citizens of Costa Rica without their consent. It was standard procedure to take PL-480 food aid, sell it and then use the money generated for development projects. In Costa Rica, because of the Contra issue, there were huge amounts of food aid sold and monetized. The funding was used for projects. That was what Dan used to create EARTH. We also used it to construct the USAID building. We also used it to fund a lot of endowments that we set up. What the economist noted was this was creating inflation and how it was

taxation without representation. It was a really interesting time. We sometimes forgot about the development maxim of, first, do no harm.

Anyway, my job was basically to close out different things. I did that. I worked on FUNDECOR. It was a national parks program to close out. My job kind of changed completely from designing and implementing projects to working more on policy things that related to the office. But it was a good experience, and I learned a lot. In the end it was a good experience because we were really downsizing quickly. Ron Venezia left, and Steve Wingert became the next mission director. Steve ended up leaving as well and we had Rich Whelden as an interim mission director. I was with Rich until we closed out the mission. That was in July of '96.

One thing that happened in Costa Rica that was not a direct part of my job but was related to an MBA program I started at the University of Costa Rica. I had focused on coffee in Honduras because it was so pervasive. We had a small scale famer project that helped coffee farmers. Jack Jordan had been the manager of that project. The goal was to help diversity income and protect forest cover. In Costa Rica, I found myself in another major coffee producing country so I became interested in the sector. As part of the MBA program I had to write a paper on national marketing strategies. I chose to research the coffee sector to better understand the International Coffee Agreement quota system that was still being followed in Costa Rica. My research helped me understand the sector and I shared it with coffee sector people there. It gained some traction with the private sector, especially with Steve Aronson, the founder of Café Brit. A copy of my paper is attached in the notes section of this interview. Meeting Steve led to some beneficial contacts later when I was working in Peru.

I was looking for my next assignment at this point. I had worked in Honduras with George Wachtenheim. George was a really nice guy. He was the deputy mission director, and we had a good relationship. He became the mission director in Peru, and he wanted me to come to Peru. I wanted to finish up what I was doing in Costa Rica and then I kind of wanted to get back to the states with my daughter, Dominique Michelle Maxey, and we had a son, Jackson Maxey III, in Costa Rica. In '96 my daughter was five and my son was two. Anyway, George kind of insisted that I come we to Peru. I asked him what would I do? He said, "Well we have got a program that is really expanding. It is called the alternative development program." I said, "That is interesting, where is that?" He said, "Well it is actually in the coffee growing areas in the mountains in the Andes of Peru." I said. "Oh, OK."

There was a real kind of a pressure campaign, and the USAID Assistant Administrator Eric Zallman called me and said look, we really need you to do this. Anyway, I ended up going and that was my next assignment to be the director of the alternative development program in Peru. Basically, we were funded by International Narcotics and Law Enforcement, INL funding. Then USAID funding. It was pretty big, $100 million. We were doing local governance, agriculture, and some environmental stuff. Some education, we were working with schools. It was kind of our own little mini mission kind of thing. There were a lot of US politicians coming down on Congressional Delegations. Any kind of Congressional break would have a VIP group coming in. I ended up briefing many of these delegations on our program.

I met a lot of people who were interesting to meet and talk to. Asa Hutchenson was a congressman then from Arkansas. He later became head of the Drug Enforcement Agency (DEA). He was really good, he was informed, thoughtful and supportive of what we were trying to do. Denny Hastert was another one who came, and Mitch McConnell. We would have a reception and the ambassador's office. Dennis Jett was our ambassador. Anyway, it was a chance to talk and explain what was going on. The War of Drugs

was still a major initiative. This was before Plan Colombia. In fact, I ended up going to Bogota in 2000 to help with the design of their alternative development program.

Q: Let me ask a question. Since it was shared, the cost and the support were shared with INL. Did you have any difficulties in the relationship? Since you were reporting essentially to two different home offices.

MAXEY: We had a good relationship with INL. John Crowe was the INL director. John was really good. He had his own objectives and the things that he was trying to do, but Kerry Allen was another who worked with John. Kerry was my direct counterpart. Kerry and I would go out. Kerry was a retired US Army Ranger. He had been in Panama when we invaded Panama under the first Bush administration. He had a lot of stories. He was a guy I stayed close to when we went out in the jungle. He was always number one, armed, and number two knew what he was doing.

I had a good relationship with INL but at a higher level, primarily in Washington, I felt that there was tension between USAID and INL. We had a joint mission. There were two sides to it. One was the hard side and that was the interdiction and police activities. I don't know if you remember but in '96 that is when Peru's president, Alberto Fujimori, started ordering the shoot down of the planes that were carrying. They would make coca paste. The farmers would take their coca leaf production, process it and make it into a paste in Peru and then fly it to Colombia for processing it into cocaine.

Fujimori ordered the shoot down of drug planes. I think it was 32 planes shot down over a three-year period. Pilots were afraid to fly coca paste out of Peru. Everything dried up. There was no way the coca paste was leaving the country so when I got there you had all of these farmers who had invested their resources which was essentially their land and their family labor into coca leaf production that they had no market. So, when I got there it was almost like a famine situation.

Q: Now were the Shining Path still active, because they supported coca leaf cultivation to the extent they could export for money.

MAXEY: Yeah, they were active. One of the first places where we were starting alternative development activities was the Apurimac River Valley in Ayacucho, in a town called San Francisco. This was the first place that we really focused and then we expanded activities to all the coca growing areas Peru, in the Andes, basically high jungle. Shining Path guerrillas were on the road between the capital of Ayacucho and San Francisco. So, it was about a five-hour drive to go down that road and into the valley. That is where we were working.

I made my first trip there in '96. And coming out I didn't have an issue but others were ambushed by them. Alberto Yamamoto was my Peruvian counterpart with the Institute for National Development (INADE). He was coming out of the valley with a good friend of mine, a Peruvian agronomist named Hugo Villachica. They were ambushed by Shining path and there was a shoot-out. They escaped, but after that the embassy required us to charter flights into the coca growing areas. So, we had a charter with a company to fly into Ayacucho and other areas.

So the Shining Path was active and there were real concerns. That is when we started flying in and flying out. For VIP business we would fly people in and out and, for my oversight of activities and staff we had about 20 people flying in. It was an expensive proposition. It reminded me a little bit of what we were doing in Barbados where the importance of our foreign policy objectives called for special support to

design and implement our programs. So, because of the war on drugs, we had our own charter flight for the mission, but this was specific for the INL program and the alternative development program. In addition to the Shining Path, we also had the *Movimiento Revolucionario Túpac Amaru,* MRTA. They were active in Tocache, Villa Rica, and Tarapoto. So, in 1996 we still had a threat from these revolutionary groups.

Q: Were most of your clients indigenous?

MAXEY: Yes. And most were really poor. These were isolated areas. The first thing we started to do when we got to the Apurimac River Valley near San Francisco, we started rehabilitating roads and putting in bridges. It was like a mini–Marshall Plan for the area and it was really great to have the resources and support to make difference. We focused on infrastructure, livelihoods and governance. For livelihoods, we focused on Arabica coffee and cacao, tropical fruits, and pineapple. For infrastructure, we focused on roads and bridges.

Marion "Tex" Ford came to work with us from Bolivia and he designed and led the implementation of a stone paving program. This was a great approach because it created jobs -- the rehabilitation of roads using local material was labor intensive, we would take stones literally out of the riverbeds and make a road. The first time it had been done was in Chapare Region of Bolivia. Tex was a blessing. He was an old USAID hand who was a legend among agriculture officers. He knew that we needed to employ people. We ended up paving 50 kilometers of road which made it one of the longest stone paving roadways since the Appian Way. See my blog post -- https://sleepless-in-baghdad.blogspot.com/2013/11/from-appian-way-to-apurimac-river-valley.html. So, it was one of our claims to fame and when congressmen came down, they kind of liked that, that we were innovative and using low tech means to employ people at a relatively low cost. The stone paved roads could also be maintained by the locals with materials already on hand.

The other thing that happened was that the roads and bridges opened up market access for our farmers. The Peruvian government, the police, had checkpoints coming out of the valley. Basically, they were checking for coca paste being taken out of the valley. They would claim and they actually did it. They actually took the data they were looking at all the types of products coming out of the valley. What we found was although what we were focused on were coffee and cacao and some tropical fruits, once the roads were open and there was access out of that valley the farmers got incredibly creative. The people that were buying stuff got creative. They were doing organic sesame; They were doing the rise. They were doing just different kinds of crops that we hadn't really thought would have much sale but the market kind of took over. The lesson I learned was that if you can provide access, can sell more of the farmer's production and generate more profit for his farm. There was a lot of activities, different kinds of production and in terms of economic impact, it was significant. The people saw a real, positive change.

There was a national magazine in Lima that came down and did an article about what was going on. It was creating a buzz about what was happening. And we had a major decrease in coca production. If you look at it over time and they talk about a balloon syndrome where you squeeze a balloon in one area it pops up in another. Coca production increased in Colombia at that time. And then Bolivia increased. I kept going to Colombia and Bolivia on trips. Just to talk to the people there about what was happening and what we were doing. That was an incredibly exciting time.

Q: You talk about ___ and marketing, where were the markets growing for the products they were substituting?

MAXEY: Basically, it was in the provincial capitals -- those were our major marketing hub there but there was also river transport, and they had these huge, long canoes they would use that could carry literally three or four tons of supplies and goods. So, there was traffic there. One of the things they were checking there was for coca paste and that is where they would discover other products that were being exported.

Coffee was a big commodity in Peru and I had some familiarity in the sense that I had done a study of the coffee market in Costa Rica, and I had been interested in coffee since my work in Honduras. So, in Costa Rica I met Steve Aronson who was the founder of Britt Coffee. Steve was a really nice guy, and I just looked him up and I said we are not doing anything in coffee here, but I am interested in it. He said the first thing we have to do is take a tour of our facilities. I said "What?" He said, "Take a tour of all the coffee production and roasting facilities. Then you have got to meet some producers I am selling this coffee for. Then you have got to meet some of my buyers."

Steve introduced me to Jim Stewart. Now Jim Stewart was the founder of Seattle's Best Coffee. Jim had started out as the Stewart Brothers Company, SBC. There was another company by that name, so we had a competition and we won it so in Seattle we changed our name to Seattle's Best Coffee, same initials SBC.

Anyway, we reached out to Steve in '97. He came down and he ended up buying 160 thousand pounds of Arabica coffee from our farmers. That was the start of the Peruvian specialty coffee industry. I mean farmers had been doing some organic coffee production, but it wasn't until this initiative the Peru entered the specialty coffee sector. But what they did was they sold the coffee for blending. I raised the issue of finding ways to differentiate Peru's coffee marketing strategy when I got there.

Because of a coffee leaf fungus spread across Latin America in the 70s. The fungus started in Brazil then spread. It was all over South America and Central America, and it was devastating. The response by coffee-producing countries was to pull up the old growth heirloom coffee, the original Arabica coffee, and plant semi dwarf hybrid varieties of coffee that had resistance to the fungus but they tasted different – in a bad way. These new varieties had a different cup quality that specialty coffee companies did not like. So, in Peru they had been too poor to pull up all their coffee and plant the semi dwarf hybrid. Peru's reliance on Tipica coffee proved to be fortunate. All of this resulted in a situation where we had the largest expanse of Arabica Tipica coffee in the world. Jim Stewart came down and said, "Peru has a treasure here – this exceptional coffee." Anyway, he started buying and that got people thinking. Specialty coffee is what we focused on over the next few years as a competitive crop against coca production.

However, one of the things that happened early on in my tour of duty in Peru was the hostage incident at the Japanese ambassador's residence in December 1996. I got there in August of '96. The was my first assignment as an office director in USAD and there were more requirements for diplomatic receptions with counterparts and among the donor community. Unfortunately, at my first major diplomatic reception after arriving in Peru was attacked by the MRTA (Tupac Amaru Revolutionary Movement).

On December 17, 1996, I was part of a group of US embassy representatives attending for a reception in honor of the Japanese Emperor's birthday hosted by Ambassador Morihisa Aoki at his residence in the affluent San Isidro district of Lima, Peru. Ambassador Dennis Jett was there. Also attending was the economic counselor, John Riddle, and the political counselor, Jim Wagner. I was there with Don Boyd, the USAID mission director, Pedro Carrillo, who worked with me in the Alternative Development Office.

David Bayer from the USAID executive office was there as well. Overall, I believe there were about 450 guests.

Ambassador Aoki's house was interesting. It looked like something from Gone With the Wind. Honestly it looked like a fraternity house at Mississippi State University, one of those huge antebellum homes with the big pillars. Evidently, the wife of a wealthy Peruvian had seen *Gone with the Wind* and she wanted her husband to build a house like Tara, the home of the O'Hara's. The Japanese government rented it and had it renovated for their ambassador.

On the back veranda, Ambassador Aoki had a huge canopy erected where the guests would congregate. We were out back under the canopy during the reception. Everything started at 7:00 pm. My wife was pregnant with our third child, Justin. She was not feeling well so she decided to stay home and not attend the reception. The reception went well, and I met my Peruvian counterpart, Alberto Yamamoto, from the National Development Institute and had a chance to meet other officials. I was going to leave the reception at 8:00 pm.

Ambassador Jett left around 7:50 pm and I explained to Don Boyd that I was leaving after our ambassador had departed. He said fine, and I was circling around walking toward the exit when I noticed Ambassador Aoki was still receiving guests. I did another loop around the veranda and came back to the exit around 8:10 pm. Suddenly, there was a huge explosion. It sounded like a door slamming right behind me. I remember just being shocked. I looked at Don and said, "What is going on?" Don said, "Don't worry it is a car bomb on the street. We are in the safest place in Lima." Unfortunately, we started hearing gunfire. And the canopy was kicking up. I said, "They are shooting at the canopy." That is when the MRTA surrounded us and were screaming for everybody get face down on the ground.

We were all captured by the MRTA. Then they got us up hands behind our heads. We were held for five days, all the Americans were released on the 22nd of December. I think there were 76 hostages that were kept, mainly Japanese businessmen and Peruvian officials, for four more months until Easter of '97. Then there was an assault, and all the terrorists were killed. There were 13 terrorists. That kind of created the whole tenor of my being there.

When it first started it was like seeing a dinosaur. The last Marxist terrorist group in Latin America just took over our party. I can't make that up. It was kind of surreal we got inside the house. And everybody was on the floor, kind of crowded, a lot of confusion. One of the terrorists was standing right by me. Standing and holding an AK47. He was talking but I was looking at his pants leg. His leg was shaking. I thought, "Oh my God, he is as scared as we are."

Then a fire fight started with the MRTA terrorists firing at police. It was really loud, and the police shot tear gas into the house. We ended up going upstairs. I remember I had my time and remember putting water on my tie and covering my face. Things settled down a bit and then the terrorists said they were going to release the women. That happened after midnight.

The first thing they did was they got the guest list. Don't ask me how they got the guest list, but Rollie Rojas was the deputy to Nestor Cerpa, the leader of the MRTA group. He was called El Arabie. He got up on the staircase and started calling out names for high priority hostages to go upstairs. My name was on the list and was called, so I went upstairs. The rest of the people stayed downstairs.

I don't know how many people we had upstairs but, in our room, they were pretty well organized. They had letters for the rooms and our room was room F. It was the holding area for foreign diplomats, I remember the World Bank Rep was there. The American Development Bank person was there. The head of the Red Cross was with us. We were 28 men in the one room and it was a relatively small room. I remember that first night I never heard such snoring. I couldn't sleep. I was under a table. Next to Don. We were going to have a meeting with the World Bank the next day and he said, "I guess we aren't going to have that meeting." I said, "Yeah, we can have it here."

That next morning after the events of the night something happened on the roof. The MRTA set off a grenade and the blast came down the stairs from the roof and knocked the clock off the wall in our room. Ambassador Aoki's residence had an emergency generator, and it started automatically after the police turned off the electricity. It ran for three days and we had eight televisions in the residence so we could see everything that was happening outside.

The first morning there was a newsflash on the TV that the MRTA had announced they were going to start shooting hostages at 11:00 am if the Peruvian government didn't release a list of prisoners. I remember that Lori Berenson was one of the names on the list. There were other names that needed to be released or they were going to start killing people.

I remember everybody was pretty somber. I remember people were writing notes to their families and putting them in their pockets. That is when I realized I might not see my family again. So, we get that deadline. I don't know where I got that they were going to kill people. Later I got newspapers from days when I was there. It actually said, "The hostages were threatened with death." Anyway we kept going and I guess you get through all the stages of grief and disbelief that this is happening followed by anger and then acceptance.

Q: Let me ask you one question. While they were there did they read out a manifesto? Were they in any way communicating with you what their goals were?

MAXEY: Yeah, they were quite specific. They had some really, I was talking to Don about it. I said Don, they have got some good questions about poverty and the impact of capitalism. Of how the current poltiial system is failing a majority of the people -- it is crushing the little people and making the elite wealthy. Don said, "Yes, they have good questions, but they have the wrong answers." He went on to say that a country needs broad-based development where people have opportunity, that is what we have got to figure out how to do.

The MRTA were respectful. They never tied us up. I remember I had gone to the embassy that day and those were the days everything was cash. I had cashed a check for $300 and had it in my billfold. I thought oh wow that $300 is going to be gone. The MRTA never touched it. They never asked for it. On the other hand, I had a Monte Blanc pen with me, and somebody stole that. I'm convinced that one of the hostages stole my pen. I know the pen came up missing. I looked at all the pictures of the hostages as they left the Aoki's residence on April 22, 1997, after they were liberated. A photo of them on the bus as they left the residence showed almost all of them had a Monte Blanc pen in their shirt pocket. Well with the Monte Blanc Pen you could get messages in or out and I think people said Oh I need a pen and had families send them a pen once it was all over.

While I was a hostage, the Red Cross was fantastic. The first day we were worried about food, we didn't have anything to eat. These little airport meals in boxes, they brought those in. A lot of people there were organizing. You couldn't wear shoes into the rooms. We were really concerned about the bathrooms. They were looking for disease and gastrointestinal problems. Anyway, a lot of rules and a lot of things were getting organized.

On the second or third night I had a dream about my dad and how he had died when I was five and I just thought my baby was not born yet. I keep thinking, "He is not going to know his dad." I was sad and then I had a dream that my grandmother who had passed away in 1989 came to me and said "God is with you, don't worry." So, God is with you is Emmanuel, a phrase that kept going through my mind. The next morning, I noticed the hostages were putting messages in the windows. When we didn't have food, they were putting signs that said, "No food No water." Stuff like that. I went to the MRTA leader Nestor Cerpa and said, "We need to put a message in the window that says, 'Emmanuel.'" He asked me why? I said, "Because it means God is with us. God is here with us." He said, "Yeah, go ahead and do it." So, we put that in the window. After that I felt better.

When we first arrived in Lima, we started attending a local church, Emanuel Church. It was in downtown Lima and was a large congregation with a dynamic pastor. After I was taken hostage, my wife reached out to Pastor Miguel Bardales and asked for prayer. As it turned out, there were other hostages with me that were members of Emmanuel Church. The church had a special prayer service at 11:00 am on Sunday December 22, 1996, for the hostages. It was 11:00 am that morning when the MRTA started a list of the people that would be released. They were calling people to come down. We didn't know it, but these were the ones who were going to be released. So, they called my name right around 11:00. I said what a coincidence. I think God had a purpose for it.

So, I was called down and so was Don Boyd. It happened in the morning, and we held downstairs all day until buses arrived that night and we taken out in groups to the buses. When we came out that front door the international Red Cross guy was with us, and he turned around and said how does that fresh air feel. I said, "Oh my God. It is wonderful."

There was also one little event that impacted my career in the sense of being able to do things. So, I think it is important and it was the safe aspect of it. When I first got to Peru, I had never done anything like this before, managed this big a program. I was overwhelmed so I would keep a scripture in my pocket and pull it out and say, "OK here you can do this. If God says you can do it, you can do it."

One scripture was 1 Corinthians 1:9 which I recalled stated that in all things we are going to benefit – even in difficult situations. If the Lord takes you in hand you are going to benefit from where he has you. That is what I had in my mind. I lost that scripture but when I was released, I went to Pastor Bardales of Emanuel Church. I told him I was fine and I believed that everything we go through can benefit us according to 1 Corinthians 1:9. He said, "Let's look that up." He opened the Bible and turned to 1 Corinthians 1:9 which reads: "God is faithful, who has called you into fellowship with his Son, Jesu Christ our Lord." I had the wrong scripture in my head. It was like a bolt of lightning down my back. I said, "Praise the Lord." Anyway that helped me in terms of moving forward and understanding that life goes on. There is a reason for what we are doing while we are here and we need to realize that God is always faithful.

I wrote about all of this on my professional website -- https://www.maxey.info/mrta-hostage-event-1996.

Q: One question about your release. Did the MRTA say why they were releasing you and keeping all the Peruvians and Japanese?

MAXEY: That is the first question the FBI asked us when we debriefed. When we got out it was on a Sunday the 22nd of December. The next morning, they asked everybody to come to the embassy. They took us to the third floor. There were like 40 people there. I know the FBI were there because they debriefed us. But it was a Seal Team. They said why did they relax. I said I had no idea. Later, I read a book entitled, "Assassination in Khartoum." It was written about the assassination of our ambassador and DCM in Khartoum in 1973.

On March 1, 1973, in Khartoum, Sudan, a farewell reception was held for U.S. diplomat George Curtis Moore at the Saudi Arabian ambassador's residence. Curt Moore had been the Charge' of the American Embassy in Khartoum. Also in attendance was the US Ambassador to Sudan, Cleo Noel Jr., who had just arrived in-country. Both men were taken hostage by Black September terrorists, and both were executed on March 2, 1973, after the US announced that none of the terrorists demands would be met.

This incident was the first high profile enactment of US policy of "non-negotiation" with terrorists. The policy was established within the National Security Council and had been adopted by the Nixon administration. National Security Council Director Henry Kissinger was said to have been the guiding force behind this new policy which required the US to (1) conduct no negotiations with hostage takers, (2) reach no deals with them, and (3) provide no concessions. This policy had evolved under the Nixon administration due to an incident in Brazil on September 4, 1969, in which student revolutionaries kidnapped the US ambassador to Brazil. The US requested Brazil to meet the demands of the terrorists. This incident was quickly followed by the kidnapping of three more foreign diplomats.

In March 1970, West German Ambassador to Guatemala, Count Karl von Spreti, was taken hostage. Germany did not negotiate, and their ambassador was killed. On July 31, 1970, Tupamaro terrorists in Montevideo, Uruguay took US adviser Dan Mitrione hostage. Mitrione was assisting the national police. Employing the new policy, the US refused to negotiate with the terrorists. Dan Mitrione was murdered. The final event that galvanized a firm and unchanging US stance on terrorism was the attack by Black September terrorists on the Israeli compound at the 1970 Summer Olympics in Munich, Germany. These actions set in place the policy on anti-terrorism that remain in force to this date. If an American diplomat is taken hostage, there will be no negotiation and no concessions.

When I was taken hostage by Tupac Amaru Revolutionary Movement (MRTA) terrorists in Peru on December 17, 1996, and released 5 days later with 6 other Americans, I came to realize that the MRTA saw no value in holding us because of the US "no negotiation" policy. The sacrifice of those before us had set the precedent that there would be no gain in holding and executing a US hostage.

Black September arose from the Palestinian community and its actions helped provoke a US policy stance that, I believe, helped save my life. Ironically, in 2011 – 2012, God led me back to Palestine to manage a $100 million community development program in Gaza. Curt Moore and Cleo Noel served with honor and courage; their sacrifice, in a real sense, allowed me to survive the ordeal in 1996 in Peru. I have often thought, and this confirmed to me, that God moves in love through this world.

I wrote the DCM's widow and said your husband was an absolute hero and I am alive today because he was there; he was in harms way. It was a really hard thing, but I think the reason they let us go was they

had nothing to gain. If you look at the interviews with Bill Clinton, we watched President Clinton talk and he was very, he parsed it very carefully. He was we want this hostage thing to come out, but there was never an inkling that there wouldn't be any type of negotiations. I found out later I have a blog called Sleepless in Baghdad. I started it when I was assigned to Iraq. But in that I did a summary of the book Assassination in Khartoum and in that I kind of explained where I thought that came from. I wrote a letter to the Washington Post to the editor about it when they were talking about changing and negotiating. I said I hear you and I understand there is a need for people who want to do that, but you save countless lives by not doing that and I am one of them.

Q: What. Wait. When you say countless lives by not doing that you mean by not negotiating.

MAXEY: There are a lot of people who are not going to be kidnaped and not held hostage because there is not anything to gain. Hostage taking of US diplomats essentially stopped. In fact, I wrote the author of Assassination in Khartoum, and he wrote back and was really indignant. He said, nothing was accomplished by the deaths of the Ambassador and Charge – that these were needless deaths. I told him, "OK I hear you, but I disagree."

Q: As a result of your release, as a result of this kidnapping and this terrorist attack, did any of the plans or strategies for your work change.

MAXEY: Well, the first thing that changed was I wanted to get out of there. I told them I don't really think I am the person for this job. The mission director said hang on for a while. We will find a replacement and get you back to the states and don't worry. In South America the seasons are opposite. So, when we got there in August it was wintertime in Lima and it was cold and dreary, and the sky was gray. By December it was kind of springtime and summertime. We went through this with the hostage situation. We came out and I was convinced I wanted to leave but I don't know. The work started to move. Things started to happen. And it looked really positive. I told my wife we have already agreed to leave, and they are looking for a replacement. If they don't find a replacement and they ask me to stay I think we should stay. She said yes, I agree. And we were praying about it and sure enough out of the blue the mission director called and said look we are not finding anybody that wants to do this. Can you possibly finish out your tour? I said Yeah, we can do that. Then there was the focus on the work and that is when I really started looking at coffee. This was '97. I went to the first specialty coffee association of America meeting. It is kind of a huge annual conference. That is where I was able to reach out to Jim Stewart and talk to him. Steve Aronson was there as well. That is when it kind of started. Different things were happening but that was really a big one.

Q: Okay so as you are working, and you are developing better coffee and export but was it sustainable?

MAXEY: Yes, it was sustainable because of the market. There was strong market demand for heirloom Arabica coffee. When Jim Stewart came down and bought those four containers it was 160,000 pounds of green coffee that they had never put into the specialty coffee market before. So, what we found out was people were interested.

Coffee is kind of an interesting thing. It is not just the taste, It is also the story. So, you have got to have great coffee and great quality, but you also have to have a good story. Peru was just a good story and it had good coffee. So, we had lots of different people coming to us saying how can we access the coffee? How can we work with your farmers? What we would guarantee was quality. We would guarantee quantity as

well. We would take people out and show them what we were doing in terms of increasing production and quality. Our focus was on minimizing the risk so private investors would be willing to invest in the future of Peru's coffee sector.

In Peru, they did what was called wet processing of coffee. That is where you would take the coffee cherries after they are harvested. You would soak them in a vat and the fermentation, the bacterial activity would kind of make the cherry slough off. It is called mucilage and that would all go away. Then you would wash it, it is called the *pergamino*, the parchment. You would have coffee that was in parchment, and you would put it out to dry and sun dried has a different flavor than the furnace heated drying. They had just a unique thing and it had a really good quality, so we were able to bring people in.

At the markets today if you go anywhere you go to Trader Joe's you are going to see Peruvian coffee and they never had that before. We didn't do it. We started it and primed the pump a little bit and got people interested and they saw what could be done but that has been sustained over the years. The other major thing we worked on was cacao. We got Hershey's to come down and M&M, Mars. There is a story in the Philadelphia Enquirer about our chocolate program. Back in 2000. Anyway, it was all market.

The activities that were not related to the market were harder to sustain -- like we were rehabilitating schools and health posts. We were finding you can't get teachers. There has to be, we had some success with local governments. We set up a local governance organization in San Martin Province and the people we were supporting became the congressman for that activity and they were a real counterbalance to the shining path and the MRTA. So, Shining path and MRTA started to go away after '99. We were pretty much free of any issue, and we could get around. Again, it was just basically what is the market, what are the value chain nodes to that market? What are the weak points? How do we address those and offset risk and get people to invest and see a business opportunity here. How do we bring our small farmers to the table? We were organizing producer groups carrying on . We had done that in Iraq based on the same model we had done in Peru.

Q: OK so the production turns out to be very desirable in the U.S. Were there financial aspects as well. Did you need loans for the farmers to get underway and were those able to once again become part of the process?

MAXEY: Yeah, there were production packets that we could provide and part of that would be some funding for inputs. We helped farmers step up and increase production as we worked to provide market access. There is a group called Techno Serve that is doing a fantastic job following this market-led strategy. They help farmers execute producer contracts with companies for delivery of coffee and other commodities. They set up contracts and they say this is what we will guarantee. They put it on the line. They will guarantee quality and quantity and to have the producers achieve that you have to guarantee the price. Then the goal of that is to step away from it. TechnoServe is doing great stuff with coffee and cacao from Central America all the way down to Peru. Through Ecuador and I think they are in Colombia as well. That is the type of thing we were working on back in the late 90's in Peru. We used the same model implemented through Winrock International.

Q: OK this project that you are working on is principally coffee and cacao. Or were there other high value crops you were able to introduce.

MAXEY: Well pineapple was one. pineapple was for the local market. We had a local agronomist, Hugo Villachica. He had gone to Costa Rica and gotten some pineapple plantings as seed stock and had multiplied it on his own farm. These were the first pineapples we helped disseminate in the Apurimac River Valley. We found that those pineapples were showing up in Lima supermarkets. You figure out how do you do the transport and marketing.

Ten years after I finished in Peru, I returned for a visit and way how the pineapple production and marketing had expanded. Hugo Villachica set up his own company and was marketing to big grocery store chains in Lima. He had all these products there. He had people like in Costco serving samples. He showed me his warehouse. He was buying from other farmers, and he would set up things and buy. His operation was very successful.

Peru was incredibly dynamic. I mean if you look at blueberries, cotton from the coast, Pima cotton. They are very entrepreneurial. They work hard. With or without us they were going to develop. They were having an impact in where development was happening and the fact we wanted development there away from an illicit crop.

Q: The only other question in terms of the overall context, politically Peru has always been unstable. With different government accusals of corruption and all kinds of movement including the Sendero Lumina that wanted to make demands on the government. Did that had any effect on the work you were doing?

MAXEY: Well, it had less effect. Fujimori got there in '96 and it was 2001 when everything fell to pieces. He left the country and went to Japan. Valdemir Montesinos was a kind of sinister guy behind everything. He was Peru's intelligence chief. There had been stability and it had been kind of forced stability. When the election happened, one of the hostages who had been with us, Alejandro Toledo was elected president. He is in jail now in Peru.

Former President Toledo was not a well-known figure in 1996 when he was hostage with me in Room F. I remember we had a TV in the room. Everybody was very respectful of others. He got the remote for the TV and just started changing channels and taking over. I thought what a jerk. Anyway, he ended up being president. He was a business focused president. He was one of the Chicago boys and had a market mentality.

During my time there, there was not a lot of disruption. Later it came to light just big-time corruption, but it was all over Latin America. But for me, there was stability over what we were doing under Fujimori and then under Toledo.

Q: Well it sounds like you really were able to use every skill and every tool in the toolbox to make this thing work.

MAXEY: You know markets are kind of good and kind of bad. I really got focused on coffee and said that is what I would like to be doing. In 1996 or 1995, that is when Newt Gingrich had his contract for America. It was a promise to downsize government and do all of these things, and part of that deal of getting it with Clinton he reached an agreement to pass the budget was to have a RIF, a reduction in force, in AID. So, we didn't know who was going to get cut. I was 43 at the time. I later wrote a post on my blog thanking Newt Gingrich for spurring me to enroll in an MBA program as I prepared for a potential career transition -- https://sleepless-in-baghdad.blogspot.com/2024/12/thank-you-newt-gingrich.html.

Anyway, I started going to night school at the University of Costa Rica for an MBA. I started that in ’95 I got transferred out in ’96. I had to go back once a year for a month. I could do actually three courses. I could do two intensively one month and have one course online. Anyway in 2000 I had gone back, and I wrote a paper for my international marketing class on USAID global coffee strategy. I successfully completed my MBA in 2003 with honors. The work on coffee helped me see a potential approach to addressing coffee on a global scale – the sector provided livelihoods to 12.5 million small scale farmers and was critical to Latin America.

What I was saying was that AID and the U.S. government were financing activities that were—I don’t want to say counterintuitive. We were supporting Robusta Coffee production which is a lower grade coffee production. It impacts the market because it will decrease the price and value of the coffee that you are trying to market in some places. Then we were doing Arabica coffee in some places. Basically, I said we need to have market differentiation. We need to have our farmers connected to the coffee they produce and sell it with that I mind and have the quality there.

So basically, I designed a strategy that focused on identifying where coffee was produced with our farmers worldwide, determining their market opportunities, and then focus on quality and quantity of Arabica coffee production with a final step aimed at linking those production systems to the international coffee market in high value niches. If we had a worldwide program that would do that, you could trace back to the coffee production area and create product differentiation. Then we would use that strategy to differentiate the market we were trying to reach. We could add value to small-scale farmer production on a global scale.

Anyway, I sent that out and it had an impact. Colombia, Ethiopia, and Guatemala all set up programs like we were setting up. They would find a U.S. coffee importer. You make deals with them, and you highlight where the coffee was coming from, and you have a story. It was not one of these kinds of amorphous, well this is good coffee, and we don’t really know where it has come from. No, this coffee comes from the Apurimac River Valley and it comes from this specific area and here is what these people are doing and here is what they are trying to accomplish with their lives. This is why we import it. That resonated with a lot of people and it kind of resulted in a memorandum of understanding between the specialty coffee association of America and the USAID administrator That was in 2001. That was kind of the height of all the stuff I had done. It had a life of its own. It still does.

One of the things I came out of that with was I was looking s what private non-profits were doing. I just said there is a ton of private non-profit money going into international development and it would be great if we could do partnerships. USAID sent me to the University of Virginia in Charlottesville. There was a leadership school there. I did this presentation on the public private partnership things with the husband of Holly Wise. Holly came up with this. I am not claiming anything, but I did the presentation, and she came up with this concept of public private partnerships and it really took off. It is called the global development alliance. The lesson learned for me was never to stop learning. The University of Costa Rica MBA program was kind of like why are you doing this kind of thing, but it really sparked a lot of thought. I would encourage any officer to keep that education continuing. Being creative in bureaucracy. Holly was fantastic. I couldn’t believe it. She could get all of that through. She was messing with a lot of people’s different rice bowls. Being creative is really important and it can pay off. You have to have special skills to make it pay off. I'm not sure I had those skills. I think that I would recommend that as a key aspect of

anyone's career is to think of ways to address problems that are created, that you are talking about, that are sustainable.

Q: I would like to go back one second; You mentioned the RIF. Did that affect you in your program?

MAXEY: No, it didn't affect me in my program. Ron Venezia was impacted as were other senior foreign service officers. It was a difficult time. For the senior people who had a limit for how long they could be at a certain career level, USAID started enforcing retirement for those that didn't get promoted to the next level with the required period of time. Basically, they said anybody whose time in class expires will be leaving the agency. Before, time in class was never an issue – people who hit the limit were given an exception to keep working. But with the RIF they said no, we are not going to extend your length of time. If you have reached your time in class, you are out. So Ron Venezia, our mission director was the first to go out in '95. It might have been late '94. Anyway Steve Wingert was the deputy and he went up to be mission director and then he also hit his time in class in like '95. The impact was the senior leadership in the mission changed. Rich Weldon was head of the perform office became acting director and that was th4 last we had in Costa Rica. What I found out though., I was an FS-02 at that point. I had friends that had been promoted ahead of me to FS-01, a couple of really good guys. There was some rule that an FS-01 could be a very early retirement as a reduced retirement rate. Anyway, they were basically forced out because they said they could provide them some sort of retirement pay. I mean we lost some really good people. In fact, Peter Denken had been in El Salvador and was a dynamic guy. He came to work with me. Don Boyd knew him from El Salvador. Don said, Mike we have got to hire this guy. I said Yes. Let's do it. Peter was an engineer. He was one of the ones who was caught up in that. He had been one of the ones who had been promoted early and then got punished for that. Peter was with me, he got there in late '07 and he was there for four years with me.

Q: Then the next question, you had just sort of mentioned a small explosion in the coffee marker using robusta. How did that end or how was it addressed so coffee producers would not be prejudiced?

MAXEY: Yeah, the first thing was you have got to look at the market. Then you have got to look at location. Robusta is produced in lower lying tropical areas. When you talk about basically west Africa is one of the areas where they would produce Robusta. A French Roast is a dark roast. They would do a really dark roast because they were trying to kill the bitter taste of the Robusta coffee. So to us, and this has all changed. To us it was like OK we don't want to blend. We want a single-origin variety that we can market as a unique product. And so, no blending with lower quality coffee. So if you are producing coffee that is going to be blended with Robusto and Robusto was blended with Arabica and that is where you get the different types. We said we don't want that. What has happened today, and it is even in specialty coffee. I am not keeping up with specialty coffee like I used to. But in the specialty coffee magazines and stuff they will talk about Robusta gourmet coffee. I thought wow what an oxymoron. But evidently there are some people who like it. I never liked Robusta, it had kind of a bitter taste.

What I would look at would be the wet processing and dry processing. Dry processing if it is done the right way it doesn't have that dirty taste. Dry processing they dry it on these floors that can be dirt floors and if you are not careful you can get kind of an earthy taste in the pot. The reason they do dry processing is because there isn't enough water. In Peru we had plenty of water. But in Brazil in the northeast in the coffee growing areas there is not enough water. So, they do the dry processing. And then later I will talk about this when I was in Yemen. That was the holy grail of coffee. You know Yemen, the ancient name of Yemen was Felix Arabia and that is where coffee was first, the genetic origin is in Ethiopia. But the first

commercial production was in Yemen, and it was all controlled as a monopoly. That is where the name Coffea Arabica – it comes from, Yemen.

Q: It is interesting as a quick aside that Ethiopia is essentially across the Indian or Red Sea From Yemen.

MAXEY: Yeah, the Red Sea.

Q: And there was historically a great deal of trade between the two. So, in a way it is not so surprising that at some point the original coffee would leave Ethiopia and go to Yemen.

MAXEY: They say basically it was punishable by death to export the green coffee from Yemen that could be planted. Anyway, the Dutch were able to do it first in Goa and then in Java in the Indies. Then it spread from there. The French got some and it came to the Caribbean.

Q: One last question from this period. Given how successful it was in Peru it sounds like the makings of an award. Did you receive an award for this work?

MAXEY: The establishment of the specialty coffee sector in Peru was accomplished by a lot of people working together using market forces to create something sustainable. Something you still see today – Peruvian specialty coffee in upscale grocery stores and coffee shops. Early in my career I had gotten meritorious awards for different achievements in Barbados and Honduras. For the work in Costa Rica and Peru I didn't receive special recognition but I remembered reading that in the Civil War the Confederate forces never gave medals because all who served were considered heroes. The highest honor was to be mentioned in a dispatch. If Robert E. Lee mentioned you in a dispatch that was the equivalent of a medal. I remember feeling honored when the Specialty Coffee Association of America signed the first private sector Memorandum of Understanding with USAID in 2000. Their nationally published newsletter cited our work in Peru and my work in particular on developing a USAID Global Coffee Strategy. I published a post in my blog – Sleepless in Baghdad – on this event and how the coffee sector was impacted by our work -- https://sleepless-in-baghdad.blogspot.com/2024/12/thank-you-newt-gingrich.html.

Tom Geiger, our mission director, for most of my time in Peru gave me credit for a lot of the things we were able, as a team, to accomplish. I didn't feel that I needed to be singled out for special recognition. Tom would stick up for me and highlight the stuff I was doing. He and our deputy mission director, John Cloutier, fought for me to get promoted to an FS-01and after being listed in the top ten for promotion for four years in a row, I was promoted. I remember the deputy mission director saying they were doing everything we can do to get your promotion. What it meant to me was that there was a bias against alternative development staff in USAID. I enjoyed the work and I believe we had an impact that you can see until today. It was a great experience.

In retrospect, any success I had in Peru was due to the people on our team. I remember David Bathrick of Winrock International was a driving force in making the Peru program a success. Tom Geiger was also a strong promoter of this private sector approach to international development. Lucho Gayoso, a Peruvian coffee expert, played a big role in establishing market links to the US and Europe. The support of the Alternative Development team -- Sher Plunkett, Peter Deinken, Tex Ford, Pedro Carrillo, Connie Guiterrez, Stan Stalla, Allen Turner, Donato Pena, Tommy Fairlie, Leonor Vasquez, Teresa Mendez, Esau Hidalgo, Lucy Hardmeier, Alfredo Larrabure, Rosanna Erkel, Gloria Maniak and all our USAID Peru colleagues -- were instrumental in making not only coffee but our entire program successful.

Tom Green followed David Bathrick as Winrock Chief of Party and adroitly managed our relationship with coffee exporters in Peru and U.S. importers. Finally, a big shout-out goes to Jim Stewart, founder of Seattle's Best Coffee, for believing in our farmers and buying 160,000 pounds of their Arabica coffee in our first big marketing success. All of this led to a partnership forged between Ted Lingle and the Specialty Coffee Association of America. As Peru has grown as a specialty coffee exporter, many others have contributed -- Loren Stoddard, Ryan Bathrick, and so on.

As the program was adopted more widely, many others dedicated their efforts to helping small-scale coffee farmers have an opportunity to be heard in the U.S. specialty coffee sector. Michael Deal, who in 2002 was the Assistant Administrator for the Latin America Bureau at USAID supported the design and implementation of a $20 million specialty coffee initiative in Central America.

The vision that we had back then was embraced by exporting countries and private coffee companies and continues to this day enabling consumers to buy excellent Arabica coffee. Much of the micro-lots produced by small-scale coffee farmers worldwide are now marketed in upscale supermarkets. The next time you are in Trader Joe's, look at their specialty coffee section to see how this coffee is being marketed.

Q: Okay, what is your favorite coffee?

MAXEY: I like Costa Rican coffee a lot. I kept working part time in coffee after I retired. I did consultancies in Ethiopia and Uganda with a focus on the coffee sector. I also did a one year assignment in Yemen. Coffee from different areas each have attributes that are notable. Most coffee companies offer blends from different regions, but I like single origin. I like the higher elevation coffee. It has a little bit more acidity, kind of a bright cup. Again, the Sumatran is fantastic too, it has a bold, earthy taste.

Q: Given all of your experience have you ever been in a coffee tasting competition?

MAXEY: I have never cupped coffee in a competition. I took a class when I was in Peru with the National Coffee Institute and learned how to do it generally, but it is a real art. I did it in Ethiopia and did it in Honduras and in Peru. I don't consider myself especially gifted in cupping coffee. That takes time to develop, and I am not really there.

Q: All right so you are approaching the end of this tour in Peru with all of its complexity and difficulties. What are you thinking about next?

MAXEY: Well, I wanted to stay in Latin America if I could. A job came up in the agriculture and trade office in Managua, Nicaragua. I had worked in Honduras and Costa Rica, so Nicaragua seemed familiar and there were some interesting things starting to happen there. At USAID Nicaragua, Ray Waldron was the agriculture and private sector office director. He let me know that his position was going to be open. I saw some interesting opportunities to partner with the private sector there. The key was how do you look at markets and how do you connect small-scale farmers to markets. Walmart had purchased the supermarket chain of a Dutch company, Royal Ahold. They wanted to ensure they had a reliable supply chain for fruits and vegetables, so they established a subsidiary, HortiFruti, which sourced locally produced products. This was a situation that would be great for a public private partnership between USAID and Royal Ahold. I contacted George Garner, he was the acting mission director and explained my background, what we had been doing in Peru and asked if they were interested in these types of

partnerships. I asked, "What do you think?" George said they were interested. I bid on the job and was selected to be the office director for the agriculture and private sector office there. So that was my next assignment. That was in 2002.

Q: Wait a minute. I thought you concluded in Peru around '96.

MAXEY: No, I started in Peru in August '96. The hostage event with the MRTA happened in December 1996. I ended up staying six years in Peru. So, in 2002, I was bidding for a new assignment.

Q: So just a basic question or two before we go to Managua. By now your kids were well into school age. Were there any concerns about their education as you were thinking about Managua?

MAXEY: Yes, for a young Foreign Service officer with families that is something you have always got to keep in mind. I remember that in Peru, my youngest, Justin, came home from kindergarten. He was like four years old, and he said "Dad, I want to be president." I said, "Great, Son." He said, "Yeah, Dad, I want to president of Peru."

That was funny but it made me think that it was time to go back to the US. Anyway, I told my wife we needed to start thinking about going back. This really didn't come up in my next bidding cycle but when we got to Managua, we found some of issues with the American School there. I talked to other parents in the mission, and they mentioned some of the gaps in education that had affected their children. Our son had some issues with fine motor skills and language. As Justin was growing up, we spoke Spanish and English, to him. All of our kids are fluent in English and Spanish. Our maid in Peru, spoke Quechua. I remember coming home and my son was looking at me and was saying "Tanta, tanta" I said "what is tanta?" My wife said, "Oh that is the word for "bread" in Quechua." Anyway, he had difficulty distinguishing between the different languages.

So, we got to Managua and work was proceeding and everything else, but his kindergarten teacher there, let's see, he had been in preschool and had been in kindergarten and was going to start first grade. She was saying he has got some issues here. Not earth-shattering issues but still issues. So, I contacted AID, and they were really good about education issues. HR said, "Bring him to DC and we will have him evaluated." So, I brought Justin to Washington DC, and he was evaluated at an education center in Georgetown. It turned out not to be a major issue but he needed support that could not be provided in Managua.

I discussed the situation with my wife and we decided to request a curtailment of our tour. USAID agreed and left for DC in the summer of 2003 for an assignment. Once our son was enrolled in the public schools in Fairfax County, he was able to improve his language skills and he was provided support to address the fine motor skills issues. He did really well in school and was accepted to the University of Virginia. He became a manager with the UVA basketball team. After graduating, Justin went to work for the LA Lakers and later the Phoenix Suns. He is now the Quality Control Coach for the Phoenix Suns.

My children are resilient. They excelled in the Fairfax County Public School system. My oldest, Dominique Michelle Maxey, went to Wheaton College in Chicago and then joined the Delta Corps of Teach for America. She taught public school in the Mississippi Delta. I was really proud since my family was originally from Mississippi. She was assigned to Drew, Mississippi, and I was able to volunteer a couple of times in her school. There was widespread poverty, and the children had tough situations to

overcome. It was great to see children light up and become more motivated to learn. She lives in San Diego now with her husband, Dr. Matt Vega. He's a tenure track professor at the University of San Diego. My oldest boy, Jackson Maxey, went to Virginia Tech got a degree in accounting, passed his Certified Public Accountant exam, and was hired by EY. He was in Chi Alpha in college and later decided to become an on-campus missionary with his wife, Rebecca. They have three children and now live in Dallas, Texas where he works with the Upper Room church.

I remember that Steve Szadeck, the deputy agriculture officer in USAID Barbados, told me that the children of Foreign Service families were the ones who paid the highest price in terms of not having roots in a community and having to make new friends every time there was a new assignment. We were blessed to have a relatively long period of time in Fairfax, Virginia, where they could grow up and they still have connections to our community and church.

Q: One last question about family. Did you wife work or did she want to work?

MAXEY: We talked about it and with three kids and they were all home at that time it was really difficult for her to do. When we got back to the states, and the children enrolled in public school, there was more of a chance to work. My wife became a family liaison for the Fairfax County Public School system. She started in 2005 and is still working in the school system. She supports families with limited English skills, and everything related to school for their kids. In fact, in our county, we are getting a lot of unaccompanied children, mainly Hispanic, that are new to our schools and need help. The interesting thing is we have right now a white minority student body 49% of our student body in Fairfax County is white, and then we have a large Asian and large Hispanic and then about ten percent black students. The county is focused on helping everyone succeed and the schools really support families being involved in education.

Q: Just a quick aside about the demographics of Fairfax schools a while back when I retired in 2014, I thought I would become a high school teacher. I took the one-year career changer course and got a traditional certificate to teach high school. I went around to some Fairfax school because that is part of your student teaching requirement. I saw every imaginable ethnic group: Afghans, Pakistanis. Vietnamese and Chinese. Certainly, Latinos from a number of different countries. I am forgetting some now just a whole variety and being able to teach all of them in a single class has a lot of challenges. It is wonderful that your wife can do that. There are a lot of other communities where for English speaking aren't even as close as Spanish and English. They are having terrible problems, and they will need to come back to school at some point just to refine their English skills. I say that as an aside because of all the groups coming to the U.S. Spanish speakers are the luckiest because it is relatively easy to go from Spanish to English.

MAXEY: Yeah. They have different family liaisons. I think Spanish is number one for those families, but I think the second is Korean. Also, Vietnamese is another. I looked at the demographics because after we retired, we set up a small family foundation and we do scholarships for youth. Particularly Hispanic youth but we are looking at others as well. We are just looking at the challenges the kids face. We have an incredibly rich country and have a lot of services but there are still kinds who fall through the cracks. What we were looking at is how do you get a kid to a good paying job. That is defined by Georgetown University in their demographics department They talk $30,000 a year for metropolitan areas on the East Coast. It doesn't sound like a lot but $30,000 a year is what we were going to shoot for. How do you get, there are different skills and different things that have to be supported. We mentor with the skill system as

well and there are tremendous challenges. But you talk about this is our future and we really have to be sure that we are addressing these issues, or we are going to have problems in the future. The teachers to me are just absolute heroes and heroines. They are taking out on kids. It is just the stories my wife brings home about the immigrants and what is coming through the southern border now is not just Hispanics, it is all different nationalities.

Q: Would you say it is clear in any of the classrooms where I observed and did a little bit of teaching. These kids, teenagers need about 50% of the time social work. Simply helping them understand how to learn because a lot of times they are coming from countries or situations where if they were lucky, they had regular teaching and they understood what it was even to go to school.

MAXEY: Yeah, I am mentoring a kid from Bryant High School. Bryant is called an alternative school. I think we have three in the county. Basically, when a student it could be disciplinary problems or age. They could just be too old to stay in the regular. Pedro is the young man I am mentoring now. He is 19 years old. He came from El Salvador in October of last year with his 17-year-old brother. He was in the eighth grade in El Salvador. Now at Bryant he was placed in the 11th grade, and his English skills are very weak. How do you really help? But one thing we wanted to do; he is somebody who wanted to work. He has no papers to work. So, we are trying to connect him with a master plumber who is from El Salvador who came up and actually trained at Bryant High School's adult apprenticeship program. Pedro wants to try and do it. I don't know what the answer is. Mark, to me it is like what is the market. How do you sustain this? We have got to have young people on track for a good paying job.

Q: This was a bit of a digression, but this is where it gets useful because you are taking your skills from USAID and an understanding of how the cultures where you are trying to do development assistance operate. Then what they need when they come to the United States is different and more than even most Americans understand.

MAXEY: Yeah, and we are not equipped in our school system for a student that comes with an eighth-grade education, and he is 19 and we have to put in as a junior in high school. We are just not equipped to deal with that.

Q: And they are not equipped to sit in a class at that age.

MAXEY: Yeah, I am asking Pedro how do you get by. He said sometimes there is somebody with me to interpret. Then my friends they can interpret sometimes. I am kind of proud of him. He is very resilient and is fighting. These are the citizens we want for the future of this country. He is not a quitter. But that whole thing about how do you sustain it and how do you make it work. It is just one thing I did and not to be regressing even more but we looked at where people are located through the census.

If you go to the U.S. census it will tell you down to the block area the country of origin. So, we mapped the unaccompanied children coming in. You can find it on the Department of Homeland security, but it is also the office of refugee resettlement. So, all these kids who are coming in but are under 18 years of age and are alone are unaccompanied children. They are classified as refugees. We have got to make sure that these schools with a high percentage of Hispanics have the help they need to for students to learn. All of this is directly related to economic development? I mean we first have to determine where they are and what constraints are preventing them from gaining skills. The key is to help them onto a career path that will ensure they have a chance of a good future.

Q: Yeah, and I didn't mean to take us too far off track but what I wanted to pursue for a moment is how skills you acquired as a USAID officer often have value after you retire. So, in other words you continue to offer these skills and enjoy success even after USAID has changed and evolved into all kinds of different approaches and so on. But nevertheless, your skill areas are still valuable, and you still have the motivation to contribute if not in USAID, then other places of need,

MAXEY: I like solving problems. I think that kind of came with the territory in USAID. I can't really explain it. OK just between us my last assignment overseas with AID was 2017-2018 on the long term USPSC in Honduras. There we were seeing kids; I was working in the education office youth skills training. We were seeing kids that wanted to succeed but just didn't have the opportunity to succeed. One of the things I found was that in Honduras if you take the national education budget divided by the number of students it comes out to about $740 dollars per student per year. Once one of those kids crosses the U.S. border and goes into one of the five major metropolitan areas where unaccompanied children go. They are going to be getting between $16,000 and $20,000 per student.

I started reaching out and a couple of years ago, I spoke a budget meeting of the Fairfax County Board of Supervisors. I highlighted the need to understand where these kids are coming from that are entering our schools, which schools have the highest portion, and what are the resources available to address their needs. Right now, we are spending $70 million extra a year to help educate these children in Fairfax County. I made the point that if we could invest a fraction of that in Honduras, we might be able to help them remain in their home country and help develop its future.

The Trump administration highlighted the need to privatize USAID. Administrator Mark Green developed a strategy that aimed to have development activities guided by the private sector. Responding to that challenge when I was in Honduras during 2017 – 2018, I came up with a concept to use the Amazon Smile donation program to fund development activities aimed at supporting secondary education and skills training in Honduras. I made a long proposal and laid everything out. A copy of my proposal is on my blog -- https://sleepless-in-baghdad.blogspot.com/2024/12/usaid-honduras-privatization-concept.html.

Some USAID colleagues came back and said wait a minute, you are going to put us out of business. They are going to cut off our funding. I said, "But that is what we want -- less government funding and more private sector investment." At the end of the day, we need private investment working in partnership with government to help train and guide young people into productive career opportunities. It goes back to the discussion that was raised in William Easterly's book, "The White Man's Burden" which focused on the question of what is need to spur development, the demand for trained workers in a growing private sector or the need to provide basic education and job skill training to create the foundation for a thriving private sector. You need both but you want the private sector leading the way in creating sustainable jobs with a good future.

Q: Sure, let's go back to that short period in Managua. What were you doing there? Where did you fit into the overall USAID effort?

MAXEY: I was the director of the agriculture and private sector office. Steve Olive as my deputy and his wife, Christina, was in the program office. Margaret Kromhout was the head of the mission's program office and her husband, Tomas Membreño, worked with me in the agriculture office. We had a great team and our focus was on improving farmer incomes.

We saw the supermarket chains in Central America as an opportunity and we developed a relationship with Hortifruti. They were sourcing fruits and vegetables from wherever they could find them we went to them. We had about 10,000 farmers in Nicaragua, and we said we will guarantee quantity and quality if you will guarantee a price for our farmers. We can set up a contract to supply the formally Royal Ahold supermarkets that were bought by Walmart in Central America. We set up a program that was working with those farmers. The model was successful and sustainable.

An evaluation that was really good. It was one of the most successful private public types of initiatives that had been done. It allowed our farmers to see for the first time. Number one they had a seat at the table because we gave it to them. We went to these guys and said, here are our farmers, their production association. They want to negotiate this with you and here are the prices we would need. Can you guarantee that? They said yeah if you can give us the quality. So, we started moving forward and the program continued after I left. I saw the evaluation two years after I left and it was very positive. I posted a summary of the program's outcomes on my blog -- https://sleepless-in-baghdad.blogspot.com/2024/12/nicaragua-market-access-for-farmers.html.

The other thing we did was coffee. We brought different coffee producers down and had them look at Nicaraguan coffee. In terms of the real specialties that could be gotten that country. We did some marketing there. Those were the major things. There was a food aid program we were doing as well and there was some monetization for that. We looked at how you could increase women's livelihoods. We looked at different things. It was really productive, and I thought it was a good year. I made some connections in Washington that kind of played out later that were positive. Our mission director became a senior executive with the Millenium Challenge corporation. I later did a one-year detail assignment with them.

Q: With the Millennium Challenge where were you working in one particular country?

MAXEY: No, I was working in DC. I was on the team that developed the compact, the first agricultural development compact for El Salvador. That was 2006 and 2007.

Q: In Managua you mentioned that this is a short assignment because you needed to get back for family reasons. What did USAID tell you about where they would put you once you got back?

MAXEY: When I traveled to DC, I would always brief staff in the Latin America bureau on what we were doing in the field. Let's see this was 2002. I had a projector, and I remember I would go to different offices and this one lady said you look like a shoe salesman. I said, "Well I am selling something, but it is not shoes." I would talk to them about different things. One thing I would talk to them about is public private partnerships. The head, I don't know if she was the assistant administrator at that time, but she was a high-level person in the economic growth and agricultural trade bureau. It was called EGAT. A job was announced for an executive officer for EGAT. I applied and was selected so I ended up going to EGAT. I was there for a year and a half. If you are talking to a young officer outside your cone assignment, I think they are very positive. I think I learned an awful lot in terms of policy and in terms of how the different offices work together. Also, I gained a better understanding of the politics of it and different things. I am not sure I am very skilled at that, but it was interesting to see. I got there in September 2003 and was there until 2005 around February or March of 2005.

Q: I have a question there. You mentioned that this was a kind of a new office that was under development. What sort of projects did they do or what sort of projects did they try to fund?

MAXEY: You are talking about EGAT?

Q: Yes.

MAXEY: EGAT was a bureau that was set up. It had formerly been I'm not sure what it was, the economic growth bureau I am not sure, but anyway they were doing all they managed the money and the technology resources for all the programs that backstopped economic growth, trade, agriculture, and this was worldwide. So, we had different offices that were backstopping this. My job was basically administrative.

We were looking at how to effectively support missions around the world and that included technical support, funding requirements, and personnel placement. It was a whole new set of responsibilities and skills that I had to develop. I remember I just dove into it and in about three months I had a pinched nerve. It was stressful and it reminded me of the first days of Lima. Not as stressful as that but it was a different assignment and one that in retrospect would I have done it? Probably not. But it was useful and again if you can get experience outside of your comfort zone, I think it is always helpful and positive.

Q: One other thing because you talked about this, and I just want to go back to it. From a kind of a policy point of view. The Public Private partnerships that you were developing, were they with private companies or were they with non-governmental organizations. In essence what were you looking for as a partner?

MAXEY: The partnerships were basically marketing agreements and the general partnership was a memorandum of understanding that was the overarching umbrella and then under that we set up marketing agreements where we would agree to provide product of a certain quality and certain quantity for an agreed upon price. We were starting that and finding our way as we were doing it. In recent years the group that really has done it is Technoserve. I have seen the examples of their contracts. I mean they have had great success at this. This is the private sector sustainable development model that we were trying to achieve. They are really focused on that whole thing. Then out of that MOU type of mechanism came the global alliance which became a totally different sector. They just announced in USAID a capital development fund that is a public private partnership fund for green projects in Africa and they want to fund it with a billion dollars. That is the kind of stuff we moved towards. Then they got Power Africa which is another capital financing fund which had public private aspects working with energy companies to provide electricity. Companies just want to make money. The Africans need electricity and are willing to pay for it, but you have got to bridge some of the different gaps in terms of and this goes back to that value chain. What are the nodes of that value chain of getting solar generating capacity for health outposts in Africa? To do it on their own, impossible but if we had a national program and had funding form the UN and funding from AID and the private sector could see money and see something that would be sustainable over time that could work.

Q: Technoserve is an NGO?

MAXEY: TechnoServe is an international nonprofit organization dedicated to combating poverty by empowering individuals in developing countries to build competitive farms, businesses, and industries. They just got funding for a major development project in agriculture. There are two really big sources

within the U.S. government. One is AID and the other is the U.S. Department of Agriculture. They have an international program, and they do some very innovative work. A lot of it is funded through food aid.

USDA recently funded a program in Central America, Ecuador and Peru for coffee and cacao focused on improving yields and quality and linking farmers to international markets. Where TechnoServe basically goes out and finds the market for the producers. They develop these contracts. I did interact directly with TechnoServe when I was in Honduras in 2017 and 2018. That is when I saw their models.

I was trying to find jobs for your young people in the coffee sector in Honduras. About one in four of the working population is involved in coffee harvesting production or export during the year. The sector provides a billion dollars to the economy. It is really important when looking at employment. So, we were looking at how we get our youth into jobs that really matter. Coffee can have very negative things too because the harvest season is during the school year. A lot of our young people were being taken out of school to harvest coffee. This led us to seek ways to involve other stakeholders in helping to support but education outcomes in Honduras. I designed a proposal to leverage support from immigrant destination countries in the US that highlighted the importance of helping these children stay and prosper in their home country. One of the proposal I drafted is posted on my blog – "Beyond the Wall" https://sleepless-in-baghdad.blogspot.com/2024/12/beyond-wall.html?view=flipcard.

So, EGAT was interesting and I had a chance to learn new skills but my heart was still on the on-the-ground development side of USAID work. I missed being in the field but again, understanding the budget process and the personnel procedures and issues was interesting.

Q: All right, was there anything else you were doing in this EGAT office that was useful for you where you went next?

MAXEY: My next assignment was in the Latin America Bureau and my experience in EGAT helped me understand funding issues and also the political impact on our programs as different issues came up. I also made contacts in EGAT that were useful later in my career. In the Latin America Bureau, and I was the officer in charge for El Salvador, Guatemala, and Honduras – this was the region called the "Northern Triangle" and was the source of most illegal immigration to the US from 2000 to 2016.

Q: Ok you will talk about the northern triangle and all the problems.

MAXEY: I was assigned to the Latin America Bureau from 2005 to 2006. I started a detail assignment to the Millenium Challenge Corporation (MCC) in June 2006 until I retired in April 2007. Both jobs, officer in charge in the LAC bureau and senior advisor at the MCC were focused on the Northern Triangle. In former, I backstopped USAID missions in Guatemala, Honduras and El Salvador. While at the MCC, I was on a team that developed the El Salvador compact which I believe was funded at $400 million.

Basically, the LAC job was one where I helped keep the missions up to date on the latest information regarding funding and policy issues. I looked at policy. I also worked on briefing documents for different people, and helped prepared the information that went into the State Department Foreign Affairs Budget Presentation to Congress. When people had questions, we responded to them. I liked the work. These jobs I had in USAID were interesting. You had to be curious but if you could take that curious to get lengths and start thinking about solutions to the problems you are seeing.

A huge issue we were facing in the early 2000s was illegal immigration – primarily from the Northern Triangle. When you looked at the numbers, Mexican emigration to the US was matched by the number of Mexicans returning home from the US. So, the real issue was the out-migration from the Northern Triangle. That has changed now but at the time, this was the issue.

I believed that the best response would be to return to the old guest worker program that existed from World War II to the mid-1960s with Mexico – the Bracero Program. It allowed Mexican workers to seasonally migrate to the US for agricultural work. My idea was to create a Guest Worker Program for undocumented Hondurans in the US could positively engage with the region in a win/win approach that resolves a major immigration issue while simultaneously strengthening the Honduran economy. The linchpin of this approach would be a legal mechanism – a Guest Worker Program - for undocumented Hondurans in the US to work, save, and voluntarily emigrate back home.

This type of guest worker program would be a counterbalance to proposed "penalty actions" of strengthening e-verification employment requirements, eliminating social welfare benefits, and increased stop and hold efforts. So instead of forced deportation of 350,000 undocumented Hondurans, the USG under a Guest Worker Program would allow workers to contribute 7.65 percent of their wages to a "Housing Fund" matched with a 7.65 percent contribution by their employer (this equivalent to the current FICA and Medicare tax already contributed by workers). A married couple working 4 years in a guest worker program at $8 per hour and 40 hours per week could accumulate over $20,000 in a housing fund. The fund would only be available to the couple upon a return to Honduras. The potential accumulation of housing funds by the Honduran labor force in the US (which was estimated to be 252,000) would have been $2.6 billion. This housing fund could be used to revitalize the construction sector in Honduras creating new jobs and as a policy leverage to create a vibrant secondary mortgage market. I posted a concept of this program on my blog - https://sleepless-in-baghdad.blogspot.com/2024/12/guest-worker-remittance-bond-program.html.

I remember when George W. Bush announced that Laura Bush was going to head a task force on youth related gang issues. I heard that in the state of the union address So the next day I started drafting up how USAID could respond to a White House request. Some colleagues in Latin America Bureau asked, "Why are you doing this?" I said the President announced this and I'm relatively sure a request will be coming. Three weeks later the White House came in asking what are your plans for addressing youth gangs. We moved forward and a plan was developed. That was exciting. That was the beginning of trying to work directly with youth that were in danger of joining gangs and in finding ways to help young people develop job skills and find employment in their home country.

Q: Okay, we are coming up at the end of the hour. The only thing I want to ask you for the next session is you are now planning to have some positive effect on the problems of gangs in the northern triangle. The three countries where those kinds of gangs are very active. But those gangs also have connections with the U.S. Was that part of your planning and how were you addressing the problem? I am not asking you to answer it now, I just want to sort of leave that with you as a thought. If you weren't at that time but if you were it might be a very interesting approach that might yield some positive outcomes other than simply incarceration .

MAXEY: Yes, we were looking at links between the northern triangle and U.S. destination cities. We were trying to leverage support, not only just political but investment support. It matters to your future that you

address issues and the northern Triangle because what happens there does not stay there. A good deal of my work from 2014 forward was focused on finding ways to give young people hope for the future.

Research literature indicates a growing consensus among social scientists and economists that education increases human capital formation and when combined with private sector development activities (workforce development, enterprise promotion, etc.) increases employment and provides an individual the opportunity for higher wages.

Higher wages increase marginal returns from work and create higher opportunity cost for risky behavior. Risk aversion increases as individuals have more to lose from violent behavior. This in turn leads to changes in attitudes and decreased crime levels. One major study indicates that each additional year of education results in an 11 percent reduction in all crime and up to a 30 percent reduction in violent crime. The dream of a better life through education changes behavior, promotes positive social outcomes and provides the impetus for violence reduction as measured by decreased crime levels (especially violent crimes which are seen to decrease three times more than overall crime rate reductions).

I wrote about this a good deal and posted on my website -- https://www.maxey.info/education-violent-behavior.

Q: Right, exactly Let me pause the recording then.

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Q Today is January 10, 2024. We are resuming our interview with Michael Maxey. Michael, you are still in Nicaragua, remind us of the year.

MAXEY: I got there in 2002. I previously talked about an issue with our youngest child in terms of a learning disability. It worked out, praise the Lord. At the time we didn't know, and we were there from 2002 to 2003. That was only one year in Nicaragua. But one of the things I kind of talked about a little bit was the focus in terms of the Agency for International Development on working with farmers and not just increasing productivity for that reason. We really wanted to have a partnership with the buyers' products from the farms that were producing. I don't want to talk about it in detail, but we set up a partnership, a contracting mechanism with the partnership for industry development out of Michigan State. There was a guy there named Tom Reardon. He came down and was really good. We talked about the supermarkets and all the different things that were needed by them.

This was the era of globalization, and supermarkets were changing the way they were sourcing their products Basically they wanted a more sophisticated supplier. So, we are basically able to talk to a group called Hortifruti that was supplying most of the supermarkets in Nicaragua and then alter most of Central America. At that time, they were Royal Ahold and then they were bought out by Walmart. But in that whole process they wanted a twelve-month contract for different types of fruits and vegetables. So that is how we ended up working with the farmers there, about 10,000 farmers. And a whole series of different types of products. It was sustained.

I highlight some of this work on my website – see https://www.maxey.info/maxey-files. One of the footnotes from it was before the major supplier of okra imports into Miami they were coming from Honduras and Mexico. Working with the farmers in Nicaragua and others, I mean it was a whole sector

approach. From the ministry of agriculture on down, Nicaragua became the main supplier to Miami of okra around 2005 or 2006. So those were just little things but the whole point was to focus on the private sector. You have got to make a profit. You have got to be sustainable. People would ask, "well wait a minute you have got farmers making $2.00 a day how can they benefit from this. Where they really started benefiting because of the change in the requirements there was a processing need. Not only production but selection processing packaging the whole thing, It created labor needs. So we had people who could come in and work, women especially and earn money they couldn't have earned previously.

An interesting aspect of that was that we looked at uses of household income. I mentioned this before in Honduras we did the study but for every dollar that a woman earns 70 cents went to the family. For men it was much less. I want to say 30 to 40 cents. But anyway, that was just one of the aspects I wanted to go back and cover.

The other, mentioned earlier in Costa Rica. We were going through a reduction in force. This was 1004 I think and 1995. It was Newt Gingrich and the contract with American. Anyway, out of that came a requirement to reduce the number of employees in the Agency for international Development. So, I started this program, the executive program for an MBA in international marketing in Costa Rica. I was transferred to Peru, and it was really hard to keep doing it but eight years later I finally got my MBA. It was 2003.

My MBA thesis was on basically a remittance mechanism for sending money back from the United States to Nicaragua. The focus was on El Salvador because that is where most of the Salvadorians were. I looked at a federal credit union in Washington DC called a district government employees federal credit union. Their only requirement for membership in the credit union was the geographic location in Adams Morgan, Mount Pleasant, and Columbia Heights. I looked at the census data and that is where we had a lot of Salvadoran origin immigrants. A lot of those were undocumented. A lot of them were unbanked. So, we set up this whole thing and the thesis was published.

I was later contacted by a businessman in Guatemala saying he wanted to try to implement the business plan presented in my thesis. Lo and behold they called it MiCash. It was a remittance card that was essentially a debit card that you could put money into, and it would transfer to the person, the family in El Salvador. That moved forward as MiCash. It lasted for about 2 ½ years. It was a pilot effort in Fort Lauderdale and then in Miami. They never did it in DC. But the bottom line again was this was a business, and it was a way for things that we wanted to have happen people become engaged in formal credit. People having a way to reduce the transaction costs of sending money back there were different studies that were part of my thesis. Part of it was looking at the impact of remittances.

Now, the amount of remittances going to Central America is phenomenal. It is just off the chart. 18% of GDP of Honduras comes from remittances. It is billions of dollars. We saw that people said this is really negative because it is used for consumption. But we saw a multiplier effect of about $1.80 per dollar that we went. In terms of the impact on the local economy. The only point I wanted to make was that we keep going back to whatever we do to be sustainable. It has got to make market sense. Our job is to kind of give a seat at the table to people who don't have a voice.

Q: Michael let me just recap this with you because I just want to make sure I understand. The Okra growing market was Mexico and eventually Nicaragua. You said that what it did was also create other

service markets for quality selection, packaging and so on. Did the income for the people involved in it go up?

MAXEY: Yes, and I want to get back and look at that more carefully. We saw an increase in income for both the producers and for the labor that was employed on both the farms and the production facilities. Previously Mexico and Honduras had been the lead on okra exports to Miami. But after three or four years of success with this program we had some real success with different farmers. One of the studies I saw, just reported in this article. They had the whole family there. And they were talking about what they had done. Nothing breeds success like success. I think that really expanded and we saw Nicaragua replace Honduras and Mexico in export of okra to Miami.

Again, that is what we want to see. What you are mentioning is there has been a debate, and the debate has been, wait a minute, you are not working with the right people. I would go back to Honduras. The project on irrigation success and hectares of irrigation started off with basically working with small farmers using very basic irrigation systems. We just couldn't get it going. What it took was to get people who had money to invest there interested in the sector. The whole sector bloomed from then. You had suppliers coming in, you had banks willing to lend money. You had small farmers that were feeding into this system and also being employed by. That was the basis for the winter market exports to the U. S. globalization was coming on board, NAFTA was coming. It was just a lot of excitement about what could be done.

Q: Then the one other thing on your MBA thesis on remittances and so on that related to the Salvadorians who were working in the U.S. But the credit union that you talked about was the one that created the cash card, the debit card.

MAXEY: What I did was I put together business plans for them. They were affiliated with the WorldC Council of Credit Unions. WOCCU. USAID had a lot of projects around the world with WOCCU to promote farmer cards and just consumer credit and lots of things, So I went to them. I didn't get a really positive response from WOCU. I did get some interest back from the federal employee credit union in DC, but nobody wanted to take any steps to move forward. As I mentioned previously, there was a private businessman in Guatemala who actually financed a program with Home Deport. The card was called MiCash. Here is a link that describes the program I presented in my thesis -- https://www.maxey.info/remittance-thesis.

Q: Because all of this is really fascinating because these are sort of pilot projects that can be reproduced.

MAXEY: Yeah. There were a lot of different ideas on how to leverage development impact from remittances. Manuel Orosco with the Inter-American Dialogue is the expert on this sector. I have been in touch with since the early 2000's. Manuel just has the pulse on all that is happening in immigration and remittances and there are business opportunities there. The positive thing for us is if you drive into all these poor areas you see all these payday loan check cashing. We want people financially literate. We want people in the regulated banking system. We want them in an actual banking system where things are predictable and there is no way for fraud to happen. So, I mean it has knock off effects that could be really positive. My full thesis for the MBA at the University of Costa Rica is in Spanish and a copy can be found here -- https://www.maxey.info/remittance-thesis.

Q: That is the reason I wanted to ask just a little bit more because a lot of times people don't realize these small pilot projects do have other very valuable knock on effects including what you have just said which

is reduction in fraud, reduction in extortion from people and a virtuous cycle instead of a negative one. I don't mean to hold you up too long. Go on with the rest.

MAXEY: We saw "proof of concept" projects as being important. There is still a lot going on today that could be piggy backed on the remittance sector. After I retired, I continued to work on ideas in remittances and immigration. My dream was that we could have a guest worker program like we did in the 1940s through the mid-1960s when we had the Bracero program. We allowed Mexican farm workers to come seasonally to the US to cover labor shortages in the agriculture sector. I proposed a guest worker program as a means to finance housing construction in Honduras as a way to provide an incentive for workers to return home (they would only get their housing fund upon a return home) and a remittance bond program to finance Small-Medium Sized Businesses (SMSE's). I posted a short summary on my blog -- https://sleepless-in-baghdad.blogspot.com/2024/12/guest-worker-remittance-bond-program.html.

The other thing I wanted to mention about Nicaragua was it was the first time I had really heard of William Walker. William Walker was a racist, intellectual – a little man, 5 '3" 130 pounds, from Tennessee. He became a doctor at 19 and studied at the Sorbonne. Anyway, he had this vision of manifest destiny that was kind of on steroids. He ended up coming down to Nicaragua at the invitation of Fransisco Calderon. He was the leader of the liberals. The liberal party. They were coming down as settlers. They were going to be given land but actually Calderon wanted help fighting the conservatives that were based in Grenada.

Anyway, William Walker came in. He had 55 men with him and they fought a pitched battle in Grenada. He had 30% casualties. They were almost wiped out. He didn't give up. He got his forces back together and they did a nighttime water assault on Granada. They got a boat and came in from the lakeside. From that they captured all the conservatives. Held them hostage and forced them to sign a treaty to end the conflict. Walker became the president of Nicaragua in 1855, declared English the official language and reinstated slavery. This caused Central America to be more united than at any other time in its history. An allied army comprised of soldiers from Nicaragua, Costa Rica, Guatemala, Honduras and El Salvador backed by British and US business interests fought a bloody war against William Walker and his followers. Disease, superior numbers and national spirit brought victory to the allies and influenced Central America's relationship with the United States for generations to come. They finally kicked him out and in 1857 he came back and was captured by the British in 1860. He was turned over to the Hondurans and who executed him by firing squad. Walker is buried in Trujillo, Honduras.
I wrote an article for the embassy newsletter entitled, "The Ghost of William Walker." It was 2003 and the start of the Iraq war with George W. Bush. I was reading the central American news outlets reporting on the war and there was a real intent there you know how we were kind of the bullies. And it was kind of all of the stuff that was coming up from the past that kept coming up. What I thought about was the cultural kind of orientation and probably I wish I had gotten more before we were assigned to different counties. A copy of the article is attached. There is also an online version – see

I remember later when I was assigned to Iraq, we had a whole three-day session on essentially culture and politics, and everything associated with it. I just wanted to make a statement that it was really important to understand the culture and the past. You are dealing with a lot of things from the past and your effectiveness as a diplomat and as a development specialist in interacting with the local population is going to depend on our understanding of what sensitivities there are there. William Walker, one of the quotes I read was there was not a school child in Central America who did not know the story of this Filibuster William Walker who came and almost took over the country. Declared the official language as English. He

was in partnership with Vanderbilt. People don't really understand it but 1846 to 1848 had the war with Mexico. That is when President Polk said He literally fabricated an incident to invade Mexico. He first tried to buy upper California and Mexico said no. Anyway in 1848 you had the Gold Rush that started in California. The way people got there was through Nicaragua. You had the accessory Transit Line.

Q: Right because there was no Panama Canal. That was the easiest way.

MAXEY: You go down the river to the lake and then a short rail line to the Pacific coast. You had more propel going through there. I was looking at statistics. It was per capita higher than today in terms of tourism going though Nicaragua or coming to Nicaragua. This whole thing. So there was monetary interest. What happened to William Walker at the end was a falling out with Vanderbilt. Vanderbilt hired people and financed the army that was fighting against him as well. But this whole thing was just a culture. Pretty important.

Just an aside, I went to visit my daughter in Mexico just now. We went to a museum called the Museo de Incidentes (Museum of Incidents). The museum of incidents. Basically, it was the invasions from the French, from the Americans, from Spain after they got their independence. There was a plaque, and it said the St. Patrick's Brigade. They called them the San Patricios. There were 200 men that were Irish immigrants mainly about 40% were Irish but there were also Germans and others. They left the American army and were fighting with the Mexican army; they formed an artillery unit. They fought in five battles. They were awarded medals for bravery. At the end of the day, they were captured as Mexico city was being captured and they hanged 70 of these men.

What bothered me was that I had never heard this history before. They said it was because they were Catholic, so St. Patrick's Battalion was the name of it and they were fighting, they had come from Ireland where they had been fighting against the British occupation. "We witnessed the denial of freedom from Dublin to San Diego. Let's see, it was from Dublin City to San Diego we witnessed freedom denied. So, we formed St. Patrick's Battalion and fought for the Mexican side." I thought, "This is important, we need to know this history."

As Americans we need to know our history. When somebody says America first and we are going to do this, and we are going to do that. Just hold on a second. I love America and I love our country and I served and would serve again in any capacity. Sometimes we do unrighteous things, and we need to understand that. We need to understand the impact it has on others. The Mexicans still remember and to this day September 12 is commemorated as a holiday because that was the day, there were three different executions. They say 35 were executed at Chapultepec the fortress when Mexico City fell. They actually executed them as the American flag was being raised. Very symbolic. But you know we all take care as all I am saying and that thought to everything we are doing overseas and our diplomacy and other kinds of work.

Q: One interesting tidbit about this is if you read Ulysses Grant's autobiography it begins with his service in the Mexican American War, and he said this was an unrighteous war. This was invented for us to gobble up territory. He served , he obeyed orders, but he didn't like it and he said so.

MAXEY: His quote, I am reading a book called "The Wicked War." His quote was, "This was a wicked war, and I would have resigned if I hadn't been so young and not really known what I should do." When I came back from vacation in Mexico City I went to George Mason University, and I got a great program.

You can do senior studies on audit and as a student, so you have access to the library and all kinds of resources. So I went there and checked out the boss. Going through it there was an interesting history there. Abraham Lincoln was against the war. Ulysses Grant in retrospect was against the war.

Q: John Quincy Adams, he was in Congress, and he voted against the war.

MAXEY: The issue was slavery in a larger sense. Texas had come in and then you had all this other territory. That whole stuff. You can't get enough of the historical perspective on the stuff we are doing. I look back and I didn't really understand as well as I should have.

Q: Just one last question about this Musee, De Incidentes. Did they include the U.S. intervention in 1916 with the Zapatistas and all that.

MAXEY: They did. Pancho Villa. Pancho Villa crossed over the border, and I can't remember the name of the town, but he shot up the town. What struck me on that exhibit was that there were ten African Americans who were captured. This was the Jim Crow era and I was trying to figure out where they support services and were captured because they couldn't have been soldiers. But lo and behold they were Buffalo Soldiers. They were from the old West with that unit being set up and they had been captured by Pancho Villa's men. That is another thing I want to say. I don't know what happened to them. But it covered that it talked about. One of the interesting things to me is that my son-in-law is doing a dissertation for a Ph.D., and they are doing a year in Mexico. Studying black Mexicans and the slavery. Slavery was abolished but they had the importation of slaves before that. I have contacted him. I don't want to bother him. I knew he was trying to figure this out. But it was super interesting that escaped slaves had fought in the San Patricios.

Q: Interesting. I don't mean to take you too far afield. That is a fascinating point about understanding the cultural differences and being able to work through them for your own mission goals.

MAXEY: Yeah, and how to be effective. I remember as Americans we are taught that we are going to be hard charging and we are going to do this or that. I remember my first meeting with some businessmen in Managua, Nicaragua and I said we are going to do this or that. I noticed body language and I thought wow, they don't seem to be on board. It wasn't that they weren't on board. It was we don't want another gringo coming in here and telling us what we are going to do. So yeah, I think that is super important.

Q: Yeah, I agree, although I have to say the description of the programs that you did work on sounds like you did get the buy in.

MAXEY: The money was there. We can thank Newt Gingrich for the MBA. That really changed my focus. I wrote a post of my blog thanking Speaker Gingrich for helping me focus. I mean it really refined my focus on what matters most -- sustainability. How can we make money and how can we do it in a way that is going to be sustainable?

Q: Yeah, because if the solutions aren't market based, more than likely it won't be sustainable.

MAXEY: That is where other parts of development come in. You know, municipal development. Grassroots democracy. We will talk about that later. With the irrigation stuff they were forming irrigation districts, and that. I saw it more in Iraq. I don't want to get there now but when we get to Iraq, I want to tell

you about what Saddam Hussein did prior to our invasion and what he was trying to do. He was not an idiot; he was not a dumb man. He knew he had to do certain things and not just military force. Part of that was bringing people together in a way that he could control them.

Q: OK so we will get to that so let's go on.

MAXEY: I guess Nicaragua, I went to Washington DC, and this is the other thing people should really understand about the state department agency for international development. They take care of their people. I mentioned that my child noticed that in kindergarten he was having trouble writing and keeping up with his peers. It was a fine motor skill issue we thought. I mentioned it and they set up an appointment with an education facility there. I came up with my son and we had him tested. I said this is not incredibly serious, but it is something you need to pay attention to. So, I talked to my wife and said look it is probably time for us to go back to the states. We had been since 1990 and this was 2003, we had been overseas and hadn't been back. So, we came back and got into Fairfax County. The School system here is absolutely amazing, really good schools. I remember when they called us in, we had a special education session with the shole school, the elementary school principal was there, social workers, everybody. I thought this was just incredible. It made us feel so wonderful that they were focused and were trying, and they had basically something he had to grow out of, but they had little tools and things he could use. His first-grade teacher was just wonderful. Anyway that is what got us in 2003 to DC for an assignment. I previously kind of mentioned this. I had different things I had worked on and when I came up for R&R I would just meet with people and say hey this is what we are looking at and what we are trying to do and are trying to do a presentation. I remember I had one of the little power point projectors with me like a shoe salesman.

So, one of the people I met was Emmy Simmons. She was the assistant administrator for Economic Growth, Agriculture, and Trade. EGAT. Anyway, Emmy said I would like you to be my executive officer for the bureau. So, I didn't know what an executive officer tally did, but I was game. So, I came up and did it and it turned out to be a really interesting assignment. I did that from 2003 to the end of 2004 and basically looked at everything from budgeting, administrative budgeting and also for missions. Preparation for the congressional budget justification . I had never been on interview panels for new hires. That was part of the job. Mentoring for international department interns was another part of the job**.** It was interesting and challenging in a lot of ways to do that. I think I earned a lot. One of the things I worked on previously was 2002 and there was let's see we had the coffee rust. It is a fungus that affects coffee leaves and makes the leaves fall off and it affects the coffee cherry production, so you have less coffee to sell. It really hit central America. So, in 2002 there was a whole discussion on illegal immigration so when I came up from Nicaragua, I brought all that material with me. And was able to do some presentations. That is what I liked about Emmy. She would let me do stuff that really interested me a lot as well as the things that were part of the job.

Central America coffee production and farmer incomes were severely impacted by coffee leaf fungus and low coffee prices. I calculated that the loss was $1.2 billion lost to the Central American market. I was saying people who were illegally crossing the border to the US were doing it for economic reasons.This is the equivalent of an economic hurricane. It got some traction, and they created a $20 million program to work with Central American coffee.

If you look at the history, what really happened was there was an international coffee agreement during the Reagan administration. It had been in force since WWII. It was to stabilize the price of coffee. A lot of the consenting countries didn't like it because you would have what they would say was an artificially high

price of coffee, but it helped regulate supply and demand. I think on balance it was probably positive. President Reagan probably saw it and said, no we don't want anything to distort the market. It has got to be a free market up and down. So that up and down movement has an impact and one of the impacts is if it is down, if you look at Honduras, one in four of the active population works in coffee. At some part of the year. I said a billion dollars in income that people are getting now in Honduras they are the fifth largest exporter of coffee in the world. So, you get a decrease in the price of coffee, and you are going to see more Hondurans coming north. So, talking about all of that. Working with EGAT and looking at all of the issues and interfacing all the missions. And then having a chance to do things that really interest me. And out of that I spoke to dome integration and that is probably not a good thing to do.

Q: Let me just ask a couple of general questions. First as you noted, those coffee viruses or whatever was affecting it. There are a lot of places in the U.S. that have farm extension and research into all the things that attack plants. Were you or was anyone in USAID trying to find an answer to the crop problem, whatever was affecting coffee?

MAXEY: Yeah, Costa Rica had a really good coffee research program. We interfaced with them. Later Texas A&M in the Borlaug Institute they set up a coffee research institute within it. I kind of mentioned this in Peru. They would come up with a variety of Arabica coffee that was resistant to the fungus. The problem was the cup quality , the taste was not as good. So you had different factors and what we saw now they have been breeding out of Costa Rica and there have been other countries where they have improved cup quality they have the resistance to, it is not the same as the heirloom variety of typical and Arabica coffee but is good coffee and there was research that was done. That is swell but the price fluctuations are still an issue and a problem. If you look at East Africa where there is a lot of coffee production. I did this later but I looked at a whole study on the impact of coffee prices on out migration. You see a lot of migration from East Africa to Europe. A good part of it is economic.

Q: No question and a good part of that is climate change and desertification. There is one more question I wanted to ask you while we are on the topic of Coffee. The coffee cartels that existed so to speak for all those many years after WWII it was not a particularly functional cartel. Yes, they got together and there was a place in London that was trying to set up but because of all the potential factors that could increase coffee production and decrease it. Brazil was a major player as was Colombia. You could have a bad year or an early frost. You could lose a quarter to half of your crop. You could have a world price change immediately. I say that because to toss out a natural food source foods cartel immediately simply because it isn't exactly market oriented might not be the best idea.

MAXEY: Number one Brazil was the 900-pound gorilla in terms of coffee with 40% of production. If they had a frost in Brazil, prices were going to go up. If they had a bumper year, it was, there was this ban they were trying to work on, and different countries were trying to pour coffee into the system. You have a market impact. That is another thing abo0ut stopping for a minute and looking at things, I am Fredrich Hayek, the Road to Serfdom I am there. The market is going to do it all. But you have to look at what about illegal immigration.

If I have a price that goes down that is good for our buyers of coffee in the market but what about the people who are going to be impacted in the country? This especially true in a country like Honduras where one in four workers is employed at some point in the year in the coffee sector. Coffee makes up twenty-five percent of agriculture GDP and creates a $1 billion in export earnings. As the price goes down, the

poor have little choice for livelihood. In many cases, their only option is to emigrate. So, something like green coffee prices can have major consequences.

One thing I looked at when I was looking at in USAID was the opportunity cost of not doing anything to support a vibrant coffee sector in Honduras and other countries that have a history of out-migration to the United States. Social services and education of undocumented immigrants totaled $8 billion annually back in 2003. It is complicated because you have to look at the taxes people were paying as well. Some studies said there was a net benefit, but you had local governments providing the services including public education. I did an analysis in 2019 that indicated the placement of Unaccompanied Children in US communities increased local education costs by over $1 billion per year. And that was only for a small subset of the undocumented children coming into our communities. The point that I kept making was that what happens in Honduras and other countries does not stay there.

There are knock off effects from policies and you just need to—I talked about Costa Rica and the food for peace program where we actually monetized and created inflation. That is a direct tax. We were taxing the Costa Rican people without their consent, and they said this is taxation without representation. Dan Shy was our mission director. I loved Dan, he was a good guy. He was trying to build an earth the escuela for ___ Naturales. In Costa Rica down on the coast south of Mexico. He said we are going to build it. We are going to fix this. Essentially, he said I think it was more nuanced, I am not sure this is the correct analysis and all that. But the economics was pretty good. Anyway, anything you do is going to have an impact further out so just issue there and anybody reading this years from now, just think about it, look at different things. I mean you never know, and it could be negative. It could be politically negative, it could create division within our country, I mean we just start thinking of where we are.

Q: Just because of changes in the coffee price.

MAXEY: Yeah, the price of green coffee had tremendous social and economic impacts. So, EGAT was interesting and fun. I was there for 2003 and 2004. I really missed working with missions in a way with their total focus on development. So, I asked and was able to become officer in charge of Central America for Guatemala, Honduras, and El Salvador. Officer in charge is just another word for desk officer. That was a lot of fun, and it was the first time I kept doing the things I was doing but we had specific countries. The other thing is I really saw myself as the eyes and ears of the mission in Washington not only in AID but in the State department and Congress and then feeding stuff back to them I had an uninterrupted flow of communication with the mission directors and the mission staff. The program offices specifically, with program strategy and policy was developed and that was a lot of fun just to be thinking and go through stuff. Things I had already thought about in terms of remittance. In terms of coffee exports and in terms of immigration and to be sharing that. Different missions received it differently, but most were really positive.

I would always read the CIA reports, the country reports. It had a lot of information in it. I remember reading the publicly available report on Guatemala which mentioned that Guatemala had a population of 15 million. This was 2005. Carrie Thompson, the head of the program office in USAID Guatemala, contacted me after I had shared a briefing paper that included the CIA population estimate. She came back and said that the country had just finished a census, and the population was 13 million. I contacted the CIA to let them know that a recent census had a better estimate for Guatemala's population. They told me that their source was the U.S. Census international bureau. I found a telephone number for the U.S. Census international bureau office and called them and said, "I am not sure you are aware but there was a census

recently done in Guatemala and the CIA is quoting you as saying 15 million, but they came out with a census of only 13 million." They said thank you very much and that is the last I heard of it. But I checked the CIA report next year just going through it and it was 13 million. The population had decreased by two million. I thought this was probably the only time in my career that I would be responsible for eliminating two million people from a country.

For some reason I just like esoteric information, and knowledge that a lot of other people don't have and I just kind of look to go deep. So that job being the desk officer for Central America. That really was a fun time. Things would come up. George W. Bush gave his state of the union address that was in 2005. He talked about Laura Bush was going to head up a youth gang prevention program. He talked about all of that, and I heard that and so I started putting together what is the strategy we have for dealing with youth gang prevention in Central America and there is transnational links are we coordinated and so everybody in Latin America bureau was saying what are you doing? We haven't heard and three weeks later the White House comes to the state department they say what is your strategy for developing a gang prevention program. So they immediately assigned it to somebody else . I don't know, I just really enjoyed it, and it is not just shaking the tree, but it is like let's think about stuff.

Q: With this gang prevention thing did anybody consider the fact that the mass deportation of Salvadorians who had never lived there or the mass deportations of Hondurans who had never lived there literally gang members and leaders were there at the airport to help them get established. Did anybody realize that?

MAXEY: Yeah, Rodney King when he was beaten brutally in Los Angeles. That is when they had a lot of riots and a lot of unrest, and a lot of these were Hispanics. That was Geoge Bush who was president I am not sure; It might have been Reagan.

Q: I think you are right. It was in the 80's. for sure so it was one of those two.

MAXEY: Yeah, mass deportations was seen by many as a good thing – "let's get rid of them," but bad actors sent back to Central America actually help create the gang problems there. The 18th Street gang, MS-13 which we are kind of dealing with. I don't know if you saw Ecuador on the news yesterday. Gangs are creating havoc there. We are also seeing an influx of Venezuelan gangs. Any comprehensive immigration reform program should include a social and economic development component to address issues in the country of origin. This also includes the breakdown of governance like in Haiti. We understand that these events can impact US communities directly whether indirectly through instability in the region or increased emigration to the United States from places that are in chaos.

Q: You mean Haiti, finding one that event happened in.

MAXEY: Yes, there needs to be a foreign policy prioritization to focus on countries and issues that can directly impact our country. Things are happening. What Bukele is doing in El Salvador is incredible but now we are seeing gangs migrate across borders in Central America. I mentioned my extended family in Honduras. I have 21 nieces and nephews in Honduras. They still live there, and they are seeing gangs coming to their relatively small town in Santa Barbara province. Gang members come from El Salvador because there is a real crackdown there.

In terms of impact, the New York Times did a freedom of information request asking the Department of Homeland Security to identify where unaccompanied children were placed in the U. S. by zip code from 2015 to 2024. I did an analysis of the placement of Unaccompanied Children in Fairfax County and was surprised by the numbers I saw. All I am saying is what happens in Central America and other countries does not stay there. We need to be aware of the whole thing. I think USAID is more attuned to that, but we are prohibited by law from doing development activities or funding activities in the U.S That goes back to the really critical things like the global development alliance. As I mentioned before, we set up. There are ways to do stuff that can be beneficial to different partners with funding provided by different partners. What we are focused on is helping to mentor youth through our family foundation. See http://www.maxeys.org.

Q: Yeah.

MAXEY: We have been awarding scholarships and helping Hispanic youth move forward with their dream of a post-secondary education since 2019. We provided $14,500 in scholarships last year. We are trying to help these young people, many of whom have trauma related issues; they have language issues. If they are adolescents, they are in danger of becoming pregnant or going into gang culture and all kinds of stuff. We need to help. We need the community to come together but to the school system and community help system, and we have got great systems here. But all of that just goes back to what is happening overseas. That was kind of the critical thing. Why are we doing international development? We are doing international development because it is in our interest. To create markets, to create stable democracies to have a growing economy and also to prevent issues that could impact us negatively at home.

Q: Once again, I don't mean to take you too far afield but when you are doing development, there are always so many downstream effects that often aren't considered.

MAXEY: People are interested in innovative ideas and the impact they can leverage. While I was the desk officer for central America, I was looking at different issues and writing about a lot of different stuff. It caught the attention of somebody with the Millennium Challenge Corporation. So, they asked me to do a detailed assignment there to help develop the first contract or development contract with El Salvador. So, I did that in 2006 in July through April 2007.

I had never worked outside of AID since I really came in in 1981. As a contractor and then as a direct hire. What I noticed in the Millennium Challenge Corporation were really smart people. It was limited by statute to only have 300 employees. It would provide development assistance based on benchmarks of development. Whether it was control of corruption, transparency of government Just a whole series. When the benchmarks were met a country would qualify for a contract or a compact, and these were big tickets. Like $750 million initiatives and stuff like that, even bigger,

We looked at what was going on in El Salvador, and I saw what I had seen before. You have got people who don't have a seat at the table. You have got the banks and the major exporters. And the producers, and we looked at tropical fruits and looked at different agriculture products. We looked at processing and if you are going to invest in tropical fruits for export you have to have capital, you have to have investment and infrastructure in place. They didn't have that. We said look, we are going to provide that. But we are only going to provide that in a way where you sit down and come out with what was basically a contract where export of these products was guaranteed. That was the direction we moved in. I think it was successful. I had not gone back and looked at that sector. Where we focused was where the revolution, the

FMLN rebels were on the Honduran border up in the mountains. That was where we were really trying to do the development with infrastructure and investment.

The work with MCC was interesting but also kind of frustrating. It was kind of a debating society. Out of those 300 people, the MCC had 30 economists. Those economists who didn't always agree but they were very important in terms of setting policy and strategy and implementation. So, what I ended up doing after we got the Salvadoran compact together, was an analysis of implementation capacity.

During that 2006 to 2007 when I was detailed to MCC, they had at that point approved 11 Compacts to finance $3 billion in programs benefiting 22 million people. There were indications of positive, up-front changes as countries competed to improve critical social and economic policies and increase their likelihood of obtaining MCC support. The potential for sustained economic development and growth through incentives created by MCC was high. However, MCC's limited implementation capacity severely constrained this unique approach to foreign assistance. MCC could not quickly implement its programs due to conflicting approaches within the organization regarding development strategy and too rigid a focus on program evaluation by randomized controlled trials.

I prepared an analysis and circulated my findings within MCC in which I predicted that Congress would cut funding because of limited implementation capacity. My prediction was prescient; obligations by Congress to MCC did not increase to the anticipated $5 billion annually but remained at the 2007 level of $1 billion throughout its history.

I recommended that the MCC: (1) change its "project" approach to Compact design, which was inappropriate for the streamlined, lightly staffed organization; 2) develop a joint economic growth model; and (3) move away from too rigid a focus on randomized controlled trials for program evaluation. See the attached paper I published in 2007 while at MCC and shared with colleagues there - https://sleepless-in-baghdad.blogspot.com/2023/11/my-time-at-millennium-challenge.html.

A February 2021 report by CSIS - "Earmarks and Directives in the Foreign Operations Appropriation," by Michael Casella, Rodney Bent, and Daniel F. Runde, confirmed my finding back in 2006 that MCC's implementation capacity would affect its funding levels. They wrote in their report: *"The MCC, for which country ownership was a founding principle, has not been subject to congressional directives. However, funding for the MCC has never approached the $5 billion annual appropriation initially envisioned by the Bush administration when the MCC was authorized in 2004, peaking at $2 billion in FY 2007 and plateauing at slightly under $1 billion annually for the past decade. Given recent directive levels and overall funding levels in State and Foreign Operations Appropriations Acts, funding the MCC at significantly higher levels would likely require the application of sector directives to some of its funding."*

The Millennium Challenge is a great concept but it basically doesn't have the implementation capacity to absorb the funding. Globally. I said based on what I have seen and the length of implementation and the constraints that they face and also some of the policy debate back and forth. That needs to be streamlined in a way that you are not doing that all the time. A billion dollars a year is all it is going to be able to absorb. So I shared that with MCC staff. The executive director called me up. He was a really nice guy and said thank you. He said, "I am going to Congress to testify, and this is just the kind of information I need." But some people were not happy and asked, "Why are you doing this?" My response was that I was curious, and I thought it was interesting information. For better or worse, throughout my career I always

questioned our programs and procedures. My intent was to be able to understand and better execute whatever I was assigned to do.

Q: It is a good point you make overall about absorption capacity. Because it is true of an organization like MCC, but it is also true of small countries. When you get this big idea, we are going to put a billion dollars into X but can you? A small country. Do they have the infrastructure; do they have the labor; do they even have the banking system even to absorb that kind of money.

MAXEY: You are bringing up a critical point. I mean we will talk about it later. I never went to Afghanistan but Afghanistan and Iraq were I would say significantly less corrupt before we went there. I am basing it on the transparency international index of corruption. I mean they were corrupt. They were competing to be the most corrupt country in the world. It was as you mentioned, these knock on impacts. It's important to know the potential range of things what are you going to get – things that you can't control.

Q: One thing before we go on because you have now been in a couple of jobs. That gave you a number of outlooks and a number of skills. From this point looking back. What were the key skills and talents that you picked up that were valuable for you later.

MAXEY: I kind of wrote about this for the 50th year history. AID did a book, and we are going to get there. Maybe I should just mention I finished up in 2007 with MCC, I had other things I wanted to do so I retired. I went into retirement, and it was not as nice and great as I thought it would be. A friend talked to me and said Look, They cannot get people to serve as USAID representatives on the embedded provincial reconstruction teams in Iraq. I said what is involved? Well, you basically have to have ideas. And you basically have to get all this support to implement them. I talked to one guy, and he said this is the best job I ever had. I started looking at it and I ended up requesting to be reappointed as a Foreign Service officer. They did that and I went to Iraq to be the USAID rep on the embedded provincial reconstruction team North Babel. So, in doing that I looked back and the things I looked at basically I remember writing I think for my whole career prepared me for this job. You have to have a sense of curiosity. You have to start looking at what is sustainable, what can be done. Do we want to go into Iraq?

Q: No, I don't want to get you too far ahead. You left in 2007 and there are still a couple of years in between when you went to Washington and so on and I don't want to preempt the other things that you did.

MAXEY: Yeah, in terms of the Central America desk and working on that. You know a friend and a colleague, Stan Stalla. Stan is a great guy I met him in Peru and he worked with me in the alternative development program Stan would do a weekly report to me and share it with others and it would be all the things he had done for the week, What his priorities were and what is projected for next week and then attached documents or a link to a file where you could find the documents. So, I started doing that and honestly what I need to do, and I should have done before this talking about the Central America desk. Would be to go back and look at those. A lot of things came up. I remember positive and negative.

There is a lot of politics in Washington. A lot of the budget debates; those were critically important, but it was driven by politics and driven by a lot of things that didn't necessarily, I couldn't logically make sense of what some of the things we were mandated to do. But anyway, that is just part of the job. I don't have a lot to add on the Central America Desk stuff.

If people are going to do that it is a chance to really engage with the missions. It is a chance to become a country expert. Which is a lot of fun. You study history, you study what they have done politically. You study the budget. You study trade. You start looking for links. What state has the greatest trade links to Honduras? What are those trade links? I would reach out to congressional staff to understand political impact of different initiatives. I also wanted to find partners willing to invest in our countries in Central America.

Economic success could help solve a host of problems. I tried to show how we were getting a domestic benefit out of our foreign aid program developing trade that creates jobs in the U.S. I think it is a great job in terms of just being able to focus. If you like studying that and I always did. I always enjoyed studying history and why things happen the way they do. Then there are the other parts to the job that are bureaucratic in nature but necessary. I just, even after I retired in 2007, I would go back and look at the budget. I would contact colleagues and say you know the State Department is requiring a strategy on Central America. Is somebody doing that? They would come back and say where did you see that? I said well it is in the Congressional Budget Justification. I am sure that some of my former colleagues thought, "This guy needs to get a life." I just enjoyed the analysis and thinking through things related to our foreign aid program. Staying involved is what kind of led up to my request to be reappointed as a Foreign Service officer.

Q: Okay, before then we follow you back into USAID. You mentioned that retirement wasn't all it was cracked up to be. Were there any activities during that period of retirement that you want to recount?

MAXEY: I did some work for non-profits. There was a group in Mississippi. I worked with them. I am originally from Mississippi, and I thought about moving back. A lot of different reasons we had been at that point in Fairfax County for about five years. Kids were in school and it kind of became harder to move out. I am still here in Fairfax County. We are going on 29 years. I did some private work as well with our church. They were looking at opening a coffee shop. I was part of the church so did a business plan. Things like that. We did some traveling. My mother was 85 and we had a special birthday for her, and I remember going back for that. I just took some time off. Let's see it was 2007 so I was 55. I was a young man, and I was ready to do more. Honestly to tell you the truth, the real appointment because it was Iraq you were able to keep your retirement plus get; I mean I have never seen that level of salary. It was salary plus danger pay plus allowances.

Q: And your family was okay, and your wife was okay knowing you would be going to a conflict zone.

MAXEY: My mother, bless her heart, she called all my old friends in Mississippi and had them call me up and ask me what is going on and why are you doing this. I felt at peace. I have talked to my wife since then and she said we were basically crazy to do that, and I don't know why I let you go. From day one I felt that was exactly where I was supposed to be. I think God kind of guides your steps if you are intentional. Anyway, I thought that was where I was supposed to be from the get-go.

Q: And USAID approached you about it.

MAXEY: Yeah, I had a friend that contacted me, and he gave me the name of the personnel officer whose name escapes me right now. I remember I sent an email. And they were eager for volunteers. You have to remember in 2007 we were having I think Petraeus came that summer. George W. Bush was personally conferring with the EPRT staff. They would have an FSI room linked with whatever it was back then

where President Bush would virtually talk to them and just give them a pep talk. There was a lot of pressure, and our troops every time they were going out, they were getting hit. I remember when I got there in 2008 I talked to one of the young officers who had been there. That previous fall and he said we are basically taking 30% casualties. This was at forward operating base - FOB Kalsu. I said that is civil war casualties. We haven't seen that since Antietam.

So, It was risky. Thinking logically, I shouldn't have gone. That would have been the wise thing, but I don't know, again, God kind of I think there is a divine nature of things happening. Anyway, I signed up. I took the oath again, that was my third time. My first time was as a Peace Corps volunteer, the second time was as a Foreign Service officer and the third time was when I was reappointed.

Q: Now just one thing, Before you go out. This is the moment of the surge and certainly a lot of military go out and when a lot of military go out also support services go out and things like that. As you are recounting your time there, if there is an aspect of your work that was affected by the surge, just kind of add that in.

MAXEY: Yeah, the whole 2008 was just a huge surge. This was when Petraeus came back, and he was basically saying we have got to be co located with our Iraqi counterparts wherever they are. We can't be in this fortress, this green zone palace fortress. We have got to be out and be among the people and we have got to figure out a way to minimize any harm being done and still maintain security.

I don't want to get ahead of myself. I want to tell you about what happened when I first signed up. When I first signed up, they sent me to Summit Point, West Virginia. That is where we had the foreign affairs counter threat force the initial where you drive the car. And tried to get away and they had explosives and they had us make an AK-47 safe and all that kind of stuff. A lot of medic stuff, how to apply a tourniquet. So that was the first place I went out there. I later became a Deputy Chief of Mission role player with that course for four years. It really developed into a state-of-the-art thing. Now at Blackstone Virginia an unbelievable Hollywood production set. But back then it was very rudimentary.

They showed us IEDs going off and they showed what to look for. We had a surveillance exercise one day to know if you were surveilled. It was very interesting, and I learned a lot. I kept meticulous notes and I go through them again now and then. Anyway, it is very useful and very helpful. To that was in January of 2008 and there were some more. orientations. There was paperwork in DC on different things. But I flew out. I think it was February 7 or 8. I flew out of Dulles. My family went with me. We didn't know what was going on, but I got on a flight and flew into Amman, Jordan.

The first thing I noticed was that the Queen Aliah I think was the name of the airport. It was the military airport. We went there to be transported to Baghdad. I didn't see any guards. I just had my surveillance course, and I was freaking out. I was trying to communicate. Were cell phones in? Did we do internet? Did we do the international text? I don't think so. As soon as I got somewhere to email somebody, I emailed diplomatic security and said guys, we have got a problem here in this airport. No security. They came back and said don't worry. The security is hidden, you don't see it. You could have told me that as part of the surveillance training. But we flew in and that first day got into Amman and I think we were there for an overnight flight, spent the day, spent the night and the next day we went into Baghdad.

In Baghdad they were having real issues on getting safely from the airport to the green zone. I just found a photo the other day. It was us lining up for the Rhino, it was like a Winnebago RV but was totally

armored. They still wouldn't do the transport during the day. It was too dangerous to do during the day. We flew into Baghdad airport at mid-morning, or early afternoon. They had good facilities. You weren't like out in the desert. You had a place you could sit and stuff. We couldn't go until like 2 A.M. to the green zone. So, you would wait around at night, and you would talk to people and find out what was going on. We went in and took the Rhino, went through Baghdad to the Green Zone and to the International Zone (IZ).

USAID at that point had set up their own area, their own compound. So, I was taken to that. This was 2008 and you could still walk around the IZ. So the next morning I walked all the way to the palace. I walked to the memorial of the unknown soldier of the Iraqis. I learned later you just don't do that. What I noticed was when I got to the palace there was all kinds of activity. Americans everywhere. I looked and across the way was the commissary; there was a big PX – a military commissary. The area near Sadam's palace and the PX seemed like the center of the universe. You would see soldiers coming in from patrol. I don't know where they were coming from, but you could see they had been out on patrol or a mission.

The US military had taken down the statues of Saddam Husein. One was resting, a big bust of him was resting on its face, there was a whole row of those. They had stacked them up in a row. I took pictures of those and took pictures of the palace and all the things that were going on there. Then I got back to the AID mission, and they were explaining the schedule we were going to go through. And there was a briefing for the embedded reconstruction team. USAID reps. I was one of those. At that time, I would like to say there were like 20 embedded provincial reconstruction teams (EPRTs). I have a map of them with a list of the USAID representative on each team. Later they consolidated different ones, but at that point there was one EPRT called North Babbel. So Babbel province was south of Baghdad. It had been an area of a lot of activity and had a lot of Shi'a militia there and they weren't particularly fond of the Americans.

I flew in. They had these landing zones called LZ. LZ Washington where we flew out of the international zone. I kept thinking about MASH a little bit. The movie and the television series. They had a lounge area and all of these quotes by Chuck Norris about how tough and bad he was. It was kind of funny. You would sit down, and you would wait. Different helicopters were flying different routes. Nobody is going to fly you directly to your EPRT. It is like a milk train, nobody knows where you are. I wrote down the name of my Forward Operating Base (FOB) – it was FOB Kalsu and was home to the 4th Brigade Combat Third Infantry Division. EPRT North Babel was located there. Every time we were about to land, I would hold up to hold the paper with "FOB Kalsu" written on it up because you couldn't hear anything on the helicopter.

I was able to get a flight into FOB Kalsu and I met Howard Van Ranken, the State Department team leader for EPRT North Babel. We were just 20 Americans on the team. Maybe less. And we were embedded with the fourth brigade combat team, their infantry division. It was Rock of the Marne about 6,000 soldiers. A young officer, a West Point graduate met me at the heliport at like 2:00 am. She gave me a quick orientation, and showed me where I was staying, which was a metal containers called a containerized housing unit. A CHU. She gave me my schedule.

There was a battle update brief every morning at 8:00 you were expected to be there. I had been there two or three days when we did our first trip out. We went south and I made a video from the Humvee. It was a Shi'a pilgrimage that day. They were walking a whole line dressed in black. Men, women, children. Some were dragging something symbolizing the suffering. He was beating himself on the back with a rope whip – doing pittance by self-flagellation.

So, we got in and sat with the mayor. We were talking about all the different things; he had a lot of different things he wanted to do. We were just trying to figure out what was going on. Listening and taking notes. Then we were getting ready to leave and the mayor said don't come in the way you came. Go a different route. I thought wow that is interesting advice. Anyway, there were security issues with the Shi'a militia. We got out and got back and didn't get hit. Praise the Lord. That was my first trip outside the wire. I wrote a description of that first trip. A copy is on my blog --

Then we got a call about two days later to go on another field trip. Basically it was in Shumania. Shumania is a little bitty village outside of a town called Iskandaria. Iskandaria is Arabic for Alexandria. That was where it was purported that Alexander the Great actually died. During his conquest there he developed a fever there and died from it. Cotton balers were the army unit. Al Qaeda had gone in and destroyed Shumania and blown up the mosque because it was Shi'a. People were still there, and they had blown up houses and infrastructure for aquaculture. We had a couple of soldiers, one I know was killed there. One thing I am going to do Mark if I can is include a link that really explains some of the stuff better. This young man went to help a fallen comrade and that is why he was killed. We lost 17 soldiers. You know you eat with them you are in the dining hall with them, and these are just the brightest funniest young men and women, and it just breaks your heart to lose them we lost them to a lot of things We had two during my time commit suicide. When we engage you do what you are told to do but we need to think, and I understand, and we need to attack but we need to think about what is going on. Anyway, this soldier had been killed. He had gone into Shumania. What happened, Al Qaeda had gone into where the aquaculture ponds were. There were small ponds. With levees. It was a lattice pattern across the Tigris river. You couldn't get a tank in there, you couldn't get an armored vehicle in there. So, they basically thought they were relatively safe. The military was able to drive them out, but they destroyed everything before they left. We came out there and I am not kidding, the smoke was still clearing out of the buildings when we got out there. We started talking to people and found out they did aquaculture. They were aquaculturists. They produced freshwater carp. They sold it in live markets. They had to produce it and take it to the market alive. That was the way you bought your carp. Al Qaeda destroyed everything. We asked what they needed, and they each came up with their individual requests. So, we got them together and we said we need you to come back. It was like a one-day field trip, but it ended up being three or four. We need you to come back to Iskandaria. We are going to meet with the cotton balers, and we are going to talk about what has to be done and what has to be done. You basically have to form an association. We can't make grants to individual farmers. You have to form an association and do a prioritization of what you need to actually get on your feet making money from the aquaculture business. So they did that, and I have got a kind of an iconic photo of all of them. There were like 50 of them with the cotton bailer commander. That was our first meeting. Out of that we formed an aquaculture for Shumania. Basically, what they said they needed was we need pumps to put fresh water back into the ponds. We need fingerlings. We need live haul tanks. And we need technical assistance. We need somebody who can help us put together a marketing plan and pull all of this together. This took time. But over the next two to three years. We immediately responded and got some things going immediately. But the aquaculture project for Iraq was a huge success. A $35 million dollar market. Again we didn't come in and say we are experts and this is what you should do. We said what do you do, what do you need, and how can you make it work. Then they told us, and we were over to help put some of that together. Later Petraeus came to our on his farewell, it was never announced for security. He came in on a Sunday and we got literally an hour's notice. We were briefed. I put together a brief and just laid it out. His basic message was all you have to do is give them a glimmer of hope and people will make it work. That is kind of the way it started. Everything that came in I loved the systems in Iraq. Talk about bureaucracy streamlined. I mean we had a group at the embassy that was a special

projects group . They had a weekly meeting and whatever idea you had you could come up there and you need to explain the importance of it and the impact and the cost. And then how you would implement it. How it would be sustained once we did the thing. Those men and women I was literally like every week. We have what came out of Shuminea after we started to move on. The aqua culture was housing. So, they said we have got people who can lay bricks, but we don't have any bricks. We have this but we don't have that. So, we started putting pallets of building materials that we could ship out. These were done by implementers. The unsung heroes. I hope there is a history done one day of all these NGOs and nonprofits that came to Iraq. I know people who saw them said hey they are making money. These were brave, wonderful people. I have got pictures of them. We worked with them. They would come into harm's way and make stuff happen. It has been up and down, and Iraq has gone through a rough time but that really made a difference at that point. What happened we were basically able to respond to stuff. One of the largest suicide bombings ever had occurred in Shimenea about three months after I was there. The hospital was overwhelmed. So, the division commander came in and said we need. He talked to his people and then it was basically the deputy commander at the battalion level that talked to us. He talked to Howard and then Howard would convene us, and we would get together. It was streamlined. It wasn't this hierarchy. The Italian officers He ____. No it was like hey this is what we need to do, what do we do, how do we get it together. We had to have discipline for security. There had to be a time period in advance because the roads had to be scanned. They had all kinds of stuff you had to do before they could go out. You need to go to the hospital. We went to the hospital and we were talking with the navy. We put together emergency supply requests and get them approved almost within days and respond like that. Howard Vanbranken later went to the war college. He wrote a paper talking about what we were doing there. He explained the importance. I will link it to this. It is worth reading because he explained the importance of coordination with the military. How diplomatic level, economic level all the way across. He was laudatory. He said we had done backpacks for kids. We had done education things just trying to get kids back into school. We visited schools. And helped rebuild some schools. But he was talking about needing a thousand backpacks. You need building supplies. The whole system was responsive. What I found was that it was such a joy. Number one we lived with the soldiers and we talked to them. We tried to understand, and we communicated both ways, but we really have this feeling that our being there and out working saved lives. That if we could go into an area and say hey forget the politics what do you need, how can we help how can we make this right. You stabilize it. You get people you call this information flows. So, what they started looking at and I did an analysis and I put together a presentation when I came back. Every three months you could get I think five or seven days back in the U.S. I flew back and I did this presentation. What I looked at was that they were called significant acts of violence. So, it was SIG acts. Those were bad things. Those were people attacking our forces. Then you looked at Surf funding. That is Community Stabilization funding. That is where we got our money, most of it. All the things we would do finance. As that went up and it was totally just correlation not just causation. but it was an interesting correlation As that went up you had a significant drop in the SIG acts. The study was done by MIT, and they said the reason for that is people were more willing to talk. They were more willing to say, like the mayor told us, take a different route. That presentation I will link to that. That is when we started thinking that maybe what we are doing is really saving lives. Then when you see these young men and women, the best we have got over there. I had never done a more important job in my life than in Iraq. I don't think I will ever have a job more important again.

Q: It is interesting that you say that because the generation that was involved in WWII often said that. The struggle they had, the fight they did nothing ever after equaled their sense of mission and motivation and the bonds that they made.

MAXEY: It was a real blessing for me to do it. I learned a lot. I did that from 2008, this is what they, if you were reappointed, they did a one-year assignment. They had another track where it was a limited Foreign Service assignment and I think it was five years, but you were required to do two years in Iraq. I wasn't in that one; I was in the first one where you just did one year. So, it came up toward the end of my assignment in 2008 and I said I would like to continue.

Basically, the USAID Mission Director, Chris Crowley, said they could extend my one year assignment by six months and follow that with a six month personal services contract so I would be able to serve almost all of 2008 and 2009 in Iraq. did was say we are going to offer you a contract. The end of December 2008 I went home for just R&R and unfortunately my mother passed away in January of 2009. I ended up staying for three weeks.

I came back and served as the mission's senior agriculture advisor for all of 2009. My first year, 2008, had been on Forward Operating Base Kalsu. The mission asked me to do was to move to Baghdad to be the senior agricultural development officer. My first year, I was looking at our specific ag programs in Babel province, but in 2009 I was going all over the country it was country wide.

I would travel to all our bases in Iraq and help design and implement agriculture activities with our contractors and non-governmental organizations. That is when I started looking at water issues in Iraq. That is when I started thinking about Honduras and what we had been able to do with bringing people together to improve water management and irrigation systems.

Basically, Saddam Hussein before he was taken out. Of all there were 100 irrigation districts in the country, and they were huge. He had privatized I think two. One of these was in a place called Wasat province, and I will get the name. We went out to look at that and it reminded me of the first thing we had done. I need to make a correction mark, the village that we went to outside of Iskandaria was Khidr. That is the village. The irrigation district we went to was in Wasat and this was at the end of 2008 and beginning of 2009 in Shuminah. We saw the same thing we kind of had seen with aquaculture. Their equipment was old. It was bailing wire just holding things together and it didn't work half the time. We were talking to them about how to form an association. It could be a private association and charge for the water and work out different things that could be done. And USDA, and that was the other thing I really wanted to mention. Were the other agencies. And we worked together. I know at a higher level there was a little bit of conflict, and you can read different books. I actually saw a little bit of the conflict but at the working level I think we worked together fantastically. Maged Hussein, Maged was a really good friend, and he was killed. Maged was an Egyptian American and I think his home was in Orlando. I met him when I first got there. We had these presentations and Maged would do he was the water guy. He was with USDA. Just a fluent English, fluent Arabic; just knew the culture. You couldn't help but get worried about how we are going to do this or that and you would sit down with Maged and he would say no, no. Look, this is the way we will do it. He would lay it out and say this and this. When I came up to the IZ and was living in the USAID compound I had Maged over now and then. I bought a copy of the Koran in English. He would look at that and he would try to explain some of the stuff. I felt a real bond. With Maged and just a super guy. He went out with me, and the head of the USAID contingent went out with us to Shuminah. Maged had this dream, and the dream was we could take this and make it a model to replicate privatization of irrigation districts across the country. That would be the first grass roots democracy sector in the whole country in history. I mean he had vision. In May of 2009 he was killed by and IED. He had gone to a water treatment plant. It was west of Baghdad. A really dangerous place. Just by the grace of God I was not. I want to say the DCM was killed as well. Anyway, he was one of the guys we lost. I was contacted by the

Navy. There is a group called the expeditionary workforce. It didn't include I was a Foreign Service officer. They evidently have something with USDA and other corps of engineers. Whereas an expeditionary workforce and they dedicated a building in Maged's honor in Indiana. This was 2019. I think it was after Covid so it must have been 2021. People were in masks, so it was 2021. I was fortunate enough to go out and give some remarks about Maged. That is another I hope that is captured in the histories when people talk about the contribution made by people like Maged just fantastic. Just looking at our own daughter. And his daughter actually came to the ceremony, and I had a chance to meet her. She is a young lady, beautiful. She lives in Egypt with her mother. Iraq was incredibly special in the sense that I,maybe I should save this for the next session. We had all these meetings in Baghdad. I was at a meeting in camp Liberty for a seminar. Anyway, a young lady was there from Texas, a young soldier and I had a book I was reading called the purpose driven life. A good book, really interesting I was reading the book, and she came and sat down and said, "Oh what book are you reading?" "The purpose Driven Life." What is that about?" It is about intentional and seeking God's will for your life. And trying to figure out what it is exactly." She said, "What was your will?" "I think it was to raise a Christian family." She started talking about her grandmother and we talked for about 20 minutes and then she got up and left. And it just hit me just kind of a crazy thought. Could God turn my life upside down to be here for 20 minutes for that young girl. Because her grandmother was on her knees praying to god that somebody would comfort her daughter. The answer was yeah. So, Iraq was really special.

Q: Now we are coming to the end of the two hours. We are not coming to the end of the interview. Would you like to do any wrap up here and then begin with sort of the next step. You don't have to end the recount of what you did in Iraq. But maybe you want to sort of create a little milestone here and begin again at the next session.

MAXEY: What I would like to do is kind of the next session is two days away. I would like to look back over the Iraq stuff. There were different things we had put together and I don't want to sound like I am blowing my own horn and bragging but there are things that were important and I think when you are in a kind of a critical situation it is important to be proactive to move to do things with balance and patience. I might kind of look at some of the stuff we pulled together that I think had an impact. Howard Vanbranken in the paper I mentioned said I was a rainmaker. Whenever you need, I just go, and it wasn't because I really think God kind of put stuff in place. This is what I have done all my life. And never had the money or support to immediately move with. Boom it was there. Everybody has their own spiritual beliefs and stuff but man that just fell into place really incredibly and maybe we will start with Iraq again and talk about some or the stuff I did.

Q: Sure. I will pause the recording here.
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Q: Today is January 17, 2024. We are resuming our interview with Michael Maxey . Michael, you mentioned that it is 2008 and you are in Iraq.

MAXEY: Yes, Mark. My weekly reports(see https://www.maxey.info/iraq-papers) provide a sense of what it was like and bring back some of the memories. I got there in February of 2008, and I was assigned to an embedded provincial reconstruction team which was co-located with the military. We were with the 4th infantry combat brigade 3rd infantry division – "Rock of the Marne." So, we immediately went out with our units.

The first trip we made was to Siedah City. In Iraq you had Shi'a Muslims and Sunni Muslims. The Shia believed the bloodline of Mohammed should be followed. Ali was the first martyr in that line. The Sunni said no it should be basically based on merit. There was a real fight. About 80% Sunni in Iraq and 20 % Shi'a. We went into the Shi'a area and there was a lot of conflict and different things going on. But the thing that struck me was what we were trying to do. We were trying to build up a society that had been torn apart, first by Saddam then by the war with Iran and finally with us. The focus early on by Defense Secretary Rumsfeld was to get out as quickly as possible. So, we were doing major projects with relatively little buy-in from the Iraqi people.

I read a book after I returned home, "When Helping Hurts." It is about taking away the initiative from people and doing things that take away their power to actually improving their own lives. That was a really delicate balance in Iraq, and I think there was a lot of pressure to move quickly, and things were difficult.

Looking back at the notes, the main thing we tried to focus on, and it was hard, was for the local ownership and civic participation. Our message was, "We are not here to solve your problems." We are here to understand what you are trying to do and what you might need to move forward. In each one of these I remember we went into the local council in Siedah City and the first thing they were asking for was basically support for security. Then support for essential services, electricity, and water. And how do you get the government to come back into an area where they are really not present? It was all there but it was based on how do you empower the local citizens to move forward with this.

There was a book that they gave us at the Foreign Service institute before I went over called Understanding Iraq by William Polk. In that he talked about what actually makes government work is this involvement of the citizenry and how do we make that happen. Like I mentioned previously, one of the first things we did was to form associations. This was the Agriculture sector and the aquaculture sector. Bringing the fish farmers together. Letting them understand you have got to delineate where your problems are, where the bottlenecks are, what support you need and how we can help you move forward. That is what we did.

During all of this in 2007 a lot of problems in Iraq and a lot of casualties and a lot of IEDs improvised explosive devices, real problems. What came out of that was this program called Sons of Iraq. In February March of '08 the funding for that program was ending and it was funded to provide monetary and other types of support for local leaders, leadership in their areas that they were essentially in control of It was to help them and help us have stability Decrease any types of significant acts of violence against our troops. Working through all of that we started to see things were starting to improve and move forward. We had to transition from a government funded activity to private sector.

Basically, we had to figure out how to get enough investment in the future. Enough hope in the future that you are not going to destroy everything we have built up to now. The other thing that came out of this was just how to work with entities to control As much as possible the corruption that was happening. Corruption, one of the things we really looked at in terms of security, was the impact of corruption on essential services. There was a whole complex set of issues that we were looking for. I really loved the integration.

We had a state department team lead Howard Van Ranken and experts from the USDA from Commerce. I was the USAID representative. We focused on how we could bring that together and work closely. Going

back through the weekly reports, I was reminded how intense everything was. But I think we were able to have a significant impact. In stabilizing some areas and like I said before I think we had an impact on helping reduce the significant acts of violence. I made presentation on our impact for briefings in Baghdad and Washington DC -- https://www.maxey.info/north-babil-presentation.

There was a study by MIT "Can Hearts and Minds be Bought?" It focused on the types of outcomes that came with our investment in reconstruction programs. Dr. Shapiro was the main lead author on that. It looked at the impact. It was not causation necessarily, but it was a correlation of the investment made in these types of programs and the information flow that came back from that and what we saw was a reduction in the significant acts of violence. That whole thing and I mentioned this before, but it was really kind of the top of my career in terms of having an impact. The Commanders Emergency Response Program (CERP) funding and its impact was the focus of the study. I wrote a summary of the study and incorporated our activities for our area of operation. See https://www.maxey.info/iraq-cert-study-2008.

Q: I would just ask you a quick question about this payment to the Sons of Iraq. This was also the time where there were all kinds of terrorists and all kinds of violence. When you paid the leaders or the head men or whatever Were you able to track that the money was going to them and their retainers and patrons and if so, how did you insure that. How did you get the accountability?

MAXEY: In terms of payments, there were different players involved. We never had cash involved. There were never direct payments by us. There were activities from the Agency for International Development and the others that were involved. The state department had a grants program as well. The military had a cash system. I explained the military's use of "Money as a Weapon" in one of my briefings in Washington. I remember going to a contractor, DAI, and briefing them on how their program was proceeding in Iraq. It was just a general briefing to their staff. The younger staff were distressed with how cash payments were being used. See https://www.maxey.info/iraq-cert-study-2008.

What we looked at in terms of our activities was the programs would fit together. The Special inspector General's office for Iraq published a report. I read there were concerns. Things like one issue that came up was employment. How can we create more employment? So, we would have programs for trash collection. We would have programs for people going out and doing different types literally like our Depression era Works Progress Agency (WPA) type of program. The issue with that was in some of those areas it was not safe to be out. We would make trips, but they were usually not any of these surprise inspection type stuff. One thing we started doing was looking at aerial photography to confirm construction of infrastructure. The other was to have proxies that we trusted checking what was being done if it were trash pickup or canal clean up where you have the canals running water better. But they identified significant problems with it. Were there problems? Yes, I think there were problems. But I think we were trying to do the best we could. I was going outside the wire two or three times a week. We would go out with a military unit in body armor and protection. I could at least see what was happening and what we were doing.

For example, when we got the pumps in for the Aquaculture Project, I could go out and see that those had been installed. When we brought in fingerlings. I could oversee who was getting those and how they were being used. Howard Van Vranken and I, we actually walked into the market areas of the surrounding towns to see different things and you could see changes as investments progressed.

One thing to remember, General Petraeus I think is a pretty good student of history. In the 8th century the Byzantine empire basically paid the Arab raiders not to raid them. I always thought of Sons of Iraq as kind

of a quid pro quo type of program. It wasn't an area that I was involved in. They would come to me and say here are the types of things we need and how can we get them in place, that is what we would work toward. If you look at what we accomplished, it was all about getting materials and supplies to communities that were trying to recover from almost total destruction. I keep mentioning my briefings but you can also find detailed information in my weekly reports -- https://www.maxey.info/iraq-2008-2009.

Then in 2009 after that program ended and then into 20020 the issue of instability came back up. That was one of the driving forces that cost our departure from Iraq. I remember seeing on TV when they closed down the forward operating base where I was assigned, FOB Kalsu. It had been named for a professional football player with the Buffalo Bills. He had been drafted and had gone to Vietnam and was killed in action. This base was in memory of him. It was really built up. It was a great base. Then I remember in 2010 and 2011 they started closing everything down. Then moving it out.

Q: I am trying to remember you left before ISIS became a threat. There was one threat from the terrorism of local Sunni or Shia groups and then came the huge threat even the more serious one from Isis. But in asking you about accountability I didn't mean to be adversarial.

MAXEY: That is a great point. That we had a chance early after the initial victory over Iraq to move forward like we did after World War II with MacArthur's reconstruction program in Japan. We essentially disbanded the military in Iraq and sent people home with no jobs but plenty of weapons and bombs. The initial response was positive but quickly turned deadly. Then ISIS came and things started to spiral out of control. There is a really good book by a USAID colleague, Spike Stevenson, entitled "Losing the Golden Hour." It highlights the lack of effective coordination and in-fighting that took place after the initial victory. I posted a summary on my blog -- https://sleepless-in-baghdad.blogspot.com/2024/12/losing-golden-hour.html.

Q: The only other question in terms of final evaluation of your projects. Were you able to find out if there was sustainability particularly the aqua culture or some of these other specific development programs?

MAXEY: There were two that I looked at. One was the aquaculture, and the other was the Euphrates farmer's market program. Both activities still exist. I have got an Iraqi friend, Fouad Hussien, who was an interpreter but really a lot more – he knew Iraq, the culture and the people. He was a very knowledgeable guy, an agronomist. I am in touch with him, and we communicated just before Christmas. There were issues still between the Sunni and Shi'a divide.

The Euphrates farmers market was literally on a geographic divide between those two groups south of Baghdad. It was a program designed to bring them together in a common development activity. We brought them together where they could set up this farmer's cooperative to sell fruits and vegetables or fish, whatever is in the local area. A dispute had erupted and one of the Shi'a officials had been arrested. My friend contacted me and asked do you have the original agreement. I found the documents and I responded that I have got them in Arabic and English, and I sent it to him. I posted some of my files regarding the Euphrates farmers market on my website -- https://www.maxey.info/projects-2. So, to answer your question, they are moving forward in an Iraqi kind of way, and it still exists, and it still has enough value that they are fighting over it. I don't know what else to say.

The other thing is aquaculture. There was a write up on it, this is what I know. I was there in 2008 and 2009. I left and was backstopping in 2010. We started in February 2008. So, in 2010 like in April that year

I was on a TDY to Iraq and I had to travel to Tikrit, north of Baghdad, where I was looking at another activity up there -- a poultry project. We were working with poultry production.

While I was in the area, I asked to tour a local market and I found that they had fresh fish, live fish and it was our aquaculture production of carp. I asked where they got the carp and they said it came from Babel province south of Baghdad where we had originally started the project. It turned into a $35 million a year market. If you ask me now, I can't tell you because of the whole thing was done by local farmers and the associations and businesses they put together. It demonstrated that it could be done.

Q: It is just an interesting final remark. Economists often say that the most efficient, the most economical way to assist in eradicating poverty or in getting people out of the lowest socio-economic strata is simply to give them money. Let them make the decision on how they are going to send it. There are enough studies to show that when you are in the very lowest socio economic strata you are going to spend the initial money you have got on the most important basics and it seems to be born out at least in your projects in terms of being able to get those basic services going again and the basic businesses the aquaculture and the market and so on. Was that more or less your experience? That is what I am asking.

MAXEY: The Agency for International Development and 2018 was really my last year working within the agency. We didn't do cash grants. We weren't good at that. The research shows you are absolutely right. If you can give people the resources, they are going to make pretty good decisions especially if you target the right people. Again, with women heads of households, we did work with that on our widow's program, but we never had that cash grant system, and we never had the systematic studies to follow up to see the impact.

You might be interested in this. Fairfax County has set up a cash grant system. For basically targeting eight different communities just this year by the Fairfax County community outreach program. They are looking at trying, it is being done by George Mason University. They are looking at indicators for health. Are children being vaccinated? Are kids getting their regular health checkups? They are looking at it for housing. They are looking at it for housing, basic things, employment even. The thing that is really critical is that if it works it might be a lot. We really need to look at that and study it. I reached out to people in Fairfax County government to suggest they put this study on their radar screen. If it works, that might be the way to, right now we are spending $3.5 billion a year in our school system in Fairfax County. We do that in school districts where you have 60% chronic absenteeism.

The question is if there was a way to make sure those kids were in school what would be the economic impact of that. In Iraq we had programs, and somebody did monitor. I was looking at the lists of farmers who were involved and we were checking on what they were doing. If they weren't really involved if they weren't moving forward with the program, it was a way to redirect resources to more effective programs. There have been studies by the world bank. There is a book published in 2013 entitled "Poor Economics." It was by Abhijit V. Banerjee and Esther Duflo. They won a Nobel Prize this year for their work in development. Their basic premise was anything that is being done in terms of development must be measured. So, they were doing the trials that would actually eliminate bias and look at it, and they looked at some of the cash transfer. They came away saying that it was the way to go.

Q: The only other thing about this is although USAID isn't giving cash there was the commander's emergency response program that I understood did sort of pay salaries or offer essentially cash for

various things. that was separate from UAID where you were, did they have that program and was it consistent with all of the goals ?

MAXEY: The commander's emergency response program. It was called CERP funding. We had the program. That was one of the things that was the subject of the can hearts and minds be bought study that I wrote in 2008. It basically looked at investments of CERP funding and tracked that against the decline of significant acts of violence (SigActs).

We coordinated; In a battle space your commanding officer is in charge. When I got to Iraq south of Baghdad it was General Rick Lynch. He was in North Babel province the second week after my arrival in country. He came to meet with a local leaders and I participated in the meeting. General Lynch would explain his "commander's intent" and that is where we would get our marching orders. He would explain what has to be achieved in his command area and we would design program and activities to ensure that we were moving toward the goals set by leadership.

There was coordination on how CERP funding was used but it was controlled by the military. We would try to leverage impact by coordinating activities with our programs and complement the CERP activities. I already mentioned the "cash as a weapon" approach. There were good aspects of that if you could get essential services moving. There were bad aspects that you couldn't control. Corruption was an issue. You look back on Iraq and say my God what a complicated place. Why were we there? That was a question that never came up.

I knew why I was there from the day I arrived -- we were there because we have 6,000 soldiers in my brigade in harm's way. They were going out every day and while the attacks were decreasing, we still lost 17 soldiers during my time with the 4th Brigade Combat Team, 3rd Infantry Division. My overriding concern was finding ways to give the Iraqi people enough hope in our battle space area to stop attacking our young men and women in uniform. The opportunity cost of violent behavior and insurrection has to be higher – there has to be more to lose from violence. There has to be something at stake that is going to make them favor ok let's how do we work through this. We were trying to give them a glimmer of hope for a better future in order to protect our soldiers.

Q: And it has to be timely. I mean you can't just promise oh yeah in another three or six months there will be a flow. No It needs to start almost immediately if you are going to stop violence.

MAXEY: Yeah, I guess Colin Powell talked about the Bull in a China Shop syndrome. Things needed to look relatively simple. But man, they get complicated once you hit the ground. We moved quickly and that is what I loved about Iraq. The leadership want action, they wanted people on the ground to assess the situation, come up with the best development plan possible, get buy-in from the Iraqis and move quickly to implement. I briefing General Petraeus in 2008 after I had been at FOB Kalsu for 4 months and described what we were doing with the Iraqis to make a difference. See https://www.maxey.info/gen-petraeus-briefing.

Q: I don't mean to take you too far afield. O just wanted to ask some of these sum up questions.

MAXEY: That is good. So, I arrived in Iraq in 2008. I was assigned to forward operating base Kalsu. I worked there just going out every day, lots of stuff going on, really exciting. And like I said, I put together a briefing for General Petraeus when he came on his farewell. This was like in June-July. We had done a

lot, and things were improving. There were no major attacks. There was literally no incoming, we were doing well.

In October of 2008 we had an agricultural program called INMA. It was a major figure several million dollars at that time, and it was nationwide for Iraq. They needed somebody to manage that from the Agency for International development side. So, they asked me to come up. That is when I transferred in November to the International zone and to the AID compound and I was stationed there from 2008 literally through December of 2009 managing INMA and working on the design of other agriculture programs and acting as the liaison with the USDA.
I worked with the Embassy water team, local governance and just different things but it was a change. I still got out a good bit and I got out to different places. I was looking at the map the other day of all the PRTs and EPRTs we had, I would say there were 24 or 25. I traveled all over the country – to Erbil, Mosul, Basra in the south, everywhere.

Mosul -- that was an interesting place. Mosul It was the only place I went to when you are leaving to go out on a mission, they would fire the .50 caliber machine gun into a berm at the exit to make sure it didn't jam. So, I didn't know that. We were driving along, and we had to slow down for a second. Bam!. We are right under the gunner. I first though we were being attached. So, Mosul was interesting to read about all the things with ISIS that happened in Mosul. My word. But we had an EPRT there and a lot of activity as well. You go back and read the evaluations of INMA. There was a lot of difficulty in getting programs up and running in different places. Mosul was a hard place.

Q: Sure. In many ways. So where next?

MAXEY: Nineveh, Iraq – now known as Mosul. Who was the prophet from Nineveh? Jonah. Yeah, swallowed by the whale.

Q: It is a very interesting story, not an easy one to understand. We just covered this in bible study. But anyway, go ahead.

MAXEY: Yeah, that is where we are going through different stuff too trying to understand. There is a lot going on. So we had Al Qaeda of Mesopotamia and then we had ISIS. There is still this sectarian and religious conflict in Iraq that is happening. I think one of the Shi'a leaders was attacked and killed last week in a rocket attack. So, I left Iraq in 2009. They asked me to work in the Washington office of Iraq for AID. I did that and it involved going back on trips. I basically worked on interfacing with different agencies in the State Department in Washington. Then also I went back and helped with strategy design and program design. I did that through 2010. The trips would normally be from four to six weeks. I did three or four during the year. The rest of the time was in Washington.

That is when I saw an announcement of a position in West Bank Gaza. I applied and was selected to be the program director for the Palestinian community development program in West Bank Gaza. What it was was a 100-billion-dollar program set up to provide humanitarian assistance, economic development assistance. Then education and social services in Gaza. So, kind of a unique situation. I have worked in Tel Aviv in the AID Agency for International Development offices that were in Tel Aviv near the embassy. I got there in 2011 in January. That is where AID was located and that is where our operations were. We had contracted with non-profits, and they worked in Gaz and their staff would come and go. The U.S. embassy staff and the AID staff were not allowed to go into Gaza. I think a Foreign Service officer had

been killed in an IET attack just a few years earlier, so they just prohibited everyone from going in. We actually had a better situation in Iraq in terms of going to see our project sites and activities. It was more difficult in Gaza.

Q: One quick context question. Because at that point Hamas was on the list of terrorist organizations. Did that create problems for you in delivering the assistance?

MAXEY: Yeah, there was a huge very complicated checklist of anything that went into Gaza that was approved by the Israelis. So, if we had a school that we were refurbishing and there was concrete and rebar going in that just didn't fly and you had to figure out other ways to make things happen. In retrospect the Israelis were right. Clearly there were resources that we didn't know about that were being directed to Hamas to build a 200 KM tunnel system or whatever that they have got. So, it was a lot like a rock in terms of the complexity of the political situation and all the things that we happening there. Then you have got a mission that you are trying to accomplish. We were looking at trying to create employment. We were looking at trying to provide drinking water. There was an issue with saltwater intrusion into the water table. We had come up with the design for a major water system infrastructure program there that was just not allowed to happen. So, we were dealing with a lot of different things and kids. We found out that kids were going through a lot of trauma just from the situation of the periodic flare up and just the uncertainty it would cause.

All of this was complicated with the demographics of the area. The living conditions in Gaza were very difficult. It had a population density greater than Calcutta India -- it is packed. I can't imagine at this time with the conflict that is ongoing. How people are making it. It was kind of like I went there in January 2011 and kind of hit the ground running.

Mark, I am basically a bureaucrat. So, they told me what had to be done to make things move. And the procurement requirements, the logistics, the approval from the Israeli government. That is what we focused on, and we were able to go from almost no disbursements and no activity to really significant increases. One thing that the inspector general office in reviews always hits us on AID is the lack of achievement of the program goals.

What you started to see with AID was a change in those program goals from things like improved education or increased household income to things like number of training sessions. Conducted. So, we kind of had a thing there that we were trying to make things happen in a way that is not easy and not always certain that we were hitting the right things. I kept going back to the lessons from the book "When Helping Hurts." I don't think we had the same type of engagement where we could understand the local problems in the context and what needed to be done and how best to do it without creating dependency.

The interesting part for me personally and my family is we had never been to Israel. So, my son was graduating from high school, so he did not and my wife and family stayed in Fairfax Virginia near Washington. I went over in January, and they came in July when school was out, and our son had graduated. We had a chance to be in Israel living as a family together. Just an aspect of Foreign Service life, incredible. There are 120 national parks, each one just a 3000-year history. It was literally magical. We could see some of the issues. But also, some of the promise of having Israeli and Arab citizens work together and be in the same place.

You don't know what is going to happen with Gaza and the West Bank and you really pray for the spirit of working together. And there are a lot of Israelis who really want to do that and could come forward as part of the huge, but there is not going to be any, I was reading some of the stuff that General Petraeus had written about counter insurgency. It just appears that all the wrong things are being done in Gaza in terms of if you are going to actually work with that population in the future, you are creating antibodies that are going to be really difficult to deal with. I don't know if we know that much but I am hoping that we are talking with the Israelis about how best to do this and again I have no moral authority to counsel anybody on anything right. I can just pray that we cannot make mistakes ourselves. My weekly reports on my work in West Bank Gaza are on my website -- https://www.maxey.info/gaza.

Q: Understood. Are there lessons you took away from that effort at least to bring humanitarian support in that unusual situation?

MAXEY: I went to the mission director, the director of AID. Our mission was called West Bank Gaza. I asked him I need to go into Gaza. There had been, it had done before, where contract employees could go into West Bank Gaza and operate activities. That is one of the things that was really missing. The ability to go in and see what has happened. Even in the most dangerous places in Iraq we were able to do that. The issue was security, but I think it was, we had our U.S. staff with the nonprofits going in and coming out without any issues. I just thought that would be one of the things that would help in better understanding what is going on and being able to change and adjust as we move forward. In terms of lessons learned just the uncertainty. Not knowing.

We had a funding crunch and the U.S. government I think it was Congress said no more funding for a certain period of time, so we had to literally reduce our staff, stop operations. And then you try to start that back up, It is not as easy. Lessons learned. We have got some lessons we need to relearn because there is going to be a rebuilding of Gaza. It is going to happen. We have had some experience. My weekly reports for Gaza and for the West Bank Gaza tended to show how much of our work was based on bureaucracy. You know how this report had to be done and how we had to review this inventory, how we had to get these supplies with many layers of approval. It was a massive amount of work.

I think your idea, I think they have done this in disaster areas is to hand out debit cards. But ways to streamline. If you can inject money into a society, you are going to see entrepreneurs rise up. You are going to see people figuring out ways to move forward that weren't there before. And I think it is going to take that kind of innovation, just kind of a new way of thinking. I hope we can do that .

Q: I will just give you one quick thing. There is a famous Pakistani economist who invented or proposed the micro loans. Principally to women. So, they could develop some community businesses. In Cost Rica obviously a very nice country where there isn't that much bottom out of sight poverty nevertheless, they did some of those micro loans. What the women did then was they began investing in bakeries and pastry shops and other support businesses for weddings and _____. Which were very important to them. You know it slowly developed other service businesses that assisted in these sorts of things that had knock on effects.

MAXEY: Yeah, we had that reminds me of Iraq. We would get VIP visits. Vice President Biden came and the question he asked was: "What are we doing for the housing sector?" Somebody has to come up with an answer, what are we doing with the housing sector. Well, there was no housing program per se. There was emergency assistance for rehabilitation of housing. Bring in supplies. What if we had some pretty major

micro lending projects. They were set up by non-profits. It wasn't the main bank but there were different nonprofits that were providing micro-loans for all sorts of things but a major activity for the loans was for housing repair and improvement.

What I did was look at the total numbers for micro-loans and ask for estimates for what percentage were for housing repair and improvement. Then I looked at the reports from the NGOs and I knew that a lot of people in the Embassy and USAID thought the funding was just used for consumption. Well about 25% of it was going for building supplies for homes. The report said, "well we don't have an actual project, but this amount of money and it was a significant amount of money is going to building and refurbishing homes." That is the allocation of resources that the local people knew much better how to do than we, trying to set up. A mortgage facility or a banking system. All of the potential corruption that could come from something that is not overseen by peers. These micro lending were peer groups they had to come together and trust each other because otherwise there wouldn't be any reflow of the funding. They were doing it successfully and the money was coming back. They were figuring out ways to make it work and a significant portion of it was going for housing. Again, you find specific information in my weekly reports while I was working in West Bank Gaza -- https://www.maxey.info/gaza.

Q: Interesting, wow. Now when you say for housing. Did it help to develop any small local housing services?

MAXEY: That is a great question, and I don't know the answer. But I can say to you the purchase of supplies, these little hardware stores, these little hardware shops, I am sure they have expanded. The demand was definitely there. You could see it from the data that was being brought in from the non-profits in terms of what the money was being used for. I had a guy, and we convened a meeting in Hillah south of Baghdad. I had one guy tell me this is 2009. He said you know it is really dangerous for us to come to these meetings. So I was thinking, it goes back to your point the best way to interact and I think that the less we are in the middle of this and the more we can take actors that have good intentions and have good track records and are doing stuff that is positive and can kind of police their own system That is probably a way to move forward.

Q: In a very small way that was my experience in Romania right before they joined NATO they were very keen on interacting with the embassy and stepping forward and showing that they are ready to be a NATO member.in lots of different ways We had lots of grants to give to people who had good business plans. Most of them were successful, some not. But the ones who stepped forward tended to be the ones who tended to be not just doing their own project but expanding it into smaller outreaches to communities or services that would develop along with them. You could see it. Very briefly one of them was training and facilitating as opposed to going to court to litigate earthing. When it was a small disagreement between neighbors or a divorce or something, judges' dockets were just stuffed with these small problems and they wanted to look for a way to let them out so that the real problems could be addressed by judges. It worked, it not only worked in our training group, in our post, but then they trained others who went out to other provinces. So, when you do have these pepe as you mentioned who stepped forward and say I am willing to work with you and try to use the funds effectively as we have agreed. Not everyone is ready to do that but the ones who are tend to be reliable. .

MAXEY: Yeah, I saw that best in my career was what I previously mentioned about my work in Honduras from 1987 to 1991.

Q: Once again, I took you off the corners of your story and I apologize for that. The things you are saying what I am trying to do is support them with additional detail.

MAXEY: Sure, my thanks. Let's say Gaza I was there from January of 2011 to July of 2012 -- 18 months. Now the program was originally frozen. Anyway, it was time for Foreign Service national staff to take over the activities that we had set up. Things were moving forward. Essentially that is what happened. When that happened, I knew that a lot of issues in terms of personnel and the mission and everything closing down because of funding constraints. But I had a friend, Bob Wilson. We were together in Honduras. We were both working in the agricultural office there. Bob went on to be the mission I was going to say in Pakistan and also Yemen.

So, when things were moving along and were going to finish up here, I contacted Bob, and I said have you got anything in Yemen that you need help with. He basically said Yeah. We are trying to do different things here in the Ag sector. So, he offered me a job in Sana'a. I went there in August of 2012.

I arrived in Sana'a about three weeks before the attack on Benghazi. I want to say Benghazi was September 12. Benghazi happened and three days later they attacked the embassy in Sana'a and breached everything. Everybody stayed in the Hotel Sheraton near the embassy. We had a marine detachment there and the marine guards and everything. Anyway, the embassy was breached, and they destroyed everything outside of the embassy in terms of the compound. Vehicles were burned. My first thought was, "I am going home." But our ambassador basically said no, we are going to stay, and we are going to work. We basically worked out of our hotel for a while until you could get back in. but we started looking at what could be done. I posted some of the photos of the attack on my website -- https://www.maxey.info/yemen-2012-attack-on-embassy.

We had a community development project. We had done different kinds of things, We had local communities but one thing that was missing was this overarching market, what do you look at. So, we started looking at coffee.

The original Arabica coffee's genetic origin is in Ethiopia. But the commercial origin started around 700 A.D., and it started in Yemen. The name of Yemen at that time was Felix Arabia. So, Arabica coffee gets its name from Felix Arabia. I had worked with coffee in Costa Rica and in Peru. But Yemen was the holy grail. If you wanted arabica coffee this was the place to go and so we contacted the coffee quality institute and especially the coffee association of America, We set up some consultancies to try and pull people in and we had one of the major ag programs that has one of the principal crops and value chains we were supporting was Arabica coffee. That was incredibly exciting,

The atmosphere was like what I experienced in Iraq. Everything I learned in Iraq I have used. Everything In coffee I have worked on really came out in Yemen. We brought together farmers and some exporters. We started trying to differentiate the coffee product in quality and we got with importers in the U.S. Anyway, we were able to have a major conference in Boston in 2014. We pulled together everybody and started the coffee exports in Yemen which really had been kind of frozen. Out of that came just came different initiatives. We executed a contract with the Coffee Quality Institute and started promoting Yemen's Arabica coffee. Part of our efforts helped create the conditions for a book written by Dave Eggers entitled, "The Monk of Mocha." It is about this whole episode of the civil war in Yemen with the Houthis and the coffee sector.

We started pulling people together. Again, it gets back to this: you don't have to have the vision, you just have to work with people who do and help them make things happen. Everything was really going fine until the latter part of 2014. That is when the Houthis came down from the north and took over Sana'a. That is when everything started to go to pieces. I think it was my last trip. I couldn't get back into Yemen in 2014. I was there in 2012, 2013. We met with—this is the crazy stuff we had to do. We met with the project team. And everybody in Cairo because that was the nearest place that was secure that we could all get together. That was our final project meeting. That was the final planning stage for the launch in the U.S. for the coffee marketing activity.

But talk about a wonderful career starting in Honduras which was kind of a coffee exporting country just for commercial grade coffee to go to Costa Rica and see what could really be done. Café Brit and some of the other coffee exporters and others. Then go to Peru and be able to work. We have a mission to stop coca production, but we do that by saying that there is a product that has value and unique value and can have as much value as coca if it is done in the right way. To end up in Yemen in one of my last assignments was a blessing. I learned more about Arab culture, and I remember doing a post on my blog about the respect shown by young men to their elders. Actually, there were several posts about Yemen – the easiest way to access them is to go to the blog website -- https://sleepless-in-baghdad.blogspot.com/ -- and search for "Yemen."

Yemen again like Iraq, Yemen has really gone through some difficult times. That is another thing I hope people are thinking of what we are going to do in terms of supporting Yemen at some point because it has got to sort itself out. People know this. It is not just bombing and destroying everything. There has got to be another way. In terms of something that is sustainable that gives people hope and gives people a chance to move forward, but Yemen has wonderful people. I remember when I first got there nobody lived in their housing. Everybody that had housing was taken to the hotel Sheraton so I never saw a house. I was always in a room in the hotel Sheraton. We went to Bob Wilson's house, the mission director's house, and that was my only exposure to someone's home in Sana'a.

Yemen was complicated and very macho oriented, I remember seeing a guy running down the street chasing another man with a dagger as we were driving in this neighborhood. Chuck Swagman, was the deputy mission director. Chuck was great. Chuck said, "Wow this could get out of hand." I said, "Chuck, this is already out of hand, we are in trouble." We had some wonderful people.

I finished my work in Yemen in 2014 and then did short term consulting in Uganda and Ethiopia. Those were the main ones. I worked at the Foreign Service Institute with the Foreign Service counter threat force. I picked that up in 2015 at Summit Point for the training. It is now in Blackstone. There was an article in the State magazine just now. Secretary Blinken just went to Blackstone to the Foreign Affairs counter threat course.

They had a when I started in 2015 it was in Summit Point West Virginia. There were mockup buildings and everything. It was like an Iraqi village. On Friday it was a weeklong course and then on Friday you would have the final day. You put into use everything you have learned during the week. So, people were told they were going to an embassy and then they were going to go out and interview local officials and lo and behold during that process of going out and interviewing local officials we had role players. Middle eastern role players. I was one of the deputy chief of mission role players. And as people went out to do their mission there would be an attack. There would be a simulated attack, and everybody would run back to the embassy and then there would be an attack on the embassy. Then there would be all kinds of

casualties and you went to provide assistance and it was really I thought quite realistic. They had bombs going off and smoke and firings. And everything else. In that I put together the kind of experiences I had, and it came back to this recurring theme. Of engagement diplomacy. It is not just a nice thing to do. It really created an information flow that could save lives and increase security. A copy of my FACT presentation as the Deputy Chief of Mission role player is on my website -- https://www.maxey.info/fact-presentation.

One of the stories I told there was the situation where I had a driver who was taken in Honduras. I am kind of getting ahead of myself because my last assignment was in Honduras in 2017-2018 with a youth training program, I will just mention that. In Honduras there were issues with gangs. Very serious. MS-13 and the 18th street gang. A lot of different problems. I had been working with a lot of different youth training problems. We had gone to a school, where we had a scholarship program and a training program. When we came in I knew it was a rough neighborhood. But we got in and about 30 minutes into the discussion and the meeting and everything the driver comes in and says basically gang members are congregating around the school and we have to leave. I was thinking okay something has come up and we will have to reschedule this for later. Please excuse us. We got into the car. Drove out and nobody stopped us. There were people there; you could see where they were milling around. So, we got out, and on the way back to the embassy I was thinking that the driver didn't have to do any of that. His job didn't involve that. My point was diplomacy, it is not the writ in large diplomacy where you are high level. I said being thoughtful and considerate of everybody, your driver. That could literally save your life.

That is the kind of stuff that made the course, and I think that was one of the best courses that I have been in, the foreign affairs counter threat course. Just a lot of useful information but it brings back home the importance of what we do in terms of diplomacy whether it is small D or capital D diplomacy. I did that in 2015. I did that until the COVID and then it was great because what I could do was, I could take time off.

It was one day a week, and it was periodic work, but it was relatively consistent. But when an opportunity came up in 2017 to go to Honduras. I was the deputy director of the education office, but my primary job was to manage a youth job skills program. That is when I started looking at, I had been looking at it before because in Fairfax county we had a lot of unaccompanied children. Not as many as Houston, Texas or Los Angeles county California. But a significant number. Most were coming from the northern triangle. From Honduras, El Salvador, and Guatemala. So, I started looking at some of the demographics and some of the assistance things that were happening.

One of the things that came up was there was a demographic dividend, that means there was a young population that is available to work In Honduras they sign up for jobs. So, we started calculating the number of jobs and the number of young people coming up that needed jobs. It was just an oversupply of workers. The other thing was when you looked at the education program. I took the Honduran education budget divided by the number of students and I came up with $750 a year. That was what was provided to a student for education in Honduras. When they crossed the border, they were 18 years of age and were sent to one of the five primary immigrant destinations. Los Angeles, Houston and Dallas, Florida and Washington DC metro area and New York-New Jersey. Those were sort of the five most congregated. Now it is even spread out more. The average was around $18,000 a year. New York was the most expensive and I think Texas was the least. Florida was in there too.

In terms of what was happening. When somebody hits the border, you go from $750 invested in your education to $18,000. Huge incentives. So, the idea was number one how do we create situations economic

or otherwise where kids can actually. You want to do two things. You have got a demographic dividend which should be a great plus for a country. How do you use that effectively? How do you use that to build your country for the future as opposed to losing all your best kids. The ones that are emigrating are the ones who have, I think, a higher drive. They were looking for an opportunity. They are willing to risk danger to actually get that. So how do you make that work? I don't think there are any easy answers. We did partner with Amazon. Amazon web services was just growing exponentially. They were looking for Latin American partners. So they had a training program. Microsoft had one as well. We were partnering with them. We looked at a kind of a pyramid structure where at the base you had all the students. You literally allow the students to self-select by how much they want to do and how much they want to learn. You have to understand what the our leadership was asking for -- innovative ideas and ways to implement them. The USAID Administrator, Ambassador Mark Green, is now head of the Wilson Center. He was asking for ideas to privatize international development assistance. I thought that was a great idea. So, I came up with a proposal. It was basically Amazon smile was a foundation that was set up by Amazon tht allowed shoppers to contribute a portion of their purchase price to designated 501c3 charities. The potential amount of donations that could be generated was something like $600 million a year. It was a lot of money if you could get it all to work. The issue was designing a mechanism to implement the program. A description of my concept is on my blog -- https://sleepless-in-baghdad.blogspot.com/2024/12/usaid-honduras-privatization-concept.html.

I wrote up the whole proposal – it targeted five migrant destination communities in the US. We said, "You are currently spending a billion dollars a year educating unaccompanied children in your communities. Wouldn't it be better to figure out a way to help those kids stay and work in Honduras and build a better future there." It was a bit of a pipe dream, but I thought it was a good plan. So, I took it when I was leaving USAID in November of 2018, after finishing my personal services contract, we set up a foundation.

I sent you a summary of what we are doing now we took a non-profit basically named for my mother Marie Maxey, and In that we are just doing scholarships. We started out with Amazon Smile, but they canceled that program so we just started reaching out to people of the Foreign Service, local people, And people were stepping up. I think at heart people want to help.

The number of Unaccompanied Children now coming to the US is overwhelming. The New York Times just came out with the did a freedom of information request. With homeland security. It was Health and Human Services offices but the group that really runs it at the office is called the office or refugee resettlement. They have all the statistics of where kids are being placed and they are all classified as being refugees. That information is now where you can download it and they have got it by zip code. So, we are looking at that for Fairfax County. We are talking to people who were doing the economic mobility program the cash grants. To say OK we know you can't but if you can target the areas where these kids are being placed. That would be really critical and especially if this can be expanded in the future. I guess what it comes down to Mark, is you take all that stuff we learned at State and AID and continue to use it. You don't ever really lose it. It kind of sticks with you. I think that is a real blessing.

Q: Just a quick question since you are involved in this in the zip codes. Other than those key centers New York, San Francisco, Dallas, and so on. Aren't other states taking refugees?

MAXEY: They are. But not as significantly. One thing I learned and there are some really great books on immigration theory. There is a book called Smoke and Mirrors. It talks about the chain effect of immigration once people go to a certain community it creates a social capital, the trust And support to

come in. If you look at our local community here in Washington DC. For some reason we had Salvadorians here early on. You get a pull effect.

One kid I am mentoring now at Bryant High school He was from Salvador and came here October a year ago. He still didn't speak English. He wants to be a plumber. We are saying if you want to be a plumber you have got to learn English. We worked with him on that. OK, do you know anything about plumbing? No, he doesn't know anything. OK we are going to set up with a master plumber. When he has work, on weekends when you are not in school, we will pay your salary to work with him. We have had two sessions where he is doing that and stuff. These kids are all over the U.S. But the majority I have got the data, and I will share it with you. The main area of Los Angeles County is huge. Ten million people in the country. The census data breaks it down by country of origin.

There are two ways to look at it. One is you can look at the census data and say where the country of the northern triangle folks are. The second thing we can look at is the data that is released by the office or refugee resettlement which lists by county where each child is sent. So, you can look at that and it goes back to 2015 I think, the data. We mapped it with all that. I did one for Fairfax County and wrote up a narrative called The Sound of Rain on a Strange Roof. It was a quote from as I lay Dying by Faulkner. He was just talking about many a night I have lain under rain on a strange roof and thought of home. I just thought about these kids, and I mean and the families and what they are going through. My point with a lot of this is we can't do this alone. We need and I think you are hearing a lot more about this as Texas sends immigrants to sanctuary cities and the need for federal support.

That was my whole point. We had a situation that is not caused by the communities that are receiving people, but that support is needed. We have, there are a lot of things you can look at. We have a 3.5-million-dollar education budget. Public education in Fairfax County. If you have ever felt a pain when you write that check for your car tax, about $3000 for education comes from the car tax. I started thinking what can we do to get better at helping these kids and smarter as well. Mark, that is it. That is my life.

Q: Usually then we end with sort of a general question. You have seen USAID through many waves of changes. I don't even need to review them but if you were advising USAID now on programs, on process, on any aspect of their work, what would you tell them?

MAXEY: When I started out it was basically cold war. Totally cold war. That ended but Guinea Bissau we were there basically because the Cubans and their Russian advisors were there. My next assignment was the Caribbean. I was assigned to Barbados, the regional development office in the Caribbean. That was because We had just invaded Grenada. Again, it was Cold War. Then Honduras was the next assignment and that was the Contras. Then Costa Rica because we were basically closing down the mission there and that had been because of the contras. Then Peru, that was kind of a wedge. Peru was the war against drugs. That was kind of a different unique thing. It was like wherever money was directed, the personnel flowed into it. So, after Peru, Washington and Iraq we know what happened there, West Bank Gaza and then Yemen.

My advice:

Number one not to be too arrogant and don't think we know everything. The move in AID right now is to move towards locally owned development. That is critically hard to do. That is not easy at all, but I think that if you are talking about sustainability, if you can find champions and support them, let them have the

vision and let them have the buy in and say what specific. I think we did that with the aquaculture program and some other. I even want to say with the irrigation program in Honduras we didn't micromanage stuff. We set up systems that were used by local populations to create wealth and to grow. And to generate employment.

Number two, look at what is happening with , he locally owned development initiative currently in AID and figure out ways that can be financed. I don't know if you look at our procurement rules, but they are just mind boggling. I understand that because it goes back to these cash transfer type things. We used to have those on a large scale for policy reform. I am not saying do that, but I am saying figure out ways that locally owned initiatives can have sufficient ways to move forward and develop and have their own division. You have got to have accountability, You have got to have all the things to make sure the money is, it is taxpayer money. We have got to make sure that everything is covered but it goes back to the thing. If you give a cash grant to families who get better health care, better education, better employment, paying taxes, expanding economically and growing economically. Less gang involvement, you have got to look at the whole picture and I am not sure that we often do that. I like the locally owned initiative approach we do today. I am just not sure how to make it the best it can be in terms of interest.

Number three, seek to create partnerships to leverage greater impact. Seek a common cause with different groups. Determine what brings people together whether it is an agriculture market (like the Euphrates market in Iraq bring Sunni and Shi'a groups together), or bring farmers together to market winter vegetables in Honduras. Seek common ground and cooperation.

Number four, be prepared for dangerous situations wherever you go and practice diplomacy both at a professional level (Diplomacy) and at a personal level (diplomacy). Cultivate relationships and listen to people.

Q: Just one last concept question. Does USAID still get two-year money and did that make it any easier for your project development and auditing and so on?

MAXEY: Yeah, I'm really not sure about the budget money now. Pipeline was always an issue in AID and there were different camps in the agency about how to look at this. But I have told you the story about the Millennium Challenge Corporation and the lack of implementation. The one you saw that there was a lack of implementation capacity at the Millenium Challenge corporation was they couldn't spend the money. We had issues with that in many of our foreign assistance programs.

We have nonprofit involvement like I talked about the global development alliance but we need to expand those efforts. There are some really good programs like International Development Finance Corporation's electric grid programs in Africa. That is an interesting concept. They are doing things that are going to increase productivity. You are going to increase the potential to create jobs and produce products. Through electrification you are also going to improve health care and education. If governments, I know they seek partnerships and everything, but they are the impetus to move forward in that area. Capital issues.

Q: The last question is if someone came to you and said You know, I am kind of interested in working for USAID, what advice would you give them about preparation or the considerations they should go through before they really put all their effort into trying to get hired?

MAXEY: My advice would be to get international experience and language skills that are in high demand in international development for a geographic region you are interested in. The key is to have a passion about some aspect of international development that motivates you. For me, it was in large part my efforts to promote specialty coffee. I would also tell them to focus on technical skills and look at things like artificial intelligence and how it can be applied to our work. I would want to look at things like what is the cutting-edge thing that could be really useful in AID in terms of identifying corruption. Identifying good results, separating out what is bad and what is good.

The State Department is hiring facility managers right now. I want to ask somebody what are you interested in? If you are interested in technology or history there are different places to go in the State Department and in AID. In AID the technical side, agriculture has decreased in interest. Private sector investment has increased. Electrification investment and programs are growing across Africa and beyond. We have engineers that we didn't have before. Economists are being brought in as well. Program and policy people are important. You have different backgrounds. You have economic backgrounds and analytic backgrounds and all kinds of things.

My first question to anyone who is interested in AID is what are you interested in? What do you want to do? The other thing I talked to them about is my experience. I remember I was a contractor in Guinea Bissau. I was hired and was an international development intern and went to Barbados to the regional development office of the Caribbean. John Johns was the Executive Office there. I was talking to John about this. I am new and just came in and I am not sure what to do about this. He said, "Look just remember one thing. The agency is always going to take care of you."

That was the best advice I ever got. John passed away. That is the other thing that has been going on. People I know about and care about and love, time is going by. But John was a great mentor and a great guy. That was probably pretty good advice. I talked to my kids about that. Their response was, "Oh dad we will never work for the government." I said, "Look, you can retire at 50 and do what you want, health care for life and a secure retirement."

Anyway, find out what you are interested in and what is being offered to you. A career. I am assuming we still have the same tenure program where you go through a period of time, and you are tenured. You work hard and you do your best and you become tenured. You are in a process then and it is a real career, It was an absolute blessing to me. I tried to capture my interests and things during my career and afterward that interested me. Many of them are mentioned on my website (http://www.maxey.info) and my blog, Sleepless in Baghdad -- https://sleepless-in-baghdad.blogspot.com/.

Q: All right, that sounds like a good place to end.

MAXEY: Right.

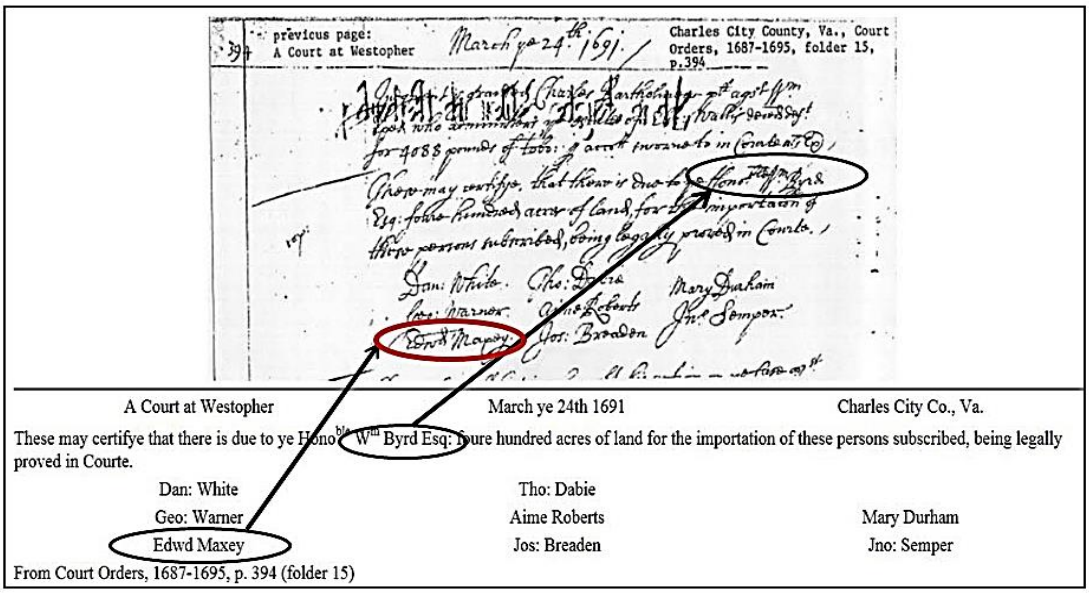
Q: So, I will pause the recording here.

End of interview

The following notes provide additional information on some of the points of my USAID career that were discussed in the oral history interviews.

Andrew Michael Maxey
Family History
1691 - 2024

Regarding my family history in the United States, here is a genealogical summary of my family on my father's side which starts with the arrival of Edward Maxey as an indentured servant in 1691. He not only survived his indentured servitude but also became a large landowner as indicated by property records and his last will and testament. I am descended on my father's side from Edward and Susannah Maxey of Virginia. The first record of Edward Maxey was in a Charles City County court document showing him as part of a contingent of eight indentured servants brought to the colony in 1691 by William Byrd I.[1] The court order was filed on March 24, 1691, and listed Edward Maxey as one of eight people for whom Byrd paid passage to the colony. He was due fifty acres for each person, totaling four hundred acres. Over his lifetime, Byrd paid the passage for approximately six hundred people, obtaining 30,000 acres under the headright system. Edward Maxey would have served a five to seven-year term, most likely at Westover Plantation located on the James River at 7000 Westover Road, Charles City, Virginia. Byrd began building his home at Westover in 1689.



[1] Quitt, Martin & *Dictionary of Virginia Biography*. William Byrd (ca. 1652–1704). (2020, December 07). In *Encyclopedia Virginia.* https://encyclopediavirginia.org/entries/byrd-william-ca-1652-1704. William Byrd I was an influential figure in 17th-century colonial Virginia. As a planter, Byrd amassed nearly 30,000 acres of land through the headright system. This system granted landowners 50 acres for each indentured servant they brought to the colony. Byrd utilized this to import servants and slaves, both to work his fields and to resell to other planters.

The Maxey family originated in England as early as the 11th century. Organ Maxey was identified as a resident of Chesire in "The History and Antiquities of the County of Essex," printed in 1768.[2] The Maxeys of Virginia states: "There is no doubt our progenitor, Edward Maxey, came from the British Isles." After he arrived in 1691, Edward Maxey is found in the colonial records again twenty-nine years, in 1720. He died six years later in Henrico County, Virginia, A year before his death, Edward and his son, Edward Junior, each registered 400 acres in Henrico County. Edward Senior's land holdings amounted to 1,000 acres. This was a testament to his enterprising spirit in rising from an indentured servant in 1691 to a substantial landowner 34 years later. I am descended from Walter Maxey, his youngest son.

<u>Children of Edward & Susannah Maxey</u>

1. EDWARD MAXEY, JR.; d. 1726, Henrico Co., Va.
2. SUSANNAH MAXEY; m. William Barnes.
3. ELIZABETH MAXEY; m. John Radford.
4. JOHN MAXEY; d. after 1779, Buckingham Co., Va.
5. WILLIAM MAXEY; d. 1768, Cumberland Co., Va.
6. NATHANIEL MAXEY; d. 1779, Powhatan Co., Va.
7. SYLVANUS MAXEY; d. 1770, Prince Edward Co., Va.
8. WALTER MAXEY; d, 1791, Franklin Co., Va.

I am descended from Walter's fourth child, Jesse Maxey. During the American Revolution, Jesse served as a private in the Lincoln Militia. For his service, he received 640 acres in 1783, in Davidson County, Tennessee. In 1788, Jesse was attacked by Native Americans and left for dead but survived another twenty years. I am descended from Jesse Maxey's third child, Walter Maxey. He was the first of my direct ancestors to move to Mississippi sometime before 1839. He was born in 1775 and died in 1839. He grew up near Gallatin, Tennessee. Walter appeared in court records in Lauderdale County, Alabama, in 1817. Walter died in Itawamba County, on August 17, 1839.

Children of Jesse Maxey

+841. WILLIAM MAXEY, b. 12 Sept. 1770, New River, Va.; d. 29 May 1838, Jefferson Co., Ill.
+842. EDWARD MAXEY, b. 17 Feb. 1773, ?Washington Co., Tenn.; d. 6 Aug. 1844, Jefferson Co., Ill.
+ 843. WALTER MAXEY, b. 12 Sept. 1775; d. *17* Aug. 1839, Itawamba Co., Miss.
+844. JOHN MAXEY, b. 1779, Va.; d. 14 May 1853, Clay Co., Ill.
845. ?ELIZABETH MAXEY*
846. ?HESTER MAXEY; m. Henry Wilkey*

Children of Walter and Mary Maxey

81. JANE MAXEY; m. John Craghead.
82. JOSIAH MAXEY; d. 1793, Franklin Co., Va.
83. JEREMIAH MAXEY; d. 1810, Oglethorpe Co., Ga.
85. WALTER MAXEY, JR.; b. 6 July 1745, Goochland Co., Va.; d. 7 Oct. 1828, Jasper Co., Ga. (The birth date is given as 9 July in the son Pouncey's Bible.)
86. MARY MAXEY; m. Walter Addy.
87. LUCY MAXEY; m. William Cowden.
88. SUSANNAH MAXEY; m. John Sullivant.
89. ESTHER MAXEY, b. 14 Nov. 1761, Cumberland Co., Va.; d. 20 May 1826, Franklin Co., Va.; m. Thomas C. Kemp.

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[2] Morant, Philip. *The history and antiquities of the county of Essex. Compiled from the best and most ancient historians*. Vol. 2.. London: printed for T. Osborne; J. Whiston; S. Baker; L. Davis and C. Reymers; and B. White, 1768. Eighteenth Century Collections Online (accessed October 28, 2024). https://link.gale.com/apps/doc/CW0102907258/ECCO?u=viva_gmu&sid=primo&xid=f66d9306&pg=1.

Children of Walter and Sarah (Allen) Maxey:

+ 8431. ALLEN MAXEY, b. 31 Aug. 1796, Tenn.; d. bet. 1861-66. Tenn.
+ 8432. EDWARD MAXCY, b. 2 July 1798, Tenn.; d. 2 Feb. 1860, Miss.
+ 8433. ELIZABETH P. MAXEY, b. 18 Mar. 1800, Tenn.; d. bet.1850-60, prob. Pulaski Co., Mo.; m. Nicholas Welch.
+ 8434. MARY N. MAXEY, b. 12 Jan. 1803, Tenn.; d. 1873, Marion Co., Ark.; m. Abner Cantrell.
+ 8435. WILLIAM M. MAXEY, b. 24 Sept. 1805, Tenn.; d. 16 Oct. 1843, Mo.
8436. EMILY G. MAXEY, b. 8 Feb. 1808, Tenn.; d. bet.1850-60, Itawamba Co., Miss.; m. James McNeace.
+ 8437. ALFRED MAXEY, b. 10 Aug. 1810, Tenn.; d. bet.1860-70, prob. Lafayette Co., Ark.
8438. SARAH MELISSA MAXEY, b. 5 Apr. 1812, Tenn.; m. Charles Willis.
·8439. LETHA M. MAXEY, b. 14 Jan. 1814, Tenn.; d. bet.1870-79, Pulaski Co., Mo.; m. John Nelson, Jr. + 8430. HENRY D. MAXEY, b. 23 July 1816, Lauderdale Co., Ala.; d. 1870, Laclede Co., Mo.
·8431. JOHN WALTER G. MAXCY, b.‘28 Oct. 1821, Monroe Co., Miss.; d. 15 Mar. 1877, Lee Co., Miss.

I am descended from Walter’s son, Edward Maxcy (he incorrectly spelled his name with a “c” – this was later corrected by his grandson, Calhoun Walker Maxey). Edward Maxey was born in 1798 and died in 1860. In 1823, Edward applied for U.S. Government land in Marion County, Alabama, and he received 80 acres of land. Edward and his family moved across the border to Itawamba County, Mississippi, in 1836.

Children of Edward and Mary (Nelson) Maxcy

84321. JOHN NELSON MAXCY, b. 1821, Marion Co., Ala.; d. bet. 1855-58, Itawamba Co., Miss.
84322. WILLIAM H. MAXCY, b. 1824, Marion Co., Ala.; d. May 1863.
84323. SARAH JANE MAXCY, b. 1826, Marion Co., Ala.; d. 2 Apr. 1868, Itawamba Co., Miss.; m. Isaac H. Kelso.
84324. LETHA ANGELINE MAXCY, b. 1829, Marion Co., Ala.; d. before 1870, Itawamba Co., Miss.; m. Dr. Cyrus J. Martin. Children living with parents in the 1860 census: *Edward* M., b. 1851; *Columbus L.,* b. 1854, who d. bet. 1870-1882; and *Mary Elizabeth,* b. 1857. They were living in Itawamba Co., Miss., in the 1870 census with Edward and Elizabeth Martin.
84325. MARY CAROLINE "CALINE" MAXCY, b. 24 July 1830 (?1828), Marion Co., Ala.; d. 20 Dec. 1903, Union Co., Miss.; m. (1) 2 Mar. 1847, Itawamba Co., Miss., Hugh Walker, and (2) 10 Aug. 1858, Tippah Co., Miss., Oswell H. Owen (b. 12 Mar. 1838, d. 22 Aug. 1892). Children of 1st mar.: *Laura Ann,* b. *17* Aug. 1860, Tippah Co., Miss., d. *17* Jan. 1919, Union Co., Miss., m. James Monroe Harris (b. 12 June 1856, d. 29 May 1944); and *Samantha* A., b. 1867, Tippah Co., Miss. Children of 2nd mar.: *Amanda J.,* b. 1851, who m. Redon N. Stephens; and *John* C.C., b. 1857.
84326. EDWARD CALHOUN MAXCY, b. 4 Oct. 1832, Marion Co., Ala.; d. ca.1858, Itawamba Co., Miss.
84327. ELIHU N. MAXCY, b. 1834, Marion Co., Ala.; d. Oct. 1864. Did not marry.
84328. GEORGE W. MAXCY, b. 1838, Itawamba Co., Miss.; m. 13 Aug. 1860, Itawamba Co., Miss., Nancy Jane Holder.
84329. FRANCIS "FRANK" MARION MAXCY, b. 1840, Itawamba Co., Miss.; d. bet. 1870-74; m. 1 Jan. 1868, Itawamba Co., Miss., Jeanetta J. Shaw. Children: *Thomas F.,* b. ca.1869; and *Rutha,* b. ca.1870.
84320. ISABELLA MAXCY, b. 1842, Itawamba Co., Miss.; m. William Hood. Children: *Mary, Henry J.* and Roxy.

84321. ANDREW JACKSON MAXCY, b. 8 Apr. 1845, Itawamba Co., Miss., d. 15 Oct. 1895, Itawamba Co., Miss.
84322. ARMINDA MAXCY, b. 1848, Itawamba Co., Miss.; d. ca.1880; m. 20 Feb. 1866, Itawamba Co., Miss., David C. Wallace. Children: *John E.,* b. 1867; *Dora,* b. 1868; *Lavinia,* b. Jan. 1870; *Newman,* b. 1875; *Clopton,* b. 1877; and *James,* b. Mar. 1880.

84321. ANDREW J. MAXCY
(1845-1895)

I am descended from Andrew Jackson Maxcy. My grandfather, Calhoun Walker Maxey, corrected the spelling of the Maxey name by going to a cemetery where Walter Maxey was buried in Itawamba County, Mississippi. Andrew Jackson Maxcy, a son of Edward and Mary (Nelson) Maxcy, was born on 8 April 1845 in Itawamba County, Mississippi. On September 8, 1863, Andrew enlisted in the Confederate Army and served in Company C, 6th Mississippi Cavalry. On 6 November 1864, in Itawamba County, Andrew married Nancy M.L. Stephens (born ca.1845), and they had ten children, all of whom grew to maturity. Andrew died on 15 October 1895 and is buried at the Maxcy Cemetery, about five miles south of Fulton.

Children of Andrew J. and Nancy M.L. (Stephens) Maxcy

843211 WILLIAM F. MAXCY, b. 22 Apr. 1866, Itawamba Co., Miss.; d. 12 Dec. 1915, Monroe Co., Miss.; m. 24 Dec. 1893, Itawamba Co., Miss., Sarah C. Bowen.
843212MARGIE LOUELLA MAXCY, b. 8 Apr. 1868, Itawamba Co., Miss.; d. 9 June 1950, Plant City, Fla.; m. 12 Feb. 1888, Itawamba Co., Miss., Wesley Monroe Gaddy.
843213 HAROLD PORTER MAXCY, b. 14 Feb. 1870, Itawamba Co., Miss.; d. 20 Nov. 1898, Itawamba Co., Miss.; m. 1 Dec. 1895, Itawamba Co., Miss., Mary R. Bowen (b. 11 Feb. 1867, d. 3 Apr. 1910), *d/o* Richard & Martha A. Bowen. Child: *Vista,* b. Oct. 1896.
843214 RUBERTER MAXCY, b. 26 Feb. 1872, Itawamba Co., Miss.; d. 13 Dec. 1955, Itawamba Co., Miss.; m. 26 Mar. 1892, Itawamba Co., Miss., John Robertson Pierce* (b. 18 Jan. 1859, d. 23 Oct. 1930). Children, all born Itawamba County: *Prentiss H.,* b. 18 May 1893, d. 22 Sept. *1976,* m. 9 Feb. 1926, Trudy Hardin (b. 11 June 1896, d. 28 Dec. 1972); *Lorene,* b. 29 Oct. 1895, d. 2 Nov. 1958, m. *27* Dec. 1914, Itawamba Co., Miss., Henry Penn Hankins (b. 18 July 1890, d. 15 Oct. 1945, Lee Co., Miss.); *Callie Pernie,* b. 12 May 1898, d. 4 Oct. 1957, Lee Co., Miss., m. Fred Ramsey; *Napoleon Bonaparte,* b. 29 Jan. 1901, d. 1 Jan. 1973, Shelby Co., Tenn., m. Audra Summerford (b. 13 Aug. 1908); and Essie *Mae,* b. 26 Dec. 1907, m. 15 Dec 1928, Lee Co., Miss., Claude Watson Allred (b. 3 Dec. 1906, Lee Co., Miss., d. 10 July 1944, Lee Co., Miss.).
843215 NORA ANTHEM MAXCY, b. 4 Mar. 1874, Itawamba Co., Miss.; d. 1 May 1960; m. (1) 25 Dec. 1898, Itawamba Co., Miss., Wood A. Wallace, and (2) 6 Dec. 1917, Itawamba Co., Miss., Hubbart Allen Trulove.
843216 EMMA RENA MAXCY, b. 25 Dec. 1875, Itawamba Co., Miss.; d. 13 Dec. 1953, Itawamba Co., Miss.; m. 21 Nov. 1895, Itawamba Co., Miss., James Albert Moore (b. 20 Feb. 1874, d. 2 Aug. 1955). Children: *Viola,* b. 10 Oct. 1896, m. Curtis Spencer; *Eula,* b. 17 Jan. 1899, m. Ira Roberts; *Beulah,* b. 28 Mar. 1901, m. Melvin Roberts; *Ozell,* b. *7* Sept. 1903, m. 26 Oct. 1919, Ezell Roberts; *Shelby,* b. 23 Oct. 1905, m. Vermon Wheeler; *Luther,* b. 5 Sept. 1908, m. Jessie Roberts; *Burdean,* b. 26 May 1911, m. Lee Watts; and *Erlene,* b. 26 June 1914, m. Ellis Smith.
843217 WALTER J. MAXCY, b. 13 Apr. 1877, Itawamba Co., Miss.; d. 28 Feb. 1930; m.(1)4 June 1898, Itawamba Co., Miss., Docia Brown, and (2) 29 Aug. 1918, Itawamba Co., Miss., Elizabeth "Lizzie" Lee Shaw.

843218. CALHOUN WALKER MAXCY (later Maxey), b. 23 Apr. 1880, Itawamba Co., Miss.; d. 10 May 1963, Walker Co., Ala.
843219. A.B. (OTIS) MAXCY, b. 1 Mar. 1882, Itawamba Co., Miss.; d. 29 Dec. 1932; m. 17 Nov. 1907, Itawamba Co., Miss., Vercie Justice (b. 23 Dec. 1892, d. 10 Jan. 1962).
843210. CALDONIA D. MAXCY, b. 20 Dec. 1883, Itawamba Co., Miss.; d. 15 Jan. 1984, Brandon, Miss.; m. 30 Oct. 1904, Itawamba Co., Miss., J. Walter Chamblee.

Calhoun Walker Maxey (1880 – 1963)

I am descended from Calhoun Walker Maxey. My father, Andrew Jackson Maxey, who was born in 1880 and died in 1963. Calhoun Walker Maxey*, was the son of Andrew J. and Nancy M.L. (Stephens) Maxcy, and he was born on 23 April 1880, in Itawamba County, Mississippi. (Curiously, the 1880 census of that county identified this child as Lafayette.) On 22 December 1900, in Itawamba County, Walker married Pernia "Pernie" Jane Webb (born 2 September 1878), a daughter of David D. and Nancy (Ford) Webb. Pernie died on 1 August 1948, and Walker died on 10 May 1963 in Walker County, Alabama. They are buried in Union Grove Cemetery in the Tildon Community of Itawamba County with their son David. My father, Jack Maxey, is buried at Woodlawn Cemetery in Grenada, Mississippi, and Ellis Maxey is buried at Memory Hill Gardens in Tuscaloosa, Alabama.

Children of C. Walker and Pernia J. (Webb) Maxey

8432181. JOHN ELLIS MAXEY, b. 30 Nov. 1901, Itawamba Co., Miss.; d. 7 June 1985, Tuscaloosa Co., Ala.; m. 24 May 1941, Guilford Co., N.C., Grace Katherine Rodman (b. 31 Aug. 1913, Chester Co., S.C.).
8432182. ETHEL "EVIE" MAXEY, b. 18 Aug. 1903, Itawamba Co., Miss.; d. 2 Feb. 1962, Itawamba Co., Miss.; m. Clyde Vernon Lyle.
8432183. ESTELLE MAXEY, b. 8 Aug. 1905, Itawamba Co., Miss.; m. 25 July 1925, Robert Coin Sample.
8432184. DAVID DEE MAXEY, b. 13 Dec. 1907, Itawamba Co., Miss.; d. 16 Mar. 1925.
8432185. JEWEL PAULINE MAXEY, b. 20 Aug. 1910, Itawamba Co., Miss.; m. Joseph Bradford Jackson.
8432186. WILLIE MAE MAXEY, b. 1 Sept. 1912, Itawamba Co., Miss.; m. Euel Verter Davis.
8432187. MAURINE MAXEY, b. 24 June 1915, Itawamba Co., Miss.; m. 22 Sept. 1934, Calhoun Co., Miss., Rufus Anderson.
8432188. ANDREW JACKSON "JACK MAXEY, b. 10 May 1918, Itawamba Co., Miss.; d. 4 Feb. 1958, Grenada, Miss.; m. Marie Carpenter.
8432189. NANCY CUMI MAXEY, b. 19 Jan. 1920, Itawamba Co., Miss.; m. 22 June 1941, Eupora, Miss., John Duke Lippincott.
8432180. EARL WEBB MAXEY, b. 31 Mar. 1923, Itawamba Co., Miss.; m. 12 July 1947, Bellefontaine, Miss., Ruby Lee Knight.

Andrew Jackson Maxey

84321881 HUGH IRBY MAXEY, b
84321882 WILLIAM LARRY MAXEY, b.
84321883 ANDREW MICHAEL MAXEY, b. November 4, 1952 in Grenada, MS.

Andrew Michael Maxey
(1952 -)

I was born on November 4, 1952, in Grenada, Mississippi. I was the third and youngest child of Jack and Marie Maxey. I left Mississippi in 1974 to serve in the Peace Corps in Brazil and then went on to a career in the foreign service. I currently reside in Fairfax, Virginia. I married Ana Julia Toro on July 14, 1990, in Tegucigalpa, Honduras, and we have three children.

Andrew Michael Maxey

843218831 – Dominique Michelle Maxey – born in Tegucigalpa, Honduras on November 10, 199. Married Matthew Vega of Chicago, IL.
843218832 – Andrew Jackson Maxey III – born in San Jose, Costa Rica on July 28, 1993. Married Rebecca Dawn McCormick-Goodhart of Franklin, Virginia.
843218833 – Justin Alexander Maxey – born in Lima, Peru, on June 5, 1997.

Costa Rica – 1995 – 1996

I started an executive MBA program at the University of Costa Rica in 1995. My interest in the coffee sector started at my previous post in Honduras but this paper was my first in depth exploration of the sector.

IMPACT OF COFFEE RETENTION QUOTAS ON COSTA RICAN COFFEE MARKETING: PROSPECTS FOR THE FUTURE

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MBA – Marketing 101
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Thesis: The quota system established under the current coffee retention plan of the Association of Coffee Producing Countries limits the availability of specialty coffee for export weakens Costa Rica's competitive advantage in the world coffee market, and could impede efforts to penetrate new markets in the United States, Japan, and Europe.

Introduction: Costa Rica produces high-value specialty coffee in large quantities but continues to link its marketing efforts to world coffee exports of lower quality. The primary vehicle for this linkage is the coffee retention plan currently operated by the Association of Coffee Producing Countries.

1. **Costa Rican Coffee Quality**
   a) Coffee History
   b) Coffee Types
   c) Coffee Quality
   d) Costa Rica's Place in the World Coffee Market

2. **Impact of Coffee Retention Systems on Availability of Costa Rican Coffee**

a) Coffee Quota System History
b) Costa Rica and the Coffee Quota System

3. Costa Rican Coffee Marketing Potential for the Future
a) Picking the Right Market
b) Impact of Coffee Quota System on Costa Rica
c) Marketing Strategies

Conclusion: Costa Rica's future in the international coffee trade depends on the development of a strategic partnership between private and public interests to 1) produce a high-quality coffee, 2) promote Costa Rica coffee as a specialty coffee identified by region and cupping characteristics, and 3) support the development of innovative marketing channels. Continued participation in coffee retention plans could slow movement toward these objectives.

1. Costa Rican Coffee Quality

Coffee History
Coffee is a beverage prepared from roasted beans of the Rubaciaceae Coffea tree. It has been used in the West for the last 300 years. Coffee came from Arabia and was originally called "qahwah' (a poetic name for wine in Arabic) The Turkish form of this name, "kahve," became "café" in French, "koffie" in Dutch, and coffee in English. Arabica and robusta are the two major commercial species of coffee. Arabica produces the best coffee, and its cultivation may have begun as early as A.D. 575 in Ethiopia. Coffee berries were eaten whole at first or with little processing; roasting the beans and concocting a beverage started around the 13th century. Its popularity spread throughout the Islamic world, aided by Muslim pilgrims returning from Mecca. By the end of the 15th century, roasted coffee was traded from Persia to North Africa.[1]

In the early 1600s, coffee trading in Europe began in earnest. The economic importance of this trade prompted Europeans to seek ways to produce coffee for their domestic consumption. This was a difficult task, given that Arabia controlled all coffee production and forbade the export of viable coffee seeds capable of germinating and producing coffee cherries. However, in 1616, Dutch traders obtained a coffee plant in India (an Indian Muslim on a pilgrimage to Mecca was said to have been the first to smuggle out viable coffee seeds) and took it to Europe.

The Dutch, followed by the French, Spanish, and English, began plantations of coffee in their colonies, and coffee became dominated by major trading companies. The Dutch had significant coffee plantations in the Dutch colonies of Ceylon, Java, Sumatra, Celebes, Timor, and Bali. The French followed the Dutch example and started coffee plantations in the French colonies of the Americas. It was from these plantations that coffee spread through the hemisphere to the Spanish colonies, to Brazil and to the English colony in
Jamaica. Coffee production and consumption increased and became an important world commodity.[2]

Coffee was an important trading commodity in the 17th and 18th centuries. Still, it was the advent of the Industrial Revolution and the destruction of trade monopolies that opened markets, lowered prices, and increased consumption of goods traded between the tropical and temperate zones. This new trade helped create a viable consumer class and increased demand for staples such as coffee. In the United States, coffee consumption increased from 9 million pounds of imported coffee in 1800 to 180 million pounds in

1864. Per capita, consumption was increasing rapidly as well, with a 400% increase during the period 1833 to 1900 (per capita consumption increased from 3 pounds to 11 pounds per year). Production expanded around the globe to meet this new demand.

Central American coffee production started in the 1830s in Costa Rica. A German merchant George Stiepel demonstrated the commercial viability of coffee in 1832 with the first commercial shipment of coffee to Chile that year, followed by a shipment to England the next year. Buenaventura Espinach, a Catalonian merchant also played an important role in early coffee production in Costa Rica. By 1840, he had 170 hectares of coffee in production in Heredia and operated the largest coffee processing facility in the country. The success of coffee encouraged others to invest, and by the mid-1840s thirty-five coffee exporting companies had been established. It should be noted that a technological change, the invention and commercial use of the steamship, played a pivotal role in expanding coffee production in Central America because, for the first time, it allowed for low-cost, reliable transport between the isthmus and all market destinations.

Costa Rica's coffee exports grew rapidly, rising from 2.5 million pounds in 1843 to almost 7 million pounds in 1853. The majority of Costa Rica's coffee exports went to Great Britain and Germany at premium prices over the next forty years (25% or so of total exports during this period went to the United States) During 1840 to 1890, coffee was virtually the only export product of Costa Rica. Guatemala entered coffee production in the 1850s, followed by El Salvador, Nicaragua in the 1860s, and Honduras in the 1880s. From the beginning, the Central American coffee producers were “price takers," given their small size in the world market. However, from the beginning, their product brought a premium price (5 - 10 percent over the Brazil Santos variety).[3]

In the 1850s, coffee rust, Hemileia vastatrix struck Asia and, within a few years, destroyed large coffee production in India, Ceylon, Java, Sumatra, and Malaya, which led to an ideal situation for increasing large-scale coffee cultivation in Brazil. By 1900, Brazil was the largest coffee producer in the world (a position it still holds). It was this large-scale production that made coffee the beverage of the common man and spurred a massive increase in demand. This demand led to the development of a coffee-growing belt spread worldwide between the Tropic of Cancer and the Tropic of Capricorn through the Americas, the Caribbean islands, Africa, and Asia. Grown in more than 60 countries, coffee provides a living for 25 million people and makes it one of the most essential commodities traded in the world.[4]

Today’s coffee market consists of 30 major producing countries, totaling 5,385 million kgs in 1995. This production has been distributed by continent over the last five years in the following manner: America provided 67%, Africa 17%, and Asia-Oceania 16%. Brazil and Colombia are the world’s largest producers, providing 42% of the world's coffee supply during this period. In Asia, the strongest producers were Indonesia and India with Vietnam continuing to increase its coffee exports (these three countries produced 13% world of world supplies). Ivory Coast, Uganda, and Ethiopia were the largest producers in Africa, providing 8.8% of world production. Costa Rica's share of coffee production was 2.9% in 1994-1995, putting it 12th place in total production.[5]

Coffee Types

Coffee is identified as a plant in the family Rubiaceae, genus Coffea, species Coffea arabica or Coffea canephora (known commonly as robusta). These two species, arabica and robusta, supply almost all of the world's consumption Robusta is more disease-resistant than arabica, yields more fruit, and adapts to warm, humid climates, but it produces a harsh-flavored bean and is considered lower quality. Arabica is cultivated primarily in Latin America, accounts for over 75% of the world's coffee supply and has a higher value.[6]

In Costa Rica, coffee is further identified by the region. This classification the system was established by the Coffee Office (now known as ICAFE - The Costa Rican Coffee Institute) in 1964 to provide a nomenclature system for the coffee industry to use in distinguishing the various bean types produced in the country. Coffee bean types were identified based on the altitude, rainfall patterns and maturation timing in the production area: Strictly Hard Bean -grown at 1,200 - 1,700 meters above sea level in the higher regions of Heredia, Alajuela and San Jose with a high acid content, excellent body and aroma; Good Hard Bean - produced at the 1,000 - 1,200-meter level in the Atenas, San Ramon, and Palmares areas, it has good body and excellent aroma; Hard Bean - from the 800 - 1,200 elevation areas in Heredia, Alajuela, San Jose, Sarchi and Grecia has medium acidity and good body and aroma; Medium Hard Bean - is produced in the southern, humid Pacific part of Costa Rica at elevations of 400 - 1,200 meters in Coto Brus and Perez Zeledon areas and has medium acidity. In addition to these four types there are also four Atlantic types: High Grown Atlantic, Medium Grown Atlantic, Low Grown Atlantic and Pacific. The coffee types having the highest quality are the Strictly Hard Bean, Good Hard Bean and Hard Bean types.[7]

Coffee Quality

Where coffee is produced, what husbandry techniques are used, and how the fruit and beans are processed, all contribute to the coffee's final quality. Mild coffees are exclusively high-quality varieties of arabica, principally from Central and South America. Brazilian coffees are also varieties of arabica but are characterized by less refined flavor and aroma than those of the mild group. Coffee of the robusta species is more neutral in taste and less aromatic than the arabica varieties and has higher caffeine content, 1.6% to 2.5%, compared to 0.8% to 1.5%.[8]

Coffee cherries are processed by removing the coffee seeds from their coverings and pulp then drying them from an original moisture content of 65-70% water by weight to 12-13%. Two different techniques are used: a wet process primarily used for the mild arabica coffees and a dry process used for some arabicas (Brazilian and Honduran types) and robustas. The coffee processed using the wet method produces a green coffee bean called "washed." The wet method relies on a gravity feed system with water running through a series of machines to physically remove the pulp, which is lighter and floats away from the coffee beans. Once the pulp is removed, the beans are allowed to settle in holding tanks for up to 24 hours to allow fermentation to break down the mucilage coating after the pulp is removed. This fermenting process adds "acidity" to the coffee and

increases its flavor and sharpness when brewed. The "unwashed" process involves drying the cherries on concrete patios and separating the beans from the dried pulp. The washing and fermentation stages are not used in this process, and this tends to mute the coffee's acidity, producing a blander flavor.[9]

The International Coffee Organization (ICO) established four classifications for world coffee trade is based on species, origin, and processing methods. The following is a summary of those types with an explanation of their relative importance in the world coffee market.

1) **Columbian Milds,** which include coffee produced in Columbia, Kenya, and Tanzania is processed under the wet method and is identified as a "washed" arabica. Columbia promoted its coffee as superior to others and obtained a separate classification. Columbian Milds are classified as a higher quality arabica coffee than production from Brazil. Coffee production from Kenya and Tanzania that are washed arabicas are also classified as Columbia Milds. Washed arabicas outside of these countries are classified as "Other Milds." The value of Columbia Milds in the world coffee trade in 1993 -1994 was US$2,063 million or 25% of the total value of world coffee production during that period, with 87% of that value attributed to Columbia's exports. Total exports during this period were 14,822,000 bags at 60 kg. each (889,320,000 kgs.). This translated to an export price of approximately $1.05 per pound.

2) **Other Milds** are of the same quality standards as the Columbia Milds (some say Costa Rican and Guatemalan coffee, both classified as Milds, have more body and a richer flavor than the Columbian Milds). This coffee is washed arabica grows at higher elevations. The countries involved in its production are

Burundi, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, India, Mexico, Nicaragua, Papua New Guinea, Peru and Rwanda produced 31% of the total value of world coffee exports in 1993 - 1994. The the total amount exported was 21,387,000 bags (1,283,220,000 kgs.) with a value of US$2,516 million for a per pound value of $0.89.

3) **Brazilians and Other Arabicas** are dry-processed arabicas produced in Brazil and Ethiopia. Although an arabica type, this coffee is generally considered inferior in quality to the Milds. It is used mainly for blends or instant coffee. The Brazilians and Other Arabicas represented 25% of the total value of world coffee exports during the period. Total 1993 - 1994 production was 18,513,000 bags (1,110,780,000 kgs.) with a value of US$2,073 million for a per-pound value of $0.85.

4) **Robusta** is a different coffee species and a separate category. Robusta is characterized as a strong, harsh coffee with high caffeine content, making it especially useful in blends and instant coffee. Given its lower quality, it is generally cheaper than the arabica types. It is produced in Indonesia, Cameroon, Ivory Coast, Madagascar, Thailand, Uganda, Vietnam and Zaire. Robusta's share of total value of world coffee exports in 1993 - 1994 was 19%. Total production for export was 16,796,000 bags (1,007,760,000 kgs.) at a value

of US$1,537 million for a per pound value of $0.69.

In summary, there is a price differential for the different types of ICO-classified coffee with Columbian Milds being at the high end of the market, followed by Other Milds, Brazilians and Other Arabicas, and Robusta.[10]

Costa Rica's Place in the World Coffee Market

Costa Rica has maintained steady world market share over the last twenty years averaging a production level that is 2.5% - 2.8% of total production for all coffee types. This statistic does not indicate, however, the type of coffee produced and the potential it has for the marketplace, especially the upscale specialty coffee market in the United States, Europe, and Japan.

Costa Rican coffee is recognized as an outstanding coffee. Kenneth Davids, in his book, "Coffee: A Guide to Buying, Brewing and Enjoying," states on page 55 that "Costa Rican (coffee) is a classically complete coffee; it has everything and lacks nothing." Another well-known coffee writer, Timothy Castle, states in his book, "The Perfect Cup," that Costa Rica produces washed arabica coffee with excellent acidity and good body -- "Costa Rica coffee is very good." Castle goes on to state that some of the "estate" coffee (coffee grown and processed on the same farm) is "the most carefully processed coffee in the world and offers a taste that is focused as a laser." Claudia Roden a distinguished

the gourmet writer stated in her book “Coffee” that “the high-altitude Costa Ricans (coffee) are among the world's finest: rich in body, of fine mild flavor, sharply acid and fragrant.” An informal survey of coffee stores advertising their products online indicated that 75% of the micro-roaster retail outlets reviewed offered some form of “Costa Rican" coffee, often identified by regions where it was grown (e.g., Tarrazu, Tres Rios, etc.). These coffees are firmly identified as "specialty coffees," a term for gourmet or high-quality coffee that brings a premium price. A recent economic report indicated that Costa Rica is one of three countries with the highest production areas for specialty coffee (the countries identified were Guatemala, Kenya, and Costa Rica). So, while the amount of Costa Rican coffee produced is small in terms of world trade, the type of coffee produced is known as one of the better coffees on the market. Essentially, Costa Rica is producing a product that could and is being differentiated from commercial-grade coffee and sold in the higher-priced specialty coffee segment of the United States market.[11]

To understand Costa Rica's position in the coffee world, it is important to know the meaning of “specialty coffee.”

What is specialty coffee?

A local “estate coffee" producer indicated that specialty coffee is that type of coffee which has high acidity, good body and fine aroma. These characteristics come from producing arabica varieties at higher elevations, wet processing the cherries and then sizing the dried beans to produce a "16" size (this refers to

machine sizing of dried coffee beans to separate them by relative size -- a "16" would be a bean that could pass through a screen that is 16/64 inches in diameter or 6.7 mm).[12] There are draft proposals for international standards identifying three classes of coffee based on four characteristics: 1) Full Defects - a scale identifying bean quality and trash contamination; 2) Screen Size - identifies the size of the beans; 3) Cupping - refers to the acidity (a pleasant sharpness adding life and accenting flavor), flavor (perception of the aromatic elements once the coffee is in the mouth), and body (impression and texture that the coffee leaves in the mouth); and 4) Roast - the number of “quakers" (deformed or discolored beans).

Based on these categories, the draft quality classifications call for 3 general grades: 1) Specialty Grade No. 1, 2) Premium Grade No. 2, and 3) Exchange Grade No. 3. In each of these grades, the respective characteristics Full Defects -- 0 - 5 for the No. 1 grade, 0 - 5 for the No.2 grade, and 9 - 23 for the Exchange grade; Screen Size-- as agreed by the seller and buyer for grades 1 and 2, and for the Exchange grade 50% ou #15 but no more than 5% u/#14; Cupping -- all grades must be free of cup faults; and Roast -- zero quakers for the No. 1 grade, 3 quakers for No. 2, and 5 quakers for the Exchange grade. These categories are under review by the different trade organizations concerned with coffee quality. In the final analysis, the proof of a

coffee’s quality is in the cup. Aside from meeting the physical characteristics of these quality standards, Costa Rican coffee is recognized as a reliable source of high-quality cupping coffee.[13]

It is difficult to estimate the amount of coffee produced in Costa Rica that would rank as specialty coffee. Arturo Villalobos, in his publication, "Comercializacion de Productos Agropecuarios”, indicated that three classifications of Costa Rican production are high quality -- Strictly Hard Bean, Good Hard Bean and Hard Bean. These three types represent more than 67% of national output in 1993 - 1994 with production amounts of 55,715,499 kgs. for Strictly Hard Bean, 18,811,001 kgs. for Good Hard Bean, and 25,192,969 kgs. for Hard Bean. If only 30% of these coffee amounts resulted in a final quality the product that could be differentiated and graded as Specialty Grade No.1 it would provide the product base for a marketing strategy aimed at reaching specialty coffee customers at both the wholesale and retail levels. But it would mean breaking links that have impeded this type of market segmentation, links that have, in fact, held Costa Rica's coffee dependent on the market prices of much lower-quality coffee. It would mean re-evaluating Costa Rica's continued participation in the Coffee Retention System of the Association of Coffee Producing Countries, or at least finding some mechanism for allowing Specialty Grade coffee to be exempt from the retention scheme.

This is an appropriate point to discuss precisely how the Association of Coffee Producing Countries Coffee Retention Program works and what has been its impact on the availability of Costa Rican coffee.

2. Impact of Coffee Retention Systems on Availability of Costa Rican Coffee

Coffee Quota System History

The demand for coffee from the mid-1800s through the end of the century was phenomenal, with a 260% increase in per capita consumption. Production, in large part from Brazil, rose to meet this demand. However, during the period From 1896 through 1908, the industry suffered its first round of low prices due to economic recession in the largest consuming nations and increased production from producers worldwide. This started a series of cycles of under and over-production and wide shifts in the world price of coffee. Both the consuming and producing nations recognized the problem this boom or bust production and pricing scheme caused in their economies and sought a common solution.[14]

Negotiations between Latin American producers and the United States, the primary consumer nation in the world earlier in this century (in 1920, over 50% of world consumption of coffee was in the United States), resulted in an agreement in 1939 to allocate coffee imports from Latin American countries to the U.S. market. This agreement was made to provide economic support to those countries which had lost their European market due to the outbreak of World War ll. It was extended through 1947 and was not renewed due to increased demand from Europe after the end of the war and a drop in production caused by a drought in Brazil. But in the early 1950s, increased prices caused by the Korean War and a freeze in Brazil resulted in market instability that provoked a meeting between the United States and some Latin American countries in 1954 to study how best to stabilize coffee prices on the world market. The result of these meetings was the signing of the first International Coffee Agreement in 1962 and the establishment of the International Coffee Organization (ICO) to monitor the implementation of the terms of the Agreement.

A major function of the ICO was to assist in implementing a quota system to stabilize the world price of coffee. A price band was set in common agreement among the member consuming countries and producing countries as a target range for coffee prices for a given period (usually set as annual targets). When coffee prices exceeded the target price a retention scheme would activate to decrease supply sufficiently to raise prices back to
the target level. The sharper the initial decrease in coffee prices, the larger the percentage of coffee stock retained. Producing countries were allowed to sell overstocked coffee to non-member consuming countries under an arrangement ensured that the highest quality coffee was sold to member countries.

A second agreement was negotiated in 1968 for another five years, and the system continued to control export quotas and stabilize world prices. However, in 1972 conflicts of interest arose, and growing dissension on quotas, selectivity, and readjustment systems and criticism that prices were kept down for the consuming countries, the International Coffee Agreement lapsed in 1973. After the dissolution of the quota system, the ICO continued as a statistics-gathering organization. However, a price drop during 1973 and 1974 provided an incentive
for producing countries to enter some type of market stabilizing arrangement again, while the 1976 “black freeze" in Brazil caused a dramatic increase in coffee prices (coffee prices went from US$0.50 to US$3.36 per pound) and encouraged consuming countries to again enter in a trading agreement. The result was the signing of a new agreement in 1976 for a period of six years. In 1983, the agreement was extended through 1991, but in 1989, the agreement's quota system lapsed.[15]

The collapse of the agreement in 1989 has been attributed to various causes. The importing countries were dissatisfied with 1) frequent under-shipments whereby exporting countries failed to fulfill their monthly quota amounts, 2) delays in declaring shortfalls so they could be made up by other exporting countries, and 3) large discounts given to non-member countries that resulted in a re-exporting black market scheme whereby discounted coffee was traded for a second time on the world market. On the exporter side, many of the exporters were unhappy with what they thought were unrealistically low export quota levels. The International Coffee Agreement was experiencing the classic problem of cartels: each member had an incentive to cheat on the organization by producing more than its quota and by offering secret price concessions to
buyers. A Panorama Internacional article on September 16, 1991, "Difícil Acuerdo Cafetero" cited the primary reason for the failure to finalize a new agreement was Brazil's intransigence in changing the quota system to lower its quota to reflect the decrease in its coffee sales. In 1993, Mario Samper stated the following reasons for the breakdown in his book “Cafe: Crisis e Historia,”page 25 (translated).

> *"... the process of liberalizing the international flow of goods and services culminating in the Uruguay Round of the GATT negotiations changed the rules of the game. ...the viability is questionable of any agreement to re-establish any type of quota system in the international coffee market. This opposition to the agreement is the position of U.S. commercial representatives - with the National Coffee Association -- their position is that the interests of consumers and the coffee industry in the United States are best served by free and unrestricted coffee commerce."*

Whatever the reasons for the collapse of the quota system in 1989, coffee prices fell to record lows from 1989 to 1993. It was calculated that the prices Brazil received for its coffee during this period were the lowest in real terms since the year 1820. After 1989, the price of coffee went down from over US $1.00 per pound to US$ 0.48 per pound.[16]

Low prices affected the other producing nations as well, but renewed attempts during 1993 to negotiate a new International Coffee Agreement under the
designation of the ICO failed because of the inability to agree on the allocation of export quotas and differences between consuming and producing countries over how much higher quality coffees would be available under the quotas. The treatment of sales to non-ICO members was also an issue.

In July 1993, coffee-producing countries began to band together to raise coffee prices, and in September of that year, 28 countries representing nearly 90% of global coffee exports announced the formation of the Association of Coffee Producing Countries, with headquarters in Brazil. It included all major coffee-producing countries except Mexico, Guatemala, India, and Vietnam. The association agreed to hold back exportable production on a scale beginning at twenty percent when the 20-day moving-average ICO composite price for "Other Milds and Robustas" was below US$ 0.75 per pound.

Members exporting less than 400,000 bags annually would be exempt from retention, and no decision was made on whether to include instant coffee in the scheme. The indicator price, after averaging nearly US$0.54 for 1992, had risen, with the implementation of the scheme, to over US$0.71 in mid-December 1993. Coffee prices shot upward in 1994 because of an announcement by members of the Association of Coffee Producing Countries that they would continue withholding coffee from the market. Also, a freeze occurred in Brazil, reducing the estimates for its crop.

The retention operation was barely underway when it was suspended after prices moved above US$ 0.85 per pound. Prices took off when a survey estimated that the freeze, followed uncharacteristically by drought, would cut the 1995-96 Brazilian crop short by 9 million to 13 million bags from its 29 million-bag potential (this represented a 12% to 15% reduction in world supply). Prices of green coffee, which had averaged about US$ 0.62 per pound in 1993, went as high as US$ 2.75 on the futures market in September in 1994 but fell as low as US$ 1.45 in early December. Retail prices of roasted coffee, which in the U.S. averaged US $2.47 per pound in 1993, reaching a plateau of a little under US$ 4.50 in August-November 1994. In 1995, increased production by non-members of the Association of Coffee Producing Countries and reported cheating by some member nations resulted in a decrease in coffee prices to below the US$ 0.85 floor price established in 1994[17]

In response to this drop in prices, Brazil, Colombia, Costa Rica, El Salvador, Honduras and Nicaragua signed an agreement on July 10, 1995, to institute a coffee retention plan again. The Santa Fe de Bogota Agreement called for limiting world coffee exports to 15 million bags in each of the following quarters
(July/September 1995 through April/June 1996). This represented a 30% contraction in world production and was slated to be achieved by a quota system imposed on each signatory limiting exports.

The agreement also provided that the retention of coffee required to meet these levels would be subject to audit verification and that efforts would be made to include other members of the Association of Coffee Producing Countries in the retention plan to ensure that the 15 million per quarter limit on exports worldwide was met. Brazil reconfirmed its commitment to abide by the required retention levels. Brazil also committed itself to effectively managing coffee stocks under government control under the retention scheme.[18]

Costa Rica and the Coffee Quota System

Between 1988 - 1989 and 1992 - 1993, the foreign exchange earned by Costa Rican coffee exports decreased by 33% (US$ 317 million in 1989 down to US$ 215 million in 1993), while the amount of coffee exported increased during the same period from 96,600,000 kgs in 1989 to 119,600,000 kgs in 1993. Costa Rican producers decreased from 132,609 to 88,708 during this period, a one-third drop. The Costa Rica coffee sector was clearly in a crisis, and the government responded with a lifting of the export coffee tax and a 50% reduction in the production tax. The government also responded by supporting the formation of the Association of Coffee Producing Countries and its coffee retention program. Under the program, each member country was required to report weekly sales, exports, and retentions and present certifications of the amount of coffee retained and

where it was held. Costa Rica's participation in this program resulted in the retention of 1.590,909 kgs in 90 coffee beneficios (processing plants). The value of the retained coffee was US$ 31.5 million in April 1994.[19]

Over the years, Costa Rica's implementation of the International Coffee Agreement resulted in the establishment of procedures to effectively enforce the terms of the Agreement's retention plan. A review of ICAFE documents and personal interviews with the coffee industry indicated that Costa Rica's system for retaining coffee under the retention program is very effective." The program is managed and monitored by ICAFE, with each coffee beneficiary held responsible for certifying in their sales agreements that the required quota the amount has been retained (ICAFE assigns an amount that each of the 90beneficios in Costa Rica must be retained for the country to comply with
Bogota Agreement).

Essentially, the system works at the expense of the beneficio owner in that he must hold and absorb the cost of storing retained coffee until it can be released on a rolling stock basis (when new coffee comes in the "held-over" coffee is liquidated, and accounts are settled with the producer- up until this time, the producer has been advanced a portion of the estimated value of his crop). The system does also not discriminate based on the quality of the coffee retained. The limits are placed across the board on all beneficios based on their previous production history. Ironically, one of the complaints heard is that Costa Rica may be too effective in retaining its coffee and that other countries are continually "leaking" some of the retained coffee. This may be why the ICAFE press release announcing the Bogota Agreement reiterated that Brazil was taking extra measures to ensure it maintained tight control on its retained stocks.

The retention program has succeeded in keeping prices above the USS0.85 floor of the previous agreements, but at a cost. A 20% retention on all types of coffee produced in Costa Rica resulted in a significant percentage of the highest quality coffee retained. Three types represent this quality coffee - Strictly Hard Bean, Good Hard Bean, and Hard Bean -- with production levels in 1993 - 1994 respectively of 55,715,499 kgs.,18,811,001 kgs., and 25,192,969 kgs.
A 20% cut in the availability of these coffee types limits Costa Rica's ability to differentiate its market by reducing the availability of this high-quality product by an estimated 20,000,000 kgs. An informal telephone interview indicated that the quota system had impacted the supply of the very best Costa Rican coffee, the Strictly Hard Bean type, and impeded the ability of the market to supply the product.[21]

Costa Rican Coffee Marketing for the 21st Century

Picking the Right Market

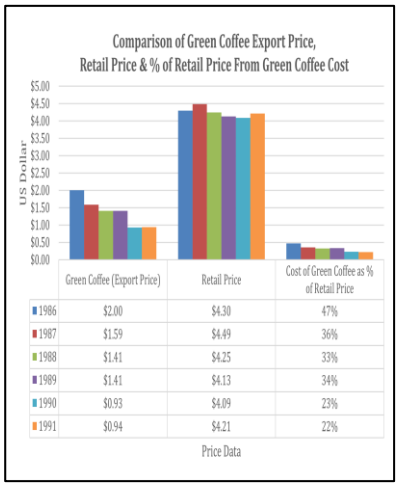
The world coffee market is controlled by 10 coffee roasting companies with a combined annual income of US$ 3,000 million. The production pyramid for Costa Rican coffee consists of 88,700 producers, 90 beneficios, 27 exporters feeding into the world market. The sector is comprised of small farms (0 to 5 hectares -- 92% of total farms but only 44% of area in production) and larger farms (>20 hectares -- 2% of the total farms but 35% of area in production). A | recent Actualidad Economica article indicated that Costa Rica should try to |

enter the market farther up the production pyramid, closer to the retail end of the market, that the turmoil seen in the coffee sector over the last five years is an indication that new solutions are needed.[22]

The marketplace in importing countries coffee is divided into three broad categories: 1) commercial (roasted, canned coffee -- low-cost blends for commercial sale generally consisting of 1/3 robusta, 1/3 lower quality arabica and 1/3 higher quality arabica coffees), 2) instant (robusta and lower quality arabica) and 3) "specialty" (roasted or green whole bean or ground, high quality arabica coffee). The market share of these categories in 1989 was the following 7,850,000 bags (60 kg.) for commercial coffee, 1,394,000 bags for production of instant coffee and 2,655,000 bags of specialty coffee, giving a percentage market share of 66%, 12%, and 22%, respectively.

The following is a price comparison of coffee prices in the green bean, wholesale and retail markets (from a February 2, 1992, ICO Market Situation report).

Comparison of Coffee Pricing - 1986 - The table indicates the cost of green beans as a percentage of the retail price declined significantly from 1986 through 1991, illustrating that there is a resistance to lower retail prices even when there are substantial drops in the export price of green coffee. According to the Specialty Coffee Association of America report ("Avenues for Growth: A Twenty-Five Year Review of the Specialty Coffee Association", 1991, page 47), the price of specialty coffee averaged around US$5.98 per pound and also did not decrease in response to decreasing green coffee prices. The closer Costa Rica can come to entering the retail market segment of the coffee market (either by wholesaling high-quality green beans directly to small retail outlets or by exporting roasted coffee as both a wholesale and retail product) the more price stability and higher returns it will mean for the Costa Rican coffee farmer.



Specialty coffee is clearly an area that Costa Rica should target for the future As stated, specialty coffee is a high-quality arabica variety grown and processed with techniques to enhance cupping quality. It began as a separate category of retail coffee in the 1960s, with sales around US$ 45 million in 1970. Sales increased and by 1979 reached $750 million. A recent Miami Herald article indicated that although overall U.S. coffee
consumption has remained steady at 45 million pounds per week over the last decade, specialty sales have more than doubled, with increases of 15% every year for the previous three, reaching sales of over $1,500 million in 1994.[23]

Ted Lingle, the Executive Director of the Specialty Coffee Association, recently indicated that annual sales of specialty coffee will reach the $3 billion mark in annual sales in the next four years and if combined with the $1.5 billion in retail food service sales of specialty coffee beverages, the industry will retail for approach a $5 billion retail business by the turn of the century. This is a “Rising Star” market with exceptional prospects for the future.[23]

Impact of Coffee Quota System on Costa Rica

If Costa Rica were a low-quality coffee-producing country unable to differentiate its product and sell in a higher profit segment of the coffee market, then it would be appropriate to remain linked to the giant producers of inferior quality coffee (Brazil and others). Costa Rica is at a crossroads as it approaches the 21st century. One road leads to the same policies followed for the last fifty years of quota agreements and depending on inferior but higher volume coffee types to set the market price for Costa Rican coffee. The alternative leads to a change in production and marketing strategy with a focus on quality and penetration in the upscale wholesale and retail specialty coffee markets in the United States, Europe, and Japan. Staying linked to the quota system has three negative impacts: 1) it keeps Costa Rica moving toward the wrong market (the huge but descending commercial coffee market), 2) it could limit the amount of coffee that could be placed in higher return markets, and 3) it creates a disincentive to produce higher-quality coffee.

Costa Rica's future in the coffee industry should be linked to promoting and selling a differentiated product aimed at the wholesale/retail levels of the specialty coffee segment of the market. A 1990 assessment of Costa Rica's future in the coffee sector by the United States Department of Agriculture concluded that "Costa Rica may be better off over the long run without a quota system." Its advanced technological development should enable it to continue profitably increasing the production of high-quality coffee.[24]

Costa Rica's continued participation in coffee retention plans may be necessary in the short run. Still, a medium—to long-term strategic plan should focus on only high-quality coffee production and marketing. At a minimum, a separate classification of the ICO coffee types should be made to allow any coffee meeting the minimum standards for "specialty grade" coffee to be exempt from the retention quotas.

It has been estimated by industry experts that only 10% of the world' production would meet these standards. This relatively small amount of this production and the fact that it competes or should compete in a completely different market from robusta, Brazilian dry arabicas, and lower grades of washed arabica should be justified enough to make this change. This change is also necessary to avoid a negative impact on the coffee -- a January 44, 1986 World Bank Information Paper, stated on p.15 that "one of the adverse effects of a quota market system such as the one for coffee is that producers have less incentive than they would under an open market to maintain the quality of their product. The emphasis should be on producing the highest quality product possible. Staying in the coffee quota system is the wrong direction for Costa Rica over the long term; it's the wrong market. The future market opportunity is specialty coffee.[25]

Marketing Strategies for the Future

The world is undergoing tremendous change as we enter the 21st century. Information technology makes it possible to reach a world audience at an incredibly low cost. The Internet is the gateway to this communication revolution. It is estimated that of the 34 million with access to the Internet, at any one

time, 4 million people are using the system, and anyone can communicate regularly and with minimum costs with countless other people on the system. This technological advance is giving rise to a new form of marketing -- "relationship marketing" -- which is a method of developing a long-term relationship with a discrete group of consumers that includes providing personalized service via the Internet to help them buy products which meet their needs.

Relationship marketing also allows instant feedback on their needs and concerns. This type of marketing would be ideal for the specialty coffee wholesale market (to micro-roasters, there are now1,500 in the United States using between 250 to 500 pounds of high-quality green beans per week) and retail market (direct links with a set client base that |wants a good quality coffee at a reasonable price -- one can begin to close the gap between producer and final market). Retail companies in Costa Rica are already starting to move toward this type of marketing. Café Britt, for example, is developing an online database of customers with whom they will provide regular mailings, sales information, and special offers. A client base of 5,000 specialty coffee consumers could provide annual sales of over |$1.37 million." Costa Rica has the infrastructure and resident expertise (Inter@merica is an example of a local company offering complete internet marketing services locally) to make this marketing strategy a reality for an individual producer, a beneficio, or a corporation.[26]

The following are suggestions for targeting specific clients one could include in your client base. The assumption is first to go for the customer who wants a high-quality product and is willing to pay a premium. After the first screening, other characteristics may differentiate coffee profiles that are favorable to Costa Rica for higher value markets.

Marketing recommendations for developing client bases for Costa Rican coffee.

1) Promote Costa Rican coffee as a high value product -- Emphasis should be placed on finding niche markets for high-quality green beans (e.g., estate coffees and coffee certified and sold as organically grown), expanding sales of roasted coffee as a specialty coffee product (90% of current Costa Rican coffee exports are green beans) and promoting varietals (Tarrazu, Heredia, Tres Rios, etc.) of Costa Rican coffee in the principal markets - United States, Germany and Japan. The Costa Rican government should consider an all-out promotion campaign like the type being conducted by Guatemala to raise recognition of their coffee on a regional basis .. as varietals - (this is not unlike the French promotion and control of brandy production so that only brandy from the Cognac region of France can carry that name -- this can only be done
effectively as one moves closer to selling a "retail" product, roasted coffee). The objective of the campaign should be to promote Costa Rican coffee but also build a client list of those people to receive regular information about Costa Rica and its coffee products.

2) Promote Costa Rican coffee under the "Just Cup" program starting in Germany and the United States. Small-scale farmers (producers with holding between 0 and 5 hectares) produce 44% of Costa Rica's coffee. These small farmers should be eligible for entry into programs such as TransFair in Germany and the Max Havelaar Foundation in Holland. Similar programs are being discussed in the United States. The Association of Fair Commerce with the Third World (TransFair) which aims to sell 2% of Germany's coffee under a program that guarantees direct trade with small farmers and a higher price than world market prices. TransFair provides a seal for display on roasted coffee purchased under their program. Between April 1993 and May 1994, the program provided

additional income to small producers of $4.3 million dollars on a total of 3,272,727 kgs marketed. The Max Havelaar Foundation is making efforts to buy directly from small producers and sell at a premium price in Holland and the United States. The product would be sold under a seal of the Foundation insured production by small producers. The current margin over world market prices would be a $0.26, with part of the funds going to a development fund and the remaining portion going directly to the small producers. Again, target clients that are concerned about equity issues and attempt to forge direct links between small producer groups and the final customers.[27]

3) Promote Costa Rican Coffee as a Socially Conscious Product - Recently, a coalition of labor activists including the U.S. Guatemala Labor Education Project and the International Labor Rights Education and Research Fund reached an agreement with Starbucks, the largest retailer of specialty coffee in the United States to abide by a code of conduct encouraging good labor and environmental practices by its producers. The agreement commits Starbucks to affirm that coffee sold by them is procured only from countries where workers have the right to unionize and to earn wages and benefits that provide for the basic needs of their families. The labor groups believe this agreement affirms Starbucks commitment to be publicly accountable for abuses and worker rights violations and provides a framework for individuals and concerned groups to raise issues.[28]

This type of agreement indicates that the level of awareness is rising in the United States and other consuming countries as to the conditions, sometimes oppressive, under which coffee is produced in some parts of the world.? An organization that was started in the United States to assist the children of coffee workers, Coffee Kids, figures prominently in the advertising of a significant number of specialty coffee retailers where the business is
earmarks a percentage of sales for this charity. There seems to be a growing awareness in the United States of the importance of sourcing coffee is produced in a sustainable and equitable manner.[29]

Costa Rica has a comparative advantage in this area with how its coffee (a world-class quality product) is produced. It is an equitable and open system relatively free from repression and concerned with the rights and well-being of small producers. If there is a growing awareness and concern for how coffee is produced, Costa Rica should exploit that concern with a promotional campaign directly to the retail customers of the consuming countries. Target customers concerned about social issues and the conditions under which coffee is produced should be explained how their purchase can ensure the sustainability of small-scale Costa Rican farmers' coffee production and access to this unique quality that comes from a handcrafted product.

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Peru Hostage Crisis – December 1996

On December 17, 1996, the Japanese Ambassador to Peru, Morihisha Aoki, gave a reception in honor of Emperor Akihito. I attended as one of the representatives of USAID Peru. The reception area was in the back of the residence under a colossal tent striped in red and white. It was very impressive in an F. Scott Fitzgerald, a la Great Gatsby, kind of way. The architecture reminded me of fraternity houses at Mississippi State University -- antebellum style -- and I learned that its design was based on Tara from "Gone With the Wind" (a young bride asked her elderly Peruvian husband to build it in the late 1930s after they had seen the movie).

I got to the reception at 7:00 pm. My wife did not feel well and she had stayed home. I was anxious to return home and tried to leave at 8:00, but Ambassador Aoki was still receiving guests. I circled back into the crowd, and fifteen minutes later, there was a massive explosion in the back of the compound and the almost immediate sound of automatic weapons firing from front and back. After the first few seconds of shock, we hit the ground. I scrambled for a low wall that surrounded the patio. I could see the top of the canopy kicking up as bullets passed through it, and I could hear the MRTA shouting revolutionary slogans.

I remember hearing men and women shouting. I thought of how I had seen Lori Berenson (the American woman who was convicted in Peruvian military courts of being a terrorist with the MRTA) on Peruvian TV shouting revolutionary slogans when she was captured. These people sounded the same -- angry, threatening.

The firing continued. It grew louder, and we heard less firing on the street, but the firing in the compound on all sides was intense, loud, and point-blank. I remember my ears hurt from the concussion of the shots, and I involuntarily shook when the guerilla that was immediately behind me fired his weapon.

When everything started, I thought we might have a chance if the police could take the area, but then I heard an MRTA guerilla behind me shouting to keep my face down or be shot. I looked to my right and saw the head of our Economics Section, John Riddle, and to my left was my boss, Don Boyd, the AID Director. We heard the guerrillas shout "No somos assesinos, somos el MRTA.' (We are not murderers; we are the MRTA.)

John Riddle said, "Thank God, it's the MRTA." I thought about that for a second. If it had been the Shining Path, we might have been summarily executed. Don Boyd, the AID Director, whispered to me, "How can this be happening? Where is the security?"

John and Don had both lost sight of their wives, and I knew they were concerned. I thought, "Thank God, my wife, Annie, decided not to come." I had called her twice that afternoon to ask her to come. "This is a big deal," I said. But she was still feeling nausea from her pregnancy and decided not to go.

After a few minutes of being on the ground with shouting and firing going on and lots of confusion, I heard the guerilla behind me shout for his people to stop firing to conserve their ammunition. He was El Arabe, the second in command of the MRTA group that had taken us, and he was communicating with the other guerrillas by radio -- it was strapped on to his shoulder and he talked into it. I had seen policemen with the same kind of equipment.

After El Arabe got everybody settled down, I looked over to a woman to my left. I saw her looking up at him and motioning with her head, "Yes, I should get up?" She nodded in the affirmative, and we realized that the MRTA wanted us to stand. We stood up with our hands on the backs of our necks and then watched as they motioned us into the Ambassador's residence.

I remember that once I moved through the doors, I immediately began to look for a place to hide, on the floor, under something, in a closet, anywhere. I had people on all sides and I moved quickly to a hall way where no one was (there was a spilled drink on the floor with broken glass -- I imagined that someone had been surprised there in the initial attack and had dropped their drink). The guerrillas almost immediately began shouting for us to again get on the floor.

I started to get down in that hallway but couldn't force myself to lie on the wet floor. I stepped out of the hallway and into the front room immediately at the base of the stairs. I laid down with a Peruvian lady at my side and the wall against me. The guerrilla that was controlling this room started firing his AK-47 for some reason, and the concussion of the shells was deafening. The lady and I both covered our ears. I could smell the gun smoke and hear the spent cartridges hit the floor. I kept my head buried on the floor and did not look at the guerrilla or try to determine what he was doing. I thought about being identified as an AID employee, and the first thing I did was take off my AID lapel pin and hide it between the carpet and the floor molding.

The guerilla stopped firing after a while, and we were told to move again. The room I had been in was turned into a command post by the guerrillas, with furniture piled against the windows and the hallway where I had lain with the lady on my side.
We were told to get up and move into the back room, a banquet room with two open areas, a dining table, and heavy furniture. This place was packed, and it was impossible to lie on the floor. We all had to sit upright on the floor. This was the first time I had seen the MRTA.

They were dressed in black battle fatigues with a red and white MRTA flag draped as a bandanna across their faces. They were each armed with an automatic weapon, AK-47 or a Belgian automatic rifle, and you could see grenades hanging in their vests; each had a knife in a shoulder holster, a 9 mm pistol strapped across the front of their vest and a matching backpack filled with something (more grenades, I imagined). Their battle gear with the MRTA flag as a bandana, the black tech wear and armed as they were -- was

impressive. But the thing that impressed me most was how young they were. All but one looked to be in their twenties and the two girls I saw among them appeared to be adolescents.

By this time, I had taken off my jacket because of the heat and draped it across my legs. I was sitting upright with my head down, trying to avoid eye contact with the guerrillas. Things had calmed down a little, and the two guerrillas who controlled our room began to talk.

One of them had found a Peruvian National Police(PNP) officials jacket. The jacket indicated that a PNP General was in the room without his uniform. The guerrilla began to talk about how the PNP had killed his cousin. He started asking out loud, "Who owns this jacket?" "Are you ashamed of the jacket?" "How would you like to meet St. Peter?" "I'm going to kill whoever this jacket belongs to." And he began walking among us through the room.

It was at this point that I realized I had taken my jacket off. I suddenly felt a rush and a chill down my back as he moved around the room. "What if he thinks it is my jacket?" I slowly tried to slip back into my jacket. He didn't notice me, or if he did, he didn't say anything. It was about this same time that El Arabe climbed halfway up the stairs and shouted for everybody to listen up.

He said they wanted everybody upstairs and that we should all move up there quickly. We hurried up the stairs to the second level of the residence. I ended up in one of Ambassador Aoki's daughter's bedrooms. On the floor next to me was Minister of Agriculture Rodolfo Munante. I said hello. We met twice in the last few weeks to discuss plans for developing high-quality coffee production in the high jungle areas. I also noticed a man wedged in beside the bed and the wall. He had removed his uniform and was in his underwear. He was a military commander, and he was acting very strange.

While we were upstairs, the police shot tear gas into the house. I wet my tie in the bathroom next to the bedroom where we were on the floor and used that to cover my nose and mouth. As the air cleared, we were sent back downstairs, and the servers for the reception, dressed in white uniforms, were told they could leave, and they started coming down the stairs.

I noticed the military commander who had been in my room. He had stripped off his uniform and put on a white shirt. At the bottom of the stairs, he started running for the front door. He managed to get through and run down the driveway to the front gate. The nearest MRTA person was one of the young girls. She leveled her weapon and aimed at the man but did not fire.

He was the first person to escape. Later a second person climbed out the window of the bathroom on the first floor and got to the gate. The MRTA threatened to throw a grenade in the bathroom when the man did not come out when they called him. That was the first time I saw them visibly flustered, making everyone nervous.

The women were released later that night, and then El Arabe got halfway up the stairs and had the guest list in his hands. He started calling out the guests and motioned for them to go upstairs. My name was on the list, and I ended up in a room on the second floor with 27 other men in a 12'x15' room. the days were hot, and the nights were interminably long. I remember that it was hard to get a breeze inside during the day. I made a fan from a piece of cardboard and fanned myself and my neighbors as we lay on the floor.

I was reminded of a line from Tennessee Williams's play A Streetcar Named Desire, in which Blanche DuBois tries to seduce a messenger boy who has come to the door. Blanche says to the boy, "These rainy Saturday afternoons in New Orleans are as if God has dropped a little piece of eternity in your lap, and you don't know what to do with it."

The story goes on. I go through a range of emotions as I remember it. I was released five days later with 224 hostages. I felt as if I were dead and then came alive again when I was released. That is a good thing to understand but I'm unsure if anyone goes through it without collateral losses.

See more information at https://www.maxey.info/mrta-hostage-event-1996.

Former Prisoner of War who reached out to me after I was taken hostage by the MRTA in Peru – Mike Benge

Mike Benge - USAID honored retired Foreign Service Officer and former prisoner of war Michael Benge in 2005. I met Mike when I first came in the Agency in 1983 and he was a legend then. He had joined USAID in 1965 and was posted to Vietnam as a Provincial Development Officer based in the central highlands of South Vietnam. He served simultaneously as a senior civilian advisor on the joint civilian-military Civil Operations and Rural Development Support (CORDS) program. In 1968, after surviving an all-night siege during the TET offensive, Mr. Benge radioed for an air evacuation of American civilians in the area. He was captured by enemy forces while enroute to notify four American teachers and several missionaries of the planned evacuation.

In 2010, I was working on a concept for an Arabic coffee program in Vietnam in Qang Tri Province (along the former DMZ in an area near the famous battle for Khe Sanh) and I called Mike for information on where he served in Vietnam. He sent me a history of USAID officers captured or killed during the war. Part of what I wanted to do was create a development program that could also help bring people back to Vietnam that wanted to be part of a restoration and reconciliation effort through a "partner to partner" approach with a specialty coffee program. Mike was very gracious. Just a really nice guy. It was great to see that USAID was honoring Mike with a special award ceremony. For USAID history in Vietnam see **http://www.maxey.info/documents/usaid_frontlines_1965.pdf**.

USAID Global Coffee Strategy

Date: December 6, 1999

Author: Michael Maxey, Alternative Development Program Director, USAID/Peru

Subject: Proposal for a USAID Global Coffee Strategy

Executive Summary: This document outlines a proposal for a USAID global coffee strategy focused on leveraging the burgeoning specialty coffee market in the United States to achieve social and environmental goals. The strategy hinges on creating a system for verifying and marketing "alternative" coffees, which

are grown using sustainable practices and offer benefits to small farmers and biodiversity conservation. By linking consumers directly with producers through an interactive internet platform, the strategy aims to empower both parties and create a sustainable market for high-quality coffee that delivers positive social and environmental impacts.

Main Themes:

1. **Leveraging the Specialty Coffee Market:** The strategy capitalizes on the rapid growth of the specialty coffee market in the United States, which is projected to reach 50% of total coffee sales by the year 2000. Consumers in this market are increasingly sophisticated and are willing to pay premium prices for high-quality coffees with compelling stories.

"The specialty sector will continue to drive coffee sales in the U.S....Specialty is the rising star segment of the market and is expected to continue overall growth in both total coffee volume and market value."

1. **Promoting "Alternative" Coffee:** The strategy aims to establish a globally recognized system for verifying and promoting "alternative" coffees, which are defined as:

- **Bird-friendly:** Grown under shade trees, supporting biodiversity and migratory bird habitats.
- **Environmentally friendly:** Produced using sustainable practices that minimize environmental impact.
- **Fair-traded:** Ensuring small coffee producers receive a fair price for their product.
- **Socially responsible:** Supporting community development and improving the livelihoods of coffee farmers.
- **Organic:** Grown without synthetic pesticides, herbicides, or fertilizers.

1. **Verification System and Information Platform:** The proposal calls for the creation of a robust verification system using GPS technology, satellite imagery, and in-country audits to authenticate alternative coffee sources. An interactive internet platform would provide consumers with detailed information about the origin, production methods, and social and environmental benefits of the coffee they purchase.

"The end result of the verification system would be a code for each bag of coffee sold by a retailer that would allow a consumer to enter a restricted website...which would yield specific information on where the coffee was produced, who produced it, what type of shade was at the farm site and what bird species this habitat supported, organic certification information, fair trade information, etc."

1. **Publicity and Marketing Campaign:** The strategy includes a comprehensive publicity and marketing campaign to raise awareness about the issues related to alternative coffee, the verification system, and the benefits of supporting small farmers and biodiversity conservation.

"An important aspect of this program to coffee retailers will be the customer potential developed by the interactive way the program is operated with consumers. The marketing emphasis will be on 'wallet share' as opposed to market share."

Most Important Ideas and Facts:

- **Old Variety Coffee as an Advantage:** The strategy focuses on promoting old variety arabica coffees like Typica and Bourbon, which are often overlooked in favor of higher-yielding hybrids. These varieties are prized for their superior cup quality and their ability to thrive under shade cover, thus supporting biodiversity.

"What had been a weakness, lower yielding old variety coffee, can be a major advantage if identified, processed correctly, isolated and marketed as a unique tasting coffee with important secondary environmental and social benefits."

- **Target Consumer:** The strategy targets affluent, socially conscious consumers who are already engaged in specialty coffee consumption and demonstrate a willingness to support social and environmental causes.

"Alternative coffee program will target consumers who: 1) fit primary demographic for specialty coffee drinkers (college educated, urban dwelling and between 35 and 65 years of age), 2) are concerned about social issues and have donated to a community development or environmental charity within the last six months, 3) regularly purchase products by mail, and 4) are interested in exotic lands (they will have either traveled overseas or in some other way shown interest)."

- **Connecting Consumers with Farmers:** The strategy aims to create a direct link between consumers and farmers through the internet platform, fostering a sense of connection and transparency. This will allow consumers to learn about the impact of their purchasing choices on the lives of small farmers and the environment.

"There will also be an Internet link with the farmer community or group of communities and a system to encourage consumer direct contact with farmers and their families."

Next Steps:

- Share the proposal with USAID, industry, and NGO representatives for feedback.
- Convene a meeting to draft a detailed program description if there is sufficient interest.
- Design the program collaboratively with stakeholders from USAID, the specialty coffee industry, and NGOs.

Conclusion: The proposed USAID Global Coffee Strategy offers a unique opportunity to leverage market forces to achieve significant social and environmental benefits. By promoting and verifying alternative coffees, creating a direct link between consumers and producers, and implementing a comprehensive marketing campaign, this strategy has the potential to create a sustainable market for high-quality coffee while empowering small farmers, protecting biodiversity, and addressing drug-related issues in coffee-producing regions.

A copy of the USAID Global Coffee Strategy can be found at https://www.maxey.info/global-coffee-strategy.

University of Costa Rica MBA – 1996 - 2003

I started an MBA program at the University of Costa Rica in 1996 and completed it in 2003. A summary of my thesis, a business plan for an international remittance program, is presented below. A copy of the final document in Spanish is at https://www.maxey.info/remittance-thesis.

Main Theme: This MBA thesis outlines a detailed business plan for "CrediCash DC," a remittance service targeting the Hispanic population in Washington D.C. The plan aims to leverage the existing infrastructure of the District Government Employees Federal Credit Union (DGEFCU) to offer a low-cost, convenient, and secure way for Hispanics to send money to Latin America.

Key Ideas & Facts:

1. The Untapped Potential of the Remittance Market:

- The Hispanic population in the U.S. is growing rapidly, with significant economic power.

"In the last U.S. Census, the Hispanic population increased by almost 58 percent, from 22.4 million in 1990 to 35.3 million in 2000."

- Hispanics send billions of dollars in remittances annually, representing a lucrative market for money transfer companies.

"The periodic cash transfers, also known as 'remittances,' totaled more than US$29,000 million in 2002."

- However, existing remittance services like Western Union and MoneyGram charge high fees, leaving room for a more affordable competitor.

2. CrediCash DC's Competitive Advantage:

- **Low cost:** CrediCash DC will offer a 5% commission on remittances, significantly lower than competitors.
- **Convenience:** It will establish a network of "Remittance Clubs" run by local leaders in Hispanic neighborhoods, making the service easily accessible.
- **Community focus:** The plan emphasizes partnering with Hispanic NGOs to build trust and reach the target market effectively.
- **Secondary benefits:** CrediCash DC aims to increase access to banking services and promote savings among its clients, differentiating itself from competitors.

3. Target Market & Segmentation:

- The primary target market is the 21,561 Hispanics residing in the Adams Morgan, Mount Pleasant, and Columbia Heights areas of Washington D.C.

"The target market for CrediCash DC is the 21,561 Hispanics living in the Adams Morgan, Mount Pleasant, and Columbia Heights areas of Washington, D.C."

- Market segmentation will be based on country of origin using Census 2000 data and maps to identify high-density Hispanic neighborhoods.

- Salvadorans are the largest segment (56%) and are estimated to remit approximately US$21 million annually.

4. Implementation & Marketing Strategy:

- **Community outreach:** CrediCash DC will work closely with Hispanic NGOs to recruit and train local leaders to run Remittance Clubs.
- **Targeted marketing:** Marketing efforts will focus on high-potential areas using census tract maps to tailor messaging and outreach.
- **Grassroots approach:** The sales strategy relies heavily on word-of-mouth marketing and leveraging trusted community leaders as agents.

5. Financial Projections:

- The business plan projects profitability in Year 3 with a net profit of US$30,700.
- CrediCash DC expects to capture 50% of the target market share (US$13,750,000) by Year 3.
- DGEFCU will provide an initial investment of US$150,000 and an additional US$25,000 in Year 2.

6. Potential Impact:

- **Economic impact:** The plan aims to reduce the cost of remittances, potentially leading to a significant positive impact on the economies of Latin American countries.

"A study carried out by El Colegio del la Frontera Norte in Mexico indicates that each additional dollar of remittances that reaches a family has a multiplier effect of 1.8 on the local economy."

- **Social impact:** Increased access to banking services and savings could facilitate the integration of Hispanic communities into mainstream American society.

7. Scalability & Replication:

- The CrediCash DC model has the potential to be replicated in other urban areas with high Hispanic populations across the U.S.
- The World Council of Credit Unions (WOCCU) could utilize the plan to expand its International Remittance Network (IRNet) nationwide.

Quotes of Interest:

- "This study could serve as a business model for: 1) identifying communities in the U.S. that have Hispanic residents more likely to remit funds to Latin America; 2) segmenting the Hispanic populations in these communities by their country of origin using information and maps from the 2000 Census; and 3) executing a grassroots marketing campaign, door-to-door in Hispanic neighborhoods, to increase access for this group to banking services, reduce transaction costs for immigrants sending money internationally, and generate income for community development activities."

- "The business plan for CrediCash DC—a remittance transaction business focused on a key market in the Washington D.C. area—could be a model for the development of similar initiatives throughout the Americas to promote greater access by Hispanics to the formal financial sector, obtain significantly cheaper remittance services, and economically support community development initiatives in the U.S. and Latin America."

Conclusion: The CrediCash DC business plan presents a compelling strategy for capturing a significant share of the Hispanic remittance market in Washington D.C. By combining a low-cost service with a community-focused approach and valuable secondary benefits, CrediCash DC is positioned to gain a competitive advantage and achieve significant economic and social impact. The plan's scalability also suggests its potential to be a successful model for expanding affordable remittance services and financial inclusion across the United States.

Nicaragua – 2003

Global Market Access for the Poor (GMAP)

This program will promote a hemispheric marketing alliance mechanism aimed at providing the poor (Nicaraguan and Central American smallholder farmers) a chance to sell their products to supermarkets in national and international markets. Turning a weakness into strength, the poor of Latin America can offset their lack of skills and capital with increasing amounts of small farmer vegetable and fruit production and their wealth of contacts to communities across America via previous migration waves of friends and family.

There is an opportunity to create an alliance that 1) provides market access for the poor in the FFV (fruit & fresh produce) segment of supermarkets across Latin America and potentially in the US as well, 2) increases revenue flows to supermarket chains via remittance transactions, and 3) creates sustained links between US and Latin America. The Latin American market for FFV in supermarkets is estimated to be US$24 billion which is roughly 2 to 3 times the size of FFV exports (including bananas) from the region. Penetration of this market by small farmer groups could mean a significant increase in revenue and sustainable local markets for agricultural produce. However, two things are required: 1) farmers must become more efficient and reliable suppliers of high-quality produce; and 2) a corporate commitment must be made to include small farmers in their FFV supply chain.

USAID and Other Donors can address the first area by working with small farmers to improve productivity and quality. Communities, represented by Private Voluntary Organizations (PVOs), Faith Based Organizations, Foundations and others can work with multinational corporations to provide community support needed to address the increased costs of working with small farmers, and put new business models in place.

For this to happen, there has to be a corporate “commitment” to address social and economic issues important to Latin America and US communities. Small farmers face significant obstacles to participating in this market because of 1) supermarket procurement practices (long-term payments up to 90 days after delivery, shelf fees & high rates of rejected produce, etc.), 2) significant increased costs involved in providing a high quality, homogenous product, and 3) increased taxes based upon entering the “formal” market.

Remittances valued at over US$20 billion are sent to Latin America each year from neighborhoods where multinational supermarket chains are located in both US (sending communities) and Latin America (receiving communities). Multinational companies could also garner significant good will by promoting social and economic development. US communities could have local mechanisms for supporting Latin American development initiatives.

Three partners would form the alliance: Donors – USAID, IDB and others would finance assistance to small farmers to effectively produce for the FFV market segment in supermarkets in Latin American and the United States. Supermarkets – Multinational supermarket firms would provide a percentage of their FFV market in Latin America for small holder production in exchange for 1) "good will" in both Latin America and US communities where the firms operate, and 2) increased revenues from remittance transactions between US and Latin American communities (anecdotal evidence indicates that corporations need community outreach initiatives to reach Hispanic consumers). PVOs – Private Voluntary Organizations and Faith-based Groups provide 1) small farmer agricultural production and marketing support in Latin America aimed at penetrating the FFV market segment (financed by Donors – USAID and others) and 2) community outreach in US aimed at informing general public of the importance of supporting businesses involved in economic development in Latin America and informing Hispanics of remittance mechanisms that significantly reduce the cost of transactions (financed by non-USAID resources). PVOs could also support expanded marketing of small farmer products in US supermarkets. A detailed Program Description will be designed for the final strategy. One of the initial ideas under this program is a pilot effort to link Nicaragua with Washington, DC and the Nicaraguan community there.

Pilot Effort in Nicaragua - Washington Metro Area – The new CARHCO (Central American Retail Holding Company), a subsidiary of Royal Ahold has 253 stores and $1.3 billion in sales in Central America. In Nicaragua, it owns the Palí and La Union supermarket chains and is a major player in the Fresh Fruit & Vegetable (FFV) market. Royal Ahold is also the parent corporation of Giant Supermarkets in the Washington DC Metro Area (home to the 4 th largest population of Nicaragua origin residents in the US). An alliance could be formed among USAID/Nicaragua, US PVOs operating in Nicaragua and Royal Ahold supermarket chains (Giant Supermarkets in the Washington DC Metro Area and Palí/La Union supermarkets in Managua) to increase small farmer FFV market share to 25 percent (small farmers would have to meet industry quality and delivery standards). USAID would commit to finance PVOs to provide assistance, credit and marketing support needed to meet this market demand. Royal Ahold would initiate a stored value card or gift card remittance program whereby a pair of cards would be sold at the supermarket check out counter to be used to make food purchases or provide cash to family in Nicaragua. The local chapters of PVOs involved in the farmer production and marketing program in Nicaragua would develop community outreach programs (funded by non-USAID funds) to inform Nicaraguans of the remittance program and the type of activities supported by Royal Ahold in their country of origin. A side agreement between Royal Ahold and participating PVOs could be developed to establish an "incentive fund" available to the PVO and financed by a small percentage of gross sales under the remittance program. USAID could provide cost information and a preliminary business plan for the remittance system as part of the information already developed during the analytical work on this concept proposal.

A key issue will be finding ways to involve PVOs, Faith Based The client would purchase a pair of stored value cards (gift cards) at selected Giant supermarkets in the Washington DC Metro area. He would "charge" the card or place funding on it by paying for the amount desired at the Giant Supermarket. He

would then send one card with a activation code to his family or friends in Nicaragua. The card could be used to purchase groceries at any Palí or La Union grocery store in Nicaragua. The card could be periodically re-charged. If the client wished he could allow the recipient to withdraw cash at any ATM in the Palí or La Union supermarkets using the card and paying a 5 percent surcharge. According to the 2000 US Census, the Washington Metro area has the fourth largest population of Hispanics of Nicaragua origin in the U.S. and is also a major source of remittances. Using Census data, a matrix was developed identifying neighborhoods with high Nicaraguan populations. Giant Supermarket locations were matched against Nicaraguan population for Royal Ahold to use to precisely target a pilot remittance transaction mechanism. Using the same information, US PVOs will plan and initiate community outreach programs to Nicaraguans informing them of this low-cost remittance method and of the benefit of shopping at Giant Foods because of Royal Ahold purchasing Organizations and others in working through links between US and Latin American communities. It is essential that these organizations take ownership of this process and see there role as one of intermediary between small farmers, multi-national corporations and US communities. A strategic plan is being developed for the pilot program in Nicaragua and will contain detailed Census data, market information and a business plan for the initiation of a stored value card remittance system. Wild Card Systems can design and deliver a stored value card system for approximately $150,000 plus 1.25 percent of card.

Nicaragua – 2002- 2003

An article published in the Embassy Managua newsletter, "Tiscapa" entitled, "The Ghost of William Walker"

The Ghost of William Walker by Michael Maxey

"What matters at last is this: all over Central America, William Walker is remembered as the pattern and the paradigm for American intentions. There is not a school child who does not know his name … he has been the core with which national myths have been created: the heroic and successful struggle of the people of Central America against the arrogance and power of North Americans." Robert Houston, "The Nation Thief"

Regional integration is not new to Central America. In the Spring of 1856, the region was more united than at any other time in its history. An allied army comprised of soldiers from Nicaragua, Costa Rica, Guatemala, Honduras, and El Salvador backed by British and US business interests fought a bloody war against William Walker and his followers. Disease, superior numbers, and national spirit brought victory to the Allies and influenced Central America's relationship with the United States for generations to come.

During the recent war in Iraq, I caught glimpses of Walker's ghost in some Hispanic media stories. It seemed to me at times the US was portrayed as the arrogant bully; the subliminal message was … this had been done before, in a different place and a different time. That message was unfair, but perception creates its own reality, and how the world perceives our actions depends as much on the past as on the present. In "Requiem for a Nun, " Faulkner wrote, "The past is not dead. It's not even past." Understanding what William Walker did in Central America is vital to understanding how Central Americans view the United States and our actions in the region. A historical perspective can help us understand the present and better deal with the future.

William Walker was born in Nashville, Tennessee in 1824. By 19, he had graduated summa cum laude from the University of Pennsylvania to become one of the youngest physicians in the US. He continued his studies at the Sorbonne, returned to America, and began studying law. At 22, he was admitted to the bar, and after serving as a law clerk for a short period, he became the editor of The Crescent, a New Orleans newspaper. Later, he traveled to California and became a newspaper editor in San Francisco. This was the era of Manifest Destiny, the relatively easy war with Mexico and the annexation of its territory in the West, the California gold rush, and the need to spread the glory and civilizing power of American democracy and values. San Francisco became the jumping-off point for expeditions to Mexico and Central America. Walker traded in the pen for a gun and became a filibuster at 5 foot 3 inches tall and 130 pounds (derived from the Dutch for freebooter or adventurer).

Walker's first attempt at glory was in Baja California, where, with 45 men, he declared the "Republic of Lower California." After some initial success, he was defeated by the Mexicans and forced to flee back to the United States. Walker then focused on Nicaragua. He arrived on June 28, 1855, to fulfill a contract with Liberal leader Francisco Castellon calling for the delivery of 300 colonists available for military duty in exchange for land and cash (mercenaries) to aid in Nicaragua's ongoing civil war. The Liberals were the Democrats and had Leon as their home base. The Conservatives were centered in Granada and were known as the Legitimists. Their name was based on their assertion that their claim to govern was legitimately derived from the 1854 constitution. Walker's army consisted of 57 men and was christened the American Phalanx by Castellon. The first action of the Phalanx was a frontal assault on heavily fortified Conservative positions at Rivas. Walker's troops gained the main plaza but were surrounded and had to fight their way out, sustaining 38 percent of casualties. The Americans re-grouped after this defeat, received additional recruits from the US, and planned an attack on Granada. Walker commandeered a boat from the Accessory Transit Company and landed his force near Granada in the early hours of October 13, 1855. The city fell with little resistance.

With Granada under his control (and the most prominent Conservative families as his hostages), Walker convinced the Conservatives to surrender. He then disbanded the Conservative and Liberal armies and declared an "all-volunteer" force. In the meantime, new recruits arrived via the Transit Company. A loan of $20,000 was made to Walker by the Company, and additional filibusters were brought in at a discounted $20 per passenger from the United States. Walker rigged an election and had himself declared President of Nicaragua. More than 11,000 "immigrants," including women and children from the US, came to Nicaragua during the two years that he was in power. One of his officers estimated Walker's total force to be 2,500 men, although he never mounted a force of more than 750 men for any battle. There was a continuous flow of filibusters to replace a large number of casualties from battle and disease as the war intensified. Before the war ended, more than 1,000 North Americans died, making the War in Nicaragua more costly than the Spanish-American War fought four decades later. He took more drastic actions as the war turned against Walker and his forces. At one point, he burned Granada to the ground and posted a sign that stated, "Here was Granada."

Central America unified and fought Walker. Volunteers came from all parts of Latin America for a war of liberation against the Americans in Nicaragua. Heroic efforts were made by the Allies. Juan Santamaria became Costa Rica's national hero in the Second Battle of Rivas as he died torching a house held by the filibusters. An all-Nicaraguan force at San Jacinto defeated the filibusters, and Andres Castro became a hero for killing a filibuster with a rock when his carbine misfired. As the battle casualties and losses from cholera mounted, Walker's force became weaker. After a review of the Transit Company records, Walker

claimed the company owed Nicaragua (that is, Walker) $400,000 in unpaid royalties. He revoked the company's charter, and Cornelius Vanderbilt entered the fight against him. On May 1, 1857, Walker fled from Nicaragua. It is estimated that up to 10,000 Central Americans were killed or wounded during the war.

There is something in Walker's story that is with us still. He personified cultural arrogance and the belief of his time that America's duty was to take "civilization" to the world. In his book, "The War in Nicaragua," Walker stated his views on achieving economic and social development --- his comments sound as if his mission were to build and develop Nicaragua.

" ... to destroy an old political organization is a comparatively easy task, and little besides force is required for its accomplishment; but to build up and re-constitute society --- to gather the materials from the four quarters, and construct them into a harmonious whole, fitted for the uses of a new civilization --- requires more than force, more than genius for the work, and agents with which to complete it. Time, patience, skill, and labor are needed for success, and they who undertake it must be willing to devote a lifetime to the work."

Walker did little to strengthen Nicaragua (although he did set up a short-lived land registry and tried to develop a functioning land market), and he did much damage (the razing of Granada, summary executions, etc.). His was an age of almost religious fervor in the belief that America's way of life was best for the world. Manifest Destiny was the battle cry, and we had the duty to take our values to the world.

As Americans, we tend to fix things, correct wrongs, and build new social orders. The experience of William Walker and other events in our past point to a need to temper these traits with a greater attempt to understand why others are like they are and what can be done to influence change rather than force it.

Millennium Challenge Corporation (MCC) Program Execution – 2006 - 2007

During my detail assignment to the Millennium Challenge Corporation (MCC) in 2006 – 2007, I prepared an assessment of implementation capacity of the organization. MCC was on track to receive increasing amounts of funding, but I had real concerns about its ability to implement larger programs.

My analysis assessed the program's effectiveness, and it revealed a significant shortfall in projected versus actual financial disbursements across several countries, attributing this to optimistic planning, complex procedures, and insufficient staffing. The analysis explored various economic growth models and their relevance to MCC's strategy, highlighting internal disagreements and the need for a cohesive approach. Further concerns were raised about the program's evaluation methods and the five-year time frame for implementation.

The paper concluded with a recommendation for an internal assessment to explore alternative program mechanisms, such as a foundation-like approach, to improve efficiency and impact. A copy of the full report is available at https://www.maxey.info/millennium-challenge-corporation.

Millennium Challenge Corporation (MCC) Program Execution

Author: Michael Maxey

Date: 02/26/2007

Purpose: This document reviews the main themes and key findings related to the MCC's program execution, highlighting challenges and proposing potential solutions.

Main Themes:

- **Disbursement Shortfalls:** The MCC faces significant challenges in disbursing funds to recipient countries, leading to substantial shortfalls against projected expenditures.
- **Staffing Constraints:** The MCC operates with a significantly lower staff-to-funding ratio than other foreign assistance organizations, potentially hindering effective program implementation.
- **Economic Growth Strategy:** A lack of a clearly defined economic growth model across the MCC may be contributing to program design and evaluation challenges.
- **Program Evaluation:** The heavy reliance on randomized controlled trials (RCTs) for program evaluation is debated, with concerns raised regarding feasibility and appropriateness for infrastructure and social development projects.
- **Country Ownership:** Strengthening country ownership and fostering local initiatives is crucial for program success and sustainability.

Key Findings & Supporting Evidence:

1. Significant Disbursement Shortfalls:

- Analysis reveals a 63% shortfall in expenditures across active Compacts as of December 31, 2006. ("MCC Program Execution Discussion Paper Final.pdf", Page 14)
- The shortfall is evident across various sectors and countries, with some projects experiencing a 100% shortfall. (Pages 14-22)
- Reasons for the shortfall include overly optimistic financial planning, difficulties in achieving consensus during implementation, and complex procurement processes. (Page 3)

2. Staffing Constraints:

- The MCC manages significantly more funding per staff member than other organizations like the World Bank and USAID. (Page 1)
- A Congressional Research Service report highlighted concerns about the level of funding to support MCC programs given the limited staff. (Page 3)
- The rapid growth in MCC's funding commitments has outpaced staff increases, exacerbating the challenge. (Page 7)

3. Lack of a Unified Economic Growth Strategy:

- The document notes the absence of a "standard, universally accepted economic model" within the MCC. (Page 7)

- It calls for leadership to establish a consensus on determinants of growth, program selection, and implementation methodologies. (Page 7)
- Various economic models are discussed, including the Harrod-Domar model, Solow's growth accounting, and Romer's New Growth Theory, highlighting the need for a coherent approach. (Pages 24-27)

4. Debate over Randomized Controlled Trials:

- While the MCC champions RCTs for evaluation, concerns are raised about their feasibility and appropriateness for certain project types. (Page 9)
- A GAO audit questioned the efficacy of RCTs for infrastructure and social development programs, prompting a response from the State Department defending their limited use. (Page 9)
- The document acknowledges the uniqueness of the MCC's scale of RCT implementation compared to other development organizations. (Page 9)

5. Importance of Country Ownership:

- The document advocates for local initiatives and greater country ownership in project design and implementation. (Page 10)
- The foundation model is presented as a potential solution, allowing MCC staff to take on an advisory role while empowering local stakeholders. (Page 10)
- Success stories of the foundation approach, such as in Bolivia, are highlighted, showcasing its potential for civil society strengthening. (Page 11)

Potential Solutions:

- Address disbursement bottlenecks through improved financial planning, streamlined decision-making processes, and simplified procurement procedures.
- Increase staffing levels to ensure adequate capacity for program management and oversight.
- Develop a clearly defined and widely accepted economic growth strategy to guide program design, implementation, and evaluation.
- Reconsider the exclusive reliance on RCTs for evaluation, exploring alternative methodologies suitable for various project types.
- Embrace the foundation model to enhance local ownership, empower communities, and foster sustainable development outcomes.

Conclusion:

The MCC's ambitious goals require addressing critical challenges in program execution. By tackling disbursement delays, strengthening staffing, adopting a coherent economic strategy, diversifying evaluation methodologies, and prioritizing country ownership, the MCC can enhance its effectiveness and maximize its impact on poverty reduction and economic growth in developing countries.

Iraq – 2008 - 2009

I served in Iraq under a reappointment as a Foreign Service Officer for a one-year period. The following is a sample of my weekly reports that I kept during my time there. A complete file of all my weekly reports are available at -- https://www.maxey.info/iraq-papers.

Iraq – First Week
Michael Maxey February 7 - 14, 2008

My family came with me to the airport as I left for Iraq. It was bittersweet as I had a chance to tell them I loved him and say goodbye to everyone but it hurt when my youngest son, Justin, ran down the corridor as I approached the security gate and grabbed me for a last hug and then said, "Dad, I touched you last."

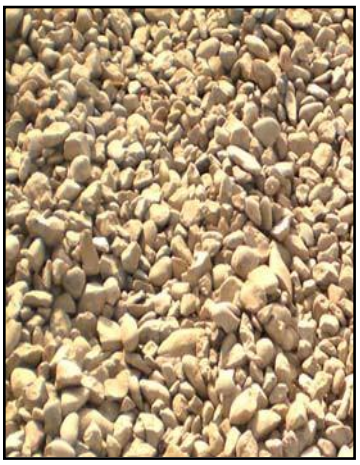
My flight out of Dulles connected to an Amman, Jordan flight in Frankfurt, Germany. In Amman, I took a military flight into Baghdad, Iraq. Travel time from my home in Fairfax Virginia to the USAID compound in Baghdad's International Zone took 59 hours. I slept for four hours on the flight between Dulles and Frankfurt and then slept another three hours on the Frankfurt/Amman leg. We arrived in Amman at 2:30 in the morning and I was taken to a hotel to shower and sleep for a few hours. We later went to a military airport and flew into the BIAP (Baghdad International Airport) on a C-17 military transport jet.

Michael Maxey aboard C-17 aircraft to Iraq.

First impressions on the trip were that Europe and the Middle East do not have the same number of people traveling by air. Airports were not crowded, none of the aircraft were full to capacity, and movement into and out of airport baggage and security areas was relatively easy. In Jordan, the Customs officials X-rayed my bag and let me pass through Customs without checking my suitcases. A driver was waiting for me and took me to a hotel in Amman. The drive took 40 minutes or so and I was able to get a sense of the countryside which was mostly dry and sandy. The houses I saw were white with an adobe type construction. I was reminded of the Spanish architecture on the Mediterranean coast that Annie and I saw on our honeymoon in 1990. Along the road signs appeared indicating the direction and route to take to Saudi Arabia and Iraq. I also saw a sign to Petra, an ancient caravan city carved from stone and now classified as one of the Seven Wonders of the World. At the hotel I was able to sleep for a few hours. The wakeup call I had requested did not come but the driver (same as the one from the airport) came early to pick me up and he called to wake me. Very nice guy.

We went to the military airport in Amman and boarded a C-17 US Air Force flight to Baghdad. The flight was uneventful. We had been told that there would be an evasive dive near Baghdad to avoid possible ground to air missile attack but the approach and landing were relatively calm. As we landed I took a photo as the back of the plane was lowered this was my first view of Iraq.

We left the airplane, formed two lines, and were escorted to a building near the runway. As we walked toward the building, we passed a group of people being brought out to board the same aircraft for a flight back to Jordan. They were, many of them, on their way home and I remember seeing smiling faces as they walked by. We, on the hand, were focused on getting our gear and moving on to the International Zone. Everyone was told that they must carry their luggage the 150 yards to the initial staging area called Sully Compound. In a building just off the tarmac, we were given instructions on how to collect our bags and get our names on the list of passengers for the armored bus, the "Rhino", leaving later that night for the International Zone. I got my suitcase, briefcase and a small backpack and started walking on a gravel path toward Sully Compound.



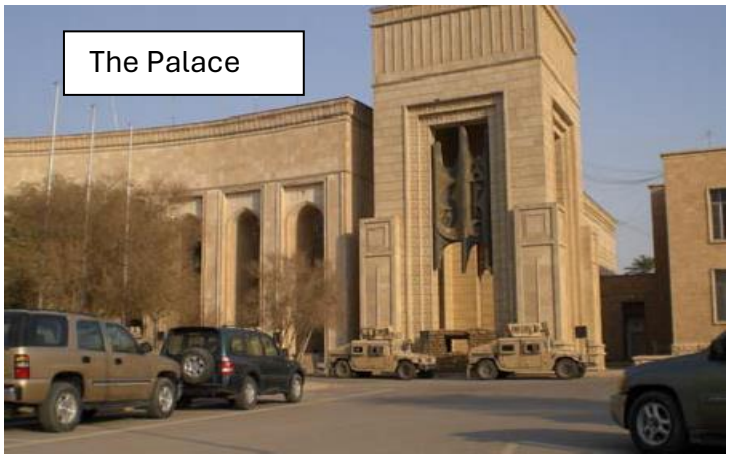
Footnote: It's worth mentioning that the "Alpine "backpack I found at Dick's Sporting Goods in Fairfax Virginia was a great investment. It had a handle and wheels like a regular carry-on but could also convert into a backpack by unzipping the back and pulling out shoulder straps. This backpack really helped me make it as I trekked to Sully Compound with three bags weighing a total eighty pounds. I had to use the carry-on as a backpack because the trail to Sully has large gravel making it impossible to pull a roller suitcase

After we got to Sully Compound, we were given body armor and a Kevlar helmet then shown were to store our luggage. The staff signed us up for the trip on the Rhino to the International Zone. We arrived at 3:00 pm in the afternoon and our trip on the Rhino was scheduled for sometime that night (it runs at a different time each night for security reasons). In the meantime, we were able to go on the Internet to check emails then latewe went to eat at the mess hall near the compound. Later in the evening we were taken to a nearby military camp that serves as the pickup point for the Rhino.

This camp was an interesting place in that it was also a staging area for soldiers going on R&R. There were many soldiers there for the night as they prepared for a flight out the next day. I was able to talk to some young soldiers from Forward Operating Base (FOB) Kalsu where I will be stationed. They were positive about the FOB and the security situation in the area. One of them told me that they were on the roads all the time and that there were no major issues. I was surprised at the number of young women in uniform and in combat. The soldier that told me about FOB Kalsu was a girl not much older than my niece, Wren Maxey, had been when she died. These young soldiers are our heroes. They fight and they are aware of the sacrifice that is being asked of them.

While the soldiers I talked to where positive, I did see some graffiti in a remote spot in the camp that simply said, "Their Freedom, Our Blood." Later, we boarded a Rhino, an armored bus, that took us into the International Zone.

I arrived at the International Zone at 4 in the morning and was taken to the USAID compound where I was able to get some sleep. I stayed in my trailer the next day and rested. On Saturday, I started to explore the area around the compound. There were concrete "T" walls everywhere to prevent damage from car bombs. Security guards were posted at every compound entrance. I noticed they were mostly Hispanic, so I asked one what country he was from and he said, "Peru." He explained that there were more than 1,000 Peruvians serving as security guards in the International Zone and they were employed the security firm Triple Canopy. I explained that we had lived six years in Peru and that my youngest son was born in Peru. After that I stopped and talked to many of the Peruvian guards – it was a nice touch of familiarity in a strange place. I walked to the Embassy offices at the Palace and took photos along the way and at the Palace.



The Palace

The following photos were taken on the second and third day I was in Iraq.

Street in the International Zone

Gate to the Palace

Monument to 1958 Revolution

Humvee in the IZ

Monument to Iraq-Iran War

Palace

The week included a number of briefings on different aspects of the US strategy in Iraq which consists of kinetic (fighting people) and non-kinetic (building things) activities. The standard response to any question here is – "It's complicated." If you ask me what the overall strategy is for achieving our objective of a stable, democratic Iraq, I can tell you what we hope will happen but so much depends upon the Iraqis standing up and taking responsibility for their country. It would mean people would have to decide to reconcile their differences, share the wealth, and share power. That hasn't happened in Iraq without the force of a central dominating king or dictator in 5,000 years (probably not since the city states of the Sumerians which were based kinship and clan). So the overall picture appears dim. However, the one bright spot is what is happening at the local level in the Provincial Reconstruction Teams (PRTs).

We now have 25 PRTs in Iraq and the United States Agency for International Development (USAID) has a representative on each one. I am going to be the USAID Representative at ePRT North Babil located south of Baghdad (see Attachment One).

My primary job is to work with the Army Brigade Commander to develop and implement a counter-insurgency strategy that promotes Iraqi government legitimacy and meets the economic and social needs of the people in our area of operation. This work will be guided by the Army – Marine Corps Counter-insurgency Manual edited by General Petraeus. What we do here and the lessons we learn will determine how the US fights wars and secures our country for the remainder of this century. This is a historic effort and we are fortunate to be participants in it. God bless our efforts.

During the week we had briefings on the Iraqi economy – they actually have a significant amount of money but are having trouble getting the funds out to the provinces. The PRTs are focusing on ways to increase Iraqi government budget execution by working with individual ministries and local groups to get the funding moving. This has been a very successful area for the PRTs and this is one of the reasons that President Bush and others in the administrations are interested; PRTs are making a difference at the local level. This is the civilian surge that started last year and was the objective of a contentious meeting at the Department of State between Secretary of State Rice and Foreign Service Officers facing the prospect of being forced to serve in Iraq. In the end, enough people volunteered and no one was forced to serve here.

I made my first trip into Baghdad on Thursday for a meeting with a group promoting local economic growth. It was a good meeting and I was impressed with the Iraqi staff. They are true heroes in this process literally facing death everyday. I had long discussions with one Iraqi lady who at the end of our meetings indicated she could not shake hands because of Islam. Interesting – I, as a non-Muslim, have to learn the customs here. Walter Yates, my Desk Officer at the Office of Provincial Affairs, went with us (see photo on right).

The ride to my first meeting in the Red Zone was very interesting. We had two armored cars, an armored Humvee with 50 caliber machine gun on top, and a Bell helicopter overhead with two gunners. The lead car cleared intersections and the Humvee provided overall security with the helicopter acting as a scout and lookout but also capable of getting us out of there if necessary. We were dressed in body armor and Kevlar helmets.

Here are photos from the trip.

On February 15th, it was supposed to be a day off but work pretty much goes on all the time in Baghdad. I went with an Army Non-Commissioned Officer (NC)) to get new and improved protective gear before I go out to my field assignment next week. The photos below show the training we went through in how to assembly, protect and use our gear. “This can save your life, so listen up.” Sergeant Jack Perry provided a great overview of what we needed to do and he got us suited up with state of the art body armor.

Michael Maxey with other ePRT colleagues & military support staff.

Weekly Report
Michael Maxey, USAID Rep.

EPRT North Babil
February 23 – March 1, 2008

Arrival at EPRT North Babil – I arrived at FOB Kalsu on February 24th to assume my assignment as USAID Rep. for EPRT North Babil. Vanguard staff provided excellent support. I was briefed on current issues facing the team and was formally presented to the 4th Brigade Combat Team Commander, Col. Thomas James.

Field Trip to Sedah City – On Feburary 25th I traveled with Team Leader Howard Van Vranken to Sedah City area to (1) visit hydroelectric dam and discuss power infrastructure issues with Iraqi officials, (2) discuss local issues and development priorities with the Sedah City Council, and (3) tour the state owned cement factory and discuss production and marketing issues with the factory officials. See attached trip report and photos.

Field Trip to Fish Farm Areas with General Lynch – EPRT was directed to prepare for a visit by General Lynch to fish farm operations in the North Babil area. We proposed a visit to INMA Fish Farm activities that under consideration by USAID with two part visit planned by the INMA Aquaculture Expert to the Euphrates Fish Farm near Hillah followed by a visit to the Iskandariya Fish Farm area as a site for expansion for aquaculture support. See attached trip report and photos.

Participation in Governance Conference - On March 1st, I attended "Stat e of Babil" Conference convened by General Cardon. Attached is Memorandum of Conversation from that meeting with a list of follow on actions.

Brief to Division Leadership on USAID Activities in North Babil – A FRAGO directed the EPRT to prepare a brief on present and future USAID activities in North Babil. The attached brief was prepared and will be delivered at some date in the future. The points included in the brief were requested in the FRAGO.

Upcoming Events:

(1) Meeting and Field Trip on March 2 and 3 at FOB ISKAN – I will travel to Iskandariya to discuss IDP (Internally Displaced Persons) situation for the Khidr area with USAID staff and USAID implementing institutions with objective of developing a plan of action to address IDP issues.

(2) Briefing with Vanguard Surgeons – August 7th meeting is scheduled to brief staff on USAID activities in health sector and discuss how we can better coordinate our efforts.

(3) Meeting with RTI Representative, Lamar Cravens, for briefing on Governance Training in North Babil and to discuss the potential of having two RTI staff assigned to this area.

Trip Report Sedah City, North Babil

Michael Maxey February 25, 2008

I accompanied EPRT Team Leader, Howard Van Vranken to Sedah City with Lt. Ray and a military escort from FOB ISKAN to three sites in the Sedah City area.

Sedah Dam - We first stopped at the Sedah Hydoelectric Dam and met with Mohammad Nasir, the General Manager of the Dam. He along technical staff explained that the facility was running at about 10 percent capacity. It produces only 1.5 megawatts out of a potential capacity of 15 megawatts. While the power produced at the plant feeds into the national grid, there is a dire situation locally in terms of access to electricity with power available only 3 to 4 hours per day. Four turbines are currently installed at the dam but because of (1) silting, which lowers water intake, (2) problems with trash removal of water going into the turbines, which limits the effective of power generation and can damage the still functioning turbines, and (3) a general lack of spare parts, the dam is barely functioning. Money is not available within the regular budget of the facility to purchase spare parts, repair the trash removal system, nor initiatie dredging.

Mr. Nasir indicated the highest priority need is to hire an engineer to fix the trash collection system. “Our problem is finding the money to pay for an engineer to repair the facility.” We asked what actions were taken to address this within the Government of Iraq (GOI) and were told that a request for repairs had been sent to the Director General of Electricity but there had been no response. We asked for a copy of the request and a document number so that we could follow up directly with the DG of Electricity in Al Hillah. Mr. Nasir indicated he would forward us the necessary documentation.

Sedah Hydroelectric Dam

Sedah City Local Council - Our second stop was at the Sedah Local Council where we discussed governance issues and economic development. We met with Said Hayar and

other members of the Council. They said that RTI governance training had been good

and that they learned important aspects of budget planning and execution as well as how to improve management systems.

Howard Van Vranken asked, “I wonder if there will be wide participation of the election in March?” Said Hayar stated that there were concerns because the election slate would be a closed list – people would not be able to vote for particular candidates. When asked about the last elections Mr. Hayar indicated that they had been fair. When asked about the council’s relation with the Provincial Council, Mr. Hayar indicated that things were not great, the Provincial Council overstepped its authority in mandating two men to be hired under one of the trash pick up programs administered by the Local Council. When asked about the security situation, Mr. Hayar replied that security had improved significantly. When asked what were the greatest problems Sedah City faced, he replied that unemployment was the biggest issue the Local Council had to address.

Pressed to describe their local economic development plan, the Council said they had a strategy to promote tourism through the construction of a hotel and targeting the upscale religious pilgrims coming to the Shia Holy sites. Some actions are underway to support this project but the needed investment capital for the hotel has not been found yet. When we asked what do the local people think is most important, the Council members responded that the No. 1 complaint of the local population was the lack of essential services (electric power, sewage management, road rehabilitation and maintenance, and potable water).

The meeting closed with a ceremony and presentation of funding for small grants to the Local Council by Lt. Ray and his colleagues.

Walk through Sedah City Market – After the meeting we toured the downtown market area. Stores were open and there was economic activity. We talked to different shopkeepers who were selling vegetables, cell phones, dry goods, etc. Everything appeared secure and people approached us and were open and friendly.

Cement Factory – The last stop on our trip was at a state-owned cement factory where we met with Technical Representative Mr. Hussein. The plant is limited in the amount of cement it can produce because of a lack of electricity – production is at 25 percent of capacity (it has the potential to produce up to 12,000 metric tons of cement per month but now the production is around 3,000 metric tons). If the plant were fully operational, it would employ 1,000 people (it currently has 317 employees). We asked if funding could be made available from the Provincial Council for capital improvements at the factory. Mr. Hussien said that the repairs needed to infrastructure are very big. He then took us to see the 4 electric generators that previously powered the plant at full production – none of them worked.

Trip Report

General Lynch Visit to Euphrates Fish Farm &
Meeting with USAID/INMA Officials
Michael Maxey --- February 29, 2008

I accompanied Col. Shuck, Lt. Gottschall, and USDA Rep. George Stickels on a trip with General Lynch to the Euphrates Fish Farm area near Al Hillah. We were accompanied by INMA Chief of Party, Herschel Weeks, USAID Cognizant Technical Officer, Ron Curtis, and INMA Aquaculture Specialist Duane Stone. The purpose of the trip was to look at Euphrates Fish Farm operation and discuss INMA support for this project.

We landed at the fish farm site and General Lynch toured the hatchery, fish ponds and buildings with Duane Stone. The General questioned the lack of activity at the facility and asked what was being done. Stone explained that water was just now flowing into the ponds with support from INMA and the hatchery operation would be underway soon. The plan is to provide water, carp fingerlings, and fish feed for this growing season in the Al Hillah area with the idea of expanding INMA support for commercial fish farming to the Iskandariya area next season. It was agreed in an ad hoc meeting with General Lynch after the tour that representatives of USDA, USAID, INMA and the EPRT North Babil would meet with General Cardon in the near future in Baghdad to determine what INMA and Vanguard could do to put together a functioning fish farm program in North Babil as soon as possible.

From a purely technical and operational view point, my suggestion is that from the INMA side we include their Chief of Party Herschel Weeks who is the director of all INMA operations in Iraq along with their Aquaculture Expert Duane Stone. USAID participants should include INMA CTO Ron Curtis and EPRT North Babil USAID Rep Michael Maxey who is also the INMA Activity Manager for the area. Represented by George Stickels. A representative from BCT who speaks for Col. James concerning allocation of CERP funding should participate as well. The second part of the meeting focused on the Central Euphrates Farmers Market. It was decided to discuss INMA participation to support this activity in partnership with the military. A general discussion focused on how Vanguard could put up the funding for construction of a farmers market while INMA put funding for training and technical assistance for agricultural production and marketing. INMA Chief of Party asked EPRT North Babil staff to bring the proposal for the Central Euphrates Farmers Market to the meeting on Tuesday in order to work details and funding amounts in how we can cooperate.

Actions Requiring Decision: Col. James needs to decide how we will proceed in meeting General Lynch's request to have a meeting to discuss specific activities, funding sources and implementation issues for the Iskandariya Fish Farm Program and the Central Euphrates Farmers Market. We also need to finalize the details for the meeting with INMA, USAID and EPRT North Babil staff to decide how we can move forward on both these programs.

General Lynch studying map of fish farm areas.

General Lynch giving gift of a book to Fish Farm Manager.

Memorandum of Conversation State of North Babil Meeting
with General Cardon March 1, 2008

I participated in a meeting on governance issues for Babil Province convened by General Cardon and attended by USAID Baghdad officials (Julie Koenen-Grant, Gavin Helf, Geoff Minott), RTI Regional Manager Lamar Cravens, Office of Provisional Affairs Desk Officer Walter Yates, Vanguard officer corps led by Col. Thomas James, and EPRT North Babil and PRT Babil. General Cardon started the meeting off by highlighting three problems that needed to be addressed (1) Sons of Iraq – Funding is coming to an end and a transition to private sector is needed, (2) North Babil – As a mixed Shia – Sunni area, there is a need to quickly promote economic development, participation and ownership of local governance mechanisms, and (3) Focus- What are the key areas to focus on.

There was open discussion on election process and how to promote transparent, Iraqi- owned elections. Linking North Babil to Babil area activities was discussed with PRT Babil explaining an effort already underway for better asset management through training and GIS technology provided by RTI. Original focus was on Hillah City but the program is now ready to expand north to Iskandariya and other cities in North Babil. In terms of focus, it was made clear that we should focus our efforts on the Belaydiah and leverage greater Ministry investment in the province. General Cardon reminded everyone that the 2009 budget cycle was almost ready to begin and that it was imperative to get Local Councils, Belaydiah and the Provincial Councils talking to each other to plan adequate investments that are equitable (investment amount based on population was discussed as one criterion for assessing fairness in budget planning and executing).

Follow up issues included:

Determining how we can promote more governance training for our Local Council, Provincial Council and other governance participants – RTI suggested having mixed classes in their facility at REO Hillah while LTC Shuck suggested also trying to find ways to bring the training classes to North Babil to ensure wide participation.

Given the need for economic development, it was suggested that General Cardon consider convoking an economic development discussion like had been done for governance that included USAID Baghdad Economic Growth staff.

Find out what type of investment promotion support is available within the Iraqi government or from donors to help the country attract investment capital. Recently a venture capital group talked with General Cardon about investing in agriculture, real estate and financial instruments in Iraq but he didn't know where to send them or to with whom they could talk.

From my time in Iraq, 2008 – 2010, a memory I submitted to the USAID 50th Anniversary publication:

"They Know Who Killed the Lieutenant"
See https://sleepless-in-baghdad.blogspot.com/2024/12/they-know-who-killed-lieutenant.html

I retired from USAID in 2007 only to accept a reappointment assignment as a USAID on an Embedded Provincial Reconstruction Team (ePRT) in North Babil, Iraq. This area was part of the so-called "Triangle of Death" around Baghdad in 2006 and 2007. At the height of the insurgency in 2007, some of our units were taking Civil War-level casualties, suffering hits almost every time they went off the base. I coordinated USAID activities with ePRT programs financed by the State Department, the USDA, and other U.S. government entities. We supported the stabilization of our battle space and built linkages to sustainable development programs for the f u t u re. In short, my job was to help give the local populace hope for a brighter future, with the promise of a better life for their children.

At the beginning of my international development career, I was a Peace Corps volunteer in Brazil from 1974-76, serving as an agriculture extension agent. Much of what I learned during that experience I could now apply in Iraq--working with a host of stakeholders, creatively finding win-win solutions, and proactively solving problems rather than waiting for others to do so. I was struck by how much the Coalition soldiers in Iraq reminded me of my own children. I was impressed by their intelligence, dedication, and resiliency. I had the opportunity to listen to them and to share with them. It struck me that in many ways I had been preparing for this opportunity all my life and that I was in the exact spot I was supposed to be in, doing the exact job I was supposed to be doing, conversing with these young soldiers.

We lost seventeen soldiers in my brigade during my time in ePRT North Babil, and every loss was heartbreaking. Those losses and the death of an outstanding Egyptian American civilian colleague, Maged Hussein, bothered me more than anything. I think of him often; he left behind a wife and a five-year-old daughter. Everywhere I go in Iraq, I make sure to visit the memorials for our fallen that are set up on every Forward Operating Base to remind myself of the price we have paid in our efforts there.

Among the things I will take away from this experience is a much better understanding of issues related to the Muslim world and how our interaction with countries there is critical to our national interest. More connects than separates us. I remember receiving a letter from a tribal leader in North Babil who thanked us for helping his community. He said: "Our canals once ran with blood, but you have changed them into canals of living water." His message was meant for the thousands of people involved in changing North Babil from an Al Qaeda stronghold to a vibrant center of aquaculture production with $35 million in annual production estimated for 2010, an area that is stable and safe for families to live in again.

As I left Iraq, I remembered the call to duty that our soldiers obeyed and their fidelity to the mission and to working with those who had, in the past, potentially caused us harm. I remembered a conversation with a young soldier before a mission north of Baghdad in which he said, to anyone listening, "They know who killed the lieutenant." We had been talking about engaging local sheiks to create what we hoped would be lasting peace in the area. I told him I understood, but he shook his head; we both knew I would never really understand. The losses weighed on him and others, and the memories of good men gone were often more potent than the mission. I pray for understanding and for solace, and I pray that young soldier can come to terms with the losses he suffered. I pray for peace.