

HARRIMAN INSTITUTE
ORAL HISTORY PROJECT

The Reminiscences of
Richard E. Ericson

Columbia Center for Oral History

Columbia University

2016

PREFACE

The following oral history is the result of a recorded interview with Richard Ericson conducted by Graeme Robertson on May 11, 2016 and Mary Marshall Clark on October 10, 2016. This interview is part of the Harriman Institute Oral History Project.

The reader is asked to bear in mind that s/he is reading a verbatim transcript of the spoken word, rather than written prose.

Session #1-2 (audio)

Interviewee: Richard E. Ericson

Location: [Greenville], North Carolina

Interviewer: Graeme Robertson

Date: May 11, 2016

Q: Thank you. First of all thank you so much for agreeing to do this. I know this is a lot of time and, well, it was a while ago.

Ericson: I understand the Institute's urge to get it on paper before we all die.

Q: Yes. [laughs] So let me just say for the tape, we're here with Dr. Richard Ericson of East Carolina University, former director of the Harriman Institute. My name is Graeme Robertson. I am from the University of North Carolina. Also at Chapel Hill. So, great! So thank you so much for agreeing to do this. Their primary interest in this project I think is to talk about Harriman and its role in the world. There are also things that I want to talk about that I am interested in that I felt I was ready to add onto the schedule, so both substantively and in terms of the economics and policy development in the Soviet era and the post-Soviet era. But I wanted to begin by asking you, by getting some personal background, asking you about your early schooling, why you ended up becoming an economist, or how you ended up becoming an economist.

Ericson: Okay, well, how early should we start?

Q: Yes, whatever you think—

Ericson: Well, I went to Georgetown [University]. I was going to be a Foreign Service Officer. That was my undergrad school, [Edmund A. Walsh] School of Foreign Service. And there we had to have two languages in order to get our degree that you had to pass an oral exam on. I'd done German in high school, so I finished that up freshman year. And then there was something else you had to do. So Russian looked interesting. I didn't have a whole lot of background or anything. I had been inculcated with the wave of, The future is planning—you know, industrial state stuff out of high school. So I was going to learn the language and I knew something about the literature and that seemed interesting.

Well, Georgetown had a School of Languages and Linguistics [SLL] and it, to a large extent, didn't do literature. I ended up taking a highly intensive SLL Russian language program. I remember the first year was eighteen hours per week in class [laughter] and another twelve in lab, listening to tapes and recording yourself. I did first and second year. There were a handful of us who were in the Foreign Service School that did that. All but two of us dropped out by second year. And then at the end of second year there was an opportunity to go to the Soviet Union on a summer language program.

Q: What year was this?

Ericson: 1970.

Q: Wow. How interesting.

Ericson: It was one of the earlier, I guess, CIEE programs. So, went to Leningrad. Stayed in Leningrad six weeks and then we had a two-week quickie tour of some big cities, where we went to Tallinn—the second was Moscow and then Kiev. And then we flew out of Kiev to Europe for post-program testing. Well, six weeks in Leningrad, drinking with irresponsible youth who did not go out to build socialism that summer [laughter], led me to wonder how this place was still hanging together, how this could be the wave of the future. It was so shabby and depressed. Living standards, so obviously below Appalachia, *et cetera*, that I wondered. So I think you've got to learn a little economics, maybe to figure this out.

Q: And you were shocked by this going in?

Ericson: Yes. Because the image that we'd gotten through high school and even Georgetown—modern foreign governments and things like that—and we didn't take economics in the Foreign Service School much, like only two semesters: principles and then a trade course. So, I saw this and decided that I should really study a little bit of economics. So I had to go back to Georgetown, finish my degree: International Organization, International Law, all the international stuff. Then I applied to Columbia [University]'s Russian Institute and what was then MIA [Master's of International Affairs] program, SIA, School of International Affairs. For the Master's in International Affairs. And got in, with some money.

Q: Yes. Wow. There you go.

Ericson: So yes, it was in an era when there wasn't a lot of money handed out, but I was really good on all those test scores and I spoke as fluent Russian as most of the people in the Russian Institute did back then. I took some Russian language courses and the basic stuff in that first year. I ended up accepting an offer to go work on a USIA [United States Information Agency] cultural exchange exhibit. This was 1972. Because '70 I went for the summer, '71 I graduated, started SIA in the fall, so in summer of '72 I went for six months as a guide interpreter, гид-переводчик, on the USIA exhibit, which went to three major cities. It was the second half of a year-long exchange. Russia sent artifacts of Central Asia or something like that, real cultural objects.

The U.S. sent twenty-two young Americans, [laughs] to try and change attitudes there. I was probably the worst speaker of the whole crowd. There was maybe one guy who was a little bit worse than I was in my Russian, but six months of arguing with KGB agitators out in front of your stand—

Q: Really advances you—[laughs]

Ericson: —eight to ten hours a day really helped your Russian.

Q: Yes. I think Tim [Timothy M.] Frye did the same thing and his Russian is really good.

Ericson: I did that, came back, had lots of money because they paid per diem as well as a government salary, but I lost all my scholarships at Columbia, so I ended up paying full load to finish a year there. But at that point I was really hooked on why wasn't this economy working? Everything was just so "through the looking glass." So I decided to do economics for further study. Took a few courses at Columbia. Enough to get me admitted, but no money because I had virtually no economics background. Berkeley [University of California, Berkeley] took a gamble on my good general scores, GREs [Graduate Research Examinations] and that, and offered me a full ride, so I went to Berkeley. It wasn't the biggest stipend per month, but it was enough to hold body and soul together, as well as tuition and fees. Just as long as I became a California citizen within the first year so that they wouldn't have to pay the out-of-state stuff for me.

Q: [laughs] I am familiar with this process. [laughs]

Ericson: Yes. So I went there, I did three years of work. It was three years of work in the PhD program, but I got there and discovered you can't do economics unless you know math. So I ended up doing basically four courses from the undergraduate math baccalaureate. Sat in on a bunch of master's level math courses while doing first year of graduate econ. After three years of that or in my third year, and I worked with Greg [Gregory] Grossman, whom you may know and Roy Radner, who had been a planning theorist and had done work for the Greek Planning Commission a decade earlier and so on, and was a real mathematical economist. So I had a bifurcated dissertation. Neither of the two supervisors could read the other half. [Laughter] But to finish it, I went and did an IREX [International Research & Exchanges Board] year in

Moscow, in the Moscow State University economics department. Actually lucked out in that I had Stanislav Sergeevich Shatalin as my научный руководитель [scientific advisor]—

Q: Uh-huh. Wow.

Ericson: —but he saw me maybe a half dozen times in the course of ten months. The first one I walk in and he says, “Вы считаете что вам повезло.” “Да конечно.” “Хорошо. Умете говорить. Всем угодно.” And then he asked me whom I wanted to meet. I had a long list of people whom I had taken out of the economics journals. But most of them I couldn’t really meet with. I remember showing up at CEMI, the Central Economic Mathematical Institute, and walked in the front door, went up to the secretary and said, “I am here to speak with so and so,” well, “Я американский стажёр, and I am here to speak with so and so.” I named the guy whom I wanted to speak with. I think it was Vladimir Arkin whose work I had seen in Экономика и математические методы. She panicked. She sat me down. She ran high speed to the back, came out with a very dour looking head of the Инотдел, who proceeded to explain to me [laughs] that У нас так не делается [You need to apply for permission from the Ministry of Specialized and Higher Education through your university department. It will take 3 months].

Q: Give me three months. Yes.

Ericson: It took six months.

Q: Six months. Wow.

Ericson: I did it. I did all the paperwork, sent it up, and in the middle of the spring semester I finally got permission to attend some very limited things. But while I was there I worked on my dissertation. My practical advisor, Shatalin was the main guy, but they put me in the math-econ methods [unclear] bureau. Advisers were Igor V. Nit and Pavel Medvedev, who later became known as a member of the Duma and head of their economics committee, sometime set in the '90s. But he was a young mathematician who taught linear programming, basically, to the economics students.

Q: And that was, it was linear programming classes that you took?

Ericson: No, I didn't take any classes there. I played around with sitting in on math classes. I went to lectures. I attended lectures on ergodic theory in the math department, but I didn't—we weren't really allowed to take classes except for the mandatory August language classes, that we all had to get through, so I did that. After that we were supposed to be sitting in the библиотеке имени Ленина, gathering materials for our dissertation.

Q: Yes. And what was your dissertation on?

Ericson: It was a study of the impact of central planning on the allocation of intermediate products in the industrial production process.

Q: Okay. [laughs]

Ericson: But its essence was a stochastic, dynamic model of inventory behavior under central planning, where it discovered a, or showed mathematically, an inherent instability of inventory processes, which you could see looking at the Soviet press—about the problems with the excess inventories here, severe shortages there. You could see it almost everywhere in final products. So. And then I had to do a presentation before the entire economics faculty at the end and so I got up and I gave my result on the instability of central planning, and Medvedev was compelled at the end of it to stand up and say, “Yes, this is a beautiful mathematical model, but it has absolutely nothing to do with Soviet reality.”

Q: [laughs] All the while thinking—[laughs]

Ericson: Yes. No, he in fact pointed out, I mean he and Nit had been working as consultants in industry in the Urals area, around Perm. And he had pointed out a number of things that were useful in convincing me that this was really capturing something real.

Q: And you think they were interested in your dissertation?

Ericson: Well, the mathematicians I saw in CEMI were interested. But they were interested in the stochastic process stuff more than the economics.

Q: The economics.

Ericson: The one real exception, I do not know if you've heard of him but Victor Meerovich Polterovich?

Q: No.

Ericson: He is now an academician, and he was a much younger научный сотрудник and he was at CEMI, even though he was a mathematician, because as a Jew he had been denied a degree in mathematics and forced to go get a mining degree and then done some math and econ, заочно [in absentia] while working, evening classes. And was one of the very, very, very few people who understood anything about economics as understood in the rest of the world. And the rest of them were all deep in [unclear] “polit economica.” And practical planning. What are the forms to do a three-month or декадный отчёт or отчёт for the entire год for that one line? So in any case, I finished that up, got out. While I was there Greg Grossman brought me back to the job market. I interviewed at six places during the blizzards of the winter of, what was that—'77-'78 and got some job offers and left for Harvard [University] after which, in the Economics Department—finished my dissertation that December and got a degree then. So I arrived as a \$13,000 a year instructor.

Q: Mm-hmm. [laughs] So it wasn't a tenure track?

Ericson: Well, it was a tenure track position conditional on finishing your PhD rapidly and it was all but done. I just had to finish writing it up and—

Q: Committees are much more generous when you have a job. [laughs]

Ericson: —do the committees. Well, and also, at Berkeley the real test was the defense of the proposal. That they took very, very seriously. The final thing was almost pro forma, unless you really didn't do what you said you were going to do in the proposal. It was a large committee, five people. Besides Radner: Leonid Hurwicz, Tom [Thomas A.] Marschak, Greg Grossman and somebody from outside the economics area, just because you had to have an outsider in the five. So, and it might have been a Russian historian or something like that.

Q: Probably—

Ericson: —[caused some strain to the] Grossman side of it.

Q: Yes.

Ericson: But in any case, by then I'd become an economist and I was in the Russian Research Center [now the Davis Center for Russian and Eurasian Studies – Harvard University] there, loosely, but I was mostly in the economic theory group, which was MIT [Massachusetts Institute of Technology]/Harvard. I got an offer from Northwestern [University] after being there five years, promoted to non-tenure associate, because they only gave tenure with full at Harvard. So I got tenure, I went for tenure at Northwestern, was there for two years when Columbia called and said, "I think Alexander Erlich is retiring. Would you be interested?" I literally got the call when

I first walked into a house that I had just finished closing on [laughter] in Northwestern. Well, in Evanston [Chicago]. So I said, “I can’t do anything for at least two years.” “Oh, do not worry. This is Marshall Shulman calling,” he goes, “Do not worry. It’ll take Columbia at least two years to get it together.”

Q: Get their lines together. Yes.

Ericson: And the final result was, in two years we moved back to New York.

Q: And so it sounds to me like your sense of your dissertation was that it fit very much within mainstream economics.

Ericson: Yes, it was. That’s one reason why I got offers, was because it was very serious front edge mathematical economics. Not even Finance had started using diffusion models yet. And in fact, people assumed I knew much more about mathematics than I really did. [laughter] But I had talked with some Russians who were developing this kind of stuff on the pure math side, so I was able to make it work in the dissertation. But I think I was hired to fit in with Abram Bergson, who was getting on in years at Harvard, but as somebody who would be competitive with the theory group of the department.¹

Q: That’s amazing to have that training and background in Russia first and then to pick up the mathematics and then turn out to be really accomplished at it. That’s an unusual set of

¹ Editor’s note: The narrator indicates that this is incorrect.

characteristics. Because my assumption would have been *ex ante* that people who are interested in the region first, then have to break into the discipline. And at least my own experience was coming from being interested in the region and then trying to make myself fit in, find a discipline and then learn that discipline and that's a process of—at least in the beginning—semi-outsiderish? But that wasn't the case.

Ericson: No. I was fascinated by the economics and discovered very rapidly I had no idea what was being talked about when I read things, so had to study that more, then discovered I can't really follow what they're saying there, the cores of the arguments, without knowing some mathematics. And that stuff I found captivating.

Q: That's great.

Ericson: And then I came back at the PhD level, too, in part because Greg Grossman was there to look at the Soviet Union.

Q: Yes. So one of the questions I was thinking was, to ask about why would an economist pick a data-free area, essentially, right? But that's not a problem because you're a theorist rather than an econometrician.

Ericson: And also data was not a big deal in the '70s. Nobody had data. Economic history—that was sort of the volume of data, the empirical side. Well, the computational tools were still decades away and what data you could get was only about certain parts generally related to

central governments of well developed market economies and even there, the international institutions had not yet developed the data sets across all of the developing countries and even a lot of Western Europe that was sketchy. So basically you've got British and American data and some French and German to work with if you're doing things and it's all related to market outcomes of various sorts. So Russian area studies and the economics thereof was always very qualitative and descriptive. And Abram Bergson had sort of made a career out of reinterpreting Soviet numbers, aggregate performance numbers, to try and develop a new, consistent series of economic growth and analysis of the performance and that was funded basically starting in the early '40s, because the government was desperate to know what Russia really needed, what the Soviet Union needed, as part of their war effort.

And he actually got his start before that looking at agriculture numbers, which were really cloudy in the Soviet case. So he and his students were numbers people and some of them became economic historians, like Paul [R.] Gregory. [Alexander] Gerschenkron worked more with stylized facts and thinking theoretically about them and Greg Grossman was one of his leading students then. In some sense, I am in that line, a student of Grossman's.

Q: How interesting.

Ericson: And then when computers showed up and PCs in the '80s, suddenly economics did a complete flip. It was descriptive versus mathematical modeling and then it moved to mathematical modeling versus intensive use of data, which was being developed and maintained because of electronic means and could be processed electronically, so—do the first input/output

model for the U.S. Wassily [W.] Leontief, who had sort of developed the ideas for it starting in grad school in St. Petersburg, spent—it was either eight or ten years of graduate students working their twenty hours a week through that entire period, to gather the data on the U.S. economy to do, I think it was a 120-sector input/output model. And now it would take, I do not know, fifteen minutes and permission to download from [laughter] the appropriate government organ.

Q: Yes, yes, it's amazing.

Ericson: And you can see that [unclear] it involves inverting a very large matrix. But if you try and do it by hand it can take years. A two-by-two, anybody can do. Three-by-three, you spend twenty minutes on it. Four-by-four you're into hours. So 120-by-120 is just not doable until modern computing.

Q: Now you can probably do it on your phone. [laughs]

Ericson: Well, if you installed the right software, but definitely on a laptop, or in the cloud.

Q: And when you got to Columbia, was it the same kind of setup as the theoretical economists that you'd had in Cambridge?

Ericson: Well, it was Harvard—the Economics Department was pretty much the same. Though I was hired half and half—Harriman Institute, to which I owed some teaching and the Econ

Department, to which I owed the rest of my teaching. In fact, it was more like two-thirds/one third, so I had service and teaching responsibilities in Harriman. My research had to be acceptable on both sides. So, that turned out to not really be a problem because it was technical.

Q: And what kind of journals were you publishing in?

Ericson: My dissertation came out in *Econometrica*. There were theory journals and [*The*] *Review of Economic Studies*. I had a couple of papers early in the initial issues of the *Journal of Comparative Economics*, which [John Michael] Montias, I do not know if you remember him, John Montias, he was a Polish economist at Yale [University] and a big wheel in comparative economics. He was the first and founding editor of that journal and he really worked hard to get my technical pieces in there to help set a tone for the journal, as opposed to the purely descriptive stuff you got out of Soviet studies at the time, for example, which was a nice high quality outlet, but still—

Q: They're quite different now.

Ericson: Yes.

Q: And so you already had tenure when you went to Columbia, right, so there was no issue with—

Ericson: Yes, because I had tenure at Northwestern, so I wasn't going to move without that.

Q: No, that would be foolish. [laughs] And you said you owed Harriman some teaching and the departments and teaching?

Ericson: Yes, I taught a course on the Soviet economy. It was part of their core. Back then they had a very rigorous core—sort of ten courses you had to take in the course of two years and then others in your field. And one of those was the basic Soviet economy course that I taught. And it had been offered by Padma Desai and visitors before my getting there. Alexander Erlich had not taught for at least two, maybe four years before I got there. He retired, which was the trigger that they were going to look for a position. And so, I know Alec [Alexander] Nove taught it one year. Peter Wiles came one year. People were invited from all over to go teach it and then when I got there I sort of had it for the next twelve years. Well, now it's the next eighteen years.

Q: And when you say that they had a ten-course requirement, that was for the Harriman certificate, that you took it alongside the PhD?

Ericson: Yes. You got that alongside your PhD now. There was a fair amount of overlap in the core areas: political science, literature, history. Three of them were history courses everybody was going to have to take if you were working in Russian history, anyway.

Q: That's great. [laughter]

Ericson: John [N.] Hazard's Public Administration was—I do not think that was absolutely required, but it was one that everybody took.

Q: So how many years of coursework did people have to take then, to get through?

Ericson: It was two years.

Q: Just under two?

Ericson: Yes. It was the standard two to get your certificate alongside your—well, then you had another two or three [unclear] years toward the PhD.

Q: The PhD, right, so yes.

Ericson: And it was only PhD students at that point. And there were a couple of required literature courses as well, so that every department had its piece. That was supposed to create somebody who had a well-rounded understanding of the reading.

Q: You would do. [laughs]

Ericson: All of that vanished when the Soviet Union did.

Q: Yes.

Ericson: And then the requirements got successively cut back. Mark von Hagen and Cathy [Catharine Theimer] Nepomnyashchy and I created a substitute course for much of the core, called Legacies of the Soviet Union, which was ten or eleven weeks, whatever the length of a semester, well, maybe fourteen weeks. Each week was basically devoted to an aspect of it and I then taught the economics module in there. In fact, they've invited me back I think four out of the last six years to teach it because they're losing people. Could do that. And there's a debate right now in the institute as to whether even that should be kept. I mean, that was introduced because right as the Soviet Union was vanishing we got a total switchover in the nature of students coming. Before that they were all interested in the region *per se* and had studied Russian and knew history, knew the literature and so on, so they had a fairly deep, common background coming in there. We built on that.

It was like in one year around the collapse, those kind of people just stopped showing up. Now what we got were all of these really bright, young, vigorous people who had just spent six months or a year or eighteen months in the Former Soviet Union and were really interested in doing business there and making their fortune and effecting social processes, but had no conception of what had really come before. And so the Legacies course was supposed to impart that with a set of classic readings and discussion.

Q: And so you read [János] Kornai [until 1945, Kornhauser] and—

Ericson: Well, not so much, read a lot of [Richard] Ericson.

Q: Right. [laughter]

Ericson: We read some Kornai. There was a couple of his chapters, but he gets to his point fairly concisely, one chapter in the middle [unclear] [laughter]. But Alec Nove—well, for that course we didn't really read that because you're going to do the economic system and whether it was effective or efficient, both or neither in one week. You couldn't give more than 120 pages of reading. That would barely get you through part one part of Kornai's book. So it was a number of classic articles. Greg Grossman's basic one is the most significant article I believe ever written in the field, "Notes Toward a Theory of the Command Economy."

Q: I haven't read it. Nove I remember. Nove was the first person I read on this—

Ericson: Well, Alec Nove's beautiful little books—

Q: —in high school in the '80s—

Ericson: —are fun to read and things like that, and Nove has a good idea of how the system works. But Greg Grossman's piece sort of starts with the advantages of centralization and decentralization and the perpetual pull in trying to make either sort of model work, and in the middle he has a description that you would have thought he had written in 1994—this was written in '61, '62—of how such a system collapses.

Q: Wow. I've got to read that.

Ericson: So it just focuses on a few lynchpins.

Q: [Mikhail S.] Gorbachev should have read it. [laughs]

Ericson: Yes. Well, Gorbachev should've taken principles of economics at some point in his life first.

Q: And so when you were teaching at Harriman and doing research, were you still traveling to Russia at this time?

Ericson: Oh yes.

Q: So this was what year? What year was when you went to New York?

Ericson: Nineteen eighty five—well, but the first time was as a student. And from which I took a break to go be a guide interpreter. Then I came back and I actually never finished the certificate because I never wrote the end paper. I got into grad school instead of doing that and was studying too much economics then. So that was '72. I then went out on my own in '74, just to see the place. I went to a travel agency in San Francisco, bought myself the *путёвки* you need. I flew on Air Luxembourg, took a bus into Dortmund there, took the Nord Express across Scandinavia, ending up on the ferry into St. Petersburg—well, Leningrad. Did a few days in

Leningrad, walked around, saw the places that I'd come to know when I was an undergrad there. And then поездом down to Moscow. They put me in the Hotel Berlin. But this was the Soviet era, so wherever they had a spot which was right there downtown at the time. It has had its name changed and it is one of the fancy new hotels. Belongs to a chain now. I do not remember which one it is. So I was there for several days. I saw some friends and then flew back.

Seventy-seven, '78, that was my PhD year, so it was like '72, '74, '76 I did another individual travel, '77-'78 went for a year, came out of that, got a job, went back in '82 on a NSF [National Science Foundation] project grant, looking at economics in the Soviet Union.

Q: The study of economics, yes.

Ericson: How do they understand economics. There was another brief trip in '85 or so. Then in '87, I went January to July with my family. I had a one-year-old, and a three-year-old who turned four at the American Embassy [unclear] Marine Bar in March, and my wife. That winter started at forty below Celsius for two and a half weeks.

Q: Charming.

Ericson: Felt like a spring when it went up to twenty below for the next [laughter] four weeks. But in any case, that was working on sort of the economic experiments, what was going wrong with them. It was the [unclear] was just about to begin, and Gorbachev actually launched perestroika when I was there, formally, '87. It was June.

Q: June, yes.

Ericson: The July decrees came out, but I left before things started being implemented. But I was there for the debates. I actually saw, who was the guy? [Grigorii (Girsh) I.] Khanin and I saw [Vasilii] Seliunin present his research on economic statistics in the USSR [Union of Soviet Socialist Republics], which made a big splash. It was in *Novy Mir*, “Лукавая цифра,” and it was presented to a closed audience that I was able to sneak into appearing Soviet and having a пропуск because I had authorization to go see my lab in that building. Instead I went to the auditorium where they were doing it, where he basically said all Soviet statistics had been a lie. Growth has been about a fifth or an eighth of what they claim, with a slight exception in the late '70s—not late '70s, the late '50s—under [Nikita S.] Khrushchev.

Q: And how did you feel about seeing them?

Ericson: And it made a major splash. Well, I came back and I wrote an article that eventually got published called *Khanin vs. TSU: The Soviet Statistical Debate*. That was the most immediate project because right after that the large scale experiments, all the experiments vanished. But perestroika started, so I started writing on perestroika. I went back several times, later in the '80s. After 1990, I was there in 1990 with a Polish political scientist, Seweryn Bialer. He had fabulous connections in the Central Committee, so he put together a group to go talk to them about what it means to go from Soviet planning to a market society—was more than economy. We had

lawyers; we had political scientists. It was sort of a big group and he'd gotten funding from somewhere for that.

But after that, my third child was born on my return and—well, shortly after that—so I did not go back to the Soviet Union or to Russia until 1995, I think. So I sort of sat out the big [unclear] Bang and in fact during that period—three years of that I was director; a year prior to that was an assistant director.

Q: So the Bialer trip, who did you meet with and can you tell me a bit more about that?

Ericson: Well, there were a bunch of young people from the Economic Department of the Central Committee and the head of the Economic Department, I can't remember his name but I sort of see his face, was a buddy of Bialer's from some circumstance.

Q: This again was 1990?

Ericson: Nineteen-ninety.

Q: Nineteen-ninety.

Ericson: October we were there for a week or ten days, something like that. So I do not really remember who came through. I remember, well no, that one was in English. After that, in fact part of the time when I was an assistant director and director I was going back—well, first we

were running at Columbia, sort of training programs for managers, something like that. Joe [Joseph] Rubin, I do not know if you know his name. Not his son, but the elder was an international lawyer who had, very quickly got connections in immediate post-Soviet business and he was able to get them to pay to come here to listen to lectures about market economy and business and management and so I was involved with that for a while.

Harriman had a short-lived program, a couple of years, that got money off of purportedly training Soviet managers to become market managers and the most memorable part was when I actually flew to Nizhnevartovsk and what was interesting about that is that it all had to be in Russian. But like my final participation in that was spending four days in Nizhnevartovsk, which is an oil pit in the middle of Siberia, in both directions, middle.

Q: Middle. [laughs]

Ericson: It is officially in Eastern Siberia, but to the western edge of Eastern Siberia. Big oil place, and we did the seminars. I remember mostly being totally jetlagged and not really performing at my best. And that was the last hurrah.

Q: Was this part of the [ITAP]² thing that—?

Ericson: Yes. Yes, that was, we had to come up with a catchy—

² Editor's note: ITAP was a short-lived Harriman Institute-Columbia University technical assistance program for Russian business in transition; Joseph Rubin was director.

Q: Yes. And what was it, you said “purportedly training,” was it?

Ericson: It is not clear how much they really got out of it. And Joe Rubin and his partner were amazingly entertaining. And I guess I was less entertaining, had more analytic content, but it wasn't clear how much of it sank through. But I had a temporary monopoly as about the only person who could do it in Russian. And they'd have a translator, but their translations for economics were horrible.

Q: Shocking. Yes, I can imagine.

Ericson: They're still rather bad, but they're much better now than—

Q: Yes. Well, the concept didn't really—

Ericson: Concepts weren't there. There were not words for things. And even now, “economic efficiency,” they have to use a two-word phrase just to get what economists called “efficiency,” because эффективность covers multiple senses. It sometimes gets used to mean “efficiency,” but then you would have to realize that they understand that that's what they're meaning when they use it.

Q: Especially in their very technical sense that an economist uses.

Ericson: Whereas—I mean there is nothing else beyond—they talk about экономическая эффективность, which is different from ordinary эффективность. The flag that they're using, the technical meaning.

Q: And so the Bialer thing in 1990, I am interested in whether you think that had any effect on people or whether it was, it was kind of more of a hospitality thing or what, what was the interest on the Soviet side?

Ericson: Well, I think they were really interested because they could see that the whole thing was collapsing and the Economic Department—

Q: By then.

Ericson: Yes. October '90. The Economic Department of the Party did not want to lose control. And, in fact, we didn't really know it then, but most of them were scrambling and gathering assets [laughs] that they were going to do very well with in the coming chaos. And perhaps some of them got useful information out of this. I was never part of the follow-up, and because of the collapse, Bialer didn't repeat that—though he himself went back several times, I think, afterwards. But I was never involved after that.

Basically younger generation grad students who suddenly had dissertation opportunities wide open. You didn't really have to have this rigid exchange, twenty Americans for twenty Soviets kind of thing. And you could actually talk to people and try and do empirical work so Tim Frye

went over and took advantage of—a lot of the people who had been trained at Harriman, they for a couple of years were getting near their dissertation stage and suddenly the whole thing opened up. And so they just took off in droves and learned things, did things. And in economics, I mean there was a program in economics run by SSRN [Social School Research нуы], for better than a decade, I think. It folded shortly after the collapse of the Soviet Union because the funders lost any interest. But it started out as trying to get people interested in the region, people who know something practical about these economies, up to speed in traditional economics, so they might have a chance of getting tenure in departments.

Herb [Herbert S.] Levine organized it, was the entrepreneur. I was just one of the participants in the first one. He invited me back for the second, and by the third or fourth he and I were the core of it. And we frequently had Ed [A.] Hewitt also involved, though he got less involved once he became the federal czar for dealing with the Soviet Union. And so that program was explicitly meant to take young people who were interested in the region, were trying to do research on it and make sure that they both were able to deal with the language and the data that was available and produce something that would be acceptable in a standard economics department.

When the Soviet Union collapsed, the profession abandoned Comparative Economics basically. Some very, very bright young people—John Litwack, who had been a Penn [University of Pennsylvania] student of Herb Levine's—I had talked to him a lot about his dissertation. He'd come up to Columbia, got himself a tenure track job because he was technically very proficient at Stanford [University] and the Soviet Union had collapsed in '91-'92. By late '92 they were telling him, "Well, you no longer have a field, so you've got to get competitive with these pure

theorists,” and that was a *Mission: Impossible*, so he ended up going to EBRD [European Bank for Reconstruction and Development], I think, and then he worked at the World Bank Office in Moscow and so on.

Q: So they survived. [laughs]

Ericson: Oh, he has survived very, very well. [laughter] And Tom [Thomas J.] Richardson, a student of mine at Columbia had a similar experience at Yale, and so he went to the IMF [International Monetary Fund] and he’s now very high-placed in the IMF.

Q: Joel [S.] Hellman somewhat similar from the political science side.

Ericson: Yes, Joel Hellman, but he’s now a dean.

Q: Yes, yes. He was at the EBRD for ages and World Bank and—

Ericson: Yes. A number of economists managed to get jobs in regular departments and still focus on what was happening there, like [Michael] Alexeev at Indiana [University], [Jim Leitzel] at Chicago, Barry [W.] Ickes at Penn State [Pennsylvania State University], Will Pyle [Middlebury College], Gary Krueger [Macalaster College], who are all the people—those are the ones I think were left in academia. The rest of them all went to international organizations. But there was a wave of them in the early ’90s. They sort of went and camped out for long periods. Gary [J.] Krueger was one of those and he’s now, he’s been chair of the department—has now got a

named chair at Macalester [College]. He's a superb applied econometrician, as well as knowing an awful lot about development of Soviet industry because he was a student of David Granick, who was another [Alexander] Gerschenkron product, by the way, as opposed to a [Abram] Bergson product in the pipeline of Sovietological economists.

Q: Right, [laughs] the genealogy. And so we talked a little bit about contacts—so I am thinking about the impact in three different ways. One is impact on policy in Russia. One is the impact on the training of specialists. And then the third would be impact on training on policy in the United States towards Russia. Did you have any involvement in that third one?

Ericson: The Harriman Institute tried to keep it at a scholarly level.

Q: Right.

Ericson: Individuals were sometimes very actively involved, more so with people in Russia. Padma Desai traveled all the time, got to be a good friend of [Yegor T.] Gaidar and his окружения. There was a lot of visiting by shady characters from the Former Soviet Union looking for Harriman money for this or that cooperative project that we generally avoided.

Q: Because you just didn't know who they were.

Ericson: Yes. And we were also relatively cautious. The people who got the ear of the Russian government were [Jeffrey David] Sachs and the whole group of international economists,

because once it opened up, those who were in positions of influence all spoke English. A number of them had actually participated as guests in this SSRN training program.

Q: Oh, really?

Ericson: Like Vladimir [A.] Mau was there, and we had brought in Andrei Shleifer, who was of Russian descent—he was a student of mine at Harvard, an undergraduate, and then he got a PhD at MIT from Franklin [M.] Fisher. But he had sworn he was never going back to that you-fill-in-the-expletives place. Well, we invited him to one of these because he’s a native Russian speaker—he was a superb applied theorist—and we had also invited Vladimir Mau to the same one.

They met and sort of disappeared for a half a day together and before I knew it, Shleifer was on the invite list to go to the research institute that Mau was heading to do this transition right. So there were a lot of people who had international financial organization connections who moved in very, very quickly, in part because Russia had asked the IMF for a formal review.

There was that huge three-volume study and in this, Harriman was always much more cautious. A lot of people went into it without knowing anything about the prior part, “Give us the number so we can figure out what’s going on.” And the people at Harriman were sort of too deeply grounded in the legacies to feel comfortable with doing that.

Q: So it’s really an intellectual training or intellectual culture reason—

Ericson: Yes, that I think was the whole purpose and there were debates about that and a lot of the older people took the money from the government, but they were always uncomfortable about that. And it was nice when it was coming and when I was director it was when the withdrawal of the major financing institutions started taking place. So we overnight lost Rockefeller [Foundation] and Carnegie [Corporation of New York] and Ford [Foundation], a bunch of other places—well, overnight or over the course of about a year and a half, two years, they just all pulled out. Fortunately we had hired right at that time Frank Bohan, who I think is still managing the finances.

Q: He was there the last time I was at Harvard.

Ericson: He's a skinflint, but he really knows how to manage money. And it's an interesting story why he accepted an offer at a dramatic cut in salary. A miniscule fraction of what he was making downtown. Because he has a son with a serious medical issue and Columbia provided full medical coverage, as well as access to the best of medicine in New York. So he came and worked and straightened things out. Money was always tight when I was director but I'd say five years into Mark von Hagen, six years, money was suddenly loose again and it was partly because the Harriman family had ponied up most of the rest of their pledge, so that was a twenty million base when it was all in and the early parts of it had been growing as well. And there was a lot more project funding with overhead that was generated. Before it was more blanket funding, to make sure that there was appropriate expertise on the Soviet Union for public purposes. And that need disappeared with the Soviet Union, basically. And Eastern Europe had already taken its walk earlier.

Q: So there's the question of kind of high-level contacts, and I understand sort of the reticence or the comparative disadvantage, if you like, in that competition for the ear of the Russian government. Then at the lower-level, at the kind of managerial level and the legal training and all of those things, did we have the right skills to—?

Ericson: Harriman didn't have the legal skills. There were some people like Peter [B.] Maggs, who went over. And overnight there was government funding for transition, overnight beltway bandits showed up: Chemonics [International], SRI [Research & Development]. There must have been at least a half dozen that sent around calls for resumes to everybody who had ever been associated with the Soviet Union. I was director and didn't really have the time, so I sort of ignored them, but they hired anybody they could, gave them lots of money, government money and sent them over, to sort of work on things. And I do not know that Harriman got into that directly.

Even then we had lost some of our political scientists, your advisor, and History was shrinking with retirements. Literature wasn't relevant for that and the Economics Department wasn't going to hire anybody else. We did not have Business School contacts and the Columbia Business School had nothing to do with that. There were people at the NYU Business School [NYU Stern School of Business], because of Andrzej Rapaczynski, Polish background, and Roman Frydman. He was a macroeconomic theorist, dynamics kind of guy. But he got very interested in the theories side of it and work with Rapaczynski, they had a major three-volume study on post-communist privatization.

Q: I remember, yes.

Ericson: So Columbia didn't have quite the right configuration of people to do that. And I might have been more involved if one: I hadn't just had a third child, [laughter] that sort of tied me down; two: I weren't the director of the Institute because then I felt that anything I did was an institutional commitment and there were disagreements in the Institute about whether this is the right path. Which way should we go? And if I were just a faculty member, then I could have gone and tried to peddle my wares. But as director of the Institute I didn't feel comfortable doing that.

Q: And how did you feel about the way the Institute should have gone?

Ericson: I think it could have been a little more risk-loving in its approach. It was very, very conservative, it seemed to me. I think there was one incident that probably went the wrong way, but there was an opportunity in the fall of '92. Alex [Alexander] Motyl was the associate director and we had an opportunity to bring [Vladimir V.] Zhirinovskiy for free to campus to give a major talk and it looked like a good idea, but the senior members of the Institute were adamantly opposed. They were not going to give voice to a fascist. They did not want the Harriman name associated with that fascist in any way. I think we passed up an opportunity. You could have attacked his views, but they were also desperately afraid that there would be big demonstrations, maybe some violence associated with his showing up. So it didn't happen. And that sort of set a tone of caution for a lot of the Institute's behavior for the next few years.

Q: And did Gaidar and his dissents' people, did they come at all?

Ericson: Oh yes, we had a whole stream of Soviet visitors who gave talks. Shatalin came, and I translated for him because the translator was shitty.

Q: [laughs] And had you kept up your relationship with Shatalin or not really?

Ericson: Not really, no.

Q: No. It was very formal.

Ericson: I think he is dead now, in fact. I mean, I saw him five or six times in the course of a year. Now, he remembered me when he came through, so it was very cordial and friendly and so on. He congratulated me on my translating. But then he went on because he was on a tour as the father of the 500-Day Plan, other places. So, and we had most of the big figures. And Padma Desai, after I stopped being director, kept inviting people in—she had some extra money—so that we had a steady stream of Russians, but largely the Russians on the Gaidar side. We didn't have a lot of the dissent.

Q: Right. So no [Grigory Alexeyevich] Yavlinsky or?

Ericson: Yavlinsky came. He's on the Gaidar side. He was a dissent, but he was still a dyed-in-the-wool Democrat, so, I mean, he was fine. But I mean, Sergey [Yurievich] Glazyev, who doesn't really know much economics, didn't get any invitation.

Q: Yes. No, I met with him in 1998, I think. He didn't know [laughs] much economics then.

Ericson: Well, he's now [Vladimir V.] Putin's lead advisor.

Q: I know, it's really, really stunning, actually.

Ericson: Even though [Alexei L.] Kudrin was just given a think tank—

Q: Yes, it's hard to imagine.

Ericson: Though it's not clear how much influence it's going to have.

Q: There's a lot of debates about Kudrin, though, and whether—

Ericson: They used to call it “Pudrin”—he and Putin were connected at the hip for a decade, thirteen years, something like that. And then they had the falling out, but he didn't lose anything except his former government position. And now he's even gotten a different, less important, but still a government position back.

Q: Yes. I remember Viktor Chernomyrdin coming in, it must have been '97, and getting awarded an award from Harriman for his services to science.

Ericson: The worst Central Banker in history?³

Q: I remember sitting there thinking, hmm. [laughs]

Ericson: Well, '97 was past my time as director. [laughter] I was there.

Q: I was very close. [laughs]

Ericson: I remember, yes, and it wasn't actually at Harriman, it was in a bigger auditorium. Yes, it was in the law school building, because they have a huge auditorium.

Q: That's right, yes. They gave him a big certificate. It was like a big check. I thought it was a pretty tawdry exercise [laughs].

Ericson: But Harriman was government-friendly, I think. Whatever the government was. And I think that was looked on as a way to preserve access. Because you never knew when people were going to start getting blacklisted or cut out.

³ There is some confusion here. Dr. Ericson refers to Viktor Geraschenko, not Viktor Chernomyrdin, to whom the award was given.

Q: As it turned out. What about access to the U.S. government at this time, in kind of the last Soviet period or the early transition period?

Ericson: I met with [Thomas R.] Pickering. He was all about making money in Russia and had a much too rosy view of what was optimistic and so he left very disappointed because I gave him a much more negative opinion of what was good and likely to happen there. We had very good relationships with his predecessor, the literature guy, ambassador to Russia, [Jack F.] Matlock [Jr.]. In fact, he's something of alumnus of the institute, of the Russian Institute, and so—as sort of encouraging support for perestroika, I am not really sure what the Political Science Department or the political scientists were saying about chicken Russia, but I know much of the Institute were sort of appalled at [President George H.W.] Bush's attempt to hold the thing together. Or chicken Kiev.

Q: Chicken Kiev.

Ericson: Chicken Kiev.

Q: Yes, it looks kind of bizarre in retrospect.

Ericson: And we would get calls out of Washington [D.C.] when anything big happened, like the coup against Gorbachev and they'd ask, What's your take on this? And we'd be watching on Soviet TV because we had a satellite on the roof of the SIA building. And so somebody would be there to talk to him. We were talked to a lot but sort of hand's length. We were never on a

payroll and I do not think there was much in the way of consulting money or grant money of any sort. There were people who got NCSEER [National Council for Soviet and East European Research] money, but that was for their projects, which in principle were all supposed to be policy-related, but frequently really weren't.

Q: Frequently, yes, a nodding acquaintance with policy at best.

Ericson: They had to spin it right in the conclusion.

Q: Yes. [laughter]

Ericson: So there was no real formal government activity and we indeed weren't on any kind of government support by then. That had long disappeared. We'd been on private foundations for a while and that disappeared very rapidly. And even SSRN shut down everything—I was at the final meeting with Herb Levine when they closed down the Soviet Economics workshop series and they noted that they were abandoning the regional orientation completely, it was going functional. The only time region was going to count was in the few areas where it actually is inherently there, like anthropology or literature, culture or history. But there's no regional, necessary regional focus in economics or political science. It's functional.

There are big issues, globalization issues, demographics—and so they changed their entire funding structure, which meant the only thing that remained that was area-related was PhD because some of the PhD students were in the appropriate region specific fields. And I guess

that's one reason why area studies has more or less vanished from political science and economics departments. Most of the people who claim to be area specialists are anthropologists, a few sociologists, culture and literature people. But that's basically all there is.

Q: Yes. Well, political science still hires sort of by area, because they have undergraduates to teach who want to learn about countries, to a certain extent.

Ericson: Yes, but it's not a research area. No, it's not going to get you tenure.

Q: No. [laughs]

Ericson: [unclear] serious, teach it.

Q: Yes, that's true.

Ericson: Even here, ECU's Political Science Department has not had anybody with any kind of a regional focus ever since the last guy retired four years ago. And it is pretty clear they're never going to hire again, given the shrinkage in the faculty that's being pushed.

Q: In terms of the U.S. government, was it at the political level that people would call, or was it kind of State Department?

Ericson: No, it was staff. Several times a year I would be invited to go to what we called National Intelligence Council Meetings, where I would give a briefing or something organized at one of the, those think tank houses in D.C. that would have a lot of government officials. I actually spent a lot of time in the '80s before becoming director on MEAP, the Military Economic Advisory Panel to the CIA [Central Intelligence Agency] because I had done some study of Soviet military industry and remained on a couple of CIA panels until I got to, but it was all individuals, not institutes related. And that lasted until I became director and the Soviet Union disappeared. So the specific need for expertise [laughter] on the Soviet economy vanished with it. So.

Q: So if you were to characterize, over all, the sort of impact on policy or events running up to the collapse of the USSR and then the major aftermath from Harriman, it would not—

Ericson: It's all indirect. A lot of people, including a lot of the leading journalists had their degrees from Harriman, their certificates, and that influenced, I think, very heavily how they reported and we had a lot of government officials come through—well, a lot of people rise in government positions, but it was basically at the staff level, people who were comfortable asking and had enough training to understand what they were being told, who would then provide briefings and input to decision-makers. I do not recall any direct impact on decision-makers of any sort.

Q: So there are no stories about, Oh, you know, we got them to do this or we saved them from making this mistake?

Ericson: The political science people might know more. Yes, I do not think we saved them from doing much of anything. [laughs]

Q: Yes, they didn't do much of anything. [laughter]

Ericson: There was some pressure both at Columbia and at Harvard, more at Harvard even, to provide big money, fifty billion dollars to help the Russian transition upfront. It was like Sachs and the guy who wrote the *Essence of Decision*.

Q: Allison, Graham [T.] Allison.

Ericson: Yes, Allison, who pushed that really hard and we had some people at Columbia who were supportive of that and there was some lobbying, I think, but it didn't go anywhere. We didn't do it. And that was probably because of a lot of people seeing business [unclear] said, "We're not going to do it unless we know it's going to work." There was a lot of skepticism about what was going to work, and it was pretty clear most of the plans were kind of hair-brained, at least at the beginning, at least as they were written on paper and nobody believed what Gaidar did was happening at the beginning. When you wake up and they said, "Prices were all liberalized," and the immediate reaction everywhere in Soviet [unclear] studies was 'another reform.' Let's see how long before this rolls back—yes. And there wasn't. It really was uncharted territory, starting with that. And nobody had thought that that was really feasible. A lot of people recognized that the system was grinding into the dust and was going to collapse.

But after that, the way it was carried out, even with the Polish example in a much smaller economy, outside of Sachs, it was enthusiastic and said, “Yes, this is the way we’re going, this is the way we should go.” Anders Aslund also was a big supporter, but for both of them it sort of stopped short of doing essential [unclear] central pieces of the comprehensive set of actions that were needed and recommended, and so things quickly started freezing up and unintended consequences overtook the intended.

Q: As they have a habit of doing.

Ericson: Yes.

Q: And so were you interested in this sort of shock therapy versus gradualism debate that was going on?

Ericson: I thought it was sort of a waste of wind. Everything that was happening was happening gradually and we had seen a version of gradualism in the treadmill of reforms, ever since basically '72 or '73, doing it piecemeal, doing it systematic, trying to build on it but then unintended consequences of the first piece made the third or the fourth piece impossible and things like that. There is something to be said for cutting the Gordian knot. But however you cut it, outside of declaring, “There’s no more price control and you can trade anything with anyone anytime you want,” which didn’t last all that long, but that was the essence of the shock at the

beginning. Those things you can do right away. Everything else takes time to set up, and even more time for people to realize that it is being set up and this is how it works.

Q: Small matters like banking systems and [laughs] privatization.

Ericson: Well, and even money. Soviet currency was not a money in any economic meaning of a money and you can't create it overnight. Liberalizing prices went part of the way. But the whole banking system and the way it was set up, the very segmented pieces kind of деньги, et cetera, where funds are not interchangeable between enterprises [unclear], things like that б and the whole Госнаб system for all kinds of trade. No matter what you decree, that is just not going to vanish, because nobody knows whom to do what with when anymore.

Q: And do you think that the western analyses of—okay, first was all pretty well known in western discussions of the Soviet economy before?

Ericson: Not really.

Q: No?

Ericson: Starting with the CIA and the Bergson view that, yes, it's inefficient, but you should be able to change these pieces and make things move better. I think very, very, very few people understood how big the gap was between the institutional environment of the Soviet Union and people's understanding of markets and what would be needed for even the most primitive, really

functioning market economy, as an economy, not just individual market. And a lot of thinking that, Well, they have black markets all over the place, just make them legal. But they worked in a very different environment. They survived off of rents and price wedges created by the price control and the rest of the planning system.

Q: A system of private protection that they required.

Ericson: Yes. Unless you're willing to do a decade-long incremental move through an expanding and slowly legalizing second economy, the way the Chinese essentially did from '78, there's no way you're going to do a great leap. And yet there's no way you're going to get there without a great leap. It is something of a paradox—it was an inevitable collapse, and even though some people have argued that there are ways to take advantage of social capital to smooth that, undoubtedly you could have made it a little less traumatic, but you were still going to have a major social catastrophe in trying to do this complete system replacement and very few people, I think, understood the systemic differences. Everybody looked around saying, “Well, it's got too much government, too much of the budget in government control. Yes, they plan. All governments plan. Lighten up and things will start happening.” And it really was not that caricature of a centrally planned economy that I think most economists actually believed in, until faced with the consequences of getting rid of its institutions. First and foremost, the Communist Party. Gorbachev pulled that out, and it was like the lynchpin and a bunch of swinging, spinning things and they just start spinning their own—

Q: Yes. One wonders to what extent he felt he understood what he was doing.

Ericson: He had his economists. And I do not know him personally, so I do not know whether he was ever troubled with self-doubt. [laughter] He didn't act like it.

Q: Confidence is a very dangerous thing.

Ericson: Well, and absolute power. He was the only one in the position to be able to order the Party to vanish from formal economic activity. Of course, they then seized what they could and vanished with it, adding to the chaos of their not making decisions anymore. But only the first secretary with a long tradition of everybody doing what he says could get away with that.

Q: The whole kind of academic exercise of studying the Soviet economy—this might be an unanswerable question or a silly question but I wonder, you know, a few times people ask about, what's the point of being a political scientist? You're not influencing governments. And my answer is always, Well, the conversation is incredibly important and that we're having the conversation and that we're trying to understand things, even if there is no one answer, this contributes to, maybe, better decision-making in some sense. A better society, a better public. Is there an argument about the study of the Soviet economy and the works done at places like Harriman and others?

Ericson: One of the big motivations is the 'greatest social experiment of the twentieth century.' How is it working? How might it have worked? Why isn't it working? As we got later and later into that experiment—what's going wrong? How can we fix it? I know the economists at the

beginning were all fans of Oskar [R.] Lange, who truly believed if you did it right, central planning, sort of social control of social economic processes could make the world a better place. And Bergson believed that right to the end. And among the economists who were in academia, there was definitely a socialist bias. Yes, you study markets, you know how it works but this was interesting because of the ability to use social controls. Now, unfortunately very quickly, it came with all sorts of political side effects like gulag—

Q: Small matters.

Ericson: —lack of democracy of any sort. But.

Q: So that's interesting. You think the cohort of economists was sympathetic to the project.

Ericson: The first cohort was sympathetic to the project—and that includes Alec Nove, Peter Wiles—all of the Brits and [unclear], I think, Bergson. Granick, it's hard to tell [laughter] and I think Grossman has a sympathetic understanding of socialism—but very, very quickly he understood this is not going to work. And so he has that seminal piece that was published I think, it was either '62 or '63 in *Soviet Studies*. And, who's out there? Montias believed that planning could be humane and done right and so on. Now there was on the outside of academia, generally ridiculed by academia, a bunch of fairly anti-Soviet émigré economists, Noam [unclear], who worked in the government for a while, is a classic example. He really knew more about Soviet agriculture than anybody who formally studied it, but who was roundly ignored.

Now, they tended to come with abrasive personalities like Igor [Y.] Birman, who also had more insight than most other economists into why the Soviet Union was going to collapse when it did, but again, he was a total outsider. And then you have the youngest generation not motivated by ideology one way or the other, and they just found it an interesting technical problem. And those are the ones we were trying to train properly [unclear] the summer workshops.

Q: There's such a strong contrast with the political scientists. The initial generation was massively anti-Soviet and that vehemence changed I think a little bit but not the general orientation—

Ericson: Well, and historians tended to be much more pro-Soviet.

Q: Yes. I guess there's probably [unclear]. That's interesting. They also want me to talk to you about the Harriman Institute specifically and you were there at a really interesting time.

Ericson: It was the transition. Not just over there but [laughter] for the Institute. We redid the program dramatically from massive requirements and a full two years to, I think, a very small number of requirements with lots of choices in the categories.

Q: And was that the right move?

Ericson: It was the only way to keep students. Practically, it was the right move. And given that, for the most part, area specialization has become unvalued, it had to be the right move. It was a

way to hang on to doing something, and we tried to impart a certain level of at least acquaintance with what had come before. The Legacies course, it could then sit in the background and you would have that in your mind as you worked on your more functional, technical field going forward. And then the funding issue. There were some lean years there. Which might have made accepting shady Russian money for joint projects—

Q: More appealing. [laughs]

Ericson: —useful [laughs], but we never went for that, just because we were very risk averse and even though I was director, I was very much part of a senior collective. I was the young guy in it, a very famous Sovietologist.

Q: Yes, their list of theories is kind of a thing.

Ericson: —[unclear] political science, et cetera, who had very, very strong opinions on what was going on and most of whom still thought that the Soviet experiment should have worked.

Q: So they were somewhat irked. [laughs]

Ericson: They hired me and I kept throwing dashing water on the economic feasibility of it. And they listened, but it was more with a sense of sadness. Yes, unfortunately economics may have made this impossible but—I guess the transition in finances came before the transition in faculty, and before Columbia started having more general problems that led to not hiring replacements.

Q: So the transition in finances, the crisis in finances started around—

Ericson: Ninety-one, '92. We're getting seven and a half million dollars a year or something like that from funders and we were burning through it.

Q: Out of foundations?

Ericson: Yes, foundations. Now [Kathryn Wasserman and Shelby Cullom] Davis hadn't yet jumped into the pot and when they jumped in, since Harriman had already promised a lot of money to Columbia, they went to Harvard first. But now they've endowed lots of centers, lots of places, but they have a very specific Russian area interest and that wasn't there in those three years, yet. In fact, they were having some problems financially with the estate and so there was a big lag in their contributing money, which—when I ceased being director, a year or two after that—they were finally able to pony up another ten million.

They were at a point where they're supposed to be giving two million a year across ten years and they did that for a couple of years, but it's endowment, it's not spendable. And then there were a couple of years hiatus, when I remember where they were just giving one or they gave nothing and one year, "Yes, it's promised, it's coming, it's coming," and it eventually did. But that meant for tight times when Ford, Rockefeller and Carnegie are all pulling the plug.

Q: And they all pulled, Ford, Rockefeller and Carnegie all pulled the plug because?

Ericson: It's not a priority. These foundations have been supporting for a long time. There are other more important things. There was a big shift to demographic issues, to women's rights, to various kinds—I do not remember if globalization had yet reared its head and become an issue at that point.

Q: [crosstalk]—that was a little later, yes.

Ericson: But there were a number of functional issues—education, suddenly, but it was not post-graduate, it was primary education was one of the big things they were all shifting into. And so money is limited. “You guys are not a priority. We've supported you for decades, so now it's time to move on.”

Q: As much a shift from international to domestic priorities, as it was anything that was really what is happening in the USSR.

Ericson: Well, it was made easy to do by the fact that the USSR was no longer there and no longer a threat. And by the time they were actually pulling the funds, it was pretty clear that Russia was in very deep trouble. We had that first foreign minister who was a real friend of the West, along with Yeltsin and Gaidar running it. Indeed, the Soviet Union had just split up into fifteen countries. All of the armed forces were gone from Europe. They'd agreed to unification of Germany. Why are we wasting money looking at this? It's collapsing. And the fact that there was no national interest perceived in maintaining at least that level and the feeling that, Well,

these things should be self-sustaining after all these years, they should be out there. And I did spend a fair amount of time in the first two years, not as much writing as helping write and then signing off on submissions for grants with new directions written into them. But it never came through, at least while I was there.

Q: There was a sort of Panglossian idea that, you know, it'll—

Ericson: The end of history, I think—

Q: Okay, liberalism has won, and everything will be fine—

Ericson: —everybody pooh-pooed it but there was—

Q: Do not worry about it.

Ericson: There was definitely an end of history feel going around, so that okay, that problem is behind us here. Much more pressing, generally domestic issues we should be dealing with if there's no longer the major existential threat.

Q: When in fact the major existential threat had probably gotten bigger. [laughs]

Ericson: Well, for a period there, it was low-low.

Q: Yes. And did you make those kinds of arguments to the agencies, that this going to get worse before it gets better?

Ericson: No. Nobody was thinking in those terms. Back then the big threat to America was Japan. Yes, the biggest pile of loose cash that can go anywhere and do whatever it wants, it is buying Rockefeller Center. There were issues of managing things, but the big issues were, Well, what do we do with the peace dividend from cutting/defense spending seventy percent, what do we do with all that money? Because there is no longer a major threat. Nobody knew what was really happening in China at that point. Soviet Union was looking like it was in freefall. China was not, but there was some expectation. Germany was reunited, Europe was becoming ever more unified, common market to the European Union and all that. History is about to end, if not completely [unclear].

Q: I spent those years in Yugoslavia on the war, so it [laughter] didn't seem to me that—I didn't see the sunny side quite so obviously. [laughs] One of the things that struck me when I was reading through some of the documents that they sent me—it seemed like there was a proliferation of a million different ideas about what the Harriman should become, could become.

Ericson: There were endless debates on that—its name—

Q: All sorts of memos. We should do this, we should do that.

Ericson: Exactly. What do you do when your primary object of study vanishes? And it was the Institute for the Advanced Study of the Soviet Union and suddenly no Soviet Union.

Q: To study in an advanced way, [laughs] or any other way. How did you manage all of that? You were the director, you were presumably—

Ericson: We had lots of meetings and discussions—I do not remember the exact process, but we converged on just the Harriman Institute, which our primary funder was happy with. [laughter] Because of the tremendous uncertainty about what were going to be the relevant topics or the relevant areas, we decided not to put any further limitation on it. It already had a reputation as succeeding the Russian Institute and then HI [Harriman Institute] for advanced study of the Soviet Union.

And there were questions. What should we call the region? Should we even be in the region? And I think it was generally agreed that there was still a region, but we didn't know where its boundaries were or how it should be called. There were all sorts of strange locutions that have come out, like ASEES [The Association for Slavic, East European, and Eurasian Studies]. And everybody was changing their name then or thinking about how they should call a field. When you are writing a grant application, what do you call it? There was nothing accepted as sort of common terminology that you could then appeal to.

It really was a transition period, changing the nature of the program inside the Institute, changing its name and changing sort of what its focus was out there and the focus became much more sort

of practical policy business-oriented—they created the undergraduate, not immediately, but the master's program started accepting master's only. I think we didn't start accepting them then, but we agreed that we were going to have to go that way. And they also started letting in, because MIA [master of international affairs] students were all bright, young, knew some language and had spent time there, but knew absolutely nothing about the area and that suddenly became our new clientele.

Q: And so it brought SIPA [School of International and Public Affairs, Columbia University] much more into the picture?

Ericson: Well, they were always a big part. I was in SIPA when you had to be a graduate student and if you could squeeze it in, you could do the two-year SIPA degree—well, SIA degree at that point, no P in it at all, though it had become SIPA by the time I came back as director. But those students became much more prominent. There always had been some, but you had to show that you had enough background in the old days. The fact that I spoke Russian and had had all of these Russian language, literature and history courses at Georgetown allowed me to attempt to do the certificate anyway. And there were a number of other SIA students at that point who also worked in other institutes. [Geroid T.] Robinson was still head when I first got there. Western European Institute, yes, so my best friend out of Georgetown went there to get a master's and then Robinson retired that first year. Or left. I am not even sure whether he retired but he ceased being there.

Q: He ceased—[laughter]

Ericson: —and so we had to think about the new clientele and how to train them. Pickering, who visited us and I talked to individually, invited me to lunch once, was very much into and recommending that we should get much more business-oriented because that was where the future was in Russia, in the Former Soviet Union. I do not think we really got more business-oriented, but—

Q: I do not think that's what the future ended up being. [laughs]

Ericson: Well, for some people it did. There was a lot of money made all over the place. Lots of opportunities, a lot of young people came out with bachelor's degrees and a smidgeon of Russian and went and made a fortune in the chaos of the post-Soviet Union. But the institute, I had to deal with those financial issues, with, Who is our client? That was a lot of the debate about what shall we be talking about? Pretty clear the government was not really a client anymore. Even if they were a founding client way back when. Indirectly they helped provide funding for this, through NCSEER, for various research projects. The drive was to raise enough money to become self-financing, self-sufficient—which they succeeded in doing, I guess, five to eight years after I was no longer director—but that was the turn in that direction when I was the director.

Q: And so where were the places that you, that you were looking for that funding to become self-financing?

Ericson: Well, the usual bandits, or the usual foundations. It is just we had to refocus and come up with something they would find appealing. There was also an attempt to get money from other donors. I know [Shelby Cullom] Davis was approached and he then went to Harvard first. Now he is providing money to Harriman as well. One thing that I did get money for was from some rich Ukrainian businessmen, which helped start our Ukrainian program, which may have put us in competition with Yale. That was made easier by the fact that Mark von Hagen was a historian of the Ukraine, and a friend of the family, I think, that gave the money also knew all the other Ukrainian Center players at Harvard and Yale and so managed to get that source of funding. We tried to do more individual fundraising, approaching alumni, I do not think with much success. Getting a big boost of Harriman money and then a number of grants that the Institute got—some of Tim Frye's stuff was funding through the institute, so they get the overhead, I believe. But that was after I was no longer director and not privy to what was going on.

Q: And there was talk about an advisory board that was appointed around this time.

Ericson: At the very beginning there was an advisory board, built around the Harriman family and other notables, and its purpose was to provide us protection against university predation. University sees ten, twenty million dollars lying around, they want to use it. And so having luminaries out there as well as people who might contribute and I think a number of them gave regular contributions, but the Harrimans were clearly the big dog in it. That board used to meet twice a year. I met with them twice a year. I think it fell into disuse sometime after I was no

longer director and it might have been that some of them, some of them undoubtedly died—

Q: Yes, some [unclear] [laughs] looking at the list of names that were, yes—

Ericson: —moved onto other things and when we were in deep financial crisis there was not really a need, there was not much to protect. Now, I think Cathy Nepomnyashchy was trying to resurrect it. It did not really die, it has always been there on paper—it ceased being very active, and I know the provost of the university was a very active member of it when I was director, it was Jonathan [R.] Cole at that time. I would always do some presentation on some aspect of the Soviet Union and he was actively engaged and talked about things, argued about things. Most of the wealthy people there smiled and watched and then they would discuss the issues of the Institute, like focus and things like that. They were in an advisory group. From the Institute's perspective they were protection, because they were important enough not to be ignored by outside forces and that may not have been a problem after a while.

Then I understand from Cathy, conversations just that I had had with her later, that protecting the resources was a serious problem and she wanted to revive it, and I do not know whether it has been or not.

Q: Just from my own education in academic politics, that's incredibly interesting to hear. And so the whole idea was, because one of the things I thought was looking at the list, that the list of

people on the board are very far removed from the kind of academic concerns that one might have, but that's not an issue [unclear].

Ericson: They were not academic advisory. They were—

Q: That's not their job.

Ericson: —sort of institutional, financial—their benefit was they got associated with, at one point the only [laughs], and at other points, the leading Soviet studies center, which initially had lots of government funding and then had lots of foundation funding. And they were asked, What kind of things do you think could be being done and stuff? When the money disappears, increasingly we would ask them, And how much can you find to give us? [laughter] That's a much harder sell.

Q: Yes, that's a hard question to ask. And the university leadership, the higher leadership of the university, how was their relationship with Harriman during these tough times?

Ericson: Well, at that point I do not really remember anything major. We had to do reports up through SIPA, and that put it up to the provost. They may have been just a pro forma channel. We may have been sort of incorporated at the provost level. But also during that period things were happening in SIA, as SIPA, I think it was after I was no longer director, that they got their own department, DIPA [Department of International and Public Affairs]. And so they no longer were made up solely of faculty from other departments, which put them as something on—when they had no faculty of their own, they and we were pretty much in the same boat.

Everybody in the Harriman Institute had a faculty appointment somewhere else in the University. Well, in an [Graduate School of] Arts and Sciences department, basically, given the nature of the Institute. And then SIPA was in the same position. But then they created DIPA, I do not remember what year that was—it was probably sometime in the late '90s, mid to late '90s, but it was after I was, I'd stopped being the director—because that was much more of an issue in the Economics Department.

Q: Yes, I can imagine.

Ericson: Because that was going to be competition because they were going to be hiring economists and something had to be negotiated to maintain quality of the economics part, at the level of the academic [unclear]. But that was separate from Harriman.

As director I never felt any direct pressure from them, probably because the direct pressure I was feeling was lack of money. But Bob [Robert] Legvold would know a lot more about that because there was Harriman money coming in at the beginning, and then afterwards I know Cathy Nepomnyashchy made some comments about that. Unfortunately, she is not going to be able to tell us what the situation really was. But Mark may remember something along those lines as well. And I think Tim Frye just wanted to get rid of the advisory council. Cathy had said something to that effect. I met with her once a few years ago.

It may be at that point they were not feeling the need to defend anything. But I think Cathy had talked to, essentially the same breath, about how it really should be reactivated to protect our resources. So. I just do not know what that situation—

Q: Yes, what the situation would be.

Ericson: —particularly after 2000.

Q: When you left.

Ericson: Well, I left in 2003, but I think in 2000—toward the end there was less going on in the Harriman Institute, and I was doing a lot more in economics. And the stuff I was doing with the transition—I was still teaching the basic econ course at Harriman, but it had become a handful because of the changes in the requirements. It was no longer required. There would be very few certificate candidates in it, and there would be a bunch of economics undergraduates who were not any better prepared than the certificate candidates, except on the economics side. And so the course became more an introductory graduate level or advanced undergraduate level course for the Economics Department, and they let me keep teaching it that way because I always got my requisite number of bodies. But it was much less, once they took it away as even one of a couple of courses and a limited option, a social science option thing, the numbers taking it dropped out. No more literature students. And a lot of the SIPA students, who were much more interested in democracy and really could care less about the Soviet economy that had come before, just were not going to take it.

Q: The numbers fell off by what kind of proportions?

Ericson: Well, the numbers were more or less compensated by undergrads in the Economics Department, because the Economics Department was growing very rapidly. At one point I think forty percent of the undergraduates in Columbia College were economics majors, partly because they have no undergraduate business school. There are a lot of wannabees along those lines. The attendance did not really go down, but those who knew something about the Soviet Union, its history and were really interested in it, went down.

Q: Substantially.

Ericson: Yes, I think so. Not immediately. But, well, before 2000, by 1999 or so. I think there was a burst of interest actually in '99 because of the '98 implosion and a lot of people think, Well, this is the end of Russia.

Q: Yes. My advisor amongst them. [laughter] Yes.

Ericson: I was not. The only thing that collapsed was the façade that had almost nothing to do with most of the economy.

Q: I was there that summer and fall and it was pretty clear that this was a good thing, I thought, that the currency had collapsed. There was no money in circulation. [laughs]

Ericson: We got worried about the forty million dollars that vanished along with it. Not to mention the twenty-five million IMF money that went in less than a month before, also vanished immediately. [laughs]

Q: [laughs] In the course of a weekend. [laughs]

Ericson: It was a financial catastrophe and a big chunk of the new middle class got ruined in the major cities.

Q: Yes, that's true.

Ericson: But if you were out in the hinterland [in Russian], something like that.

Q: I was in Murmansk and around the White Sea. [laughs]

Ericson: Murmansk. That happens up there, not back here.

Q: It was pretty dramatic. The situation before the crisis, so the crisis itself was a mere bagatelle, for most people I felt.

Ericson: But here the Council of Foreign Relations got all worried about the end of the Russian experiment and things like that. And then they very quickly converged on a kleptocracy analysis.

Yes, I guess it did not have a big impact on the Harriman Institute as far as I can remember.

Outside of perhaps a slight blip in institute enrollment as a result. But it had to be a slight blip on—

Q: Yes, it didn't last very long.

Ericson: —very few changes, that did not last at all.

Q: Yes. I think enrollments, at least where we are, enrollments are back up a little bit at least. There is interest in it.

Ericson: [laughter] Can't raise enrollment when you have nothing to enroll in.

Q: I remember I'd just come back for a while and there was a nice round table on the top floor of the SIPA building and Steve [Steven L. Solnick] said, "This was the biggest crisis that Russia had faced since Hitler was on the doorstep of Moscow." That just seemed to me that was incorrect.

Ericson: Hyperbole, at the very least.

Q: [laughs] Very mildly. Thinking about the impact afterwards, were you still actively involved in thinking of yourself as someone training a cadre of students to work on, study, interact with the Former Soviet Union?

Ericson: When, when I was still there, yes.

Q: Yes. Right through to 2003.

Ericson: That was the purpose for that course. Fewer were interested. And it became somewhat more general, watered down a bit. But the people there generally had some idea of Russian history or Soviet history, if only because they had taken something else not long ago or were taking it concurrently. To some extent the way I pictured it was, this was a major social experiment. Sort of conscious direction and control over all socioeconomic processes—could you make it work? Well, here is how it tried to work. Here is the vision, here is how it tried to work and here is what happened to it. But again, it was more an intellectual exercise than training somebody to go work in the government and deal with it, this part of the world at that point.

It seems to me the Institute, when I was still director was trying to do that, we were preparing people who were going to be useful in dealing with this part of the world. But in not too long a time, everybody and their dog was doing the same thing, and there was a proliferation of study programs there. Every Russian university was offering semesters, years for a song. And so just as long as you paid hard currency. And that meant that there was a whole lot of competition out there for that role and Harriman's advantage was something in providing a deeper understanding, but it was more an intellectual exercise.

Something that started when I was there was the annual—maybe initially it was biannual—Harriman Lecture, which was somebody major. We had [Martin E.] Malia one year. We had—I mean we had real luminaries for the first three or four years. And I am afraid actually [laughs] [unclear] was invited [laughter] later, which may be why I did not go to it. [laughter] Because one of the things, once you have it and it is announced that it is expected, and Columbia wanted it because it was a big poster event for the university, so you do it. But it very quickly ran out of intellectual luminaries. [laughter] Had to start inviting nearly famous or important people. [laughter] That whole lecture series was started with the greatest intentions and intellectual pretenses when I was director, but changed over time.

Q: Yes. [unclear] never gave any money, did he?

Ericson: I doubt it. Shortly thereafter he was out of a job. We had that March crisis and—

Q: I am sure he was not out of money. [laughs]

Ericson: No, he personally wasn't but—

Q: I was always curious—at that meeting, that talk, whether there was some kind of expectation that he might give money.

Ericson: Perhaps. Yes, that would have been perhaps not totally rational but potential expectation.

Q: At least, yes. Was there a recording of which Russians of the new—?

Ericson: When I was there, no, because there really were not any known rich Russians at that point. A lot of money disappeared, particular the party's well. But that was '95. It was just barely beginning. The only people that appeared to be getting rich were beltway bandits who were advising them. [laughter] A lot of Russians were doing things to get control over assets, but it was still a very chaotic, and it was '95, that was before—actually, yes, it was a year before the [unclear]—

Q: [unclear] was '96.

Ericson: But at that point things that were considered steals a year later were losing money hand over fist. Norilsk Nickel was a huge black hole, just losing money, and it took an oligarch winning it in “loans for shares” —now it is not totally above board the way he got it, but the assets he [laughter] got, it is hard to claim if you looked at the prior valuations for the year, that he underpaid for them. It only looks like he underpaid because of what he did to them, restoring them to tremendous profitability. It took somebody really taking control and having the ability to protect it, if not totally legally, at least with his own army, to be able to turn it around. We had people like [unclear] came and talked when I was there, and Pyotr Aven of Alfa-Bank.

Q: I remember that.

Ericson: The only bank that didn't go belly up and met all of its prior obligations after '98.

Q: I had something in mind I was going to ask. What was it? Yes, there was a reduced sense, perhaps, of Harriman as being the place to train western specialists in Russia, because there was this proliferation of opportunities everywhere.

Ericson: And we did start getting Russians as well.

Q: That is right. Yes.

Ericson: I do not remember it being a big number, but we did start getting Russians. Well, actually, the Russians I remember most, the ones I met, there was one year when [Maxim] Boycko had agreed to give a class at Princeton [University] and then at the last minute had bagged out. It was probably because of political problems. This must have been '98, '99, that academic year. They called me and said, "Would you give this class?" and so we negotiated a price and I started commuting two days a week to Princeton by train out of Columbia and that class had three or four Russians who have since become reasonable economists. They were Soviet economists but they came and they took that class at Princeton. I do not remember us getting anybody of that caliber in the Harriman programs.

Q: Right.

Ericson: It was a special class. The reason they had signed up probably was because Boycko was teaching it, and he is a big bucks guy right next to the top of the government, teaching this class.

Q: Yes, connections, connections, connections.

Ericson: So they went and ended up with a no-name out of Columbia. [laughter]

Q: They got a better class than they would have got out of Boycko, but—

Ericson: Maybe. I have not as much real world [laughter] contact information, for sure.

Q: And is there a real cadre now of Russian economists?

Ericson: In Russia, you mean?

Q: Yes. People that we would consider to be properly trained economists.

Ericson: Well, I was involved at this time also with the creation of the New Economic School, so-called Российская экономическая школа in Moscow, which was a total western implant created by Gur Ofer of Hebrew University, with the help of Barry Ickes from Penn State, who was their finance guy. That has created a substantial and continuing flow of very well trained economists at the master's level. A little bit better than the master's level, because they only take people with the mathematical skills, so that you can teach it at a PhD level right away, in theory.

They come out with a master's degree and superb training. A significant number of them in its first decade went on to get PhDs at Stanford, Harvard, Yale [University], Princeton, et cetera.

And they were always top of their class. A number of them have gone back. Some are now teaching there. And the other center for real economic thought is the Higher School of Economics [HSE], which has made it, been named a national research university. Has lots of money. It has in it not only an Economics Department, which is not well endowed in good economists, but also their business school, where they teach primarily in English, they always have a flow of European economists coming through as guest teachers and they have a cadre of young, primarily-trained-in-the-West economists, who are very good.

Q: The Harriman and Columbia does not play much of a role in the emergence of this new—they were involved in—?

Ericson: No, no. Columbia University, in fact—this probably should not be said in a recording—but the NES students who applied to Columbia were rejected by admissions, I think largely because Padma Desai did not think their English was going to be good enough. Most of them went on to get Harvard or Stanford degrees and are doing very, very well.

Q: Their mathematics was just fine. [laughs]

Ericson: And their English is just fine. They did not do well on TOEFL [Test of English as a Foreign Language]. And in fact Russians in general do not seem to do well on TOEFL. Chinese

can ace TOEFL and not speak a word of English. She was just judging straight off and was the chair of the Admissions Committee and those years and, judging off of the TOEFL they were not going to be able to make through Columbia. Columbia did not get in on that stream and it also, because of TOEFL it prevented other independent people who went to study a number of places in Europe and the U.S. from going there. So we never really had good young Russians.

Q: There are now at Columbia a whole series of good young Russians in political science, but I do not know in economics.

Ericson: I do not know who is in the Economics Department now or in the recent—the Economics Department has a lot of very famous middle-aged people. [laughs] I am not sure about whether there are any Russians. There are undoubtedly some very good young Russians, because economic everywhere, and one of the best young macroeconomists, this Oleg Itskhoki, I think, at Princeton, who is really, really good, he is totally Russian. And there are a number of excellent Ukrainians at U.S. universities. One just moved from, I think it was from Berkeley down to San Diego [University of California, San Diego], [Yurij] Gorodnichenko, who got a PhD in the U.S., but these were trained by a parallel program, KSE [Kyiv School of Economics] started a couple years later by EERC [Economics Education and Research Consortium] in the Ukraine, it's called the Kiev School of Economics, after the Russian School of Economics.

And it, too, was for over a decade a two-years master's program—similarly rigorous and not quite as good—but excellent record of placing their master's students in good PhD programs in the U.S., including this guy, Gorodnichenko. And after I was director at the Harriman Institute I

got totally involved in helping create the EERC program, which included a research funding program in Russia called EERC/Russia that met twice a year in workshops where we evaluated proposals presented by the proposers, gave them mentoring and gave funds to the best of them and invited the others to come back if they made corrections. And that program is just about to close for financial reasons.

Q: Oh, really?

Ericson: Well, it got kicked out of Russia in 2005 basically by Putin's NGO law, so it moved to Kiev and it has been in Kiev since then. But it is now totally run out of funding and funders because GDN [Global Development Network] was just shut down by the World Bank. That was most recently the primary source of funding.

Q: What is GDN?

Ericson: Global Development Network. It was a branch of the World Bank, or a funded program of the World Bank, very big funded program at one point. And now it is just being wrapped up and there are a few offspring that are being maintained because they think there is lack of economics capacity in Micronesia and in Africa, Central Africa, but they are closing down the East European operations, which EERC was. The Central European operation that was run out of CEU, Central European University, and Latin America may or may not be continuing under a different sponsor but—

Q: And do you think that's right? Do you think there's enough economics capacity, whatever that means?

Ericson: No. [laughter] There is a very, very small group of people who really can do serious economic analysis. There is now a decent group in Russia, not as big as there should be for a country of that size, but they can bootstrap up. Ukraine is still way short. Not to mention the CERC [Central European Research Center] Russia had served all of the Former Soviet Union. Now you leave out the Balts [Baltics] because they have been totally taken over by Scandinavia and they are fully up to Western standards. But you think about Azerbaijan, Armenia, Georgia, Tajikistan, Turkmenistan, Uzbekistan—

Q: You are not falling over good economists every ten years. [laughs]

Ericson: Kazakhstan. [laughter] In fact, you are probably finding nobody. We tend to get from like Azerbaijan a Central Banker who has learned some econometrics and is trying to do some research but is in total isolation there. And so there is a huge need out there but—this program is disappearing. Ukraine, most of Ukraine and the Russian provinces, you get outside of Moscow and St. Petersburg and Yekaterinburg, where we actually had a major impact and it created sort of a core of people. Unfortunately, in the last few years, they are all being attracted by HSE in either Moscow or St. Petersburg.

Q: Could you tell me a bit more about the Yekaterinburg impact. What happened there?

Ericson: It was the Department of International Economics in УрГУ [Уральский государственный университет имени А.М. Горького, Urals State University] and they sent some people to the early EERC programs and they did not really know much of any economics when they started but they kept working hard and coming back. Eventually, we found a number of people who were mathematicians by training, who had learned enough economics with enough visitors and breadth of literature to be able to do work. The whole idea of the program is you have got to be able to write in English to aspire to publishing in an international journal. At this point there are five or six people there. Now it could not be in the Economics Department or the economics faculty because that was practical planning stuff, so they had a small international economics. Whereas, we think international economics, we think study of trade and passes, capital flows. Their international economics means economics as the rest of the world does it.
[laughter]

Q: Micro and micro, yes.

Ericson: Yes. They also did trade issues, I think, but it was the only place that real economics was being done at УрГУ in the beginning. And now I think some of their people, now one of the best people left came to the U.S., finished their PhD here and is now teaching at Chapel Hill. Maybe it is N.C. State [University].

Q: Oh yes, yes. Klara [S.] Peter. Yes, yes, yes, she's terrific, yes, yes.

Ericson: She got her start as one of our participants decades ago.

Q: How funny, that's so interesting. We just applied for a grant from Carnegie, which we just found out we did not get, and it was going to be able to go through Klara's connections and we were going to do all sorts of wonderful things.

Ericson: Yes, she was the first big success, and the one who left. Now there are number there, [unclear] is one who is still there. There are a number of people who have gone very recently, moved to St. Petersburg, where they're working in the National Program Lab, for which Drèze, Jacques [H.] Drèze, French economist got a big grant, Russian national grant, so he has set up these laboratories with lots of good economists in them. Including some from Yekaterinburg, who probably will not go back now that they have seen the real [unclear] and the world knows about that.

Q: Yes, it's a different matter, yes, yes. This is a perennial problem. If you're good enough to get out of Yekaterinburg, you get out of Yekaterinburg. If you have the opportunity.

Ericson: Well, particularly these days.

Q: Yes. But this conversation kind of made me think of something else, which we have not really touched on, which is—up to now it's been very kind of Russia-centric, what we've talked about, or at least what we have thought about what we've talked about, because I am a very Russia-centric [laughs] person. Could Harriman have done more, done something differently with respect to the—?

Ericson: Well, there was always the competing institute, East Central Europe. They formally dealt with everything east of the Soviet border, or west of the Soviet border.

Q: But what about the Caucasus and Central Asia?

Ericson: Those were in the Soviet Union's mandate so that, yes, that was always part of the Harriman Institute. After the fall, from an economic perspective, there was not a whole lot of difference or anything to be done and it became a study of transition, there was some comparative transition stuff, where you got Belarus and Uzbekistan and Turkmenistan not doing anything really. And Kazakhstan following Russia at ten paces back in almost everything. Ukraine only doing as much as they had to, to keep their connections. There were economists who specialized in those things but since economics was not a focus at all once the Soviet Union vanished, there really wasn't much of anything done without Padma Desai, who was totally Russia-centric. I was much more Russia than anything else, too. And Columbia having two people in the field, weren't going to do anything else. They never got an East European-oriented economist. And if they had, it would have been somebody, but the Economics Department was never going to go for an area specialist after.

And those other countries, I think there was some talk over whether they belonged in South Asia or East Asia or Harriman and in order to keep them Harriman just took Harriman with no appellations. Alex [Alexander A. Cooley] is total Central Asia. So I think in political science there was a lot of attention paid to the other parts. I mean, in economics, there never was, in part

because there wasn't a whole lot of anything happening in those states. Even after Maidan, everybody looked happy and then nothing really changed.

Q: Not much at all.

Ericson: This time there has been more, but the first one, the [Viktor A.] Yushchenko Orange Revolution, did not really do much of anything in the economy at all. And the large [unclear] to the west, Belarus.

Q: Yes. It's still 1970.

Ericson: Yes, it's better than that. But there still hasn't really been—they live on Russian subsidies. And keep people happy by lack of change. They do not see the up side that they are not getting and they have avoided the down side that they have seen elsewhere. It is pretty stable.

Q: In terms of this—one of the other issues that I wanted to talk about was this whole question of area studies and the discipline, right? But that's not an issue in economics, right?

Ericson: There is no area studies.

Q: [unclear] completely and that's not even a conversation worth having.

Ericson: You might study trade, you might, for your empirical application look at trade patterns in Central Asia or something like that, but it's all attached as some theoretical construct, some idea of what's determining what—or you might look at it, just test the new statistical tool that will get you much better at and much more surely at what you think is true.

Q: About Central Asia?

Ericson: It's not about Central Asia. It's about how those economies work relative to other economies. Now institutional analyses will take peculiarities of a region that would have been considered area significant and try and work them into the boundary conditions on models or specialize the models to take account for that kind of thing. But the fact that there is something unique about economies because they happen to be in Southeastern Europe, or they happen to be in Central Asia or they happen to be in Southeastern Asia, just does not exist.

Q: Yes, it's just not.

Ericson: In the former Soviet case, the region sort of identified with a totally different, almost orthogonal model of how an economy should function. Therefore the regional focus was appropriate, and to understand how and why it got there it was important to know something about the history, the political culture, if not deeper culture—how do people there understand the way the world should work? Sort of the material life should work, because it was an area-limited distinctive system, and when you add something out of area doing it, like Cuba or North Korea,

they close themselves off so much that it really was still—you could pretend they were in that area, because the analysis was not going to be different.

Q: Yes, because in Cuba it smells like the Soviet Union. [laughs] It's kind of, it's at the beach, but you know you're in Russia, in its own kind of sense. And you think that's still true, that the economic system that they have in Russia today, for example, is not different enough that it's worth knowing about Russian history and culture and politics to understand it?

Ericson: I tend to think that it's different enough, but the economics profession does not. The one area where comparative economics still lives is in China. There, there is something which is both region-specific and system difference that people are looking at and so, like the *Journal of Comparative Economics* went through a decade when it could have been called the *Journal of Chinese Economists*. Now it has sort of gotten broader and more functional and it is about institutional issues and using sort of historical and cultural instruments to help understand performance across economies. So it's a version of econometric institutional economics more than anything area-specific, but it is comparative still. The only—now, she goes back in some sense politically far enough, and tightens things up and begins cutting off more than just Internet connections, then you might see a revival of an area-specific economics for that system there, but that's not, I do not think it is on any Economics Department radar now. There is no comparative economics. There are a few fossils, who will teach a course in that because sometimes it is very popular with undergraduates. And it is always good to have courses that a lot of undergraduates—

Q: Will take, yes. [laughter]

[INTERRUPTION]

Q: In terms of the topics that I wanted to cover, we have covered them all, basically. I guess the last thing I wanted to ask you about was two things. One was, it has been a little while since you have been out of the Harriman loop, so maybe you want to think of this more generally about area studies centers in general, but I wondered, you know, part of this is their sixtieth anniversary celebration. I imagine one of the things that they are going to want to do is think about things moving forward and what an institute like that can do, should do, might do. You have got a lot of experience in the cutting edge of all this stuff. Do you have thoughts on that? [laughter] In terms of economics, maybe, or to begin with?

Ericson: Where should the Harriman Institute go? I like the idea of the interdisciplinary approach to understanding things. When it was the Soviet Union, then there was a very clear object, elephant that you could approach from different angles. Now there is undoubtedly some value in preserving, at least on the education side, a holistic say understanding of the region, of the different countries in the region—how and why they've diverged the way they have. I do not think that's irrelevant now and it will be easier to answer in about a year, when we know what the Putin experiment is going to do. [laughs] Or have a better idea.

Q: Have a different idea. [laughs]

[INTERRUPTION]

Ericson: One thing to say for sure about that is I do not think they should declare victory and go home, which is what is happening to most of the programs related to the region. It is important that that part of the world, if only called Eurasia, say, is kept in some kind of a focus. We're discovering now that we have a significant lack of any expertise. We have deep, technical expertise down to specific lines, but when thinking about what's happening there, it seems pretty clear that the government does not really have a good grip on it. And that is probably because of the fall off in support and attention to the area as an area, which does seem to have some significant legacies from the past that are molding the way things are understood.

Clearly Putin does not mean the same thing when he talks about the end of the Cold War that we do.

Q: [laughs] Half-time. [laughs]

Ericson: And indeed, when you think about the role of the State in the economy, there may be a lot of divergence around the world. But taking China and Russia out of it creates much more uniformity, even in dictatorial places or places with huge central governments like Argentina. Understanding how things work is somewhat different, it seems to me still, from the way Russia and China, [unclear] China for all its apparent marketization.

There's a reason to maintain the mandate at least, or renew the mandate if they feel they have dropped it. And it seems to me that a more focused institutional based study of the economies in

that area is still warranted. Now we have a lot more data, and you can bring to bear the standard tools elsewhere. One difference in the past from regular economics was the study of the Soviet economy was that the tools that you could apply for analyzing a market economy and its response to policy changes or the outer environment didn't work with regard to a Soviet-type system, the completely different rules of behavior. That's much less the case now and in some sense the transition, the transformation, made the standard tools of economics applicable.

And they are being applied all over the place, including by a lot of Russian economists, a number of whom have been forced to immigrate by Putin recently. Now these, with the change in the political atmosphere which may bring with it a change in an approach to how the economy is managed and basically the things Putin talks about doing: import substitution, self-sufficiency and so on are beginning to sound like some economists in the late '20s discussing what to do about NEP [New Economic Policy], and it may lead to a very different kind of system. Now would not be the time to sort of give up an institutional base to approach an understanding of that. Now another decade at seventy years or maybe fifteen more, seventy-five is a good round anniversary thing. Maybe it would not be necessary in some direct utilitarian sense. But it seems to me that if you create sort of an institutional foundation for a coherent set of intellectual activities, it's a shame to give it up, to throw it away. That would be like Oxford [University of Oxford] saying, Oh wow, we're in the nineteenth century, there's no need for this stuff. Get rid of it.

Q: Forget the colleges. [laughs]

Ericson: Yes. Forget the colleges, obsolete tutor system. Which, in some sense, Russia did when it got out of the Soviet system. They are doing their best to recreate a [laughter] standard educational structure.

Q: And have you been involved in Ukraine in an advisory capacity?

Ericson: Not of the government. I am purely involved in the academic side and I am on the board for the school, even though my direct involvement has been mostly with the EERC Research Program.

Q: This is the Kyiv Economic School [Kyiv School of Economics].

Ericson: Yes, the Kyiv Economic School, which has had its ups and downs and is in a very hard period now because the economy is collapsing around it. Nobody is willing to pay for an education, or very few are. Now, they're selling a highly differentiated product. It is the only place in Ukraine you can get a European class education at the master's level in economics, in fact at any level in economics. And so there are some people willing to pay for it. It used to be free back in the day, when they sent hoards of students to PhD programs here because the funders were working at capacity-building. Now it's been told that it has to become self-sufficient. The Swedish government is sort of the last organization supporting it.

Q: The timing is priceless.

Ericson: They are cutting their funding by a third, each of the next three years, to zero.

Q: Wow. That seems perverse at this time.

Ericson: Well, they have been threatening to cut funding every year for the last decade. And there has always been a good reason not to do it. In fact, this year it was supposed to be gone, but now they've ponied up under a new strategic plan for the school to make themselves sustaining in three years. They ponied up some money to help that. In two more years it may be that the school shuts its doors. Now with the recent turn of events in late '14, a number of the faculty left for the Ukrainian government, though some of them have been or are about to be fired because they're too Reformist for the political structures.

They have expanded their education programs to business programs, executive education, things that might generate money. They've done an applied business-oriented master's, which is shorter than the theoretical economics master's that got you into PhD programs. So they're doing a lot of manipulating. One problem they've had is that a PhD is not a legal degree. You cannot teach legally in the Ukraine with a PhD. You have to have a kandidatskaya or doctorskaya.

No institution will be accredited unless a certain percentage of its faculty have kandidatskie and doctorskie, have to have several of them. None of those criteria were met, so their students do

not get draft deferment, among other things.⁴ They cannot get State funding for university. Now, since they tend to be brighter than the average, a number of them are enrolled in something throwaway Ukrainian educational institution that gets them their deferment, gets them their stipend and they just do not bother to go. They come to classes here. [laughter] And then they get two degrees at the end.

Q: What a way to run a university. [laughs]

Ericson: Yes. But that is also not sustainable.

Q: Not, it's not ideal at least. [laughs]

Ericson: And a number of faculty have left because they have not been able to maintain salaries. They used to try and be competitive with a European beginning economist's salary and not with all of the extra support you get out of EU [European Union], academic work or scholarship. Somewhat below but not totally alien from the U.S. starting economists' salary, they haven't been able to maintain that. A number of their better economists have left for jobs in Europe.

Q: That's a lot of money [laughs] in Ukraine.

⁴ Editor's note: According to the narrator, this was true at the time of the interview. Just recently, however, it began to change. Now western degrees (PhDs) are recognized, and Kyiv School of Economics is working on getting Ukrainian accreditation.

Ericson: Yes, it is. Those who have remained are remaining because they have a deep personal commitment to Ukraine succeeding and they want their children to grow up Ukrainian, not British or American. It is a smaller place; it is under extreme financial pressure. It is something that should be taken note of in the Ukrainian program at Harriman—they do provide a very decent master's level education. And even if you pay their full load, it's dirt cheap compared to anything [laughs] in the U.S. They try and teach—well, initially—exclusively in English. That compromised a little bit, and one of their other accreditation problems is that a certain portion of your students are required to take Ukrainian language and literature in any graduate economics program. And a certain portion of your courses have to be taught in Ukrainian, which was explicitly against what they were trying to do.

Q: Yes.

Ericson: But in any case, that may change if they get a new Minister of Education who is reformist, and there is a chance one of their alumni might become that. But that's all up in the air.

Q: Serhiy Kvit [crosstalk] was the minister. He is the Minister of Education now, right?

Ericson: Who?

Q: Serhiy Kvit.

Ericson: Kvit?

Q: From Mohyla [National University of Kyiv-Moyhla Academy].

Ericson: That could be. They've had a couple recently. This school used to be under the umbrella of Mohyla, but Mohyla tried to grab its endowment funds. And so it left. And Mohyla has held a grudge ever since. Even though there was something of a natural fit there, and so Mohyla started its own competing master's in economics, but it is a very weak shadow of the real thing, though they have unlimited funds relative to the KSE. Again, that is part of the capacity-building the EERC was committed to and funders used to support. And the Russian school, The New Economic School [NES] or Russian School of Economics [РЭШ – Российская Экономическая Школа], has always been in financial trouble, or it was. Its first decade was hand-to-mouth.

Every time they were given some property, some crony of some politician would steal it. So they were literally living hand-to-mouth. Their tenth anniversary celebration, that I went to because I had taught there in the first ten years, they got a personal message from Putin, delivered by Dvorkovskii [unclear] who was one of their early graduates. At that point, the government coffers started opening up and they did fairly well until a few years ago. They have had to drop much of their teaching in English, despite the utility of doing that. The fact that economics is an English subject worldwide, even in Chinese, you do not do economic theory in Chinese, you teach it in English.

Q: Oh really? Interesting.

Ericson: They were running into problems as an alien implant under the NGO laws. So they have thoroughly Russified. They have gotten rid of most of their Western faculty. They are teaching a lot more in Russian. They have been able to do it in part because over two decades they have had people get degrees in the west, Western Europe and the U.S. and come back. They hooked up with HSE for an undergraduate Bachelor of Arts, liberal arts degree—a first in the Former Soviet Union. It is large, it is very expensive, but fortunately HSE has a lot of money. They're thinking of creating a law faculty or some other operations to help maintain themselves. And they have been forced to move out to Skolkovo, because one of their patrons was [Pavel] Medvedyev, and they really, if they do not do what the government wants, they cease to exist. It is way out of the way. It's much harder on everybody, including most of the faculty, who actually live in Moscow.

Q: They still live in Moscow, yes.

Ericson: It is an endless trip out there, with the traffic around Moscow. They're hanging in. They are the success story of this kind of economic capacity-building. One reason the Russian ruble has not gone to hell totally in the current chaos is that they have some of the world's best trained bankers running the Central Bank. They really understand the theory and the implications of different policy moves, and are very good at manipulating a losing game.

Q: And those are mostly?

Ericson: They are NES or they taught at NES, some of them, they were hired, they were Russians who got a western education who came back. They are western educated. They are all heavily involved in policy now. But like [Ksenia] Yudaeva was a very big figure up there, [unclear] is a NES graduate. She went and got a higher degree, I think it was a Harvard. It is a success story in capacity-building. But it is a vanishingly small percentage of the academic landscape, even in Russia.

Q: And the Higher School doesn't have—

Ericson: Higher School is not as good, they aspire to be NES in their theoretical economics programs and they want to create a PhD by transforming their kandidatskaya into a real PhD on the foundation of a competitive master's for NES. Now, I. Itsovski and Mike Alexeev were part of an outside review team a year and a half ago that went to HSE, who evaluate all their master's programs. I ended up on it because the whole thing had to be done in Russian. And we wrote up a major report under their guidelines and it is their plan to become competitive with NES and go beyond it in creating a real PhD. We got to see all of their syllabi, all of their courses, the structure of the program, learned a whole lot about the extraneous constraints the Russian government puts on everything.

Q: I bet. [laughs]

Ericson: Academic program. Teaching conditions are abysmal. And their offices are horrible. Even relatively senior faculty do not get to share an office unless they all get to have an office,

unless they also have an important administrative position. Everybody else shares—when they come in and use the office, and can see students and things like that. It's very Soviet style. It needs major investment, beyond the money it's getting, but the money that they get is tied in knots, just like the money we get out of Chapel Hill.

Q: Okay. And is there anything else that you wanted to share, that I have not asked you about? Are there any topics or issues that I missed?

Ericson: Topics from those years? I think we've hit all of the themes. Including that ITAP program—which I had almost forgotten about—until you raised the question.

Q: [laughs] A little bit of research.

Ericson: Unfortunately, I do not seem to have any files that would help me do research on those things. I think I walked out of the office and left all the files. [laughter]

Q: Do you look back at that time as director fondly? Or was it too chaotic?

Ericson: I was at some—it might have been at the Slavic conference—just before I became director, and I had agreed to become director and I remember the director of the Illinois program, his name is escaping me now, coming up to me and saying, "I sure hope you know what you're doing. You will never do real research again. It's a sink." Unfortunately it did turn out to be that, to a large extent. If I had stayed six years as director, I think it would have killed most of my

research program. As it was at that point, that went together with having a new baby and living in New York City. It was just hard to do anything and it came with lots of sort of formal things. I was, every other week, making some kind of a presentation downtown about some aspect of the collapsing Russian economy, or transforming Russian economy.

Q: Downtown being the Council on Foreign Relations?

Ericson: I was there once, but it was mostly Wall Street-associated things. Companies that were having a workshop on the Russian economy and potential opportunities. People like Sarah Carey, who was also young and beginning things then, coming and talking about the business perspective on the ground in Russia. Then I would come in and talk about the evolving economic situation. It was like, light a fire, throw cold water on it. [laughter] But that was happening all the time. There was an input more into business, because I am an economist and I wasn't in government. And they would usually have somebody from the political side also talking. It was like a half-day workshop. A couple of them were just Stock Exchange presentations. You would go in on a Friday morning and do an hour and a half talk and answer questions for the next half hour. Everybody would go back to buying and selling, and I would go back to Columbia.

Q: Yes. And did these businesses pay Harriman for that?

Ericson: No, I'd get an honorarium.

Q: You get an honorarium.

Ericson: It was not part of the Harriman. And it was not that they were looking for Harriman to do it. I think most of the people at Harriman would have looked askance at a business connection like Wall Street. What you do on your own is fine. But I couldn't do anything that would implicate Harriman in something that the senior faculty would not approve of, or not even that they wouldn't approve of it, it's just that they had their doubts and worries and it was a very risk averse group.

Q: As director, there was responsibility without power? In that sense? The classic chair of the department?

Ericson: Yes. No, it was very much like a chair of a department: [laughter] sign off on a lot of things. You made some choices and some decisions, but a lot of it was managing, it was making sure that things kept running right, that Frank knew what he had to fund. Dealing with outsiders, both in the university and out in the world, but sometimes as the public face of Harriman. That would be for the institute only, but then a lot of what I did was just on my own. I brought ITAP in and it did not get any big objections to that. It brought some money in. Not a lot, but the Harriman name helped sell it out in Siberia.

Q: Was it Russian businesses or Russian local governments? Or who was paying the money for that? Or hard to tell. [laughs]

Ericson: Well, the difference between businesses and governments was very shady, particularly in '93, '94. I think Nizhnevartovsk might have been [Public Joint Stock Company] Gazprom paying for it, or funding it. But it was largely Russian wannabee businesses, I think. Or somebody had gotten control of some funds from some business and it wasn't really clear that it was all that related to what the business should be doing, but they were getting trained. They were sort of developing contacts and Joe Rubin was a great contact because was an international lawyer and he had offices in Europe and the U.S. obviously in New York, in Asia. So. There was another guy, a former Columbia undergrad who then went to Harriman, who got involved in the energy business. Jenik Radon. Who got heavily involved in energy stuff in the Caucasus and Central Asia and for seven or eight years ran an annual workshop on energy in Eurasia at Columbia that I spoke on, a half dozen times.

That's where he would always have big business and government officials from all of those companies and presenting perspectives. He also was a lawyer with an office in Poland and one in Baku—lots of connections—who was tangentially involved with the Harriman Institute. When he got their imprimatur, he used to teach a course, one course a year on, I think it was energy and transition issues, something like that, one of his specialties.

Q: Yes, energy was a big deal.

Ericson: Those were two people, of Harriman connection, who did things. But again, it was on the business side, not really the government. I am pretty sure there was more government consulting kind of stuff being done in political science.

Q: Yes, I do not know, I saw someone speaking to Steve [Solnick]. Although I do not know— he's also in North Carolina. Did you know this? At Warren Wilson College? He's the president of Warren Wilson College.

Ericson: Solnick?

Q: Yes.

Ericson: Wow. No, I did not know that. Where is that located?

Q: It's in western North Carolina. It's just outside of Asheville.

Ericson: Oh my god. I'll have to go out sometime and visit Asheville.

Q: Same state. A long way from here. His daughter is, she must be a senior now?

Ericson: At Chapel Hill?

Q: At Chapel Hill. Either a junior or a senior at Chapel Hill.

Ericson: Amazing. Because I saw him once a couple of years after he left, but then—

Q: He was Ford in Moscow and then he shut that down and he went, he headed up their office in Delhi.

Ericson: The last time I saw him he was like in his third year at Ford in Moscow.

Q: Yes. And then he left Ford after that and he came back to the U.S. and he took this job as present of Warren Wilson College in North Carolina.

Ericson: Wow.

Q: Yes.

Ericson: Do they need a provost? [laughter] I know a good guy who's looking for a job as provost of a small college.

Q: Yes. [laughs] They might. You should be in touch because Steve is still Steve. You would recognize him. [laughs]

Ericson: Oh, yes. That's fabulous. So a lot of people are ending up here. I was surprised when [Klara S.] Peter showed up.

Q: Peter?

Ericson: Peter, Klara.

Q: Yes. Klara. Yes. Yes, I know, it's funny, isn't it? There's several connections around here.

Ericson: Small world. And another early success story in the Russian research program was Boyarchenko, Svetlana Boyarchenko. I think she is in Austin, Texas [The University of Texas at Austin] on the faculty. But she was a young mathematician, literally zero economics. Managed to write something that sort of had more appeal than most of the other proposals, [laughs] probably because the math was coherent, on a vaguely economic topic. Came to our first workshop, but every time we made criticisms or comments, she really took them seriously and kept applying, kept applying, eventually had a very decent project. It was theoretical. We were still allowed to do theoretical work back then. Since 2001 to 2002 we were forced to become much more applied, because the funders thought, Who needs economic theory anyway?

Q: It is all field experiments now.

Ericson: In any case, she finished that up, went to Tennessee to get a PhD. I wrote a letter to help get her in there. Got out, went on the job market. I am not sure where she's been in the grand scheme of things. It's been like fifteen years. But I think she is now at Texas-Austin.

Q: From Tennessee to Austin, that's a trip.

Ericson: She worked her way up. But she's a good—

Q: That's the hard way to do it.

Ericson: —researcher and does fairly deep work. I think she's in finance, and she probably knows more math than most people in finance in the U.S. Makes it easier to write the papers.

Q: Yes, I take it that knowing the math first and then the economics is, I assume, the easier way than the way you did it, which was getting into economics then learning the math.

Ericson: Yes. Well, I pretty much worked simultaneously, just because you cannot get a PhD in economics without a lot more math than I had. And it's not the most extreme story of that sort. I do not know if you have heard Truman [F.] Bewley?

Q: No.

Ericson: He's one of the lead theorists, or was fifteen years ago. He's really old now and at Yale. But he started out in history.

Q: Wow.

Ericson: Got a bachelor's in history. Decided history was so interesting he needed to learn some economics. Well, and he applied for and got into Berkeley in a PhD program in history, a really smart guy. Started doing it and decided to do American history, really needed to know some

economics. So he started taking some economics. Discovered that to understand the economics [laughter] he needed to know some mathematics. He ended up getting two PhDs out of Berkeley, when they never allowed you to get more than one. But his contributions were really seminal there. Not in history, even though that's where he started. He got one in economics and one in pure math.

Q: Wow. He found his talent.

Ericson: Then he went to Northwestern [University] and taught there for a long time. And then moved from there to Yale, where he got a permanent position.

Q: In economics?

Ericson: In economics, yes. Not in math. But he did mathematic, pure mathematical economics, which would apply or could be passed as applied math in a lot of ways.

Q: Very serious activity. Yes.

Ericson: He could work in a math department. He wouldn't be a theorist, particularly the way theory has moved in the last twenty-five years in math. But he could be an applied mathematician. Or could have been before retiring.

Q: Wow. Because usually your best math is done by the time you are twenty-two, right? I know that's what they say. Or certainly thirty.

Ericson: He also put off getting married until he finished all of his—he had five kids in five years.

Q: Wow. He is a productive human being. [laughs]

Ericson: He went on a post-doc to Leuven in Belgium. There's the big economic institute there. And he met a young woman. He got married. Came back, had five kids. Sort of known as the Bewley plan in economics. [laughter] Started late and finish early.

Q: [laughs] Wow, I cannot imagine. I have two and that's disruptive enough. I can't imagine five.

Ericson: Well, he waited until he had a full chair at Yale.

Q: And then got cracking.

Ericson: He was there and then refocused. But he also kept doing some very good work. Some of which, because he was not pushing it so hard, being otherwise occupied, he was only recognized like two decades later. He has these whole series of papers on Knightian uncertainty, where more economics uncertainty means risk in its distribution and analyze—use it to analyze things. This

is when you do not know what the distribution is and so you have to make all different kinds of assumptions. His stuff sat there sort of not really used or thought about much for a decade and a half, and then from a slightly different angle out of some mathematicians in Israel, the idea of ambiguity in models. How do you model ambiguity? And there are a half dozen different approaches. One of them turns out to be the same thing that Truman did a decade and a half earlier. So, he now gets lots of references. He's got working papers at Yale that never got published. He never submitted them. Because it wasn't getting a whole lot of resonance in presentations.

Q: It wasn't worth all the extra effort.

Ericson: And he didn't need it. He was tenured. [laughs] So he worked on other things, including a major book on labor markets, but at the very micro individual level. But now that it suddenly became very relevant, he was prevailed on by other people to submit it and got it published. But decades later.

Q: How funny.

Ericson: *History of Economic Thought*. Unrelated to Harriman.

Q: Yes. I find that incredibly interesting. Listen, thank you so much.

[END OF SESSION]

Session: 3

Interviewee: Richard E. Ericson

Location: New York, NY

Interviewer: Mary Marshall Clark

Date: October 10, 2016

Q: Good afternoon. This is Mary Marshall Clark. The date of today is—

Ericson: October 10.

Q: —October tenth, 2016. I am delighted to be sitting with Professor Ericson, for what is his third session now, and I am going to ask you to say good afternoon.

Ericson: Good afternoon.

Q: Beautiful. Now I have a magical little thing that I can play, turn. And hear back what we've just done. Perfect sound. So first of all, thank you for giving us such a thorough history to begin with. Just going to turn our mics down a bit. I am glad you made it through the rainstorm.

Ericson: Yes, it was touch and go.

Q: [Laughs] Yes, I am sure it was.

Ericson: Going back is going to be problem, because all the roads are washed out.

Q: That's terrible.

Ericson: Central Carolina got most of the rain and it's all coming downstream now. It's flooding, all along the sides of the four big rivers that go out to the Atlantic.

Q: Terrible. I have a sister who lives in the tiny little town I grew up in and she said it's pretty awful down there. Near Lumberton.

Ericson: Well, Lumberton's totally under water. There's fifteen hundred people stranded on rooftops that they're trying to get out today.

Q: She is homebound. She is a mess and she's in Clarkton, which is fifteen miles away, but evidently okay so far. Anyway, quite a [laughs], quite a storm. So thank you for being here. One of the themes that we're looking at now is just overall in looking at the Harriman of your time, the major themes of struggling relevance and so you're right in the middle of that in your directorship [laughs] when the world changes very suddenly.

One question I wanted to ask you—sounds like a naive question, but can help future students who are studying your transcript is, as a theoretical economist, did you in any way anticipate what was going to happen?

Ericson: Well, I'd been giving talks for about a year and a half about the five crises of the Soviet economy. Didn't say it was going to happen when it did, as it did, but basically pointed out that

the Soviet economy was in a lot of trouble. Systemically it didn't make any sense and, sort of, what a Marxist would call "contradictions" were building up to the point where something was going to have to give and it also seemed rather unreformable, because every time they reformed something, the rest of the system ganged up and blocked it because it made everything work worse. So unless you simultaneously got rid of enough of its defining, critical characteristics, it wasn't going to reform and get better. But when you do that, you suddenly throw open Pandora's box. All sorts of things can and did happen when Gorbachev did that.

Q: So do you recall what were the five things that you were talking about at the time?

Ericson: A production crisis, a microeconomic distribution crisis, everybody in the world was looking at the financial crisis because they were now borrowing heavily and couldn't repay it. There was a social crisis, particularly outside of Moscow, where people were being sort of left stranded by the breakdown of the system and sort of a retailing, a market distribution crisis.

Q: And were your ideas respected or well received at the time? Or was it a struggle?

Ericson: No, it was well received in the audience I would give those talks to, basically the business community downtown. And my students naturally received it very well. Harriman people received it well and at that point I was very actively being invited to Washington to talk about what's going on and what's coming.

Q: Could you fill us a little bit more in on that, like who you were talking to in Washington and what they perceived?

Ericson: It was various fora on the Soviet economy and its international processes. It was run by things like the National Defense University—I forget the name of it. It's a number of Beltway bandit think tanks and out beyond Arlington. SRC Inc., I think was one of them. They would run war-gaming scenarios where the Soviet economy was going to be significant factor. And there were just conferences on aspects of the Soviet economy and what was going on, run by the Wilson Center. I think it was Kennan [Institute] actually as the main sponsor, but I can't really remember. I got lots of files that I could have dug into before this—

Q: Oh no, it's okay. It's—

Ericson: —to look for things, but—

Q: —it's just, I was just curious where the conversations were and—

Ericson: Actually, there were some just a bit earlier with the CIA [Central Intelligence Agency]. There was a program where an organization called MEAP, the Military Economic Advisory Panel that I was a member of, that briefed the Secretary of Defense as well as some assistant deputy secretary in the CIA or deputy director in the CIA about what was happening to the Soviet economy. Where is it going? I'd worked with the Harry [Henry Stanislaus] Rowen B

Group, after it had been the B Group, sort of on follow-up stuff, because he read a chunk of my dissertation and decided that it was going to be relevant.

Q: Oh. And your dissertation was published how much before that?

Ericson: It was produced in '79 and my theoretical results came out in technical journals in '82. But that wasn't what interested other people. The dissertation was *The Soviet Material and Equipment Supply System: A Theoretical and Institutional Study*. And the economic theory core was a diffusion model of the process of planned allocation under central planning [unclear], that it had some long-run, very bad consequences. And the institutional side was a very detailed description of how it worked, what the priority systems were, including something I'd discovered in research there, of the huge role that the military played and how that system allocated things, and that immediately caught the attention of RAND [Corporation] and Harry Rowan, Charlie Wolf [Charles Wolf, Jr.].

Q: So, yes. I've read a little bit about your dissertation. So the statistics they were using were not stable? Or what was the issue?

Ericson: Well, they didn't publish much of anything.

Q: I know. How did you know? [laughs]

Ericson: Well, you can find, like in the journal of *Gossnab*—which is not a journal that’s widely read anywhere else in the world, even then—had several articles where they indicated the difficulties with making material and equipment supply work and, among other things, was they would have—one article had a priority listing and at the head of the list was “military needs” and then it went down, “category five,” which was all others; heavy industry in there. Consumer goods were basically in the “all others” category and sort of who got it when there was a shortage. And there were other discussions hidden of the role of the first table in the administrative structure of an enterprise or the first section or first department, depending on the importance, which was the military mobilization department of every economic organization in the Soviet Union.

It had the reins anytime a crisis was declared and it was sort of permanently there on a wartime basis. It let the civilian administration run things, frequently mediocrely, while waiting for its call to come, and it reported up to the Military Industrial Defense Commission of the Central Committee of the Communist Party.

Q: So what was RAND alarmed about?

Ericson: RAND was just sort of interested in understanding the interaction between the economy and military needs. And so at one point I did a little paper [“Priority, Duality, and Penetration in the Soviet Command Economy”] that was only published as a RAND study, modeling the role of priority and the allocation of materials. It was a theoretical paper. It never made it to a real economics journal. It was published in that RAND journal.

Q: So now you've described, I mean, many people have described Harriman—the issue of relevance is kind of a weak area. Maybe “impact” is a better word. In fact, what you were doing did have great relevance to what would come later into discussions in Washington.

Ericson: But it may have had no impact.

Q: Well, let's talk about relevance [laughs], instead of—you know, there's both relevance and influence. I am interested in the relevance side today.

Ericson: Well, it was something that actually wasn't tied to Harriman, initially. I'd done the dissertation at Berkeley [University of California, Berkeley]. I'd had a job at Harvard [University] for five years. It was when I was at Harvard that they began to be interested. Then I went to Northwestern [University] to get tenure and almost immediately after arriving there, just as we put down our, or we had signed the contract for a house, I get a call from Marshall Shulman saying, “How would you like to come back to New York?” Well, at that point it was the Institute for the Advanced Study of the Soviet Union, not just the Harriman Institute.

Q: Tell me about that.

Ericson: It was the Russian Institute when I was a grad student at Columbia [University] and it remained the Russian Institute until Harriman gave them what I think ultimately was to be a twenty million dollar endowment, but it started very, very slow. We were only at a couple of

million when I was director. With that it had been renamed the Harriman Institute for the Advanced Study of the Soviet Union. But then while I was director, the Soviet Union [laughs] vanished. The name was no longer appropriate and so it just became The Harriman Institute and it had sort of expanded its—well, it kept the same regional focus, but now it's Eurasia. Eastern European Institute [East Central European Center] was always on the side because it had some sort of separate funding and faculty. So I do not know what's happened to that, but it was always a close, cooperative relationship with Harriman.

Q: I'd read about that. So let me just ask another very basic question. What made Columbia attractive to you, given your set of interests?

Ericson: Well, the Harriman Institute—the Economics Department is also—it's always ranked somewhere in the same place as Northwestern's, but Columbia is a much bigger mountain to have it on, and I am also from the New York area.

Q: Oh, you are?

Ericson: I did high school in Long Island, and elementary school upstate: Farming, New York.

Q: Okay. So New York was a beautiful city.

Ericson: Well, my wife did not like it. We spent time, until our third child was born, in the city in Columbia housing, but then we had to move out because it was just not affordable. So we moved

to Stamford, Connecticut, and that was working okay, though it was getting increasingly difficult in terms of costs, but then 9/11 happened, and my wife had to leave the region. So I looked for an alternate place that I could go, and the semi-administrative position as chair of the Economics Department at East Carolina worked.

Q: Did your wife have an experience around 9/11 that was difficult?

Ericson: Well, my being missing for most of a day, as the towers crumbled, because I had gone into work on the train that morning and everything went down. And then she also worked with special needs kids in an elementary school where my youngest son was a student. In his classroom forty percent of the kids were orphans the day after. There's one place in Northern New Jersey that had a similar percentage—deeply involved in the twin towers [World Trade Center].

Q: Yes. We did a major project on it, about nine hundred hours.

Ericson: So that just made the atmosphere and life very tense and unpleasant.

Q: Yes. I understand. A lot of people left.

Ericson: Yes.

Q: Right? So, that's another whole political story [laughs] and it had its own impact. But I am interested in going back to the time of your leadership at Harriman, and I'd like to ask you to talk a little bit about your predecessor, Bob [Robert H.] Legvold, and what he was trying to do and how you thought about that as you took up your own directorship.

Ericson: Well, I had absolutely no idea that I was going to be a director, even as close as six months before.

Q: How did this happen?

Ericson: The program elders, or the Institute elders, decided that I would be a good replacement. I was pretty much politically uninvolved. I was in the Economics Department. I was doing my own stuff. I mean, I was active on the scholarship committee for the Harriman Institute and various decisions in the executive committee, but never involved in the personnel issues. Well, I guess it was Marshall [D.] Shulman who was director when I was hired and then Bob [Robert L.] Belknap.

Q: Belknap, yes.

Ericson: And he may or may not have been before or after [William E.] Harkins, I think.

Q: I have a cheat sheet over there. We can check. [Laughs]

Ericson: Yes, I do not remember any of this very much, but it was going through the senior people and I was not all that senior.

Q: But you were kind of senior in your expertise, though, weren't you?

Ericson: Well, we had Padma Desai, who had been doing similar stuff for a long, long time and I guess there were historians, but they refused to have anything to do with it, categorically, with being director, administrating. A new guy at the period, I think, not new in being young but just hired was Dick [Richard M.] Wortman. [Leopold H.] Haimson was one of the senior people. He was reputed to be totally disorganized, so it wasn't clear anybody went with him as director.

Q: How did you figure out what your mission was at that time and how did it relate to what the mission of the Harriman was? These were the most confusing days.

Ericson: Well, when I first came in, the Harriman Institute for the Advanced Study of the Soviet Union was a going operation. Gorbachev was exciting. Nobody had a real inkling that almost overnight everything would turn over, would fall apart. Once that happened, the primary thing was to keep the Institute—well, to determine a new focus for the Institute. What do we do? Do we become totally Eurasian? Do we still keep a largely Russian focus? What about the detailed, academic program that had like thirty-five hours of requirements at that point.

Q: Ten courses at that point or something.

Ericson: Yes. And then some other things that were sort of required and it was very lock step: what everybody's studying the Soviet Union should know. And so we spent a lot of time rethinking that, and, What can we do with it? Because there were other pressures at that point, when it opens up. The social sciences suddenly had access they never had before. And so they want to do their social science using the post-Soviet system, post-Soviet area as a source of raw data and they want to apply the methodologies of their disciplines.

Q: Did you see that as a strong opportunity?

Ericson: Well, it looked like a good opportunity, but [the Department of] Economics really wasn't that interested in it. [The Department of] Political Science was very interested, but they did not want to waste their graduate students' time on eight [laughs] out of those ten courses and so there was a lot of pressure to cut it down dramatically. We had some negotiation and ended up with, I do not remember exactly what it was, but a core Legacies [of Empire and the Soviet Union] course and sort of a Chinese menu kind of thing, where you could end up taking another four or five courses instead of the full ten. It's been a long time since I thought about that, so I am not sure I remember any of the details.

Q: You're right, you're right.

Ericson: And I think that was largely pressure from political science at the beginning, but then sociologists were hired and they want to do their survey kind of work and they do not want to waste time on all this past history and literature.

Q: It was a real crisis in many ways.

Ericson: And in economics, the field disappeared at the graduate level. There was no such thing as area studies economics. Once the, well, once the Soviet Union vanished, everything became functional. Sort of public finance, international trade—these are just areas where you get new data and you can begin to look at the same hypotheses and see how things work out, industrial organization and so on. So, I knew a number of junior faculty with whom I had worked on dissertations, who were suddenly told short of tenure that, Well, you're no longer being judged in this pool because there is no pool nationally, so you'd better retool quickly or leave. Most of them left to go join international financial organizations.

Q: That must have been a real temptation for some.

Ericson: Well, particularly if your job's just vanished because your field has vanished.

Q: Exactly.

Ericson: So one guy John Litwack out of Stanford [University] who was just a year short of getting tenure went to work for EBRD [European Bank for Reconstruction and Development] and another guy who was several years in, not near tenure yet, who went to Yale [Thomas Richardson, I believe], ended up going to the IMF [International Monetary Fund] and is now somewhere near the top of that administrative structure.

Q: Tim Frye talked about the offers that he had and why he turned them down, for the sake of staying in academics.

Ericson: Yes. Well, some people like Steve [Steven L.] Solnick didn't really have the opportunity, so when that second book did not hit print in time, the department let him go.

Q: So this was a real conflict for you—how did you strategize? There was probably no power that you had that you could strategize to keep him.

Ericson: Yes. And very, very little money at that point. Harriman is now pretty [laughs] well endowed with some loose cash flying around that I understand the University wants to hook into. But back then, we were hand-to-mouth because virtually overnight during my first year as director, all of the major foundations canceled any support. They said, "Yes, you can work out your current grants, but we're not considering anything more because our priorities have changed."

Q: Wow. Why did those priorities—so I see why the economics theme would be—

Ericson: Well, this was much broader than economics.

Q: Right, that's what I mean. But let's talk about the changing—you hinted at that in your previous interview, that other issues were coming to the fore in the foundations, although

Carnegie [Corporation of New York] has certainly come around in recent years, I think, to doing more funding of Eurasia.

Ericson: They're beginning to. But things like SSRC [Social Science Research Council]—

Q: Yes, I know.

Ericson: —used to have Soviet economics programs and that was a big part of what vanished.

Q: Had a dissertation fellowship.

Ericson: They had a dissertation fellowship, but they also sponsored a workshop that Herb [Herbert S.] Levine and I ran for better than a decade, that took all of the young economists, a number of them, from Europe and gave them a two-week intensive workshop where they shared each other's work, developed a community of research in Soviet-type economies, which suddenly became irrelevant, the money vanished. Before it vanished it had been expanded a little bit to include young economists from former Soviet countries as participants, if they were doing what could be considered serious economic research.

Q: So I have a lot of questions to ask you around those lines, but I also want to get back to the question of your own voice in this period and what you were thinking about the potential success or failure of the Russian economy, with leaders like Jeff [Jeffrey David] Sachs making his proposals, *et cetera*. I mean, what did you think would happen?

Ericson: Well, I always took the position that it wasn't going to happen fast and it was going to have to involve a big type of collapse. I thought Jeff was always far too optimistic. And I got some or blowback on that, let's say, from a piece that was published in *Journal of Economic Perspectives*.

Q: Could you talk about that?

Ericson: Well, it was called “[The Classical Soviet-Type Economy:] The Nature of the [Soviet Economic] System and its Implications for [Reform]”—I do not know whether I called it transformation, transition or reform, but something like that. And it basically laid out what are the defining characteristics of the Soviet economic system. It provided institutional kind of support for each of these characteristics and what their implications were, pointed out that it was a coherent whole, that you couldn't just take pieces out and replace them with pieces of market. The entire thing has to be replaced, virtually wholesale and in very, very short order. Overnight is too short an order, but still, you have to be working on everything systematically together, otherwise the incentives that the reforms change lead to collapse in other areas of the economy.

And as that had happened with all of the Soviet reforms since mid-[Leonid Ilyich] Brezhnev—throughout the '70s and '80s, they'd do a big reform. Everybody would get excited, particularly here. This was finally going to make the system work better and all sorts of unintended, unexpected consequences popped up, which led the authorities to roll it back, fix the problems that were created and then you were back with the old Brezhnev system, right to the end. When

Gorbachev went too far, refused to let them roll it back. Instead he abolished the Communist Party's role in the economy, got rid of a number of the ministers and used his supreme leader position to block any attempts to set things right, much to the chagrin of people like [Nikolai I.] Ryzhkov and his assorted prime ministers, [Valentin S.] Pavlov and so on. So the whole thing just unraveled.

Q: And you saw that that would happen.

Ericson: I wouldn't say that I saw it. Nobody had an idea that Gorbachev was going to do something like that, but I had argued that the system—and this was published in '91, so it was from arguments in the late '80s—that the system is coherent as a whole, it's inherently tremendously inefficient and it's unreformable. So you've got to do something radically different. Now, I didn't have any prescription and when you started rolling the dice, everybody was shocked with how Gorbachev had rapidly run it to the end. There's lots of criticism, at least Sachs and Anders Aslund had a coherent program, that it worked in much simpler circumstances in Latin America and Israel. It may have been politically impossible in Russia, because it more or less worked as it was supposed to in Poland, Hungary, Czech Republic, places that were somewhat more westernized and had a sort of congenital memory of market systems, having only been under [Soviet socialism] for about thirty-five, forty years.

But in the Soviet case, when you're three generations removed, anybody who had ever experienced that kind of life was long dead and the grandchildren were around, but they hadn't

learned anything else and there were some grandchildren in the west, but they weren't going to come back and fix things. They didn't have the kind of diaspora that China has.

Q: Yes. That makes so much sense to me. What was the blowback you received from the article?

Ericson: I am too pessimistic. Socialism has a greater positive appeal. If you give the right people leeway to make it more democratic, then they will democratically solve the problems. Whereas I was trying to argue from a technical economic point of view that whatever the political system is, here's the problems and it's not clear that a democratic approach, particularly since throughout the debates in the '90s there were no real alternatives offered, except get rid of [Boris N.] Yeltsin and let the people rule through the Supreme Soviet, which might have led—well, the Communist Party still dominated that.

They might not have been the monsters that Yeltsin portrayed them in the '96 election campaign, but still, they were convinced that they were, that this all has to be undone. We need to go back to a stable socialist system and then work at slowly reforming it in the right direction. Everybody claimed to be pro-market, but I do not think anybody on either side really understands how markets really function, what a functioning market system, not just the market—markets pop up like mushrooms after a big rainstorm, but to hang it together as a functional system where the incentives sort of point one to creation of wealth takes more than just a collection of markets.

Q: This has been proven over and over again, [laughs] since.

Ericson: Well, it's not clear that it was understood. I used to get laughed at for saying that it was economic ignorance that destroyed the Soviet Union, which is a bit of an overstatement, but still.

Q: So here is, as you said the last time—

Ericson: It was sociologists who did the laughing—

Q: Oh, sociologists?

Ericson: —who didn't really understand economics and said, That's convenient [laughs].

Q: So, just another naive question then. Touching on what you said last time, here was possibly the greatest social experiment to ever happen. Why wasn't it more focused on the economic aspects of this and had it been, would Harriman have played a different role in leadership?

Ericson: Well, there were always a minimal number of economists involved. One thing that I spent a lot of time on was fending off proposals by traveling Soviets for Harriman to fund this or that crazy scheme, to help make some new market business work. I didn't really see Harriman as a legitimate sponsor of these people's activity. A number of them were of rather shady provenance as well. I think one of them who came through was somebody I knew as a *fartzovshchik* [black marketeer] in the dorms back in '70s—I guess '77, at *MGU* [Lomonosov Moscow State University] when I was a *stazhor* [trainee].

Q: I do want to get to your travels and how that grounded your own theoretical approach.

Ericson: So at that point it was, I do not really know what more could be done. I talked about those—but you really need a corps of people in one place who have active contact with what's happening there and have the theoretical tools to develop an analysis and as director I didn't have time and Padma is not a technical economist. She does political economy kind of stuff. She knew all the primary players and was very good at presenting their positions and some first order, economic criticisms thereof, but she wasn't doing any deep analysis.

So we did not have a group to do that. Throughout the post-war period, Sovietologists as economists were always marginal in every department. Their primary value was that you got grants from the government that—

Q: Oh. [Laughs] I see.

Ericson: —which, those are gone by the time I was there. But, and the government wasn't that interested in funding directly. But there was still the National Council for Eurasian and East European Research [NCEEER], and they are still in existence although they have very, very little funding and it was a major conduit and then people would be sponsored to do research and report to the joint economic committee. But it was never very technical. It could never be data-driven because there was no really good data. Abram Bergson and his students spent decades trying to reconstruct Soviet national statistics and come up with a methodology to understand that, and it convinced the CIA, because they took it over totally and kept developing it after he stopped. But

for the most part you have to sort of look at incidents, at anecdotes, things that were written by émigrés—

Q: Give me an example.

Ericson: —scouring the press.

Q: Give me an example of some of those tidbits and why they were useful.

Ericson: One tidbit that had feedback was looking through Soviet journals. Bob [Robert W.] Campbell at the University of Indiana [Indiana University Bloomington] noticed that, and he was looking at the official statistics, that the distribution of inventories, industrial inventories, in the Soviet Union was heavily weighted toward the users of those inputs and not distributors or the producers, as it is in a market economy. Less than 15 percent of all—this was before just in time, that percentage has gone down to near zero now in well-functioning market economies, but back in the '70s it was 15 percent, stylized fact for the market economy.

Soviet case, it was over 85 percent held by the users, frozen in place, just in case, because the plan's vagaries might suddenly make it necessary. And then when you get enough into the '80s, the black markets have developed enough that you could actually trade it quite lucratively if you had it. Instead of having mobile inputs to handle needs as they arose, everything was frozen in the hands of the users and hidden to the best they could do. That was a serious inefficiency. It was frozen inputs that were not being used productively.

Well, after he published his article, the next year they stopped publishing those statistics. It's like infant mortality: when it was discovered that it was turning up in the early '70s, they stopped publishing the statistics as soon as something was published about it in the west.

Q: Wow.

Ericson: And they stopped their gold and monetary statistics back in the '30s, because they didn't want the hostile surrounding world to know about that, that it's a source of power as they saw it. What I did for my dissertation was also piling together anecdotal evidence, like looking at what was happening in specific industries, that I actually happen to know somebody who had done an analysis in the Soviet Union. One of my advisors at Moscow University had worked in the Urals looking at planned fulfillment data and interesting statistic that held up for a decade was that, on average, a machine tool plant or industrial plant would get six plan revisions in the year.

The last one was usually around December 15th and what it did was make the plan work like what you were actually going to accomplish, because nobody above you wanted you not to make your plans, because then they didn't make their plan and everybody got punished up and down the chain. And every so often you have to have some low guy who can be made a fall guy and punished. But reasonable fudging was practiced at all levels because of the rigid nature of the planning system, which had to be, or else you just couldn't manage it. Sort of like the "curse of dimensionality," as mathematicians call it.

Q: What does that mean?

Ericson: It means that people can handle one, two, three dimensions, maybe pretend they can handle a fourth, even though they can't draw it. When the number of dimensions goes out to infinity, you can't do anything with it. And it works seriously in computational issues. You can have a very fast, well functioning program and if it's "NP complex" in the mathematical jargon, which means that you can't ever determine whether there is a solution and so it could run infinitely and—

Q: Sounds a lot like what you were faced with in 1991. [Laughs]

Ericson: Well, I mean it's a—

Q: Metaphorically.

Ericson: Yes. It's a serious problem in computing. It's a serious problem in applied math in lots of areas, and it becomes a problem when you try and plan something as complex as an entire economy or too big a piece of that economy. Just things escape. There's no way, no matter how good your computing power, you're ever going to keep on top of it.

Q: There are too many factors?

Ericson: Yes. And shocks. Elements of things that you do not know existed, never mind might be a problem, happen. And so when zero probability events keep happening regularly, you have a problem ever reaching a decision, making anything work through to the end, according to the plan. But if you decentralize it and let those on the spot handle it best they can, then your plan vanishes. They're not doing what they were supposed to be doing, according to the grand vision.

Q: And it's this "supposed to" factor that really was the historical problem?

Ericson: Well, if you know what the future looks like and you have insight into it as the party claimed in the Soviet case, then you can't brook dissension. Any other view becomes sabotage or at best a distraction and people need to get with the program. But that means the program has to be kept simple. It has to ignore a lot of things and it has to leave some chunk of it just outside of the controllable area and that's what they did for a lot of human relevant things, the consumption side of the economy. Even though they tried to plan it in gory detail. Like there was another thing found looking through the literatures. There were rationally-determined consumption norms that went to the detail of: a female teacher in the south Urals district needs two point something dresses per year and so the production—but how else do you figure out how much you're supposed to produce?

So you have these rational norms some experts have figured out for everything. And then they produce a big amount and it's invariably wrong and then somebody gets rich in a black market making things neat, and then somebody gets executed because you're making illegal incomes.

Q: Wow, what a mess. So nonetheless, you were in the middle of all this [laughs], with very few econ people, thinkers like yourself, theorists at the time.

Ericson: Mostly at that time I was worried about keeping the Institute together, not losing [laughs] new faculty, which we had no control over, except we could say, Yes, we would really like to have them around, trying to get the departments, as somebody retired or died, to rehire in the area. Didn't work very well. Scrambling for funding. I think one of the best things that happened was hiring Frank Bohan, who had a separate reason to be at Columbia—

Q: Yes. His son was ill—

Ericson: —because we never had grant, yes. And so he gave up a high-powered job downtown. Came to work as our financial guy at pennies on the dollar from what he had been earning before and really managed it very well, to the point where I think I hear rumors that he's something of an autocrat and it's hard to get money out of him. [Laughter] But we were really on the edge for those first few years because—

Q: What does “on the edge” mean? That you would potentially fold?

Ericson: Not fold, but sort of not carrying out a lot of programs that we would like to be carrying out. The faculty were sort of there because they were tenured, but without extra money for travel, ability to visit that part of the world, to support incoming speakers, to support students. It's very hard to get a student to spend a lot of time working on something that isn't part of their degree.

Now if you are in Russian literature, it could be part of your degree. Or in Russian history, it could be part of your degree. But political science, other social sciences, something else opened up that didn't exist in Sovietology before was anthropology. Because suddenly people could go out and talk to native people, who were totally sequestered. They could figure out what was behind those Soviet anthropology articles that they had been able to read. Anthropology is just all about doing fieldwork and immersion, and that could not happen before. And then, suddenly, it's now almost become the core of the field. Because economics generally doesn't see anything special about the Soviet or post-Soviet case. Political science. It's the same as areas of—

Q: Can you elaborate on that?

Ericson: It's got a big government. It's got lots of regulations. But there are lots of big governments, lots of regulatory regimes. It's got markets. People get rich. People dodge taxes, just like everywhere. It is a system that looks like a rather distorted version of any sort of high, middle income developing economy. So it fits that category very well. Now, it may have—there was this famous paper that caused a big blow up in our profession by [Andrei] Shleifer and Daniel Treisman called *Russia: A Normal Economy [A Normal Country: Russia After Communism]*, where they looked at all of the statistical indicators and showed that Russia was sort of right in the middle. There was always somebody worse and always somebody better on all the categories. Trouble is that they tended to be very different people and Russia was sort of on the negative side of almost everything, even if it wasn't the worst, which makes them an abnormal/normal middle-income developing economy.

But the analysis of fiscal policy, monetary policy, the statistics you do about industrial development and so on, everybody uses the same standard, econometric tools. It's just a special case and the parameters you get out of the estimations are going to be different, but you can explain that in the same analytic framework, so there's nothing special about the region.

Q: That is a clean way to look at it. I have another question, which is: your travels. Tim [Timothy M.] Frye really talked about the significance of his early appearances there as a teenager and then later as a young man, explaining America to Russians, what that was [laughs] like. But you were also there from '72, was that your first trip or earlier?

Ericson: Nineteen-seventy was my first trip—

Q: Nineteen-seventy.

Ericson: —as a language student from Georgetown [University] in a summer, six-week summer program, CIEE [Language Exchange] at Leningrad [State] University. And then in '71 I just went on my own, because I wanted to see what it looked like when I was not stuck in a group, and they were happy to take a single kid is money. I was twenty or so, I was able to do it and then in '72 I left the master's program here for a year because I went on the USIA [United States Information Agency] Cultural Exchange Exhibit. I was there for half a year, but then I had to come back on a regular cycle to finish up at SIA [Columbia University School of International

Affairs], which was not SIPA [Columbia University School of International and Public Affairs] yet.

Q: Right, yes. So I am just interested in tracing—I know you were there again later in the '80s and interested in the kind of conversations you had with people and if you still use some of those people by the time you were director of Harriman and how your conversations changed.

Ericson: I knew some people who were moving up in the Russian government who were criminal business from my year as an IREX [International Research & Exchanges] scholar. That was later. Seventy-seven is when I did that, '77 into '78, I believe.

Q: Right. I thought it was earlier.

Ericson: But my first trip, I went for the language program; I was doing intensive Russian at Georgetown. Did not know a whole lot about anything, but had this vision of a major super power. They were going to overtake us. You had [John Kenneth] Galbraith's *[The] New Industrial State* out there, all sorts of things about convergence and planning as the wave of the future, even here. I got to Leningrad and it just wasn't working. It looked so dank and dismal, dark, nothing was really functional and I met a couple of young Russians whose parents were pretty high placed in the party hierarchy, so they were not out building socialist reality in the summer the way ordinary students had to be. They were hanging around Leningrad and we would spend hours under the bridges after they were open and we could not get home, drinking

and arguing about politics. Them doing all the arguing, me mostly listening because my Russian was really bad.

That made me interested in economics of the systems—or, how did this place work, to give those kinds of results? And there were other interesting things we observed, like we went down *Nevsky Prospekt* and this would be in the summer of '70. Just prior to that, Nixon had come to visit the Soviet Union. Well, not really thinking about that, I was around there; you notice, you look up *Nevsky Prospekt*: for two and a half stories, it was brightly painted pastels all the way down, and above that it looked like it was falling apart, so I asked how that happened. The guy said, “Oh, Nixon was in a limousine. He couldn't see above there, so that's why they did it,” and it's just one of dozens of Potemkin village kind of things that I ran into in that brief period and I hadn't taken any real economics before that. I had done Russian language.

I was in the Foreign Service School, so I had done lots of history and diplomacy and international organization stuff. Very little economics, one microeconomics course and one trade course, which was all Georgetown required for that major. But I did the foreign language, Russian language program, Foreign Language Institute, rather than the Foreign Service School. And it was extraordinarily intense and forced you to speak.

Q: At that time, how did you envision your career?

Ericson: When I went to Georgetown I was going to get out and join the Foreign Service. But then, by the end of Georgetown I'd met too many Foreign Service officers [laughter] who were

totally boring and didn't do anything interesting. So I went onto Columbia's master's program, while still looking. I'd gotten interested in economics, but I didn't apply for that. Then after I'd gone to the Soviet Union I get back in SIPA. And finishing up, I took the GREs [Graduate Record Examinations] and the economics exam, applied to Columbia, Harvard, Yale [University], other places that had good programs, and Berkeley on the side. Took the Ivy Leagues less than two weeks to send a rejection [laughter]: totally unqualified.

Q: They're always good at that.

Ericson: But Berkeley, for some reason, late in the game, offered me money and said come, so I went there. And that had Greg [Gregory] Grossman, and then the finest collection of mathematical economists before or since. Gérard Debreu, Andreu Mas-Collel, Roy Radner, Stephen Smale, doing dynamic economic stuff in the math department. Steven [M.] Goldman. It was really a world-class collection that I did not really realize was there when I had applied. I applied because of Grossman, because I was going to study the Soviet economy, I thought. And I also thought I was going to study mathematical economics because I had gotten some Soviet books that made it look like that was—now, their vision of mathematical economics was linear programming.

Q: Linear, I am sorry?

Ericson: Linear programming—

Q: Yes.

Ericson: —optimization technique and sort of dynamic modeling, differential equations and all that kind of stuff. So I figured, run a little mathematics and do that, that's what it is. I get to Berkeley, say I am interested in math economics, and Roy Radner told me, "Well, here's six courses you've got to take: undergraduate courses, before you can even begin thinking about it, and then you've got to do these master's courses in math and you can do that with your economics program." I did and he was my advisor. He was responsible for the chapters with the dynamic models of industrial supply. Greg Grossman was a co-sponsor for the institutional stuff.

Q: Very rich training.

Ericson: Yes, it was. And it was sort of a miraculous kind of place because no other place would have had the combination of people to do that. And totally accidental.

Q: Totally accidental?

Ericson: Yes, I mean, why would I go there?

Q: Oh, I see. Your place there was accidental.

Ericson: Yes. My following that path was totally accidental. A string of accidents. But then once I was there and I had done that and I had a dissertation, then it was clearly going to be an

economics career. And Abe Bergson got me to come to Harvard, where I co-taught with him for a little while and then I left to get tenure at Northwestern, where I was going to be more of a mathematical economist, less Soviet stuff, though. Mike [Michael] Marrese was there, also untenured, and the two of us could have formed a core for Soviet economic studies. And then Marshall [Marshall D. Shulman] called, shortly after I had arrived, saying, “Come to Columbia.”

Q: Without the “what if” question, on the tip of my tongue, looking back, did you think you could create a core like that at Columbia? Or just the Columbia call was appealing?

Ericson: No, Columbia was sort of the highest ground possible for this and the oldest institute. It had some founders still left. There was the guy in political science, he died the year that I arrived, but he was still around, [Geroid Tanqueray] Robinson. And Bergson had been there when he had done his most important work. And at that point it was sort of rolling in money. As Jonathan [E.] Sanders said, “You’ll never have to apply for a grant again, because we got it.” Turned out to be false [laughter]—they didn’t have that kind of money really, but it was part of his selling job. I knew Jonathan because we had spent the year together in Moscow working on dissertation material in ’77, ’78.

Q: So had the crisis not happened in the way that it did right after you came, what were in your plans for Harriman, for your time with Harriman?

Ericson: Well, I was always looking forward to getting back to economic research.

Q: Yes.

Ericson: I was there because a committee of all the famous people there came and prevailed on me to please take this over, at least one term kind of thing. So I think it was to keep it on a stable course. It was rather influential. We had very good contacts in the Soviet Union, excellent contacts at that point with the Gorbachev regime and with others. [Seweryn] Bialer knew people in the Economic Department of the Central Committee.

Q: That was the question I wanted to get to, what those contacts were like and what happened to them after the collapse.

Ericson: After the collapse most of the people that we might have known were out making money and some of them came by to try and get Harriman to buy in. I do not really remember names but they were new deputy this or that minister. I just remember there being a continuing wave of visitors, all of whom were supplicants for something and were willing to explain their very needy but very deserving position. We still had a lot of political contacts; most of the Yeltsin regime came through and gave talks.

Q: Must have been a fascinating time in that way.

Ericson: It was. I actually was translator for several of them because we couldn't get a translator who knew any economic terminology. Like when [Stanislav S.] Shatalin came from the 500-Day Plan. I sort of did a quick introduction as director and then put on a different hat and did

translation. Not quite simultaneous but very rapid succession after what he said, so that was able to be successful.

There were people, in fact, [Yegor T.] Gaidar came, but a little later, on an invite from Padma and trying to think of, I see another co-author of both Shleifer and Aslund. He's got a brother, Igor [Boycko]. There were a number of people who are important in the sort of "kids in pink pants regime" [laughter], as they were called by the Soviets in the parliament. We had the foreign minister come by, [Andrei V.] Kozyrev, so there were lots of active contacts, the most sort of productive ones were political.

We had one near scandal when [Vladimir V.] Zhirinovskiy wanted to come, and Alex [Alexander J.] Motyl and I decided this would be a great opportunity. He's a historic figure.

But the senior faculty sort of unanimously came down on us and said, "No, the guy's a real anti-Semite and Fascist; we're just giving him a platform at Columbia. We can't allow that." So we sort of disinvited him.

Q: That must have been hard.

Ericson: Ex-post, it would have been better to have him come and have that on the record.

Because we can do all sorts of statements in opposition to anything he said afterwards. But I was brand new as director, this is like at the very, very beginning and—

Q: Is that what you were referring to when you talked about how Harriman at that time was really risk-averse?

Ericson: Yes, that's part of it.

Q: Could you go further and explain more?

Ericson: There was no desire to get politically involved in the transition because I think there was some dissension. There were a number of people associated with the Institute and friends of people in the Institute, like Steve [Stephen F.] Cohen, who were violently opposed to the direction the transition was taking and so there was an effort to sort of stay purely academic and neutral.

Q: Could you talk a little bit about Steve Cohen and the nature of his thinking at that point?

We're also interested in the nature of his thinking [laughs] at this point, but was he a powerful force?

Ericson: He was influential with quite a few of the powerful people in the Institute. He was respected for his work on [Nikolai I.] Bukharin and he was always very much on the socialist side of Gorbachev, and he thought that if there was going to be any continuation that was reasonable and he could support, it would have to be socialist. He strongly disliked the capitalist turn that things seemed to be taking and has pretty much held to that. He gives the opposition in the Communist Party a lot of credit for their resistance.

A point of comparison is, he is probably as or more anti what happened as [Peter] Reddaway and [Dmitri] Glinski in their book on *The Tragedy of Russian Reforms*, which was a very trenchant statement against how Yeltsin was taking the transition and the theme of democracy destroyed by greed. Steve Cohen looks at anything that is sort of more market and capitalist as greed, and he wanted to see social democracy come out of this full-blown. My opinion, it was never going to happen, but I never really got involved in a polemic.

Q: How were decisions made at the time you were director? You talk about the powerful people.

Ericson: What Haimson, Belknap, Legvold, the other—it's basically all of the senior faculty that had been there since I had arrived or before I had arrived and were still there. [Richard] Wortman was part of it fairly quickly, though he and I arrived simultaneously, formed an executive committee and they—it was largely people who knew the prior directors, from Robinson on. [John N.] Hazard was a very important person at that point and one of the reasons I came back, because I really enjoyed his course on Soviet Public Administration when I was a student at Columbia. I did finish up the master's at Columbia before doing economics.

Q: Great, I knew that.

Ericson: But I never did write that final paper for the certificate, which would have been from the Russian Institute at that point.

Q: So there was an executive committee.

Ericson: Yes, and it was basically of the full professors who were associated with the Institute.

Q: I am thinking back to the Legvold presidency too, or directorship. How much power did they have to say Yea or Nay, especially in regard to funding and survival and resources?

Ericson: I think they had most say in sort of any kind of public positions the Institute would take.

Bob Legvold was pretty good at fundraising. No Marshall Shulman—Marshall Shulman was also in the group at the time. Marshall was sort of the genius at fundraising and schmoozing. Bob was very good. I was not good at all. And part of it was the environment, where you really couldn't come up with a convincing argument.

Q: Yes.

Ericson: Again, I had virtually nothing to do with the administration of it. I was a stand-in interim for one semester, for half a year at one point before, and I didn't screw anything up, [laughter] which is why they thought I could probably be the director.

It always appeared that there were new grants coming in, though it wasn't really talked about a whole lot in ways that I saw. You'd get a report every year when there would be the annual meeting for that stuff. I know that they worked closely with the National Advisory Council, which had some big wigs at Columbia, as well as the main funders on it and other important

people, former ambassadors and things like that, which actually stayed active during my three years. I always met with them every year and it helped keep them happy with the way the Institute was evolving and explained things to them. And I think prevented Jonathan [R.] Cole, who was provost at the time, from deciding he needed to reallocate funds somewhere else.

Q: I heard about that. Was that going on during your tenure?

Ericson: He came to everything and he asked very pointed and hard questions and I know since then Columbia has been trying to get more control over the endowment. I guess the question is, if the Institute folded because “mission accomplished,” then Columbia would get control over everything. Now one reason for having the National Advisory Council is to have people on it, ambassadors and so on, who are important enough to tell Columbia, “Hands off,” and that was one of the explicit reasons for keeping that going.

Q: Absolutely.

Ericson: I think it stopped being so active sometime since then. But we met every year when I was director and it continued after that, at least for a while.

Q: Another kind of naive/bold question: I guess I want to ask what were the missed opportunities because of this problem with political perception or risk aversion?

Ericson: That's hard to say. I mean, basically the opportunities that were out there were taken up by our graduate students, like Tim Frye.

Q: Yes! They must have—

Ericson: There were lots of opportunities. Most of the very senior faculty weren't really interested in that. It was something beyond what they were doing. Padma got very actively involved in talking with the leaders and doing conversation kinds of books about it. I tried to focus on the technical side of microeconomics under transition, but that was more purely economic research. The historians all traveled to archives to do things there, but those opportunities were exploited. In particular, Mark [von Hagen] took a lot of advantage of that and on the political economic side, we had a lot of political scientists who were doing almost political economy stuff, because I know the new dean of the Foreign Service School at Georgetown was a student there then and I sort of talked to him about his dissertation, and the same thing with Tim Frye, though he did much more work with Andrei Shleifer.

Q: That's a really interesting theme also that we're exploring, is we have been told—and I think you're one of the ones who agreed—that part of the great legacy of Harriman is really the pedagogy, is the teaching and are the students. So the students were running with things that you all could not really do.

Ericson: Yes, I think that's true. Any department that's great is great because of what their PhD products do and the Institute didn't create PhDs, but it did create a cohesive core of experts that went out and did things.

Q: Who are some other outstanding ones? Tim Frye is so obvious.

Ericson: [Steven L.] Solnick. I wish I could remember the name of this guy. There's a young woman who was a reporter for Radio Free Liberty Radio, Radio Free Europe, Radio Liberty for a long time, who I remember from my class. [Joel Hellman], who's now the dean of the School of Foreign Service. He beat Mark out for the position.

Yes. He's definitely somebody that we all knew. Ned [Edward Louis] Keenan [Jr.] went on to work at Berkeley, though he—not Ned Keenan. I am forgetting the names. He was a graduate student.

Q: That's okay. We can put it in.

Ericson: Ned Keenan's the famous historian who got lost on the Volga River in the '50s, [laughs]—on purpose, from his point of view. There was some Korean guy who did stuff with sort of oil privatization and the early histories of the oil industry. Political scientists would know most of them, because there were literally—Tom [Thomas J.] Richardson was a student of mine who went on to work in the IMF [International Money Fund], up in the hierarchy. He was also a Harriman student. Dan [Daniel M.] Berkowitz, who may be now chair of Pitt [University of

Pittsburgh]. He's been the editor of the strongest of the comparative economic journals, *The Journal of Comparative Economics*, for the last decade, together with Gérard Roland—had nothing to do with Columbia. But Dan [Daniel] Berkowitz has been very successful coming out of that program.

Beth Mitchneck was in the geography department but I worked with her a lot, who used a lot of the early openings to go do field research in Russia of an ethnographic, geographic, political sort. She has been an associate provost at Arizona [University of Arizona], chair of her department. I think she's now moved to Colorado, but very successful academic career. There was another young woman with her whose name I forget. I was on her dissertation committee and she moved up in one of the major international organizations.

Then most of my PhD students after the fall stopped being Harriman-related in economics—

Q: I know.

Ericson: —because that wasn't going to get you a job in economics and they all went into economic theory of various sorts. So I guess the highlights in economics are Tom Richardson and Dan Berkowitz.

Q: Great. Great answer. You had other choices, other people are speaking about this, too, in terms of how to think about the interdisciplinarity, the many different regions, how to balance knowledge of a region to knowledge of another region, to do comparative analysis. Mark von

Hagen talked about looking for analogs to the Soviet Union [laughs], in terms of comparative work. Were all of those things on your table at the moment, on your desk when you were director? How did you advise people?

Ericson: At that time the big economic issue was transition. How do you make markets? And everybody was talking about it. I spent some time on a panel at the Council on Foreign Relations on the Russian transition. It didn't really produce much, but it crossed the period of the collapse in '98, of the financial markets and it was hard to come to an agreement of largely businessmen about sort of what the nature of what was happening was at the time. We never did come up with a report for that. I did my two years and left. Now the issue here was—

Q: We just had so many—at least people like von Hagen were concerned with the—

Ericson: Oh, how to do comparative.

Q: —how to do comparative work.

Ericson: Yes. Part of the problem with economics is the comparative vanished. It was no longer a field and that was made very clear by '92.

Q: Okay.

Ericson: Nobody was going to get a job in that. There's no reason to study it. Economics is economics and you'd better be focusing on some functional area and God bless you, if you want to do it on the Soviet area or Eastern Europe or China, but it's got to be standard analysis or it's not going to fly. And dissertation committees were very inhospitable to sort of institutional, historical kind of stuff, by and large, particularly at the big places. And with it the special funding vanished; as we saw at Harriman, it did everywhere else.

So there was no special funding for economics. NCEEER still existed. They had their budget cut dramatically, so they had many fewer things. There always seemed to be a small portion of it reserved for brand new people to see what they could do, and most of it going to the people who had been using NCEEER funds ever since 1956 or something like that, for their specific area of study.

Actually the strength in economics was in the Cambridge area. When Abram Bergson moved there most of his students stayed around there or they spread far and wide, like Paul [R.] Gregory ended up at [University of] Houston. Greg Grossman was not a Bergson student, he was a [Alexander] Gerschenkron student but he ended up at Berkeley. And Padma went to Columbia eventually. She was in the cohort with Paul Gregory, which was in fact the last of the regular Bergson cohorts.

But the consequence was, there were a half dozen economists, Barney [K.] Schwalberg, Frank [Franklyn D.] Holzman, people like that, in Cambridge—it was the Russian Research Centers,

now the Davis Center. But the Russian Research Center Seminars were almost exclusively economics, whereas Harriman seminars were largely history, literature and politics.

Q: [Laughs] Yes.

Ericson: So. And our strength was always in history, when they used to have like four historians, and literature, obviously, and then with Bob Legvold—well, Robinson and then Legvold and Marshall Shulman as the all-important bridge, political science was very important as well. Economics, from the beginning there was Alexander Erlich, it was when he died that I got an invite to come out and try for a position. But he was very old-style, political economist, a Marxist theorist from a Menshevik family.

Q: Interesting.

Ericson: He had been involved in the Bund in the '20s and '30s and his primary course was Marxist Economics. They used to invite outsiders like Alec [Alexander] Nove to come visit and teach a Soviet economy course. Padma taught it for a couple of years and then I got hired and I taught it from then on.

Q: That must have been a great course.

Ericson: I like to think so. But [laughs].

Q: Great. Well, I do not want to keep you too much longer.

Ericson: What time? Oh.

Q: It's one fifteen.

Ericson: Hopefully it's three fifteen.

Q: I mean three fifteen. I am sorry [laughs]. I think we've done one hour and fifteen minutes; looking at the wrong clock. Are there any final thoughts you want to share about Harriman now? I know you've talked a little bit about that last time.

Ericson: Well, I think most of what I have heard about Harriman now was through Cathy [Catherine Theimer] Nepomnyashchy, who was distressed at the direction away from interdisciplinarity and it just becoming an umbrella for specific studies that use the data or experience of a piece of the region as their empirical base. What I am speaking at today is the attempt to maintain that core course, Legacies of the Russian and Soviet Empires, and I've been doing the economics piece of it for, well, I guess four out of the last five years [knocking].

[INTERRUPTION]

Q: Sorry for that interruption.

Ericson: No problem.

Q: Thank you for your honesty and your gravity and your knowledge.

Ericson: Okay, [laughs] you're welcome.

Q: Thank you. Any other things you want to share before closing?

Ericson: You know, most of what I remember is triggered by an appropriate question.

Q: [Laughs] You're right.

Ericson: It's hard to think back now over thirteen years and before that, because this is going back to 1985 when I arrived, so—

Q: I think you've done a wonderful job and I want to thank you again.

Ericson: Well, you're welcome. Thank you.

[END OF INTERVIEW]