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FROM - RIO DE JANEIRO

SUBJECT - NONCAPITAL PROJECT PAPER (PROP)  
Union-to-Union Leadership Exchange

REFERENCE -

COUNTRY: BRAZIL

PROJECT NO: 512-13-410-028.3

SUBMISSION DATE: December 3, 1969

ORIGINAL: X

PROJECT TITLE: Union-to-Union Leadership Exchange

U.S. OBLIGATION SPAN: FY 66 through FY 73

PHYSICAL IMPLEMENTATION SPAN: FY 66 through FY 74

GROSS LIFE OF PROJECT FINANCIAL REQUIREMENTS:

U.S. Dollars \$1,547,000

Local Currency (Trust Fund in US\$) 112,000

Total \$1,659,000

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A. SUMMARY

Brazil is presently experiencing the most rapid rate of industrialization of any country in Latin America. Much of this activity is being effected as a result of Alliance for Progress efforts - - encouragement of private investment, loans, and direct technical assistance. As a corollary to industrial development a great deal of North American management technique has also been transferred to Brazil.

Unfortunately this evolution in management technique has not been accompanied by a corresponding development in the national labor structure nor in union attitudes and technique. The labor sector, long accustomed to dealing with management on a patrão - trabalhador basis, has a highly complex arrangement of institutions and legal sanctions, but it is one which holds little relationship to 20th century economic realities. It is another of those cases in which Brazil, viewing North American and European events (in this case, the Industrial Revolution) from afar, attempted to react as modern nations were reacting, with legislation, even though the phenomenon had not yet occurred in Brazil. Inevitably Brazil's patrão-oriented government passed very strongly patrão-oriented labor legislation to suit her still medieval business style.

Herein lies the necessity for a Union-to-Union Program. As management techniques evolve in response to industrialization, union techniques must evolve correspondingly. Brazil's present labor leaders must be taught modern methods of collective bargaining; they must learn the usefulness of technical advisory departments within unions; and most difficult of all, they must learn the link between efficient production, pay scales and consumer prices - the main realization of which lies at the bottom of North American labor's prosperity. Until this lesson is learned until Brazilian labor personnel from the ministerial to the local union level stop thinking of the workmen's compensation in social terms and begin to link it to the rate of output - Brazilian industry cannot produce efficiently enough to create a wide domestic market, nor can it hope to compete for world markets.

Union-to-Union project addresses itself to this need by working with the most influential elements in the labor sector. The approach is technological and cultural exposure. Key individuals - those in paria positions to generate opinions - are chosen from the industrial areas most influential in shaping Brazil's economic and social life. These people, in the past union representatives at the confederation and national levels, in the present program local and federation leaders, are invited to the U.S. by counterpart unions there. During such visits they observe first-hand ~~how they are exposed to the comparative prosperity of the American working class~~ how modern unionism functions within a highly industrialized economy. At the same time they are exposed to the comparative prosperity of the American working class. This latter exposure leads to illuminate that subtle link between production, pay-scale and consumer prices. ??

The patrão-trabalhador relationship is a Latin American off-shoot of the medieval European master-serf arrangement. The patrão rule in a very paternal fashion, usually taking an interest in his worker's welfare, and (thus all void of the need for any intermediary organization (union) to protect worker's interest.)

Another Union-to-Union approach is to bring American labor leaders to Brazil as guests of host country unions. This exposure to the realities of Brazilian economic life puts such labor officials in a much better position to give useful advice concerning techniques, and also tends to increase American Labor's sense of internationalism and their subsequent support of development efforts.

The third Union-to-Union approach is to send Brazilian labor officials to the Labor Relations Institute at the University of Puerto Rico (UPR). Classes at UPR are especially designed for Latin American labor leaders, with instruction concentrated on modern union technology. Much of what is learned there can be directly transferred to local union situations in Brazil.

#### B. SETTING

The condition of and environmental factors surrounding the Brazilian labor sector were discussed briefly in the summary. It is a patrão-oriented federal labor structure, consisting of local unions, state federations, national confederations, and at the governmental level the Labor Ministry. Policy emanates from above, often much influenced by non-political considerations irrelevant to labor interests. Decisions concerning wage levels are made in the same fashion and handed down. Disputes are settled via a cumbersome, top-heavy labor judiciary system, the settlements often based upon legal, social and political considerations quite divorced from economic realities. Even the election of labor leadership is influenced from above (occasionally by direct intervention), still in the remembrance of the systema patronal.

Completely out of tune with the condition of unions in Brazil is the economic environment. Latin America's most rapidly industrializing country is growing increasingly sophisticated in management techniques. The ~~anachronistic~~ anachronistic condition of Brazil's labor sector - is a reminder of a bygone era, and until it is ~~radically~~ reformed and modernized the progress of the worker, industry, and ultimately economic development will be retarded.

#### C. STRATEGY

The broad objective of Alliance for Progress efforts in Brazil is economic development, a phenomenon which the Union-to-Union program holds as one of its general objectives. More specific Alliance interests which relate to the labor sector are expressed in Title IX goals (direct involvement of the people in their own economic and political affairs, and in the development process), and in President Eisenhower's Look to People Program for political, cultural, and educational exposure. Union-to-Union's strategy is a direct response to such objectives.

Union-to-Union's approach is to seek to reach key opinion makers (young labor leaders from strategically important industries and unions) and to convey to them the extent of Brazil's present industrial revolution, and the inevitable adaptations which they must make in response to that revolution. The program does this through a three-pronged coordinated attack;

- (1) selection of labor leaders to visit the United States as guests of counterpart unions there,
- (2) sponsoring of North American labor leaders who visit counterpart unions in Brazil, and
- (3) sending key Brazilian labor leaders to classes at the Labor Relations Institute at the University of Puerto Rico to learn modern union technology.

The hope is that labor leaders, having been thus exposed, will influence policy decisions pertinent to labor structure, technological adaptations at the union level, and attitudinal changes across the board. Success in such an effort would promote joint Alliance for Progress and Brazilian development agency goals of greater rates of production, institutional reform where necessary, and a more equitable share of the fruits of their productive effort for the laboring class.

#### D. PLANNED TARGETS, RESULTS AND OUTPUTS

Since the inception of the Brazil-United States Union-to-Union Program in 1964, considerable progress has been made toward bridging the labor-management technological gap. Four hundred and thirty-nine Brazilian labor leaders have visited their union counterparts in the United States under the program, and forty American labor leaders have been hosted in Brazil. In view of TOAID development goals, especially Title IX, the chief benefits Brazilian labor movement has gained from such visits have been:

- (1) observation and study of the collective bargaining technique as it is employed in the U.S.,
- (2) appreciation of and instruction in the role of technical advisory departments (legal, economic, industrial safety, publicity) in modern union organizations, and
- (3) the general perspective and insights which result from seeing first hand a viable, modern union system functioning in a highly industrial situation.

From the point of view of the American union leader visitor in Brazil, the most positive effects for development have been;

- (1) to create an increased awareness among the U.S. labor movement of the Alliance for Progress and its goals, and
- (2) to encourage an outlook of internationalism in U.S. union affairs.

Union-to-Union, because of its broad character (a combination of People-to-People and Title IX), is not a program with a definite beginning, a middle and end. It must be considered a continuing program. Its ideal outcome, of course, is achievement of a modernized labor sector which will provide economic and social justice to the workingman, at the same time permitting insular industrial development to continue apace. In this light, the only realistic set of anticipated results or outputs which could quantify would be continuance of the momentum toward change presently being accomplished, this being predicated upon the GOB's continued interest in union-to-Union and upon Brazilian labor's participation.

## F. COURSE OF ACTION

During the next three fiscal years the Union to Union Program will be developed along the following lines:

### 1. Visits by Brazilian Labor Leaders to the U.S.:

During FY 70 and 71 twelve teams of six participants each will visit the U.S. for periods of four weeks. They will be composed of key union leaders among chemical and pharmaceutical workers (visit already completed), newspaper administration employees, textile workers, clothing and garment workers, food-processing workers, rubber workers, and metal workers.

During FY 72 six Brazilian teams will be sent to the United States. They will be selected from other industrial and commercial categories of strategic political and economic importance. It is anticipated that costs per participant will remain approximately the same as costs encountered in FY 70.

### 2. Visits by U.S. Leaders to Brazil:

Six U.S. teams of two each will visit Brazil for three week periods during FY 70. As a general rule each team will consist of one leading national union official and one leading local union official. They will come from the following categories: teachers, furniture workers, machinists, airline ground crew, airline air crew, and hospital workers. During FY 71 and 72 the number of teams, manner of selection and cost per participant will remain the same.

### 3. University of Puerto Rico Program:

In future years greater attention will be given to sending Brazilian labor leaders to the Labor Relations Institute of the University of Puerto Rico for technological training (see part 4). It is anticipated that one team composed of from 6 to 12 participants will go to UPR during each of the fiscal years 70, 71 and 72 for eight-week periods.

The FY 70 team is presently attending a course in trade union communications, including press, radio, television and public relations. The course concentrates on modern communication theory, the labor press, and radio and TV communications. All of the participants selected for the program are presently employed in the press or public relations departments of their union organizations.

In response to a Labor Ministry request for information concerning the U.S. system of adjudication, and the FY 71 team at UPR will study collective bargaining and its ramifications. The course will consist of an analysis of labor legislation, comparative studies of collective bargaining practices and grievance procedures in various countries, and rudiments of labor economics. Mock collective bargaining sessions will be held.

During FY 72 attention will be given to industrial health and safety. Classes will be conducted by medical doctors and safety engineers on preventive industrial medicine (hazards to health, and other dangers in specific industries) industrial safety, first aid, and safety and medicine programming in connection with management and government.

#### 4. New Programs and Directions:

Today's system of labor claims and dispute settlement in Brazil is threatened with breakdown because of the enormous backlog of untried cases. According to an estimate by a member judge of the Supreme Labor Tribunal, there are approximately 400,000 individual worker grievances, collective contract violations, and other labor conflicts handled annually by twenty-two local mediation boards. 40,000 of these are passed to seven Regional Labor Tribunals, and 4,000 finally arrive at the Supreme Labor Tribunal a process which may consume up to five years. As the Brazilian labor force increases, and as labor legislation becomes increasingly complex due to industrialization, the need for reform grows acute.

In response to this, the Union-to-Union Program contemplates future expansion or variation in the leadership exchange program to include mixed participant groups of Brazilian labor leaders, employers and labor court officials. Such groups would observe and analyze the functions of the U.S. Federal Mediation and Conciliation Service and the collective bargaining system.

Industrial medicine and safety is another long-neglected field in Brazilian labor relations. Some progress has been made by USAID programs in training experts and technicians of the Labor Ministry's Department of Industrial Health and Safety. As a result a program is being coordinated with large industrial employers. However nothing has been done to set up a parallel program of health and safety within the unions. Ministry officials and employers are finding disinterest, even opposition, among the workers, basically due to their ignorance of the intent of the programs.

The University of Puerto Rico Institute of Labor Relations has conducted a successful program for the past fifteen years, in which labor leaders are trained to develop and establish industrial health and safety programs under the auspices of local unions. Union-to-Union could contribute to Brazil's need for active health and safety programs by sending unionists to UPR for study, and sponsoring UPR technicians to visit Brazil to assist in the installation of such programs.

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NONCAPITAL PROJECT FUNDING (Obligations in \$000)

Table 1  
Page 1 of 2 pages  
COUNTRY: BRAZIL

PROP Date:  
ORIGINAL: X  
Rev. No.

Project Title: Union-to-Union Leadership Exchange Project #: 512-13-410-028.3

Fiscal Years	Ap	L/G	Total	Cont <sup>1/</sup>	Personnel Serv.			Participants		Commodities		Other Costs	
					AID	PASA	Cont	U.S. Agen.	Cont	U.S. Agen.	Cont	U.S. Agen.	Cont
Prior thru Actual FY 69	AG	G	625	-	55	2	-	530	-	-	-	38	-
Operational FY 70	AG	G	286	-	38	-	-	248	-	-	-	-	-
Budget FY 71	AG	G	286	-	38	-	-	248	-	-	-	-	-
B + 1 FY 72	AG	G	175	-	15	-	-	160	-	-	-	-	-
B + 2 FY 73	AG	G	175	-	15	-	-	160	-	-	-	-	-
B + 3 FY 74			<u>922</u>		<u>116</u>			<u>816</u>					
All Subs Yrs			-										
Total Life	AG	G	1547	-	161	2	-	1346	-	-	-	38	-

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RIO DE JANEIRO

<sup>1/</sup> Memorandum (nonadd) column.

Fiscal Years	AID-controlled Local Currency		Other Cash Contribution	Other Donor Funds	Food for Freedom Commodities		
	U.S. owned	Country owned	Cooperating Country	(P. Equiv.)	Metric Tons (000)	CCC Value & Freight (\$000)	World Market Price (\$000)
Prior thru Actual FY 69		32					
Operational FY 70		22					
Budget FY 71		22					
B + 1 FY 72		18					
B + 2 FY 73		18					
B + 3 FY 74							
All Subs Yrs							
Total Life		112 <sup>1/</sup>					
<sup>1/</sup> Trust Funds							

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