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PROJECT APPRAISAL REPORT (PAR)

PAGE 1

1. PROJECT NO. 598-15-410-101	2. PAR FOR PERIOD April 1, 1975 Feb. 20, 1976	3. COUNTRY Guatemala	4. PAR NO. 76-1
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PROJECT TITLE
Development of Free and Democratic Labor Organizations in I.A. Countries (Guatemala Program)

6. PROJECT DURATION: Began FY <u>73</u> Ends FY <u>79</u>	7. DATE LATEST PIP	8. DATE LATEST PIP	9. DATE PIP FOR PAR June 20, 1975
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10. U.S. FUNDING	a. Cumulative Obligation Thru Prior FY: \$ 267,600	b. Current FY Estimated Budget: \$ 104,800	c. Estimated Budget to completion After Current FY: \$ 355,080
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11. KEY ACTION AGENTS (Contractor, Participating Agency or Voluntary Agency)

a. NAME	b. CONTRACT, PASA OR VOL. AG. NO.
American Institute for Free Labor Development	

I. NEW ACTIONS PROPOSED AND REQUESTED AS A RESULT OF THIS EVALUATION

A. ACTION (X)			B. LIST OF ACTIONS	C. PROPOSED ACTION COMPLETION DATE
USAID	AID/W	HOST		
			No action proposed i.e. when began as regional program	

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FILE LABOR DEVELOPMENT (AIFLD)
699K 690 5981541010195

D. REPLANNING REQUIRES						E. DATE OF MISSION REVIEW	
REVISED OR NEW:	<input type="checkbox"/> PROP	<input type="checkbox"/> PIP	<input type="checkbox"/> PRO AG	<input type="checkbox"/> PIO/T	<input type="checkbox"/> PIO/C	<input type="checkbox"/> PIO/P	Feb. 20, 1976
PROJECT MANAGER: TYPED NAME, SIGNED INITIALS AND DATE Robert E. Snyder				MISSION DIRECTOR: TYPED NAME, SIGNED INITIALS AND DATE Edward W. Coy			

POL:GF Jones PRM:GHill

II. PERFORMANCE OF KEY INPUTS AND ACTION AGENTS

A. INPUT OR ACTION AGENT CONTRACTOR, PARTICIPATING AGENCY OR VOLUNTARY AGENCY	B. PERFORMANCE AGAINST PLAN							C. IMPORTANCE FOR ACHIEVING PROJECT PURPOSE (X)					
	UNSATISFACTORY		SATISFACTORY			OUT-STANDING		LOW		MEDIUM		HIGH	
	1	2	3	4	5	6	7	1	2	3	4	5	
1. AIFLD					X						X		
2.													
3.													

Comment on key factors determining rating

During the rating period AIFLD has performed very satisfactorily toward accomplishing the project objectives. Close relations were maintained with all elements in the democratic sector of the Guatemalan trade union movement and with the Government. Within a somewhat hostile atmosphere for the development of free democratic trade unions AIFLD did make some progress.

4. PARTICIPANT TRAINING					X									X
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Comment on key factors determining rating

A study done in July, 1975 revealed that 39 of 47 trade unionists sent for training to Front Royal have remained active in the labor movement. Two have become labor legal experts, two have been staff members of AIFLD, and 29 have held important trade union positions since their return. It is estimated that 80% of the officers of unions in the democratic sector

5. COMMODITIES														
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Comment on key factors determining rating

N/A

6. COOPERATING COUNTRY	a. PERSONNEL				X									
	b. OTHER Attitude Toward Trade Unionism	X												

Comment on key factors determining rating

The GOG during the rating period has increased its assistance in the training of trade unionists. Not only personnel from the Labor Ministry but people from the Education and Agriculture Ministries have participated in AIFLD sponsored courses. In addition the Labor Ministry runs a few courses of its own. However, although more subtle in its approach the GOG is unsympathetic to the growth of strong independent trade unions, to strikes that could disrupt the economy, and to efforts to unified the presently fragmented labor movement. The GOG has continued to use cash subsidies to maintain some measure of control over the two largest confederations. There has been no movement in Congress toward reform of the labor code.

7. OTHER DONORS														
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(See Next Page for Comments on Other Donors)

II. 7. Continue: Comment on key factors determining rating of Other Donors

III. KEY OUTPUT INDICATORS AND TARGETS

A. QUANTITATIVE INDICATORS (4/1/75- to date) FOR MAJOR OUTPUTS		TARGETS (Percentage/Rate/Amount)					END OF PROJECT
		CUMULATIVE PRIOR FY	CURRENT FY76		FY ____	FY ____	
			TO DATE	TO END			
Participants trained outside Guatemala	PLANNED			14			
	ACTUAL PERFORMANCE		13				
	REPLANNED						
Participants trained within Guatemala	PLANNED			630			
	ACTUAL PERFORMANCE		700				
	REPLANNED						
Training Courses held in Guatemala	PLANNED			28			
	ACTUAL PERFORMANCE		32				
	REPLANNED						
	PLANNED						
	ACTUAL PERFORMANCE						
	REPLANNED						
B. QUALITATIVE INDICATORS FOR MAJOR OUTPUTS		COMMENT:					
1.	Leadership Development	Definite improvement seen within a few organizations in leaders' ability to pursue goals without alienating Government and in ability to organize the unorganized.					
2.	Increased membership	After reduction in total membership previous year there has been some growth.					
3.	Strengthened Campesino Movement	MCI has continued to make slow progress. SITRABI remains strongest union in country. Other campesino organizations weak.					
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IV. PROJECT PURPOSE

A. 1. Statement of purpose as currently envisaged.

2. Same as in PROP? YES NO

Assist the development of a strong democratic independent trade union and campesino movement through education and training of trade unionists and campesino leaders.

B. 1. Conditions which will exist when above purpose is achieved.	2. Evidence to date of progress toward these conditions.
Existence within the labor movement of a sufficient number of trained competent trade union leaders.	1. AIFLD has trained 8417 labor leaders in education programs in Guatemala, 58 at its Front Royal school and 7 at the labor Economics program at Georgetown University.
Organization of a significant sector of the industrial/labor force and agricultural salaried	2. AIFLD trainees hold about 80% of the leadership positions in the democratic (majority) sector of the labor movement. To date only about 6%-7% of the labor force is organized.
Establishment of a strong independent campesino movement.	The MCI, the strongest campesino organization, has in the past year increased its dues paying membership from 1500 to about 2500.

V. PROGRAMMING GOAL

A. Statement of Programming Goal

Participation of organized labor in the planning, execution, and benefits of the socio-economic development of Guatemala.

B. Will the achievement of the project purpose make a significant contribution to the programming goal, given the magnitude of the national problem? Cite evidence.

Organized labor today plays only a marginal role in Guatemalan society. AIFLD is making a significant contribution to helping the trade union movement achieve what progress is possible in the present political and social environment. Should the political situation become more favorable to the growth of trade unionism AIFLD's efforts will have helped lay the foundation for more significant economic, political and social development.

PAR

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APPENDIX

GUATEMALA

1. AIFLD PROGRAM

A. Goal

Continuing development of a technically competent and effectively led free trade union movement responsive to the desires, needs and problems of its membership; with a numerically expanding industrial trade union base and an independent campesino movement capable of effectively dealing with the rural development problems of its members.

B. Objectives and Scope of Work.

Objective 1: Leadership Development

To develop technically competent and effective trade union leaders who are responsive to the needs and problems of the members.

By March 1977 AIFLD expects:

- a. Approximately 50 additional, for a total of 775, collective bargaining technicians who have received AIFLD training will assist unions to obtain higher wages and/or increased fringe benefits in at least 15 of 20 contracts negotiated during the year.
- b. The membership of unions affiliated with CTCA-ORIT and independent democratic unions who are covered by collective agreements will increase from 15,000 to 16,000.
- c. At least 30 mid-level labor leaders during the contract year in advanced union administration and leadership will maintain or better their positions in their unions and apply their skills in collective bargaining, grievance settlement, increased dues collection and administrative efficiency.
- d. Dues collection will increase somewhat from current levels.

Scope of Work

To achieve this objective AIFLD will conduct 2 one-week advanced residential courses with International Trade Secretariats; 1 two-week advanced course on labor economics; 1 two-week advanced residential course on specific aspects of collective bargaining and leadership skills; 1 weekend basic-level conference and 3 one-week basic-level evening courses taught principally by AIFLD graduates and/or various Government of Guatemala technicians from Ministries of Labor, Agriculture, and Education. In addition on the job training in research and application of economic data to collective bargaining will be provided to 1 intern for four months. Additional advanced training will be given through scholarships to 3 candidates for Front Royal and 12 to IESCA courses.

Objective 2: Increased Membership

To develop a numerically expanding industrial trade union movement.

By March 1977 AIFLD expects:

- a. Membership in free democratic unions will increase from 87,000 to no less than 89,500.
- b. Total number of unions to increase by not less than 3.

Scope of Work

To achieve this objective AIFLD will conduct 1 two-week advanced and three one-week advanced residential courses; 3 basic one-week night courses; 1 basic weekend conference to allow participants to implement organizational programs. Also additional advanced training will be given through scholarships to 3 candidates for Front Royal. Three students will also be selected for IESCA courses. AIFLD will seek funding for social projects from the AFL-CIO Impact Projects Fund.

Objective 3: Strengthened Campesino Movement

By March 1977 AIFLD expects:

- a. Non-salaried campesino groups to grow from 26,000 to at least 28,000 members.

- b. Approximately 25 top and mid-level leaders trained during the contract year will maintain positions of leadership and active participation.
- c. At least 4 rural campesino-sponsored community development projects will be initiated.

Scope of Work

AIFLD will conduct 8 one-week intermediate-level residential courses. Two Front Royal and 2 international organization scholarships will be given. AIFLD will seek financing for small impact projects from AFL-CIO, and send 3 campesino leaders to FISCA courses.

C. Professional Personnel

The contractor is authorized to furnish professional personnel as follows:

	<u>Man Months</u>
1 US Country Program Director	12
1 Rural Community Development Tech.	12
1 Education Director	12

D. Logistic Support

Only the following logistic support will be provided: General administrative support; General Services and household furnishings (as provided to direct hire AID personnel) to authorized US and/or third country personnel; necessary office furniture and equipment; transportation (on an as-needed and available basis).

- E. In addition to consultation on participant selection required by para B.3 of Article I, travel for participants to authorized AIFLD/ORIT/ITS/Front Royal activities will require prior clearance from the Country Team.

2. PROGRAM BUDGET 1976-1977

Salaries

1 Program Officer III (US)	\$27,200	
1 Bilingual Secretary/Accountant (Local)	3,600	
1 Bilingual Secretary (Local, part-time)	<u>1,800</u>	\$ 32,600

Overseas Allowances

Permanent Quarters	\$ 7,000	
Education (1)	<u>1,000</u>	\$ 8,000
<u>Travel & Per Diem</u>		
Int'l Consultation (1 x \$500)	\$ 500	
Int'l Consultation (1 x 15 x \$33)	495	
Local Travel & Per Diem (Av. \$200 mo. x 12)	2,400	
Transfer of family, household effects, etc.	<u>3,000</u>	6,395
<u>Rent & Utilities</u> - (Av. \$325 mo. x 12)		3,900
<u>Supplies & Equipment</u> - (Av. \$150 mo. x 12)		1,800
<u>Communications & Postage</u> - (Av. \$150 x 12)		1,800
<u>Fringe Benefits:</u>		
Retirement: 14.56% x \$27,200	\$ 3,960	
S.S. Taxes & Hospitalization Ins.	2,300	
Local Staff: 13.589% x \$5,400	<u>735</u>	6,995
<u>Consultant Fees & Expenses:</u>		
Legal, Tech., Labor, etc.		300
<u>Other Direct Costs</u> - Insurance,		
Bank Charges, etc.		<u>6,600</u>
TOTAL ADMINISTRATIVE COSTS:		\$ 68,390

Education Program:

1 Coordinator (Local)	\$ 4,700	
- Travel & Per Diem (\$100 mo. x 12)	1,200	
- Benefits: Local (13.589% x \$4,700)	640	
3 Two-week Residential Courses (Advanced)	6,000	
1 Two-week Labor Economics Course (Advanced)	2,000	
5 One-week Residential Courses (Intermediate)	5,000	
2 Weekend Conferences (Basic)	280	
6 One-week Evening Courses (Basic)	600	
6 Front Royal Scholarships (6 x \$250)	1,500	
1 Internship (4 mos.)	1,000	
6 Int'l Organization Scholarships (6 x \$300)	<u>1,800</u>	\$ 24,720

Social Projects:

1 Rural Community Development Technician (Local)	\$ 3,600	
- Travel & Per Diem: \$100 x 12 mos.	1,200	
- Benefits: Local (13.589% x \$3,600)	490	
8 One-week Residential Courses (Intermediate)	<u>6,400</u>	<u>11,690</u>
TOTAL EDUCATION PROGRAM:		<u>36,410</u>
TOTAL PROPOSED BUDGET:		<u>\$104,800</u>

3. PROGRAM MIX

In the 1976-76 program basic education courses used up \$15.3% of the education program budget. In the proposed 1976-77 budget (reftel) basic education courses occupy only 4.4% of the budget, a reduction of over 71%.

4. ADMINISTRATIVE COST

An increase in the percentage of administrative cost to total program cost from 59.3% to 65.2% (reftel) was unavoidable due to built-in increases in salaries and allowances plus the cost of moving a new officer and family to Guatemala.

5. Mission proposes minimum budget of \$100,000 and maximum of \$130,000. Latter figure derived from original AIFLD CPD submission.

6. AUDS AGRARIAN PROGRAM

The proposal to assist the development of the Guatemalan campesino sector through the Agrarian Union Development Services Program is welcomed. Although campesinos constitute the overwhelming majority of the labor force in Guatemala, they remain mostly unorganized and weak. This AIFLD initiative to help implement the Congressional directive to improve the quality of life of the rural poor is consequently useful and timely.

7. AIFLD - SELF HELP

- A. Local education Programs: how do they compare with AIFLD-supported programs, in size, type, etc.?

SITRABI, FTG and Josefino combined ran 7 basic labor education courses during the past 12 months. No intermediate or advanced level courses were conducted. The Labor Ministry also conducted some basic courses. They are all inferior in both size and content to AIFLD courses.

- B. On AIFLD-supported local education programs, how much is contributed by local unions, comparatively or otherwise, in following areas:

Instructors? Of 943 teaching hours 290 or 31% were taught by union instructors. 80 hours (9%) were taught

by university professors. 180 hours (19%) were taught by government instructors, and only 393 hours (42%) were taught by AIFLD instructors.

Per Diem? None.

Lost Time? Of 700 students trained locally 620 (88%) were compensated for salary lost by either their union or company at a cost of \$4968. AIFLD compensated 80 students at a cost of \$1644.

Other Contributions" Union halls were used in 21 of AIFLD's 32 courses, an estimated value of \$1050. All local transportation expenses were paid locally, an expense of \$1395.

- C. On international training programs, what local contributions are made in:

Per Diem? None.

Transportation, local? All paid locally (no dollar figure available)

Transportation, international? None.

Lost Time? Of 13 trade unionists sent to Washington or Mexico City 9 had their lost time paid locally.

Other? Miscellaneous expenses paid locally.

- D. However, while the above figures represent a significant improvement in each criterion over last year's performance, the education program within the labor movement in Guatemala has not advanced to the point that an estimate can be made of when institutionalization will occur within Guatemala.

8.

AIFLD -- LABOR SECTOR PROGRESS

**Factors Affecting Development
of Free, Democratic Labor
Movements**

a. Key Sectors Organized	Progress During Past Year (1978)
	CTF has organized 5 major hotels in Guatemala City. FFS has organized 5 industrial concerns in Lake Amatitlan area. FFSB organized 16th of 11 banks in Guatemala.
b. Agricultural Sector Organized	
1. Plantations	
2. Others	1. FFS and CSFC added about 600 workers. 2. MCI grew from about 2150 dues paying members to about 2300
c. Organizational Cohesion	None-continued fragmentation
d. No. of Members Relative to Size of Labor Force	7% as of December, 1978. No more recent reliable statistics available
e. No. of Dues Payers Relative to Membership	Only dues payers are considered members in 7% figure above.
f. Self-Reliance (Freedom from External Subsidies)	Government subsidizes two largest confederations, CTF and CSFC. Many local unions however, are financially independent as are some federations.
g. No. of Workers Covered by Contracts	26-27,000
h. Quality of Contracts (Check-Off, Raises, etc.)	Check-off, bonus pay, death benefits, medical benefits, wage increases lagging slightly behind rate of inflation.
i. Leadership, Top	Significant improvement in CTF, largest confederation in Guatemala
j. Leadership, Lower	Greater stability through rotation of union officers resulting in increased experience.

- | | |
|---------------------------------------|--|
| 4. Increased Democracy | Union level has been quite high since 1945 and generally responded favorably at higher levels. |
| 5. Satisfactory Relations with Gov't. | Relations have improved somewhat. |
| 6. Favorable Legislation | Significant increases in minimum wage. No progress on labor code. |
| 7. Training Program | No improvement. |
| 8. Social Services | Slight improvement. |
| 9. Significant International Trade | Continuing interest and action by some governments. US applied to export and tried to join UN. |