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CLASSIFICATION

PROJECT EVALUATION SUMMARY (PES) - PART I

525-0118

Enclosure No. 1

Panama A-42

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Report Symbol U-447

1. PROJECT TITLE Manpower and Labor Development Project (AIFLD)	2. PROJECT NUMBER 525-15-460-118	3. MISSION/AID/W OFFICE AIFLD Panama
	4. EVALUATION NUMBER (Enter the number maintained by the reporting unit e.g., Country or AID/W Administrative Code Fiscal Year, Serial No. beginning with No. 1 each FY) 80-1	
<input checked="" type="checkbox"/> REGULAR EVALUATION <input type="checkbox"/> SPECIAL EVALUATION		

5. KEY PROJECT IMPLEMENTATION DATES N/A			6. ESTIMATED PROJECT FUNDING		7. PERIOD COVERED BY EVALUATION	
A. First PRO-AG or Equivalent FY	B. Final Obligation Expected FY	C. Final Inout Delivery FY	A. Total	\$ 150,000	From (month/yr.)	Apr. '79
			B. U.S.	\$	To (month/yr.)	Mar '80
Date of Evaluation Review						

8. ACTION DECISIONS APPROVED BY MISSION OR AID/W OFFICE DIRECTOR

A. List decisions and/or unresolved issues; cite those items needing further study. (NOTE: Mission decisions which anticipate AID/W or regional office action should specify type of document, e.g., airgram, SPAR, PIO, which will present detailed request.)	B. NAME OF OFFICER RESPONSIBLE FOR ACTION	C. DATE ACTION TO BE COMPLETED
Logical framework will be revised.		

9. INVENTORY OF DOCUMENTS TO BE REVISED PER ABOVE DECISIONS			10. ALTERNATIVE DECISIONS ON FUTURE OF PROJECT		
<input type="checkbox"/> Project Paper	<input type="checkbox"/> Implementation Plan e.g., CPI Network	<input type="checkbox"/> Other (Specify)	A. <input type="checkbox"/> Continue Project Without Change		
<input type="checkbox"/> Financial Plan	<input type="checkbox"/> PIO/T		B. <input type="checkbox"/> Change Project Design and/or		
<input checked="" type="checkbox"/> Logical Framework	<input type="checkbox"/> PIO/C	<input type="checkbox"/> Other (Specify)	<input type="checkbox"/> Change Implementation Plan		
<input type="checkbox"/> Project Agreement	<input type="checkbox"/> PIO/P		C. <input type="checkbox"/> Discontinue Project		

11. PROJECT OFFICER AND HOST COUNTRY OR OTHER RANKING PARTICIPANTS AS APPROPRIATE (Names and Titles)		12. Mission/AID/W Office Director Approval	
James P. Murphy Project Officer		Signature	
<i>James P. Murphy</i>		Typed Name	
		Alfredo Ruiz, Mission Director	
		Date	
		August 22, 1980	

SUMMARY

The American Institute for Free Labor Development (AIFLD) worked with the Confederation of Workers of the Republic of Panama (CTRP) toward four objectives:

- (1) To strengthen democratic trade union organizations;
- (2) To improve the capabilities of the CTRP's Labor Education Institute to provide better education programs;
- (3) To assist the CTRP in developing social service programs;
- and (4) To encourage women members of the CTRP to play a more active role in the labor movement.

Excellent progress was made toward the first objective. Expectations of increasing CTRP membership by 7,000 were exceeded as 6,000 banana workers of the Atlantic Division of the Chiriqui Land Company and 2,000 workers belonging to Local 900 of AFSCME were affiliated. This accomplishment was attributable in part at least to a coordinated program of educational and organizational activities funded by AIFLD. Although plans to organize two new federations within the CTRP were not fully realized, the groundwork was laid and the work of organization is proceeding. At the end of the year CTRP membership stood at 32,000, making it by a significant margin the largest labor confederation in Panama.

Progress toward the second objective of improving the capability of the CTRP's labor education institute is harder to measure. Budget limitations prevented the hiring of a second education coordinator and limited instructor training. The administration of the program in terms of the scheduling and execution of courses appeared to be satisfactory, but insufficient observation makes a qualitative assessment impossible.

Objectives 3 and 4, to provide improved social services to CTRP members and to encourage women to play a more active role in trade union affairs, were not adequately accomplished. One reason for this is that the scope of work described in the program proposal was not reduced in proportion to budget cuts, and available resources were spent in the area of greatest priority for the CTRP - organization and training in traditional trade union activities. External factors reinforced the need to concentrate resources in this area (see below).

Evaluation Methodology

This is an annual evaluation to measure progress against goals. Data is taken from records kept by AIFLD/Panama.

External Factors

Two events during the year under evaluation caused the CTRP to make changes in its plans: (1) In early 1979 democratic leaders won control of the 6,000-member SITRACHILCO union of banana workers in Bocas del Toro and affiliated it to the CTRP. This provoked a struggle with deposed communist leaders which was eventually resolved by government intervention in favor of the CTRP. However, the CTRP was required to concentrate much time and resources on this problem; (2) The renewal of collective bargaining in January, 1979, after a two-year suspension under Law 95, required the CTRP to focus attention on this core activity to the detriment of those of less immediate importance.

Another external condition which should be mentioned is a provision of the 1972 Constitution (Art. 71) which reserves labor education exclusively to the Government and Panama labor organizations. This affects the ability of AIFLD/Panama staff to contribute directly to the accomplishment of CTRP programs (see Inputs below).

Inputs

As already indicated, the funds and personnel available to the CTRP through AIFLD are scarcely sufficient to carry out traditional educational and organizational activities in pursuit of Objective 1.

Overall, the CTRP was able to provide 16 weeks of classroom training for 368 participants. This was approximately the number of training weeks and participants programmed - 18 weeks with 300-plus participants. However, the distribution of this training among the four objectives of the program was quite different from that proposed:

Objective	P r o p o s a l		No. Participants	A c c o m p l i s h m e n t	
	No.	Weeks		No.	Weeks
1	10		280	15	349
2	3		20	1	19
3	3		Not specified	-0-	-0-
4	2		Not specified	-0-	-0-

Not only was almost all training directed toward Objective 1, but within Objective 1 several types of specialized training (administration of union finances, labor aspects of Treaty

implementation, and conciliation procedures) were dropped or drastically reduced for lack of funds and/or priorities of CTRP affiliated organizations.

Other than classroom training the 1979-1980 program provided for technical assistance in the development of social projects and a women's program within the CTRP. To some extent such assistance was to be provided by the CPD and his Administrative Assistant. However, the political climate in Panama during the program year served to restrict the direct participation of AIFLD personnel in the development and execution of such programs.

An exhaustive study of the operation of the CTRP Savings and Loan Cooperative was made during the year and indicated a need for increased educational and promotional activities to achieve more effective participation by CTRP affiliated organizations. (See Outputs below).

Outputs

Principal outputs expected during the year evaluated were: An increase in CTRP membership of 7,000; the organization of two new federations within the CTRP; the training of more than 300 trade union leaders, including 20 instructors; a functioning savings and loan cooperative within the CTRP; the development of four child day-care centers and three significant social projects, and the organization and training of an effective women's group within the CTRP.

Actual outputs were: An increase in CTRP membership of 8,000; the training of 368 leaders, including 19 instructors; and a social impact project involving the production and sale of "molas".

As already explained, work on the organization of two new federations was in progress and shortfalls in fulfilling planned objectives in the areas of social services and women's affairs were due for the most part to a combination of budget cuts and external conditions.

The CTRP Savings and Loan Cooperative was operational but was understaffed and loosely managed. Internal supervision was inadequate and loan repayments were seriously delinquent. Steps are being taken to correct these deficiencies, but achieving a successful and independently operating Coop will be a longer process than originally estimated.

On the plus side is an output which was not contemplated in the program proposal but which indicates progress toward the goal and objectives of this project and is directly related to AIFLD/CTRP training programs -- the successful negotiation of collective contracts. According to Labor Ministry records, a total of 244 collective contracts were negotiated between January 1, 1979 (when the two-year suspension of collective bargaining was lifted) to July 1980. Of these, 49% were negotiated by CTRP unions and cover most of CTRP's members. Although reliable data is not obtainable it is believed that average increases, excluding fringe benefits, ranged from \$.05 to \$.09 per hour.

Purpose

The Project's purpose is "to organize the majority of the workers in Panama under the basic principles of the free trade union movement and to affiliate the organized sectors of the Canal Area to the CTRP".

Comments on end of planning period expectations follow:

A. The CTRP made notable progress toward increasing its membership, and the goal of representing 45 percent of the organized workers in Panama remains realistic. CTRP should pass the 40 percent mark during the coming year.

B. It is very improbable that INEL will be 70 percent self-supporting by 1983. The CTRP made monetary contributions of \$5,150 for the period under evaluation, or 18.4 percent of the amount spent by AIFLD/Panama for training courses. With a growing membership, particularly among relatively higher paid workers in the Canal Area, the CTRP income should in theory allow it to increase its support of INEL significantly. However, even at a rate of 10 percent per year, this would result in an EOP condition well under that projected.

C. Although exact information is not available, the present income of the CTRP from per capita contributions is probably around \$4,000 a year. An AID audit report for the period 1978 - 1979 reported a total CTRP income of \$3,200. This would represent a 20 percent increase in one year, perhaps reflecting the affiliation of new unions of banana and Canal Area workers. However, the per capita rate of \$.05 per month per member ought to give the CTRP an annual income of \$18,600. The reason for the discrepancy is that some CTRP affiliates pay per capita on only a fraction of their members. Since this is a traditional situation which

is not likely to change radically over the next three years, the EOP for this category also needs to be adjusted downward.

D. The CTRP's ability to support three full-time activists, two clerical workers, and one education specialist by 1983 is doubtful, for the same reasons expressed above. AIFLD is presently paying almost the full cost of such personnel.

E. The CTRP's ability to provide legal and other services to its members is relative. As of CY 1980 the CTRP still depended on outside sources to defray the cost of legal services and had no research capability. This situation will probably persist through 1983.

Goal/Subgoal

The goal of this project is to increase the participation of low income groups in the economic life of Panama. There is not sufficient or reliable data available to demonstrate with any precision how the growth of the democratic labor movement has contributed to this goal. However, the renewal of collective bargaining has resulted in some improvement in living standards for the workers involved. Law 95 which suspended collective bargaining for two years (1977 and 1978) would not have been repealed except for pressure by a labor movement sufficiently strong and respected to influence government policy.

Beneficiaries

Unions aim at benefitting members, but an active and powerful trade union movement produces valuable indirect social, economic and political benefits. Income distribution can be improved and the benefits of cooperative projects demonstrated. The political consequences of organizing workers has not yet been apparent. However, as Panama returns to democratic elections, all political parties will most likely find it necessary to understand and react to the goals and views of organized labor. This interaction of political and union leaders is an essential element of a modern democracy. Encouraging this exchange of opinions by helping to develop a trade union movement too strong to be ignored may be the most important contribution the USG can make to strengthening democracy in this country.

Unplanned Effects. N/A

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Lessons Learned

One obvious lesson learned from the experience of the past two years is that some of the goal targets established by the logical framework are not realistic and should be revised. We are not recommending a thorough revision at this time, however, because sufficient data are not available.

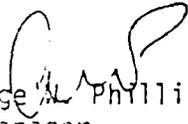
The condition of the CTRP Savings and Loan Cooperative after one year of operation suggests that the infusion of large amounts of "seed capital" early on in the development of a credit coop is no guarantee of success and may even be counterproductive.

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(Attachment)

AIFLD CIRCULAR INFORMATION MEMORANDUM

No: 80-5
Date: 7/15/80

FROM: LAC/DP/SD, George  Phillips
AIFLD Project Manager

TO: AIFLD Project Support Officer or
Embassy Labor Attache

SUBJECT: AIFLD Program

Attached FYI is a copy of a recent memo we did containing a very brief summary review of the AIFLD program, 1975-80.

I would be glad to receive any comments you might have.

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