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EVALUATION OF THE
ASIAN AMERICAN FREE LABOR
INSTITUTE PROGRAMS IN
BANGLADESH, THAILAND,
INDONESIA, PHILIPPINES

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LIST OF ACRONYMS AND ABBREVIATIONS

AAFLI	- Asian American Free Labor Institute
AFL-CIO	- American Federation of Labor and Congress of Industrial Organizations
AID	- Agency for International Development
ALU	- Associated Labor Unions (Philippines)
ANE	- Bureau for Asia and Near East, AID
ATU	- Associated Trade Unions (Philippines)
BFTUC	- Bangladesh Free Trade Union Congress
CBU	- Collective Bargaining Unit
CLA	- Collective Labor Agreements
CLP	- Country Labor Plan (AAFLI)
CPD	- Country Program Director (AAFLI)
DAR	- Daily Activity Report
FBSI	- All Indonesia Federation of Labor
FFF	- Federation of Free Farmers (Philippines)
ICFTU	- International Confederation of Free Trade Unions
ILO	- International Labor Organization
INKOPKAR	- National Level of Workers Cooperative (Indonesia)
KMU	- May 1st Movement (Philippines)
LABATT	- Labor Attache (Embassy)
LCT	- Labor Congress of Thailand
LRO	- Labor Reporting Officer (Embassy)
MFS	- Monthly Fund Status Report (AAFLI)
NED	- National Endowment for Democracy
PHC	- Primary Health Care
PVO	- Private Voluntary Organization
SPSI	- All Indonesia Workers Union
TTUC	- Thailand Trade Union Congress
TUCP	- Trade Union Congress of Philippines
USAID	- AID field mission
USIA	- United States Information Agency

ASIAN AMERICAN FREE LABOR INSTITUTE

TABLE OF CONTENTS

	<u>Page</u>
LIST OF ACRONYMS AND ABBREVIATIONS.....	ii
TABLE OF CONTENTS.....	iii
EXECUTIVE SUMMARY.....	iv
I. PURPOSE, SCOPE AND METHODOLOGY OF THE EVALUATION.....	1
A. Introduction.....	1
B. Purpose.....	1
C. Scope.....	1
D. Methodology.....	3
II. AAFLI AND ITS RELATION TO THE ASIAN LABOR SITUATION.....	4
III. DESCRIPTION AND ANALYSIS OF THE AAFLI PROGRAM.....	5
A. Organization.....	5
B. Bangladesh.....	10
C. Thailand.....	14
D. Indonesia.....	19
E. Philippines.....	24
IV. CONCLUSIONS AND RECOMMENDATIONS.....	34
A. Management.....	34
B. Costs and Funding.....	36
C. Program Quality, Impact and Sustainability.....	37
V. ANNEXES.....	39
A. Evaluation Scope of Work.....	40
B. Bangladesh.....	45
C. Thailand.....	49
D. Indonesia.....	53
E. Philippines.....	56
F. Washington, DC.....	63

EXECUTIVE SUMMARY

The Asian American Free Labor Institute (AAFLI) was established in 1968. Since that time, A.I.D. has been the primary financial supporter of AAFLI programs in East, South and Southeast Asia, and in the Middle East. The overall goal of the Institute's activities is to strengthen free labor unions. To this end, AAFLI's activities emphasize the establishment of labor movements in cooperating countries to protect workers' interests and to contribute to economic progress and national development. These activities generally fall into three categories -- training, membership services and humanitarian assistance.

A.I.D. has conducted two previous assessments of AAFLI operations, geared primarily toward issues of communication and management of the AAFLI grant. The purpose of this evaluation, however, was to assess the management, relevance, program effectiveness, and impact of AAFLI and its programs. In February 1987, a three-person team conducted interviews, observed program activities and reviewed AAFLI records in four countries: Bangladesh, Thailand, Indonesia and the Philippines. The team also met with officials of AAFLI at their headquarters in Washington, D.C., to review central files and operations.

The following report provides a description and analysis of each of the country operations. This section is followed by conclusions and recommendations. Because the time in each country was limited, the team did not provide written programmatic critiques of each of the projects it observed. They did, however, offer their suggestions to relevant field personnel during the course of the site visits.

Consequently, the 19 conclusions and recommendations in Section IV of this report address issues which can be generically applied to nearly all of the country situations, or be addressed centrally by the Bureau for Asia and Near East (ANE) in A.I.D./Washington and AAFLI's headquarters.

Generally speaking, the team concludes that AAFLI's field programs are relatively low cost, well-run and achieving substantial impact in strengthening free labor movements in the countries visited. AAFLI's presence alone -- and through AAFLI, the association with an established labor movement, i.e., the AFL-CIO -- was clearly valued by both local labor leaders and U.S. Embassy officials. At the same time, some activities are tangential to AAFLI's primary purposes; administrative costs are high; and improvements are needed in several areas.

In the area of program quality, impact and sustainability, the team found that AAFLI's strengths lie in its training programs, which are historically the core of AAFLI's mission and activities. These programs, and corollary research and publication efforts, have contributed significantly to the strength, size and organizational capacity of free labor unions in the countries visited.

The membership service activities, on the other hand, produce varied results. Problems of design and implementation are more frequent than in the training programs, primarily because AAFLI lacks specialized expertise in many service activities. Also limiting the impact of some service activities is the fact that some are, at best, tangentially related to AAFLI's goal of strengthening free trade unions.

The success of certain membership programs is often attributable to outside experts (e.g., doctors and nurses) that are hired by AAFLI to design and manage the programs. However, this practice raises serious questions of sustainability. Lack of planning for phasing over to local support leaves AAFLI with no choice but to remain 100% dependent upon external funding, or eliminate programs as budgets are reduced. As a result, the team recommends that AAFLI focus on those key interventions which they are in a unique position to provide, i.e., those directly related to strengthening free trade unionism. A.I.D. should insist that (1) AAFLI review its current and proposed program activity against this criteria, and (2) require the design for each activity include, at the outset, a clear plan and timetable for phasing over to local support.

In the area of costs and funding, the team noted that the programmatic costs of AAFLI's field activities are generally modest; however, the same cannot be said of AAFLI administrative and headquarters expenses. With the temporary exception of funding from the National Endowment for Democracy (NED), and extremely limited financial support from the AFL-CIO and USIA, AAFLI is dependent upon A.I.D. for covering all of its costs. Inasmuch as A.I.D.'s budgets are declining, the team recommends that AAFLI (1) reduce expenses by eliminating non-A.I.D. countries, (2) reorganize headquarters to reduce administrative costs, and (3) diversify its funding sources, with a particular emphasis on obtaining more union and AFL-CIO support for their activities.

In a related vein, the team also recommends that as long as A.I.D. is the primary funding source for AAFLI, the Agency be given appropriate due credit in programs and publications.

Most of the team's recommendations related to management of the AAFLI portfolio. AAFLI's micro-management of its activities is unnecessary, costly, and nonevaluative. Monitoring and reporting requirements are heavy, and come at the expense of time better spent improving program design.

At the same time, A.I.D.'s guidance to AAFLI has been sporadic. The team recommends regularizing management of the AAFLI grant, in the person of the PVO officer. A.I.D.'s input should include technical advice on improving proposals and programs, particularly through the inclusion of evaluation plans, phase-over schedules, etc.

In the field, A.I.D. missions should upgrade their knowledge of the AAFLI programs by holding an annual review of the AAFLI country strategy to see if these plans are consistent with missions policies and objectives, and to avoid surprises. This oversight is increasingly necessary in instances where AAFLI conducts, or proposes to conduct, significant membership service activities.

The report also offers specific recommendations to adjust the AAFLI grant cycle to be more consistent with programming calendars and reporting requirements.

I. PURPOSE, SCOPE AND METHODOLOGY OF THE EVALUATION

A. Introduction

The Asian American Free Labor Institute (AAFLI) is a registered U.S. Private Voluntary Organization (PVO), established in 1968 for the purpose of strengthening free democratic labor unions in Asian countries. An adjunct of the International Affairs Division of the AFL-CIO, AAFLI has received A.I.D. funding for all of its 19 years. The total amount of A.I.D. support over this time is approximately \$54 million.

In FY1986, A.I.D. provided \$3.9 million as a core regional grant to AAFLI to support its operations in Washington, seven Asian countries and a Union-to-Union program. In addition, AAFLI received a \$1.25 million supplemental for increased activity in the Philippines, bringing A.I.D.'s total FY86 contribution to \$5.15 million. Presently, all A.I.D. funding for AAFLI is provided through a centrally-managed grant from A.I.D./W.

While A.I.D. has provided their primary financial support from the beginning, AAFLI has also been receiving monies from the National Endowment for Democracy (NED) since 1984 and a small amount from USIA. AAFLI also receives limited funding annually from its parent organization, the AFL-CIO. The following table presents AAFLI's funding history by source.

B. Purpose

The purpose of this evaluation was to assess the management, relevance, program effectiveness, and impact of the AAFLI programs. The information and recommendations derived from this report will be used to guide A.I.D.'s future AAFLI-related programming decisions. AAFLI programs have been reviewed by A.I.D./W twice before:

In a 1974 field assessment, geared to "increasing an understanding in A.I.D. of AAFLI operations," based on field visits to Philippines, Vietnam, Korea and Thailand; and

In a 1979 evaluation, which followed a 1975 GAO report and focussed on U.S.A.I.D.-Embassy-AAFLI liaisons relationships. This evaluation was based on field visits to Philippines, Thailand, Sri Lanka, Turkey and Israel.

The most notable difference in this evaluation is the emphasis on determining impact and effectiveness of the AAFLI programs, issues which are of paramount importance to the Agency in a time of declining budget resources.

C. Scope of the Evaluation

The full scope of work is attached as Annex A. The scope required reviewing a broad range of AAFLI management and program issues. While field visits were limited to four countries, questions asked of the AAFLI/W staff also covered issues outside of those specific countries.

Table 1
AAFLI FUNDING HISTORY BY SOURCE

YEAR	AFL/CIO	AID	NED	Other	Total
1968-1969	100,000	536,671		13,250	649,921
1970	135,000	788,459			923,459
1971	22,000	1,012,173			1,034,173
1972	73,082	1,158,984			1,232,066
1973	104,568	1,591,836			1,696,403
1974	89,133	1,949,972			2,039,105
1975	73,069	2,711,812			2,784,881
1976	125,000	3,489,148			3,614,148
1977	75,000	2,867,880			2,942,880
1978	80,000	4,180,632			4,260,632
1979	130,000	4,313,151			4,443,151
1980	122,000	3,887,435		21,103 ^{a/}	4,030,538
1981	103,000	4,214,573		17,706 ^{a/}	4,335,279
1982	145,000	4,109,922		2,399 ^{b/}	4,257,322
1983	122,000	4,265,390		^{c/}	4,387,390
1984	77,500	4,134,146		^{c/}	4,211,646
1985	145,000	4,049,380	4,507,339	12,572 ^{b/}	8,714,292
1986*	80,000	4,991,559	1,600,000	91,525 ^{d/}	6,763,084
	<u>1,801,352</u>	<u>54,253,125</u>	<u>6,107,339</u>	<u>158,555</u>	<u>62,320,370</u>

*1986 based on budget information provided for the evaluation; all earlier years based on CY statement of operations.

^{a/} ICA reimbursement.

^{b/} Interest on Special Fund.

^{c/} Accounting for interest income in 1983 and 1984 is unclear.

^{d/} USIA funding.

D. Methodology

The evaluation team consisted of three persons: two A.I.D. employees with extensive experience in the evaluation and operation of PVO programs, and an independent consultant, expert in the development and implementation of labor union programs.

The evaluation is based on interviews, project visits and review of AAFLI files, both in Washington and in four AAFLI countries: Bangladesh, Thailand, Indonesia and Philippines. Washington interviews were conducted both before and after the February 7-28 field trip, initially to set the context for AAFLI's programs and subsequently to follow-up on specific questions raised in the field but more appropriately answered by AAFLI/W. Complete schedules for the field portion of the evaluation are included in Annexes B - E.

In its interviews and document reviews, the team followed the questions outlined in the scope of work (Annex A). In order to cover the myriad of questions in the scope, the team divided them into three categories in line with their respective areas of expertise:

Barrett focussed on the questions of labor union program design and implementation, with particular attention to the effectiveness and impact of these programs;

Bisek concentrated on questions of financial management, program costs, sustainability, and A.I.D./ANE bureau involvement in managing the AAFLI program.

Forman focussed on questions of program management, particularly the questions of monitoring, evaluation, reporting and consistency with agency policy and initiatives.

All team members participated in the development and presentation of country-specific debriefings in each country (see Annexes B - E), and in the formulating the final recommendations and conclusions of this report.

A representative of AAFLI/W (Deputy Executive Director, Kenneth Hutchinson) accompanied the team throughout its field visits, but was not a formal member of the evaluation team. AAFLI requested this arrangement in order to provide historical perspective and continuity because of the number of executive level field rotations that had just occurred. All of AAFLI country directors interviewed by the team had been at their latest post less than six months.

II. AAFLI AND ITS RELATION TO THE ASIAN LABOR SITUATION

The labor movements in Asia vary from one country to another, but they do have some common characteristics. Compared with the U.S. labor movement, they are relatively weak financially, politically and in terms of their effectiveness in dealing with employers. They have difficulty maintaining a status independent of political party affiliation or dominance in many cases. The low wage structure and resulting low income make their financial health marginal at best. Poor economies, high unemployment and minimal legal rights make union bargaining power relatively limited. All of these factors combined with inexperienced leadership at many levels within these movements leave these unions relatively weak.

As these countries struggle to establish and sustain healthy business environments, democratic governments and institutions, such as a labor movement, the U.S. encourages them with funds and the technical expertise available through AAFLI. During the first ten years of this assistance, beginning in the late 1960's, AAFLI has had programs in 14 countries in that region. Today, major programs exist in seven countries.

According to many union leaders interviewed in the course of this evaluation, AAFLI's relationship with the International Labor Organization (ILO) and the U.S. labor movement brings a dimension of strength and prestige to the struggling Asian labor movements receiving AAFLI support.

III. DESCRIPTION AND ANALYSIS OF THE AAFLI PROGRAM

A. Organization

1. Headquarters: AAFLI, headquartered in Washington, DC, conducts bilateral programs in seven countries:

Bangladesh	Sri Lanka
Indonesia	Thailand
Korea	Turkey
Philippines	

Although not reviewed in this evaluation, AAFLI also administers a Union-to-Union program, and a regional program which supports activities in Cyprus, Israel, Lebanon, Malaysia, Pakistan, Jordan, Nepal, Singapore and the South Pacific.

AAFLI maintains a full-time Washington staff of 15 professionals and 5 support staff. The attached organizational chart outlines AAFLI's general structure, although there is not a direct correlation between staffing positions and boxes on the chart.

Analyzing whether or not this structure is appropriate is a difficult to impossible task. There are no position descriptions for any of the jobs (which would aid in determining who does what) nor any personnel evaluations (which would indicate if they were doing it satisfactorily).

Based on interviews with AAFLI's Washington and field staff, it is the team's impression that AAFLI is managerially top-heavy; that is, AAFLI/W is in a better position to review field operations rather than support them. Other than a chief financial officer, there is little specialized in-house expertise in program design, evaluation, education and training, community development, credit, cooperatives, public health, or any of the number of technical, developmental or humanitarian areas AAFLI is expanding into.

During 1983-1985, 34-38% of the total A.I.D. funding went to headquarters costs. While on the high side, this is not outside the range of costs for U.S. PVOs with field programs of similar size. However, PVOs with comparable headquarters costs generally provide substantial technical support or manage their field programs directly from headquarters. Home office costs of PVOs with larger field programs or permanent field staffs are as low as 10-15% of the total budget.

For 1986-1987, headquarters staff salaries range from \$18,280 for the lowest paid secretary to \$69,314 for the Executive Director. These compare to U.S. Government GS-6 and ES-3 respectively. Five employees are paid at the equivalent of GS-14 or better. In 1985, headquarters employee benefits were 39% of salaries. In the 1986-1987 budget, this increased to 49%. This is significantly higher than usual range of 20-25% seen in contract and PVO grant budgets.

ASIAN-AMERICAN FREE LABOR INSTITUTE

Organization Chart

Effective January 1, 1987

BOARD OF TRUSTEES

Assistant to Executive Director

AAFLI EXECUTIVE DIRECTOR

Executive Secretary

Assistant to Deputy Executive Director

DEPUTY EXECUTIVE DIRECTOR

Secretary

Director for Finance and Administration

Director for Special Projects

Bangladesh

Indonesia

Philippines

South Korea

South Pacific

Thailand

Turkey

Secretary

Deputy for Program Development and Field Evaluation

IV Program Senior Representative

Union to Union Program

Regional Program

Program Officer

Pakistan

Taiwan

DEVELOPMENT ASSOCIATES, INC.

2. Field Operations: The team was generally impressed with the dedication and management ability of the CPDs interviewed in the field, particularly given their limited training program (i.e., a slide-tape program and a brief internship period observing another country program in the field). These men, and all are men, are not development experts, but have been able to use their own common sense and personal management skills to run large programs with little staff, and do a relatively good job of it. All are certainly well-versed and articulate in labor concepts, principles and programs.

However, field staff is vulnerable to a dependency on outside experts. This relationship can be difficult to manage, particularly as programs proliferate and the CPD cannot spend as much time as he would like learning the ins and outs of each project. Given the ever-present reality of audits, fiscal oversight will always remain the primary focus of the CPD, leaving program design and implementation questions to the outside consultants. This situation could be mitigated substantially if AAFLI/W had in-house capacity to address programmatic questions -- particularly in membership services areas -- and provided greater training in these concepts before sending CPDs to the field.

Bringing in outside expertise would not pose such a problem for AAFLI if there were institutional capacity to carry out the programs the experts designed. However, once a medical specialist is brought on to configure a public health program, he currently must be kept on the payroll throughout the life of the project. Given budget projections, this is not a realistic way to design development programs. AAFLI will have to look for other funding sources, starting with the recipients themselves, if it is to sustain the cadre of experts currently required to run programs for which they have no in-house ability nor comparative advantage.

The other option, of course, is for AAFLI to scale back their programs to only those they have the capacity and unique qualifications to provide: those directly related to union training, organizing and education.

3. AAFLI Programming Process: The AAFLI activities observed generally come under two broad categories -- training and member services. Although support for research and publications does not fit these categories precisely, the one constant criterion is that the supported activities contribute to strengthening free labor movements. The team did not find any other written criteria to guide CPDs in project selection.

The third category is humanitarian assistance. The team did not observe any activities under this category, which was explained as special relief assistance from the U.S. unions, e.g., in response to a natural disaster.

AAFLI's programming is done on an annual cycle, based on Country Labor Plans submitted by each CPD, normally due in AAFLI/W in October, and reviewed at the annual CPD Conference in Washington in December.

Reports from AAFLI field offices to headquarters are very frequent, including copies of Daily Activity Reports, monthly reports, annual reports and special reports in-between. Telephone calls are also covered in memoranda of conversations and circulated among AAFLI headquarters staff.

The only formal reporting currently required by A.I.D. is the Annual Report, which AAFLI submits coinciding with the calendar year, rather than AAFLI's fiscal year which begins April 1. These reports are submitted by the CPDs to AAFLI/W in December, and are further refined and consolidated by headquarters. This can be a lengthy process; the report through December 31, 1985, was not submitted until July 31, 1986.

Although a useful summary document, the Annual Report is not timely enough to use as a reporting document. It also lacks the analytical rigor to make it a useful evaluation paper. These findings hold for all countries visited on this evaluation.

4. Program Costs: In all countries visited, costs of individual program activities were found to be modest. Where comparative cost information was available, AAFLI costs compare favorably with those of other U.S. organizations. If all AAFLI headquarters and country office costs are added to program costs, the comparison is less favorable, but still relatively modest. And, not all the country office costs relate to administration of program activities.

Using expenditure data for three years, 1983-1985, AAFLI's office costs in the four countries visited ranged from 31% to 61% of the total country costs. The lowest ratios were in the Philippines; the highest were in Thailand. Country financial reports treat a small portion (about 10%) of country office expenses as program costs. It is clear from discussions with Labor Attaches and others in each country that the AAFLI Country Director and other staff perform significant functions beyond administration of AAFLI funded program activities. It was not possible to determine what portion of country office expenses should be attributed to administration of program activities.

The expenditure reports do not segregate benefits and travel costs for local staff from those for U.S. personnel overseas. However, it appears that the totals are in line with costs experienced for assignment of A.I.D. direct hire or contract personnel.

5. Relations with AID: ANE Bureau involvement in the selection and implementation of AAFLI programs has been mainly limited to general review of plans for the next year's activity submitted for funding approval. Since 1985, primary responsibility in ANE for management of the grant to AAFLI has been held by the Special Assistant to the Assistant Administrator. This arrangement provides a high level contact reflecting the political visibility of the program, but it has not facilitated the routine management attention normally provided by line officers at the operational level.

In only one country, Indonesia, has the A.I.D. Mission been regularly involved in AAFLI's program, holding an annual strategy review. Labor Attaches in each country have some influence in the selection and implementation of AAFLI programs, maintaining frequent close contact with AAFLI representatives.

6. Impact: AAFLI does not systematically evaluate its programs and evaluative material linking results to AAFLI program activity is lacking. In response to questions about evaluations, AAFLI representatives told the team that these are included in the Daily Activity Reports, monthly reports, and other regular reporting.

AAFLI's Country Labor Plans do provide an evaluative framework, identifying objectives, activities to attain objectives, and verifiable indicators for each country program. The annual reports generally follow the CLP framework, but do not systematically review each listed indicator. More importantly, the indicators are often stated in terms of inputs, e.g., numbers of persons trained, and the reports do not examine broader issues of strategy and impact, nor do they provide any analytical review across the range of country programs.

Given the limited evaluative material, the team nevertheless found evidence of positive program impact. For instance, labor movements and unions have grown in size and organizational capacity during the period of AAFLI's assistance, e.g., there has been a dramatic increase in the number of collective labor agreements and of union locals in Indonesia; Thai unions attracted increased membership even while raising dues. Similarly, the team visited credit unions assisted through AAFLI's member services activity which had significantly increased their capital and membership. Local labor officials consistently claimed that the AAFLI projects were of benefit to their movements and unions.

7. Sustainability: Most of the program activities observed by the team continued to receive AAFLI support. A community education project in the Philippines had stopped as soon as funding was withdrawn, but the funding was terminated prematurely due to budget constraints, just after start-up. In Thailand, training programs were being continued at a reduced level after AAFLI suspended funding. Some credit unions appeared to be functioning well without continued support from AAFLI. A major factor credited for this sustained activity was the capability of trainers and leaders built through AAFLI sponsored training.

B. Bangladesh

I. Country Setting

- a. Economy: Bangladesh continues to suffer serious economic problems from inflation, over-population, lack of natural resources, high unemployment, and an undertrained workforce. These problems are made more acute by an inadequate social welfare and health program.
- b. Government: Instability in the government caused political party competition over economic issues and military control is the chief characteristic of the government. The single most successful government initiative has been an effort to denationalize industry and to encourage free enterprise. Governmental restrictions on trade union activity constitutes a serious problem for the Bangladesh Free Trade Union Congress (BFTUC) as it tries to maintain independence from any political party. Unlike all other unions in the country, the BFTUC and its affiliates have maintain both financial and political independence from the political parties.

Since its inception in 1983 with only six affiliates, the BFTUC has continued to grow and attract new members. Currently, 24 unions are affiliated with BFTUC.

2. AAFLI Program Description

- a. Background: Beginning in 1974 with an emphasis on worker education, the AAFLI program in Bangladesh has grown to include social and health programs. Expenditures by calendar year were as follows:

YEAR	OFFICE	PROGRAM	TOTAL
1973	\$ 22,686.21	\$ 0.00	\$ 22,636.21
1974	41,521.99	17,036.65	58,558.64
1975	99,324.56	40,277.79	139,602.35
1976	113,176.31	25,972.98	139,149.29
1977	20,320.69	8,947.71	29,268.40
1978	7,649.63	71,187.25	78,836.88
1979	82,185.85	90,887.71	173,073.56
1980	100,171.02	70,642.73	170,813.75
1981	100,053.59	45,680.73	145,734.32
1982	108,041.47	46,810.34	154,851.81
1983	104,946.42	91,913.95	196,860.37
1984	120,650.00	89,949.53	210,599.53
1985	<u>127,852.03</u>	<u>123,043.61</u>	<u>250,895.64</u>
TOTALS	\$1,048,579.77	\$722,350.98	\$1,770,930.75

- b. Current Program: AAFLI's current program features trade union training and membership services focused on health, income and skill enhancement, and literacy.

The trade union training is the traditional AAFLI approach utilizing the training of union trainers. Membership services are offered at two sites: the Srimangal Tea Garden activity is a longer established program; the BFTUC program in Chittagong is two years old.

The major components of membership services include clinics and home visits to instruct on preventive health, apprenticeship and other skills training, gardening and animal raising.

AAFLI has used pilot projects to test new activities before utilizing them elsewhere.

- c. Budget: AAFLI's 1986-1987 budget for Bangladesh totalled \$251,706, including \$133,250 for program costs. Office costs, including costs of the American Country Program Director, totalled \$118,456. The program budget was allocated as follows:

Administrative Infrastructure		\$ 41,000
Infrastructure	11,900	
Education Support	17,600	
Research	1,000	
Organizing	10,500	
Membership Services		79,000
Membership Services (BFTUC)	44,800	
Tea Garden Projects	31,200	
Adamjee Jute Mill	3,000	
Program Support (AAFLI Staff)		<u>13,250</u>
TOTAL PROGRAM		\$133,250

In addition to the 1986-1987 budget, AAFLI/Bangladesh had \$4,558 carried over for projects approved but not disbursed in prior years.

3. Evaluation Methodology

The evaluation team spent three-and-a-half working days in Bangladesh, February 9-12, 1987. The team interviewed newly assigned AAFLI/Bangladesh Country Director, Donell Newsom, U.S.A.I.D. and Embassy personnel, and numerous recipients and staff members of AAFLI funded program. The team traveled to Chittagong for one day to examine AAFLI projects there. The team also examined reports and data provided by AAFLI.

4. Findings

- a. Training: The AAFLI training program has been influenced by three circumstances in Bangladesh: (1) the preponderance of unions with political affiliations; (2) government regulations limiting collective bargaining to local agreements; and (3) a high level of illiteracy.

In 1983, AAFLI helped form the BFTUC as a labor organization without political affiliations. From three affiliated labor organizations in 1983, BFTUC has grown to 25 affiliates today. While the politically aligned unions benefit from financial support from their sponsoring political party, they lack an independence from the political positions taken by their sponsor. The BFTUC's political independence requires the organization to rely upon membership dues for their financial support. While this makes recruiting and retaining members more difficult, the three top BFTUC officials interviewed predicted that, with continuing AAFLI training and assistance, the BFTUC will represent 60% of the work force in ten years.

These three BFTUC leaders, with close ties to AAFLI, were very articulate on the local labor situation and the advantage and desirability of free trade unionism.

Approximately 90% of the AAFLI budget is on BFTUC activities. Training has focused on training leaders in typical trade union topics: union organizing, collective bargaining and grievance handling. Training trainers from within the labor movement has been utilized to increase the involvement and participation of the labor movement.

The Bangladesh Seamen's Association, a very large BFTUC affiliate, informed the team that their extensive involvement in AAFLI training has helped them deal more effectively with the government-run hiring hall, and to help reduce corruption in the operation of the hiring hall.

AAFLI has used the extensive idle time resulting from high unemployment in the tea gardens at Srimangal to offer trade unionism training to unemployed members and their families.

- b. Membership Services: These programs include apprenticeships, medical clinics, home visits, skills training, kitchen gardens, and animal raising. Program activities are located at two sites: Chittagong, a seaport in the south, and Srimangal, tea gardens in the north. The Srimangal project is the older of the two. Some activities that were successful at Srimangal have been introduced at Chittagong.

Srimangal Project: The poorest paid workers in the country, tea garden workers, and their families are the focus of this project which offers several integrated activities that emphasize preventive health care, income and skill enhancement, and literacy and union education.

An apprenticeship program provides skills and work opportunity outside the tea gardens. Of the 144 apprentices to date, 135 have found employment.

A preventive health project uses a clinic and home visits to teach nutrition, sanitation, infant care and birth control. A livestock and kitchen garden project attempts to enhance family income and health.

Chittagong Project: A year-long apprenticeship program provides 50 children of union members with food, housing and an opportunity to learn

an employment skill. Virtually all graduates of the first year program are now employed. Six shop owners/managers interviewed by the team expressed satisfaction with the program and their apprentice.

At a poorly supplied and furnished clinic, two part-time doctors see 25 to 30 patients per day. They also oversee a small group of home visitor who provide health, nutrition, sanitation, and birth control advice to union members and their families. Some 4,000 union members and their families (for a total of 20,000) are potential clients of the clinic and home visit program.

- c. Program Management: Representatives of A.I.D./Bangladesh interviewed by the team knew little of AAFLI programs. U.S.A.I.D. sent a contract training officer to our first meeting, who focused on discussing A.I.D. problems in approving requests to send labor leaders overseas to study. This is a very minor aspect of the AAFLI program. The Deputy Program Officer represented U.S.A.I.D. in the second meeting, for the debriefing to A.I.D. She was not familiar with AAFLI's program, but after some explanation, brought another officer into the debriefing. The team did not meet with the Mission Director or other senior mission staff.

The Embassy's labor reporting officer displayed interest in the AAFLI program. He described AAFLI as a good source of information on labor conditions in the country and anticipated a good working relationship with AAFLI.

In the debriefing meeting with the Ambassador, he expressed interest in and knowledge of AAFLI, having worked with AAFLI during an earlier assignment.

C. Thailand

1. Country Setting

- a. Economy: Cautious fiscal policy has helped Thailand sustain economic growth with a moderate inflation rate. In the face of world market competition for many of its products (sugar, rice, tin, rubber, textiles, etc.), the government has attempted to reduce government expenditures, increase exports, reduce imports, and create jobs. Although the democratic government continues to stay afloat through a succession of coalition governments, it has not provided the ideal situation for the growth of trade unionism.

Like other Asian countries, Thailand has tried, with some success, to encourage foreign investment and to privatize government-owned enterprises. The unions have resisted privatization on the basis that government-owned enterprises have better wages and benefits, and less resistance to unionization than does the private sector.

- b. Trade Union Developments: From 1958 to 1972, trade unions were outlawed in Thailand. Then for three years, unions were tolerated before being outlawed again. Finally in 1975, a labor relations law was passed authorizing unions and collective bargaining.

Competition between the two largest confederations of unions has restricted the potential strength of the labor movement, and reduced its ability to influence public policy. The Thai Trade Union Congress (TTUC) was formed in 1983 as a splinter from the longer established Labor Congress of Thailand (LCT). Competition, interrupted by rare occasions of cooperation, has characterized their relationship since 1983. Their combined membership is 177,000, with TTUC continuing to gain at the expense of LCT. In 1985, the President of LCT was arrested as a part of a failed coup against the government. Although the President denied involvement, the LCT continues to lose affiliates to the TTUC. Presently, the TTUC is larger than the LCT.

Throughout all of this competition, AAFLI has maintained a working relationship with both organizations and their affiliates.

A recent concern about the TTUC leadership is the apparent influence of the Executive Intelligence Review, a Lyndon LaRouche publication, on some leaders of TTUC.

2. AAFLI Program Description

- a. Background: The AAFLI program started in 1972, with a full-time country director assigned in 1975 after the passage of a labor relations law. By 1978, AAFLI started a very active training program. Between 1975 and 1985, 43,000 trade unionists participated in some AAFLI training program.

AAFLI's Thailand budget is summarized below:

YEAR	OFFICE	PROGRAM	TOTAL
1974	\$ 4,336	\$ 5,621	\$ 9,957
1975	74,190	20,423	94,613
1976	107,443	51,953	153,396
1977	155,183	25,805	180,988
1978	173,488	76,098	249,586
1979	198,878	110,882	309,760
1980	179,380	121,291	300,671
1981	225,948	190,473	416,421
1982	152,002	168,594	320,597
1983	184,358	114,371	298,730
1984	176,458	144,956	321,415
1985	<u>197,099</u>	<u>207,556</u>	<u>404,655</u>
TOTALS	\$1,828,767	\$1,238,028	\$3,066,795

- b. Current Program: Training in trade unionism and membership services involving credit unions are the primary AAFLI program activities in Thailand. The emphasis on training trainers and supporting the development of training materials has produced good quality training with declining dependence on AAFLI.

The development of credit union experts within the labor movement, to act as consultants to the labor movement, has made it possible for AAFLI to play a declining role in this area of membership services, as the labor movement has accepted increased responsibility for credit unions. Initial assistance and seed money are the remaining concerns of AAFLI.

A new membership services activity is a community health program for workers and other residents in a slum area, which is seen as entre for union organizing.

- c. Budget: AAFLI's 1986-1987 budget for Thailand totalled \$351,724, including \$159,662 for program costs. Office costs, including costs of the American Country Program Director, totalled \$192,062. The program budget was allocated as follows:

Labor Education	\$ 80,700
Model Support Projects	18,000
Research/Education/Communications	11,700
Tripartite Discussions	9,000
Program Support (AAFLI Staff)	<u>40,262</u>
TOTAL PROGRAM	\$159,662

In addition to the 1986-1987 budget, AAFLI/Thailand had \$5,460 carried over for projects approved but not disbursed in prior years.

3. Evaluation Methodology

The evaluation team spent four days in Thailand, February 13-17, 1987, including a Sunday. The team interviewed country director Phillip A. Fishman, U.S.A.I.D. and Embassy personnel, Thai Labor Department officials, numerous recipients and staff members of AAFLI funded projects. Visits were made to four union offices within the Bangkok area. Written materials and records were also examined, including financial reports, year-end program reports and other documents provided by AAFLI/T.

4. Findings

As in the other countries visited, the AAFLI program in Thailand has two primary concentrations: training and membership services. These two will be discussed separately below.

- a. Training: About 90% of union membership with whom AAFLI works is in the TTUC and LCT. An equal percentage of the AAFLI budget goes into training and union infrastructure building. A cadre of trainers has been developed within the labor movement through adult education training and counseling of candidates. As a result of this program, the labor movement is now capable of handling its own training with only financial support needed from AAFLI. Observation of one of these trainers before his class was most impressive in terms of class interest, enthusiasm, use of training aids and trainee responses.

Training materials developed by AAFLI for six basic training sessions are an excellent outline of appropriate topics from organizing through collective negotiations and including grievance handling by a steward system. In addition AAFLI continues to provide expertise in preparation of material when new, more advanced, training is needed. Currently for example, AAFLI is developing material for training about the philosophy and U.S. activities of the Executive Intelligence Review.

Union leaders interviewed had all been trained in AAFLI sponsored programs. They are articulate advocates for free and responsible trade unionism. One union leader expressed her evaluation of AAFLI's help this way; 'We have become a mature union because we had a good father, AAFLI.'

An illustration of this maturity is the fact that both the TTUC and the LCT were comfortable in discussing their differences and accepted AAFLI's continuing relationship with each other. While AAFLI does not now work directly with TTUC because of some disagreements, AAFLI continues to work with TTUC affiliates. These matters were discussed with the team with a maturity and matter-of-factness that is a credit to all sides.

Union officials indicated a capacity to negotiate effective collective bargaining agreements and to competently administer them at the local level.

The Thai labor movement appears to be sufficiently well-established in terms of competencies, infrastructure, governmental support, and relationship with management, that its survival is relatively certain.

- b. Membership Services: Of the two categories of membership services, the most extensive and highly developed is the credit union program. The other program is the recently organized primary health care program for union members and slum residents.

Using technical assistance and grants/interest free loans for seed money, AAFLI has assisted in establishing nine (9) credit unions for local unions. AAFLI has supported seminars for individual credit unions on: accounting, problem solving and administration — all specifically related to running a credit union. AAFLI has also supported equipment purchases (typewriters, file cabinets, and calculators), travel for credit union officials to attend overseas training in credit unions.

The credit unions visited appear to be well run and in sound financial condition. The Krusapha union was the first trade union in Thailand to start a credit union and the credit union was AAFLI's first project with that union. AAFLI provided an interest-free loan of 100,000 Baht seed capital. The Krusapha credit union's current membership of 1,772 exceeds union membership (1,650), with management also participating. It has 32 million Baht (at 15% interest). Members' savings range from 100 to 1,500 Baht per month. At Thai Kurabao, nearly 70% of the workers belong to their credit union, which has assets of over 4 million Baht. The 650 members save an average of 200 Baht per month or about 7% of average salary.

One unique and highly successful feature is the development of a cadre of volunteer credit union experts who are available within the labor movement to assist locals get started and deal with problems and questions which arise as a new credit union develops.

One year ago, AAFLI started a primary health care program with local union members employed in a factory adjoining a large Bangkok slum. Since health care services are virtually nonexistent in that area, both union members and slum residents will be served. This project was mentioned in a general briefing, but was not visited by the team.

- c. Participation by Women: Involvement of women is apparent and encouraged throughout the AAFLI/T program. The AAFLI/T staff includes seven full-time employees, three of which are women. The individual union and federations also have female representation on executive boards; i.e., TKC is a union of 815 members, of which 715 are women. The first president of this union was a woman. Differences are, of course, evident between unions, depending on the industry being represented. Awareness of women workers' needs is apparent through specialized programs (as in the case of the LCT's women's program) and by female involvement in developing and attending the standard AAFLI training courses.

d. Program Management: The Embassy's labor reporting officer, not A.I.D., is the primary contact with AAFLI. LRO sees AAFLI as a useful source of information on the labor situation, providing a perspective that LRO cannot get elsewhere on questions of current interest: privatization, changes in minimum wages, and employment levels. In this informal relationship, LRO has seen and discussed the AAFLI annual plan.

The Mission Director, during debriefing, suggested more dialog between Mission and AAFLI would be useful on privatization, AAFLI's slum clinics, and other projects.

D. Indonesia

1. Country Setting

- a. Economy: Indonesia is enduring economic difficulties due to declining petroleum prices, its most important source of foreign exchange. State budgets have been cut, slowing national development. The currency was devalued 45% in September 1986 and inflationary pressures have increased. Thus, reduced purchasing power is added to high unemployment and an inadequate social welfare system as the most serious problems facing workers.
- b. Government Influence: The country's only labor center, the All Indonesia Federation of Labor (FBSI) was completely reorganized at the December 1985 National Congress. The organization was renamed the All Indonesia Workers Union (SPSI) and elected a new General Chairman, Imam Sudarwo.

According to AAFLI reports, Minister of Manpower Sudarmo was heavily involved in the National Congress and influenced the selection of new officers and decision to abandon the federation structure. Trade union independence was weakened by elimination of the 21 industrial unions, which were merged into nine SPSI departments. The departments have no representation on the executive board.

The Congress removed former FBSI General Chairman, Agus Sudono, and other well-known union leaders from labor leadership. Mr. Sudono remains active in labor matters as General Chairman of INKOPKAR (National Level of Workers Cooperative). He also remains on the executive board of the International Confederation of Free Trade Unions (ICFTU).

The changes made at the National Congress and the role played by Minister Sudomo strained Indonesian labor movement relations with the ICFTU and other international union organizations. ICFTU has yet to recognize the SPSI, but has continued relations with former affiliates in Indonesia.

SPSI has moved into new headquarters, provided by the Government, in a building shared with the Indonesian Employers Association. This arrangement reflects both the government influence on SPSI and the approach SPSI takes to its relations with employers. Citing the national principles of "Pancasila," SPSI leaders stress persuasion rather than confrontation. Consequently, they place high value on information to back up their arguments in favor of better wages and working conditions.

2. AAFLI Program Description

- a. Background: AAFLI activity in Indonesia began in 1974, when Memoranda of Understanding were signed with FBSI and the Ministry of Manpower. The program started with workers' education. Social projects were added in 1975, and a revolving loan fund was started in 1976. From 1974 through 1985 AAFLI spent just over \$4 million for its program in Indonesia. Expenditures by calendar year were as follows:

YEAR	OFFICE	PROGRAM	TOTAL
1974	\$ 19,141.70	\$ 806.62	\$ 19,948.32
1975	222,475.30	81,234.60	303,709.90
1976	187,690.36	171,358.47	359,048.83
1977	197,432.67	77,221.43	274,654.10
1978	253,966.61	260,553.85	514,520.46
1979	214,790.62	159,907.36	374,697.98
1980	191,866.01	85,012.54	276,878.55
1981	165,762.59	176,303.47	342,066.06
1982	160,418.97	227,873.60	388,292.57
1983	163,913.06	190,063.72	353,976.78
1984	170,062.58	263,081.32	433,143.90
1985	<u>191,445.78</u>	<u>177,768.37</u>	<u>369,214.15</u>
	\$2,138,966.25	\$1,871,185.35	\$4,010,151.60

- b. Current Program: In 1986, AAFLI continued support for joint education programs and a bimonthly national journal, increased support for cooperative development, and assisted community development self-help projects.

The education programs provide basic trade union training for district and local officers. Three-day seminars provide instruction on labor laws, benefits, dispute settlement and union administration. In addition, the training program includes "backbone meetings" with local union leaders and organizational meetings to strengthen the SPSI industrial departments. AAFLI also supported development and printing of educational materials.

The AAFLI-supported research bulletin was discontinued in 1986 and a new national magazine, Media Pekerja, was developed. AAFLI provides for staff support and printing and distribution costs.

AAFLI began a new cooperative organizing project in 1986, helping local unions with initial meeting expenses and start-up capital. Management and bookkeeping/accounting courses train co-op officers. Assistance is also provided to secondary cooperatives in the form of administrative support and funding for meetings.

Community development projects in Central and West Java helped rural workers with material for construction of sanitary facilities, loans for village cooperatives and garden projects, and assistance in installing fresh water pumps.

- c. Budget: AAFLI's 1986-87 budget for Indonesia totalled \$318,847, including \$133,705 for program costs. Office costs, including costs of the American Country Program Director, totaled \$185,142. The program budget was allocated as follows:

Research and Publications		\$ 21,000
Research and Publication	8,000	
National Magazine	13,000	
Education		40,000
Support Activities	19,700	
Training Activities	20,300	
Membership Services		59,000
Cooperative Development	48,500	
Community Projects	10,500	
Program Support (AAFLI Staff)		13,705
		<hr/>
TOTAL PROGRAM		\$133,705

In addition to the 1986-87 budget, AAFLI/Indonesia had \$10,166 carried over for projects approved but not disbursed in prior years.

3. Evaluation Methodology

The evaluation team spent three working days in Indonesia, February 18-20, 1987. While there, the team interviewed the new AAFLI/Indonesia Country Director, Don Phillips, AAFLI staff, U.S.A.I.D. and Embassy personnel, and numerous participants and beneficiaries of AAFLI-sponsored programs. These included SPSI leaders and members, former FBSI leaders now involved in INKOPKAR, union local leaders and members at Cirende Plantation and the plantation manager. The team also reviewed financial reports, reports on current-year training activity, and other documents provided by AAFLI/I, including a summary of current program activity and biodata of key personnel.

Due to an accident of timing, or the Indonesian culture, or both, the team found itself involved in ceremonial functions which limited opportunity for questions or observation of normal workday activity. SPSI was celebrating its 14th anniversary (FBSI/SPSI) during the week of the team's visit.

4. Findings

- a. Training: Emphasis on Pancasila industrial relations in Indonesia influences the training supported by AAFLI and the way union leaders articulate labor union concepts. Pancasila emphasizes shared responsibility and avoidance of conflict. Consequently, the unions rely on information to show employers what is fair and equitable. Strikes are not seen as an option.

AAFLI/I furnished data on 55 training courses and organizational meetings conducted between April, 1986, and January, 1987. There were a total of 2,089 participants. Most of the courses were from one to four days in length; five ran for six days and one for eight days. The AAFLI/SPSI

expenses for these courses totalled Rp. 30.9 million (\$18,700). That is about \$4.45 per participant per day.

The team found evidence of a training capacity within the union movement, including a small cadre of trained trainers. Dependence on AAFLI is limited largely to financial support. However, the team was told that, due to limited resources and political problems, the trade union movement is still not able to provide a good education to members at the plant level.

Research activities supported by AAFLI are considered a valuable tool to the unions in seeking fair agreements with employers. U.S.A.I.D. also expressed interest in the research, noting that data from SBSI is especially useful because of the limited research data from other sources in Indonesia.

The principal evidence offered on the impact of AAFLI's programs is a dramatic growth in the number of collective labor agreements (CLAs). From, at most, a small handful of agreements in 1974, there are currently some 11,000 signed CLAs. There has been a similar growth in the number of local union branches. At the same time, union leaders acknowledged that it is time to put more emphasis on improving the content of the agreements - to get better results.

Leaders of the SPSI expressed specific appreciation for AAFLI assistance in basic and leadership training, in helping SPSI adjust to its new organizational structure, in developing a strategy on the "check-off" issue, and in helping develop its newsletter. Embassy officials also cited identification with a respected international labor movement as helping to strengthen the Indonesian labor movement.

- b. Membership Services: Membership services include cooperatives, credit unions and small scale community development activity. An example of the latter, as seen by the team at Cirende Plantation, had only received AAFLI support for a few months, but workers were already benefiting and the activities were within the means of local groups to sustain and replicate.

In addition to services of a field coordinator, AAFLI-supported community development activities at Cirende included construction of three bathing/washing facilities, seeds and tools for 60 families to cultivate land made available for their use by the plantation, and loans to 15 families for poultry raising. Total cost of these activities were Rp. 2.35 million (\$1,424).

The activities that were observed employed technologies suited to the capabilities of the beneficiaries. Project leaders' specifically mentioned their objectives of sustainability and replicability. They were clearly concerned about the risk one member had assumed in deciding to try raising White Leghorn chickens rather than hardier local breeds. On the other hand, they did not appear to be conscious of the risk of erosion to the sloping land being used for the community garden.

The Cirende workers also have a cooperative store (pre-dating AAFLI support) and arrangements with the plantation for check-off of dues and payments on credit accounts at the store. While the plantation manager appeared to be unusually "enlightened," the local union leader indicated that a number of plantations in the area have high union membership and check-off arrangements.

Other supportive services for members consist mainly of assistance to cooperatives and credit unions. AAFLI supports training, including basic management and bookkeeping, and a revolving loan fund. The team did not have opportunity to visit any credit unions, but was told the most significant are on Bali, with unions involved in the tourist trade. The reason given was the relatively better level of education and income enjoyed by these workers.

AAFLI furnished data on the revolving fund indicated a cumulative total of 39 loans had been made of December 1986, totalling Rp. 89.9 million (\$54,480). Repayments totalled Rp. 26.1 million (\$15,800) and five loans were in default. Seven other loans were behind on scheduled repayments. No interest is charged on these loans to primaries.

- c. Participation by Women: Although women are a large part of the Indonesian labor force, labor laws do not provide them with the same benefits as men. The laws are aimed at protecting the head of the household, which in Indonesia must be a man. At the same time, there are some special benefits for women, such as maternity leave.

Based on training data and team observations, there are a few women in labor union leadership positions, but they are under-represented. Of 1,043 participants in workers education training programs, only 48 were women. Women were better represented in the cooperative training programs, numbering 289 out of a total 1,046.

Women were among the beneficiaries interviewed at Cirende Plantation. In describing the benefits of the coop there, members cited the example of one single woman who had managed to achieve the highest level of savings, Rp. 66,000 (\$40).

- d. Program Management: The Embassy Labor Attache (LABATT) is the main contact between AAFLI/Indonesia and the U.S. Government. Although LABATT does not consider his role as one of formal monitoring, he maintains regular close contact with AAFLI/I, said to be almost on a daily basis. LABATT clearly valued the relationship and was familiar with AAFLI's activities.

U.S.A.I.D. contacts were less frequent or detailed. As stated by the Mission Director, they do not follow AAFLI activity "with the kind of microscope used on our regular projects." However, the Mission was unique among those visited in having regular input into AAFLI's planning process. The U.S.A.I.D. Director meets with AAFLI annually for an update and informal strategy session. Other meetings with U.S.A.I.D. are held on an ad hoc basis. As a result, the Mission believes the AAFLI/I program is "pretty well focussed and not all over the map." The Ambassador also expressed an appreciation for AAFLI's presence, as a positive influence to maintain a moderate labor union force and as a source of contact and information for the Embassy.

E. Philippines

1. Country Setting

- a. Economic Situation: The economic situation in the Philippines is difficult, at best. While the Aquino government prepares its financial recovery plan, the economy continues to suffer from declining GNP, insufficient investment and inadequate growth. As a result, nearly six out of every ten Filipinos are living below the poverty line, and per capita GNP (\$660) remains the same in real terms as a decade ago.
- b. Labor Situation: One contributing factor to the Philippine's economic difficulties is the lack of investment, in part due to the disincentive effects of the unstable labor situation in the Philippines.

According to Embassy reports, the 20-million Filipino workforce is approximately divided in half between rural and urban workers. Of the 10 million urban workers, nearly half are civil servants or family entrepreneurs, leaving 5 million as the target population for "traditional" union organizing activities. Says the embassy, "maybe one million of those are actually organized."

Recent Filipino labor union history is known for its high degree of raiding rather than organizing, and for personalities rather than services. In the mid-1970's, Ferdinand Marcos attempted to merge all unions into one Congress, the Trade Union Congress of the Philippines (TUCP). While the TUCP benefited by having a lock on union representation at all tripartite meetings and negotiations, it began to suffer in the early 1980's for its perceived links to the Marcos government. As Marcos' popularity declined, so did the TUCP's, while the anti-Marcos NDF affiliate — the KMU — picked up support and membership.

In response, the TUCP mounted programs to reassert its independence and eventually its support for the new Aquino government. Specifically the TUCP began to:

- attack the KMU and other Marxist organizations directly on key issues;
- develop an alliance with the National Congress of Farmers' Organizations;
- reach out to moderate university groups, churches, etc.;
- strengthen TUCP unity by encouraging an end to competitive raiding amongst its affiliates;
- actively participate in the NAMFREL election efforts; and
- support a "yes" vote on the new constitution.

Today, TUCP remains the largest organized labor grouping in the Philippines, with nearly 1300 collective bargaining units. The KMU is second, representing 124 registered CBUs. Other labor organizations exist, such as the Christian Democrats, but are substantially smaller than either the TUCP or the KMU.

2. AAFLI Program Description

a. Background: AAFLI/P began programming in 1969, with a primary focus on trade union education programs. Over the years, AAFLI has added programs to upgrade the unions' capabilities and, in turn, union membership. These activities have included support for TUCP's labor research department; loan programs, model farms and new technology seminars for non-wage earning agricultural workers; and union membership services including consumer cooperatives, credit unions and health clinics.

From 1969 through 1985 AAFLI spent just over \$5.75 million for its program in Philippines. Expenditures by calendar year were as follows:

YEAR	OFFICE	PROGRAM	TOTAL
1969	\$ 83,926.90	\$ 0.00	\$ 83,926.90
1970	104,229.06	41,904.97	146,134.03
1971	177,209.28	29,052.22	206,261.50
1972	334,197.30	14,352.25	348,549.55
1973	626,930.79	19,038.38	645,969.17
1974	250,057.70	62,561.36	312,619.15
1975	235,941.10	135,247.10	371,188.20
1976	227,650.02	157,048.01	384,698.03
1977	243,379.20	94,321.15	337,700.35
1978	240,722.31	178,572.29	419,294.60
1979	250,119.33	180,482.92	430,602.25
1980	173,608.77	216,443.14	390,051.91
1981	154,876.85	256,054.43	410,931.28
1982	150,790.56	248,049.01	398,839.57
1983	149,056.31	217,640.06	366,696.37
1984	86,230.46	164,837.10	251,067.56
1985	<u>79,552.47</u>	<u>178,406.30</u>	<u>257,958.77*</u>
TOTALS	\$3,568,478.50	\$2,194,010.69	\$5,762,489.19

*Substantial NED contribution in 1985 not included because country-specific NED expenditures were not provided.

b. Current Program: The current AAFLI/P program continues trade union leadership, through technical and financial support for basic and advanced education programs for the TUCP and its affiliates. AAFLI concurrently provides support to the TUCP research center in an effort to create in-house technical assistance capacity. Work of the research center is disseminated through studies, bulletins, background papers and Research Center Memos.

AAFLI also provides direct support to the TUCP office, covering 33 staff salaries, office supplies and travel expenses.

In the area of membership services, AAFLI covers a significant portion of the costs of the TUCP medical clinic in Quezon City as well as a community health program throughout the country. Other programs aimed at enhancing the quality of life of the union members, and thereby maintaining their affiliation with the TUCP include skills training

programs, farmer cooperatives, credit unions and cooperative housing. The changing political situation in the Philippines and the availability of NED money were two critical factors in the recent, and rapid, expansion of the AAFLI/P program. This dramatically increased level of program activity has already generated some problems for AAFLI/P on the issues of size, quality and sustainability of the program.

- c. Budget: AAFLI's 1986-1987 budget for the Philippines totalled \$1,547,739, including \$1,340,641 for program costs. Of these amounts, A.I.D. provided a total of \$837,360, of which \$766,286 was for program costs. NED provided the balance. Office costs, including costs of the American Country Program Director, and costs of consultants totaled \$207,098. The program is divided into two parts -- regular Country Labor Plan (CLP) activities, and Special Projects -- with budget allocations as follows:

	<u>AID</u>	<u>NED</u>
<u>CLP Program</u>		
Leadership Training	\$117,626	
Labor Education	54,260	
Research	29,846	
Admin. & Finance	33,520	
Membership Services (Support to TUCP)	11,560	
Program Support (AAFLI Staff)	<u>12,100</u>	
TOTAL PROGRAM, CLP	\$141,286	
<u>Special Projects</u>		
Organizing Workers	214,000	300,000
Primary Health Care	82,500	110,000
Community Development	50,000	6,500
Trade Union Centers	195,500	157,000
Physical Infrastructure	<u>83,000</u>	<u>855</u>
TOTAL SPECIAL PROJECTS	\$625,000	\$574,355

In addition to the 1986-1987 budget, AAFLI/Philippines had a substantial amount of funds carried over for projects approved but not disbursed in prior years, i.e., \$544,278 from NED for the special projects, and \$31,259 from A.I.D. for regular CLP projects.

3. In-Country Evaluation Methodology

The evaluation team spent four-and-one-half working days in the Philippines, February 23-27, 1987. While there, the team interviewed a variety of USG, GOP and AAFLI officials and made two field visits outside of Manila: a day trip to Cebu, and an overnight trip to Mindinao. A complete itinerary and list of persons interviewed is attached as Annex E.

4. Findings

- a. Training: As in the other countries, union leadership training programs are at the heart of AAFLI/P's field activities. Everyone queried about the training element -- from Embassy officials to eventual recipients -- agreed on the value of the labor training program, testified to the generally high quality of the courses, and noted their relatively low costs. No one questioned AAFLI's ability or legitimacy in supporting this service in the Philippines.

According to the Annual Report to A.I.D. for calendar year 1986, AAFLI sponsored the following seminars in 1986, reaching a total of 898 participants.

- 5 shop steward seminars
- 4 workers' ideology seminars
- 3 labor leadership seminars
- 3 workshops for union organizers and educators
- 2 collective bargaining and statistics seminars
- 1 three-week trade union leadership seminar
- 1 symposium (topic not identified)
- 1 basic trade unionism seminar

In other training functions, AAFLI provided A.I.D.-funded support to the TUCP Education Department, including salary support for three individuals. AAFLI also supported with A.I.D. funds a one-year scholarship grant for a student to attend the Law School at the University of San Carlos.

Benefits of AAFLI-supported training have been seen on both the individual and union levels. Trainees in an advanced course at the TUCP headquarters enumerated personal and professional successes they have enjoyed as a result of AAFLI-sponsored training. During a site visit of the TUCP headquarters at Quezon City, nearly all of the participants in a third-level training course said they had gotten higher positions in their unions since entering AAFLI training. In visits throughout the country, the team observed other AAFLI-trained union leaders also able to articulate and defend concepts of free and democratic labor, in both industrial and agricultural settings.

In a much less direct, but nonetheless impressive, instance the TUCP union leaders claim the senatorial nomination and candidacy of Ernesto "Boy" Herrera as a AAFLI-supported achievement. They assert Herrera's recognition as a solid leader of a legitimate, viable trade union organization would have been impossible without (1) AAFLI-supported training courses which sharpened leadership and organizing skills, and (2) most importantly, AAFLI support to the TUCP itself which has maintained and strengthened the Congress.

While one can dispute whether it is Herrera's political charisma or his union organizing training that brought him to this position, there is little disagreement that the influence and strength of the TUCP certainly contributed to his selection.

While not quantifiably enumerated by the trainees nor AAFLI-supported staff, most TUCP members also spoke of benefits their training has brought to their home unions: better quality agreements, safer working conditions, wage improvements, and increased likelihood of winning certification elections which result in gaining or maintaining union membership.

As in the other countries visited, the training programs are the oldest, most proven service AAFLI provides — and AAFLI is in a unique position to provide. The team observed TUCP members with an ability to conduct in-house, basic level training and refresher seminars no longer dependent upon AAFLI except for small amounts of financial support. As a result, training programs represent the category of AAFLI services most likely to become self-sustaining.

The only recommendation brought to the team's attention regarding training came from Secretary of Labor and Employment, Franklin Drillon. Not unexpectedly, he suggested that AAFLI and the TUCP conduct more "joint programs" with the government, involving representation — both as trainers and trainees -- from his office.

- b. Research: In a related vein, AAFLI supports the staff salaries, publications and workshops of the TUCP's Research Department, located as well at the TUCP headquarters in Quezon City. This department maintains a library of impressive proportion: over 28,000 articles; 7,000 books; 300 periodicals; and 10,450 Philippine CBAs. The library is open to all TUCP members wanting to conduct research on labor problems; however, nearly all of the people in the facility the day the team visited were students from local universities.

Perhaps of more direct use to the TUCP members than the library are the papers produced by the Research Department. In CY 1986, this amounted to:

- 16 "Research Center Memos"
- 12 market basket surveys of retail prices in Metro Manila (produced monthly)
- 11 position papers (i.e., "Agenda for Reforms" and "On People-Powered Development")
- 6 reports for the International Labor Organization
- 4 papers for special audiences (i.e., "Child Labor in the Philippines")
- 2 analyses of CBAs
- 2 brief fact sheets

The Department is in the process of compiling a directory of the top 2,000 corporations in the Philippines and their unions. All of this information, as well as profiles of current CBAs, will be accessible through the TUCP's computer system.

While an impressive operation, the role of research in union management was not as loudly appreciated in the Philippines as in the other countries the team visited. While proud of their operation, TUCP leaders were considerably more vocal in their support of the admittedly more visible "membership services." In part, this is due to increasing confidence in the government's ability to collect and disseminate

accurate data. For instance, under the Aquino government, discrepancies between the official and the TUCP "market basket" consumer price reports have been nearly eliminated.

- c. Membership Services. AAFLI supports a wide-range of membership service activities throughout the Philippines, by far larger than the other countries visited. Given the team's relatively longer stay than in other countries, it was able to visit more sites and delve deeper into AAFLI/P's membership service operations than elsewhere. Consequently, the substantially greater degree of comment and scrutiny on these programs are as much a reflection of time spent in-country and the size of the AAFLI country program as of any inherent or specific problems with the AAFLI/P program.

A large component of the AAFLI/P Membership Services portfolio is the provision of primary health care (PHC) to a growing number of trade union target communities. Ninety nurses are employed in this program, 16 of them in metro Manila. Working in teams, the nurses' duties include training volunteer health workers; conducting health education sessions; providing basic medical services, including dispensing of limited medicines and referrals to clinics or doctors when necessary. The nurses coordinate with the government's rural health units, eliminating duplication of services where possible. They gather at TUCP headquarters in Quezon City once a month for organizational meetings. The nurses are also actively engaged in union organizing activities, providing a clear, identifiable link between the TUCP and the health services.

In return, the nurses are paid a monthly wage of 1200 ₱ (approximately US\$ 60 at the time of the evaluation), given a monthly travel allowance of 300 ₱, and distribute 2500 ₱ (approximately US\$125) of medicines per team per month. Total cost per team (salaries and supplies) is therefore 5500 ₱ per month, or approximately US\$ 275. TUCP figures indicate the nurses have trained 1,997 volunteers and treated 73,227 patients in one-and-a-half years of operation.

TUCP leaders and beneficiaries alike place a high priority on continuing the PHC program. Union officials in Cebu said that, if funds become limited, they would try to maintain this program above all others. They credit not only the health benefits of the program as their rationale, but also the residual organizing benefits the program generates. Said one ALU official, "We get more mileage from these nurses than from anything else we do."

The team agreed that the PHC program indeed provides reasonably priced, door-to-door, community based health services for key AAFLI-TUCP areas, and that by involving the nurses in union organizing and membership recruitment activities, the TUCP gets greater identifiable credit and benefit from the program than is seen in other AAFLI health programs. Of all membership service activities visited by the team, it has the most solid technical foundation because the PHC nurses are fully-certified to practice by the Philippine government, receive additional in-service training while employed, and are backstopped by doctors and clinics in regional areas.

However, the PHC program does have areas for improvement, most of which relate to the issues of replicability and sustainability. Based on interviews, the team discovered there has been no attempt made to secure local funding outside of ad hoc contributions (i.e., minimal fees-for-service, employer copayments, union contributions, etc.) despite everyone's high priority for this program. Given the unanimous endorsements of the program, the TUCP will have a hard time turning down new requests for more nurses to serve new communities and new member unions. If past practice is any indicator, the TUCP will -- unless otherwise directed -- turn to AAFLI (read A.I.D.) to fund these new requests. Unless AAFLI/TUCP are willing to follow the union leaders suggestion cited above -- to keep the nurses above all else -- exploring other funding sources is a necessity if this program is to continue, let alone expand to other areas of the Philippines.

Cooperative development is another major component of AAFLI/P's Membership Services portfolio. The team visited the Federation of Free Farmers Cooperative, Inc. (FFCI) in Davao which, it should be noted, was a viable, existing concern even before AAFLI assistance. However, AAFLI's support has been instrumental in a rapid expansion of the cooperative's activities in the politically volatile Davao area. The cooperative's officers recognize the difficulties of accommodating a rapid increase in program activity and have taken steps to make adjustments for these problems, i.e., they had declared a temporary moratorium on new membership and had imposed an additional assessment on members to meet increased capitalization needs.

The cooperative started in 1969 with basic, barrio-level consumer stores. It evolved into a broader activity as it added credit, crop insurance, life insurance, fertilizer, other farm inputs and legal aid programs. FFCI is now a multi-million dollar operation, involving 30,000 members throughout the Philippines.

The accomplishment, problems and needs of the FFCI cooperative projects are well-documented in reports to AAFLI. In addition to reviewing this written material, the team also interviewed co-op members for their impressions and found the following:

- The success of the co-op program is founded in its educational component, e.g., money management seminars, principles and responsibilities of cooperative membership, etc.
- Financial services of the co-op then allow members to "practice what they preach."
- The most important aspect to many participants, however, is just knowing there is "someone there to back him up if he has a problem."
- Growth of co-op membership is linked to cash bank programs which address basic economic interests of members.
- Co-ops have initiated other activities in some barrios, i.e., security services, depending on local needs.

Other membership services are also supported by AAFLI; the team observed two of these:

- An Agriskills project designed to provide loans and limited training to children and relatives of union members for new ventures in poultry/swine raising, etc.
- LEADS (Labor Education and Assistance for Development Service), a small-scale economic development activity providing loans to current small businesses (e.g., meat vendors) as an alternative to loan sharks.

Both programs suffer from some technical design flaws, which may be overcome in the LEADS program but are likely to persist in the Agriskills project. More importantly, they point to a larger issue for the AAFLI/P program:

The need for AAFLI/TUCP to focus on a select number of services and providing them well, rather than trying to do everything for all members.

While this is a generic problem for AAFLI, it is exacerbated in the case of the Philippines given the size of the program. Several recipients spoke of the downsides of expansion without a clear set of priorities and proper planning; of greatest concern is the need to maintain quality in a vastly expanded program. The present approach involves hiring a large and expensive cadre of "experts" to design, manage and evaluate the programs. However, neither AAFLI nor the TUCP has the budget to do this; nor do they have plans to make the current programs at least partially self-sustaining. Given forecasts of decreasing external budget support, AAFLI/P needs to give priority attention to addressing this issue.

- d. Program Management: The Embassy LABATT is the main contract between AAFLI/P and the U.S. Government. He maintains early daily contact with the CPD and is familiar with the intent and operation of AAFLI's activities.

U.S.A.I.D. involvement was less frequent, but given the rapid expansion of AAFLI's membership services, contact between these two organizations is increasing. According to the mission, AAFLI "appeared as a blip on our radar screen about three years ago" when it "started getting into things A.I.D. does." As AAFLI moved outside its traditional area of expertise, the U.S.A.I.D. picked up "grumblings" from other PVOs who complained that AAFLI was conducting programs identical to theirs, but was not subject to the same review and budget restrictions. These general concerns were rapidly compounded last year when AAFLI/P requested \$2.3 million of supplemental funding for programs which, in the U.S.A.I.D.'s opinion, raised a number of technical design and management questions.

The mission was quick to note that it "recognized the utility of investing in the least left part of the labor movement;" however, the mission had reservations whether or not "generalized development projects are the best way to reach this goal." Furthermore, the mission contended that developmental activities must be able to withstand technical scrutiny; improperly designed development projects not only fall short of objectives, but actually cause harm by creating dependencies, disincentives, etc.

The Embassy disagreed with the mission's assessment of the situation. The LABATT — believing AAFLI programs were "reasonably well-managed, productive, and probably cheaper than other A.I.D. projects," — responded to the technical issues raised by the U.S.A.I.D. He concluded that from the development perspective alone, the AAFLI program is a success. Adding the political benefits of supporting a democratic center through the TUCP, the LABATT considered AAFLI a prudent investment: "Even if it had cost \$5 million, it would have been bargain basement."

The team recognized that the political implications and benefits of the AAFLI program are indeed much more evident in the Philippines than in the other countries it visited. The alternatives -- the KMU, Christian Democrats, etc. — are more clearly defined; the battleground -- the certification elections -- are identifiable; and the costs to the government, the unions and the members are quantifiable in everything from election results to death threats. The TUCP has also recognized their responsibility in promoting that democratic center, and has taken several politically astute steps and applied AAFLI support toward that goal.

Given the respective orientations of the U.S.A.I.D. and the Embassy, certain differences of opinion are inevitable. However, their interests are not incompatible. Inasmuch as many AAFLI/P activities are development programs serving multiple objectives, they should indeed be able to withstand review on basic development grounds, i.e., need, soundness of design, sustainability, etc.

Consideration of the political aspects cannot be forgotten, nor should they be overriding. Even purely political purposes will be better served if the programs are better designed. A failed cooperative or health program will not convince anyone to join or remain with the sponsoring union. If laborers are as fickle as AAFLI asserts in justifying continued membership service and maintenance activities, then AAFLI, the Embassy and the recipients should welcome U.S.A.I.D.'s technical assistance to review programs, offer suggestions, and cull the historically unsuccessful programs.

U.S.A.I.D. involvement need not be heavy-handed, but merely follow the consultative process outlined in the recommendations and witnessed in Indonesia.

The new AAFLI/P CPD has just been transferred from their Indonesia program. He plans increased U.S.A.I.D. consultation, and a thorough review of current AAFLI/P programs. The team found his candor, management style and reputation from Jakarta to be quite helpful, and expects to see that good cooperation between AAFLI, U.S.A.I.D. and the LABATT will be carried over to Manila as well.

IV. CONCLUSIONS AND RECOMMENDATIONS

In general, the team concludes that AAFLI's field programs are relatively low cost, well run, and achieving substantial impact in strengthening free labor movements in the countries visited. At the same time, some activities are tangential to AAFLI's primary purposes, administrative costs are high, and improvements are needed in several areas. Specific conclusions and recommendations related to AAFLI's central activities or applicable generally to the countries visited follow.

A. Management

AAFLI field staff prepare frequent reports for headquarters, beginning with Daily Activity Reports (DARs), telephone memcons, etc. Financial records and some country-program activities are subjected to similarly close scrutiny. The team was told that DARs and annual reports cover their evaluation requirements. While the DARs may serve some internal control purposes, they are merely reporting documents. The analytical process that moves this data collection from an auditing exercise to useful evaluation is lacking. Also noticeably absent from the CLPs are clearly identifiable evaluation plans.

While the CLP Workbook features a section on evaluation, it may leave CPDs with the impression that evaluations are not worth their cost. At the least, it does not give significant weight to the benefits that proper assessment can bring to improving program design.

The content of data currently collected is not the only issue; the review and usage of it also raises concerns. Micro-management of AAFLI field programs by AAFLI headquarters is not useful in terms of support, monitoring or evaluation. Nearly every professional in the AAFLI/W office reads these daily and weekly reports; some of that time could undoubtedly be better spent addressing deficiencies in program design, planning and funding.

Recommendation 1: AAFLI should consider dropping the requirement for Daily Activity Reports. Periodic, thoughtful reporting about what impact the programs are having would be more useful than daily recitations of phone conversations and news articles.

Recommendation 2: Concurrently, A.I.D. should review past guidance given to AAFLI and determine current requirements based on usefulness to programming and decision-making processes.

Recommendation 3: A.I.D. should require that AAFLI grant proposals include a formal evaluation plan and provide for needed technical assistance in evaluation.

AAFLI maintains a relatively costly and top-heavy headquarters staff, at the expense of program activities. When headquarters staff was reduced, experts (i.e., training and education specialists) were let go, rather than administrators.

The cost of this administrative structure comes at the expense of field operations or enhanced expertise throughout the organization. The cost of one less person reading daily activity reports, for instance, could make a

considerable difference in the number of tea gardens reached in Bangladesh or training programs conducted in Thailand.

It is difficult to correlate staff positions with AAFLI's organizational chart and there are no written position description or performance indicators.

Recommendation 4: AAFLI should reorganize to reduce headquarters administration currently in excess and provide technical capacity currently lacking. As a result, AAFLI personnel ceilings, and concurrent costs, should be reduced.

Recommendation 5: The AFL-CIO should explore merger of the three AFL-CIO institutes to save overhead and further reduce administrative duplication.

Recommendation 6: In accordance with universally accepted management practices, AAFLI should develop position descriptions for all personnel, set performance indicators and establish a system of regular performance evaluation.

A.I.D. management of its grant support to AAFLI has been weak, both in the ANE Bureau and at the field Missions. Direct management in ANE has been handled outside of the normal operational levels and has suffered in consequence. Fueled by the nature and outdated perceptions of AAFLI activities (a centrally funded participant training program), missions stand to be surprised by growing membership service programs, which are in many cases identical to the U.S.A.I.D.'s on-going PVO projects. Of the four Missions visited, only Indonesia had substantial knowledge of AAFLI activities and a regular, albeit limited, pattern of consultation. As a result, Missions were not aware of AAFLI activities which offered opportunity for collaboration or synergy and did not provide guidance which might have improved AAFLI's programs.

Recommendation 7: A.I.D. Project Officer responsibility for the AAFLI grant should be transferred to a line officer in an office with regular responsibilities and established procedures for project management, e.g., the PVO Liaison Officer in ANE/TR.

Recommendation 8: At minimum, the U.S.A.I.D. Indonesia model of consultation should be adopted by all Missions with AAFLI programs. Specifically, this would involve an annual review of strategy (including all relevant officers -- training, PVO, health, etc.) to see if AAFLI plans are consistent with Mission policies and objectives and to avoid surprises. This enhanced oversight is increasingly necessary as AAFLI expands its membership services activities, which resemble other PVO programs and should be reviewed accordingly for soundness of design, cost effectiveness, etc.

AAFLI's current reporting to A.I.D. consists of an annual progress report and an annual financial report, both on a calendar year basis. The period of these reports does not coincide with AAFLI's fiscal year (which begins April 1), thus making it difficult to correlate them with the program plans and budgets which are the basis for funding. In addition the reports arrive in A.I.D. too late to be used in making current funding decisions.

Recommendation 9: A.I.D. should adjust its reporting requirements to call for semi-annual reports geared to AAFLI's fiscal year.

The reports (progress and financial) for the period ending September 30 would be more significant for A.I.D.'s purposes. The following sequence would allow A.I.D. to make an informed funding decision and process funding for the following year by the beginning of AAFLI's fiscal year:

- October-November: CPD prepares country level reports and CLP for the following year; strategic review with the Mission.
- December: Reports and CLPs reviewed at AAFLI headquarters.
- January: AAFLI/W consolidates reports and CLPs and submits to A.I.D. with funding request.
- February-March: A.I.D./W reviews AAFLI proposal and contracts office processes grant.
- April 1: AAFLI fiscal year begins.

Recommendation 10: Beginning in FY 88, A.I.D. should prepare a multi-year agreement with AAFLI, i.e., three years. New grants would be negotiated every three years, with the possibility for amendments on the interim.

B. Costs and Funding

Program costs of AAFLI field activities are generally modest. However, some 60% of A.I.D. funds go to maintain AAFLI's headquarters and field offices. While field staff perform functions besides administering program activities, administrative costs are still relatively high.

With the (temporary) exception of substantial funding from the NED, AAFLI is almost totally dependent on funding from A.I.D./Washington. Funds provided by the AFL-CIO, the only source other than the U.S. Government, covered less than 3% of AAFLI's budget over the last four years.

AAFLI programs are represented to the cooperating country labor movements as programs of the AFL-CIO and an expression of fraternity by the U.S. labor movement. The team saw few signs of credit to A.I.D. for its funding role and, in at least one case, local labor officials were openly puzzled about A.I.D.'s role in evaluating the program. The inconsistency between representation and reality as to the major source of support poses risks to AAFLI's credibility.

Recommendation 11: In addition to measures to reduce headquarters administrative costs recommended above, AAFLI should seek -- and A.I.D. should insist on -- increased funding from sources other than A.I.D. In particular, since the AFL/CIO gets major credit, it should put up a more significant share of the resources. This trend should be reflected on the multi-year planning documents and verified in the annual reports.

Recommendation 12: Given A.I.D. budget constraints, A.I.D. funds provided to AAFLI should be targeted to a smaller number of priority countries. At a minimum, AAFLI should be required to adhere to current A.I.D. policy restricting use of A.I.D. funds to "A.I.D.-assisted" countries as identified in the Congressional Presentation, and funding for Korea should be phased out.

Recommendation 13: As long as A.I.D. funds more than 50% of AAFLI's program costs, A.I.D. should require AAFLI to a) inform recipients that funding is from A.I.D.; and b) include A.I.D. in credits given in printed materials or placards marking buildings and equipment provided with A.I.D. funds. (This requirement could be waived when circumstances warrant.)

Recommendation 14: Before additional A.I.D. funds are disbursed, ANE should require a complete pipeline analysis of all AAFLI funds, to determine funding availabilities.

AAFLI's current budget for headquarters costs provides for benefits at 49% of salaries. Especially in view of the relatively high salaries paid, this appears excessive.

Recommendation 15: A.I.D. should require an explanation of the benefits provided to AAFLI headquarters staff and justification of the budgeted amount, or appropriate revision.

C. Program Quality, Impact and Sustainability

The team concludes that AAFLI's support for training, research and publications contributed significantly to the strength and organizational capacity of free labor unions in the countries visited. Some member services activities, e.g., employee cooperatives and credit unions, also contributed to this core objective of the program. The effectiveness of other member services projects is not as evident.

AAFLI has undertaken community health, agricultural and other projects benefitting workers' families or communities in all countries visited. However, the range of such activities was greatest in the Philippines, where a much larger program was made possible by NED funding and subsequent supplemental A.I.D. funds. Besides being of more questionable value in building union strength, technical and design flaws in some of these activities demonstrate the risks of expanding into areas in which AAFLI has no special competence. A.I.D. personnel expressed concern that AAFLI projects which are similar to other A.I.D. funded activities are not consistent with A.I.D. policies, e.g., with regard to credit.

Recommendation 16: AAFLI should focus only on key interventions in areas in which it has expertise, taking care that it does not lose focus on labor, which is its area of unique competence. The criteria of an identifiable labor focus should be employed by AAFLI on its review of C/Ps and by A.I.D. in its review of the overall AAFLI proposal.

Recommendation 17: A.I.D. should make it clear that its policies apply to AAFLI's A.I.D.-funded activities and, as necessary, brief AAFLI management and CPD's on these policies and procedures.

The team found some AAFLI-initiated activities continuing without current AAFLI support. On the other hand, the team also found AAFLI beneficiaries in each country who said the possibility of local contributions or eventual self-financing had never been discussed with them. Most of the activities the team saw continued to receive AAFLI funding and local labor movements would be able to sustain only the most valued of them, and at a reduced level, if AAFLI support is withdrawn.

Although discussed in the CLP workbook, in practice, planning for phase-over to full local responsibility for specific activities appeared vague at best. For instance, in Manila, AAFLI said it had "phased over" the salary support of 33 employees. Although these people are now technically on the "TUCP payroll," their salaries, in fact, remain fully-funded by A.I.D. This does not fulfill the intention of phasing over. Continued full support by AAFLI (read A.I.D.) breeds dependency, is unrealistic given budget constraints, and limits prospects for replication and sustainability.

Recommendation 18: AAFLI should insist that the design for each activity include, at the outset, a clear plan and timetable for the local organization to take over full responsibility for funding and management. Local ability to finance recurring costs (including costs for staff and technical experts) should be a criterion for project selection.

Recommendation 19: Concurrently, A.I.D. in reviewing AAFLI country plans, should insist on a clear strategy for phase over and program sustainability as a requirement of the CLPs.

V. ANNEXES

A. Evaluation Scope of Work

B. Bangladesh

1. Places, Institutions and Persons Visited
2. Evaluation Team Itinerary
3. Country Debriefing

C. Thailand

1. Places, Institutions and Persons Visited
2. Evaluation Team Itinerary
3. Country Debriefing

D. Indonesia

1. Places, Institutions and Persons Visited
2. Evaluation Team Itinerary
3. Country Debriefing

E. Philippines

1. Places, Institutions and Persons Visited
2. Evaluation Team Itinerary
3. Country Debriefing

F. Washington, D. C.

1. Places, Institutions and Persons Visited

A. Evaluation Scope of Work

1. Background

The Asian American Free Labor Institute (AAFLI) was established in 1968. Since that time, A.I.D. has supported AAFLI programs in East, South and Southeast Asia, and the Middle East. The overall goal of the Institute's program is to strengthen free labor unions. The Institute's activities emphasize the establishment of labor movements in cooperating countries to protect workers' interests and to contribute to economic progress and national development. The Institute's primary activities are the following:

Training - Educational programs are sponsored to train officers and rank-and-file members of labor organizations in labor union organizing methods, techniques, and operating procedures.

Service Delivery - Social and developmental programs have been designed to improve the lives of union members and their families and have included immunization programs, cooperative development, vocational training, community centers, and workers' health clinics.

Humanitarian Assistance - Humanitarian assistance is provided to victims of natural disasters, such as, medical equipment, food, clothing, or other trade union needs.

2. Purpose

The purpose of this evaluation is to assess the management, relevance, program effectiveness, and impact of the Asian American Free Labor Institute. This information will be used to guide A.I.D.'s future AAFLI-related programming decisions.

3. Approach and Methodology

The evaluation will be conducted in four of the six countries in which AAFLI programs are implemented on a bilateral basis: Indonesia, Philippines, Thailand, and Bangladesh. The full team will spend three days in Washington, D.C., to review the scope of work, plan work assignments, and interview A.I.D. and AAFLI staff. The team will then spend approximately one week in each of the countries specified above to review program documents and interview specified above to review program documents and interview A.I.D., Embassy, and AAFLI staff, as well as local beneficiaries of AAFLI programs. The team should interview at least 10-15 training program beneficiaries and 10-15 service delivery or social program beneficiaries, in each country, to assist in determining program effectiveness and impact as perceived by program beneficiaries. To the extent possible, the team will gather quantitative and qualitative information and use this information in answering the questions outlined below. For each country, the team will review the AAFLI annual report and other documents to identify specific country activities. The team will then determine through interviews and document review whether these activities have effectively achieved the country objectives set forth in the annual report.

4. Questions the Evaluation Team will Answer

The evaluation team will answer the following questions:

a. Country Programs

1. What types of projects and programs are conducted by AAFLI in each country?
2. Since 1980, what have been the annual A.I.D.-supported budget levels for the major categories of activities in each country?
3. What has been the total amount of A.I.D. funding in each country for AAFLI programs since the Institute's inception? What has been the total amount of funding provided for each major category of program activity (e.g., training, service delivery, humanitarian assistance, or other?) since the program's inception in each country?
4. How have political and economic developments in these countries over the years influenced or affected these programs?
5. How are AAFLI programs regarded by the host government, A.I.D. staff, and the Embassy?
6. How does the AAFLI program relate to the country's priority development needs?

b. Program Management

1. To what extent is Bureau and Mission guidance for the selection and implementation of AAFLI programs comprehensive, useful, and up-to-date? What A.I.D. or AAFLI criteria are used to select AAFLI country activities?
2. What has been the nature of the ANE Bureau's involvement in the AAFLI programs? To what extent has the ANE Bureau been effective in monitoring and backstopping these programs?
3. Is the A.I.D. mission or the embassy the locus for monitoring the AAFLI program? What are each office's views on the locus of program monitoring responsibilities? What are the team's views?
4. Is A.I.D./Embassy monitoring of the AAFLI program conducted regularly? How is this done? Should any modifications be made in monitoring procedures?
5. How does program costs compare with those of similar activities conducted by other U.S. organizations operating in country?
6. Are AAFLI progress reports submitted to A.I.D./Embassy regularly to facilitate timely program monitoring? Are AAFLI progress reports useful as a management tool?

7. How do AAFLI activities relate to the A.I.D. program? Is there effective complementarity? Are policies consistent or competing (e.g., interest rates)? Are opportunities for synergy taken or missed?
8. Is monitoring and evaluation of the program by AAFLI staff conducted regularly? How is this done? Are evaluation reports comprehensive and objective? Are they used in program management? Should any modifications be made in AAFLI program monitoring and evaluation?
9. In each country, and overall, how does the ratio of funds expended for administrative costs vs. funds expended for program costs compare with other A.I.D.-recipient organizations? As indicated in the December 31, 1985, AAFLI progress report, are expenditures for fringe benefits, allowances and travel and transportation at an acceptable level vis-a-vis program expenditures? Should any modifications be made?
10. Is the program consistent with A.I.D.'s women in development policies? What are the gender breakdowns of local staff, of U.S. and third country trainees, of in-country trainees, and of other beneficiaries?

c. Program Effectiveness and Impact

1. Is the technical design of AAFLI training, service delivery and humanitarian assistance programs satisfactory? Should technical designs be improved? How should this be done?
2. Based on interviews with beneficiaries of training, service delivery, and humanitarian assistance programs, are AAFLI programs achieving their stated objectives?
3. Based on interviews with mission and embassy staff, are AAFLI programs achieving their stated objectives?
4. Is there any other available evidence which documents the ways in which AAFLI programs are achieving their objectives?
5. What have been the major program successes? Which of the three areas of program activity — training, service delivery, and humanitarian assistance — shows evidence of greatest effectiveness? Which, if any, of these areas are deficient, in terms of achieving program objectives? What should be done?
6. What specific features of sub-project design, management or implementation contributed to or inhibited country program effectiveness and impact?
7. Have there been any unanticipated effects -- positive or negative -- of AAFLI programs?

8. Is there any evidence that AAFLI country activities have been sustained and/or replicated after AAFLI funding was terminated? What factors have been important in either causing or preventing this from occurring?
9. Overall, what impact has the AAFLI program had on labor unions in each country? What evidence exists which would demonstrate that AAFLI programs are achieving their goal of strengthening free labor unions? What evidence exists that the training programs have had an impact on improving labor's performance in such areas as grievance administration, contract negotiation, and obtaining increased benefits and services? What evidence exists that the service delivery and humanitarian programs have had an impact on the socioeconomic conditions of union members? The evaluation team should analyze the impact of the AAFLI program in each country. To the extent possible, all statements about program impact should be supported by evidence gathered by the team.

d. Program Implications

1. Has the provision of A.I.D. funds to the AAFLI program represented a sound and effective use of Agency resources?
2. What "lessons learned" can the team identify for A.I.D. and AAFLI to improve future programming decisions?

e. Recommendations

1. What recommendations would the evaluation team make to improve the AAFLI program as a whole and to improve the management, effectiveness and impact of AAFLI country activities? The recommendations should be listed in order of priority.

5. Team Composition

The team will be composed of three persons:

1. A senior specialist with expertise in development management and administration;
2. A senior A.I.D. representative from the Asia and Near East Bureau;
3. An international development specialist with expertise in labor union activities and development; and
4. PVO person.

6. Reporting Requirements

The team will meet with AAFLI and A.I.D./Embassy staff prior to departure from each country and will present a 2-3 page outline of their major findings and recommendations. The team will take into consideration any suggestions/comments made by A.I.D./Embassy or AAFLI staff on this outline.

Upon their return to the United States, the team will draft the report, and the team leader will take responsibility for weighing and assessing the findings and conclusions of the field investigation. The main body of the report will not exceed 35 pages. This section will present the team's response to the questions outlined above. It will be an analytical overview of the relevance, management, effectiveness, and impact of AAFLI programs. To the extent possible, all findings and conclusions should be supported by empirical information, and the data sources should be clearly specified in the report.

The team will also prepare an annex for each country program. Each country program annex will specify budget levels and program activities, as well as provide a summary and critique of individual program activities.

The team will also prepare the Evaluation Summary in conformance with ANE Bureau guidance.

The team will send the proposed final report to the respective missions and AAFLI U.S. headquarters and country representatives for comments approximately six weeks after their return to the United States. The team shall have the final report ready for distribution approximately three weeks after receiving all mission and AAFLI comments. It is the responsibility of the team leader to ensure that the final report is completed in a timely and professional manner.

B. Bangladesh

1. Places, Institutions and Persons Visited

AAFLI -- Donell Newsom, Country Director

Embassy/Mission

Ambassador

Gary Cook, Deputy Director of Population and
Health Office

John L. Berntsen, Labor Reporting Officer

Leonard Maynard, Training Advisor

M. Abdul Ghafood, Chief Training Officer

Union Officials

M.A. Ahad, President BFTUC

R.P. Boonerju, Vice President BFTUC

Anisuddin Khan, Secretary-General BFTUC

Mohammed Shafi, General-Secretary BSA

Others

Six shop owners/managers who employed apprentices in Chittagong
Eight staff members at the Chittagong project, including home
visitors, doctors, and the apprenticeship coordinator

Twenty-person delegation from Srimangal project, including coordi-
nator, doctor, livestock expert, home visitor, union officials,
and members

2. Evaluation Team Itinerary

Monday, February 9

AM Arrived Dhaka from London.

PM U.S. Embassy meeting with John L. Berntsen (political/labor reporting officer) and A.I.D. representatives for general orientation

Tuesday, February 10

AM Flight to Chittagong

Tour of Bangladesh Free Trade Union Congress (BFTUC) clinic and apprentices' dormitory. Interviewed BFTUC project leaders and the apprenticeship coordinator.

Visited nine apprentice work-sites and interviewed owner/managers and apprentices.

PM Visited and interviewed 12 members and leaders of Bangladesh Seamen's Association including Mohammed Shafi, General Secretary.

Visited BFTUC clinic and interviewed doctors, medical consultants, medical field workers.

Return Flight to Dhaka.

Wednesday, February 11

Visited AAFLI office and interviewed Country Director Donell Newsom and Kenneth Hutchinson, AAFLI/Washington.

Interviewed three top leaders of Bangladesh Free Trade Union Congress:

M.A. Ahad, President
Anisuddin Khan, Secretary General
R.P. Boerja

Interviewed 17 representatives of the BSCU (Tea workers union) about their project in Srimangal including doctor, consultants, project director, workers/union members.

Thursday, February 12

AM At the American Embassy, met A.I.D. representative and John Berntsen (political/labor reporting officer) to discuss team's preliminary findings.

Met with U.S. Ambassador for the same purpose.

Departed Dhaka for Bangkok.

3. Country Debriefing

AAFLI EVALUATION

Bangladesh: February 9-12, 1987

In-Country Methodology: In Bangladesh, the team has interviewed AAFLI/B, AAFLI/W, U.S.A.I.D. and Embassy personnel, along with direct participants/beneficiaries of the AAFLI-sponsored programs, including BFTUC leaders, members and leaders of individual unions, participants in and graduates of apprenticeship programs, medical consultants and field workers, etc. Participants from the Srimangal project were interviewed in meetings at AAFLI's Dacca office, while members of the Chittagong project were interviewed on location at various project sites during a field visit to Chittagong. Questions were directed to assess the design, management, effectiveness and impact of the AAFLI/B program.

AAFLI's program in Bangladesh is focused in two areas: training and membership services.

Training: As a result of AAFLI's training programs, the team observed:

- Union leaders able to articulate concepts of free and democratic labor.
- Training seminars, no longer dependent on AAFLI except for small amounts of financial support.
- Evidence of success of these programs in terms of more effective collective bargaining.

Membership Services: State of development of MSP differed significantly between older, single union (BSCU) Srimangal project and newer, multiunion Chittagong project. Nonetheless, there are similarities:

- Apprenticeship Program: Successful placement of graduates (135 of 144 in Srimangal, all 46 first-year graduates in Chittagong) leads to conclusions:
 - There are jobs for semi-skilled workers.
 - There is room for expanding the program.
- Health Program: In both programs there is a heavy emphasis on preventive medicine (nutrition education, sanitation, etc.). Both feature a family planning component, M.S. support and guidance, and Door-to-Door contact with union members. Particularly among the remote tea gardens, there does not appear to be duplication of services (from employers, government, PVOs, etc.) major conclusions include:
 - MSP has not taken advantage of nor fully explored possibilities for linking to supporting structures, e.g, government/A.I.D. immunization programs.
 - While there are nominal fees charged, the program faces recurring cost/sustainability problems as designed.

In the more established Srimangal program, MSP includes a community development component, offering training, capital and/or loans for a variety of activities: kitchen gardens, bamboo crafts, sheep/poultry/bee raising. These activities are seen as integrated with the health/nutrition projects.

Overall, there is evidence that the member services projects have served union interests. The projects have, for example, led to:

- Some direct indoctrination in trade union concepts in the apprenticeship program (even if trainees don't go into unionized professions); and
- Increased union membership in service areas.

C. Thailand

1. Places, Insitutions and Persons Visited

AAFLI -- Phillip A. Fishman, Country Director

Embassy/Mission

John Erickson, A.I.D. Mission Director
David E. Jensen, First Secretary - Economics
Lee Bigelow, First Secretary - Economics
Roger Montgomery, Economist

Thai Department of Labor

Chamnarn Potchana, Director-General

Union Officials

Panit Charoenphao, General-Secretary TTUC
Niwat Nakasuwan, Vice President TTUC
Piyachate Klaewklard, Labor Protection TTUC
Nikom Tengyai, Organizer TTUC
Vichai Thwowonchinda, Vice President LCT
Thanong Pidhiarm, President LCT
Rangsan Chanpong, General Secretary LCT
Somplern Sirisa-ard, Vice President LCT
Sombat Arsarod, Vice President LCT
Minit Rerngjak, Vice President LCT
Lop Pokasem, Vice President LCT
Narong Kojirapan, Vice President LCT
Vasana Pitaksap, President of Kurabo Workers Union
Surat Iamwangpeng, General Secretary of Kurabo
Workers Union
Piyachate Klaewklard, President Kurusapha Business
Organization Workers Union

2. Evaluation Team Itinerary

Thursday, February 12

PM Arrived Bangkok

Friday, February 13

Discussions at AAFLI office
Visit to Thai Kurabo Workers Union
Visit to Kurusapha Business Organization of Workers Union

Saturday, February 14

Visit to LCT headquarters
Observed training session
Visit to TTUC headquarters

Sunday, February 15

Team consultations

Monday, February 16

Discussion with Mission head
Visit to Thai Department of Labor

Tuesday, February 17

Noon Debriefing with Embassy/Mission personnel
Departure for Jakarta

3. Country Debriefing

AAFLI EVALUATION

Thailand: February 13-17, 1987

In-Country Methodology: In Thailand, the team has interviewed AAFLI/T, AAFLI/W, U.S.A.I.D. and Embassy personnel along with direct participants/beneficiaries of AAFLI-sponsored programs including LCT and TTUC leaders, members and leaders of individual unions, and participants in training programs and credit unions. The team observed an AAFLI-sponsored training session, interviewed Thai Department of Labor officials, and reviewed written materials. Questions were directed to assess the design, management, effectiveness and impact of the AAFLI/T program.

AAFLI's program is focused in two areas in Thailand: Training (90%) and membership services (10%).

Training: As a result of AAFLI/T's training programs, the team observed:

- Union leaders able to articulate concepts of free and democratic labor;
- Seminars, no longer necessarily dependent upon AAFLI's exclusive financial support;
- Trained adult educators capable of conducting training seminars;
- Useful training materials and a capacity to modify them and develop others; and
- Evidence of programmatic succession terms of more effective collective bargaining and a permanent establishment of the labor movement.

Membership Services: Although the major emphasis of the AAFLI/T program has been on training, membership services have produced these results:

- A number of successful credit unions operating on behalf of local union members;
- A group of credit union experts who volunteer to establish and assist new credit unions; and
- A recently-organized project to assist a local union with a primary health care program for union members and local residents living in glum conditions.

Conclusions: Overall, there is evidence that AAFLI's programs have fulfilled their goals by:

- Increasing union membership and union impact to the point where attempts to eliminate the Thai Labor Movement would not now be successful;

- A continuing high demand for membership training seminars; and
- Labor leadership taking actions to replace AAFLI funds (through a fundraising concert, higher dues, building fund investments, etc.).

D. Indonesia

1. Places, Institutions and Persons Visited

Jakarta

U.S. Embassy

Peter Dodd, Labor Attache
Ambassador Wolfowitz

USAID

William Fuller, Director
Robert Pooley, Chief, Voluntary and Humanitarian Programs
David Nelson, VHP
Tim Mahoney, PRO (Evaluation Officer)
Tendy Mainardi, VHP

AAFLI/I

Donald Phillips, Country Program Director
Butje Nalle
Djufni Ashary
Inocentius Pango, C.D. Assistant

SPSI Headquarters

Imam Sudarwo, Gen. Chairman
Bomer Pasaribu, Chairman for International
Mulyadi, Chairman for Education
Taheransyah Karim, Chairman for Social and Culture
Arief Sumadjie, Gen. Secretary
Marzuki Achmad, Asst. Gen. Sec. for International
Wilhemus Bhoka, Asst. Gen. Sec. for Industrial Rels.
Mrs. Sofiaty Muryono, Asst. Treasurer
Pudja, reporter for Media Pekerja

Cirende Plantation

J. Borrel, Plantation Manager
M. Djaldjuli, Sec. of the DPC SPSI (Branch Executive Board)
Sukabumi
Kosasih, SPSI local chairman
Acep, Chairman of the local union thrift shop
Some 14 workers

2. Evaluation Team Itinerary

Tuesday, February 17

PM Arrive in Jakarta; team met by U.S.A.I.D. representative;
Labor Attache, and AAFLI Country Director

Wednesday, February 18

Briefings at U.S.A.I.D. and Embassy
Meeting with AAFLI/I Staff at AAFLI Office, and lunch with
AAFLI staff.
Meeting at INKOPKAR offices with former FBSI Chairman Agus
Sudono and former Plantation Workers President Sukarno
Courtesy call on Ambassador Wolfowitz
Dinner at Labor Attache's residence.

Thursday, February 19

Breakfast meeting with SPSI leaders at Kartika Plaza Hotel
Participate in opening of SPSI symposium on Labor Laws at
Kartika Plaza
Travel by car to Sukabumi, Cirende Plantation; meet with
local labor officials, plantation manager, and workers;
see community development activity; lunch at plantation;
return to Jakarta
Dinner in honor of anniversary of FBSI/SPSI at Gedung Granada

Friday, February 20

Draft preliminary report for debriefing
Debrief LABATT, U.S.A.I.D., and AAFLI/I
Lunch with SPSI leaders at SPSI headquarters (anniversary
lunch)

Saturday, February 21

AM Depart Jakarta for Manila

3. Country Debriefing

AAFLI EVALUATION

Indonesia: February 17-20, 1987

In-Country Methodology: In Indonesia, the team interviewed AAFLI/I, AAFLI/W, U.S.A.I.D. and Embassy personnel, along with direct participants/beneficiaries of the AAFLI-sponsored programs, including SPSI leaders and members, former FBSI leaders now involved in INKOPKAR, and union local leaders and members at Cirende Plantation. Questions were directed to assess the design, management, effectiveness and impact of the AAFLI/I program.

AAFLI's program in Indonesia is focused in two areas -- training and membership services.

Training: Emphasis on Pancasila industrial relations in Indonesia influences the training supported by AAFLI and the way union leaders articulate labor union concepts. There was evidence of a capacity within the union movement, including a small cadre of trained trainers, to conduct training with dependence on AAFLI limited largely to financial support.

Evidence of impact includes dramatic growth in the number of collective labor agreements (CLAs), while union leaders acknowledged the need to improve both the substance of the training and the quality of the CLAs (i.e., benefits to members). There has also been a similar large growth in local union branches.

Membership Services: Membership services include cooperatives, credit unions and small scale community development activity. The example of the latter seen by the team at Cirende Plantation had only received AAFLI support for a few months, but workers were already benefiting and activities were within the means of local groups to sustain and replicate.

Other features of AAFLI's program which do not neatly fit the two above categories include support for research and institutional strengthening. The research activity is especially important in the collective bargaining process under Pancasila. Other AAFLI activities such as support for a newsletter, general technical assistance and guidance, and identification with a respected international labor movement help strengthen the Indonesian movement.

Of the countries visited so far, Embassy and U.S.A.I.D. relationships and involvement in the AAFLI program seem most appropriate and may be a model for the rest of the region.

E. Philippines

1. Places, Institutions and Persons Visited

Metro Manila

U.S. Embassy

James Murphy, LABATT
Richard Holmes, Political Officer

USAID/Manila

Fred Schieck, Mission Director
John Blackton, Deputy Mission Director
Bryant George, Director of FFPVC Office
Beatrice Beyer, Program Office

AAFLI/Philippines

Tom Riley, Country Program Director
Ken Phillips, Program Officer
Charito Villaflor, Program Officer

Philippines Government: Department of Labor and Employment

Franklin Drillon, Secretary
Nieves Conferros, International Affairs

Trade Union Congress of the Philippines (TUCP)

Cedric Bagtas, Assistant General Secretary
Eufronio Capangpangan, Director, Finance Department
Zoilto Dela Cruz, Jr, Treasurer
Temistocles Dejon, Executive Board, WATU
Jesus Diamonon, General Council PACIWU
Roberto Flores, Executive Board, FFCEA
Ernesto F. Herrera, General Secretary
Eulogio Lerum, Jr., Executive Board, NLU
Jeremias Montemayor, Executive Board, FFF
Leonardo Montemayor, FFF
Raul Montemayor, FFF
Adelisa Raymundo, NATOW/PAFLU
Elisa Resurrection, PHC Program Coordinator
Jaime T. Rincal, Executive Board, NAFTU
Henry Santos, General Council, PCWF
Jose UMalí, Jr., Executive Board, NUBE
Alejandro Villaviza, Executive Board, PFL

Cebu

ALU-TUCP Officials

Dr. Raul P. Alcaez, National Director, Health Services
Alfredo Buenaventura, Managing Director, Broadcast Production and Training Center
Homer Cabaral, Operations Director, Central Visayas Regional Office
George D. Carlos, Station Manager, Radio DYLA
Dr. Bella Gambito, Director, Health Services Department, CVRO
Democito T. Mendoza, National President, ALU and TUCP
Teofanio C. Nunez, Regional Vice President, Central Visayas Region
Ricardo I. Patalinjug, National Director, Education and Information
Fr. Tarcisio M. Pono, National Chaplain
Cerge M. Remonde, Executive Assistant
Cecilio T. Seno, National Executive Vice President
Gerard R. Seno, Director, Education and Information Department, CVRO
Januario T. Seno, National Executive Vice President
Januario V. Seno, General Manager, Associated Multi-Purpose Cooperative (AMCI)

ALU-TUCP Primary Health Care Program, Cubacub, Mandaue City

Remedios Flores, President
Erlinda Flores, Vice President
Patricia Nuez, Secretary
Barbara Sepe, Treasurer
Vivian Bejer, Assistant Treasurer
Aurora Posas, Auditor
Carmen Pino, PRO
Lucila Manayaga, Sergeant at Arms
Lolita Famor, Sergeant at Arms
Rosalina C. Relatores, BSN RN, Advisor
Luz J. Batayola, BSN RN, Advisor

Davao

Associated Labor Unions (ALU) Officials

Flor Cabatingan, Regional Vice President for Southern Mindanao
Didi Nunez, Education Director for Southern Mindanao

Associated Trade Unions (ATU) Officials

Jorge Alegarbes, President
Dolores Alegarbes, Education Officer
Roberto Rapisora, Sr., Collector/Investigator

ATU-LEADS Program Participants

Meat Section, Toril, Davao City

Gloria Mara	Ursilina Paguyan
Rosita Siagan	Nilia Lacurda
Linda Campo	Susan Reyes
Ligaya Cruz	Rosalina Over
Olivia Maranto	Leticia Ramos

Rosabella P. Hinojales

Anatilda Trinidad, Refreshments, Toril, Davao City

Josephine Lozada, Carenderia and Cigarettes, Sta. Ana

Federation of Free Farmers Cooperatives, Inc. (FFFCI) Chapter Leaders

Buenaventura Granada, Chairman, DFFCI

Dioscoro Granada, Vice President for Operations

Aniano Darunday, Vice President for Education

Dionisio Sumiog, Board Member

FFFCI Participants

Charita Seguido

Melardo Sumiog

Ponferio Tuna

Sofunio Siletario, Jr.

Elpedio Cabanes

Paulia Monsanto

Ruperta M. Burlat

Angelina Saysom

Loterio Costillo

Josefina Clarin

Marilyn Tonocante

Vincenta M. Noblefranca

Jesus Movulin, Sr.

Dorninador Gamiro

Norma Sipin

C. Maligayo

Alfredo Granada

Martin R. Montana

Phoebe Rangon

Luis Castillo

Pedro Vieturdas

Emerinciana Atcala

A. Lamzon

Gutierrez Clarin

Gregaria Doratan

Rufo Huga

Anita Paraiso

Elena Malyan

Rogelio Mission

Gregario Suguyan

2. Evaluation Team Itinerary

Monday, February 23

Meetings with U.S.A.I.D., Embassy and AAFLI Officers at their respective offices
Luncheon with TUCP leaders
Inspection tour of TUCP Multi-purpose building

Tuesday, February 24

All-day Field visit to Cebu

Breakfast with ALU-TUCP officials; briefing at ALU offices; interviews with officers, organizers, PHC nurses, information staff and agriskills trainees; tour of ALU Central Visayas Regional offices, clinic and pharmacy, consumers outlets and radio station
Luncheon with ALU-TUCP officials
Visit to ALU PHC projects in Mandaue City and return to Manila

Wednesday, February 25

Overnight field visit to Davao

Meetings with FFFCI leaders; visit to FFFCI marketing complex and offices; discussions with cooperative members
Luncheon with FFFCI chapter leaders
Meetings with ATU-LEADS participants; briefing by ALU officers at ALU headquarters; visits to cooperative stores

Thursday, February 26

Return to Manila, preparation of debriefing report
Debriefings for U.S.A.I.D. and AAFLI/Embassy

Friday, February 27

Meeting with Labor Secretary Franklin Drillon

3. Country Debriefing

AAFLI EVALUATION

Philippines: February 23-26, 1987

In-Country Methodology: In the Philippines, the team interviewed AAFLI/P, AAFLI/W, U.S.A.I.D. and Embassy personnel, along with direct participants/beneficiaries of the AAFLI-sponsored programs at the TUCP headquarters. Participants in the ALU-TUCP programs (including primary health care nurses and doctors, agriskills participants, and ALU officials) were interviewed and observed on location in Cebu. Organizers, managers and beneficiaries of the FFF-TUCP cooperative program and the ATU-TUCP lending program were interviewed on location in Davao. Questions were directed to assess the design, management, effectiveness and impact of the AAFLI/P program.

AAFLI's program in the Philippines focuses on two priority areas -- training and membership services.

Training: As a result of AAFLI's training programs, the team observed:

- Union leaders able to articulate and defend concepts of free and democratic labor, in industrial and agricultural settings;
- Perhaps more importantly, leaders able to put into practice the skills they have learned through these training programs; and
- Ability to conduct, in-house, basic level training and refresher seminars no longer dependent of AAFLI except for small amounts of financial support.

Membership Services: This portion of the AAFLI portfolio is more diverse and expansive in the Philippines than in the other countries visited by the evaluation team. Selected activities observed by the team included:

Primary Health Care: Based on available information, the PHC program:

- Provides reasonably priced, door-to-door, community-based health services for key AAFLI-TUCP areas;
- Does not overlap with existing services in any negative way; in fact, PHC nurses are aware of rural health facilities and relate their activities to these;

- Has solid technical founding in that PHC nurses are fully certified receive additional training in PHC, and are backstopped by doctors/clinics in regional areas;
- Has reached, according to AAFLI's last mid-year report, 73,227 patients, and trained 1,997 volunteers; and
- Has a clear link to union activities (particularly membership recruitment/maintenance) through organizing assistance functions of the nurses.

However, the PHC program does have areas for improvement, most of which relate to the fact that there has been no attempt made to secure local funding (i.e. minimal fee-for-service, employer payment/contributions, etc.), despite union leaders' high priority for this program. The team is concerned about the questions of sustainability and dependency which arise under this formula.

Cooperatives: The team visited the Federation of Free Farmers (FFF) Cooperative in Davao which, it should be noted, appears to have been a viable, existing concern even before AAFLI assistance. However, AAFLI's support has been instrumental in a rapid expansion of the cooperative's activities, in the politically volatile Davao area. The cooperative's officers recognize the difficulties of accommodating a rapid increase in activity and has taken steps to adjust for and accommodate these problems.

Based admittedly on a single sample, the team believes solid cooperative enterprises can exist in the Philippines -- given proper conditions (being truly private and membership-based, having good leadership, etc.). As the U.S.A.I.D. undertakes its studies of cooperative movements in the Philippines - past, present and future -- it should include consideration of the FFF/AAFLI cooperative venture on the "success" side of the ledger.

Other Membership Services: The team observed only a small portion of the activities reported by AAFLI in their mid-year reports. "Others" observed included:

- An Agriskills project designed to provide loans and limited training to children/relatives of union members for new ventures in poultry/swine raising, etc.
- LEADS, a small-scale economic development activity providing loans to current small businesses (i.e., meat vendors) as an alternative to loan sharks.

Both programs suffer from some technical design flaws (which may be overcome in the LEADS program, although less likely in Agriskills). More importantly, this points to a larger issue for the AAFLI/P program: the need for AAFLI/TUCP to focus on a select number of services, and providing them well, rather than trying to do everything for all members.

The latter approach is unrealistic: in order to run successful programs in such a wide array of activities, AAFLI/TUCP would have to employ an equally large (and expensive) cadre of "experts" to design, manage and evaluate the programs. Neither AAFLI/TUCP has the budget to do this; nor do they have plans to make even the current programs at least partially self-sustaining. Even the recipients spoke of the downsides of expansion without a clear set of priorities and proper planning.

In short, AAFLI/P has several solid service programs which provide needed services in a professional manner and also serve union purposes. A priority of AAFLI/P should be tightening these programs, working out any remaining bugs in them (i.e., weaning TUCP away from dependence on nearly complete external support). New programs (i.e., Agriskills) should be evaluated against a set of pre-specified criteria (i.e., Meets union needs? Cost-effective vis-a-vis other AAFLI/TUCP programs? Shows potential for sustainability/replicability? Does TUCP have expertise in this area?) Before being initiated, those potential programs for which AAFLI has doubts should only be begun on a pre-defined trial basis, to avoid expectation of full external funding.

E. Washington, D.C.

Persons, Places and Institutions Visited

AID/W

Joe Esposito, SA/AA/ANE

Art Silver, ANE/DP

AAFLI/W

Charles Gray, Executive Director

Kenneth Hutchinson, Deputy Executive Director

Randall C. Gorton, Assistant to the Deputy Executive Director

Cathy Bolinger, Director of Finance and Administration

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ERRATA

The following errors appear in the text:

On page 17, a sentence was omitted from the fourth paragraph. It should read:

"... union membership (1,650), with management also participating. It has more than 19 million Baht capital and outstanding loans of over 32 million Baht (at 15% interest)."

On page 17, a sentence was also omitted from the seventh paragraph. It should read:

"... TKC is a union of 815 members, of which 715 are women. The TKC board has 17 members, of which 8 are women."

On page 28, in the fourth paragraph, the number of Philippine CBAs should be 1,450 rather than 10,450.