

PD-ABG-835

15N 24142



U.S. AGENCY FOR
INTERNATIONAL
DEVELOPMENT

SEP 25 1992

Mr. Paul J. Somogyi
Executive Director
The Free Trade Union Institute (FTUI)
Room 705
815 16th Street, N.W.
Washington, DC 20006

SUBJECT: Grant No. CCS-0007-G-00-2075-00

Dear Mr. Somogyi:

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as "A.I.D." or "Grantor") hereby provides to the Free Trade Union Institute, (hereinafter referred to as "FTUI" or "Grantee") the sum of \$791,000 to provide support for its program in Democratic Pluralism Initiatives, as described in the Schedule of this Grant and Enclosure 2, entitled "Program Description."

This Grant is effective and obligation is made as of the date of this Letter and shall apply to expenditures made by the Grantee in furtherance of program objectives from September 28, 1992 through March 28, 1994.

This Grant is made to the Grantee on condition that the funds will be administered in accordance with the terms and conditions as set forth in Enclosure 1 entitled "The Schedule," Enclosure 2 entitled "Program Description," and Enclosure 3 entitled "Standard Provisions," which have been agreed to by your organization.

Please sign the original and all enclosed copies of this letter to acknowledge your receipt of the Grant, and return the original and all but one copy to me.

Sincerely,

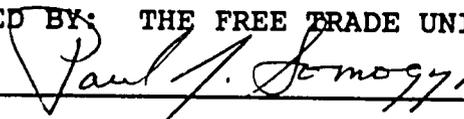


J. G. Kryschtal
Grant Officer
FA/OP/CC/N Branch
Office of Procurement

Enclosures:

1. Schedule
2. Program Description
3. Standard Provisions
4. Grantee's Proposal

ACKNOWLEDGED BY: THE FREE TRADE UNION INSTITUTE



TYPED (OR PRINTED) NAME: Paul J. Somogyi

TITLE: Executive Director

DATE: September 25, 1992

FISCAL DATA

PIO/T NO.: 110-0007-3-2662700
APPROPRIATION NO.: 72-112/31037
ALLOTMENT NO.: N/A
BUDGET PLAN CODE: WES2-92-36110-KG12
THIS OBLIGATION: \$791,000
TOTAL OBLIGATION: \$791,000
TOTAL ESTIMATED AMOUNT OF GRANT: \$791,000
TECHNICAL OFFICE: NIS/DIHR, Jeanne Bourgault
LETTER OF CREDIT #: 72-00-1687
TIN: 52-1087116
CEC NO.: 147-224-042
DOC #: 0277s

SCHEDULEA. Purpose of Grant

The purpose of this Grant is to provide support for the Grantee's program in Democratic Pluralism Initiatives in the New Independent States of the former Soviet Union. This is more specifically described in Enclosure 2 to this Grant entitled "Program Description," and the Grantee's proposal dated April 14, 1992, and as amended, which is incorporated in the Grant as Attachment no. 4.

B. Period of Grant

1. The effective date of this Grant is September 28, 1992. The expiration date of this Grant is March 28, 1994.

C. Amount of Grant and Payment

1. A.I.D. hereby obligates the amount of \$791,000 for purposes of this Grant.

2. Payment shall be made to the Grantee in accordance with procedures set forth in Enclosure 3 - Standard Provision, entitled "Payment - Letter of Credit."

D. Financial Plan

1. The following is the Grant budget, including local cost financing items, if authorized. Revisions to this budget shall be made in accordance with the Standard Provision of this Grant, entitled "Revision of Grant Budget" (November 1985).

Grant Budget

Moscow Institute	\$324,000
Kazakhstan Center	<u>467,000</u>
TOTAL	\$791,000

Notes to the Budget:

1. Pursuant to the Standard Provisions of this Grant entitled "Allowable Costs" and "Revision of Grant Budget," the Grantee shall obtain prior approval from the Grant Officer for the following: the purchase of "General Purpose Equipment," which is defined as an article of nonexpendable tangible personal property, the use of which is not limited to research, medical, scientific, or other activities (e.g., office equipment and furnishings, air conditioning equipment, reproduction or other equipment, motor vehicles, and automated data processing equipment; having a useful life of more than two years and an acquisition cost of \$500 or more per unit.

2. In furtherance of the foregoing, the Grant Officer does hereby provide approval for the following purchases of new equipment, which shall not be construed as authorization to exceed the estimated amount of this Grant.

<u>Item</u>	<u>Quantity</u>
Computers & associated software	6 ea.
Fax machines	3 ea.
Printers	4 ea.
Copy machines	3 ea.
Typewriters	3 ea.
High-speed duplicator	1 ea.
Video camera	1 ea.
Multi-system video player	1 ea.
Telephones & answering machines	2-3 ea.
Office supplies	various
Office furniture (desks, chairs, etc.)	various

3. When the purchase of additional automated data processing equipment (ADPE) or of an ADP system exceeds \$100,000, the Grant Officer's approval, in conjunction with a review of the proposed equipment by A.I.D./IRM, must be received prior to the purchase of such equipment. ADPE includes computers, printers, word processors, computer systems, software, or related services.

4. This Grant includes authorization for local cost financing, provided such financing falls within the legitimate needs of the program description applicable to this Grant and does not exceed the following limitations:

a. Procurement locally of items of U.S. origin up to a per transaction limit of the local currency equivalent of \$100,000.

b. Procurement locally of items of non-U.S. origin up to a per transaction limit of the local currency equivalent of \$5,000.

c. Commodities and services available only in the local economy (no specific per transaction value applies to this category). This category includes the following items:

1. utilities - including fuel for heating and cooking, waste disposal and trash collection;
2. communications - telephone, telex, fax, postal, and courier services;
3. rental costs for housing and office space;
4. petroleum, oils, and lubricants for operating vehicles and equipment;
5. newspapers, periodicals, and books published in the cooperating country, and
6. other commodities and services (and related expenses) that, by their nature or as a practical matter, can only be acquired, performed, or incurred in the cooperating country.

In cases where local cost procurements are expected to exceed the above limitations, and authorization for such procurement does not already exist in the Grant, the Grantee must obtain approval from the A.I.D. Grant Officer prior to proceeding with the procurement.

Except as otherwise changed by the above limitations, the conditions of the Optional Standard Provision entitled "Local Cost Financing (November 1988)", apply, including paragraphs (b), (c), (d), (e), and (f).

E. Reporting

1. Quarterly Progress Reports:

The Grantee shall submit two (2) copies of quarterly implementation progress reports to the A.I.D. Project Officer as well as one (1) copy each to A.I.D. Mission Representatives in Russia, Ukraine, Armenia and Kazakhstan. The Project Officer will provide an outline for the progress report which at a minimum will include the following information: (1) cumulative expenditures for the reporting period and for the entire agreement through the reporting date, (2) summary description of activities over the reporting period, (3) progress toward achieving program purpose and objectives (i.e., a summary of the impact of program activities over the reporting period), (4) a description of implementation methodology, (5) issues and problems, (6) status of actions scheduled last reporting period (7) actions scheduled for the next reporting period with designated action agents, in the form of an updated program workplan and (8) the workplan.

1. Final Report:

No later than forty-five (45) days after the completion date of the Grant, the Grantee shall submit copies of a comprehensive final report to the following offices: two (2) copies of a final report to the A.I.D. Project Officer; one (1) copy to A.I.D./PPC/CDIE/DI, Acquisition, Room 209, SA-18, Washington, DC 20523-1802; one (1) copy to the A.I.D. field representatives in Russia, Ukraine, Armenia and Kazakhstan; and one (1) copy each to the A.I.D. Regional Controllers in Russia and Kazakhstan and the NIS Task Force Controller in Washington, DC. The Project Officer will provide an outline for the final report which at a minimum will include a summary description of program activities and an assessment of program impact towards achieving the program purpose and objectives. This report should include a full accounting of expenditures under the cooperative agreement and, if applicable, of reasons why established goals were not met, including any problems or difficulties requiring the attention of the U.S. Government, the host country, or the Recipient.

3. Special Reports:

Events may occur that have significant impact upon the program. In such instances, the Grantee shall inform the Project Officers as soon as the following types of conditions become known:

a. Problems, delays or adverse conditions that will materially affect the ability to attain program objectives, prevent the meeting of time schedules and goals, or preclude the attainment of project work activities by the established time period. This disclosure shall be accompanied by a statement of the action taken, or ~~contemplated~~, and any assistance needed to resolve the situation.

b. Favorable developments or events that enable time schedules to be met sooner than anticipated or more work activities to be performed than originally projected.

c. If any performance review conducted by the Grantee discloses the need for change in the budget estimates, in accordance with the Standard Provision of the Grant entitled "Revision of Grant Budget," the Grantee shall submit a request for budget revision to the A.I.D. Grant and Project Officer.

4. Program Workplan: Two weeks following the effective date of this Agreement, FTUI will submit a workplan for the overall implementation of this activity. This workplan will include specific objectives for each program component, and a strategy for measuring those objectives. The activities planned in the first six-months of implementation should be specified at the highest level of detail possible, including tentative dates and locations of activities. This workplan will be approved by the Project Officer prior to the initiation of activities funded under this Agreement. This workplan will be updated on a quarterly basis and included as a component of the quarterly reports (see Section E.1).

5. Financial Reporting

a. Financial reporting requirements shall be in accordance with the the standard provision of this Grant entitled "Payment - Letter of Credit."

b. The original and two copies of all financial reports shall be submitted to The Agency for International Development, Office of Financial Management, FA/FM/CMP/LC, Room 700, SA-2, Washington, DC 20523-0209. In addition, one copy of all financial reports shall be submitted to the Project Officer at the following address:

Jeanne Bourgault
Agency for International Development
A.I.D./OPS/NIS/DIHHR
Room 5665, NS
Washington, DC 20523-0053

and one copy shall be submitted to:

Controller
A.I.D./OPS/NIS
Room 3320A, NS
Washington, DC 20523-0053

F. Indirect Cost Rate

Pursuant to the Standard Provision of this Grant entitled, "Negotiated Indirect Cost Rates - Provisional," a rate or rates shall be established for each of the Grantee's accounting periods which apply to this Grant. Pending establishment of revised predetermined, provisional or final indirect cost rates for each of the Grantee's accounting periods which apply to this Grant, provisional payments on account of allowable indirect costs shall be made on the basis of the following negotiated provisional rate(s) applied to the base which is set forth on the next page.

<u>Description</u>	<u>Rate</u>	<u>Base</u>	<u>Period</u>	<u>Type</u>
Administrative Costs	12.2%	(a)	Term of Grant	Provisional
(a) Total Direct Costs				

G. Title to Property

Title to property purchased by the Grantee under this Grant shall be vested in the Grantee. Accordingly, the Standard Provision entitled "Title To and Care of Property (Grantee Title)" applies. Disposition of property shall be in accordance with said Standard Provision.

H. Authorized Geographic Code

1. The total value of procurement of goods and services to be procured under this Grant is not expected to exceed \$250,000.
2. The authorized geographic code for procurement of goods and services under this agreement ~~is~~ is 000 (United States) and the Cooperating Countries.
3. Requests for deviations to this requirement must include a full justification to be submitted to the Project Officer indicated in section E. Deviations should be made in the following order of precedence:
 - a. "Selected Free World" countries (A.I.D. Geographic Code 941), and
 - b. "Special Free World" countries (A.I.D. Geographic code 935).

I. Special Provisions

1. The following Additional Standard Provisions as shown in Enclosure 3 are NOT applicable to this Grant:

- Payment - Periodic Advance
- Payment - Cost Reimbursement
- Patent Rights
- Negotiated Indirect Cost Rates - Predetermined
- Participant Training
- Voluntary Population Planning
- Protection of the Individual as a Research Subject
- Care of Laboratory Animals
- Government Furnished Excess Personal Property
- Title To and Care of Property (U.S. Government Title)
- Title To and Care of Property (Cooperating Country Title)
- Cost Sharing (Matching)

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All other provisions not listed above are applicable to the performance of the program under this Grant.

2. The following are alterations to the Mandatory and Additional Standard Provisions as listed below:

Mandatory Standard Provisions

"Notices" - For the purpose of notices delivered to the Grant Officer, the following addresses shall be used:

(a) Regular U.S. Postal Service

Grant Officer's Name
Agency for International Development
FA/OP/CC/N
Office of Procurement
Room 1519, SA-14
Washington, DC 20523-1415

(b) By Courier/Express Mail Only

Grant Officer's Name
Agency for International Development
FA/OP/CC/N
Office of Procurement
1100 Wilson Boulevard
15th Floor Reception Area
Arlington, Virginia 22209

3. The following nine-digit zip codes are applicable in lieu of the five-digit zip codes shown in the corresponding standard provisions:

Mandatory Standard Provisions

Notices 20523-0051

Additional Standard Provisions

Ocean Shipment of Goods	20523-1419
Procurement of Goods and Services	20523-1414
Payment - Letter of Credit	20523-0209
(In addition to the zip code change, the organizational symbol for A.I.D.'s Office of Financial Management has also changed as shown in section E.)	
Negotiated Indirect Cost Rates	
- Provisional	20523-0060
(second address in the provision)	20523-1417

4. The Grantee's proposal entitled "FTUI Proposal for the New Independent States dated April 14, 1992, and as amended is hereby incorporated as Attachment 4 to this Grant. In the event of a conflict between the proposal and this Grant, the following shall be the Order of Precedence:

1. Mandatory and Additional Standard Provisions
2. The Cover Letter and Schedule
3. The Program Description
4. The Grantee's Proposal

END OF THE SCHEDULE - ENCLOSURE 1

PROGRAM DESCRIPTION

I. Purpose

The purpose of this program is to provide support for the development of: (1) an Institute for Research and Education in Moscow; and (2) a Center for Democracy, Labor and Human Rights in Kazakhstan. As detailed in the Grantee's proposal (Attachment 4).

II. Program Description

The Free Trade Union Institute (FTUI) will provide assistance in the following areas: (1) the establishment of an Institute for Research and Education in Moscow designed to be a resource to teach Russian workers about both the role of free trade unions in a democratic society and the skills necessary to enhance the financial viability of worker enterprises; and (2) the establishment a Center for Democracy, Labor and Human Rights in Kazakhstan to provide training in conflict resolution and labor relations, to allow for a train-the-trainers program in the United States, to provide seminars on labor and community relations, and to sponsor an international conference on human rights in Central Asia.

III. Program Implementation

In support of program activities as described in the attached proposal, FTUI will:

- 1) Provide logistical support for program activities including travel and lodging arrangements, interpreters, delivery of commodities, and clerical and administrative support.
- 2) Provide program participants with briefing materials for training seminars, as well as arrange itineraries for program delegates.
- 3) Evaluate the program to measure the impact of activities towards achieving program purpose and specific objectives.
- 4) Perform other duties as necessary to implement the activities described in the attached proposal.

END OF PROGRAM DESCRIPTION

**FREE TRADE UNION INSTITUTE PROPOSAL
FOR THE NEW INDEPENDENT STATES
SUBMITTED TO THE
UNITED STATES AGENCY FOR INTERNATIONAL DEVELOPMENT
April 14, 1992**

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SUMMARY OF FUNDING REQUESTED

1. Print Shop in Moscow (Russia)	\$1,169,160	Not Funded in PIOT
2. Institute for Research and Education in Moscow (Russia)	323,663	
3. Center for Democracy, Labor and Human Rights in Kazakhstan (Kazakhstan)	467,179	
	<hr/>	
	790,842	
4. English Language Training for Russian and Ukrainian Trade Unionists	92,160	Not Funded in PIOT
5. Labor, Democracy and Industrial Conversion (Russia and Ukraine)	651,030	Not Funded in PIOT
6. Distribution Network for Humanitarian Aid in the New Independent States (Russia, Ukraine, Belarus)	530,147	Not Funded in PIOT
 GRAND TOTAL:	 \$3,233,339	

INSTITUTE FOR RESEARCH AND EDUCATION IN MOSCOW

Purpose

To establish an Institute in Moscow that will provide Russian workers with the information and skills they need to make educated decisions regarding their futures under the new economic order.

Background

Russia is emerging from seventy years of central planning that has robbed the country of a civic-mindedness necessary for the creation of a democratic society. For seventy years, all political, economic and social decisions were made by a narrowly defined political elite that completely insulated itself from the influence of the masses. Central planning was the hallmark of the Soviet enterprise. The Kremlin sent its economic directives to the enterprise through its network of managers who were appointed to their positions not for their talent, but for their commitment to communist ideals. Political directives, on the other hand, were sent from the Kremlin through the Central Council of Trade Unions to enterprise workers who were "compelled" to be union members by virtue of the fact that so many privileges were available to Soviet citizens only through their communist controlled unions. These privileges included, for example, access to higher education for the children of union members, paid vacations at spas owned and run by the official trade unions, access to health care facilities, and sizeable discounts on all public transportation.

Communist trade unions were established by Lenin to serve, in his words, as "transmission belts," transmitting policy from the political elite to the working masses. In the grand political equation, they were never meant to represent the interests of their members since communism itself was defined as a workers' paradise. Strikes were considered irrelevant in this ideal workers' state. As weapons against injustice, strikes made sense only in the context of an exploitative capitalist West.

Finally, Soviet citizens were further controlled by being denied access to any information that would put communism or its leaders in a bad light or that would cause workers to question the system itself. Especially relevant to this proposal is the fact that information on the performance of enterprises was carefully guarded by management. For seven decades, workers were able to know only whether or not their enterprise had met target goals set by the political elite.

The effects of communism on the mentality of the Russian citizen are far-reaching and deep-seated. For democracy to

succeed, that mentality must be transformed. For example, communism turned citizens into objects of centrally determined policy. To function in a democratic context, citizens must first understand that they can make a difference in the political system. In order to do so, they must be able to formulate their concerns and interests; they must be able to gather appropriate data in order to take an educated and informed stand on a given subject; and they must learn the vocabulary of negotiation and persuasion. This is the central goal of this proposal and it will be addressed in the context of the Russian enterprise, democratic trade unionism, and free market economics.

In addition to addressing the need for civic-mindedness at the enterprise level among Russia's workers, this proposal is very important for the enhancement of a stable democracy for three reasons. First, the transformation to a free market system in Russia will be (and already is) destabilizing. It will result in widespread unemployment for a period of time. Unemployment has not been known to Russian workers for seven decades of communism, since work was theoretically guaranteed. Russian workers were taught that unemployment was one of many terrible drawbacks of capitalist society and evidence of the lack of concern among owners of production for the working masses. Unfortunately, unemployment will be one of the first real experiences Russian workers will have with a free market economy. For many of them, this will be a fulfillment of the horrors they were told are characteristic of capitalism. Therefore, the economic transformation in Russia must have the firm support of democratic workers who understand that the pay-off of a free market system will indeed come in the future. Without this assurance and support, Russian workers may very well give up on the notion of economic freedom and turn again to the familiar womb of centralized government control over economic matters.

The second reason this proposal is crucial to the enhancement of a stable democracy is that the only instrument of power that was exercised, albeit illegally, by Soviet workers was the strike. This project will teach Russian workers that in a democratic, free market society, there are many other options, other than a strike, for workers to formulate and make demands and to exercise their power. Negotiation, collective bargaining, and arbitration are tools used to settle enterprise disputes without necessarily having to bring work to a complete halt. If Russian workers were to exercise these dialogue-based options, they could contribute to stabilizing the process of economic transformation.

The third major contribution this project would make to enhancing a stable process of transformation would be in providing workers with the skills and information they need to make educated and sound decisions about their enterprises, the conditions of their work place and employment and about the

context in which free markets function. As such, workers need to be able to make judgments about the economic status and situation of their enterprise, to know the basic principles of supply and demand and of profits and losses, and to know what types of roles they, as workers, can play at their enterprise, in a democratic, free market system.

Without being able to read and understand the exact financial situation of their enterprises and the various options enterprises will face during this process of transition, the established communist nomenklatura at the enterprise will likely cash-in on the opportunity to rob the system and the workers of a chance at a decent economic future. This pattern has been repeated countless times in Poland, Czechoslovakia and Hungary where enterprises have been bought and sold to the enormous profit of the nomenklatura without workers ever being informed that their enterprises were even for sale or that they were approaching bankruptcy. The skills this project will provide will prevent workers from being victims of corruption schemes at the hands of those who have victimized them in the past.

Project Activities

The fundamental activity of this project is the establishment of an Institute for Research and Education in Moscow that will provide the Russian free trade union movement with the capability to gather information and formulate policy positions that are fair to workers, and to provide the classroom space and trainers to teach workers (a) about the role of free trade unions in a democratic society, the obligations and duties of civic-minded workers in a democratic society, basics in collective bargaining and negotiations, conflict resolution between workers and management; and (b) how to keep and read financial records, how to calculate profits and losses, how to determine the financial viability of an enterprise, and the basic principles of supply and demand. Taken together, this knowledge and these skills would provide what is minimally required for workers to begin to take an active and democratic role in determining the futures of their enterprises.

In order to undertake these activities an institute will be established to house a research facility and provide classroom space. This institute will be located on the outskirts of Moscow where rental space is more reasonably priced. The space will consist of four rooms as a research division and four classrooms. The staff of the institute will consist of two English-speaking Russian researchers, two Russian trainers, and one American technical advisor/trainer. Two half-time assistants will also be hired. Two Russian- or English-speaking members of Poland's Solidarity trade union will be brought in as consultants for a total of two months each, to assist in designing these various programs, all of which exist in Poland in one form or another and

were developed with the financial assistance of USAID.

The two English-speaking Russian researchers will be brought to the United States at the beginning of the grant period to do an apprenticeship in the research departments of American trade unions. There they will learn about the variety of topics covered by such departments, the process of gathering and compiling data, the presentation of those data to institutions of government or of private industry, and about the data banks that are maintained for easy access to information. This apprenticeship will last for a period of three months. It will provide the Russian researchers with the opportunity to make contacts in the U.S. and to begin gathering documentation for their institute in Moscow.

While these two Russian researchers are in the United States, the training aspect of the Institute will be underway. One American trainer will go to Russia for a period of twelve months to launch the training program. This American trainer will introduce two small groups of Russian trade unionists, in succession, to programs for "training trainers" along two tracks: first, for courses dealing with the democratic aspects of free trade unionism, and second, for courses on keeping and understanding financial records and making economic judgments about enterprise performance. Members of these initial small groups will become the core of initial trainers whose first task will be to develop course materials for future training.

Once the materials are ready and the trainers are sufficiently trained (i.e., after holding classes under the observation of the American technical advisor who will assist in ironing out problems in the program), the training aspect of the Institute will be able to function on its own.

In preparation for the courses dealing with the financial aspects of privatization, free markets and worker participation, two Solidarity members will be brought from Poland to work with both the American trainer and the Russian trainees in developing the curriculum. Poland's Solidarity trade union has had USAID-supported programs for two and a half years that have focused on preparing Polish workers for the new free market context in which they and their enterprises will be functioning. Thanks to these USAID funds, Poles are now the leading experts in providing assistance and information to workers on the economic sacrifices that need to be made until a well-functioning economy is in place, and in calming the fears of workers entering what they were told for many years was the world of capitalist exploitation. This reassurance that things will get better (but only after they get worse for a while) has been crucial to containing strikes in Poland during this destabilizing and painful process of transition. Their expertise will contribute greatly to programs in Russia as they are being developed.

Eventually, the institute will be able to charge a fee for the courses it provides with the ultimate -- and entirely reasonable goal -- of becoming financially self-sufficient.

BUDGET

SALARIES

U.S. trainer @ \$50,000	50,000	50,000
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SPACE AND UTILITIES

Rental of Office Space in Moscow	40,000	
Utilities	10,000	50,000

SUPPLIES AND EQUIPMENT

Equipment and supplies for Moscow office (furniture, computers, telephones, fax, mimeograph, copy machines, paper, office supplies)	70,000	70,000
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COMMUNICATIONS AND POSTAGE	8,000	
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TRAVEL AND PER DIEM

Airfare Washington-Moscow RT (2 trips x \$3,000)	6,000	
Airfare Moscow-Washington RT (2 @ \$3,000)	6,000	
Local travel in US (2 @ \$1,000)	2,000	
Airfare Warsaw-Moscow RT (2 @ \$350)	700	
		14,700

CONTRACTUAL SERVICES

2 researchers (2 @ \$7,200)	14,000	
2 Russian educators/trainers (2 @ \$7,200)	14,000	
2 Half-time assistants for the Institute (2 @ \$3,000)	6,000	

2 contract employees from Poland for 2 mos. each (2 @ \$400 per mo. x 2 mos.)	1,600	36,400
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BENEFITS, TAXES, ALLOWANCES

50% of \$50,000	25,000	
Housing allowance For American 12 mos. Moscow @ \$800 per mo. x 12	9,600	
Housing allowance For Russians 3 mos. in U.S. 2 x \$3,000 x 3 mos.	18,000	
Housing allowance For 2 Poles in Moscow at \$50 per day 2 x \$50 per day x 60 days =	6,000	58,600

TOTAL	=	\$287,700
FTUI administrative cost: Total x .125	=	35,963
		<hr/>
GRAND TOTAL	=	\$323,663

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CENTER FOR DEMOCRACY, LABOR AND HUMAN RIGHTS
IN KAZAKHSTAN

Purpose

To establish a Center for Democracy, Labor and Human Rights in Alma-Ata, Kazakhstan that will link the democratic labor movement to programs aimed at enhancing human rights --especially those threatened by hostilities between ethnic groups and nationalities. The Center will serve the area of former Soviet Central Asia -- beginning with Kazakhstan.

Background

The AFL-CIO and the Free Trade Union Institute understand that democracy, labor and human rights are intrinsically linked. Former AFL-CIO President George Meany said, "No democracy without human rights, no human rights without democracy, no trade union rights without either" With this as an operating principle, FTUI proposes the establishment of a center that would link these three goals in Kazakhstan.

One of the most volatile and sensitive human rights issues in the former Soviet Union is that of ethnic relations. Peaceful resolution of potential conflicts will play a major role in the democratic development of individual states within the commonwealth. In the years to come, ethnic relations will likely remain the most contentious problem in the entire region.

Kazakhstan provides an excellent arena in which to address ethnic problems through the free trade union movement. Its population of 17 million is roughly forty percent Kazakh, forty percent Russian, with Germans, Ukrainians, Poles, Uzbeks, Koreans, Uigurs, Tatars, and Belarussians representing the other twenty percent. Kazakhstan distinguished itself in 1986 as a republic whose majority ethnic group rose in protest over republic leadership. At that time, Gorbachev's decision to replace the Kazakh leader of the Communist Party of Kazakhstan with a Russian led to widely publicized major public protests.

The free trade union movement in Kazakhstan can provide a forum in which to address various levels of conflict resolution ranging from the enterprise level (among workers or between workers and management), to the community level (between ethnic groups), and finally to the levels that link government with industry and civic groups interested in addressing other problems plaguing Kazakhstan including, for example, its catastrophic environmental pollution.

The role of democratic worker organizations is key in these countries because of the unique nature of the work place which encompasses a large part of what we would normally call

"community". There is often, in fact, no clear separation between the two. An enterprise offers workers not only wage and terms and conditions of employment, but it is oftentimes also the sole source of housing, health services, vacation places, consumer durables, sport and recreation activities, and so on. The work place and community are overlapping systems in the former Soviet Union and are not separated as they are in our society. Therefore, what happens at the work place in Kazakhstan, for example, has a large, perhaps dominant, impact on community relations.

Today, compared to the Caucasus region, Kazakhstan has remained fairly quiet. There are differing views, however, on the future. Pessimists point to the possibility that northern Kazakhstan, which is predominantly Russian, will attempt to break away from the rest of Kazakhstan. Optimists assert that the two major ethnic groups want to continue in a common future. Yet even the optimists concede that the nationality tensions in Kazakhstan are real and may constitute a major barrier to democratic development.

Well aware of these problems, President Nursultan Nazerbaev, former First Party Secretary of Kazakhstan, has made ethnic tolerance a major theme in his speeches and policies. Yet he has at the same time held Kazakhstan's democrats at bay, seeing them as a potential threat to his power.

Kazakhstan's free trade unions have already demonstrated their commitment to democratic reform and as such provide a vehicle through which to promote ethnic harmony. The regional institutes of the AFL-CIO have frequently used the free trade union movements throughout the world specifically for the purpose of enhancing understanding between various nationalities. In parts of Africa, Asia and the Middle East, free trade unions are the only organizations that bring individuals from various tribes and ethnic groups together.

Project Activities

The initial phase of this project involves setting up an office in Alma-Ata. As part of this initiative, appropriate space will be found, local staff hired, and office supplies and equipment secured.

Four different activities are envisioned during the inaugural year of the Center. First, traditional training in conflict resolution and labor relations at the enterprise level will be provided for trade unionists. Technical experts will be sent from the United States to "train trainers" in Alma-Ata. After twenty-four trainers are trained, educational materials will be developed for additional courses to be taught by unionists from the host country.

Following the development, translation and copying/printing of the educational materials for these courses, trainers will be paired to team-teach courses under the supervision of the American technical advisor. In most cases, each trainer will be supervised as he/she teaches two or more courses until the technical advisor is confident that trainers can conduct the training sessions effectively. This process (including the initial train-the-trainer course) will occur over a six month period.

The final phase of this activity is the training that will take place at the enterprise level, without the supervision of technical advisors. This on-the-ground phase represents the actual launching of this project in the form it will continue to take in the years to come.

Seven or eight of the most promising trade unionists from the original "train-the-trainers" program will be selected to participate in the second activity of the project: namely, to attend courses in the United States on conflict resolution in a wider context. These courses will focus primarily on settling disputes among different ethnic and religious groups and, by extension, among other groups and institutions in a broader community. Courses will also address topics of community relations more generally. This training in the United States will be held at the George Meany Center for Labor Studies in Silver Spring, Maryland. Following their training, educational materials will be developed for similar courses on conflict resolution techniques and community relations to be taught by these trainees at the Center in Alma-Ata.

The seven or eight candidates for this training will represent Kazakh, Russian and other minorities from Kazakhstan, as well as Muslims and Christians. (Project impact evaluations conducted by the Department of Labor indicate that when dissimilar groups are brought together for common undertakings such as visits to the U. S., understanding between those groups is enhanced.) The common denominator among the individuals brought together for this project will be their participation in the free trade union movement and their commitment to democratic reforms. These individuals will eventually become the leaders of the Center in Alma-Ata, with two individuals designated as liaisons in Karaganda, and others serving as leaders in their home communities. A separate branch of the Center will be established in Karaganda where the population is predominantly Russian Orthodox.

A third activity will be the development of a series of seminars and round table discussions that will engage various members and groups from the wider community on issues of labor and community relations. The format for these seminars and round table discussions will be developed by the trainees in the United

States, with the assistance of American community relations technical advisors. One or two such events will take place at the Center in Alma-Ata within the one year time-frame for this project.

The fourth and final activity of this project will be an international conference on human rights that will include participants from the entire region that was once called Soviet Central Asia. Representatives from Uzbekistan, Turkmenia, Kirgizia, and Tajikistan will be invited, as well as local nonAsians such as Russians and Ukrainians, and Asians without territorial claim in the region, such as Uigurs and Koreans. Efforts will be made to ensure equitable representation among major religious denominations and sects.

The conference will be held in Alma-Ata for a period of seven days. It will constitute the second such conference held in the region in a period of three years with the support of the Free Trade Union Institute. In all, eighty participants will be invited to the conference, including ten Americans.

Once the Center for Labor, Democracy and Human Rights has been operating for a year, FTUI will be able to determine its potential future role in the Central Asian region.

Regarding the issues of future financial sustainability, two sources of revenue will be considered. First, as part of the six-week training program in the United States (activity 2), discussions will be led by U.S. technical advisors regarding some initial mechanisms that might be put into place at the Center to begin generating income. During the first year or two, this income will be very small, but it will likely increase in time. The second and more substantial source of revenue will come from the Confederation of Free Trade Unions in Kazakhstan specifically, or from a number of confederations in Central Asia. As these confederations become strong and able to rely on membership dues to cover their operating costs, they will also be able to sustain the Center as a setting for many of their national and international activities.

Central Asian Expertise: This April, Catherine Cosman, a specialist on Central Asia and human rights, will join the fulltime staff of the Free Trade Union Institute. She is exceptionally well-connected with the democrats of that region. In 1986 she traveled to Kazakhstan to interview many of the arrested and jailed leaders of the ethnically-motivated protest demonstrations in Kazakhstan about violations of their human rights. These individuals are now among the country's leading democrats. Ms. Cosman speaks perfect Russian, and FTUI is looking forward to her playing the key role in this project.

The Free Trade Union Institute will employ Jeff Balinger for a period of six months as a technical advisor for this project. He served as Country Director for Turkey while employed by the Asian American Free Labor Institute. His knowledge of Turkish and the free trade union movement will make him a very valuable asset to this project in monitoring training sessions, in working with a wide variety of ethnic groups of Turkic origin in Kazakhstan, and in facilitating visits from Turkish free trade union leaders to lecture and provide technical support at the Center in Alma Ata.

ZIF

SUMMARY OF BUDGET

SALARIES		21,900
SPACE AND UTILITIES		12,400
SUPPLIES AND EQUIPMENT		32,180
COMMUNICATIONS AND POSTAGE		8,000
TRAVEL AND PER DIEM		246,448
CONTRACTUAL SERVICES		800
CONSULTANTS' FEES AND EXPENSES		66,852
DIRECT COSTS		26,690
FTUI ADMINISTRATIVE COSTS: TOTAL X 12.5%	=	51,909
		<hr/>
TOTAL	=	\$467,179

BUDGET

Central in Alma-Ata
Subtotal = \$44,560

Salaries:

Center Director
(\$500 month x 12 months) 6,000
Staff members 2 @ 400 month 4,800
4,800
15,600

Space and Utilities:

Office rental: 12 mos. x \$600.00 = 7,200
Utilities: 12 x 50 = 600
7,800

Supplies and Equipment:

Computers 3 @ \$2,300 6,900
Software 3 @ \$300 900
Printers 3 @ \$2,200 6,600
Copier 1 @ \$5,500 5,500
Supplies for Copier @ \$2,000 2,000
Typewriters 3 @ \$500 1,000
FAX 1 \$600 600
FAX paper 3 @ \$20 60
18,760

Communications and Postage:

2,400

Center Branch in Karaganda
Subtotal = \$24,820

Salaries:

Director (\$400 per month x 12 mo.) 4,800
~~Part-time~~ staff (\$250 mo. x 6 mo.) 1,500
6,300

Space and Utilities:

Office rental: 12 mos. x \$300 = 3,600
Utilities: 12 x \$25 = 300
3,900

Supplies and Equipment:

Computer 1 @ \$2,300 2,300
Software 1 @ \$300 300
Printer 1 @ \$2,200 2,200
Copier 1 @ \$5,500 5,500
Supplies for Copier @ \$2,000 2,000
Typewriter 1 @ \$500 500
FAX 1 @ \$600 600
FAX paper 1 @ \$20 20
13,420

Communication and Postage

1,200

Activity #1

Training Trainers in Alma-Ata

Subtotal = \$96,280

Travel and Per diem

US technical advisor

round-trip US-Kazakhstan

2 @ \$2,000

4,000

In-country travel 2 @ \$500

1,000

In-country travel for interpreter

1,000

Per diem x 90 days (US advisor)

\$112 x 90 day x 2 advisors =

20,160

Per diem x 40 days (US interpreter =

4,480

\$112 x 40 =

In-country travel for trainees

\$50 x 20 =

1,000

35,640

Consultants' Fees and Expenses

Trainer preparation by US technical
advisor (\$308 x 10 days)

3,080

US technical advisors

\$308 x 90 days x 2 advisors =

27,720

Kazakh national interpreter

\$300 per mo. x 6 mos. =

1,800

Incidentals for above three

3 @ \$600 =

1,800

34,400

Direct costs

meals and lodging for trainees @ \$40

\$40 x 24 participants x 24 days = \$23,040

printed materials etc.

1,200

printed materials for 50-75

trainings held at enterprise

1,200

26,240

19
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Activity #2
Training Trainers and Union Leaders in the U.S.
 (\$67,230)

Travel and Per Diem		
Round-trip Kazakhstan-US 8 @ \$4,000	32,000	
\$78 Meany Center x 8 Trainees		
42 days =	26,208	
Washington meal expenses 16 @ \$40 =	640	
8 @ \$50 per week x 6 wks =	2,400	
		61,248
Contractual Services		
In-country transportation services		
Van @ \$200 x 4 =	800	
		800
Consultants' Fees and Expenses		
US technical advisor course prep		
\$308 x 14 =	4,312	
Advisors' expenses		
\$10 x 42 days	420	
		4,732
Direct Costs		
meeting rooms 6 @ \$75 =	450	
		450

Activity #3

Community-based Seminars in Alma-Ata
 (\$17,048)

Communication and Postage		
\$200 per event x two major events		400
Travel and Per Diem		
Round trip US-Kazakhstan (FTUI)		
1 @ \$4000	4,000	
Per diem 14 days @ \$112 =	1,568	
Incidentals @ \$50 per week =	100	
Local Travel	150	
Round trip US-Kazakhstan (US advisor)		
Per diem 14 days @ \$112 =	1,568	
Incidentals @ \$50 per week =	100	
Local Travel	150	
Travel costs for participants		
20 participants x \$20 =	400	
Travel for lecturers/speakers		
4 speakers @ \$75 average =	300	
		12,336

20

Consultants' Fees and Expenses
 US technical advisor
 \$308 per day x 14 days = 4,312

Activity #4

International Human Rights Conference in Alma-Ata
 (\$123,400)

Space and Utilities
 Rental of Conference Room
 7 days at \$100 700

Communication and Postage 4,000

Travel and Per Diem
 US-Kazakhstan
 10 @ 4,000 40,000

Travel for 55 participants
 from Central Asia
 @ ave, \$300 16,500

Local travel for participants 1,000

Per diem \$112 x 4 days
 x 75 participants 58,800

116,300

Additional Consultants' Fees and Per Diems
 (\$41,932)

Travel and Per diem
 US technical advisor
 local travel 1,500

US technical advisor
 Per diem \$112 x 76 days = 8,512

FTUI staff
 Per diem \$112 x 76 day = 8,512

18,524

Consultants' Fees and Expenses
 US technical advisor
 \$308 per day x 76 days = 23,408

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CENTER IN ALMA-ATA	44,560
BRANCH IN KARAGANDA	24,820
TRAINING TRAINERS	96,280
TRAINING IN US	67,230
COMMUNITY-BASED SEMINARS	17,048
INTERNATIONAL HUMAN RIGHTS CONFERENCE	123,400
ADDITIONAL CONSULTANT TRAVEL & FEES	41,932
FTUI ADMINISTRATIVE COSTS: Total x .125 =	51,909
GRAND TOTAL: \$467,179	