

PD-ABH-492

lsn 85910

**MANAGEMENT ASSESSMENT AND  
EVALUATION REPORT**

**SOUTH AFRICA LABOR UNION ASSISTANCE**

**Contract No. PDC-5317-I-00-8127-00  
Work Order No. 23**

**Submitted to:**

**USAID/South Africa**

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**April 1990**

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## LIST OF ACRONYMS

(Unless otherwise indicated, the organizations listed are South African)

<b>AALC</b>	African American Labor Center (U.S.)
<b>AAWU</b>	African Allied Workers' Union
<b>ACTIWU</b>	Amalgamated Clothing and Textile Workers' Union (U.S.)
<b>ACTIWUSA</b>	Amalgamated Clothing and Textile Workers' Union of South Africa
<b>AEUSA</b>	Amalgamated Engineering Union of South Africa
<b>AFL-CIO</b>	American Federation of Labor-Congress of Industrial Organizations (U.S.)
<b>AFSCME</b>	American Federation of States, County and Municipal Employees (U.S.)
<b>AFT</b>	American Federation of Teachers (U.S.)
<b>AID</b>	Agency for International Development (U.S.)
<b>AMAWU</b>	African Mining and Allied Workers' Union
<b>ANC</b>	African National Congress
<b>APWU</b>	American Postal Worker's Union (U.S.)
<b>ASA</b>	Artisan Staff Association
<b>ASSOCOM</b>	Association of Chambers of Commerce
<b>ATWU</b>	African Tobacco Workers' Union
<b>AUBTW</b>	Amalgamated Union of Building Trade Workers
<b>AZAPO</b>	Azanian Peoples' Organisation
<b>BAMGWU</b>	Black Allied Mining and Construction Workers' Union
<b>BAWU</b>	Black Allied Workers' Union
<b>BCAWU</b>	Building Construction and Allied Workers' Union
<b>BCWU</b>	Brushes and Cleaners Workers' Union
<b>BDWU</b>	Black Domestic Workers' Union
<b>BEKWU</b>	Black Electronics and Electrical Workers' Union
<b>BGWU</b>	Black General Workers' Union
<b>BHAWUSA</b>	Black Health and Allied Workers' Union of South Africa
<b>BIFAWU</b>	Banking, Insurance, Finance and Assurance Workers' Union
<b>BIFSA</b>	Building Industries' Federal of South Africa
<b>BLATU</b>	Black Trade Union (SATS)
<b>BRAC</b>	Brotherhood of Railway and Airline Clerks (U.S.)
<b>BWU</b>	Building Workers' Union
<b>CAAA</b>	Comprehensive Anti-Apartheid Act of 1986 (U.S.)
<b>CAWU</b>	Construction and Allied Workers' Union
<b>CCAWUSA</b>	Commercial, Catering and Allied Workers' Union of South Africa
<b>CLOWU</b>	Clothing Workers' Union
<b>CMBU</b>	Confederation of Metal and Building Unions
<b>CMU</b>	Confederation of Mining Unions
<b>COSATU</b>	Congress of South African Trade Unions
<b>CSATAU</b>	Concession Stores and Allied Trade Assistants' Union
<b>CSS</b>	Central Statistical Services
<b>CTVU</b>	Cinema, Theatre and Video Union
<b>CUSA</b>	Congress of Unions of South Africa
<b>CWA</b>	Communications Workers of America (U.S.)
<b>CWIU</b>	Chemical Workers' Industrial Union
<b>DIMES</b>	Durban Integrated Municipal Employees' Society
<b>DWASA</b>	Domestic Workers' Association of South Africa
<b>EAWTUSA</b>	Electrical and Allied Workers' Trade Union of South Africa
<b>EAWU</b>	Engineering and Allied Workers' Union of South Africa
<b>EAWTUSA</b>	Electrical and Allied Workers' Trade Union of South Africa
<b>FAWU</b>	Food and Allied Workers' Union

## LIST OF ACRONYMS (Cont.)

<b>FBWU</b>	Food and Beverage Workers' Union
<b>FCI</b>	Federated Chamber of Industries
<b>FEDHASA</b>	Federated Hotel and Liquor Catering Association of South Africa
<b>FEDCRAW</b>	Federated Council of Retail and Allied Workers
<b>FIET</b>	International Federation of Commercial, Clerical, Professional and Technical Employees (ITS)
<b>FMU</b>	Federated Mining Union
<b>GAWU</b>	Garment and Allied Workers' Union
<b>FOSATU</b>	Federation of South African Trade Unions
<b>GWUSA</b>	General Workers' Union of South Africa
<b>HARWU</b>	Hotel and Restaurant Workers' Union
<b>HOTELIGA</b>	Hotel, Liquor and Catering Trade Employees' Union
<b>IAM</b>	International Association of Machinists and Aerospace Workers (U.S.)
<b>IBRD</b>	International Bank for Reconstruction and Development (now usually referred to as the World Bank)
<b>ICF</b>	International Chemical, Energy and General Workers Federation (ITS)
<b>ICFTU</b>	International Confederation of Free Trade Unions (Worldwide)
<b>IFBWW</b>	International Federation of Building and Wood Workers (ITS)
<b>IFFTU</b>	International Federation of Free Teachers Unions (ITS)
<b>IFPAAW</b>	International Federation of Plantation, Agricultural and Allied Workers (ITS)
<b>IHRG</b>	Industrial Health Research Group
<b>IIR</b>	Institute for Industrial Relations
<b>ILGWU</b>	International Ladies' Garment Workers Union (U.S.)
<b>ILO</b>	International Labour Organisation (Worldwide)
<b>IMF</b>	International Metal Workers' Federation
<b>IMF (SACC)</b>	International Metalworkers' Federation (South African Co-ordinating Council)
<b>IMSSA</b>	Independent Mediation Service of South Africa
<b>ITF</b>	International Transport Federation (ITS)
<b>ITGLWF</b>	International Textile, Garment, and Leather Workers Federation (ITS)
<b>ITS</b>	International Trade Secretariat
<b>IUBAC</b>	International Union of Bricklayers and Allied Craftsmen (U.S.)
<b>JMCEU</b>	Johannesburg Municipal Combined Employees' Union
<b>JMWU</b>	Johannesburg Municipal Workers' Union
<b>LCTEU</b>	Liquor and Catering Trades Employee's Union - Cape
<b>LERC</b>	Labor and Economic Research Center
<b>LRA</b>	Labour Relations Act
<b>LSOs</b>	Labor Service Organizations
<b>MDAWU</b>	Meat Distributors and Allied Workers' Union
<b>MDM</b>	Mass Democratic Movement
<b>MEWUSA</b>	Metal and Electrical Workers' Union of South Africa
<b>MSFAWU</b>	Municipal, State, Farm and Allied Workers' Union
<b>MSOA</b>	Mine Surface Officials' Association of South Africa
<b>MTWUSA</b>	Motor Transport Workers' Union of South Africa
<b>MWASA</b>	Media Workers' Association of South Africa
<b>MWU</b>	Mine Workers' Union
<b>MWUSA</b>	Municipal Workers' Union of South Africa
<b>MWUSA</b>	Mineworkers' Union of Southern Africa
<b>NAWUSA</b>	National Workers' Union of South Africa
<b>NEHAWU</b>	National Education Health & Allied Workers' Union

**LIST OF ACRONYMS (Cont.)**

<b>NISMAWU</b>	National Iron, Steel, Metal and Allied Workers' Union
<b>NLCIEU</b>	Natal Liquor and Catering Trade Employees' Union
<b>NMC</b>	National Manpower Commission
<b>NSIEU</b>	Natal Sugar Industry Employees' Union
<b>NSRAIE</b>	National Sugar, Refining and Allied Industries' Employees' Union
<b>NUCTW</b>	National Union of Cigarette and Tobacco Workers
<b>NUP</b>	National Union of Farmworkers
<b>NUPASA</b>	National Union of Farm and Agricultural Workers of South Africa
<b>NUPAW</b>	National Union of Furniture and Allied Workers
<b>NUPW</b>	National Union of Food Workers
<b>NULW</b>	National Union of Leather Workers
<b>NUGW</b>	National Union of Garment Workers
<b>NUM</b>	National Union of Mineworkers
<b>NUMSA</b>	National Union of Metal Workers of South Africa
<b>NUPS</b>	National Union of Public Service
<b>NUWSAW</b>	National Union of Wine, Spirits and Allied Workers
<b>OATUU</b>	Organization of African Trade Union Unity (Africa-wide)
<b>OCAWIU</b>	Oil, Chemical and Atomic Workers International Union (U.S.)
<b>PAC</b>	Pan-African Congress
<b>PAWU</b>	Printing and Allied Workers' Union
<b>PEBWU</b>	Port Elizabeth Bus Workers' Union
<b>POTWA</b>	Posts and Telecommunications Workers' Association
<b>PSA</b>	Public Servants' Association
<b>PSI</b>	Public Services International (ITS)
<b>PFWAWU</b>	Paper, Printing, Wood and Allied Workers' Union
<b>PTTI</b>	Postal, Telegraph and Telephone International (ITS)
<b>PVO</b>	Private Voluntary Organization
<b>RAWU</b>	Retail and Allied Workers' Union
<b>RTEAWU</b>	Radio, Television, Electronic and Allied Workers' Union
<b>SAARA</b>	South African Airways Engineers' Association
<b>SAAFRA</b>	South African Airways Flight Engineers' Association
<b>SAAMW</b>	South African Association of Municipal Workers
<b>SAAPA</b>	South African Airways' Pilots' Association
<b>SAAU</b>	South African Agricultural Union
<b>SAAWU</b>	South African Allied Workers' Union
<b>SABS</b>	South African Boilermakers' Society
<b>SACCAWU</b>	South African Commercial, Catering and Allied Workers' Union
<b>SACCOLA</b>	South African Employers' Consultative Committee on Labour Affairs
<b>SACOL</b>	South African Confederation of Labour
<b>SACP</b>	South African Communist Party
<b>SACTU</b>	South African Congress of Trade Unions
<b>SACTWU</b>	South African Clothing and Textile Workers' Union
<b>SACWU</b>	South African Chemical Workers' Union
<b>SADCC</b>	Southern Africa Development Coordinating Committee
<b>SADWU</b>	South African Domestic Workers' Union
<b>SAEDFOA</b>	South African Engine Drivers', Firemen's and Operators' Association
<b>SAEWA</b>	South African Electrical Workers' Association
<b>SAFSA</b>	South African Footplate Staff Association
<b>SAFTU</b>	South African Film and Theatre Union
<b>SAIRR</b>	South African Institute of Race Relations
<b>SAISATU</b>	South African Iron, Steel and Allied Industries' Union
<b>SAIWU</b>	South African Integrated Workers' Union
<b>SALDCDWU</b>	South African Laundry, Dry Cleaning and Dyeing Workers' Union

**LIST OF ACRONYMS (Cont.)**

**SAMWU** South African Municipal Workers' Union  
**SARHWU** South African Railways and Harbours Workers' Union  
**SASBO** South African Society of Bank Officials  
**SASJ** South African Society of Journalists  
**SATAWU** South African Textile and Allied Workers' Union  
**SATOA** South African Technical Officials' Association  
**SATU** South African Typographical Union  
**SATUCC** Southern African Trade Union Coordinating Council  
**SATWU** South African Transport Workers' Union  
**SEAWUSA** Steel, Engineering and Allied Workers' Union of South Africa  
**SEIFSA** Steel and Engineering Industries Federation of South Africa  
**SBIU** Service Employees International Union (U.S.)  
**TAWU** Transport and Allied Workers' Union  
**TAWU** Textile and Allied Workers' Union  
**TCU** Transportaion Communications Union (U.S.)  
**TEBA** The Employment Bureau of Africa  
**TLATIU** Transvaal Leather and Allied Trades Industrial Union  
**TGWU** Transport and General Workers' Union  
**T/TA** Training and Training Assistance  
**TUC** Trades Union Congress (U.K.)  
**TWU** Textile Workers' Union - Transvaal  
**TWU** Transport Workers' Union  
**UAMAWU** United African Motor and Allied Workers' Union  
**UFCWU** United Food and Commercial Workers' Union  
**UFA** United Farmworkers of America  
**UPUSA** United Peoples' Union of South Africa  
**USA** United Steelworkers of America (USA)  
**USAID** Mission of the U.S. Agency for International Development  
**USWA** United Steel Workers of America (U.S.)  
**UTP** Urban Training Project  
**UWUSA** United Workers' Union of South Africa  
**WFTU** World Federation of Trade Unions

## EXECUTIVE SUMMARY

### A. Background of the Report

1. This management assessment and review is of the South Africa Labor Union Training Grant (674-0223) which has provided \$5,892,740 in AID funds to the AFL-CIO's African-American Labor Center (AALC) since 1983 to provide training and other related services to the black union movement in South Africa. The study was commissioned and funded by USAID/Pretoria.
2. The special grant to AALC for programs in South Africa was aimed at providing needed help to emerging black unions because of the importance of those organizations in empowering black working men and women and in breaking down the barriers of apartheid. The subsequently-enacted Comprehensive Anti-Apartheid Act of 1986 reaffirmed this emphasis and mandated that up to \$3 million annually be spent for labor activities. A similar strong emphasis on labor marks AID's South African development strategy.
3. The AALC administers its funds through three components:
  - Multilateral assistance is provided through an international intermediary, the International Confederation of Free Trade Unions (ICFTU), located in Brussels, which also serves as a conduit for funds from a variety of other Western democracies.
  - Bilateral Assistance is provided by AALC through union-to-union contacts by cooperating U.S. trade unions. These unions provide their assistance in two ways: 1) directly to counterpart unions in South Africa with whom they have a continuing relationship, or 2) indirectly through assistance organizations composed of unions in a similar industry or service sector.
  - Direct Assistance is the usual mode for AALC assistance in the rest of Africa. In most countries in which it operates, the organization works directly with labor federations, strengthening their ability to operate vis a vis employers and government and institutionalizing their capabilities for serving worker needs.

Since 1983 trends have been away from direct assistance and toward multilateral and especially bilateral activities.

4. The purpose of the management assessment and evaluation was to understand better the operations and effects of the program in order to lay the groundwork for a follow-on agreement between AID and AALC. The study covers the full seven years the grant was in effect but concentrates on events after May 1986 when an interim evaluation occurred. Because of the constrained circumstances under which the program has operated and the high degree of sensitivity toward it in certain labor circles, the team was not able to assess project impact with any degree of assurance. Thus the

analysis focuses on the management of the process and, to the extent possible, describes program effects.

5. The methodology encompassed these components: 1) a review of pertinent documents (see Annex D), 2) interviews with some 77 individuals representing the U.S. government, the AFL-CIO and its affiliates, South African black trade unionists, staffs of labor service organizations, and others (see Annex C), 3) on-site visits in four major cities of South Africa, in Maseru, Lesotho, in Washington, D.C., and London.

## **B. Major Findings and Conclusions**

1. **Context and trends:** Trade unions have become a powerful force for change and the abolition of apartheid. The ANC-related federation, COSATU, has emerged as a major force of the South African trade union movement. That movement currently is in a state of flux related to the unbanning of the ANC, the release of Nelson Mandela and other recent political changes. Although a lack of donor funds currently is not a problem for most black unions, concern exists that Eastern Europe now will draw resources that might otherwise have come to them.
2. **The AALC Program** has been forced to operate under two sets of damaging constraints: 1) The South African government, with minor exceptions, has been unwilling to allow AALC representatives to enter the country to provide technical assistance and monitor its program. It also has constrained attempts to take black unionists abroad for training. 2) COSATU, the major black labor federation, has been suspicious of AALC and ICFTU direct programs and has discouraged participation by affiliates. NACTU, the federation with whom AALC has been able to work, has been weakened by internal dissension and is a declining force in South African labor affairs. The AALC program has been shifting toward union-to-union help for COSATU affiliates.
3. **Management** of the program has been flawed by a lack of a close and continuous working relationship between AALC and AID. Decision-making has been almost entirely in Washington, D.C., too far from the scene of activity. Financial accountability by recipient unions appears sufficient to meet AID standards, despite concerns in the Africa Bureau. At the same time, a new program that provides audit and financial management assistance would be welcomed by many unions. AALC's planning, budgeting, monitoring, evaluating and reporting systems for the South Africa program need overhauling.
4. **Program effects:** Despite evident problems, elements of the AALC program -- especially the bilateral union-to-union program -- appear to have had important and useful effects. Training, though limited in scope, has played a role in strengthening unions in areas of organization, administration, collective bargaining and union operations. Study tours are viewed very favorably, but on-site technical assistance has been affected negatively by the several constraints on the AALC. Commodity aid, which is being phased out, presents a mixed picture of success. The successful union-to-union program is reaching a level of activity and sophistication that requires a more coordinated framework.

### **C. Recommendations**

- 1. The AALC has done a sufficiently good job in South Africa under difficult circumstances to warrant renewed funding by AID. The new contract should be a cooperative agreement rather than a grant, and should be for no less than three years. In order to insure improved management: 1) AID should center its responsibility for labor programs with USAID/Pretoria. 2) The AALC should continue for the time being to operate from Lesotho, work intensively to obtain freedom of movement for its representatives and move more decision-making authority to the field. When sufficient progress has been made in developing mutual cooperation and confidence between the black unions and AALC, consideration should be given to opening an office inside South Africa -- but not before.**
- 2. The new contractual arrangement between AALC and AID should explicitly address the future management of the program. For its part AALC should have a clearer and more explicit strategy, one that is developed to the fullest possible extent with black South African unionists themselves. That program should emphasize the transfer of essential skills in management, administration, and technical areas of need. A program of assistance in the area of audit and financial management also deserves serious consideration.**
- 3. Because the union-to-union program is by far the most acceptable in South Africa, it should be emphasized in the future, with increasing attention to regularizing interchanges. Consideration also should be given to creating a council of participating unions, chaired by AALC, to provide coordination.**
- 4. AALC's monitoring and reporting of its activities should be reformulated, in consultation with AID, to link those efforts more directly to its program strategy and thus provide a more rigorous basis for periodic evaluation. For its part, AID/Pretoria should provide adequate backstopping of the labor program. The USAID should be careful, however, not to take its own initiatives in the labor field which might overlap or conflict with AALC activities.**

### **D. Lessons Learned**

- 1. The use of a grant agreement to fund activities such as those of the AALC in South Africa is highly questionable. That mechanism presupposes a constant and finite set of activities that can be undertaken and accomplished with a minimum of AID intervention and oversight. An entirely too inchoate and complex situation prevailed with the emerging black trade union movement in South Africa to warrant a grant. A cooperative agreement, as recommended for the follow-on activity, is considerably more appropriate both substantively and procedurally.**
- 2. The continued use of the original grant agreement for seven years without major change, despite badly outmoded purposes and proposed outputs, is also questionable. By failing to address the direct need for a new contractual vehicle, AID permitted a situation unsatisfactory to all parties to drag on far too long.**
- 3. Project management can be difficult enough when the interested parties are communicating. When they are not -- and (as here) seem deliberately to be**

avoiding dialogue -- the outcomes are almost inevitably unsatisfactory. AID, State, the AFL-CIO and AALC should operate from fundamental positions of agreement. They do so in most of Africa and AALC programs are successful and worthy of emulation. Where viewpoints differ, as in South Africa, only frank and open discussion can bring a workable compromise.

## I. INTRODUCTION

This is the report of a management assessment and evaluation of the AID-funded program of the AFL-CIO, through its African-American Labor Center (AALC), to provide assistance for the black\* trade union movement in South Africa.

### A. Background of this Study

In 1981 the AFL-CIO/AALC initiated a program of assistance to the trade union movement inside South Africa to assist black unions and to promote basic changes in the lives of the workers. In September 1983, the U.S. government, through AID, signed a grant agreement with the AALC for these purposes. This agreement, although modified with additional money added periodically, has been in effect ever since. As of September 1989, funding under the grant totalled \$5,892,740. Late in 1989, the USAID/Pretoria with the support of the Africa Bureau determined that an evaluation that focused on management issues, program implementation and impact was warranted as a first step toward a potential new agreement with AALC.

This report is the result of that initiative.

### B. Methodology

The methodology for this study involves four basic elements:

1. The review of pertinent documents on file with AID/Washington, with AALC Washington headquarters, USAID/Pretoria, the AALC office in Lesotho, and in other locations.
2. Interviews with a wide range of individuals (See Annex B), including
  - AID officials in Washington and South Africa;

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\*Throughout this document "black" is defined as including South Africa's African, Asian and so-called "colored" populations.

- AALC officials and other U.S. union personnel;
  - South African union leaders and other individuals working with labor support organizations; and
  - South African trainees and other program beneficiaries.
3. On-site visits to the AALC South Africa units in Washington and Maseru, Lesotho.
  4. On-site visits in South Africa to trade union federations and affiliated unions, to service groups supporting non-white unions, and to other appropriate organizations and individuals.

The assignment differed in several significant ways from the traditional regime of an AID evaluation:

First, although the grant agreement called for annual evaluations to be performed by the grantee and for an "end of project" evaluation after two years by a joint AALC/State/AID team, and also specified some criteria at the outputs level of analysis, there are no real benchmarks against which to measure progress.

Second, a high degree of sensitivity exists with respect to the AFL-CIO/AALC activity. The South African government, while permitting U.S. funds to flow in these channels, is not supportive and the team deliberately interviewed no government officials. Moreover, as described in greater depth in the text, AALC assistance is controversial even for recipient organizations. This situation required a higher than normal level of circumspection and forbearance on the part of the evaluation team.

Third, because the assessment was first and foremost to be a management tool for assisting the development of a follow-on agreement between AID and AFL-CIO/AALC, the findings, conclusions and recommendations of the team became a component in a larger negotiating process. The team met for two days in Maseru, Lesotho, with two representatives from AALC, two staff members from USAID/Pretoria, and two officers from the Department of State with labor responsibilities. In addition to providing inputs for this report, the group's purpose was to begin the work of developing a new contractual agreement that

will permit the labor program in South Africa to continue. Some initial agreement was reached on the goal, purpose and activities of the follow-on work.

### C. The Study Team

The team included the following:

- John H. Sullivan, PhD, a vice president of Development Associates, who last year led a team that evaluated the AFL-CIO/AALC programs in other countries of Africa. He served as team leader on this study.
- Jerome Barrett, EdD, a senior technical specialist for the firm, who also served on a 1987 team that evaluated the programs of the AFL-CIO's Asian-American Free Labor Institute (AAFLI). Dr. Barrett, a U.S. federal mediator, concentrated on the training and education components for this report.
- Anne E. Finbar Mullins, a South African specialist on labor affairs, who assisted with the in-country interviews and logistics. She also had responsibility for assessing the context and trends in the South African labor scene.

Dr. Sullivan and Dr. Barrett participated in all phases of the inquiry. Ms. Mullins' activities were in South Africa and Lesotho.

### D. Acknowledgements

The study team wishes to express its appreciation to all those who contributed to our knowledge and understanding of the AFL-CIO/AALC program in South Africa. These include the many labor leaders in South Africa who took precious time from busy schedules at a crucial hour in their nation's history to share their views. We also were received with great courtesy and cooperation by the officers and staff of the AALC, by a group of five vice presidents of U.S. unions with South African relationships, and by groups and individuals providing services to a wide scope to the black trade union movement. Officials of the State Department and the U.S. Ambassador in South Africa also gave generously of their time to the team. Finally, we want to thank USAID/Pretoria for its cooperation, with particular gratitude to Mission Director Dennis Barrett, Director of Projects Mark Johnson, and Cecily Mango, our backstop officer, who did yeoman work to make our mission a success.

**E. The Organization of the Report**

This report is organized around a series of chapters aimed at making a complicated and sometimes confusing situation as lucid as possible in order to be able to draw some conclusions from the past and make recommendations for the future.

Chapter II discusses the current context and identifiable trends in the South African labor movement. It describes the astoundingly rapid rise of black unions in apartheid South Africa, the identifiable main currents in the movement and their implications for the kind of program that the AALC provides.

Chapter III focuses on the AALC program as it has operated since the grant agreement first was made in 1983. Special emphasis is placed on the program's evolution since 1987 -- as will be seen, a pivotal year from several perspectives.

Chapter IV is devoted to the management issues that have arisen in the course of the program's seven years of implementation. Attention is given to both the management structure and processes as well as to budgetary and financial management.

Chapter V examines the effects of the program that can be discerned with special emphasis on what actually has been accomplished for the intended beneficiaries in South Africa.

Chapter VI looks ahead to the future. It makes recommendations to the parties about the purpose, scope and process of the agreement that will take the place of the present grant.

The report also contains four annexes:

- Annex A contains the questions that are posed in the scope of work for this evaluation. Each is answered in a paragraph with reference to the main report for further information as appropriate;

- Annex B is a possible "logframe" strategy for the proposed new agreement and reflects agreements tentatively made among interested parties in Lesotho on January 30, 1990;
- Annex C lists all those individuals in South Africa, the United States and third countries who were interviewed for this report; and
- Annex D contains a bibliography of the principal documents reviewed by the evaluation team.

At this point we move to the context and trends of the black South African trade union movement.

## II. SOUTH AFRICAN TRADE UNIONISM: CONTEXT AND TRENDS

### A. Context: Apartheid and the Growth of the Trade Union Movement

The growth in size and sophistication of the trade union movement in South Africa over a relatively short time has been spectacular. It has resulted in a revolution in South African employment practices and destroyed the naive belief that unionism could remain separate from wider political trends as unions have demonstrated forcibly that they have a crucial role to play in the struggle for a future political arrangement.

The Durban strikes of 1973 gave birth to the new trade union movement. These early unions had grown out of "advice centers" in the early 70s in the context of heightened black worker activity. The government-appointed Wiehahn Commission proposed key amendments to labor legislation in 1979 (i.e., deracializing the Labor Relations Act, establishing an industrial court and introducing the concept of unfair labor practices, and thereby paved the way to granting black unions a degree of freedom to organize for the first time in decades).

When the Wiehahn Commission was established in 1976 there were 174 registered trade unions (largely white, colored and Indian), with a membership of 670,000 representing 12% of the economically active population. Just over a decade later, these statistics have increased dramatically to cover an estimated 35% of the economically active population or 2.5 million workers.<sup>1/</sup>

Three identifiable political traditions became discernible within the South African labor movement in the 70s. They reflect differing perspectives on labor's relationship to broader political issues.<sup>2/</sup>

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<sup>1/</sup>A Levy & J Piron: Annual Report on Labor Relations in South Africa 1988-1989.

<sup>2/</sup>Transcending Traditions: Trade Unions & Political Unity: E. Webster & A Fine in SA Review 5.

Shop floor-board unions (particularly those that were affiliated to the FOSATU federation) developed a cautious policy toward involvement in political struggles, believing that it was important to avoid the path taken by leftist unions in the 50s; arguing that their close identification with the Congress Alliance and radical-seeming campaigns were the cause of black labor's demise in the 1960s. These "workerist" unions emphasized instead the building of democratic shop floor structures around the principles of worker control, accountability and mandated representatives. They aimed at developing working class leadership in factories.

An alternative set of unions developed alongside. 'The national democratic' tradition re-emerged in unions such as the South African Allied Workers Union. These 'community unions' argued that labor organizations had an obligation to take up apartheid-related issues because workers' struggles in the factories and in the townships were indivisible. Many of these unions identified with the African National Congress (ANC) and the United Democratic Front (UDF) after it was formed in 1983. They increasingly became involved in actions over rents, transport and local elections. It has been argued that weakness on the shop floor and premature confrontations with both the State and management were the reasons why many of these unions were not able to survive in the face of intense government repression.

The third political tradition is that of the Africanist and black consciousness movement. The Africanist ideology is articulated by the Pan African Congress (PAC) which broke from the ANC in 1959 because of the latter's multi-racial definition of the nation. The black consciousness movement was influenced by the American black power movement with its emphasis on racial categories. During the late 1970s a class analysis was introduced which defined class in racial terms. The black consciousness tradition is distinguished from other traditions by its emphasis on 'black leadership' of the trade unions and its opposition to white intellectual leadership. This is clearly articulated in the NACTU constitution. While the black consciousness movement and the Africanist perspective are closely allied, they are not synonymous. The differences, however, appear to lie in tactics and strategy rather than ideology.

After four years of unity talks between the majority of independent trade unions in South Africa, COSATU was formed in December 1985. The issue of white leadership was a crucial stumbling block leading to the withdrawal/exclusion of CUSA (the precursor to NACTU) from the unity talks.

The substantial membership growth experienced by COSATU from 1985 through 1987 because of its recruitment of previously unorganized workers, poaching from other unions, and mergers with non-aligned unions, is truly impressive. When formed in 1985, COSATU had a paid-up membership of 450,000. By July 1987 it had expanded by 58% to some 712,000 workers. Under the banner 'one union one industry' COSATU managed, albeit with some difficulty, to streamline its structures and establish twelve industrially-based unions.

This period of rapid growth and internal reconstruction had a profound impact on levels of industrial action. The year 1987 was a watershed for South African industrial relations. The number of workdays lost as a result of industrial action soared; particularly significant were protracted strikes in the mining and public service sectors. The harsh realities of workers struggles for a better industrial dispensation were laid bare, and relations between management and labor became increasingly polarized.

COSATU membership figures dipped in 1987 (attributed to the dismissal of 50,000 mine workers during a 1987 strike) and then picked up dramatically with a claimed membership figure close to 1 million at the end of 1989. Growth in the last two years has been largely a result of mergers, the most recent being the 100,000 strong Garment Workers' Union (Western Cape) with ACTWUSA to form SACTWU, (South African Clothing and Textile Workers Union) in September 1989. Without doubt, COSATU has emerged as the giant labor federation.

By contrast, NACTU membership over the last two years has dropped considerably. Figures quoted at its last Congress in August 1988 were 144,418, representing a 130,000 decline in membership since its inception.

In an interview with the Weekly Mail, ex-General Secretary Piroshaw Camay, says this is a result of "NACTU unions not servicing members effectively, not recruiting new members and members voting with their feet".<sup>3/</sup> There is growing evidence, Camay says, that COSATU unions are winning over NACTU membership especially in the food and metal sectors. Other sources have attributed NACTU's decline to a tougher stand on monitoring and reporting of affiliates.

## B. Trends

### 1. The Government Response to Unions

As a direct response to growing union strength and the violent strikes of 1987, both management and the State embarked on a concerted attempt to contain the black union movement and reassert managerial prerogatives. Conflict between the State and COSATU reached a climax in 1987.

The South African government is believed to have played an increasingly repressive role in trying to contain black labor's growing involvement in political issues. Under mysterious circumstances, COSATU headquarters were blown up and many regional offices suffered arson attacks. An openly hostile attitude towards COSATU developed, culminating in extensive restrictions being imposed on COSATU and its allies in the UDF in February 1988. While NACTU was not restricted in the same way, it too was subjected to increasing police raids on union offices, police intervention in union meetings, videotaping of union proceedings and other attempts to intimidate union members, including massive police presence at union gatherings.

The Labor Relations Act (LRA) amendments introduced in September 1988 are seen by the black labor movement as another insidious attempt on the part of the State to curtail the growing power of labor. The LRA introduced

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<sup>3/</sup>Weekly Mail 1/2/90.

changes which unions believe undermine hard won gains made by the unions since the 1979 Wiehahn reforms. Instead of drawing the union movement into the industrial relations system, the LRA has itself become the cause of industrial action. One effect of the LRA has been to draw the two federations COSATU and NACTU closer together in joint protests and campaigns demanding the scrapping of the Act.

The South African black labor movement has emerged from the government's offensive as both vigorous and resilient. Indeed, far from distancing itself from politics in response to the banning and repression of political organizations, labor took on a leading role in internal resistance to apartheid. The implications of the recent unbanning of the ANC, PAC and the SACP on February 2, 1990, are still unclear for labor's role in the negotiating process and a future political arrangement. The terrain has shifted more quickly than anyone in the labor movement or the extra-parliamentary opposition anticipated.

## 2. Movement Towards Worker Unity

When COSATU was launched in 1985, it brought together unions from all three political traditions outlined earlier, including well-organized industrial unions from the shop floor tradition, general unions drawn from the national democratic tradition and the National Union of Mineworkers (NUM) which broke from CUSA (black consciousness). Blending these diverse political cultures under the banner "one country, one federation" proved a daunting task. Much has been written about the strategic and ideological differences which have characterized a struggle between "popularists" or "charterists" on the one side who wanted to turn the labor movement into a political vehicle closely allied to the ANC and endorsing the Freedom Charter; and the "workerists" or "socialists" who wanted to concentrate on the workplace and opposed surrendering union independence and abandoning working class politics in favor of broader political alliances. These polarities can be very simplistic, however, and frequently fail to capture the complexities of the debate which, due to the political climate in the country, often have had to take place in "coded" discourse.

Divisions, however, did become very intense and came close to threatening the unity of COSATU at its 2nd National Conference in 1987. A telegram message to the conference from SACTU, the banned leftist labor federation allied with the ANC, stated that socialism should not be a priority at this stage. The NUMSA-led delegation, which supports the socialist position, felt they were being overridden by the numerically stronger NUM delegation which supports the pro-ANC charterist position.

Ironically, the State attack on the union movement during 1987 and 1988 served to drive home the realization that unions have no choice but to play a role in the anti-apartheid struggle and to establish greater unity. Working with political movements is now firmly accepted by all unions — it is no longer even debated, and the issues have shifted instead to tactical questions of how that is to be done.

Opposition to the LRA during 1988 and 1989, nevertheless, led to unexpected co-operation and moves towards the building of a forum for unity between the two federations. Three days of national protest in June 1988 (the largest of its kind in South Africa, 2-4 million workers heeded the call) called by COSATU and NACTU against the LRA, the impending renewal of the state of emergency and the new restrictions on extra-parliamentary organizations, resulted in increased solidarity between the two groupings. Questions began to be asked whether this heralded the possibility of greater flexibility of ideological viewpoints. NACTU President James Mndaweni scotched these hopes by stating in September 1988 that the two federations would remain far apart as long as COSATU continued to uphold the Freedom Charter.

The question of formal unity between the two federations remains a difficult one for NACTU and there is mounting evidence that it is becoming intensely divided over the issue. NACTU did, however, involve itself during 1989 with the joint campaign of ongoing resistance against the LRA including overtime bans, protest marches, consumer boycotts and joint negotiations with SACCOLA (South African Co-ordinating Committee on Labor Affairs), a loosely-knit federation of nine major employee associations.

NACTU affiliates attended the 2nd Workers' summit held in August 1989 with over 800 worker representatives. The central resolutions of the

Summit were a commitment to the ongoing campaign of non-violent protest against the LRA and a rhetorical dedication to building working class unity.

The unexpected resignation of NACTU General Secretary Piroshaw Gamay in December 1989 once more highlighted the political splits within the federation and raised questions regarding any further steps towards unity between COSATU and NACTU. Piroshaw Gamay has cited publicly as one of his reasons for resignation his belief that the federation was not serious about worker unity. Decisions, he said, were not being made within NACTU forums but within political caucuses and these decisions were being imposed on NACTU structures. COSATU, he went on to say, had been steadfast in implementing its commitment to building working class unity, whereas NACTU had vacillated and failed to provide the necessary agreements to build unity. Another problem within NACTU to which he pointed is its failure to effect mergers within the federation, for example, the MEWUSA (Metal Engineering Workers Union of SA) merger in 1989 did not include the Steel, Engineering and Allied Workers Union of SA. SEAWUSA's exclusion from MEWUSA was attributed to Pan-Africanist/black consciousness differences between the two.

Questions which are raised for which there are no clear answers at this stage are: Will NACTU survive Gamay's resignation? With the Africanists dominating NACTU and without a figure like Gamay to mediate differences, will unions like MEWUSA and Food and Beverage Workers Union which have supported worker unity talks, be driven out of NACTU? Will those unions draw closer to COSATU or will they go independent?

### 3. Growth of Outside Union Financing

An estimated 17 million dollars of foreign funding reaches the South African Labor movement each year. The type of assistance clearly varies from affiliate to affiliate but the numerically larger unions in South Africa (NUM with 260,000 members, NUMSA with 210,000 and SACTWU with 185,000 members) stand apart, with substantially more self-generated resources at their disposal. They clearly are not dependent on outside financing for expansion and development.

The smaller black unions, by contrast, have great needs in the areas of education and infrastructure, particularly union administration, while the interests of the medium-sized unions are expressed in the arena of solidarity for local struggles, or special projects such as co-operatives or research into the structure of key industries in a post apartheid economy. Education, training, health and safety issues, except at the level of specific technical assistance, are counted of lesser importance.

The trade union movement in Western Europe, in particular Scandinavia and Netherlands, have historically been the preferred source of funding for the COSATU unions, while NACTU leadership acknowledges that support from the American union movement has been invaluable to their development. According to one COSATU trade unionist the origins of this separation go back to the early formation of COSATU when the AALC ignored COSATU financially: "they made the choice, they thought we were too close to SACTU." The view that the AALC helped to lure NACTU out of unity talks in 1985 with the offer of financial assistance was alleged on more than one occasion by COSATU members. AALC representatives deny this version of the history.

What is clearly evident is a clash of different traditions. The AFL-CIO/AALC with a strongly anti-communist position encountered the independent South African black trade union movement where deep historical alliances with the ANC and South African Communist Party had already been made. There is undoubtedly a depth of antagonism which still endures among the leadership of organized black labor in South Africa but many leaders there appear to recognize a need to acknowledge mistakes of the past and take corrective measures in the future.

The COSATU leadership appears willing to enter into dialogue and to normalize their relationship with the AFL-CIO on the basis of mutual respect and co-operation. Many COSATU affiliates have good and longstanding links with American counterpart unions. Continued solidarity and assistance with American "brothers" were repeatedly stressed as vital to the labor movement in South Africa. Contradictory though it may be, the AALC is still regarded as an outsider by many COSATU leaders. It is seen as a "non-union base," an intermediary in the relationship between fraternal unions and a uniquely American practice. The distance and lack of access to AALC clearly have

fueled suspicions; a great deal of dialogue and consultation between the two federations, AFL-CIO and COSATU, are required to dispel distrust.

The recent events in Eastern Europe have added another dimension to the issues surrounding outside funding. Although it has never been significant, it is anticipated by some South African labor leaders that support from Eastern Bloc countries for South Africa will dry up. More important, however, is the growing concern that money from Western Europe will increasingly be channelled to Eastern Europe in light of prospects of a unified Europe. While at this early stage many are adopting a "wait and see" attitude, strong indications exist that as black labor moves into the 1990s events in Europe will result in an increasing pragmatism inside South Africa, and that in particular, the relationship with the US labor movement will be positively reassessed.

#### 4. Changes in Strategy

Political divisions among unions are reflected in workplace strategy and tactics. During 1988/1989 the mobilization approach within COSATU, particularly associated with NUM, was in retreat (some say temporarily) while unions like NUMSA and SACTWU who recognize mobilization as a core strategy for unions, but stress winning concrete gains and organizational strength, appear to have been gaining increased support. During 1988, perhaps attributable to the efficacy of the State of Emergency, or as a result of a more cautious approach on the part of unions, the number of workdays lost due to strike action declined dramatically to the lowest since 1985. Clearly more workers were reluctant to embark upon actions which could have resulted in their losing pay and jobs.

Worker support for "stay aways" has, however, been impressive, demonstrating the willingness of workers to defend their immediate interests. The three day "stay-away" in June 1988 headed by 2-3 million workers and the second highly successful stay-away in September 1989 confirmed the trend towards fewer strikes but an increase in actions involving a much larger number of workers nationwide. The "stay aways" were not simply a demonstration of strength, but were designed to force changes to the LRA.

Many labor disputes continue to be fought in courts; in 1987, 2,900 cases were heard in the Industrial Court, in 1988, 3,838 and in 1989, 4,492. The Industrial Court has itself become a matter of controversy inside the labor movement with some unionists discouraging its use on the basis of its lack of judicial independence, particularly since the passing of the new LRA.

One effect has been an increasing number of employers and trade unionists negotiating agreements and procedures that bypass the provisions of the LRA, including the establishment by agreement of private dispute resolution procedures. This indicates the increasingly sophisticated responses of the trade union movement at attempts to control it. There is also an expanded role for organizations such as Independent Mediation Service of South Africa (IMSSA) providing arbitration and mediation services.

The labor arena nevertheless continues to provoke high levels of legal activity with employers particularly adopting a more aggressive approach to initiating legal action against unions during 1988/1989. For unions much will depend on the extent to which the Industrial Court remains a forum where significant labor rights can be negotiated. The larger unions like NUM and NUMSA are attempting to move away from a dependence on labor lawyers commanding high fees in favor of training paralegal officers within union structures to fight cases in the Industrial Court.

While a strategic compromise has been emerging within COSATU and between COSATU and NACTU, the differences underlying the competing political cultures have not been removed, and these traditions will continue to shape debates.

The South African trade union movement and black extra-parliamentary groupings are in a state of transition, and political reform in South Africa seems to be moving at a heady pace. The lifting of restrictions on the PAC, the ANC and the SACP by State President De Klerk on February 2, 1990, followed by the release of Nelson Mandela, the talk of negotiations and the prospect of a post-apartheid society, raise more and more imponderables. This period is being equated with the "first few days after the 1979 Wiehahn report." There is a sense, however, that South Africa could be on the brink of something infinitely more significant.

On the labor front questions being asked are: What will be the relationship between COSATU and the ANC? How will the return to South Africa of exiled SACTU leaders affect COSATU? What role will SACTU play in COSATU? Now that the PAC and the ANC have legal political platforms, will the orientations of both COSATU and NACTU swing more to bread and butter issues? What will be the role of the trade union movement in post-apartheid South Africa? As yet there are no answers -- only observations and opinions.

The link between the ANC, COSATU and particularly SACTU is clearly an issue still to be resolved, increasingly as a matter of some urgency. Some views suggest the present loose relationship between COSATU and the ANC will not change, with COSATU retaining its independence. This view suggests the return of SACTU exiles will make little difference -- there is a recognition of the political status of SACTU officials and a special empathy exists towards them; however, many are old and frail and only a few will be absorbed into nominal positions under existing leadership. A more pessimistic scenario suggests the possibility of a SACTU takeover of COSATU aided by forces inside, a move which would have serious implications for a future independent trade union movement and one which has the potential to destroy COSATU unity.

### **G. Conclusions**

1. Trade unions in South Africa are a powerful force for change and the abolition of apartheid.
2. COSATU and its affiliates have emerged as the major force of the South African trade union movement.
3. The trade union movement in South Africa is currently in a state of transition related to political change. Nevertheless, the three largest unions (NUM, NUMSA and SACTWU) will continue to play major roles regardless of political outcomes.
4. Although at present a lack of funds is not a constraint on the growth and vigor of the SA trade union movement, there is widespread concern that Eastern Europe will command funds that otherwise would flow to South Africa.

### III. THE AALC PROGRAM FOR SOUTH AFRICA

Although the AFL-CIO has been on record for a number of years in its opposition to apartheid in South Africa and its support for workers disadvantaged because of their race or skin color, its program of actual assistance to the labor movement dates from 1981. By 1983 it was in a position to apply for a grant from the U.S. Agency for International Development which itself was beginning a multifaceted program of assistance to those disadvantaged by apartheid as it responded to Congressional earmarking of funds in 1982 and 1984.

The first grant agreement for \$875,000 was signed September 30, 1983, and had a planned duration of two years, at which time a joint AID/AALC evaluation was to take place which would have included recommendations for continuing assistance. That evaluation never occurred. Instead, the grant agreement has been amended 13 times during ensuing years in most instances to add funds. The grant, which expired October 30, 1989, now has totalled \$5,892,740, or some \$5 million more than initially programmed.

Although money amounts were modified and increased, the basic language of the grant agreement has not been changed since its inception. This text remains as the basis for the current AALC/AID relationship. It is badly outdated. Many stated objectives of the grant were achieved some time ago; others are irrelevant in the present situation. Many stipulations about processes to be observed and approvals to be sought have been overtaken by events.

At the same time, recognition in the U.S. Congress and the Executive Branch of the importance of the South African black trade union movement has continued to be strong. Section 511(a) of the Comprehensive Anti-Apartheid Act of 1986 (CAAA) which authorized up to \$40 million annually in economic support for disadvantaged South Africans, explicitly calls for up to \$3 million to be provided each year for "training programs for South Africa's trade unionists" — the only such group to be singled out.

Recognizing AID's commitment to this Congressional mandate, it is highly likely that the Agency will agree to fund the AALC program in the future. At issue is

whether this is best done through another amendment to the 1983 document or by another mechanism. Equally important is agreement between the parties on the kind of program to be conducted in the future. This chapter examines the scope of the current AALC program.

**A. Components of the AALC Program**

AALC defines its program components under three headings:

1. Multilateral assistance is provided through an international intermediary, the International Confederation of Free Trade Unions (ICFTU), located in Brussels, which also serves as a conduit for funds from other Western democracies. The ICFTU, in turn, provides funds to the trade union federations in South Africa, COSATU and NACTU, as well as to labor service organizations which provide technical assistance and training both to the federations and individual unions.
  
2. Bilateral Assistance is provided by AALC through union-to-union contacts by cooperating U.S. trade unions. These trade unions provide their assistance in two ways: 1) directly to counterpart unions in South Africa with whom they have a continuing relationship, or 2) indirectly through assistance provided through the International Trade Secretariats (ITS), multinational organizations composed of unions in a similar industry or service sector.

For example, U.S. unions such as the International Ladies Garment Workers Union (ILGWU) and the Amalgamated Clothing and Textile Workers Union (ACTWU) are members of the International Textile Leather and Garment Workers Federation (ITGLWF) located in Belgium. They have assisted garment worker unions in South Africa over a period of years, both directly and through the ITGLWF.

There are currently 16 ITS with affiliates throughout the West; they, in turn, are associated with ICFTU.

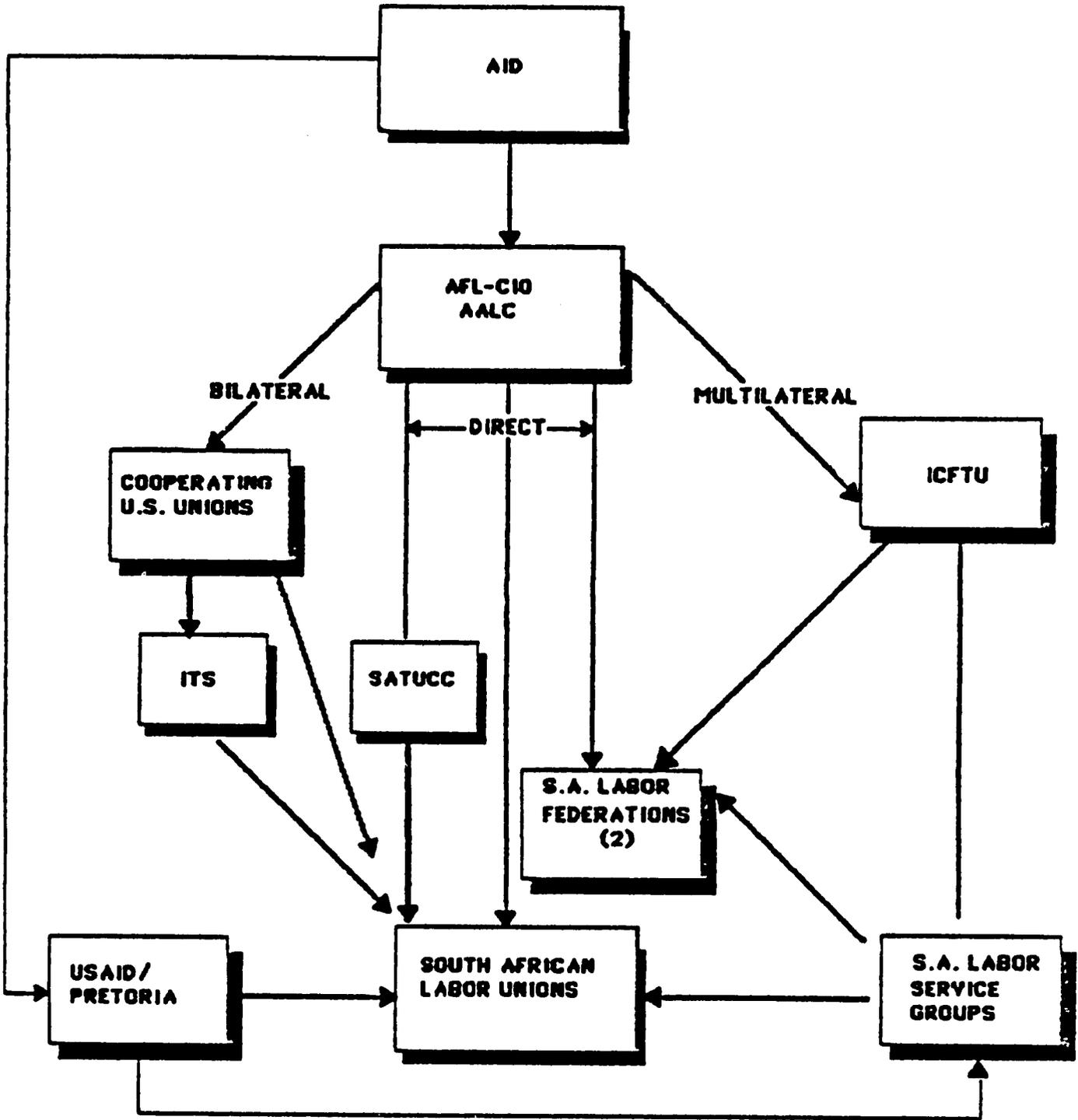
The U.S. unions currently participating in the union-to-union program are:

- Amalgamated Clothing and Textile Workers Union (ACTWU)
- International Ladies' Garment Workers' Union (ILGWU)
- United Food & Commercial Workers Union (UFCWU)
- United Steelworkers of America (USA)
- Service Employees International Union (SEIU)
- American Postal Workers Union (APWU)
- Oil, Chemical & Atomic Workers International Union (OCAWIU)
- United Farmworkers of America (UFA)
- Transportation Communication Union (TCU)
- International Union of Bricklayers & Allied Craftsmen (IUBAL)
- American Federation of State, County & Municipal Employees (AFSCME)
- American Federation of Teachers (AFT)

3. Direct Assistance is the usual mode for AALC assistance in the rest of Africa. In most countries in which it operates, the organization works directly with labor federations, strengthening their ability to operate vis a vis employers and government and institutionalizing their capabilities for serving worker needs. In South Africa, direct assistance has been limited to one labor federation, NACTU, because the largest federation, COSATU, refuses to deal directly with AALC. Also counted as direct assistance is AALC's funding for training seminars conducted under the auspices of South African Trade Union Coordinating Council (SATUCC) in which South African trade unionists are trained side-by-side with workers from other "Front Line" States. Also included here are the costs to AALC of establishing a Washington office which concentrates its attention on South Africa and an office in Maseru, Lesotho, which is almost entirely involved in the organization's South African program, although it also serves Lesotho.

Exhibit A demonstrates graphically the effects of these several ways of providing assistance to the trade union movement in South Africa. The program clearly is a complex one, involving a large number of organizations (U.S. unions, multinational organizations, labor service groups, etc.) which serve as intermediaries for AALC funding. This manner of operation has both advantages and disadvantages. On the plus side, it permits organizations that for policy reasons might not be willing to take funds directly from AALC to accept financing that comes through intermediaries. It also allows

EXHIBIT A: U.S. ASSISTANCE CHANNELS TO BLACK SOUTH AFRICAN  
LABOR ORGANIZATIONS



flexibility of approach. On the negative side, it means that recipients often have only a sketchy notion of where the funds for their activities actually initiate. AALC, AID and the American taxpayer may never receive proper credit for the contributions.

Through the years, the AALC also has reconfigured its program to lower its own image and emphasize the union-to-union and international contacts. In its initial 1983 grant agreement with AID, the AALC had a much higher profile than is evident today. At that point the multilateral assistance was less than 10 percent of the total and the union-to-union program was subsumed as part of a larger direct program.

As a result of events that have occurred largely since 1987, the AFL-CIO/AALC estimates its funding as having shifted as follows:

	<u>1986</u>	<u>1989</u>
<u>Multilateral</u>	9.6%	28%
<u>Bilateral</u>	13.8%	41%
<u>Direct</u>	76.6%	31%

Two primary reasons exist for this dramatic shift. First, since 1986 AALC has not had a representative with a visa to enter South Africa on a regular basis. The South African government apparently has been opposed to a regular AALC presence. The present AALC representative, located in Lesotho, has spent only a few days in the country -- and those only recently -- since being assigned in 1987. Second, the formation of COSATU as the major federation has meant a prohibition by the federation and its affiliates from taking assistance overtly from AALC. Faced with these constraints, the AALC has moved to reduce its direct program in favor of the use of intermediary institutions.

**B. Prior Evaluations**

The AALC has been prompted in its strategic shifts by a series of evaluation/assessment reports financed by AID and written by Arnold M. Zack, an American attorney specializing in labor affairs. From May 1986 to June 1987, he submitted three reports to AID:

- An Evaluation of the African American Labor Center Project in South Africa (May 12, 1986).

This report concluded that "trade union skills are wanted; the AFL-CIO is still perceived warmly; and there is a great deal of work for AALC to do." Mostly positive the report was accepted by the AALC and remains the only evaluation it recognizes since the 1983 grant stipulated a role for the AALC in shaping an evaluation and in selecting evaluators.

- Development Assistance for the South African Labor Sector in South Africa: A Strategy (May 10, 1987)

This report marked a sharp departure from Zack's earlier study. Reassessing AALC efforts, Zack concluded that "the status quo appears to meet none of the relevant U.S. policy goals of encouraging relationships with leading trade unions of South Africa." He recommended that control of the program be shifted from AALC to the AFL-CIO itself and that other steps be taken to alter the existing situation in order to increase the acceptability of U.S. aid to COSATU.

- Development Assistance for the South African Labor Sector in South Africa: Annex on Implementation (June 5, 1987)

In this 17 page annex, Zack set some priorities for the new directions he envisioned for the U.S. program of assistance to labor in South Africa. It emphasized union-to-union programs and proposed a series of contracts with labor service groups, universities, and indigenous law firms for trade unions training and legal assistance.

The AALC reacted sharply to the latter Zack reports. In a letter dated July 10, 1987, its Executive Director, Patrick J. O'Farrell, rejected out of hand any notion of the AALC stepping aside and allowing some other entity within the AFL-CIO to play a coordinating role, or of the U.S. contracting its labor activities to a university or another organization.

Although AID apparently never sought formally to resolve with the AALC the issues that the 1987 Zack reports had raised, the findings precipitated a meeting on Capitol Hill in the summer of 1987 between O'Farrell and Lane Kirkland, President of the AFL-CIO, and leading members of the House and Senate. In that meeting, according to reports, Kirkland emphasized the links between the AFL-CIO and AALC, defended its program, and challenged congressmen to cut off funding if they did not agree with the existing strategy.

Although no further Hill action occurred, the AALC at about that time began to move its program toward a more active union-to-union effort and increased its

contributions to the ICFTU. It also began to decrease its emphasis on NACTU and its affiliated unions, and on so-called "independent" unions, and to make accelerated efforts to provide help to COSATU affiliates through the union-to-union program.

### C. Conclusions

Looking at the AALC program as it has evolved during the past seven years, the following conclusions appear warranted:

1. Although the 1987 Zack reports were essentially correct in their analysis of trends in the trade union movement in South Africa, particularly the growth of COSATU and the problems within NACTU, the idea of AALC being disassociated from AFL-CIO or somehow stepping aside from activities in South Africa is insupportable. The AALC is the proper instrument for expressing the AFL-CIO and U.S. interests in the trade union movement in South Africa. It has wide acceptance in that role throughout the rest of Africa.
2. While at first glance it may appear that the AALC strategy in South Africa has been confusing and inconsistent, that view fails to take into account the constraints under which the organization has been forced to operate and the rapid changes that have occurred in the trade union movement in that country. During the seven years in which the grant has been in operation, the conditions under which AALC has operated have altered markedly. While the organization has a reputation for making pragmatic adjustments in strategy elsewhere in Africa, the circumstances in South Africa have proved particularly challenging.
3. Because of the fractured and episodic nature of the AALC program during the past seven years, it is almost impossible to apply any rigorous standards of evaluation. Data is lacking to permit reasonable assessment of impact; it is possible, however, using primarily anecdotal evidence, to assess the program at the "outputs" level. This is an area that clearly needs the attention of all parties.
4. The AALC program has in recent years exhibited an increasingly flexible response to the challenges and opportunities presented by the South African trade union movement. Given the evident constraints to its freedom of action imposed both by the Government of South Africa and the leading labor federation, COSATU, the organization often has responded in imaginative and potentially productive ways.

#### IV. MANAGEMENT ISSUES

Management issues have dominated the dialogue between interested parties about implementation of the AALC South Africa program:

- AID officials have complained about a lack of communication and reporting from AALC or its South Africa activities.
- AALC officials have responded that AID officials have given minimal time to learning about its efforts and suggest that their "door has been open" to more interaction but AID only rarely has crossed the threshold.
- The inability of the AALC representative for South Africa regularly to enter that country raises problems of adequate monitoring.
- Questions have been raised about the adequacy of financial management and reporting being done by the ultimate recipients, as well as by intermediaries.
- Some AID officials have questioned the accuracy and validity of the financial accounting for the program.
- The respective roles played by the AALC offices in Washington and Lesotho and their interaction with intermediary institutions have been a cause for inquiry.

As a result of these and related issues, the team spent considerable time investigating the administration and management of the AALC program in an attempt to understand as thoroughly as possible its actual operations. As is evident from Exhibit A (Chapter III), funds currently flow to recipients through a variety of "spigots." This presents an unusually complicated set of relationships and an obvious management challenge.

##### A. The Overall Management Structure and Process

Exhibit B, that follows, depicts graphically the present management structure for the South African program. It provides a framework for understanding program decision-making and operations.

##### 1. The Role of AALC/Washington

For the most part the management of the South African program occurs within the South African Unit of AALC's Washington office. This unit was created



as part of the initial 1983 grant in order to "coordinate all U.S. labor activities in support of trade union development in South Africa." The unit serves as a focal point for liaison with labor groups in South Africa, establishing and maintaining channels of communication, and acting as a coordination point with other international labor bodies such as the ICTU, OATUU, and the ITSs. It is also responsible for the maintenance and coordination of the union-to-union program, a role which has grown much larger than initially contemplated because of the difficulties AALC has had in working directly in South Africa. Although the staff of the South Africa Unit is financed entirely from the AID grant, it also has some responsibilities for overseeing AALC activities in certain other African "Front Line" States.

## 2. The Role of AALC/Lesotho

The AALC attempts to maintain a presence in South Africa through its office in Maseru, Lesotho, a small country surrounded entirely by South Africa and easily accessible by road and air. When the grant was signed, the assumption was that this representative would be able to move freely in and out of South Africa in order to develop personal relationships, coordinate programs, and provide on-site monitoring and evaluation. Repeatedly denied visas by the South African government, the AALC representative only has been able to visit South Africa once in June 1989 for six days. South African unionists must travel to Lesotho to see him. Nevertheless, the AALC believes that the limited role he plays is an important conduit for efficiently implementing programs, maintaining communications, reporting, and providing a regional presence. At the same time, the situation is clearly far from optimal and the current representative's frustration and impatience with the situation is clearly understandable. Unlike the typical AALC operation in which a representative is given a specific budget and is able to make many funding decisions in the field, the South African representative must refer virtually all requests back to AALC/Washington. He is also responsible for a small program AALC conducts with a nascent labor movement in Lesotho.

### 3. Role of AID

Although AID is the sole source of the AALC's South Africa program funding, it has played, until recently, a very low-key role in the process. The original grant projected a major role for the U.S. Embassy in Pretoria in such matters as advance approval of program activities. AID/Washington was to receive financial accounting and other periodic reports. AID officials explain that this division of responsibility made sense in 1983 because AID had not yet established its full-fledged Mission in the country. As AID programs and presence grew in the mid-1980s, so did its representatives' interest in having a say about the shape and content of the labor union program. Yet this new relationship was never formally codified in subsequent modifications of the grant agreement between AID and AALC. AID/Pretoria continued, in large part, to communicate to AALC through the Africa Bureau's Project Development Office, where a single individual was designated to "backstop" the program. While that individual sometimes was in direct touch with AALC officials, frequently messages were communicated through the head of the Africa section of the Office of Labor Affairs (OLA) in the State Department who traditionally maintains a close and supportive relationships with AALC.

### 4. Role of the State Department

Although the 1983 grant agreement gives the U.S. ambassador in Pretoria the right to veto any project proposed by AALC, no evidence exists that AALC regularly asked for approvals. The present ambassador, for example, was surprised to learn of that responsibility and indicated he had never been requested to okay an AALC initiative. Given the evolution of the program, this result is not surprising. AALC's field representative has been barred from entering the country and AALC Washington officials only occasionally have been able to visit. At the same time AALC/Washington was interacting on a regular basis with State/IL. That office can provide guidance, liaison, and more secure communications to Pretoria than AALC otherwise could have. Thus, the State/IL has -- perhaps largely by default -- played a key role in program coordination.

**B. AALC, AID and State Department Relationships**

The team's investigations brought to light a woeful lack of communication and interaction among the several entities that are responsible for the South Africa program. For example:

- After the release of the second Zack report, the one critical of AALC efforts and strategy in South Africa, a copy was sent by the director of the Office of Southern Africa Affairs to AALC. At the same time the AALC's fiscal 1987 South African budget proposal was pending. On July 10, 1987, the executive director of AALC sent AID a blistering response. At that point AID officials, who appear to have agreed with many of Zack's findings, dropped any further discussion of the report with AALC and, on July 30, signed a "no cost" extension of the grant until September 30, 1987. Subsequently on September 30, an additional \$800,000 was added to the grant without requiring any alteration in AALC strategy or program. (The modification did, however, provide for a subsequent agreement on improved reporting.)
- When the South African USAID Director came to Washington in early October 1987, he visited AALC where, according to an AID memcon, he was asked point blank if the Zack report represented AID strategy and, if not, what was AID's labor strategy in South Africa? Furthermore, AALC staff asked for guidance on policy: What did AID find positive and negative in the Zack Report? According to the memcon the AID officials' response was only to confirm that the Zack report did not constitute an AID strategy.
- In Summer 1988 USAID/Pretoria undertook to prepare its first Country Development Strategy Statement (CDSS) as a means of providing a policy framework for the multiple activities it was undertaking to assist the victims of apartheid. Section V of that CDSS, encompassing 13 single-spaced pages elaborates a labor strategy. Although the labor strategy sets a role for AFL-CIO/AALC and discusses joint consultation on initiatives relating to labor that the Mission might take outside the AALC relationship, the labor strategy was never discussed with AALC. In fact, AALC representatives were unaware such a strategy paper existed until we showed it to them as part of our assessment.

Given the importance attached by the U.S. to relationships with the black trade union movement in South Africa, the lack of communication and coordination evidenced by these -- and other -- incidents signals clear management difficulties and sets a requirement for intensified attention to improving relationships among the major actors.

**C. Budgeting and Financial Management**

A central concern for the Africa Bureau backstop officers about the AALC program is its financial management and fiscal accountability. The Africa Bureau's Project Office is required periodically to sign off on expenditures and needs assurances that AID's financial reporting requirements are being met. Thus, the team made inquiries into the financial processes involved.

**1. At the Recipient Level**

Particular attention has focused at the recipient union level since no AALC representative is present in-country to check if funds are being used for the purposes intended. While no system is foolproof, the team is convinced that sufficient safeguards now exist to minimize the potential for fraud or mismanagement.

A primary safeguard is in the regulations that the Government of South Africa itself imposes on all registered unions. Those organizations are required annually to have an audit of their books by an outside firm at their own expense. Those audit reports are then forwarded with accompanying documentation to the South African Government, which reviews them for potential discrepancies. In certain instances the government may make inquiries of the audit firms for clarification of their findings. The registered unions -- which include the majority of the larger labor organizations -- have come to accept this scrutiny as a means of assuring their own members of the probity of their activities and the audit reports usually are made generally available to union memberships.

A new law, promulgated in March 1989 and called the Disclosure of Foreign Funding Act, puts even more pressure on the unions and other organizations to keep their books straight. Although it has been applied only in four or five cases, the law stipulates that no organization or individual can use funds received from abroad except for the purpose intended by the donor, unless that donor's permission has been received. Violations can bring severe punishment. While critics of the South African government see this

statute as intending a "chilling effect" on hundreds of black-oriented groups that receive anti-apartheid funding from abroad, the impact clearly reinforces fiscal integrity and good audits. In effect, the South African Government is tougher on financial accountability than AID could ever think of being. (It should be noted that non-registered unions, although not subject to the audit requirements of the Labor Relations Act, are affected by the Disclosure of Foreign Funding Act to the extent they receive support from abroad.)

Our exploration of the audit and financial accountability issue does point to one area of potential union strengthening. Although outside auditors regularly provide their client's unions with "letters of audit" recommending improvements in financial management and accounting procedures, the unions most often are unable to do much about the suggestions for lack of resources. While an occasional audit firm will provide free technical assistance to help a union upgrade its performance, most require payment for such service. A concerted program of financial management improvement provided at a donor's expense would be welcome, we were assured by many officials.

## 2. Financial Requirements and Practices of AALC

A review of the budgeting and financial management processes of AALC, which Development Associates conducted in June 1989, found that in general the systems and processes of the organization are sound and correspond to AID's requirements.<sup>1/</sup> Within that context, it is possible to assess the performance of AALC in carrying out the multi-faceted program it operates for South Africa:

<sup>1/</sup>See Joint Management Evaluation of the Cooperative Agreement Between U.S. Agency for International Development and African American Labor Center (African Labor Development II -- 698-0442) by Development Associates, Inc., June 8, 1989. Pp. 54-61.

- a. Multilateral activities, as noted earlier, are effected almost entirely through the auspices of the ICFTU. The AALC takes part in an annual ICFTU donor bidding session with parallel organizations from Canada, Scandinavia and nations of Western Europe. Although funds from the several donors are comingled by the ICFTU, donors may designate their monies to specific purposes or organizations. Thus, for example, AALC credits itself with assistance to several service organizations such as the Labor and Economic Research Center (LERC) in Johannesburg and the Industrial Health Research Group in Capetown. Because ICFTU actually provides the funds and monitors their use, that organization is responsible for obtaining appropriate documentation. AALC reimburses ICFTU for its expenditures on a periodic basis, upon submission of appropriate documentation, up to the ceiling of its pledged commitment.
  
- b. The bilateral program which encompasses primarily the union-to-union activities is funded and managed in several ways. Sometimes the U.S. unions involved provide up-front financing for approved activities from their own resources, are responsible for obtaining adequate documentation from recipients, and submit reimbursement claims to AALC. Union representatives assured us that the process is not an automatic one: frequently, they say, AALC partially or wholly disallows expenditures as not meeting previously stipulated purposes or for being inadequately documented. In some cases the U.S. unions have been forced to "eat" the difference. In other instances under the union-to-union program, AALC itself puts funds in up-front. It then demands an accounting from the U.S. union or the ITS involved. AALC funding is most often — and particularly for larger projects — phased so that subsequent tranches of money are provided only when initial spending by the South African unions is adequately accounted for.
  
- c. The AALC direct program works much the same way. Since a substantial portion of that program is funded through the Lesotho-based AALC field representative, the team was able to review firsthand the system of accounting used and the formats involved. Simple and direct, they appear to provide an appropriate level of rigor and require sufficient

documentation to give assurance that funds are being spent for the purposes intended. There is no substitute for on-site inspection, but until that is possible for AALC present systems appear satisfactory.

The team's discussions with AID/Pretoria about the financial accountability issue found officials there less troubled than in AID/W. Aware of the limitations on accountability for the more than 300 anti-apartheid organizations to which the Mission currently is providing funds, the USAID's concern -- one shared by the team -- is that audit requirements not be so stringent, that they constitute a "dead hand" on program operations. The situation suggests that the difficulty may lie in the manner and methods of AALC's reporting of expenditures to AID rather than a need to impose new financial management requirements on recipients or intermediaries.

#### D. Planning and Budget

AALC's deficiencies in providing detailed planning information to AID as the basis for its budget requests has been a perennial problem. In 1986, for example, AID advised AALC that a lack of detailed planning information was a definite factor in the Agency's reduction of its requested funding level. The organization's 1988 proposed budget request, although voluminous (69 pages) is short on a justification for the allocation of its spending and generally fails to indicate the why of program choices. The 1989-1990 budget request is similarly diffuse in that regard, describing in detail 18 "objectives" of the program without any prioritization among them. These objectives are, in effect, programmatic elements independently considered and not linked in any way to budgetary amounts. Thus, if AID cuts an AALC request by 50% it does so with no real understanding of where the effects of the reduction will be felt.

In defense of AALC's planning and budget presentations, it must be recognized that the special circumstances involved in the South African program render any rationally structured planning very difficult. Elsewhere in Africa the organization employs a planning process that features real programmatic objectives within an articulated strategic framework. In short, AALC knows how to plan and budget effectively in the AID context; it simply has not done so -- or has not been able to do so -- in the South Africa program.

**E. Monitoring/Evaluation and Reporting**

AALC has been criticized by AID at various times for the paucity of information it provides on the implementation and effects of its programs. As a result, the organization has since 1988 been providing reports every six months to AID. Two have been produced thus far. The reports represent a major advance over the past, but remain tied to the 18 "objectives" that AALC has established for its budget requests. Apparently this format was originally agreed between AALC and AID. While providing a great deal of information about developments and trends in the South African labor movement on an industry-by-industry basis, it lacks specificity on where AALC funding went and the effects of AALC-sponsored programs. To some extent this deficiency reflects the current "arms length" nature of AALC involvement in South Africa; nevertheless, improvement is suggested.

Reporting by AALC has other troublesome aspects. In anticipation of our visit, the leadership of the COSATU Federation were given copies of an AALC six month report by a State Department officer. Because the report cited specifics of AALC assistance (generally through union-to-union contracts) to COSATU affiliates, the information caused a stir within South African union circles. At the same time, AALC's image might well be enhanced by a report written largely for an audience in South Africa, one which emphasizes those aspects of its program likely to be viewed most positively by trade unionists.

**F. Conclusions**

1. The decision-making apparatus for the South African program, by being primarily in Washington for both AALC and AID, is too far removed from the scene of the action and hampers project management.
2. If the program is to be improved, a close and continuous working relationship between AID and AALC is essential.
3. The Department of State, through its Regional Labor Officer in the U.S. Embassy/Pretoria and the RLA/Washington office, can play a facilitative role in that relationship.
4. Financial management, while always a concern in assistance programs abroad, does not appear to be an important problem or constraint to AALC activities for South Africa.

5. The financial accountability of the recipient unions seems reasonably assured since the South African government itself imposes strict financial reporting and audit requirements on labor unions, requirements that in many ways go beyond what AID normally would expect.
6. A program of assistance in the area of financial management and audit apparently would be welcomed by the unions as easing current costs and strengthening their internal capacities in an important area.
7. AALC's planning and budget processes for South Africa, which have provided justification to AID in the past for reducing the organizations budget, need a serious overhauling. AALC does a fully adequate job of planning and budgeting elsewhere in Africa; although unusual constraints exist in South Africa, it can also do so in South Africa.
8. Evaluation and reporting, while similarly impeded by external conditions in South Africa, also can be improved. Major upgrading, however, may well require substantial changes in attitudes and conditions inside the country.

## V. EFFECTS OF THE AALC PROGRAM

### A. Acceptance by the South African Trade Union Movement

The strong awareness of the AALC, the AFL-CIO, and specific U.S. unions is indicative of program impact. While not all the awareness brought to the evaluation team's attention was positive, it was pervasive. Virtually, everyone who was contacted for an interview was willing to meet with the evaluation team. And everyone who met the team was willing, and most appeared pleased, to talk about the AALC and provide it advice. This included union officials who have not received or have not admitted to receiving funds or assistance from the AALC.

Even the COSATU secretary general, who was reported to be hostile to AALC, met with the team after a slight scheduling mix-up. During the meeting he was unhurried and made clear his views on the importance of normalizing relations with the AFL-CIO.

Union-to-union contacts were pointed to by interviewees as the most useful assistance the U.S. could provide.

In spite of the often negative perceptions of the AALC, based on interpretations of past "mistakes" by AALC and the AFL-CIO, progress has been made in diminishing that impression. The personal regard and respect for the last two AALC representatives was clear from many interviewees. Several union leaders said emphatically that they realized American workers support their struggle.

### B. Effects of Programmatic Elements

The AALC program has four basic components: training, study tours, technical assistance and commodity purchases. The team reviewed the effectiveness of each.

## 1. Effects of Training Programs

Since the AALC representative has been excluded from South Africa, and representatives of U.S. unions have been in-country infrequently, the evaluation team was unable directly to observe any training programs. We were limited to reviewing AALC reports, and interviewing a small number of individuals who had received AALC sponsored training in Malawi, Swaziland, Zimbabwe, Lesotho, Botswana and the US.

Training programs in these African countries involved 283 individuals from unions representing all major sectors of the SA economy except mining. The persons interviewed, while they often would have preferred an in-country training program, had positive reactions to their training experience. The following are examples of their comments:

- AALC's training in economics was described by several as very good. One individual proudly displayed the AALC workbook from the course.
- Training provided a good opportunity to talk with other African unionists about their experiences with their labor statute, organizing, and collective bargaining.
- Training provided the opportunity to establish relationships with the American unionists conducting the training and others encountered in the U.S.
- The topics covered in the training were of interest, and relevant to the attendee's needs.
- Collective bargaining training received by one interviewee was used by him to train his team members inside South Africa.

Those interviewees who traveled to the U.S. for training typically did so in connection with study tours. While one person felt the training he attended could have been tailored more to his needs and interests, most interviewees felt their training experience in the US was very useful. Interviewees mentioned programs at the George Meany Center, Columbia University, Cornell University, and the program on negotiations at the Harvard Law School. Less formal learning occurred for other interviewees at the conventions of U.S. unions to which they were invited.

Comments of interviewees on their U.S. training experience ranged widely:

- The George Meany experience was very useful in planning and developing a training program for his union.
- Training materials and equipment, particularly video, were very impressive. They would be very helpful in South Africa because of illiteracy problems.
- Training closer to home would be less expensive and better focused on union's needs.

## 2. Effects of Study Tours to US

The interviewees who came to the U.S. on study tours were very pleased with this opportunity to learn. Most emphasized the variety of experiences they were afforded by their tours. Examples of the activities reported approvingly by interviewees were:

- Visiting a union office to see how day-to-day matters are handled.
- Witnessing an organizing campaign.
- Observing a strike of U.S. grave diggers, including discussion with the strikers.
- Discussing with sister unions in their industry the unique problems faced by unions.
- Discussing with U.S. government officials their procedures and practices in implementing the American labor laws.

Typical of the observations from the tours were these mentioned by one interviewee:

- Administration of the business side of American union's affairs are very professional.
- U.S. unions make excellent use of technology -- phones, fax, computers, modern office equipment.
- Staff members are well trained, and are hired for their technical expertise.

### 3. Effects of Technical Assistance

The impact of the AALC technical assistance program is more difficult to assess than the other AALC programs. Technical assistance is essentially advice, leaving little written documentation, or even recollection in some instances. Most of the technical assistance is given by U.S. unions, or by the AALC representative in informal conversations with visitors to Lesotho, in connection with a grant. For example, help is given to unions trying to achieve a merger. Understandably, unions are reluctant to discuss assistance on internal and highly sensitive, political matters before or after a merger. Even AALC's records treat such assistance as a grant for travel or meeting costs only. Given all of the emphasis by interviewees on the need for union solidarity and "one industry, one union" it is not difficult to conclude that tangible but off-the-record merger assistance is valued by South American unions.

Technical assistance provided directly by U.S. unions was commented upon favorably by a number of interviewees. These included references to:

- Advice and medical screening conducted by an American union medical doctor with expertise in brown lung disease.
- Advice on food production which included a trip to Botswana.
- Visits to unions in U.S., and return visits by U.S. unions to SA which involved generous sharing of advice on their common industry and practices.
- The help provided by service organizations in bargaining preparation and health/safety training.

### 4. Effects of Commodities Funding

A number of the interviewees commented favorably on AALC grants for office furniture, office equipment including copy machines, and automobiles. All of these were appreciated and were apparently being used. One union discussed its appreciation for sewing machines given by a U.S. union which they are using to enhance their member's skills through training classes. Another union expressed appreciation to AALC for helping to furnish the union's training-education center.

Two extremes in interviewees' comments on the AALC commodity -- grants were these:

- Without AALC grants and encouragement their union would not have survived.
- The AALC is too quick to offer money, and slow in offering personal assistance. This was illustrated by the interviewee recalling when the union office was destroyed, the AALC representative phoned immediately with an offer of money.

Perhaps the most controversial type of commodity assistance are automobiles. We became aware that the potential for abuse of such aid can exist, e.g., union officials employing the cars for their personal use. AALC now has a policy of not providing vehicles, except in rare circumstances. A flat ban on such assistance probably would not be wise. For example, if AALC were to involve itself in the organization of farmworkers -- a sector where labor abuses are manifold -- vehicles could be a key item.

C. Congruence with USAID/Pretoria Labor Strategy

Several subprojects in the labor area initiated by USAID/Pretoria appear to be working well in their initial stages and have the potential for improving the image of USAID in South Africa, which like AALC suffers from a legacy of perceived past mistakes and lingering suspicions.

One AALC official expressed concern about these subprojects to the team, implying that his organization which has frequently been starved for funds by the AID budgeting process could better have done the programming had like funds been available. Such an attitude is understandable, but ignores the fact that USAID staff, being in the country and able to travel freely, are in a far better position to see new opportunities for working directly or indirectly with labor organizations. They also have ready resources to make opportunities.

To date, however, the AID programs and the AALC programs have not really been coordinated since AALC has not been aware of the Mission's labor strategy nor have any of the labor subprojects been discussed with AALC representatives. As a result of a presumed closer relationship in coming months, the collaboration between the two parties can only improve.

USAID/Pretoria is unique among African AID Missions in being truly interested and concerned with outreach to the black trade union movement. In the rest of Africa, AALC is often faced with indifference on the part of USAIDs; the Pretoria Mission by contrast has developed its own extensive labor strategy. Although the strategy was created and approved without AALC consultation or input, it provides a useful conceptual background for a labor program in South Africa, one that the AALC should find congenial with its own directions.

The team reviewed briefly three subprojects that have been funded by the USAID independently of AALC in the labor sector. They included:

- A \$100,000 grant to the Independent Mediation Service of South Africa (IMSSA) for training seminars aimed at upgrading mediation, arbitration, and negotiating skills of third party neutrals.
- Some short-term training programs outside South Africa for a small number of labor leaders; and
- An agreement with a business enterprise affiliated with a garment worker's union (ACTWUSA) to permit a model cooperative project in textiles to begin. The grant was for \$125,000.

The team's scope of work also raises the question of whether the USAID should be taking a wider and more active role in dealing with aspects of labor affairs. It has been suggested that the USAID move beyond assisting labor support organizations and black enterprises associated with unions to providing support for union programs of secondary services, such as legal and pension assistance.

A more vigorous move by the Mission into the labor field seems questionable at this time. It would be wiser to negotiate a new agreement with AALC which presumably will put that organization's program on a firm footing and in line with the USAID's expectations. Labor programs are the heart and soul of AALC; for AID they can only be new subprojects within a portfolio that already is so large that consolidation rather than exploring new territory seems advisable. The Mission appears to have much more to gain by working closely with AALC and seeking its success than by striking out on its own.

**D. Effects on Ancillary Organizations**

Three kinds of ancillary organizations have been involved with AALC in carrying out its activities. They are:

- The U.S. unions involved in the union-to-union program;
- Organizations such as the A. Philip Randolph Institute; Frontlash, the AFL-CIO associate for youth; and the Coalition of Labor Union Women (CLUW); and
- A range of labor service organizations such as the Urban Training Project (UTP); LERC, an economic research outfit and the Durban-based Center for Applied Legal Studies.

There is a question of whether these organizations have been progressively strengthened through AALC financial support to provide effective help to the black union movement. The results appear varied:

1. U.S. unions clearly have increased their capacity to deal with counterparts in South Africa. Major program ideas have been generated out of these contacts, which appear to be reaching a new phase of development. Certainly the South African unions that have been working with their U.S. counterparts were enthusiastic about the experience and want more and wider contacts. The rapid spread of the union-to-union program suggest that a more defined framework for cooperation among and between the U.S. unions and AALC might be required. U.S. union representatives who have been active in the program, including some who have been critical of certain past AALC actions, were unanimous that the AALC must continue to play the leading role in the process.
2. Other organizations such as the A. Philip Randolph Institute, Frontlash, and CLUW have not played the active parts envisioned for them in some earlier AALC proposals. While each has sponsored periodic training opportunities, the efforts have been episodic and have not developed as major intermediaries for AALC. Their future in the program requires more carefully defined roles.
3. Labor service organizations (LSOs) offer a distinctly mixed picture. The director of the Center for Applied Legal Studies, an LSO, believes that AALC because of its flexibility and responsiveness provides him with resources

that can be used precisely at critical times and places. Other labor service groups were unwilling to admit to receiving, even indirectly, AFL-CIO/AALC funding. Two LSOs were reluctant to talk with the evaluation team. This political sensitivity — at a level higher than the unions themselves — raises questions about the willingness of some service groups to confront candidly the tough issues facing the South African black union movement and their capacity to present unpopular advice. They may also prevent black unions from developing their own internal staff capacities. Their future role in the AALC program also must be carefully assessed.

#### **E. Measuring Effects of the Program**

As noted earlier, the level of analysis possible to measure AALC program effects are largely anecdotal and aimed at the outputs of the program (e.g. how many people were trained, etc.) rather than at the impacts (did those trained people make a substantial contribution to black union effectiveness). It is important that a mechanism be agreed between AALC and AID on how and to what extent baseline data will be gathered at the outset of the new agreement, against which a summative evaluation legitimately can be poised at the end. The team has some recommendations to make on this subject in the next chapter.

#### **F. Conclusions**

1. Despite the evident problems of the AALC in South Africa, elements of the program appear to have had important and useful effects on the black trade union movement.
2. AALC-assisted training so far has played a limited role in strengthening trade union activities in areas of organization, administration, collective bargaining and union operations.
3. Although study tours to the United States and third countries were viewed very favorably by black union leaders, especially on a union-to-union basis, some concern was expressed that tours could be more sharply focused to meet specific union needs.
4. Because technical assistance under the AALC program has been provided largely through intermediaries, it is difficult to assess TA effectiveness and the effectiveness of the assisting institutions.

5. Commodity aid presents a mixed picture, with office equipment, furniture, and productive items such as sewing machines being most appropriate. Automobiles, on the other hand, are problematic; AALC has acted wisely in reducing its vehicle purchases.
6. The AALC program is generally congruent with the goals and purposes of USAID/Pretoria "labor strategy" as expressed in the Mission's DDSS. The strategy, however, is beyond the present ability of AALC to implement in its entirety without the opportunity to travel freely in South Africa.
7. The union-to-union program, which shows the most promise among the components of AALC efforts, is reaching a level of activity and sophistication to require a more coordinated framework for its implementation.

## VI. RECOMMENDATIONS FOR A FOLLOW-ON AGREEMENT

Although the scope of work for this management assessment and evaluation presupposes the renewal of a contractual agreement between AID and AALC, the team did consider the question: Should the AALC South Africa program be continued? It has, after all, come under significant criticism in the U.S. and South Africa. Alternative means of reaching out to black unions in South Africa have been suggested. Nevertheless, we feel confident after our review in making the following recommendations.

1. The AALC has done a sufficiently good job in South Africa under difficult circumstances to warrant renewed funding.

In reality, there is no substitute for the kind of program AALC can implement in South Africa. If the U.S. government believes that effective outreach to black trade unions is important, as it appears to, then AALC has no substitute. Although the attitudes of the South African government and some black trade unions have constrained its activities, this arm of the AFL-CIO may well have time on its side. Widespread concern exists among union officials to whom we spoke that the funds currently flowing to them from Europe might soon be diverted into Eastern Europe. In fact, there already is some evidence of that diversion. In a less-affluent atmosphere, the continuing and steadfast support of AALC should come to be more appreciated. Then, too, now that the ANC and PAC have been un-banned, the unions may well become somewhat less politicized and more "workerist" in their approach. This too would be an environment conducive to AALC effectiveness.

Finally, in a true post-apartheid era, the AFL-CIO and its affiliates can be very important in assisting black unions during any reinvestment by American firms in the South Africa economy, to insure that U.S. business is operating in a fashion compatible with the welfare of labor.

2. The new AID-AALC contract should be a cooperative agreement rather than a grant, and should be for no less than three years.

The existing contract between AID and AALC is in the form of a grant. That form has not served either party well. For AALC it has meant coming back to

AID every few months to obtain a modification authorizing new funds. The organization's ability to do any real long-term or even mid-term planning thereby has been greatly reduced. For AID, the grant -- which assumes minimal need for interaction on program issues -- has reduced opportunities for open and productive dialogue with AALC about improving effectiveness. A cooperative agreement, by contrast, should foster a closer relationship between AID and AALC officials in pursuing common objectives. The requirements of a cooperative agreement (e.g., agreed annual work plan, etc.) will assist the process of insuring adequate communication. Concomitantly, AID should provide at least a three-year funding commitment to AALC. This is essential to permit the organization the opportunity to organize a strategy and to plan its implementation over a reasonable length of time.

3. AID should center its responsibility for labor programs with USAID/Pretoria and provide sufficient staff backstopping.

The management organization depicted earlier in Exhibit B clearly has not worked. Centering responsibility for project backstopping in Washington and AID's Africa Bureau has contributed to the "ballet of the blind" that so often has seemed to characterize the relationships among the parties. USAID/Pretoria is interested in fostering black trade union programs; that is made clear in its GDSS labor strategy. With staff increases that have already taken place or are expected shortly, the Mission believes it can do an appropriate and responsive job of backstopping an AALC-implemented project. The Mission should be allowed to do so. In an age of rapid communications and the ubiquitous telefax machine, the physical distance between AALC's K Street headquarters and the USAID in downtown Pretoria should not pose any severe problems. Furthermore, the substitution of an AID contracts officer in the field for the Washington contracts bureaucracy is almost certain to mean speedier responses to AALC's contract modification requests and questions.

4. AALC should continue to operate from Lesotho, work intensively with the U.S. Embassy in South Africa to obtain freedom of movement in and out for its representatives, and move more decision-making authority to that individual.

For the time being, we believe AALC is advised to continue to operate from Lesotho, despite the handicaps that location presents. At present the climate does not seem conducive to any kind of bold or dramatic move -- or an attempt

at one. Of considerably more importance is convincing the South African government to give the AALC representative a visa that would permit reasonably free passage into and out of the country. The U.S. ambassador believes South African officials to whom he has spoken on the matter may be prepared to consider such a request more objectively than in the past. He is willing to make vigorous efforts to assist the AALC in gaining a visa. Because to a very large extent the potential for advancing the program depends on obtaining a visa, the matter should be given the highest priority.

Assuming a visa is obtained that permits the AALC representative relative freedom of action to come and go, increased responsibility should be provided that individual by AALC/Washington. Given the nature of the program -- particularly the emphasis on union-to-union activities -- the Washington headquarters will necessarily be more involved in day-to-day activities than it is in other countries; at the same time, the ceding of significant decision-making power to the Lesotho representative clearly is desirable for improved program management. Exhibit C depicts a more rationalized management structure.

5. When sufficient progress has been made in developing mutual cooperation between AALC and the black trade union movement, consideration should be given to establishing an office inside South Africa, preferably in Johannesburg.

Ultimately, of course, it will be important to the advancement of the AALC program to have an office inside South Africa, probably in Johannesburg, where the two major federations have their headquarters. The climate for such a move must be right and would require close consultation with top black trade union officials.

6. The new contractual agreement between AALC and AID should address explicitly the future management of the program.

In retrospect it is apparent that the lack of explicit management guidelines and relationships in the 1983 AID/AALC agreement on South Africa has been a major part of the management problems that have plagued this program. Any new agreement must seek to obviate such problems by spelling out in detail what is expected of each of the parties, as well as how the program will be managed.



These requirements should be worked out mutually in advance by the two parties and should be adhered to the fullest extent possible. Although a cordial and productive working relationship between AID and AALC will depend upon a number of factors, having a firm base in the text of the actual agreement is an essential beginning.

7. AALC must have a clearer and more explicit strategy for its South African program, one that is developed to the fullest possible extent with South African trade unionists.

Hobbled as it has been by the conditions under which it has been forced to work, AALC often has taken a "target of opportunity" approach to its activities in South Africa. As a result, a central guiding strategy for the program has been difficult to find. To guide its upcoming activities, it may be useful for the AALC to construct its project within the "logical framework (logframe) matrix" that is required for all directly-funded AID projects. A proposed logframe — one worked out tentatively at the Lesotho meeting of interested parties — can be found in Annex B. Whether or not this formulation is adopted, some strategy will be required. To the fullest extent possible, of course, it should be developed in consultation with South African trade unionists.

8. A major AALC emphasis should be on the transfer of essential skills in management, administration, and technical needs of black trade unions.

The team explored a number of potential areas as appropriate for the major initiative of AALC, including health and safety, legal assistance, economic research, pensions, cooperatives, etc., and concluded that the most pressing need of many unions (although not the largest three) is training in the day-to-day work of running a union, from shop stewards to top officials. While other aspects of unionism are important and might certainly be included in AALC programming, the basic administration of union activities seems at this stage the highest priority.

9. AALC should seriously consider a program of assistance to South African unions in the area of audit and financial management training and technical assistance.

One of the mandates under which the team operated was to determine what "additional, tangible actions" AALC might take to increase its acceptance by

South African unions. We explored several areas and believe the most promising to be the creation of a subproject to assist unions with their audit responsibilities in a way that would also help transfer financial management skills. Such a program would:

- provide help to unions in an area where they both need and desire assistance;
- alleviate some of the financial burden for audits required by the South African government; and
- provide additional reassurance to AID that the funds provided are being handled in a financially responsible way.

This could be accomplished through a performance subcontract mechanism by AALC, using a group of South African accounting firms, including, of course, a representation of black firms, to assist unions with their audit and finance responsibilities.

The team's exploration of such a facility with most unions elicited an enthusiastic response.

10. Because the union-to-union program currently is by far the most acceptable to South African unions under AALC funding, it should be emphasized in the future, with increasing attention to regularizing interchanges.

The AFL-CIO/AALC effort to link U.S. to South African unions clearly has been the most important element of its program. This success requires further planning to reach full potential in the forthcoming period. AALC has recognized this requirement and currently is planning "Phase Two" for union-to-union contacts. Phase Two would bring the U.S. unions into more regular and systematic contact with counterparts, permitting the U.S. partner to assist in sustained institution-building efforts. Also under consideration is the creation of a committee headed by AALC that would include the international vice presidents of all the participating unions. This body could provide an opportunity for comparing experiences, planning joint efforts and giving general direction to the program. The team believes such a group holds considerable promise.

A question remains about the future role of the A. Philip Randolph Institute, Frontlash and CLUW. Although their past activities were constrained by

problems similar to those experienced by AALC itself, AFL-CIO officials believe they can play an important future part in reaching specific South African labor groups such as youth and women. Because they widen the backward linkages into the American labor movement, these AFL-CIO affiliates should be employed in the AALC program, but care must be taken to strengthen their capabilities to participate effectively.

11. AALC's monitoring and reporting of its activities should be reformulated, in consultation with AID, to link those efforts more directly to its program strategy and thus provide a more rigorous basis for periodic evaluation by AID.

Right now it is impossible for an impact evaluation of AALC in South Africa to be undertaken since there is no baseline data from which to determine progress. Nor do AALC's periodic reports shed particular light upon the accomplishment of program objectives. The entire process needs reform. Voluminous reporting, as AALC often does today, is less important than summary reporting that focuses on real advances and setbacks in achieving program goals and purposes.

A related issue is the creation of a mechanism that will permit reasonably rigorous assessment of the impact of the AALC program in any summative evaluation of the next agreement between the AALC and AID. The use of the logical framework for the agreement (see Annex B) should result in the two parties being able to concur on the criteria to be used in assessing the effectiveness of AALC activities in South Africa. Similar criteria already are being used elsewhere in Africa by AALC. These criteria should be embodied in the agreement itself; in those instances in which amassing of baseline data would be necessary, AALC would be given several months early in the agreement to collect it. To the extent that results can be quantified, they should be: At present AALC is collecting a considerable amount of information through circulation to its field representatives of a "Standard Survey of Trade Union Development in Africa." The results will permit cross-country comparisons of data. Such a survey of South Africa is a must.

Other objectives such as union maturity, ability to command respect and attention, effectiveness in dealing with employers and the government, and success in serving the rank and file may not be quantifiable and thus more national. In any case, both AID and AALC should agree at the outset on the

important questions (to be effective, not too many of them) and jointly near the end of the agreement, try to answer them.

This concludes the team's report. In the annexes to follow, we provide a number of additional materials important to this study, including:

- Annex A -- The questions included in the team's scope of work with short answers to each.
- Annex B -- A sample logframe for a new AALC project.
- Annex C -- A list of persons interviewed for the report.
- Annex D -- A list of documents referenced for the report.

**ANNEXES**

**ANNEX A: Response to Scope of Work Questions**

**ANNEX B: Toward a Logical Framework for the AALC Program in South Africa**

**ANNEX C: Persons Interviewed**

**ANNEX D: Referenced Documents**

**ANNEX A: RESPONSE TO SCOPE OF WORK QUESTIONS**

The body of the report provides the evaluation team's primary response to the scope of work for the assignment. As is customary with Development Associates reports, we also provide here a point-by-point response to each of the individual questions posed in the scope, to insure that all subjects of interest to our clients are covered. As appropriate we also make reference to those places in the body where more complete information on a specific subject is available.

**A. Management Issues**

**1. Compliance with Grant**

- a. Has AALC provided the required programmatic and financial reports as stipulated in the grant agreement and amendments?**

The 1983 agreement calls for an annual progress report to be submitted with the budget for the following year. This requirement appears to have been met by AALC. At the instigation of AID in 1987, the September 30 grant modification agreement stipulated that there would be a new written understanding between AID and AALC on "details and format requirements" of reports submitted under the grant. That understanding has resulted in a semi-annual report from AALC to AID that is separate from its budget submission. Two such reports have been submitted: July 1, 1988-December 31, 1988, and January 1, 1989-June 30, 1989. A third report, July 1, 1989-December 31, 1989, currently is in preparation.

The AALC has provided the quarterly financial reports as required. It should be noted that the organization's draw down on AID funds is dependent thereon.

- b. Should compliance be improved and can specific recommendations be made for better programmatic and financial reporting?**

Programmatic reporting clearly requires improvement. The report addresses that need in Section IV-E.

Financial reporting has been questioned on the basis of the validity of the figures submitted by AALC and their adequate documentation. The team believes AALC is complying with AID regulations in its financial reporting. Under a cooperative agreement managed by AID/Pretoria, however, it may be necessary to initiate new or additional procedures.

2. The following four questions should be addressed to AALC:

a. Can expenditures of AID funds by black South African unions be verified?

Measured by AID's normal standards of accountability, the expenditure of AID funds by the black unions can be verified. Section IV-C deals with this issue at length.

b. Do the unions assisted have accounting systems capable of certifying end uses as well as verifying end uses?

Yes. In effect, the South African government holds them to even higher standards than AID might -- with strong penalties for illicit diversion of funds. For registered unions, adequate accounting systems are required. The COSATU Federation also has its own accounting requirements for affiliates.

c. Is there a level of funds control management within the participating unions?

There is an adequate level of funds control management within the participating unions, reinforced annually by the required outside audits. The larger unions have sophisticated systems while the smaller ones clearly struggle with financial controls. Outside auditors annually present each union with a "letter of audit" containing recommendations for improving fund control management. Many unions lack the resources to implement the reforms suggested.

d. Is it possible to improve the present level of accountability, if so, how?

There clearly is some room for improvement in this area. The team has recommended that the AALC fund a program for helping unions with their

audits and financial management. The idea met with considerable enthusiasm from black union officials. See Section IV-C.

3. Level of Funding and Expenditure

a. Do annual funding levels greatly exceed actual AALC expenditure rates?

This question concerns the ability of AALC to expend its funds in a expeditious fashion. In fact, the organization only intermittently has had the luxury of a full year's funding. Moreover, it has had to become accustomed to stretching its available funds over a longer time frame than anticipated. The following chart illustrates that point:

<u>Date of Allocation</u>	<u>Amount</u>	<u>Programmed Time Period</u>	<u>Actual Time Period</u>
June 1986	\$1.5 million	12 months	15 months
October 1987	\$800,000	6 months	9 months
July 1988	\$1.5 million	12 months	20 months (as of Feb. 1990)

Thus, AALC has become accustomed to making its money stretch over a longer period than originally planned. This leads to a "nickel and dime" mentality in providing funds for on-going programs and virtually rules out any real strategic planning.

b. What were the actual expenditures by budget category in 1988 and 1989? (Provide breakdown in chart.)

The AALC provided the team with a breakout of funds that covered the period October 1, 1987, to December 31, 1989 broken out by type of program. Extrapolating from that chart, the budget breakdown is as follows:

<u>Type of Program</u>	<u>Funds Allocated</u>	<u>Percentage</u>
Bilateral (union-to-union)	\$484,000	41%
Multilateral	\$335,200	28%
Direct	\$370,700	31%

#### 4. AALC Management

- a. What is the role of the AALC Washington Office? What is the role of the Lesotho Office? How do they interact and what is the decision-making process?

Please see an extensive discussion of this question in Section IV-A.

- b. Are there alternatives to the two current offices that would make project implementation more effective?

Current inefficiencies in the system are largely the result of the constraints under which the AALC has been forced to work. However, if it becomes possible for the field representative in Lesotho to travel on a regular basis into South Africa, AALC/Washington should cede additional decision-making authority to that individual. For the foreseeable future, no alternatives to the current AALC structure appear feasible.

- c. Are project staff effectively utilized in carrying out the South African program? What portion of their time is devoted to non-South African activities?

The AALC staff in Washington estimates that about 90 percent of its time is devoted to South African labor affairs. The other 10 percent is focused on the "frontline" states where AALC has programs or on Southern African regional activities that frequently involve South African trade unionists. The Lesotho office is likewise 90 percent involved in South African affairs, and about 10 percent with the fledgling labor movement in Lesotho. Both staffs seem fully engaged in their work. Their efficiency is hampered by the constraints under which both the Washington and Lesotho offices currently operate.

#### 5. AID Management

- a. The grant is currently managed by the Southern African Project Development Office. Should this management responsibility be transferred to the USAID or the Africa Technical Resources Office in AID/W?

As is more extensively discussed in Section IV-A, the management of the South Africa program by the Africa Bureau in Washington, regardless of

the particular office that bears the responsibility, is likely to be less successful than transferring management responsibility to USAID/Pretoria.

## 6. AALC-AID-State Relations

What is the nature of the relationship between AALC and AID and State in the field and in Washington? If there are problems, what are they and how can they be improved?

The relationships among AALC, AID and the State Department are explored at length in Section IV-A. The role each party has played and the relationships developed with the other parties has varied over the course of the grant. The team believes that more effective working relationships can be achieved through a new management structure and a renewed spirit of cooperation and coordination among all parties.

### B. Program Impact

#### 1. Acceptance by South African Labor Movement

- a. What steps has AALC taken to increase its acceptance by the progressive labor movement in South Africa represented by COSATU? Analyze their effectiveness.

In recent months AALC has increasingly targeted its funding at COSATU unions, primarily through its growing union-to-union program. This strategy appears to be somewhat effective in improving relationships between the AFL-CIO and its affiliates and the progressive trade union movement in South Africa.

- b. Do AALC's much stronger ties to NACTU undermined its chances to make inroads with COSATU? If so, what steps can AALC take to overcome the problem?

While AALC's ties to NACTU have, in part, been a constraint to better relations with COSATU, they do not appear to be a major point of contention. The suspicion that exists on both sides is a complicated phenomenon and will require time and patience to overcome. A continuing AFL-CIO/AALC program and presence in South Africa that is recognized to provide positive benefits to the trade union movement and workers is likely to be the most effective remedy.

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- c. Do COSATU's sympathies with the UDF, ANC and possibly, by extension, the Communist Party hinder AALC's ability to forge closer ties to COSATU?

Yes. Views of the AALC leadership on possible Marxist connections of the organizations named above restrain improving relations. This stands in contrast to the U.S. Embassy and USAID which have sought productive dialogue with COSATU and other black groups despite political concerns.

- d. What additional, tangible actions can AALC undertake to gain increased acceptance by COSATU and its affiliate unions?

The continued emphasis by AALC on its union-to-union program appears to be a productive method of gradually building trust and respect between the U.S. and the black South African trade union movements.

- e. AALC and AID previously agreed that the USAID would seek to support directly various non-union labor support organizations. Given the limitations faced by AALC in South Africa, should AALC and the USAID consider increasing the Mission's role to include providing support for union programs of secondary services?"

Assuming that the constraints under which AALC currently works in South Africa are eased, there seems little reason for the USAID actively to seek an expanded role in providing support for "secondary services" of union programs. In many other African countries AALC provides such services; if allowed, it could do so in South Africa. Besides, the 300-plus subprojects in the Mission's current portfolio suggests caution in initiating activities in new fields.

## 2. USAID Labor Strategy

- a. Does the AALC program adequately reflect the goals set forth in the USAID Labor Strategy and will its program contribute to meeting these goals if successfully carried out?

The AALC program is congruent with the Mission's labor strategy and obviously is central to achieving its purposes. The collaboration could have been enhanced had the AALC been asked to make a contribution to the strategy or even if it promptly had been made aware of the existence of the strategy paper.

- b. The USAID has initiated several labor grants directly with non-union labor support organizations. Have these had any beneficial repercussions for AALC's program in South Africa?

No direct effects on AALC of the USAID's program with labor support organizations were noted by the evaluation team. However, to the extent that the Mission's efforts are able to ease anti-American hostility among segments of the labor movement, the ability of the AALC to operate successfully probably is enhanced.

### 3. Union-to-Union Program

- a. What types of training and technical assistance have been provided to South African unions through the union-to-union program and how many people have been trained?

Section V-B describes the effects of the AALC program in training and technical assistance. The total estimated number of those trained from October 1, 1977 to September 29, 1989 is 1,436.

- b. How has the training and/or TA contributed to the effectiveness of the unions in serving their constituents or in making unions more effective in collective bargaining and similar negotiating efforts?

The evidence, albeit anecdotal and reflecting the testimony of those receiving training, is positive that labor trainees have returned to their union posts better able to carry out their responsibilities. The effectiveness of technical assistance is more difficult to gauge since most is provided through intermediary local labor service organizations.

- c. Are the unions becoming more efficient or effective in providing basic services to their membership, e.g., in collective bargaining, grievance handling?

Some evidence exists (e.g., reduced numbers of strikes, of work days lost through strikes, and decreases in duration of strikes) that the South African black labor movement is becoming more efficient and effective in dealing with management and the South African government.

While such trends also could be reflective of other forces (e.g., increased government crack down), the picture appears to be one of an increasingly sophisticated and effective labor movement, one that is able to make its impact felt without resorting to frequent strikes.

- d. Are unions making progress in secondary services such as coops, credit unions, literacy or health programs? Are there other viable secondary services that are being overlooked and could benefit from AALC's support?

Because of the strong anti-apartheid and related political efforts being made by black trade unions, many secondary services have been put on a "back burner" and even elementary union activities have been scanted. AALC's major efforts for the foreseeable future should be to strengthen labor organizations, from shop floor to union hierarchy, in "bread and butter" operations. While secondary services represent a broad unfinished agenda for most black unions and matters for concern, they seem largely the work of the future — not the present.

#### 4. U.S. Program

- a. What programs have been conducted by the AALC affiliates A. Philip Randolph Institute (APRI), Frontlash, Coalition of Labor Union Women (CLUW) and how many South Africans have participated?

Although these organizations (AFL-CIO not AALC affiliates) have been active from time-to-time in the AALC program, they generally have played a less important role than was envisioned for them in the original grant agreement. As to the question of how many workers have been trained through these affiliate programs, AALC reports none for Frontlash and CLUW. The A. Philip Randolph Institute continued to program some training through in-country institutions, but total numbers have not been reported.

- b. How have South African participants shared the knowledge acquired in these programs upon their return?

While no solid figures are available on knowledge-sharing, many trainees have been directors or staff of union education departments. They are involved in the day-to-day training activities of their unions and presumably in a position to pass along the technical knowledge and

information received. When queried on this point, many of these individuals said they are incorporating information and teaching techniques learned in the U.S. and other sites into their union education programs.

- c. Have these programs contributed to increased awareness in the U.S. about the black South African labor movement?

The AALC union-to-union and other union affiliate programs appear to have made an important contribution of information and awareness about the black South African labor movement. This was attested to by all U.S. union officials who talked to the team.

5. Assistance to the ICFTU

- a. What benefits have South African unions derived from AALC's assistance to the ICFTU?

The picture here is a mixed one. On the one hand, assistance from the ICFTU to South African unions and labor service organizations is often more acceptable than if it came directly from AALC. On the other hand, many labor service organizations were reluctant to talk about having any connection, direct or indirect, to the AFL-CIO/AALC. Their programs, almost exclusively run by whites, also have been criticized for substituting for capacities that could be built up within the black unions themselves.

While continued assistance to South African black unions through the ICFTU is seemingly advisable, the character and kind of intermediation should be given careful scrutiny. It hardly seems productive for the AALC to be funding organizations that are not willing to admit even an indirect financial connection, for example. Through exploration with the ICFTU, the AALC should be able to support a more congenial group of labor service organizations or similar entities.

## 6. Implementation

- a. How has the denial of visas to AALC staff affected the implementation of the program? Are there alternative arrangements AALC could develop that would help overcome this problem?

The denial of visas has placed an enormous constraint on the ability of the AALC to do its business in a normal and effective fashion. If it had been able regularly to send its representatives into South Africa, it is likely that much of the suspicion and reserve on the part of some black unions could have been alleviated. Without access AALC has been stymied in much of its direct program and forced to rely on its bilateral (union-to-union) and multilateral programs. Signs now appear hopeful that the visa restrictions may to some extent be lifted. If so, the ability of the AALC to carry forward with an effective program will be greatly enhanced.

- b. What can AALC do to overcome the denial of passports to South African participants and thereby increase the numbers of trade unionists able to benefit from its programs? Are there local institutions AALC could work through to carry out programs in South Africa or in third countries?

The denial of passports to South African participants is another vexing problem, although the government has shown itself in recent weeks more flexible on the issue. The U.S. Ambassador has promised to use his influence and that of his Embassy to help facilitate the process.

On the other hand, the use of local institutions as surrogates for AALC inside South Africa has pitfalls. The long-term strategy should not be to hide or blur AALC involvement with the South African black trade union movement, but for the organization through its own strenuous effort to prove that it is a true and valued friend of progressive labor in the country.

**ANNEX B**

**TOWARD A LOGICAL FRAMEWORK FOR THE AALC PROGRAM IN SOUTH AFRICA**

Near the end of its assignment, the contractor team met for two days in Lesotho with the officially designated "project team," composed of representatives of the AALC, the Agency for International Development, and the Department of State. The meetings had two purposes: 1) to discuss at length with these representatives the findings, conclusions and recommendations of the three-week management review and evaluation, and 2) to reach some early agreement on the broad concept and scope of the new potential agreement between AID and AALC.

Representing AALC at this meeting were Michael Lescault, who heads the South Africa unit, and Peter Cannon, its local representative. AID was represented by Mark Johnson, chief of the project office USAID/Pretoria, Farouk Mangera, the USAID evaluation officer, and Mike Kenyon, AID contracting officer from Swaziland. Ollie Anderson, Africa Regional Labor Adviser, and John Dinger, the Regional Labor Attache at U.S. Embassy/Pretoria, were present for the Department of State.

On the final day these representatives and the contractor team discussed the potential new agreement with attention to the options. The group's major effort was a tentative attempt to scope out a concept for future AALC activities in South Africa. Defining the project in terms of AID's "logical framework" (logframe) system for project planning and design, the group gave tentative agreement to a project/program goal and purpose and briefly discussed outputs. While time did not permit the completion of a logframe, a consensus existed that the exercise had been valuable in sharpening the concept of AALC's future role.

Here we present the initially agreed language for project goal and purpose, together with suggested language for the rest of the logframe matrix. While cooperative agreements do not usually require or incorporate logframes, in this case the exercise of completing the format should help all parties understand better the parameters and requirements of the follow-on activity.

It must be repeated that this exercise is strictly illustrative in nature. It in no way seeks to bind AALC or AID to a given set of inputs or outputs. Rather, the logframe presented here is aimed at stimulating the thinking of both parties about the concept of a new three-year program.

**AALC PROGRAM FOR SOUTH AFRICA**  
ILLUSTRATIVE LOGICAL FRAMEWORK

NARRATIVE SUMMARY: GOALS	INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p>To enhance the black trade Union movement as an independent entity representing the needs of workers that will help establish and sustain a democratic, non-racial post-apartheid South Africa.</p>	<ol style="list-style-type: none"> <li>1. The labor movement is largely independent of political parties.</li> <li>2. It represents a majority of non-white industrialized workers.</li> <li>3. It successfully represents workers to management on issues of equity and equality.</li> </ol>	<ol style="list-style-type: none"> <li>1. "Industrial Relations in South Africa" Annual Review</li> <li>2. Government and union statistics</li> </ol>	<ol style="list-style-type: none"> <li>1. South Africa continues to dismantle the apartheid system.</li> <li>2. The black labor movement is permitted to operate in a reasonable unfettered environment.</li> </ol>
PURPOSE	END OF PROJECT STATUS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p>To help build the economic, political and social capabilities of the black trade union movement through resources and support mechanisms made possible by strengthened relationships between it and the U.S. trade union movement.</p>	<ol style="list-style-type: none"> <li>1. On-going links will have been established between at least U.S. unions and their South African counterparts.</li> <li>2. Selected unions will have been provided with administrative and financial strengthening through T/TA.</li> <li>3. Enhanced union capacities on behalf of their members will be widely recognized.</li> </ol>	<ol style="list-style-type: none"> <li>1. Project reports: performance indicators and evaluation.</li> <li>2. IIR Annual Review</li> <li>3. Newspaper reports.</li> <li>4. Training statistics.</li> </ol>	<ol style="list-style-type: none"> <li>1. AALC is able to bring its representatives and trainers freely into and out of South Africa.</li> <li>2. Major unions and federations are interested in working with U.S. labor movement.</li> <li>3. U.S. unions continue to be interested in close relations with South African black unions.</li> </ol>
OUTPUTS	MAGNITUDE OF OUTPUTS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<ol style="list-style-type: none"> <li>1. Union-to-union relationships are proceeding on a regularized basis.</li> <li>2. A sizeable group of South African unions will be participating in institutional strengthening, including an audit and financial management facility.</li> </ol>	<ol style="list-style-type: none"> <li>1. ___ U.S. unions are engaged in planned and targeted relationship with counterpart(s) at least once every two months.</li> <li>2. AALC is coordinating these efforts through an advisory committee of participating U.S. union.</li> <li>3. A new audit and finance facility to assist black unions with their financial accountability will have been created.</li> <li>4. ___ unions will be participating in the facility or other AALC initiatives aimed at improving their organizational and administrative functioning.</li> </ol>		<p>Funds for the activities are available to AALC on an as-planned basis.</p>

**A A L C   P R O G R A M   F O R   S O U T H   A F R I C A**  
**I L L U S T R A T I V E   L O G I C A L   F R A M E W O R K**

OUTPUTS	MAGNITUDE OF OUTPUTS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p>3. The ability of unions to assist their members through economic research, legal affairs, health and safety, pensions, coops, productive enterprises, and commodities will be enhanced on an as-needed basis within a strategy framework.</p> <p>4. Communications about the interactions of U.S. and S.A. black trade union movements will be improved.</p>	<p>5. AALC will maintain and develop the capacity to respond quickly to black union needs in a wide range of issues.</p> <p>6. AALC will develop the capacity to devise and establish a strategic framework for its interactions in South Africa.</p> <p>7. A semi-annual report, specifically targeted at black unions will describe the activities of the U.S. labor movement with South African black unions.</p>		

INPUTS (X illustrative)	IMPLEMENTATION TARGETS (Illustrative) (\$000)
<p>1. BILATERAL PROGRAM (__X)</p>	<p>1. Union to Union Activities      \$000</p> <p style="padding-left: 20px;">a. Training                              \$000</p> <p style="padding-left: 20px;">b. Observation Tours                \$000</p> <p style="padding-left: 20px;">c. Technical assistance            \$000</p> <p style="padding-left: 20px;">d. Other (commodities, etc.)      \$000</p> <p style="padding-left: 20px;">e. Special union projects     (e.g. Bricklayer's coop     housing, etc.)                    \$000</p>
<p>2. MULTILATERAL PROGRAM (__X)</p>	<p>2. ICFTU                                    \$000</p> <p style="padding-left: 20px;">a. Subproject 1                        \$000</p> <p style="padding-left: 20px;">b. Subproject 2                        \$000</p> <p style="padding-left: 20px;">c. Subproject 3                        \$000</p>
<p>3. DIRECT PROGRAM (__X)</p>	<p>3. Lesotho-generated Projects      \$000</p> <p>4. Regional training                    \$000</p> <p>5. Audit/Finance facility                \$000</p> <p>6. South Africa Unit                     \$000</p> <p style="padding-left: 20px;">a. Regular operations                \$000</p> <p style="padding-left: 20px;">b. Strategic enhancement            \$000</p>
	<p><b>TOTAL                                    \$000</b></p>

**ANNEX C: PERSONS INTERVIEWED**

<u>Name</u>	<u>Position</u>	<u>Union, etc.</u>	<u>Affilia- tion</u>	<u>Location</u>
Vusi Khumalo	General Secretary	POTWA	(COSATU)	Johannesburg
Elias Mosonkutu	President	POTWA	(COSATU)	Johannesburg
Humphrey Ndaba	General Secretary	SACWU	(NACTU)	Johannesburg
Manene Samela	National Organizer	SACWU	(NACTU)	Johannesburg
Faith McDonald	Research: Labor and Economic Research Centre			Johannesburg
Prof Eddie Webster	Department of Sociology: University of the Witwatersrand			Johannesburg
Vusi Tusi	General Secretary	BCAWU	(NACTU)	Johannesburg
Edward Mogane	Education Officer	BCAWU	(NACTU)	Johannesburg
Lesiba S. Kekana	Education Officer	BCAWU	(NACTU)	Johannesburg
Charles Nupen	Director: Independent Mediation Services of South Africa			Johannesburg
Tommy Oliphant	General Secretary	NEWUSA	(NACTU)	Johannesburg
Shaka Les Moletsane	General Secretary	NUF	(NACTU)	Johannesburg
Jane Barrett	Former General Secretary	TGWU	(COSATU)	Johannesburg
Vigi Maphieke	President	BHAWU	(IND)	Johannesburg
Stepho Gnala	Acting General Secretary	BHAWU	(IND)	Johannesburg
Mary Ntseke	General Secretary	BCWU	(NACTU)	Johannesburg
Mishack Legae	President	BCWU	(NACTU)	Johannesburg
Shakes Sikhakane	General Secretary	FBWU	(NACTU)	Johannesburg
Longway Kwelemtini	President	FBWU	(NACTU)	Johannesburg
Cunningham Ngeukana	Asst. General Secretary	NACTU/Federation		Johannesburg
Mahlomola Skhosana	2nd Asst. Gen. Secretary	NACTU/Federation		Johannesburg
Boaz Mashele	Treasurer	NACTU/Federation		Johannesburg
Piroshaw Camay	Ex-General Secretary	NACTU/Federation		Johannesburg
Jay Naidoo	General Secretary	COSATU/Federation		Johannesburg
Sidney Mafumadi	Asst. General Secretary	COSATU/Federation		Johannesburg
Tommy Phalama	General Secretary	BIFAWU	(NACTU)	Johannesburg
Joe Rakgoadi	Ex-General Secretary	BIFAWU	(NACTU)	Johannesburg
Marcel Golding	Asst. General Secretary	NUM	(COSATU)	Johannesburg
Mike Miles	Director Institute for Industrial Relations			Johannesburg
Alan Velcich	Partner, Accounting Firm	Douglas & Co.		Johannesburg
Alec Erwin	National Education Officer	NUMSA	(COSATU)	Durban

Mike Morris	General Secretary: Union of Democratic University Staff Associations	(IND)	Durban
F. Allen "Tex" Harris	U.S. Consul General		Durban
Chris Albertyn	Director, Centre for Applied Legal Studies		Durban
John Copelyn Zenzeleni	Asst. General Secretary SACTWU Union Factory	SACTWU (COSATU)	Durban Durban
Bheki Khumalo	General Secretary	BAWU (IND)	Durban
Dudley Horner	Director, South African Labour and Development Research Unit		Cape Town
Informal visits:	Industrial Health Research Group, University of Cape Town Centre for Intergroup Studies, University of Cape Town		
Florence de Villiers	General Secretary	SADWU (COSATU)	Cape Town
Gordon Young	Researcher, Labour and Research Service and Trade Union Library		Cape Town
Genta Hawkins Holmes	U.S. Deputy Chief of Mission		Cape Town
William Swing	U.S. Ambassador		Pretoria
Dennis Barrett	Mission Director	USAID	Pretoria
Cecily Mango	Project Officer	USAID	Pretoria
Mark Johnson	Chief, Project Office	USAID	Pretoria
Farouk Mangera	Evaluation Officer	USAID	Pretoria
Chris Merklng	Private Sector Officer	USAID	Pretoria
Mel Van Doren	Controller	USAID	Pretoria
Harry Wilkinson	Human Rights Officer	USAID	Pretoria
John Dinger	Regional Labor Officer	U.S. Embassy	Pretoria
Steven Mull	2nd Secretary	U.S. Embassy	Pretoria
William E. Lucas	2nd Secretary	U.S. Embassy	Pretoria
Peter Cannon	Field Representative	AALC	Mesaru, Lesotho
Howard Jetter	Charge	U.S. Embassy	Mesaru
Mike Kenyon	Reg. Contracts Off.	USAID (Swaziland)	Mesaru
Dan O'Laughlin	Field Representative	AALC (Botswana)	Mesaru

Michael Walsh S.W. "Tony" Shaw Lester Slezak	International Secy. Representative Counsellor, Labor Affairs	TUC TUC U.S. Embassy	London London London
Patrick O'Farrell	Executive Director	AALC (AFL-CIO)	Wash., D.C.
Michael Lescault Byron Charlton		AALC (AFL-CIO) AALC (AFL-CIO)	Wash., D.C. Wash., D.C.
Jack Howard David Dorn Joanne McFarland Gary Nebeker Martin Forrester Denise Young Joel Freedman Cheryl Graeve	Asst. to the President Director, Int. Affairs Staff International V.P. Director, Int. Affairs Intern Asst. to the President Frontlash	AFSCME (AFL-CIO) AFT (AFL-CIO) AFT (AFL-CIO) UFCW (AFL-CIO) SEIO (AFL-CIO) SEIO (AFL-CIO) BAC (AFL-CIO) (AFL-CIO)	Wash., D.C. Wash., D.C. Wash., D.C. Wash., D.C. Wash., D.C. Wash., D.C. Wash., D.C. Wash., D.C.
Ollie P. Anderson, Jr. Timothy Bork Fred Fischer Neil Billig	Africa/RLA Director, AFR/PD Director, AFR/SA AFR/PD	State Dept. AID AID AID	Wash., D.C. Wash., D.C. Wash., D.C. Wash., D.C.
Edward B. Scheele Charles Gladson Arnold M. Zack	Office of Security Former AA/Africa Consultant	AID AID	Wash., D.C. Wash., D.C. Boston, MA

**ANNEX D: REFERENCED DOCUMENTS**

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5. Memorandum, Meeting with AALC, October 5, 1987.
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5. Letter from Patrick O'Farrell to Vivian Gary, Project Officer, AFR/PD/SA, AID (November 2, 1987).
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7. Program of Action for Black Trade Unions in South Africa, 1988 Proposal (no date).
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3. Other

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