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FINAL EVALUATION

Labor Development Program (1995-1998)

American Institute for Free Labor Development (AIFLD)

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EXECUTIVE SUMMARY

The Dominican labor movement emerged in the early 1960's following the 31-year Trujillo dictatorship (1930-1961). Today, it represents an estimated 12-13 percent of the country's workforce, suggesting that it has neither gained or lost membership in recent years. The figure may in fact be lower, because union organizing has not kept pace with growth in jobs, according to some labor activists. While significantly fragmented and philosophically divided, organized labor is active in key sectors of the economy, namely manufacturing, transportation, tourism, and sugar. However, labor organizations are financially weak and dependent on the government and external donors to support many of its activities.

Among the perennial problems facing organized labor in the Dominican Republic are its fragmentation and its politicized nature. The labor movement is divided into three main currents: the CNTD, espousing a centrist democratic orientation; the CASC, based on Social Christian tenets; and the CTU representing various leftist views. There exist intense competition among the major Confederations as regards organizing new affiliates and raiding the unions of other Confederations. Within the Confederations and individual unions there is also intensive rivalry among the leadership, with competing factions fighting for control and generally leaving if they are not successful.

Compounding organized labor's internal difficulties is society's perception that corruption permeates throughout the trade union movement. Confederation leaders are considered to be out of touch with the working class they claim to represent.

Many political observers believe that the practice of courting favor with political parties and/or influential business leaders, has left trade union leaders open to charges of selling out, and in doing so prolonging their reliance on political and economic elites. This form of paternalism is believed to be responsible for existing divergencies within the trade union movement and the underlying reason for the lack of consensus among the major confederations on economic and social issues.

The historic and political differences that permeate the trade union movement in the Dominican Republic are said to run deep, and unity of action in pursuit of common social objectives has been severely compromised during the last three decades. Fragile and superficial relationships among the leaders of the labor confederations are the

norm rather than the exception. Some observers point to these difficulties to explain the inability of organized labor to overcome its internal divisions and political differences, a reality which has left the labor movement open to exploitation by powerful political and economic interests. When viewed in the national context, these circumstances provide a plausible explanation for organized labor's limited role in the political and economic process of the nation and its inability to secure higher living standards and better working conditions for the majority of Dominican workers.

Today, a large percentage of the labor force in the Dominican Republic remains non-unionized and only a fraction of unionized workers enjoy the basic right to bargain collectively. Despite numerous campaigns to organize workers, particularly in the expanding free zone sector, the majority of Dominican workers have chosen jobs and job security over trade union membership. Most often, the rationale for rejecting trade union membership is fear of reprisals and even dismissal on the part of employers. This fear is compounded by a general lack of faith in an administrative and judicial system that does not adequately protect the rights of workers. Over time, these apprehensions have lent credibility to the long-standing perception that generally trade unions do not adequately represent the interests of workers in a society plagued by adverse socio-economic conditions and an authoritarian legacy.

Despite international efforts to create a vibrant and effective labor movement in the Dominican Republic during the last three decades, organized labor has not succeeded in overcoming powerful political and economic interests that have dominated the national scene for a good part of this century. Coupled with its own internal difficulties, the limited space in which the labor movement operates has provided little or no opportunity with which to promote the interests of the working class. Moreover, the extent to which internationally-recognized worker rights are being observed today in the Dominican Republic, it is largely due to the international campaigns carried out by a coalition of labor, religious and human rights organizations. Likewise, any progress that has been achieved through labor code reform, and the extent to which the rights of workers have improved, albeit minimally, much of the credit goes to the U.S. Government, the international labor community and non-governmental organizations. By its own admission, the Dominican labor movement, who has benefited from such intense external efforts, has played a supportive rather than a catalytic role throughout this process. This suggests that for the immediate future, the Dominican trade union movement will continue to rely on external assistance to promote such rights as freedom of association and the right to organize

and bargain collectively, both of which are desired by the working class but vehemently opposed by the business community.

International trade union assistance made available to the major labor confederations during the past thirty years, has been largely uncoordinated and often provided to satisfy ideological or other external interests. Some observers argue that this form of external paternalism has divided the labor movement and prolonged its dependence on outside support to survive. Still others argue that the time has come for setting aside internal differences and to work toward a consensus on the strategic objectives of organized labor and the role of trade unions in the political and economic process of the nation. Many wonder whether external assistance can be focused to help define that vision and allow the labor movement to create its own appropriate strategies for promoting broad-based political, economic, and social reforms. For a majority of trade union leaders the challenge is how to achieve unanimity of purpose on critical issues of interest to the working class and how to integrate the labor agenda with that of a vibrant and expanding civil society whose goal is to bring about a more representative, participatory, and better functioning democracy.

Today, the Dominican Republic lags behind other countries in Latin America in modernizing its government, economy, and judicial system. Years of domination by an authoritarian form of government, with its cronyism and corruption, has left a legacy of deep suspicion. Without a responsible and fully engaged trade union movement to effectively represent the interests of workers, the transition to participatory democracy and the attainment of economic equity may suffer irreparable damage in light of social dislocation and unrest.

To assist the labor movement in addressing its internal and national objectives, on March 17, 1995, the USAID Mission in the Dominican Republic signed a Cooperative Agreement with the American Institute for Free Labor Development (AIFLD). The three-year Agreement provided for a funding level of approximately US\$530,000. The stated goal of the project was "to improve the capacity of the Dominican trade union movement to demand better wages and working conditions". In addition, there was an expectation that AIFLD assistance would enable local trade unions to implement "concepts and practices of modern management methods in the workplace in order to protect and enhance worker's labor and human rights, and to improve labor/management relations and productivity in the workplace".

As stated in the Mission's Scope of Work for the labor program evaluation, "a less specified component of the project but nonetheless very important to USAID's vision of project goals and objectives was the requirement that AIFLD reach out to trade unions in the planning and implementation of activities. This implied not just opening up courses to participation by certain trade unions organizations, but to work with other unions to build coalitions and agreements, and to develop a common view in the achievement of objectives."

I. CONTEXT

The Dominican Republic occupies the eastern two-thirds of the island of Hispaniola which it shares with Haiti. It is the largest democracy in the Caribbean, with a population of approximately 9 million. As in many developing countries, society is highly stratified along socio-economic lines in the Dominican Republic. Approximately sixty percent of workers earn less than 4,000 pesos (approximately US \$250) per month while a small but growing class of professionals enjoy a higher standard of living, comparable to middle and upper class professionals in industrialized countries. Unionized workers generally view this growing segment of society as privileged elites, with little in common with the working class.

As noted in the Mission's Country Strategy, "the Dominican Republic is a poor country which possesses the resources to substantially improve the standard of living of its people if it implements appropriate economic and social policies. Average income per capita of approximately \$1,450 in 1995 masks a pronounced inequity -- the poorest 50% of the population receives less than 20% of total income, while the richest 10% receives about 40%. The job creation capacity of the formal economy is limited by protection of the stagnant agricultural and manufacturing sectors, which represent about 25% of Gross Domestic Product (GDP). Microenterprises, generating about 23% of GDP, also absorb about 23% of the labor force. The large pool of Dominican unemployed and underemployed keeps wage rates low, and the persistent inflow of unskilled and semiskilled Haitian workers eager to find work even at subsistence rates increases this pressure. Public spending has been allocated inefficiently and expenditure rates on health and education in particular are only about one-third of the average for Latin America. These factors fuel one of the highest emigration rates in the hemisphere".

USAID assistance in the Dominican Republic has spanned a 37-year period. It began after the assassination of Trujillo in 1961. With the U.S. military intervention in 1965, the Dominican Republic began receiving high levels of assistance. Over the years, these levels have fluctuated considerably. At \$34.6 million in 1980, program levels represented over 12% of total USAID development assistance to Latin America and the Caribbean and were, for a period of years, reinforced by Economic Support Funds and

PL-480 programs. By 1996 development assistance levels represented about 3.5% of programs in Latin America and the Caribbean. Assistance has been provided across a broad range of sectors, including agriculture, forestry, irrigation, natural resource management, health and population, agricultural and microenterprise credit, university, vocational and basic education, private enterprise and free trade zone development, and, most recently, democratic development and renewable energy.

The Dominican labor movement emerged in the early 1960's following the 31-year Trujillo dictatorship (1930-1961). Today, it represents an estimated 12-13 percent of the country's workforce, suggesting that it has neither gained or lost membership in recent years. The figure may in fact be lower, because union organizing has not kept pace with growth in jobs, according to some labor activists. While significantly fragmented and philosophically divided, organized labor is active in key sectors of the economy, namely manufacturing, transportation, tourism, and sugar. However, labor organizations are financially weak and dependent on the government and external donors to support many of its activities.

There are six national labor confederations in the Dominican Republic: the National Confederation of Dominican Workers (CNTD); Autonomous Confederation of Classist Unions (CASC); the Unitary Workers Confederation (CTU); the General Union of Dominican Workers (UGTD); the General Workers Central (CGT); and the Progressive Workers Central (CTD). The country's three principal Confederations are the CNTD, CTU and CASC, each of which is estimated to have over 100,000 members. The CGT, UGTD, and CTD are considered minor organizations. In total, there are more than 2,500 unions registered with the Labor Secretariat but accurate data is unavailable. Dominican union membership statistics can be misleading due to the fact that data is often incorrect and if members of "campesino" movements composed of small land holders and tenant farmers or transportation "unions" composed both of owners and operators of vehicles are included.

Among the perennial problems facing organized labor in the Dominican Republic are its fragmentation and its politicized nature. The labor movement is divided into three main currents: the CNTD, espousing a centrist democratic orientation; the CASC, based on Social Christian tenets; and the CTU representing various leftist views. There exist intense competition among the major Confederations as regards organizing workers into trade unions and raiding the unions of other

Confederations. Within the Confederations and individual unions there is also intensive rivalry among the leadership, with competing factions fighting for control and generally leaving if they are not successful.

Most Dominican labor organizations have a history of close ties to political parties. The CTU, for example has maintained strong links with two principal opposition parties, the Dominican Liberation Party (PLD), currently in control of the Presidency, and the Dominican Revolutionary Party (PRD). The CASC maintained ideological links with the Social Christian Reformista Party which later merged with the Dominican Reformist Party under the PRSC banner. The CNTD aligned itself with the Independent Revolutionary Party (PRI) when their Secretary-General Mariano Negrón made an unsuccessful bid for a congressional seat in 1990. During the same elections, several other trade union leaders, primarily from the ranks of the CTU, succeeded in being elected. Competing political loyalties are a source of division within the labor movement and political considerations often conflict with labor goals, thereby reducing the legitimacy and/or effectiveness of labor organizations.

Compounding organized labor's difficulties is the general perception that corruption permeates throughout the trade union movement. In particular, leaders of confederations are considered to be out of touch with the working class they claim to represent.

Many political observers believe that by courting favor with political parties and/or influential business leaders, organized labor has sold out, thereby prolonging its reliance on political and economic elite's in the country, a paternalism that has created divergencies within the trade union movement is often the reason for the lack of consensus on national economic and social policy issues.

The historic and political differences that exist among existing trade union confederations are said to run deep, and unity of action in pursuit of common social objectives has been difficult to attain over the last three decades. Fragile and superficial relationships among the leaders of the labor confederations are more the norm. Some observers regard this as one of the major underlying reason for labor's inability to overcome its internal divisions and political differences, a reality which has left organized labor open to exploitation by powerful political and economic interests. These circumstances explain organized labor's limited role in the political and

economic process of the nation and its inability to win higher living standards and better working conditions for the majority of Dominican workers.

Today, the great majority of the labor force in the Dominican Republic remains non-unionized and only a fraction of those able to join trade unions enjoy the basic right to bargain collectively. Despite numerous campaigns to organize workers in the free zones as other sectors of the Dominican economy, the majority of workers continue not to choose union membership, fearing reprisals on the part of employers and even dismissal. Moreover, worker general lack of faith in an administrative and judicial system that does not adequately protect the rights of workers, over last three decades, this has lent credibility to the long-standing perception that generally trade unions are incapable of adequately representing the interests of workers in a society plagued by adverse socioeconomic conditions and an authoritarian legacy.

Until 1992, an antiquated labor code hampered growth of trade unions through a restrictive definition of legal strikes. The Code also permitted unfair, but legal, dismissal of trade union organizers by employers. Under the newly reformed Labor Code, which occurred in 1992 with the assistance of the International Labor Organization, public employees in non-essential public services have the right to strike. Also, previously prohibited general, political, or sympathy strikes are allowed. The new code specifies procedures for union registration, entering into collective bargaining agreements, and calling strikes. The latter two actions require the support of 51 percent of the work force involved. Other steps necessary before calling a strike include: certification that arbitration has been attempted; notification to the labor Ministry of intent to strike; and, a ten-day waiting period. Dominican unions are financially weak, incapable of sustaining a prolonged strike, and can expect only very limited support from regional and national organizations. Illegal strikes and work stoppages can result in worker dismissal and/or union decertification. The 1992 Code created labor courts in the capital and the country's second largest city, Santiago. Labor cases in other parts of the country are handled in the regular court system. Due to the lack of resources, the labor courts that began functioning in January 1993, are considered by many observers to be inefficient and corrupt. This leaves the Labor Secretariat to adjudicate an increased number of worker grievances through mediation and arbitration means. Despite its own resource limitations, in contrast to the court system, the Labor Secretariat enjoys a greater approval rating.

The relative weakness of the trade union movement and its inability to deal effectively with social and economic issues surfaced, at various periods in recent years. In 1978, this became evident during the transition to democratic government. At this juncture, the trade union movement was presented with a rare and unique opportunity to press its demands for social justice. Paradoxically, the opening toward greater freedoms for workers, which resulted in a rapid increase registration of trade unions, failed to produce an equally quantitative increase in collective bargaining agreements as employers successfully blocked all such efforts. The government, caught between labor demands for improved economic conditions and employers' demands for labor peace, chose to remain neutral. In doing so, this inaction became a windfall for the business community, workers were denied the right to organize and bargain collectively. By supporting powerful economic interests over trade union demands, the government effectively preserved the status quo.

The perception of a weak and fragmented labor movement, surfaced once again in 1986 when confederation leaders failed to sway President Balaguer from his rigid policy of no concessions to workers. In March 1988, it appeared that organized labor might achieve a breakthrough by making social justice and economic equity their platform in the tripartite dialogue promoted by the Catholic Church. However, these efforts were thwarted by the Belaguer Government. The so-called Tripartite Dialogue, which brought to the negotiating table representatives from labor confederations, business associations, and the government was the by-product of protest movements that had occurred throughout the country in the Spring of 1988, in opposition to deteriorating economic conditions. The dialogue drew strength from the process which gave birth to popularly rooted social organizations that included the active participation of professionally-based associations such as doctors, nurses, teachers and traditional labor unions. The rare unity in opposition to spiraling inflation and deteriorating public services including transportation and electric power, created a powerful coalition of civic organizations which became too difficult to ignore by both the government and economic elites. In its role as facilitator, the Catholic Church was considered to be the only neutral institution capable of inducing both the government and economic interests in the country to join labor in the tripartite dialogue. In a nation-wide poll conducted in 1988 by HOY, eighty percent of those interviewed stated they trusted the Catholic Church for the solution of major national problems. It was clear that without the intervention of the Catholic Church the tripartite dialaogue would not have been given much of a chance and even more unlikely that the eight

point program that resulted from the dialogue would have been approved by President Balaguer in May 1988. That agreement called for an increase in the minimum wage, price controls, family health insurance, and protection for trade unions. However, the initial euphoria felt by Dominican workers was to evaporate a month later when in June, 1988, in a rare demonstration of unity, organized labor abandoned the tripartite pact arguing that the business community had not kept their promise. Organized labor charged that the business community had violated the negotiated accord by increasing prices. The government, who took no action to reverse the price increases, was accused by labor of "compromising social justice and economic equity demanded by Dominican workers". Ironically, in June 1989, a general strike led by popular organizations minus organized labor, would induce the government to approve a modest increase in the minimum wage.

Despite international efforts to create a vibrant and representative labor movement in the Dominican Republic, over a period of three decades, organized labor has not succeeded in challenging powerful elites who have dominated the political and economic agenda for a good part of this century. This highly restricted environment has provided little or no opportunity for organized labor to effectively promote the interests of the working class. To the extent that internationally-recognized worker rights have been observed in the Dominican Republic, this is largely due to international public pressure brought about by a coalition of labor, religions and human rights organizations to which the Government and the business community have had to respond. Likewise, any progress that has been achieved through labor code reform in the Dominican Republic such as occurred in 1992, and the extent to which the rights of workers have improved, albeit minimally, much of the credit goes to the U.S. Government, the international labor community, human rights organizations and other groups who have consistently advocated the need to respect worker rights and the improvement of working conditions for Dominican workers. However, the Dominican labor movement, having benefited from internationally-led campaigns against widespread worker rights violations, has played a supportive rather than a catalytic role in this process. In the foreseeable future, this suggests that the Dominican trade union movement will continue to rely on external assistance to promote internationally-recognized worker rights in the Dominican Republic.

Donor assistance, while helpful, is largely uncoordinated and is often provided to satisfy ideological or other external interests. Some observers argue that this form of

external paternalism tends to have prolonged organized labor's disunity and dependence on outside support to survive. Still, others argue that the time has come for setting aside internal differences and to work toward reaching a consensus on the strategic objectives of organized labor and the role of trade unions in the political and economic process of the nation. For the majority of trade union leaders, the challenge is how to achieve unanimity of purpose on critical issues of interest to the working class and assuring that labor's agenda is embraced by a vibrant and expanding civil society whose goal has been to bring about a more representative, participatory, and better functioning democracy.

Today, the Dominican Republic lags behind other countries in Latin America in modernizing its government, economy, and judicial system. Years of domination by an authoritarian form of government, with its cronyism and corruption, has left a legacy of deep suspicion. Without a responsible and fully engaged trade union movement to effectively represent the interests of workers, the transition to participatory democracy and the attainment of economic equity may suffer irreparable damage in light of social dislocation and unrest.

II. BACKGROUND/PROGRAM DESCRIPTION

The USAID Mission in the Dominican Republic and the American Institute for Free Labor Development (AIFLD) signed a three-year (1995-1998) Cooperative Agreement on March 17, 1995 at a funding level of \$529,200. The stated goal of the project was "to improve the capacity of the Dominican trade union movement to demand better wages and working conditions". In addition, assisted trade union organizations were expected to implement "concepts and practices of modern management methods in the workplace in order to protect and enhance worker's labor and human rights, and to improve labor/management relations and productivity in the workplace".

As stated in the Mission's evaluators Scope of Work, "a less specified component of the project but nonetheless very important to USAID's vision of project goals and objectives was the requirement that AIFLD reach out to other unions in the planning and implementation of activities. In practice this means not just opening up courses to participation by other unions, but to work with other unions to build

coalitions and agreements, and to develop a common view in the achievement of objectives”.

The three-year cooperative agreement terminated on February 12, 1998. Due to decreasing Mission resources, a decision was taken not to extend the three-year labor program. The AIFLD successor organization, the American Center for International Labor Solidarity, has proposed to continue its activities in the Dominican Republic with funding from the global labor grant provided by USAID/Washington. The Mission and the Global Bureau's Center for Democracy and Governance, who is responsible for the management of the AFL/CIO/Solidarity Center global labor program, must approve a newly proposed program for the Dominican Republic. The labor activities implemented under the expired three-year Cooperative Agreement were funded jointly by USAID/Washington and the USAID Mission.

III. EVALUATION METHODOLOGY

On December 11, 1997, a two person team, composed of Lic. Carlos Monge R. and Peter S. Accolla, was contracted under Purchase Order by USAID/Dominican Republic to evaluate the labor program implemented during the period 1995-1998.

Carlos Monge, team leader and signature of the Purchase Order, brought to the evaluation extensive background and experience in program and project evaluation, and knowledge of USAID (having served as consultant for the USAID/Guatemala PROALCA Project). In his capacity as consultant for the PROALCA Project, Lic. Monge also serves as advisor to the Ministers of Labor of Central America, Belize, Panama and the Dominican Republic. Lic. Monge has carried out studies of labor laws and practices throughout Central America and the Caribbean. Prior to these assignments, Lic. Monge served as Labor Minister of Costa Rica (1990-1994). He is currently a member of Calderon and Associates, a law firm based in San Jose, Costa Rica.

The second member of the team, Dr. Peter Accolla, is the resident labor advisor at USAID headquarters in Washington. Dr. Accolla's responsibilities at USAID's Global Center for Democracy and Governance include management of the global labor grant provided to the AFL-CIO/Solidarity Center. Among his other duties, Dr. Accolla also serves as a member of G/DG's Latin America and Civil Society teams and is the country backstop for the Dominican Republic and two other Latin American countries.

Previous to his assignment with USAID/G/DG, during the past four years, Dr. Accolla served as the Latin America/Caribbean Area Advisor with the Department of Labor's Bureau for International Labor Affairs.

Prior to traveling the Dominican Republic, Dr. Accolla interviewed AFL-CIO/Solidarity Center staff in Washington. In the Dominican Republic, a series of interviews were held with the AFL-CIO Country Program Director and local office staff. Additionally, consultations were held with a wide range of civic organizations as well as the USAID Mission and U.S. Embassy officials during the period of January 19-21. He was joined in the Dominican Republic by Lic. Carlos Monge on January 22. Between January 22 and January 29, Dr. Accolla and Lic. Monge carried out an additional 14 interviews with representatives of civic organizations, academic institutions, business groups, government officials at the Ministry of Labor and labor organizations directly involved in or knowledgeable about the program implemented by AIFLD during the period 1995-1998. (Annex 1).

A series of surveys developed by Lic. Monge and Dr. Accolla were utilized to carry out in-depth interviews with a wide-range of civic groups and individuals representing public and private sector organizations. Generally, interviews were held with government officials and representatives of organizations familiar with the AIFLD labor program in the Dominican Republic. The latter included the Labor Secretariat, representatives of the business community (CONEP), representatives of academic institutions (Pontifica Catholic University), civic groups active in the promotion of participatory democracy (Participacion Ciudadana) and leaders of labor confederations including CNTD, CTU, and CASC. Interviews were also carried out with journalists, economists, political activists and government-appointed commissioners concerned with the national policy dialogue. The protocols may be found in the Annexes section of this report. (Annex 2).

Prior to leaving the Dominican Republic, Lic. Monge and Dr. Accolla prepared a preliminary summary of findings which were discussed with USAID Mission and U.S. Embassy officials as part of their exit briefing, which occurred on the afternoon of January 22. The findings and recommendations are outlined in sections IV, V, and VI of the evaluation report (see pages 13-45).

The evaluation was conducted based on a Scope of Work prepared by the USAID Mission in the Dominican Republic and relevant aspects of the Cooperative Agreement, noted in Attachments 1 and 2 of the Agreement. (Annex 3).

IV. EFFECTIVENESS OF KEY ACTORS IN CARRYING OUT THEIR ROLES

This section examines the role of key actors--AIFLD, CNTD, the CTU, and the USAID Mission with respect to the implementation of the labor development program during the three-year period (1995-1998). Each sub-section begins with a brief background describing the origins and structure of the organization, followed by a sub-section describing relevant achievements under the labor program. This is followed (where relevant) by a sub-section on future plans, a sub-section where the evaluators provide their views on the organization's effectiveness within the context of the activity, and a final sub-section in which the evaluators provide recommendations.

Section IV. A.2 summarizes AIFLD's achievements during the three-year period that the Cooperative Agreement was in force (1995-1998). In this section the evaluators provide their views on AIFLD's structure and organization and its achievements to date based on their own observations, review of extensive documentation, and individual interviews with staff.

A. The American Institute for Free Labor Development (AIFLD)

1. Background

As described in the Cooperative Agreement, AIFLD has provided technical services for the development and strengthening of democratic labor unions and related organizations in Latin America and the Caribbean since 1962. AIFLD programs have emphasized trade union development, improved labor-management relations, protection of human and worker rights, and the increased role of women in labor unions. The "Consolidated Institutes' Statement of Principles", in force during the period in which the labor program was implemented, describes the overall purpose of AIFLD as: "...a means through which the Federation (AFL-CIO) conducts its trade union development activities abroad. It has a special role in helping workers to build and operate their own free trade unions. To this end, it engages in a wide range of technical assistance, educational and other activities".

The Institute's Statement of Principles further notes that "the work of the Institute should help the Federation address such problems as child labor, forced labor, abuses in export processing zones, and poor health and safety and environmental conditions. The selection and implementation of activities should take into account the integration of the world economy, strategic trade union considerations, and the effects of the abuse of worker rights and low labor standards on workers in the United States and in other countries. The standards developed by the International Labor Organization provide for minimum protection of rights and conditions which should be universally respected".

A key objective of AIFLD, as described in its Statement of Principles is to "increase the participation of workers who have often been excluded from the mainstream of society, including, in many cases, women, minorities, and migrant workers. Trade unions should be helped to develop their capacities to build influence and power through diversity and to fight all forms of discrimination".

With respect to carrying out labor programs, the Statement of Principles states: "Activities shall be selected, designed and implemented without interference of governments or employers, foreign or domestic. Support for democracy, including trade union development, is a legitimate and important national priority". The Statement further notes that "Activities shall be developed in full partnership with foreign national trade union centers, unions or other organizations so as to best meet their needs and wishes. Cooperation, designed to develop trade union strength and self-reliance, should further trade unionism and the principles outlined in this document".

Finally, the AIFLD Consolidated Statement of Principles states: "The Institute shall endeavor to strengthen the International Confederation of Free Trade Unions (ICFTU) and its regional organizations. It shall, in cooperation with affiliates, compliment and assist the work of the International Trade Secretariats. Strong and effective international trade union organizations are central to international solidarity".

During the three-year of the Cooperative Agreement (1995-1998), the AIFLD labor program in the Dominican Republic emphasized worker organizing campaigns in the Free Zones, which provide employment to approximately 200,000 workers, the

majority being women. To a lesser extent other sectors of the Dominican economy such as tourism, transportation and agriculture were also targeted for worker organizing efforts. The emphasis on organizing is explained by the perceived need to promote internationally-recognized worker rights in the Dominican Republic but more fundamentally to emphasize the principle of freedom of association and to promote the role of unions in defending the economic interests of the working class. As stated by AIFLD staff in Washington and in Santo Domingo, "the labor movement will have more influence if they have a greater base, and the only way to achieve a greater base is if unions grow, e.g., through organizing. Through this process, trade unions will become more participatory as they grow and be more forceful".

For the purposes of the labor program, AIFLD-assisted trade union organizations in the Dominican Republic were the National Confederation of Dominican Workers (CNTD) and the Unitary Workers Organization (UTC), two labor confederations affiliated with the International Confederation of Free Trade Unions and its Regional Organization in Latin America (ORIT). The CNTD has been the traditional partner and recipient of AIFLD program assistance prior to and during that three-year period. It was only during the latter part of the third year of the program that the CTU signed on as a collaborating trade union confederation in the AIFLD program. CASC and other labor confederations were not participants in the AIFLD-supported worker organizing program and were marginally included in AIFLD efforts aimed at promoting dialogue among labor organizations in the Dominican Republic during the period that the Cooperative Agreement with the USAID Mission was in effect (1995-1998).

2. Activities/Achievements to Date

In interviews with AIFLD staff in Washington and in the Dominican Republic, the evaluators were told that the Institute's labor program has contributed to the process of democratization in the Dominican Republic, the empowerment of workers and the ability of trade unionists to effectively represent their members. It was noted that in the 1970's and in the 1980's, AIFLD's presence in the Dominican Republic helped the ICFTU-affiliated National Confederation of Dominican Workers (CNTD) to grow from a tiny, fractured movement into one of the most stable and successful national centers in the region. Beginning in 1991, AIFLD implemented an organizing program in the free zones with support from the National Endowment for Democracy

(NED) that contributed to the eventual modification of the labor code in 1992 to protect workers from being dismissed for legitimate trade union activity. Prior to these efforts, AIFLD noted that there had never been a single collective bargaining agreement in the previous 25 year history of the country's free zones. In 1993, AFL-CIO affiliated unions such as the ILGWU and ACTWU, along with the International Federation of Garment, Textile and Leather Workers, became involved in a pioneering effort to utilize multiple international pressure to increase the success rate of organizing campaigns. In 1994 this new approach resulted in the first successful organizing drive at the Bibong Company. The effort continued and expanded when the ILGWU and the ACTWU merged into a new organization known as UNITE, followed by the negotiations of 8 collective bargaining agreements representing approximately 4,800 workers in free zone companies.

Specifically, AIFLD claims that the establishment of the Federation of Free Zone Workers (FENATRAZONAS) has benefited both unionized and non-unionized free zone workers in the Dominican Republic. According to AIFLD, the organizing campaigns conducted in the free zones have contributed to a lessening of abuses and exploitation of women workers, as workers and their unions are better able to defend their rights. To the extent that minimum wages have increased, this is due to sustained advocacy efforts to which the business community and government have sporadically responded positively. In one of a handful of such responses during the past thirty years, the minimum wage was increased as a result of a tripartite agreement between the government, the Free Zone Association, the CNTD and FENATRAZONAS. That agreement occurred in 1997.

In addition, AIFLD claims that the labor program has increased respect for the rule of law by pressuring the Labor Courts and the Ministry of Labor to more effectively implement the newly reformed labor code. To illustrate this success, AIFLD staff noted that in October 1997, the National Council of Free Zones suspended the export license of a Korean maquila company that had been ignoring court orders to reinstate illegally-fired workers. Other examples noted by AIFLD included the agreement reached on October 16, 1997 between the owner of JP Industries, the Philmore Dominicana, the CNTD, FENATRAZONAS and the Labor Ministry, in which workers were fully reinstated with back pay, including the four members of the trade union Executive Committee who had been fired illegally. This was considered a significant victory on the part of the CNTD and FENATRAZONAS who credited

AIFLD and AFL-CIO affiliates for suggesting that the export zone law be applied to revoke the company's license until the latter complied with previous court orders.

3. Future Plans

Recognizing the difficulty of sustaining a single program priority which has been to organize free zone workers in the Dominican Republic, AIFLD expressed a desire to implement "a labor/civil society program in the future that include rule of law and good governance issues". According to AIFLD, presumably such a program would put more emphasis on "creating a political, legal, and cultural environment that supports freedom of association for all DR citizens".

4. Evaluators' Comments

a. Among the various program objectives outlined in the USAID-AIFLD Cooperative Agreement, the promotion of worker organizing campaigns and related training to support such efforts was given the highest priority during the period that the Agreement was in force (1995-1998). As a consequence, and as noted by the AIFLD Country Program Director: "This priority may have overshadowed other potential AIFLD efforts in terms of the specific goals and objectives of the labor program as described in the Cooperative Agreement."

b. In interviews with representatives of civic organizations, government officials and representatives of the business community, the evaluators confirmed the general perception that USAID has supported a labor program whose focus is the formation of trade unions in the free zones, which while useful, it is considered by many observers as not very relevant to the Mission strategic objectives in the areas of democracy and economic growth.

c. With respect to the expectation of the Mission that AIFLD reach out to all trade union organizations in the Dominican Republic, which was the subject of negotiations prior to signing the Cooperative Agreement, in reality, the labor program was utilized to channel AIFLD assistance to the CNTD and later the CTU, both of which fit the criteria for AIFLD assistance. That criteria is reflected in AIFLD's Policy Statement (Statement of Principles) noted earlier. Affiliation of Dominican trade union

organizations to ICFTU-ORIT is one of the requirements for AIFLD collaboration and assistance.

d. In principle, AIFLD staff recognizes the value of promoting useful coalitions among trade union confederations and alliances with other civic organizations. However, as indicated by the AIFLD Country Program Director, only token efforts were made to promote these objectives in the context of the labor program during the three-year period. (Annex 4).

e. A review of program finances reported by AIFLD for activities undertaken by the CNTD/FENATRAZONAS indicates expenditures of approximately US \$534,579 of which US\$138,990 was overhead (The Cooperative Agreement called for program expenditures of US\$ 529,200). Program expenditures applied to activities executed by the CTU totaled US\$16,240. The CTU joined the AIFLD program, following affiliation to ICFTU/ORIT in 1997.

5. Structure/Organization

a. Based on lengthy discussions with AIFLD staff regarding program design and implementation as well as program support functions of the AIFLD office in Santo Domingo, the evaluators believe that the office lacked the technical capability to conceptualize, plan, design and implement the labor program as described in USAID -AIFLD Cooperative Agreement. Alternatively, the CNTD and CTU were relied upon to design the program activities which were pursued with AIFLD financing. In this process, AIFLD's overall function was to monitor activities implemented by the CNTD/FENATRAZONAS and the CTU, and as necessary, pay expenses incurred for their respective programs.

b. In consultations with the evaluators, CNTD and CTU officials reiterated a strong preference for subgrants from AIFLD or USAID to carryout specific labor programs in the future. They noted that such a system had worked well for projects supported by USAID and coordinated by the Catholic University. Both organizations seemed to indicate that AIFLD was a USAID Mission intermediary whose purpose was primarily to "disburse funds requested by the confederations".

6. Recommendations

a. In order for AIFLD to conceptualize, plan and implement future labor programs that are linked to USAID strategic objectives in the D.R. it is necessary to assign qualified personnel to the Santo Domingo Office with relevant expertise in specific program areas. Other than the current education program Director, previously the office was assigned an expert on organizing (last year of the labor program) to monitor activities pursued by CNTD/FENATRAZONAS and CTU. During the previous two years, the Country Program Directors appear to have been administrators with very little or no knowledge in the specific program elements outlined in the Cooperative Agreement. Similarly, AIFLD Washington staff appear to have had limited input in the planning, design and implementation of the activities implemented by local trade union partners.

b. Future labor program objectives should correspond to USAID democracy and/or economic growth objectives as appropriate. In this connection, Mission should inform all relevant partner organizations as to such linkages and should encourage frequent cross communication between labor leaders and representatives of other partner organizations to assure familiarity with USAID-supported activities.

c. Future Cooperative Agreements between the USAID Mission and AIFLD should specify the type of program reporting including program results and corresponding financial data. In the absence of specific requirements, the evaluators relied on inconsistent data and reports filed with the Mission. In our view, AIFLD program reports were incomplete, too general to quantify results. In most cases no reference was made to the specific program elements outlined in the Cooperative Agreement and no analysis of program impact was provided in nearly all of the reports filed.

d. As part of its program oversight functions, the USAID Mission needs to monitor compliance with specific requirements outline in the Cooperative Agreement. This would correct deficiencies in program reporting such as occurred during the three-years that the labor program was in effect.

e. Program review and evaluation needs to occur on a sustained basis during the period that the program is implemented.

f. Future labor program activities should specify the need for implementation plans to be submitted to USAID for approval prior to commencement of project activities.

g. Future labor programs should be designed to achieve greater balance. In the area of capacity building emphasis might be given to such topics as consensus and coalition-building, conflict resolution, and negotiations skills. In the areas of democracy, emphasis might be given to labor's strategic role and participation in strengthening and promoting civil society, and effective advocacy strategies. In the area of economic growth, emphasis should be given to labor's response to globalization issues such as trade, economic integration, and structural adjustment. Specific attention should be devoted to issues of privatization, productivity, and cooperative model of labor relations.

B. National Confederation of Dominican Workers

1. Background

The CNTD, founded in 1971, is perhaps the largest among existing confederations in the Dominican Republic. No reliable membership figures exist. However, observers estimate that the CNTD has more than 100,000 members. The CNTD experienced its major growth in the second half of its 27-year history. In the late 1980s, for example, the Confederation added the large regional Federation of Workers of the East (FEDERTRADES) which at the time also included the powerful United Union of Central Romana Workers. In 1991, FEDERTRADES left the CNTD to join the newly formed CTU (the Unitary Workers Federation). In September 1988 a majority of the UGTD (the General Union of Dominican Workers) membership formally merged with the CNTD, after a year of a prolonged negotiations. One of the CNTD's most active affiliates is the National Federation of Free Trade Zone Workers (FENATRAZONAS) which has been successful in negotiating total collective agreements and numerous other labor contracts in the Dominican Republic's Export Processing Zones (EPZ's).

The CNTD is independent of political parties. However, supporters of major political parties are among the membership and leadership of the Confederation. The CNTD is affiliated with the International Confederation of Free Trade Unions (ICFTU) and the Inter-American Regional Organization of Workers (ORIT). The CNTD benefits from assistance and support of the American Institute for Free Labor Development (now the American Center for International Labor Solidarity).

2. Activities/Achievements to Date

a. Generally, the CNTD, the largest recipient of AIFLD assistance, has pursued a series of labor activities give priority to the formation of trade unions in free zones, education programs to support organizing efforts, legal assistance for free zone workers as appropriate, and has carried out a series of studies on social and economic issues of interest to the Confederation. (Annex 5).

b. As the best organized and generally recognized as the most representative confederation in the Dominican Republic, the CNTD has been successful in designing and implementing AIFLD-supported labor projects. Specifically, AIFLD support of CNTD and FENATRAZONAS has contributed to positive results in a number of program objectives, particularly formation of trade unions and in the negotiation of collective agreement in the free zones during the last three years (negotiated 8 collective bargaining agreements and renegotiation of 29 other labor contracts nationwide). In addition, during the three-year period of the Cooperative Agreement, CNTD reports indicate formation of 73 new trade unions nation-wide covering approximately 24,087 members. During the same period, the CNTD claims to have trained approximately 8,000 of their members. However, the Confederation was unable to distinguish what portion of its overall education program was financed by , or its own resources or those of other donors. CNTD does not appear to separate accounts. (Annex 6).

c. FENATRAZONAS, the CNTD-affiliated organization responsible for carrying out organizing efforts in free zones, depends largely on financial assistance from AIFLD to carry out its activities. For its organizing campaigns FENATRAZONAS estimates that AIFLD contribute approximately 75% of its resources (During the three-year period of the Cooperative Agreement, FENATRAZONAS reports indicated having received approximately US \$ 304,696. through AIFLD. Additionally AFL-CIO-

affiliated unions have contributed approximately US \$ 28,000 per year to FENATRAZONAS organizing activities in the free zones during the last several years).

d. AIFLD data reported successful contract negotiations, with a series of companies operating in free zones, during the period of the USAID-AIFLD Cooperative Agreement (firms in the San Pedro de Macoris free zone include Caribbean Shoes, Karina Fashions and Denise Fashions). These were the result of the first collective bargaining agreement signed in July 1994 with the Bibong Company, which was the first in the history of the Dominican free zone). Health care, child care and transportation expenses are among the benefits typically provided to free zone workers under the collective bargaining agreements.

e. CNTD reports examined by the evaluators indicated a participation rate of 30% for women workers in all of its labor education programs. Additionally, the data indicated that women organizers were principally responsible for the success obtained by FENATRAZONAS in its organizing efforts in the free zones. It was noted by FENATRAZONAS officials that in several cases, young women workers were able to recruit co-workers to join unions, despite reprisals and threats by their respective employers. According to AIFLD, in addition to winning collective bargaining rights, these women obtained the respect of their colleagues throughout the free zones and as a consequence, were rewarded by elevating them to leadership roles in their respective unions. Among these are Braulin Cuevas, an activist in the union at Caribbean Shoes and the President of the National Women's Committee of FENATRAZONAS; Maria Saldana, General Secretary of the union at Bonao Apparel Company and a member of the disciplinary committee of FENATRAZONAS; Cleotilde Castro, Secretary of the union at 3MT Enterprises of San Pedro de Macoris and spokesperson of the union at Bibong Apparel Company in Bonao, and Education Secretary of FENATRAZONAS.

f. A majority of labor activists interviewed, noted that FENATRAZONAS has demonstrated a unique capability for designing and carrying out impressive organizing efforts that include not only training but also related legal assistance. Many of the women activists who received training and assistance now occupy important leadership positions within their respective unions, a process which has given them a new sense of identity and a new consciousness as to their role in the workplace and society.

3. Future Plans

Among its stated priorities, the CNTD places great emphasis on modernizing its internal structure and its capabilities to meet the challenges presented by the new world economy. Confederation officials expressed the hope that hemispheric trade agreements and other global trends will lead to increased investment in the Dominican Republic. Accordingly, the Confederation plans to carry out a comprehensive restructuring process to emphasize strategic planning and to obtain greater technical capabilities for negotiating agreements; development of programs aimed at women workers, youth and agricultural workers; improve the Confederation's program management and administrative functions; and increasing the overall labor education program in conformity with its new vision and program priorities.

4. Evaluators' Comments

Structure/Organization

a. We concur with the general perception that the CNTD, the largest and most democratic of the existing Dominican trade union confederations, is the most capable of promoting useful coalitions with other confederations and in seeking a broad consensus in defining the strategic role of labor in the democratic development of the nation. No reliable membership figures exist, however, most observers agree that the CNTD has approximately 150,000 members, with major unions in the sugar industry, hotels and tourism, the public sector, and the maquiladora, or free zone sector. The CNTD claims among its affiliates 18 national federations, 11 regional federations, 12 national unions, 10 independent unions loosely affiliated with the Confederation, and a variety of other groups. The CNTD elects officers every two years in a national convention of its affiliated unions. Over the years, the CNTD has developed a unique style of political action, which it calls "unity in diversity". Under this system, the CNTD remains neutral in elections but encourages its affiliated unions to form political party "blocs" which involve themselves in electoral campaigns. (Annex 7).

b. The CNTD has had five General Secretaries during its 27 years of existence. It has held 12 national conventions which are usually lively events of up to

1300 delegates representing some 40 national level trade union organizations. In four of these conventions there have been pre-convention accords to support a single slate of candidates for the executive committee, which currently has 42 members. In 8 of the national conventions there were contested elections with opposing slates. The convention also elects a five-member "commission" to control finances and a five-member "disciplinary" committee which adjudicates disputes.

c. The Federation of Free Zone Workers (FENATRAZONAS), affiliated with the CNTD, has close working relations with and is affiliated to the International Textile, Garment and Leather Workers Federation (ITGLWF). FENATRAZONAS works closely with UNITE and the AFL-CIO/Solidarity Center (the AIFLD successor) in the efforts to organize in the free zones where 19 unions have been formed and 8 collective bargaining agreements have resulted during the period 1995-1998. There are approximately 400 companies in 30 Dominican free zones employing approximately 190,000 workers, mostly in apparel, with some in electronics, health and other light industry. The majority of these workers are women. (Annex 8).

d. In contrast to other confederations, the CNTD appears to have developed the most elaborate education program with a capability for training a large number of members throughout the country. Other departments offer a variety of services to Confederation members including legal assistance, economic research and publications.

e. During the three year period of the USAID-AIFLD Cooperative Agreement, AIFLD support to the CNTD has consisted largely of salaries and per diem expenses for trade union officials working in the areas of organizing, education, legal assistance, research and studies. Specifically, AIFLD has funded the salaries of 12 trade union organizers, five organizing program coordinators, two attorneys, 2 secretaries, and three economists. AIFLD support for salaries and per diem expenses is at the rate of US dollars 15,000 per month of which 74% or US dollars 11,000 is absorbed by the organizing program. Total salaries paid to organizing program coordinators is approximately US dollars 4,793 per month or 43% of the total monthly salaries paid to CNTD officials associated with the organizing program. (Annex 9).

f. As presently structured, the AIFLD-supported organizing program is considered a rather large investment with a potential for very limited results during the

three-year period. Apart from salaries and expenses for trade union organizers, the program supports one coordinator for every two trade union organizers actively engaged in the formation of trade unions in the free zones. Moreover, no contracts exist governing the terms of employment for CNTD/FENATRAZONAS and CTU officials engaged in the organizing programs of the two confederations.

g. During interviews with evaluators, CNTD leaders stated they were "somewhat aware" that AIFLD program funds had been provided by USAID but were not aware that their program objectives were linked to specific requirements contained in the USAID-AIFLD Cooperative Agreement.

5. Recommendations

a. The Solidarity Center needs to develop a plan of action for all future labor programs executed by the CNTD, CTU and affiliates. The plan of action needs to clearly spell out the objectives of each program component and expected results. Also, the plan needs to identify the number of the individuals supported and their responsibilities for each program element. In terms of current AIFLD program AIFLD staff noted that a strategy document or plan of action does not exist. Moreover, funds provided to the CNTD maintains separate accounts for each program implemented. The latter, which the evaluators discussed with the Secretary-General of the CNTD and heads of departments is an area which requires attention and to assure the need to separate funds for separate labor activities.

C. UNITARY WORKERS CONFEDERATION (CTU)

1. Background

The Unitary Workers Confederation (CTU), perhaps the second largest of the dominant Dominican Confederations, came into being in May 1991 when the Workers Majority Central (CTM), the Classist Workers Central (CTC), the Independent Workers Central (CTI), the Unitary Workers Central (CTU) and the federation FEDETRADES, which left the CNTD, joined together. The CTU leadership positions are divided among the various groups which formed the Confederation. CTU membership is estimated to be well over 100,000. However, no reliable data exists as to its membership. FUNATRAZONAS, the counterpart organization to the CNTD's

FENATRAZONAS was specifically established to promote worker organizing campaigns in free zones.

Each of the component organizations that make up the CTU, has a fixed number of slots on the executive committee, which are rotated each year.

The political leanings of the CTU's leaders range from center-left to extreme left. One time CTU president and CTM leader Nelsida Marmolejos, for example, served as a congressional deputy for the Independent Alliance for Democracy, a breakaway faction of the PLD (Democratic Liberal Party). Other CTU leaders have served or now serve as legislators for major political parties and alliances. Some also serve as advisors in these political parties on labor matters. The CTC has been closely tied to the PRD, the CTI to the Dominican Workers Party (PTD) and the CUT with the Dominican Communist Party.

Since 1989, the CTU has seen assistance from formerly Communist countries and organizations diminish. In the past, the CTU has received support from the Friederich Ebert Foundation. In 1997, the CTU voted to affiliate with the ORIT, creating closer ties to the other ORIT-affiliate in the Dominican Republic, the CNTD. In September of that year, the CTU became the second local trade union partner of AIFLD.

As fraternal organizations and as the two largest trade union confederations in the Dominican Republic, the CTU and CNTD are expected to join efforts on a wide range of labor issues. As the two direct beneficiaries of AIFLD assistance, the CTU and the CNTD have begun to participate in joint meetings sponsored by AIFLD with the aim of fostering cooperation on a number of topics. For example, In March 1998, both the CTU and CNTD are expected to participate in a week-long conference sponsored by the AFL-CIO/Solidarity Center and other international trade union organizations to address the issue of export processing zones in the region and to discuss strategies for organizing campaigns in the Dominican Republic and neighboring countries.

2. Activities/Achievements to Date

During the brief period of cooperation between AIFLD and the CTU (September 1997), the latter has concentrated its efforts on organizing workers into trade unions in free zones. During this period, the CTU claims to have created a total of three new unions in the free zones and one new trade union in the commercial sector. The corresponding education program these organizing efforts was funded largely by the Friederich Ebert Foundation. (Annex 10).

3. Evaluators' Comments

General

a. During the brief period of collaboration between AIFLD and the CTU, support has been limited to salaries of CTU officials (four organizers, a coordinator, an attorney, and a secretary), allocated the free zone organizing program. AIFLD support for this program has been generally at the rate of US dollars 4,000 per month. (Annex 11).

b. As with the FENETRAZONAS program, most observers believe that the AIFLD-supported organizing program represents a rather large investment with limited. Also, no contracts exist governing the terms of employment of the individuals engaged in the organizing program of the CTU.

c. During interviews with evaluators, the CTU leaders stated they were not aware that AIFLD program funds originated with USAID or that their program objectives to correspond with specific requirements contained in the USAID-AIFLD Cooperative Agreement.

4. Recommendations

a. The Solidarity Center needs to develop a plan of action for all future labor programs executed by the CTU and its affiliates. The agreement between the two organizations needs to clearly spell out the objectives of each program component and results expected. Also, the action plan needs to identify human and financial resources to be applied to each specific program element. With regard to the current

arrangement between AIFLD and CUT no plan of action exists or the separate accounts are maintained for confederations activities.

D. United States Agency for International Development

1. Background

The Relationship of the AIFLD labor program to the Mission Strategy is outlined in Section VI, Attachment 2 of the Cooperative Agreement. It states, "This AIFLD activity relates to two of AID's Strategic objectives: S.O. No. 1-Environmentally-Sound Economic Growth with Equity, and S.O. No.2-Increased Participation in the Democratic Process." The Mission's strategy for promoting economic growth emphasized investing in people and strengthening markets; the Mission's democracy-building strategy emphasizes institutional development, civic education and participation.

"Increased Participation in Democratization". The thrust of USAID activities carried out as part of this Strategic Objective have emphasized "broad-based, active participation of Dominican non-governmental organizations (NGOs), public interest groups, foundations, labor unions, community organizations, and the general public in various aspects of democratic political life". A specific objective envisioned in the Cooperative Agreement between AIFLD and the USAID Mission was that "unions will also participate with management and other segments of society in reforming the existing judicial code".

In the strategy submission presented to USAID/Washington in March 1996, the Mission placed its greatest priority on the need to "support civil society for a free and fair electoral process in 1996". Based on the success of this objective, the Mission would press ahead with its strategy to further strengthen the capacity of civil society to assure similar positive results in the legislative and municipal elections scheduled for 1998. More broadly, the Mission has sought to support "civil society's efforts to more actively engage the Government of the Dominican Republic and the public in promoting and shaping various democratic reforms and in practicing democratic values".

“Environmentally Sound Economic Growth with Equity”. In relation to this Strategic Objective, the labor development program was to focus on a series of trade union education seminars and workshops aimed at increasing and improving the capacity of the Dominican trade union movement to demand better working conditions and better wages. As stated in Section I, Attachment 2 of the Cooperative Agreement, “These programs will not only strive to defend the rights of workers to organize and join unions but will also emphasize the improvement of labor/management relations and productivity at the workplace”.

2. Evaluators’ Comments on the Overall Role of USAID/DR

General Observations

a. In conformity with the goals and objectives outlined in the USAID-AIFLD Cooperative Agreement, the Mission, in its 1996 Strategy and its follow-on Strategic Plan covering the period FY 1997-2000, has expects that trade union organizations in the Dominican Republic would be among the leading civic and popular organizations and NGOs that would promoted in civil society’s efforts to deepen democratic development and assure the transition to a real participatory democracy and an open competitive economy.

b. In interviews with AIFLD staff in the Dominican Republic and in Washington, the evaluators learned that the Institute’s program priority had always to organize workers into trade unions in the free zones. Effectively, this meant that other program objectives envisioned in the cooperative agreement were given less attention. This has resulted in differences of opinion between AIFLD and the USAID Mission as to program priorities and expected results.

c. Over the three-year period of the Cooperative Agreement, tighter USAID Mission program oversight might have contributed to a better understanding of the program goals and objectives as specified in the Cooperative Agreement.

d. For its part, the Mission should have brought to the attention of the AIFLD office in the DR the deficiencies contained in reports the institute filed with USAID. Nearly all of the reports examined failed to analyze or quantify program

objectives. All reports submitted were deficient and lacked analysis of program impact and relationship to USAID program strategy.

3. Recommendations

a. Future labor program goals and objectives in the Dominican Republic need to be carefully designed to link with USAID strategic objectives. In addition, trade union program priorities should correspond to prevailing economic and social trends to provide a more appropriate context for labor program activities.

b. While organizing will continue to be a priority objective of the major confederations in the Dominican Republic, these objectives must be considered along with other program priorities that emphasize the strategic role of trade unions in promoting and strengthening civil society, the rule of law, and good governance.

c. The specific role of and potential contribution of trade unions in the overall process of democratization and in the promotion of broad-based economic growth should be given the highest priority in future labor programs.

d. Given the likelihood of reduced funding for labor programs in the future, should be defined in terms of realistic needs and expectations on the part of beneficiary trade union organizations, AIFLD and the USAID Mission.

e. Future labor programs should permit the participation of a wide range of trade union organizations in the Dominican Republic. Criteria for selection should include capability for carrying out a labor program and the latter's commitment to meet the stated goals and objectives described in the governing agreement.

f. Given the nature of cooperative agreements, it is recommended that the USAID Mission allocate adequate staff resources to adequately monitor achievement of program during the period of the Cooperative Agreement. Administrative procedures and reporting requirements to measure and systems for progress should be clearly defined by USAID to measure program impact(s).

V. PROJECT OUTREACH AND IMPACT

The evaluation scope of work calls for the evaluators to “draw conclusions about the success of the AIFLD project and to determine its effectiveness in achieving the project’s stated goals and objectives, and its contribution to USAID’s Strategic Plan”. As specified in the cooperative Agreement, the overall goal of the three-year program implemented by AIFLD was to: **“improve the capacity of the Dominican trade union movement to demand better wages and working conditions”** through a series of trade union education seminars and workshops .

The Scope of Work also identified two additional areas to be examined even though they are not expressed directly in the project objectives. Those include:

(1) **The requirement that all unions participate in project activities.** By this is meant that not only is it necessary that activities be open to participation by all unions, but that the evaluators monitor how much other unions are participating, and why or why not.

(2) **Increasing the participation of women in union activities.** The Mission considered this an important goal of the project. Project reporting separates course enrollment by gender. In this connection, the **evaluation is expected to address the extent to which female-dominated industries have been included in the promotion of collective bargaining, worker rights, union organizing, etc., and how much and in what areas women’s participation has increased or decreased.**

(3) **AIFLD Contribution to USAID’s Strategic Plan**

The relationship of the AIFLD labor program to the USAID Mission strategic objectives is described in Section VI. It states: “This AIFLD activity relates to two of AID’s strategic objectives: S.O. No. 1- Environmentally-sound Economic Growth with Equity, and S.O. No. 2 - Increased Participation in the Democratic Process. AID’s Strategy paper on economic growth emphasizes investing in people: strengthening markets: and AID’s democracy-building strategy emphasizes institutional development, civic education and participation”. “To achieve these strategic objectives, will require responsible, independent and democratic trade unions”.

Section VI. of attachment 2 also states: "This activity proposes to support the trade union movement of the Dominican Republic in its struggle to be present in the decision-making process as related to worker issues and the betterment of wages and working conditions for all workers in the country. The participation of the trade unions in the nation's political process to strengthen democracy is of top priority".

A. Program Goals

1. Better Working Conditions and Wages

Extent to which trade union education seminars and workshops increased/improved the capacity of the Dominican trade union movement to demand better working conditions and better wages (the Cooperative Agreement states that "approximately 133 educational seminars" would occur over a three year period focusing on such topics as interest-based "win-win" bargaining and other workplace approaches to cooperative labor relations; collective bargaining; trade union women in leadership roles; how to establish and run union-management workplace health and safety committees; productivity training; worker rights and judicial reform; conflict resolution; and mediation and arbitration).

The Cooperative Agreement projected the number of participants in the 133 programmed activities would be 2,315. Of this total 423 would be women.

General Comments

a. The Cooperative Agreement specifically states that the education program would be aimed at two kinds of participants. The first includes workers who were not covered by collective bargaining contracts but who sought to negotiate one. It was anticipated that trade union leaders from these newly organizing unions, including an increasing number of women leaders, would be trained in the techniques of modern labor-management relations, collective bargaining, legal defense of worker rights and other skills necessary for organizing and representing workers in a rapidly changing global economy. The second group of participants would include workers who already had a collective bargaining contracts but who would want to improve their contracts by seeking the inclusion of joint union-management health and safety

committees, productivity training programs, cooperative union-management relations and establishing conflict management mechanisms.

b. The Cooperative Agreement, also described that funds would be provided to four (4) staffers to reach out to unorganized workers, especially women workers, to assist them in the process of becoming legally certified for collective bargaining. Specifically staffers would assist existing unions with contracts, establishing joint union-management health and safety committees, providing productivity for training programs, and assisting individual unions to promote jointly with management the establishment of committees and programs.

c. As indicated by CNTD officials, the education program implemented by the confederation, was not specifically designed to correspond with the objectives of the Cooperative Agreement. This view was also confirmed by the AIFLD Country selected Program Director. Participants were selected from CNTD-affiliated trade union organizations. In addition, trade union participants for many of the education seminars were selected without distinction, as provided in the Cooperative Agreement, between "workers not covered by collective bargaining contracts" and "workers who already had a collective bargaining contract". Consequently, as stated by CNTD Education Department officials, the education department designed to conform with its own trade union education priorities.

d. The AIFLD-supported training activities of CNTD have trade union organizing, role of trade union women in free zones, and collective bargaining. Data provided by CNTD indicates that during the period 1995-1998, the Confederation offered a total of 128 seminars nation-wide in which 1551 collaborating trade unions participated. The number of participants totaled approximately 5,868 of which 4,391 were men and 1,477 were women (33%). Emphasis in these education activities was given predominantly to trade union organizing (64%). (Annex 12).

e. In reviewing data provided by CNTD with respect to participation, the evaluators concluded that the training was made available to non-unionized women workers in the free zones. Additionally, assistance was provided during the process of becoming legally certified for collective bargaining. However, no data was provided to indicate that AIFLD and local trade unions partners (CNTD, CTU) had established, as provided for in the Cooperative Agreement, "joint union-management health and

safety committees, cooperative union-management relations and conflict management mechanisms” in the workplace. (Annex 13).

Recommendations

a. It is recommended that future labor education programs be extended to a wider group of trade union organization in the Dominican Republic. In order for such a program to be effective, participants should represent a range of trade unions organizations with participation to occur irrespective of ideological considerations and/or trade union affiliation, both domestic and international. Experience in the Dominican Republic exists in which labor projects linked to the promotion of civil society strategies related to the “national reform agenda”, are approved on the basis of their proposals and capability for carrying out the stated objectives. Trade union organization projects coordinated by the Universidad Pontificia Madre y Maestra and funded by the USAID Mission have been approved on the basis of qualification and other criteria reflecting the goals and objectives in support of the civil society program.

b. Future labor education programs should take into account, not only the education needs of different trade union organization in the country, but also the need to create a greater capacity at the level of Federations and local-level unions. The latter is necessary to deepen participation and to assure that the labor movement is an effective participant in the various national commissions it serves on and in the context of national dialogue and in the context of the national policy dialogue and in the process to promote the national reform agenda. Comments relayed to the evaluators in interviews with civic organizations emphasizes the need for greater capacity by trade union leaders with respect to labor’s role in promoting democratic development to participate constructively and effectively in the development of civil society strategies aimed at the promotion of democracy and the modernization of the state.

c. We believe that future training programs aimed at women workers shall go beyond the need to support organizing efforts. This would include improving the capacity to negotiate effectively with employers on a wide-range of workplace issues and to enable them to participate actively in the expanding activities of civil society, both at the local and national levels.

2. The requirement that all unions participate in AIFLD project activities

Evaluators Comments

a. As provided for in the Mission's Scope of Work, the evaluators discussed this objective at length with AIFLD staff, both in Santo Domingo and in Washington. AIFLD has maintained that "the Institute had met this requirement including the four major confederations in sponsored conferences to discuss issues related to the national dialogue". However, in terms of technical assistance and/or offering an opportunity to participate in training programs, supported by AIFLD, AIFLD officials stated that they preferred to work exclusively with the CNTD and the CTU, largely because only "these two shared the goals of the project" and in their view only these organizations had the capability for achieving the program objectives, which related to organizing efforts.

b. In interviews with the AIFLD Country Program Director, specifically noted that the choice of local trade union partners was based on the fact that the CNTD and CTU were the only confederations in the country affiliated with the International Confederation of Free Trade Unions and the latter's regional organization in Latin America, ORIT. Additionally, he referred to AIFLD's Consolidated Statement of Principles which specifically states that "Activities shall be selected, designed and implemented without interference of governments or employers, foreign or domestic". Both the AIFLD staff in Washington and in Santo Domingo interpret this policy to mean that it is inappropriate for the AID Mission to attempt to decide which partners are selected to participate in its program. Moreover, they point out that the USAID-AIFLD Cooperative Agreement does not specify which trade union organizations were to be included in AIFLD-supported activities.

c. As previously indicated, CNTD has been AIFLD's primary trade union partner in the Dominican Republic and other than CTU-affiliated unions, the CNTD family of unions have benefited from the educational programs supported by AIFLD. CTU became the Institute's second beneficiary organization following affiliation with ICFTU-ORIT. The CTU began receiving AIFLD financial support during the last four months of 1997 (two months prior to the expiration of the USAID-AIFLD Cooperative Agreement).

Recommendations

It is recommended that future labor programs be designed to benefit the larger trade union community in the Dominican Republic depending on their internal needs and willingness to participate in the program. In order for such efforts to succeed, participants should represent a wide range of trade union organizations irrespective of ideological considerations and trade union affiliation, both domestic and international.

3. Increasing the participation of women in union activities. The extent to which female-dominated industries have been included in the promotion of collective bargaining, worker rights, union organizing, etc., and how much and in what areas women's participation has increased or decreased.

Evaluators Comments

a. FENATRAZONAS (CNTD) and FUTRAZONAS (CTU) organizing programs supported by AIFLD have focused largely on organizing efforts in the Dominican free trade zones. Data available from the Ministry of Industry and Commerce indicates that 57.6% of workers in the free zones were women, while 42.4% were men. The total estimated number of workers in Dominican free zones has now reached approximately 190,000. In the total Dominican economy, women workers total to be approximately 25%. According to the Labor Secretariat, eight of 59 new collective bargaining agreements signed during the period of the USAID-AIFLD Cooperative Agreement are collective bargaining pacts involving free zone factories. (Annex 14).

b. Women workers play an important critical role in the leadership of the Dominican trade union movement, particularly as related to organizing efforts in free zones and which have received substantial support from the USAID supported AIFLD program during the period 1995-1998. During the three year period of the USAID-AIFLD Cooperative Agreement, AIFLD support for CNTD/FENATRAZONAS organizing programs consisted largely of salaries and per diem expenses. Specifically, AIFLD has funded the salaries of 12 trade union organizers, five organizing program coordinators, two attorneys, 2 secretaries, and three economists. AIFLD support for salaries and per diem expenses is at the rate of US dollars 15,000 per month of which 74% or US dollars 11,000 is absorbed by the organizing program. Total salaries paid to

organizing program coordinators is approximately US dollars 4,793 or 43% of the total monthly salaries paid. (Annex 15).

c. We concur with the view expressed by AIFLD, the CNTD/FENATRAZONAS and the Ministry of Labor that women activists are principally responsible for the success achieved, albeit limited, in organizing free zones workers during the last three years. Among the women activists, several have ascended to leadership positions including the General Secretary of the CTU, and three other women who serve on the CTU's 17-member executive committee. A former CTU leader, now serves on the Government's commission concerned with the "national reform agenda". Other AIFLD/USAID program beneficiaries include women activists who have been elected or appointed to various leadership roles within the CNTD, including the latter's education director, and who also participates in the work of several civil society organizations. Five of the eight positions on the executive committee of FUTRAZONAS (CTU) are women, including the General Secretary. A majority of the leadership of FENATRAZONAS is also female. In a document prepared by FENATRAZONAS, for the Tripartite Commission established to identify overall improvements in the free zones, 8 of the 13 signatories of the final report submitted were women.

d. Likewise, we concur with the view that the increased capacity of women activists gained through CNTD/FENATRAZONAS sponsored training as well as practical experience gained at the plant-level and at the community level has dramatically increased their opportunity for promoting the interests of women workers at all levels of the society. To obtain the desired success in terms of organizing women workers, FENATRAZONAS had to provide the corresponding training. For example, each of the 8 contracts negotiated in the free zones (one is now defunct because of a plant closing) was preceded by training sessions on the techniques of collective bargaining. Also, in several cases, active participation in community-based committees where free zones exists, enabled women activists and other trade union organizers to form effective coalitions for pressuring recalcitrant employers to bargain in good faith. In Bonao, for example, the Bibong Company contract was preceded by community meetings and radio programs in which a wide-range of civic groups supported worker's demands for better wages and working conditions. In San Pedro de Macoris, sizable street demonstrations were successfully mounted by these coalitions to support

demands for better wages and working conditions in the oldest of the free zones in the Dominican Republic.

e. Clearly, viewed from their active participation in the organizing process, the level of activism by women workers and ascendancy to positions of leadership in their respective trade unions has increased in recent years. However, this increase should not be misconstrued as a mass-based movement which will dramatically improve the conditions of women workers throughout the Dominican economy during the next several years. Thus, the success achieved to date can only be related to the small number of collective bargaining agreements negotiated or the number of trade unions organized, both of which represent a great step forward. In all respects, progress has been attained against great odds as the majority of employers, both domestic and foreign, continue to discourage trade union formation and are clearly opposed to bargaining through trade union intermediaries. Taking into account these realities, organizing campaigns tend to be difficult and highly expensive.

Recommendations

Based on the success attained by women activists, we believe that women workers can make a considerable contribution to the modernization of trade unions in the Dominican Republic. It is recommended, therefore, that future training programs supported by USAID be carefully designed so as to create a broad capacity for greater participation in the work of civil society, both at the local and national levels and to encourage women workers to defend their rights and interests by assuming an active role at the plant-level, in their communities and in the greater society. This approach would facilitate the necessary linkages between trade union issues and community-related or policy issues that are supported by reform-minded civic groups.

4. AIFLD Program Contribution to USAID's Strategic Plan

Evaluators Comments

The Cooperative Agreement linked the labor program to two of the Mission's strategic objectives: S.O. No.1- Environmentally-Sound Economic Growth with Equity, and S.O. No.2-Increased Participation in the Democratic Process. The Mission's Strategy paper on economic growth emphasized investing in people and strengthening

markets; and the Mission's democracy-building strategy emphasized institutional development, civic education and participation. It was noted in the Agreement that to achieve these objectives, would require responsible, independent and democratic trade unions.

It was expected that the labor program would support the Dominican trade union movement in its struggle to be present in the decision-making process as related to worker issues and the betterment of wages and working conditions for all workers. Thus, it was considered to be a top priority that trade unions participate in the nation's political process to promote and to strengthen democracy.

B. Program Objectives

The section below examines the extent to which specific labor program objectives specified in the USAID-AIFLD Cooperative Agreement.

1. Increase the number of collective bargaining contracts by 5% over a three-year period (The Cooperative Agreement called for approximately 25 new contracts to be negotiated. A baseline would be the 117 contracts/agreements in effect as of October 1994).

Specifically, as specified in the Agreement the AIFLD Grant Director and staff would meet with the various labor confederations to ascertain how many of the contracts signed since the new labor code went into effect in June 1992 were still in effect. This number would serve as a baseline against which labor program progress would be measured. It has been estimated that approximately 450 collective bargaining contracts were legally registered in the Dominican Republic at the time that the new labor code had gone into effect in 1992.

Evaluators Comments

a. At the time of the evaluation, the Labor Secretariat was in the process of verifying the number of collective bargaining contracts that had been negotiated since 1992 and which were in effect during the last three years. Data subsequently provided by the Labor Secretariat indicates that in the period 1995-1998, a total of 59 new labor agreements had been negotiated, of which 8 were collective bargaining pacts

successfully negotiated in the free zones. According to AIFLD and the CNTD, of the 59 instrument registered with the Labor Secretariat, the CNTD claimed 31 new collective bargaining pacts and 9 new accords. The eight collective bargaining pacts negotiated in the free zones are included among the 31 claimed by the CNTD. Additionally, according to data provided by the CNTD department of statistics, a total of 47 preexisting collective bargaining agreements had been renegotiated during the three-year period of the labor program covering approximately 55,000 workers. During the four months in which AIFLD provided support to the CTU, the latter reported successful negotiation of 3 collective bargaining agreements and 3 labor contracts. (Annex 16).

b. Based on data provided by the Labor Secretariat, the reported number of collective bargaining contracts successfully negotiated during the three year period had increased by 24% and this exceeded the 5% target called for in the Cooperative Agreement. This is the case if we were to utilize the baseline of 117 contracts/agreements in existence since 1994. If we were to use as a baseline, the 450 estimated collective bargaining agreements legally registered with the Labor Secretariat in 1994, the increase in the number of new agreements negotiated would exceed the 5% target in the cooperative agreement which would, therefore, be 7%.

Recommendations

It is recommended that future labor program strike a balance between organizing and other appropriate roles which would maximize labor's participation activities that are directly linked to issues of rule of law, governance, civil society, election processes, and economic growth issues. There exists a perception in the Dominican Republic, both in the public and private sectors, that the USAID-labor program has been focused exclusively on promoting workers rights through organizing campaigns in free zones.

2. Increase the number of cooperative, union-management programs in areas such as workplace health and safety, productivity, training and others (The Cooperative Agreement stated that at least 10 such programs would be developed during the three-year period of the grant, provided that management accepted the issues).

The Agreement called for follow-up reports to be made at one and two year intervals with participants to find out whether, from workers' points of view, there had been real gains in productivity and in health and safety measures in the workplace.

Evaluators Comments

a. Results claimed by AIFLD with reference to this objective include several initiatives which resulted in agreements with management and government. A specific illustration is the unified proposal put forward by the major trade union confederations including the CNTD, CTU, CASC, and CGT, community groups and agricultural associations (FENATAD, FENSA, FENASSOMPLA, AASTEMIA, and UNATRASIN) reflecting a model transition program for saving the failing OZUMA Sugar Company. Reportedly, after a 2-year period, the factory has recovered from a situation of financial losses and near bankruptcy to a productive, profit-making venture in 1997. According to trade union leaders and AIFLD leaders interviewed, this initiative proves that workers in state-owned sugar operations can be allies with management in ways that a profit can be earned, when sugar mills are administered properly and corruption is eliminated.

b. To further illustrate the successful achievement of union management cooperation, AIFLD claims that on March 24, 1997, at the urging of FENATRAZONAS and CNTD, the new government of Leonel Fernandez established a tripartite commission specifically to develop recommendations for improving workers conditions in free zones, including medical clinics, day care centers, learning centers, and housing and transportation services. The first act of the commission was to sign an accord on August 19, 1997, with the National Public Works Agency (Bienes Nacionales) making public housing available to a number of free zones workers. This was reported in the newspaper El Pais. AIFLD stated that this accord would have never been signed had it not been for the program assistance provided FENATRAZONAS, which is characterized by AIFLD officials as a "substantial federation with political clout." (Annex 17).

Recommendations

a. We believe that the accomplishments noted in items a. and b. above, as well as the contribution made by the special study produced by the CNTD Research and Documentation Department entitled "Productivity and Salaries in the Dominican Republic: Instruments for Negotiation", indirectly and only partially fulfilled the requirements of this program objective as stated and defined in the cooperative agreement. No information was provided by AIFLD, CNTD, or CTU which would suggest that specific proposals were prepared and submitted to management for the purpose of establishing formal plant-level mechanisms or procedures to address a wide-range of issues which would otherwise be handled in formal bargaining. In the absence of collective bargaining, plant-level committees or worker-management groups could meet frequently to discuss issues of productivity, workplace safety and other common concerns.

b. Additionally, it is recommended that future labor programs supported by USAID, include as an objective, the pursuit of non-adversarial models of labor relations, and plant-level processes which not only have improved labor-management relations but also the dialogue between management and employees on a wide range of issues of interest to both. These processes, however, should be examined in light of the experience of industrialized countries and not as an alternative to formal bargaining that should occur to define the contractual commitments of both workers and employers in the workplace.

3. Provide legal assistance to trade unions in the enforcement of the new Labor Code and to guarantee that workers can participate in alternative conflict resolution mechanisms (The Cooperative Agreement noted that assistance would be provided to the trade unions for rendering legal assistance in the enforcement of the newly enacted Labor Code as well as to guarantee that workers could participate in alternative conflict resolution mechanisms to settle disputes).

Under the Cooperative Agreement, funds were allocated for legal assistance programs. To promote respect for worker rights, either through the Dominican court system, or through alternate means of conflict resolution, including grievance procedures, mediation, conciliation and arbitration assistance would also include attorneys' fees. It was expected that the Grant Director would be responsible

for selecting, in collaboration with the various labor confederations, the appropriate cases for receiving legal assistance, with a view toward fostering the full implementation of the new labor code.

A perceived expectation of the program of legal assistance was not only improvement of the administration of justice as related to worker rights, but also the number of conflicts successfully resolved by non-judicial means. The quantitative indicator for measuring progress would be the number of workers covered by collective bargaining contracts, as indicated above.

Evaluators Comments

a. Based on AIFLD and CNTD program data the CNTD's legal department participated in 208 judicial audiences during the three-year period of the Cooperative Agreement between AIFLD and USAID. In the Dominican Republic, it may take as many as 9 audiences to resolve a particular case before the court. Of the 38 cases described by the CNTD, 25 were claimed to have been resolved favorably on behalf of the workers, which is said to have benefited 10,000 workers. Among the most significant of these cases were JP Industries/Philmoro Company, in which the first legal strikes in the history of the country had been staged, and Bonahan Apparel of Bona, Toscana Corporation of San Pedro de Macoris, Kunja Knitting Mills and Gabela, both of Bani. In all of these cases a substantial number of women were said to have been fired illegally for attempting to join the union.

b. Some cases were reported to have been resolved by mediation and thus no court appearances had been necessary. These cases include Hotel Embajador (400 workers), Ambar Cooking Oil (550 workers), the Jose Blanca factory (300 workers), Dominican Do Sung (350 workers), Nicholas Needle (20 workers), Higuey Manufacturing (20 workers), 3MT Enterprises (450 workers), and Vaminconr (50 workers). Other cases pursued by the CNTD legal Department resulted in the signing of collective bargaining contracts. These include Caribbean Shoes, JP Industries, Bibong Apparel, Hanchang Textile, and Bonahan Fashions. In these companies, grievance procedures have been established so that problems could be solved at the plant without having to file claims with either the Labor Secretariat or the Labor Courts. (Annex 18).

c. In some cases court rulings were obtained in favor of workers, but court orders were not enforced. These cases include Hotel Hamaca, Molinos Dominicanos, and Banco Agricola. In two important cases, court orders were eventually enforced by implementation of the temporary suspension of export licenses as provided in the Free Zone Law 8-90. These were Bibong Apparel in 1994 and JP/Philmoro in 1997. According to AIFLD the use of export license suspension, although rarely applied, may well be a significant alternative method for resolving labor conflicts. However, not all conflicts apply to foreign-owned or foreign subcontractual operations in the Dominican Republic.

d. We concur with the view expressed by AIFLD and the CNTD that legal assistance provided to workers whose rights may have been denied as a result of their organizing campaigns or other union-related issues was indispensable. Alternatively, the absence of legal assistance allows worker grievances not to be resolved satisfactorily or at all. In addition to the direct benefits derived by these workers, mostly women, the cases which were pursued vigorously before the courts and with the Labor Ministry, helped draw public attention to the significant contribution of formal institutions, when made to function, and in spite of their resource limitations (the general perception among trade union activists in the Dominican Republic is that labor court reform must come about in connection with overall reform of the nation's judicial system). According to some observers, press coverage of the cases in which legal assistance was provided, also proved beneficial as newspaper accounts of the grievances were made public, thereby exposing the injustices denounced by workers. In a celebrated case, the labor court in Bani was said to have been the subject of considerable press criticism based on information developed and published by the legal assistance department of the CNTD. In other respects, AIFLD maintains that while it is generally apparent that there have been significant improvements in worker rights protections stemming from labor code reform and the effective implementation of the Code by the Labor Secretariat, legal assistance to workers remains a necessity. Legal assistance is necessary to counterbalance efforts to deny protection to workers and trade unionists due to the shortcomings of the judicial system. Experience also indicates that the court system has been somewhat more responsive as a result of external monitoring and exposure of worker rights violations by international labor and human rights groups. (Annex 18).

e. Based on data provided by CNTD and CTU, it appears that legal assistance had targeted cases in which it was necessary (a) expose the most egregious violations of worker rights in the free zones, (b) to assist those workers in which legal representation was indispensable to achieving a favorable outcome. Generally, it is assumed that legal services provided through the legal assistance program may have benefited as many as 15,000 workers. According to AIFLD staff, in the area of worker rights, legal assistance had a beneficial impact in 34 separate collective bargaining agreements and in 43 labor contracts negotiated with employers. Legal advice provided by four full-time attorneys was sought in 5 strike actions. It is estimated by both AIFLD and the CNTD that approximately 5,000 workers may have benefitted from the services of these attorneys (on average each attorney handled 34 legal consultations per month during the three years that AIFLD support was provided). According to AIFLD and the CNTD's legal assistance department, legal services had been made available in 336 separate court cases, 2 arbitration cases, 40 conciliation cases, and in 113 mediation cases. (Annex 18).

Recommendations

It is recommended that this or similar form of legal assistance be continued as part of future labor programs supported by USAID. Moreover, we concur that the legal assistance program has been an unqualified success. We believe that this program activity has been cost-effective and based on everyone's favorable endorsement, serious consideration should be given to establishing a legal affairs department at the new headquarters housing the six major labor confederations. As the government seeks closer cooperation among the nation's six confederations by offering a facility in which to house them, projects such as the establishment of a legal affairs department for everyone's benefit should be explored with great interest. In our view, this would be a more appropriate alternative to establishing a separate and more costly capability within each of the major confederations as has been suggested by several of their leaders. Moreover, this and other similar joint efforts might well contribute to the eventual unification of the trade union movement.

4. Establishment of a Labor Statistics Research Department

The Cooperative Agreement called for the establishment of a research/documentation department to process data that would be shared by unions

interested in networking with other national and international institutions on monitoring trade union and human rights activities, changes in legislation, and development of data on a wide-range of worker issues. It was envisioned that this department would be provided appropriate technical resources for coordinating such efforts. Surveys and studies conducted by the Center would be distributed to local unions as well as other local institutions.

Evaluators Comments

a. In discussions with CNTD and AIFLD officials, it was apparent that this labor program objective, as specified in the Cooperative Agreement, was refocused to benefit the Confederation by improving its existing capabilities in the area of research. As a consequence, the results of research conducted by the CNTD Research Department can be said to have benefited, first and foremost, trade unions affiliated with the Confederation. Perhaps, only marginally did other trade union organizations or other local institutions may have benefitted from the publication of the research as had been required under the Cooperative Agreement. A review of research produced by the CNTD indicates that emphasis was given to specific labor topics of interest to the CNTD and FENATRAZONAS. Alternatively, the purpose of the "Labor Statistics Research Department" as described in the Cooperative Agreement, was to create a capability that would benefit the larger trade union community in the Dominican Republic.

b. Information provided by AIFLD indicates that the Institute had supported the salaries and benefits of the CNTD's Research Department's three-person staff during the three year period of the Cooperative Agreement. Both AIFLD and CNTD officials claim the Department had produced 23 separate studies during that time including research on minimum wages, productivity, rights of disabled workers, social security, and subcontracting practices in free trade zones. Reportedly, a study of the failing sugar industry was utilized by the four major confederations (CNTD, CTU, CGT and CASC) as well as other organizations including agricultural groups as the basis for successfully promoting a model program aimed at reviving the country's sugar sector.

Recommendations

As part of any future labor program support, it is recommended that consideration be given to the establishment of a labor statistics and research center. Studies, reports and analyses developed by the center ought to benefit all trade union organizations. Such an entity could take the form of an institute in which trade union leaders would be represented on its board of directors. This entity could be established in the new headquarters which will house the six major labor confederations. A useful model for this purpose might be DIESSE, an institute established on or about 1982-83 in Rio de Janeiro. The latter was established to fill the void in labor research and statistics. Over the years, DIESSE has gained a fine reputation for credible research and statistics on labor issues and labor market behavior.

C. Other Evaluation Issues

The three issues examined below are outside of the scope of the Cooperative Agreement but were added by the evaluators to gain additional insights and to formulate appropriate recommendations for future labor programs.

1. Overall impressions of the AIFLD Program

Evaluators Comments

a. A predominant view among representatives of public and private sector institutions interviewed regarding the USAID-supported labor program, thought that the latter was specifically designed to promote the formation of trade unions in the Dominican Republic and to introduce collective bargaining. It was further stated that the primary vehicle for achieving these objectives were AIFLD and its partner organizations, the CNTD and FENATRAZONAS. Generally, most observers, including trade union confederations not receiving AIFLD support, believe that the CNTD and FENATRAZONAS were able to mount organizing campaigns in the nation's free zone sector due in large measure to USAID assistance. Additionally, it is generally acknowledged that USAID is practically the only donor agency supporting labor programs in the Dominican Republic at this time.

b. CTU officials, when interviewed in connection with the labor program evaluation, seemed unaware that AIFLD activities in the D.R. were supported by USAID. Nevertheless, the CTU considers AIFLD support valuable in terms of its organizing efforts and in light of lost funding from the Konrad Adenauer Foundation, which was terminated in 1997.

c. CASC and other trade union confederations, not presently assisted by AIFLD, believe AIFLD-supported labor projects in the Dominican Republic were effectively closed to them during the three-year period that cooperative agreement was in force. Among the primary reason given by AIFLD for excluding most trade union groups from participation in the USAID-supported labor program was the "lack of commitment to AIFLD's program priorities", "the inability of most organizations to effectively carry out program objectives", and the "policy of the AFL-CIO to support local organizations that are affiliated with the ICFTU and the ORIT". As indicated previously, the CNTD has been the long-standing partner of AIFLD in the Dominican Republic. CTU began a collaborative relationship with AIFLD in September 1997, following affiliation with ICFTU/ORIT.

d. As with the CNTD, CTU officials expressed no knowledge of the goals and objectives stated in the USAID-AIFLD Cooperative Agreement or the relationship of the USAID-supported labor program to the Mission democracy and economic growth program strategies. There exist a general perception within the trade union movement that the AIFLD labor program was conceived exclusively for the benefit of the CNTD/FENATRAZONAS.

e. Other than the Ministry of Labor officials and Catholic University officials, very few NGOs or other civic organizations supported by USAID, had in-depth knowledge of the labor program and learned about the existence of the USAID-AIFLD Cooperative Agreement through the interview and the program evaluation questionnaire provided by the evaluators. More importantly, few thought there was any linkage between the goals and objectives of the labor program an the objectives of civil society in the context of the "national dialogue" or the "national reform agenda".

f. Ministry of Labor officials, while not informed about the broad scope of the labor program, generally attributed the overall increase of trade union registrations and resulting collective bargaining pacts to efforts of the CNTD/FENATRAZONAS

and CTU. Ministry officials also considered the various CNTD educational seminars they had attended to be of "high" quality.

g. We concur with AIFLD's view that during the three years of the grant "workers that became covered by collective bargaining agreements enjoyed greater benefits than those not covered by the existence of such pacts". Benefits are generally defined in terms "of income levels, dignity and participation on the job". Moreover, in defending the strategy to pursue organizing in free zones, AIFLD staff noted that the achievement of collective contracts in the country has a multiplier effect. When free zone employers thought collective bargaining was out of the question, they could fire and abuse workers with impunity. Now that the labor code implementation is a little more effective and collective bargaining is seen as a real possibility some employers behave a little more cautiously".

2. Extent to which AIFLD assistance played a part in successful coalition-building efforts to promote the "national reform agenda" or other public policy issues during the three year period that the program was in force (1995-1998).

Evaluators Comments

a. With respect to this objective, AIFLD claims their trade union partners, namely the CNTD and FENATRAZONAS "...have led community-based coalitions and marches to demand better conditions in the free zones, for both men and women workers. The unions acted jointly and in a responsible way to push for demands of community groups while at the same time avoiding getting roped in to a general strike with potential for violence. The unions intervened with the government to support textile parity conditioned on respect for worker rights, and pressed for inclusion of a social dimension in economic integration pacts".

b. AIFLD officials stated that efforts to bring all of the union confederations together to discuss a common approach to public policy formulation, national election issues and the development of labor strategies related to the national dialogue are all examples of coalition-building efforts during the period that the Cooperative Agreement was in effect. These efforts consisted of a series of 10 conferences financed by AIFLD. Alternatively, the majority of confederation leaders interviewed noted that a joint document published March 19, 1996, entitled:

“Propuesta De Los Trabajadores Para La Agenda Nacional De Desarrollo”, had been prepared under the auspices of the Grupo de Accion por La Democracia and was the culmination of joint efforts by the six confederations to define their views in the context of the “national development agenda”. (Annex 20).

Recommendations

It is recommended that future USAID-supported labor programs in the Dominican Republic include the promotion of effective coalitions among all major labor confederations. One possibility for achieving a consensus on national policy issues might be through their active participation in the so-called National Labor Council, which only meets on an ad-hoc basis and without the assistance of a neutral facilitator. Observers of the trade union movement in the D.R. such as the current rector of the Catholic University, who has from time to time, been called upon to coordinate dialogue among the various trade union confederations, has expressed the view that the National Labor Council could provide a basis for sustained consensus-building efforts once the confederations are housed in the new labor movement headquarters. Among its first priorities, the National Labor Council might consider a series of seminars/conferences aimed at defining the strategic role of labor in the context of the “national dialogue” and reform agenda being promoted by civil society, labor’s mission in promoting broad-based economic growth with equity, and other issues of interest to working class in the Dominican Republic. Without such efforts organized is likely to remain fragmented and lag further behind in the efforts of civil society to promote participatory democracy and socio-economic development in this Caribbean country..

3. Extent of support provided by the National Endowment for Democracy (NED) for labor programs in the Dominican Republic during the three-year period that the USAID-AIFLD Cooperative Agreement was in effect.

Evaluators Comments

a. AIFLD has stated that “in 1995 and 1996, NED funds were used exclusively for assisting the FENATRAZONAS recruit and train a team of new young organizers to work in the free zone sector and that USAID funds were used exclusively for legal assistance, education activities, and research and publication. Reportedly, in 1997, at the request of both USAID and NED, the Solidarity Center decided to end the

NED project in the DR and conduct all its activities using AID funds. According to AIFLD Washington staff "the free zone organizing work was paid from the Central America Regional budget, the legal, educational and research projects from the Dominican Republic budget, and the basic Solidarity Center office functions continued to be financed from the AID Mission grant". AIFLD further noted that "unfortunately, at the beginning of 1997, the Helms hold caused us to drastically cut our activities for nearly five months. We transferred our field representative and put in place a part-time consultant at greatly reduced compensation, we stopped financing the CNTD entirely (it managed to carry on without us during this time) and reduced support for the FENATRAZONAS. After funds were restored in May 1997, we began our work with the CTU, largely restored our funding level to the existing projects, agreed to help in the new organizing work outside the free zone-textile industry, and kept our field office under a part-time consultant".

b. The Evaluators were informed by AIFLD staff in the Dominican Republic that UNITE, has contributed US dollars 28,000 per year in cash and approximately US dollars 75,000 a year in staff time and travel expenses as related to the organizing efforts. In 1998, AIFLD expects several European donors (unnamed) to join as partners in this labor program priority (During the week of March 16 the ICFTU/ORIT and the AFL-CIO will be sponsoring a regional conference in Santo Domingo dedicated to discussions of free zones in the region and strategies for improving the rights of workers in that sector)..

VI. CONSIDERATION TOWARD THE FUTURE

A. Political

The Fernández administration's orientation toward popular participation in the formulation of public policies and reform of institutions highlights the significance of the current political transition and favors prospects for more equitable development. Nevertheless, paternalistic behavior is strongly entrenched and authoritarian throughout the population. The political challenge is to deepen and strengthen the population's understanding, appreciation, and practice of democratic values, including civic participation and the balance of powers among the executive, legislative, and

judicial branches of government. An inefficient judiciary remain a key constraint to implementation of much-needed reform.

The principles and practices of democracy have to be reinforced if public and private institutions and organizations to become truly democratic. This implies that the role of civil society in the political process must be consolidated. As the Mission has stated civil society needs to be a permanent instrument for advocacy for reform and modernization of the state, and for monitoring elected officials and public institutions to deepen democratic development in the Dominican Republic.

Congress, which in the past was largely ignored, has become a more vocal player in the government's budget and reform program. Despite the administration's strong attempts to seek consensus for its new development vision and the measures required to bring it about, key pieces of legislation continue to be stalled, hampering the administration's ability to move its agenda forward vigorously.

Despite its fragmentation and deep seeded suspicions among trade union organizations in the Dominican Republic, the labor movement can be an active participant in the overall effort of civil society to promote institutional and policy reforms. To accomplish this objective, the labor movement needs to define its mission and articulate its vision clearly. This can only be achieved through consensus-building and without external influence.

To continue along the path of a divided labor movement highly dependant on external funding for its survival is to abdicate its responsibility to the workers it currently represents or those it expects to affiliate to its ranks in the future. As mass-based organizations trade unions are often in the forefront of promoting democratic development. However, in the Dominican Republic the labor movement has yet to make its mark and lags behind other more active civic organizations.

B. Economic

As stated by the Mission, the comprehensive economic reform agenda put forward by the Fernández government in December 1996, reflects the depth of change brought about by the national elections in 1996. The government, however, is caught in the dilemma of wanting to implement reforms now that will make the economy

stronger and more resilient in the medium and long term, while facing strong opposition to the threat of hardships that may be felt in the short term when no economic crisis is perceived. Organized labor needs to devise a strategy for responding to the challenges posed by impending reforms and where possible, it should express its support or propose appropriate alternatives.

C. Poverty

In this critical area, a 1992 estimate indicated that about 10% of Dominicans lived in extreme poverty - defined as expenditures of less than \$1.00 per day; 20% of children in the border region with Haiti between one and two years old suffered from severe malnutrition in 1993.

There is an estimated 10% malnutrition rate for children in the DR, which implies that in order to eliminate hunger from the Dominican Republic within 10 years average annual growth should exceed 8%. In 1990, despite a 90% primary school enrollment rate, only 14% of Dominican children completed primary school, compared to 24% for Haiti and 50% on average for all USAID-assisted countries in the region. Sixty-five percent of the population in rural and peri-urban areas lacks access to potable water and about 25% lacks electricity. In 1993, expenditures on health and education were less than 5% of GDP, compared to over 13% on average for other Latin American countries. The new government wants to address this "social debt" issue, which is largely a result of chronic underspending by previous governments. Also required to stimulate productive employment are appropriate macroeconomics policies, incentives for competitive investment, and appropriate human capital development.

As stated by the Mission, "in the face of these hardships, the Dominican Republic is fortunate to have a large number of nongovernmental organizations (NGOs) which, given adequate financing and appropriate management assistance, are ready and willing to provide services to the most disadvantaged and hardest to reach populations. The challenge is to mobilize their enthusiasm and talents in a concerted manner to achieve lasting impact among the varied communities they serve".

As mass-based organizations trade unions can play a meaningful role in the government's effort to devise "productive employment strategies", formulating "appropriate macroeconomics policies", creating "incentives for competitive

investment, and "identifying the most appropriate means for human capital development".

Organized labor's concern should not be limited to securing the protection of worker rights in the free zones, but more broadly how to promote participatory democracy and a more competitive economy.

Specifically, organized labor should explore options for helping sustain the momentum for democratic change and what it can contribute to the development and strengthening of civil society. In the short term, organized labor should consider how best to assist a reform-minded government inclined toward popular participation and highly sympathetic toward the needs of the long-neglected social sector.

Finally, labor program assistance that is focused on organizing efforts to guarantee the rights of workers should be but one element and not its overall purpose for its existence. Organized labor must be helped to set aside its differences and to push for a broader labor agenda that will effect change and raise the standard of living for the working class in the Dominican Republic.

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