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**B O L I V I A N   H A N D C R A F T   E X P O R T   D E V E L O P M E N T**

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**CREATIVE ASSOCIATES**

## TABLE OF CONTENTS

	<u>Page</u>
I. OVERVIEW .....	1
A. The Problems .....	1
B. Other Issues .....	6
II. THE PROPOSED PROJECT .....	12
A. The Service Agency Concept .....	12
B. Available Services .....	14
C. Technical Approach .....	15
D. Project Activities .....	21
III. THE PROJECT BENEFICIARIES .....	29
IV. PRODUCT AND MARKET ANALYSIS .....	32
A. Product Lines to be Explored .....	41
B. Market Channels/Market Strategy .....	42
V. INDUSTRIAL/TEXTILE ASSESSMENT .....	44
A. Potential of Industrial Spinning .....	44
B. Fotrama .....	45
C. Conclusions: Small Industry .....	46

### APPENDICES

- A. Glossary
- B. Summary of Project Paper Team Interviews
- C. Formation of a Board of Directors
- D. Generalized System of Preferences
  - Marking: Country of Origin
- E. Estimate of Technical Assistance Costs
- F. First Year Plan
- G. Nonformal Education Service Agency
  - Experience in Lesotho and Ecuador
  - Executive Summary

## HANDRAFT SERVICE AGENCY

### I. OVERVIEW

This report includes the information and recommendations of Creative Associates' project-paper design team. The team's tasks, as outlined in the scope of work, were several: to determine the marketability of current Bolivian textile products; to assess the potential for products that could result from redesign or the introduction of new product lines; to determine the current capacity and potential of industrial producers of raw materials, to examine the extent of benefits to the various groups-- rural poor artisans, small business owners, and industrialists currently involved in handcraft textile production; and finally, to determine the type of organization that could best address the development needs of the handcraft textile community.

To accomplish these tasks the project paper team visited organizations and businesses in the La Paz and Cochabamba areas. (A listing of organizations and communities visited is appended to this report.)

#### A. THE PROBLEMS:

In brief the team has determined that a Handcraft Service Agency for Bolivia would have to address several major problems that Bolivian textile/handcraft producers face. These problems are the obstacles to increased business productivity and success; they include the following:

- o the lack of quality raw materials (wool, yarn, hides);

- o the need for product refinement and redesign using fashion forward styles, patterns, colors;
- o lack of a moderately sophisticated marketing strategy that both segments the market and provides information needed to design products appropriate to different sectors market; and
- o Government financial and labor policies that thwart rather than support enterprise growth and expansion into export markets.

1. Lack of Quality Raw Materials

The first of these problems, lack of quality raw materials affects each element of the textile community differently. The net results, however, are lower productivity and reduced quality of finished products.

Factories, at present, are not producing industrially spun natural fiber yarns needed by weavers and knitters because they are unable to consistently obtain the wool to produce such yarn. Additionally, because the artisan community is made up of many relatively small groups that buy separately, there has not been a steady, reliable market for yarn in quantities necessary for the industrialist to respond to artisans' needs.

Small business owners invariably reported that one of their major difficulties is obtaining 'materia prima,' an activity that occupies too much of their time and energy. To date the state run INFOL has been plagued by strikes and characterized by low productivity. Thus, it is not viewed as a reliable supplier of raw material. Entrepreneurs are coping with this dilemma in several ways. Some, such as La Kochalita, are buying and hand spinning wool, Fotrama is machine spinning and importing from Peru. Others are relying on a combination of imported yarn, hand spun yarn, and the little that is available from INFOL.

Many artisans, in fact most in the Cochabamba area, receive their yarn from organizations for whom they knit or weave. This means that their productivity and the quality of the goods they can produce is dependent on the supplies of the business owners. In the La Paz area, those artisans working through intermediaries are often responsible for obtaining yarn themselves; thus the quality of their products is poor.

## 2. Need for Product Refinement and Redesign

The second of the major problems that will need to be addressed by the Service Agency is the need for product redesign. To date most products are using traditional patterns and styles that have limited appeal to those segments of the consumer market interested in fashionable clothing. While the skills of knitters are usually good, the final product lacks the panache required to appeal to the higher price audience that this project wants to attract. Producers could greatly enhance their market through technical assistance in styling. For example, most sweaters produced are classic pullovers and cardigans with raglan sleeves and round or vee necks. They also produce a draw-line of string skirts and traditional rwanas. Often they are partially or fully patterned with a standard abstract or figure designs.

The few attempts at fashion styling are usually drawn from books and magazines, that are six months to a year behind. And, often the attempts at use of color are limited, again because of lack of raw material.

The Service Agency would need to work with producer groups on fashion forward styles using information provided by trends analysts who both follow the U.S. and European fashion market and who advise buyers of the top stores. This latter point is particularly important since producers need to know what buyers will be looking for when they seek out new products.

It is perhaps important to note that the technical assistance to be provided would also include information on finishing and technique. Despite good basic skills in knitting, some attention must still be paid to details such as gauge and use of smaller needles for cuffs and borders. Weaving, especially of fabric, have to be industrially finished in order to produce a quality that could be used in garments that would appeal to an export market. Home furnishings such as blankets, throws, and decorations, need to be designed so that they follow color and pattern trends and have to be better finished.

### 3. Need for New Marketing Strategies

Marketing systems is the third major problem to be addressed by the Service Agency. The marketing of goods to an export audience has been undertaken primarily by individual entrepreneur who have personal or organizational contacts. Many groups are selling to benevolent societies who are accepting lower quality goods as long as prices are low. In a few instances individual businesses are producing to intermediary specifications, with some success. However, the Service Agency could expand the market potential of producers by establishing links with buyers and introducing Bolivian products through direct marketing in New York, Paris, and other buying centers.

One function of the Service Agency should be to segment the market into areas, such as high fashion, bridge, mass market, budget, and to make quality and design distinctions for each. In this way individual producers can aim at the market they feel they can accommodate, both in terms of quality and quantity of goods they would need to produce. It may be that not all

producers are interested in or capable of approaching an up-scale market. Yet, there remains a place for artesanias rusticas.

### 3. Lack of Support from the Bolivian Government

The problems outlined this far are ones for which solutions can be found fairly easily. Technical assistance, capital investment, organization and management of human and natural resources will produce needed change. However, there remains an obstacle that could negatively affect the success of the proposed project and that is more difficult to address through a Service Agency designed to deal with these resources and skills deficits. The policies of the Bolivian Government vis-a-vis labor and export regulations has effectively deterred export growth and could negatively affect project progress.

At present, industrialists and small businesses alike would resist efforts to increase their labor pool in any official manner because labor laws would require they retain staff no matter what business is like. The effect of this can be seen in industrialists reluctance to gear up for expanded production, including production of raw products for artisans. One can deduce that the proliferation of artisan collectives working in community centers on a "piece" basis is at least in part a reflection of business' preferences not to "employ" knitters, thus, alleviating any difficulties with union and labor laws.

Monetary policy that requires exporters to deposit foreign currency in Bolivian banks that will be exchanged at an official rate far below the parallel rate has virtually halved exports from 1982 to present. In some instances business owners have circumvented the impact of this legal requirement by selling to intermediaries in-country or luring clients to

Bolivia so that technically they are not exporting. However, groups such as La Kochalita and Q'antati who produce almost exclusively for export orders have been profoundly affected by this policy. In the altiplano, knitters report that this year Q'antati has only purchased two sweaters per knitter. La Kochalita reports sales have ground to a halt.

These policies will mean that new market production will be limited for as long as producers are realizing only about half of their actual export revenues.

## B. OTHER ISSUES

In addition to the four problems outlined above, AID/PID raised three issues to be considered before undertaking the development of a Handcraft Service Agency:

- o Is there a sufficient "high end" export market for Bolivian artisan garments?
- o What is the production potential for Bolivian artisan garments?
- o Will industries, small entrepreneurs and artisans work cooperatively to the mutual benefit of all in a Service Association?

### 1. The Market

Bolivian artisan products are currently unsuitable for the "high end" market. The uniqueness of Alpaca and Llama as fibers needs to be captured through design and styling that will have up-scale appeal. The current U.S. import market for apparel and home furnishings is strong-- in excess of eight billion dollars in 1983. This market is newly opened as a result of the exit of businesses from Hong Kong and the quotas and other barriers to trade with the far east. Imports into the U.S. have increased as consumers are looking

for quality products that are labor intensive and thus difficult and expensive to produce in the U.S. And, the U.S. market in recent years has shown a preference for natural fibers in both clothing and home furnishings. (For additional statistics outlining the U.S. consumer pattern see di Grandi, p. 8-12): The market exists, The question is-- can Bolivia respond?

The U.S. apparel market is ever changing in terms of fashion trends, color, and fabric. Subtle differences in products cause them to sell or not, therefore, it is of utmost importance to know fashion trends far enough in advance to adjust product designs.

Key design elements necessary to successfully market to the U.S. and Europe are:

- o Style and design-- including overall appearance, stitch, pattern, texture, fiber/yarn/material, and product shape, and detail.
- o Color-- color changes seasonally-- fall/winter, spring/summer and holiday/resort. The colors coincide with retail market schedules. Color is one of the most important factors in determining the saleability of a product. Different colors are important for various segments of the market. It is important to put the proper colors into products aimed at particular segments; i.e., men's designer vs. women's mass market-- what is suitable for one will not necessarily work in another.

The combination of these elements will affect the ultimate success of products at retail. A great deal of research, time, energy, and money go into determining these trends and fashion directions. Most information is available 12 - 18 months in advance of the season so that various parts of the industry, fiber producers, mills, manufacturers and retailers, can plan accordingly.

To capitalize on this market, Bolivia will need to move swiftly and efficiently for the Caribbean will certainly begin to offer competition in

some areas as Hong Kong based manufacturers move to other former British colonies.

At present Bolivia's greatest competition comes from its neighbor, Peru. Peru has fine knitters and an active handcraft industry, including fine spinning and dyeing capacity. It also has not only its own sources of alpaca, llama, and wool, but also has easy access to Bolivian raw material through Bolivian growers who find it more convenient and more economically fruitful to sell to Peru.

Bolivia will need to guard its raw material, increase the quantity and improve the quality of that raw material and use it to produce goods that respond to U.S. and European market trends if it is to capture the existing market.

## 2. Production Potential

There are two production issues that will need to be addressed by this proposed Handcraft Service Agency project. The first is the production of raw materials. The second is the production of finished products.

At present AID is developing a strategy for increasing the size and health of alpaca, llama, and sheep herds. This is a very important basic need, for without a steady supply of raw wool, further steps in the process will be interrupted. This separately funded project and others, such as the IDB funded AAGACA, could help the Service Agency obtain wool, alpaca and llama fiber. When necessary the Service Agency would provide technical assistance in grading and sorting techniques to the herd management projects.

The Service Agency would also provide the link between the herders and industrialists, the consumers of the raw fiber. The Service Agency could guarantee the herders a market for their goods and provide them with skills in

sorting and grading their product to meet industry standards. The Service Agency could consider contracting with herder associations for the actual delivering of fiber to industrial plants. The Service Agency would then be directly responsible only for ordering and distributing spun yarn to producer groups.

Yarn needed for knitting and weaving is a process that is currently undersupplied. During the course of this project-paper effort, Creative Associates' team determined that Forno, a spinning firm, is both capable and interested in producing spun alpaca, llama, and wool yarns in quantities needed by artisans. This production would be undertaken if Forno can be provided the wool and be guaranteed a market for the finished yarn. To ensure a supply of wool and a constant market, the Service Agency will have to carefully monitor any arrangements made with herder associations and will have to act as intermediary for small businesses in the ordering and distributing of the yarns produced.

In addition to Forno, the CA team suggests that Fotrama be provided with the machinery and technical assistance needed to improve and increase its production of yarn. Fotrama has the potential to produce not only what they consume-- they are currently at 50% consumption capacity-- but could supply other artisan groups in the Cochabamba area as well. Of course, the investment in machinery and technical assistance would have to be contingent on an agreement to supply other producers who are, in fact, Fotrama's competitors in the handicraft market. Still, we believe the added revenues from sales of yarn will compensate Fotrama so that the competition factor will be negligible. Fotrama would be supplied raw fiber through an arrangement

with a herder's association similar to that organized for Forno. AAGACA and one of several other herder associations could provide the graded/sorted fiber.

With sufficient raw materials, organizations can concentrate on the production of finished products in quantities required by an export market. Currently, there is an adequate labor force to improve or increase production.

Current estimates of the number of people involved in handcraft/textile production-- as provided in the PID-- show that 15% of the labor force is involved somehow in handcraft production. However, one must look at how the labor force is organized and what quality of goods results from their efforts. Currently the best organized large groups are located in the Cochabamba area. There one finds organizations based on the Fotrama model--work centers managed by well-trained leaders who act as both teachers and quality control monitors for community-based artisans. This model or some variations of it is used by Fotrama, La Kochalita, Kay Huasi, and Amerindia. Collectively these organizations have between 3000 and 5000 thousand knitters, each capable of producing, by hand, one or two sweaters a week. Introducing knitting machines, doubles, at a minimum, the production capacity of each knitter doubles.

This means that with a moderate increase in the current capacity, the existing work force in the Cochabamba area, alone, is capable of producing 1/2 million sweaters a year. Based on their estimated production and raw materials cost, CA estimates the wholesale cost of those sweaters will range from \$23 to \$40. With the production of 1/2 million sweaters, Bolivia's income from exports of these goods could be \$11,500,000 to \$20,000,000-- or .5% to .87% of the total U.S. market of over 2 billion dollars.<sup>1</sup> This is a

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<sup>1</sup> U.S. Department of Commerce Bureau of Census. 1983. Current Industrial Report

realistic goal as Peru and Ecuador illustrate. Peru exported in 1983- \$288 million in textiles, <sup>2</sup> and Ecuador \$251 million in clothing and textiles in 1982 <sup>3</sup>.

The artisan work force in the Cochabamba area could be expanded if raw materials were available and the market demand were present. Simple expansion of current operations could handle increased demand. Thus, there seems little need for concern about the ability to produce. Rather, there should be concern about the infrastructure needed to distribute raw materials and collect finished products as the work force increases.

At present the limits of the infrastructure are manageable because of a reduced market and thus reduced transportation requirements. If the work force and market expands, not only is infrastructure expansion needed to more efficiently move raw products from herder to industrialist to producer groups, but also the same needs exist for moving finished products to market. A combination of fleets of trucks and special agreements with airlines will be needed. Negotiation should also be undertaken with gasoline companies that would ensure access to fuel in times of strikes and shortages. Contracts with strike insurance provisions should be developed with major suppliers of transport services. Terms would include ensured purchase of airline service or specific orders of gasoline in return for strike exemptions.

While these may be difficult arrangements to negotiate, Bolivia's history of crippling strikes makes it an important task to undertake. One missed delivery because of a strike that crippled the movement of a product to market will kill future orders and scare off new buyers.

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<sup>2</sup> Embassy of Peru - Commercial Section

<sup>3</sup> Embassy of Ecuador - Commercial Section

### 3. Cooperative League of Producers

The Service Agency concept that we put forward involves the formation of an independent nonprofit entity organized to provide technical assistance to each of the three elements of the handcraft/textile community. The Service Agency would be involved in all aspects of technical assistance needed to produce better textiles/handcraft products. In this way, the Service Agency would act as the coordinating entity for those activities that require collective cooperation, such as buying yarn.

It seems more reasonable at this point in the development of the Bolivian handcraft/textile business community to provide services to struggling entrepreneurs rather than to expect them to provide mutual support. There is a great deal of competitiveness and to a certain extent distrust or antagonism between producer groups. The Service Agency, therefore, must be seen as an independently controlled support organization whose services are available to all textile/handcraft producers.

## II. THE PROPOSED PROJECT

### A. THE SERVICE AGENCY CONCEPT

A Service Agency is an organization with specialists who provide technical services to indigenous groups that are too small or lack the funding to provide their staff with the technical expertise required to support the group's activities. The types of technical expertise offered by a Service Agency vary, depending upon the particular needs of the local organization to be served. In the case of the Bolivian Handcraft Service Agency, the target population will be handcraft/textile producers, thus services will include technical assistance in areas such as raw product production and manipulation

of yarn, product design; market analysis and marketing system design; organization development and human resources management and business management--to mention but a few.

The Service Agency provides technical assistance effectively because the services are developed to respond to actual client needs. It is efficient because the Service Agency can work with several organizations simultaneously, thus making it unnecessary for each organization to maintain specialists on staff.

The following characteristics of a Service Agency highlights its strengths in assisting handcraft producers:

- o Responsiveness and Relevance to Needs. A service agency is able to serve as a clearinghouse for information, technical assistance, and training based on a thorough understanding of specific local needs and conditions. To ensure that instructional and informational programs continue to be responsive, service agency staff members continually assess the interests and needs of client groups. In addition, they are continually upgrading and expanding their own capability to address these evolving needs.
- o Technology Transfer and Self Sufficiency. The establishment of a service agency builds and strengthens the technical assistance capability that will remain in place after expatriate specialists depart. As the service agency evolves, there will be resident in country the ability to evaluate products; provide access to marketing, production, and quality control systems design; and provide organization and business management support.
- o Building Commercial Competitiveness. A service agency can link producers with sources of capital and loans, as well as with markets. The technical assistance offered by a handcraft service agency is intended to help handcraft producers view their activities as a business and to develop products and processes that are competitive on the open market.
- o Accessibility and Networking. Unlike a handcraft project intended to support the work of a particular group or under the auspices of an organization which limits technical assistance to its own membership, a handcraft service agency is accessible to a wide range of clients. Service agency staff assess the technical assistance needs of client groups. It establishes priorities for groups to receive services, and it determines the type and form of those services.

## B. AVAILABLE SERVICES

There are four main categories of services that will be available through the Service Agency:

- o Organization of raw materials development, manipulation, and distribution to producers.
- o Technical assistance in product design using information on market trends and market requirements.
- o Design and implementation of training programs in such areas as production technique, market analysis, business planning. Work preparation courses could also be designed for novice knitters and weavers who want to enter the work force of one of the participating organizations.
- o Business management including market and production system design. Cash flow analysis.

As the needs of the participating organization will vary, it is important that the Agency remain flexible and develop specific, relevant services that respond to the assessed needs of each group. A preliminary analysis shows that each of the potential participating organizations could benefit from short-term technical assistance in product design, market analysis, and quality control system design. In some instances raw materials manipulation will be an important service to provide.

The Service Agency should be prepared to respond to needs in the following areas,

- o market analysis/segmentation
- o market trends information
- o product design
- o production techniques
- o quality control system and procedures
- o export/import regulations
- o product delivery systems
- o credit and financing
- o business administration, accounting, management
- o design/implementation of training courses
- o design and production of relevant education materials

### C. TECHNICAL APPROACH

To assist Bolivia in developing a viable handcraft industry, AID proposes a four (4) year support program to work both with small business or nonprofit handcraft organizations whose work force is composed of community-based artisans and industries involved in the production of yarn, fabric, and home furnishings. The proposed project begins by emphasizing organization support and technical assistance and culminates in the establishment of a Service Agency. The Agency would serve to coordinate the local capacity to address future Bolivian craft needs. Described in the following section, such a project would promote a viable handcraft industry that produces goods marketable both locally and internationally. It would also diversify export products, increase profits to industry, small business and coops thus increasing the chances for increased income for existing artisan and opening the job market to new artisans.

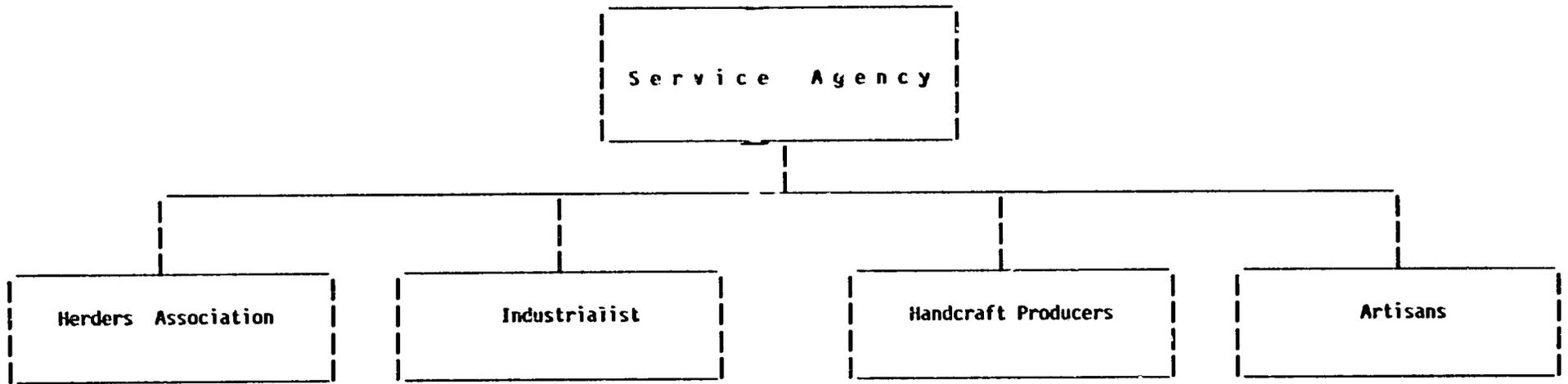
## Goals and Objectives

The three goals of the service agency are:

- o to provide the necessary linkage between the various segments of the handcraft/textile industry
- o to improve each segment of the textile industry through relevant technical assistance
- o provide access to the U.S. and European market

The chart on the next page gives a brief overview of the functions of the Bolivian Handcraft Service Agency. The Bolivian Handcraft Service Agency will provide the technical assistance needed to improve each segment of the handcraft/textile community in ways that will encourage and support an active and flourishing industry. At present the critical missing elements to industry success are technical assistance and a flow of goods and services between the various segments of the industry. To meet this need, the Service Agency will for example, facilitate the supply of fiber to industrialists and will provide the technical assistance needed to produce yarns in colors, blends, and weights needed by handcraft producers. Handcraft producers will receive the technical assistance they need to produce garments, accessories, and home furnishings that will appeal to an export market. That technical assistance will include market trend analysis, product design, quality control systems design, and organizations development--to mention a few.

Artisans, the workforce of the industry will benefit primarily in a more indirect manner. They will reap the benefits of an expanded market that will require a larger quantity of the goods they produce. Additionally, the introduction of hand-operated machinery such as knitting machines will increase artisans' productivity and thus their revenues. The Service Agency will also provide community-based work preparation training courses in basic craft skills and techniques that will allow new workers to move easily into



The service agency will work with one or several associations of herders in two areas:

- o It will provide technical assistance in sorting and classifying fiber
- o It will negotiate contracts for herder associations to provide graded/classified fiber to Forno and Fotrana for spinning.

The service agency will work with industrialists in four specific areas:

- o It will provide T.A. in dyeing, fiber blend and weight of yarn to be spun.
- o It will serve as the intermediary for handcraft producers by coordinating the ordering of yarn. And, the service agency will receive the spun yarn for distribution to producers.
- o The Service Agency will provide design T.A. to industrialists for the development of fabric, home furnishings such as blankets, throws
- o It will provide T.A. in market analysis for home furnishing and yard goods produced

The service agency will direct much of it's T.A. energies to this group. It will provide a full range of services including:

- o Coordination of buying and distribution of yarn from industrialists.
- o T.A. in product design
- o T.A. in market analysis
- o T.A. in Quality Control systems
- o T.A. in organizational development.

Artisans will be the indirect beneficiaries of S.A. activities. They will directly benefit from work preparation seminars available to novice artisans interested in joining the artisan workforce.

the artisan work force. In addition the Bolivian Handcraft Support Project will encourage self-sufficient entrepreneurial activity in the handcraft sector by providing small businesses and handcraft organizations with advice, training, and technical assistance in market assessment, product design; production and marketing; human resources management, and small business management. Further, the capacity for continuing to respond to handcraft producers' needs will be institutionalized through the development of the handcraft service agency.

The anticipated outcome will be to increase the profitability of handcraft producers through the provision of the following types of technical assistance:

- o product evaluation, market analysis, and needs assessment;
- o product design;
- o introduction of cost-effective production techniques and methods;
- o design of marketing systems;
- o support in obtaining credit and financing;
- o business management training (accounting, inventory, management, pricing techniques, etc.)

The handcraft service agency would design and deliver training programs and workshops to help groups acquire or strengthen entrepreneurial, management, and marketing skills. Experience in programs geared to promoting self-employment has shown that persons working with handcrafts must supplement their production skills with an understanding of management, marketing, and business practices. Building upon the particular skill levels and needs of handcraft producers, the Service Agency would provide training in content areas including the following:

- o information-gathering, decision-making, and risk-taking related to business planning and investment;
- o establishment and management of production units;
- o financial planning and credit management;
- o market assessment and development;
- o supply/demand assessment and inventory;
- o market and sales;
- o business mathematics and accounting;
- o principles and practices of management;
- o taxation and laws affecting entrepreneurs; and
- o government infrastructure, commercial banks, and export companies.

Project staff will provide continuous advice and support to the participating handcraft organizations, including contracting short-term technical specialists for training and assistance in activities essential to developing successful handcraft enterprises.

The establishment of this Service Agency would take place over a four (4) year period and would involve three-phases. Some tasks will overlap in time.

#### PHASE I

Establish advisory board.

Recruit and hire a project staff.

Establish terms of technical assistance to groups and criteria for receipt of services.

Conduct in-depth inventory and needs assessment of groups to receive services.

Identify groups to receive services.

#### PHASE II

Develop technical assistance plans for identified groups.

Begin technical assistance to identified groups through use of project staff and consultants.

### PHASE III

Continue work with identified groups and add additional groups.  
Formalize operational structure of the service agency.

#### Service Agency Structure

Ideally the proposed Service Agency would be established as a function or division of an existing non-government Bolivian organization with a history of service to the handcraft/textile community.

Therefore the project-paper team set out to identify an organization with the following characteristics:

- o experience in working with the three segments of the handcraft community--industry, small business and artisans;
- o experience in delivering technical assistance to handcraft producers;
- o an administrative structure and requisite logistical support and facilities capable of supporting a Service Agency; and
- o staff interested in undertaking, with training and assistance, the formation and continuation of a Service Agency.

The approach would be to have implementing institution staff assigned to work with a technical assistance contractor as both observers and participants in the technical assistance process. That process would then provide staff with the training and skills development needed to assume the responsibilities of the Service Agency.

In this way, the management and operation of the Service Agency would gradually shift from the T.A. contractor to the Bolivian staff of the Service Agency.

The alternative to working through an existing organization is to form a non-profit organization the--Bolivian Handcraft Service Agency. A board of directors would have to be selected, by laws, operational procedures, and agency goals and objectives would need to be drawn and staff hired.

In the case of Bolivia the project paper team recommends the latter approach. The atmosphere in the handcraft community in Bolivia is extremely competitive and characterized by mistrust and in some instances hostility. There is a history of "national" organizations' leadership taking personal advantage of information and opportunities that were to be offered its membership; consequently producers are reluctant to join or trust such organizations.

The distance, both physical and psychological, between La Paz and Cochabamba is another barrier to working through any existing association. Most associations that purport to represent the handcraft community are located in La Paz. The project-paper team feels that the Service Agency project should focus on groups based in Cochabamba. Also, few of the existing non-government associations have any tangible, effective experience in delivering technical assistance. Rather, they tend to be a loose affiliation of organizations joined to lobby for government reform, a role that they could continue to perform.

Finally, the project paper team believes that the atmosphere of mistrust would make the formation of an association, controlled by its member organizations, counterproductive. Battles for control, suspicion, and behind-the scenes jockeying for position would hinder the achievement of project goals. A good deal of time and effort would have to be devoted to negotiating a reasonable working atmosphere and these activities detract from the primary tasks at hand.

Certainly an indirect benefit of the project would be to improve relations between producer groups. However, the team feels this would be better accomplished when producers realize that they have an organization

to work with that can be trusted. Competition and distrust are natural elements of commerce. Perhaps establishing a collegial atmosphere is an unrealistic and undesirable goal for this project.

The establishment of the Service Agency would have to be undertaken by the technical assistance contractor. It should be designed as a traditional nonprofit organization endowed by AID, controlled by a board of directors, and managed by a Service Agency director who is responsible to the board. Board members would be selected for their interest and willingness to work hard for the accomplishment of Service Agency goals. Board members should be drawn from the banking, business, and political arenas as well as from the handcraft community because they will need to have business savvy and political clout. The selection of board members will be a sensitive and extremely important project task. The technical assistance contractor and AID should draw up agency by laws, goals, and objectives for board candidates review and comment. Final selection of board members would be based on candidates' commitment to the goals of the Service Agency.

#### D. PROJECT ACTIVITIES

Establish board of directors: The service agency board of directors will be the ultimate repository of legal responsibility for the agency. It will have the authority to

- o select and evaluate the performance of the executive director;
- o establish organization policies;
- o approve salaries, benefits of agency employees; and
- o monitor the financial management of agency.

The board should be kept to a manageable size of between 7 - 13 members. Each member should be selected for their individual interest and commitment to the project. No one should be on the board as a representative of another

organization, though members should be drawn from varied professional backgrounds. Board members should be adept at managing in a group context. And, board members should be persons willing to donate time and who will faithfully attend meetings. In fact Agency by laws should specify that non-attendance at a specified number of meetings--perhaps 3--would automatically mean forfeiture of board membership. Board member selection should be a very serious, professional process. Lists of board members attributes should be developed into a board selection matrix so that candidates can be reviewed with those required qualities in mind.

The board should elect members once a year with 1/3 of the members up for re-election each year. This will mean that the first board will draw straws for 1, 2 or 3 year initial terms. The advisory board of directors will provide guidance in the development of the Bolivian Handcraft Service Agency and will be involved in establishing criteria for receipt of services. The board will also be involved in the selection of groups to be served and will offer public-relations support by explaining the nature of the project and its operations to the handcraft community at large. Board members will also be asked to participate in the development of financial mechanisms for the continuation of the agency beyond the life of the project. Appendix C presents a possible resource for the formation of the Service Agency Board.

Recruit and hire project staff. It is anticipated that the successful implementation of the project will require the services of a technical assistance contractor and three (3) full time in country project staff. The technical assistance contractor will have a full time in country project director who will be supported by a U.S. based project monitor and a consultant pool of technicians equivalent to six (6) person years of effort each year for three (3) years.

Three full-time Service Agency staff would include a Service Agency executive director-- the counterpart to the T.A. contractors project director; an assistant director; and a technical assistance coordinator.

The Service Agency director will be responsible for the management of all Agency responsibilities including attending board meetings, negotiating terms of agreement with organizations to receive technical assistance, managing the Service Agency budget, and monitoring the performance of other Service Agency staff including evaluation of consultant services.

The assistance director will be primarily responsible for establishing and maintaining a raw materials collection and distribution system. This task is considered to be pivotal to the overall success of the project and will require 1/2 to 3/4 of the assistant director's time. Other tasks will include negotiating agreements with transportation service providers to ensure reliable delivery of raw products and finished product to market. The assistant director will be responsible for liaisons with industrialist and herder associations to ensure their technical assistance needs are met and to ensure the goods and services they provide to artisan groups are forthcoming

The project technical assistance coordinator will be responsible for administering the work of the technical assistance consultants who will be brought in to work with participating organizations. This will mean participating in needs assessments of organizations and scheduling consultant time and arranging the logistics of technical assistance services between participating groups. The technical assistance coordinator will also be involved in the design and delivery of special training courses to be offered by the agency.

The project will also require the support services of administrative personnel. The technical assistance contractor will be responsible for recruitment and hiring of Service Agency staff.

Conduct an in-depth needs assessment. For the development of the project paper, a preliminary analysis was conducted of several producer groups in both the La Paz and Cochabamba areas. That analysis led the project-paper team to conclude that the proposed Service Agency should concentrate its efforts on three or perhaps four organizations located in the Cochabamba area. This conclusion is the result of several influencing factors.

- o The Cochabamba based organizations visited have well-organized, carefully monitored, fairly large production units.
- o The quality and quantity of goods coming from the Cochabamba area is superior to that in the La Paz area.
- o The skills of large numbers of knitters and to a lesser, degree weavers are more highly developed in the Cochabamba area.

A more careful assessment of each of several organizations should be completed, so that technical assistance plans, terms of agreement vis-a-vis eligibility for receipt of T.A. can be developed. At present the project-paper team suggest looking at Fotrama, La Kochalita, Kay Huasi, Amerindia, Las Imillias.

The needs assessment will be designed to help interested groups analyze their organizational and product strengths and weaknesses, identify their technical assistance needs, and determine their market potential. Technical assistance required during the project will thus be identified using a participatory approach. The benefits of such an approach are that project participants

- o will be engaged in activities from the start and will feel ownership of the outcome;
- o will begin to develop the evaluation, planning skills, and flexibility for continuing to strengthen their activities.

The needs assessment will result in the following:

- o an inventory of handcraft groups--their organizational strengths, weaknesses, and needs;
- o an examination of handcrafts currently being produced in terms of design elements, quality of production, and marketability and the services needed to bring those products up to market standard.

This inventory of producer groups will constitute the first major project milestone and will be documented as a project deliverable.

Identify groups to receive services. Once the needs assessment is complete, the project staff will work with the advisory board to select a subset of groups who will receive technical assistance. Among the criteria for selection of groups to be served will include an assessment of the likelihood that a producer could quickly improve profitability through Service Agency technical assistance. Particularly during the first two years the Service Agency will concentrate on groups with a viable base. Here it should be noted that the project-paper team recommends that Fotrama be one of the three or four participating organizations. Fotrama's raw product processing capability coupled with its well-organized artisan workforce make it an important participating organization for this project.

Develop technical assistance plans for identified groups. This technical assistance plan will describe the group specific and collective technical assistance activities to be undertaken. The consultant services to be provided to each group will also be described. Consultants knowledgeable in both the medium, and the market will be identified and the terms of agreement

for their services developed and documented. Also to be included are descriptions of workshops or seminars on generic topics that would be offered by the Service Agency. Workshops could include sessions on topics such as price structuring, quality control techniques, market assessment. At this point it can be said that the following technical assistant experts will be needed immediately: (See Appendix E for rough cost estimates)

- o fiber manipulator: someone with knowledge in blending and mixing fiber to produce a quantity that is both aesthetically pleasing and comfortable to wear;
- o dyer: to produce fashion colors that are color fast
- o knitwear designer: knowledgeable in sweater, and garment design;
- o fabric designer: knowledge of fabric blends, colors and patterns that will appeal to the U.S./European garment industry;
- o spinning/machinery technician: knowledgeable in existing equipment as well as in equipment that can be added to upgrade production capacities;
- o market trends specialist: to keep the project informed of fashion forward design,
- o market analyst: to provide introduction of Bolivian production to the market place;
- marketing theory - specially designed courses for small business owners;
- o knitwear technician - able to provide training in stitches, guage, and other knitting techniques that would improve product look;
- o organization development specialist--focus on business management and resource management skills.

Technical assistance plans for each organization will constitute the second major project milestone and will be documented as a project deliverable.

In addition to developing a technical assistance plan for working with handcraft producer groups, a technical assistance plan will be developed for team building and organization development with Service Agency staff who will

need to be well grounded in both the technical and management skills needed to assume the responsibilities of this new Service Agency as it evolves over the life of the project.

Begin technical assistance. Once the technical assistance plan has been reviewed and approved by the board, technical assistance to groups will begin. Technical assistance teams in product design, production, and marketing will ensure that high quality, saleable handcrafts are produced. The advice and training provided by the team in small business administration will ensure that the producer groups will be able to handle the financial management and marketing aspects of their enterprises. Technical assistance activities and their outcomes will be carefully documented. This documentation will be summarized in periodic progress reports to the advisory board of directors and AID.

Continue technical assistance and add additional groups.

As the number of technical assistance teams and the areas in which technical assistance can be provided increases, the Service Agency can serve additional groups in expanded capacities. Experiences will dictate changes in criteria for receiving service. In addition, staff will develop evaluation mechanisms and procedures to substantiate results of technical assistance. The technical assistance contractor's resources will be used during the life of the project, with participating groups drawing upon that expertise. By the end of the project the expanded capacities of local artisans and participating handcraft organizations would form an integral part of the service agency's technical support team.

Develop a funding plan for the Service Agency. A funding plan to ensure the continuation of the agency will be developed. This funding plan is

expected to provide a strategy for participating producer groups and government and international development agencies to contribute to the continuation of the service agency.

For participating groups, this plan might mean payment on a sliding scale basis, or a contribution based on agreed-upon percentage of sales. This plan might also mean that Service Agency staff will develop a series of funding proposals to submit to international development agencies. Any plans will have to provide steady funding for three core personnel and mechanisms for identification and payment of consultants on an as-needed basis. It seems likely, therefore, that funding plans will combine two or more of the above processes.

### III. THE PROJECT BENEFICIARIES

The proposed development of a Handcraft Service Agency is intended to directly benefit small business owners, handcraft cooperatives, and industrialists and to indirectly benefit artisans. (See Appendix 3 for a summary of interviews with project beneficiaries.)

The technical assistance that will be provided to handcraft/textile producers will be specifically aimed at product enhancement that will increase the value of goods produced and expand the market for those goods. Industrialists would receive technical assistance in obtaining raw materials needed to spin/dye yarn for craft producers. The technical assistance would provide input into the weights of yarns to be produced as well as colors that would be appropriate for the fashion market.

In their way, industrialists could begin to provide raw materials needed by artisans but could also begin with the help of a fabric designer, to produce industrially woven yard goods suitable for garment production. At this point we feel that industry should be encouraged to produce yard goods, blankets, and other home decorations but not get into garment constructions. There is perhaps a potential to develop garment making but not as an immediate project goal. The needed equipment and skill simply aren't well developed in Bolivia at this moment. Yard goods coordinated with knitwear or yarn has more immediate potential for sale through both yarn and fabric distributors. Perhaps some private-label weavers could also be a good first market.

Product and market improvements will increase the profits to businesses which can then be re-invested in one of two ways. Businesses can elect to expand or diversify their operations, thus providing additional employment to a required larger workforce, or they can introduce machinery such as knitting

machines that would increase the productivity of the individual artisan. The effect of this re-investment would be the employment of new workers or increased income to employees, paid by the piece, whose "piece" production would increase with the use of hand-operated machinery.

The businesses and coops visited expressed interest in both possibilities. Like most entrepreneurs, business owners were excited at the possibility of increased markets and added value to their product. Coops, likewise, were interested in the possibility of increased markets, and industrialists were perhaps the most interested in expanded local and export markets.

An alternative that the business owner could elect, however, would be to keep the work force small, limit market growth, and retain profits.

Since one of the expressed goals of this project is to benefit rural poor artisans, the criteria for receipt of technical assistance will need to include an agreement to pass along to the artisan-- through some type of business reinvestment or profit sharing plan--some part of the increased revenues.

At present artisans in Bolivia earn a low of between 1,000 - 3,000 pesos per piece in the La Paz area to a high of 8,000 - 20,000 per piece in the Cochabamba area. A knitter can produce 1 or 2 sweaters a week for about 8 months of the year. If yarn is provided by a coop or business, as it is in Cochabamba, one can calculate that the average knitter is able to earn a high of 1,280,000 pesos or \$ 166./yr (1 dollar = 7700 pesos) to a low of 521,000 or \$66/yr. In the La Paz area, most knitters are responsible for purchasing yarn themselves so that their retained earnings rarely exceed 1,000 pesos or a yearly income of \$8.00.

The vast difference in prices paid in the two areas seems directly related to the market price of goods produced. As mentioned earlier, the quality of knitting in the Cochabamba area far exceeds that in the La Paz area and the resulting sales value of the finished product determines the price to the worker. It should be noted that while prices paid in Cochabamba are better than those paid in La Paz, no knitter is likely to retire on income from handcraft production.

Business owners on the other hand are earning a handsome income. The cost of production is a maximum of 20,000 pesos or \$2.59 per sweater. One sweater takes about 1/2 kilo of wool valued at 55,000 pesos, or \$7.14 per sweater. Thus, there is a product base cost of 9.73. The sale price on the local tourist market would be about \$40.00 or 308,000 pesos-- 300% mark up, which allows for a generous overhead and profit.

It is anticipated that the technical assistance offered through the Service Agency would increase the margin of profit without increasing the base cost of production because the skilled knitters are in place. Changes in styling, color, design-- coupled with the use of more refined yarn would make the difference in sales value of the finished product. This means that business owners could expect to get goods that would fetch a higher price in the market place without necessarily increasing their pay to workers. Therefore, if this project is to insure that workers benefit from this increased revenue, a proviso will have to be negotiated with business owners in advance of receipt of technical assistance.

While one would expect that cooperatives would naturally return profits to its members, it would perhaps be advisable to review the process used for this distribution of profit. Cooperatives are providing allied services, such

as medical treatment, food and nutrition services to its members, so that some profits are diverted into those activities. Still, one would like to see direct wage benefits to artisans affiliated with a coop organization.

#### IV. PRODUCT AND MARKET ANALYSIS

The project paper team visited handcraft textile producers for the purpose of assessing the quality of goods, their market potential, and the skills of workers.

In both the La Paz and Cochabamba areas handcraft/textile groups are producing a range of knitted garments, woven goods and some leather and sheep skin products. This section of the report presents the teams impressions of those products and discusses the market value of each.

##### Knitted garments

In both the La Paz and Cochabamba areas handcraft organizations are producing a variety of knitwear.

La Paz: Sweaters, open and closed with long and short sleeves, pullovers, vests, ponchos, and ruanas, as well as small items such as gloves, leg warmers, caps, socks, and scarves make up the bulk of the knitted production. Most are hand-knitted using handspun, natural alpaca, llama, and wool of extremely low quality. Small numbers of machines are being used by some privately owned organizations. The extremely limited availability of machine-spun thread or the very high quality handspun required for machine knitting has restricted growth of this type of production.

The production level of hand knitters in the La Paz area was about 1 sweater per week for 8 1/2 months of the year. During planting and harvesting

season, 2 sweaters per month are produced by those who have land. A few knitters are not farming and production level in those cases was about stable during the year.

Machine production is astonishingly higher when raw materials are available. The La Paz/Altiplano hand knitters are producing approximately 45 to 47 sweaters per knitter per year. One machine working one shift daily can produce 360 to 516 sweaters per year.

The skill level of most hand knitters in the La Paz/Altiplano is generally low. A few exceptions can be noted--for example, some of the workers affiliated with privately owned firms--although for the most part, the Altiplano knitters work independently through intermediaries. Thus they receive no instruction or supervision. Marginally good to good skills are handicapped by a variety of technical and material problems. Proper gauge is difficult to obtain due to poor raw products, lack of knowledge about knitting needle sizes and uses and lack of understanding of the importance of gauge in relation to weight of the raw products used contribute to poor quality of finished products.

Sizing is generally poor and proportions are often off. For example quite often sleeves are too long or too short. A limited variety of simple to complicated stitches and patterns are used with some success. Some knitters are able to produce fully fashioned sleeves while most set-in sleeves were less successful. The finishing processes such as seam closure, button holes, blocking, and pressing were poor.

Designs at almost all levels are hopelessly out of date and monotonous in both design and color. The ancient geometric and animal motifs are worn and weary. A few small entrepreneurs are copying designs from European and

American design books that are too old to give new directions. One firm using machine knitting is aiming for a high fashion statement and is using foreign design help but is still falling far short of their goal.

Cochabamba: The full range of knitted garments and accessories found in La Paz are also done in Cochabamba. However, the number of knitters is far greater; the quality in general is far superior; sizing and finishing are somewhat better and the quantity produced per knitter is substantially higher. In addition, the organization of groups is extremely good, with well trained leaders and managers who provide both instruction and quality control monitoring.

Most work is done by hand with a few groups using limited numbers of knitting machines. More intricate and complicated designs and stitches are found and used by almost all groups. The finishing is not up to high end export standards and sizing remains a problem but not as major a problem as in the La Paz area.

These same problems with hand spun yarn were also painfully apparent in La Paz. Irregular texture and quality makes knitting a properly sized and high quality garment nearly impossible for those able to obtain the hand spun yarns.

#### Problems common to all knitted garments

Raw Material: Obtaining and processing raw materials is a major constraint for the entire handcraft community. Some producer groups are dealing with the problem by importing from Peru; others are using wooden spindles or hand spun yarn, but none can manage a steady or sufficient supply.

At the source, the fibers are mixed by color and quality further complicating processing and making it difficult to obtain high quality fibers

for spinning. Since the supply of machine-processed fiber from INFOL is unreliable or non-existent and quite expensive, most knitters are using poor quality hand-spun thread. Hand spindles are used in most cases, producing an irregular yarn with many problems for knitters. Strangely, the wooden foot propelled spindle used so widely in Peru is rarely seen in Bolivia. The one exception was La Kochalita in Cochabamba where a substantial number of these wooden spindles are used to produce a fairly good quality yarn. The wooden foot spindle can more than double hand spinning output and in some cases can produce yarn fine enough to use in machines. Even so the yarn produced is vastly inferior to well processed machine spun yarn.

Manipulation of yarn, the mixing of fiber from different animals, is an important area for the improvement of raw material. Since llama herds are large and much of the fiber is not utilized to its fullest, experiments in blending llama or baby llama with alpaca should be tried. Experimentation in blends of wool with alpaca and llama might produce an interesting and lighter weight fiber useful in many areas.

Color: Dying skills are practically non-existent. Color is rarely used and when dying is done it is with poor techniques using imported chemicals. The art of natural dyes used so broadly in Peru has not been well developed or much used in Bolivia. In addition to the lack of chemicals or natural dyes, the supply of white fiber suitable for dying is in critical shortage. Apparently not only the best raw fibers are being exported illegally but the major supply of white alpaca and llama is also going to Peru. The loss of white fiber to Peru is a major problem in developing fashion colors needed for designs suitable to the high end market objective. Since for the moment lack

of white alpaca/llama suitable for dying is a major hindrance to export market entry, experiments in bleaching and dying of other colors should be tried as well.

Moth proofing: Chemical moth proofing is not used in any form in Bolivia. This is an important fiber preparation process needed for entry into U.S. markets, especially for dark natural colors and any fiber being used in home furnishing textiles.

#### Solutions:

The Bolivians are excellent knitters with a quick and able capacity to learn new patterns and designs. The sizing, finishing, and quality control problem can be easily managed with a minimum of training using groups and organizations presently in place. In addition to technical assistance for sizing, quality, and finishing, a major design effort will be needed from outside designers and market trends analysts.

The market analysis information received from samples sent to New York clearly states the main problem areas for Bolivian knitted garments are style and lack of color. Lighter weight yarns are essential for up scale fashion garments. The present weight of machine spun yarns is acceptable for sport and outdoor sweaters if proper styling and color is added.

#### Woven Garments

In both the Cochabamba and La Paz areas, the variety and quality of woven garments varies little. Several styles and designs of ponchos and ruanas as well as a variety of garments most from the handspun, handwoven bayeta fabric can be seen. Fotrama is producing a well-woven poncho and ruana in natural alpaca/llama. Since ponchos currently have little fashion interest, the ruana

is the most interesting garment possibility. With a high fashion input, alpaca ruanas have good market potential. A few quality stoles are made but have little market appeal in the U.S.

The quality of garments made of bayeta is universally bad. The wool is of low quality handspun variety with poor sorting of colors producing unacceptable variation in color. The handwoven fabric is too narrow to be useful for many styles.

Input from New York market analysts show some interest in bayeta in home furnishing areas as well as in selected garment trims. Some major changes in raw material, width and care quality would be needed. Proper professional finishing will be a necessity to enter the up scale market with this produce line.

#### Aguayo

The old Aguayo weavings from Potosi and Sucre are a marvel of spinning and weaving techniques, color and design. Since they are no longer being done there is no chance of market impact. The design and color motifs should be incorporated in a variety of accessories and garments. It would be possible to encourage weavers to produce finer, more traditional weavings if their design use made it possible to enter the up scale market, thereby enabling the weaver to receive higher pay for his efforts.

The new Aguayo holds some potential according to New York market analysts but would need to be refined and put to proper design use by a competent design specialist.

#### Woven Accessories

Since ancient times Bolivian woven belts, trim, and strips have been among the finest examples of handweaving in the world. The fine hand spun Alpaca combined with now lost technique of natural dying and ancient motifs

produced a fine and highly marketable product. Over the years the pressures of modern times have brought an inferior product to market. The woven strips are now made with synthetic yarns, poor quality wool, and with inferior chemical dyes so that the subtle coloring is lost. Basic good design motifs remain. Superior weaving is still found in almost all areas.

Such fine handweaving is time consuming and costly since only the finest raw products will produce such an article. However, if it could be brought back up to standard it would be marketable at extremely high prices. It could be used in many accessories and could have great demand as fashion accents in a variety of knitted and woven products. Any top accessory designer could produce many designs using these beautiful products (i.e. Calvin Klein belts produced in Guatemala).

The warm, soft quality of Alpaca makes it a natural to enter the cap, hat, and scarf market. The present array of such articles are unimaginative and of poor quality. Proper design in forecast trend colors would be an easy and profitable market to enter.

#### Fabric

The yard goods presently produced in Bolivia are not up to foreign market standards. Most material is a mixture of wool alpaca and synthetic fibers. This combination is a direct response to the internal market demand, the only option presently open to these producers. No pure Alpaca material is being produced presently for a variety of reasons, but some extremely beautiful and fine samples were found. If made from good raw products, such fabric would have real appeal in the U.S. market, particularly when combined with coordinated alpaca yarns and sweaters. U.S. AID should give major consideration to developing both handwoven and industrial woven alpaca/llama

fabrics as the project begins to take hold. The capability to produce such fabric exists. The recommendation of the CA design team would be to develop a line of samples for marketing and feasibility study purposes early in the project, giving the product early design direction.

#### Home Accessories

Woven blankets, and lap throws are being done by a few groups. The factory-produced ones are poor quality, combining only the waste alpaca, wool, and synthetics to make a low quality product. Again, this is a direct response to the demand of the internal Bolivian market. The factories have ample capacity to produce fine, appealing, and highly marketable blankets if the market linkage is provided.

Hand-loomed blankets and throws are being produced in a few places, mainly by Fotrama. They are already producing a moderately successful item of alpaca that would be readily marketable. According to a New York market analysis, only a few easy modifications are needed.

- o Lighter yarn to produce lighter blankets
- o Large size (i.e. Queen size)
- o Color addition
- o Eliminate the brushed alpaca technique

Rugs are being woven on a few inferior looms mostly in the Cochabamba area. The knotting process being used is like the one used for fine oriental rugs, but not nearly so fine, and the design is inferior. The looms presently used are hopelessly out of date, further handicapping an already slow process. There are a number of ways the problem of bringing these products up to market level might be approached. The knots and technique might be refined making the process more time consuming thereby raising the price and perhaps

making it competitive with the Far East. The alternative would be, in addition to loom improvement, to change the process to a faster system of cut knots which is used in Colombia and parts of Peru, thus bringing the price down. Some experimentation and market research would be needed to see if either product at either price would have wide enough market appeal to be economically feasible.

#### Leather Products/Sheep Skin

A limited number of leather products are artisan produced with the larger volume coming from industrial production of work gear, shoes, and industrial products. Artisan products are of marginal quality both in terms of design, workmanship, and quality of the processed leather. Industrial products, while rough and crude, seem appropriate to the market of miners and construction workers.

Industrialists visited suggest there is an internal and regional market for some camelid products. Inner soles for shoes and baby shoes, they think, can be successfully produced if they had access to carefully prepared skins. As with knitwear producers, tanneries are having difficulty obtaining good raw products. Technical assistance to herders in better skinning and hide preservation techniques could result in the availability of hides for experimentation and market exploitation of resulting products.

A caution: the team believes that the leather market in the U.S. and Europe is extremely competitive. Processing and design are well developed, and the factory-produced products are both high quality and inexpensive. It is probably going to be difficult to compete successfully in this area. One should perhaps explore the marketability of camelid hides to leather goods producers for the local market.

Rugs are the major sheepskin product produced. They are most often designed to client specifications with the result of a limited but ensured market. The work seen by the team was hand processed and styled. That process could be streamlined and expanded through the introduction of appropriate shearing and cutting machinery.

However, the team believes the market for these rugs will remain small. One could explore the development of shearing garments-- coats, jackets, hats, accessories such as muffs could be explored.

#### A. PRODUCT LINES TO BE EXPLORED

According to market information received from New York on a number of items sent for analysis, there are several areas what should be further examined for development.

According to trends analysis, one of the largest growth areas projected for the retail market in the next few years will be children's wear. Products should be developed in Bolivia to supply a portion of that market. Although profit per item might not be as great as high fashion women's garments, change and trends are slower and steady winter sales could be counted on.

Home furnishings have become an explosive area at retail sales level. American lifestyle trends find more people doing home entertaining and spending greater portion of disposable income on the home (see page 10, di Grandi report). This is also an excellent all year market for Bolivia since knitted wear will provide a two season market. Development of place mats, blankets, and throws of fine wool, alpaca, and llama or combination of these should be examined. Wood, pewter, silver, and some ceramic samples could easily be developed for items such as candle sticks, napkin rings, candle

holders, salad services, wooden pepper mills with pewter or silver and wood/silver table service a la Ralph Lauren. Wood, pewter, and ceramics can be successfully combined to create accessories such as belts, bags, and jewelry.

#### B. MARKET CHANNELS/MARKET STRATEGY

Several approaches might be used for marketing Bolivian garments.

##### Accessories and Home Furnishings

- o National Shows-- New York, Houston, Los Angeles, Chicago, and Atlanta. This method would give exposure to a large and varied number of buyers. However, unless large supplies of products were available at market, gaining buyer confidence might be difficult. Booth space and displaying are expensive. Broker, customs, shipping fees would then become project responsibility.
- o Private Label--This method involves developing a line for sales directly to a store or stores using their private label. Samples would be developed to suit their needs and price range. One big advantage is the option to negotiate manageable sales sizes. Negotiated terms for advance payment of up to 40% might be possible--customs, broker, and shipping fees become the burden of the purchaser.
- o Development of products for individual manufacturers or designers as exclusive.

Again manageable sale sizes are an advantage. Little design input would be needed as orders involve making the manufacturers own designs. Partial advance payment is common as well. Custom, broker and shipping fees are the burden of the purchaser.

- o Working through selling agents - Typical commission on sales received this way are 10 to 15% for apparel, 5% for fabric, and 25% for home furnishing. Custom, broker and shipping fees are the producers responsibility.

Segmenting the market using more than one of these possibilities might be examined. Further segmentation by product such as sport, dress, or children would help keep orders to manageable, deliverable sizes. The best strategy for Bolivia will need to be developed with products that are close to market ready.

There are no special import barrier restrictions handicapping importation from Bolivia. There are no visa requirements and no quota limitations. Regular import duties will apply to all goods and will vary depending on fiber content, degree of decoration, and production method (such as the handmade, certified folklore product). Import duties are the burden of the importer as well as bonding, borderage fees, and shipping costs. Proper labeling is required on all items being imported into the U.S. Items must be clearly marked\* with fiber content, country of origin, and care instructions.

Some general marketing factors to be kept in mind while Bolivia is in the product development stages:

- o Retail prices are generally 100% above wholesale. However, products allowing higher retail prices make buyers anxious for Bolivian products.
- o Higher mark ups are required for private label.
- o Order sizes will vary from small to quite large, depending on marketing channel, price, and style.
- o U.S. market season: when products are shown to retailer
  - Early Fall - February
  - Fall - March
  - Holiday - August
  - Spring - November

Bolivia's garments will only be suitable for two seasons. Early Fall and Fall. Accessories and home furnishings will enjoy year round sales.

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\*See Appendix D for more detailed information

## V. INDUSTRIAL/TEXTILE ASSESSMENT

### A. POTENTIAL OF INDUSTRIAL SPINNING

- o The Creative Associates' industrial/textile team believes the industrial capacity to spin good quality yarn in ample amounts to support the projected artisan program does exist in Bolivia.
- o For the industrial sector to be in a position to support the artisan sector in this manner, it would be necessary to organize the demand and group the orders in large enough size to make it financially and practically feasible for the industrialists.
- o Industrialists would be willing to supply the artisan sector with spun thread if they were supplied a regular and ample amount of raw alpaca and llama fiber.

The CA team visited industrial firms involved in yarn/thread production and concluded that the Forno company of La Paz would be the most likely and most interested industrial firm to undertake this task for the following reasons,

- o They have wide experience in the processing of alpaca, llama, and wool.
- o They would be able to process 7000 kilos of thread monthly in addition to the amount they are now processing for their own use.
- o They would be able to do this without investment in machinery at the beginning.
- o Forno has the financial capacity to buy the raw products necessary to begin such an agreement.
- o Forno will guarantee that this production will be solely for the artisan program. In addition, Forno would be willing to sign a contract to this effect if needed.
- o The Creative Associates' team feels confident that the ownership and management of Forno would live up to all of its commitments to the production of thread for the artisan program.

- o The only difficulty, which the Creative Associates' team has been able to establish, is Forno's limited fine-carding capacity. This problem could be solved by adding another machine with the capacity to process 500 kilos an hour in order to meet a projected growing demand of the AID artisan development program. Forno is currently looking for lines of credit to finance this additional equipment, and would certainly welcome project help in obtaining a line of credit or loan for this purpose. The estimated cost is \$300,000.

Forno has clearly stated that their willingness to undertake the spinning of yarn for artisans would depend on

- o regular supply of raw products classified by color and quality; and
- o organization of large enough group orders for processing to be economically feasible.

Some other industrial firms were interested in production of yarn for this project but would require large investments and do not guarantee that the artisan will have access to the product.

#### B. FOTRAMA

In Cochabamba, the Fotrama Cooperative was determined to have limited capacity to process raw material into usable quality yarn. In order to meet the present demand of Fotrama itself (capacity is only 50% of Fotrama's current needs) and make surplus available to sell to the artisan program, it would be necessary to add the following equipment:

- o one washing/processing machine
- o one combing machine

Some reasons for giving this plan serious consideration are the following,

- o This cooperative is located in center of the major and best artisan area.
- o This area is the center of a large part of the yarn demand.

- o The possibility of yarn sales to other artisan groups would be a favorable objective. This point and the possibility of a guarantee would need to be discussed and negotiated with the leadership of Fotrama.

The Creative Associates' team does believe in order to bring Fotrama to a high level of productivity some technical assistance in industrial management would be essential to the success of this plan.

Another alternative to this plan might be the possibility of producing yarn with several organizations participating. Sendtex of Cochabamba has the spinning capacity needed and would be interested in being part of this program. It would be necessary to do the separating, washing, and carding at Fotrama before Sendtex could spin the raw material. Also, some consideration should be given to the future INFOL plan and its impact on plans for development of private spinners.

#### C. CONCLUSIONS: SMALL INDUSTRY

##### Analysis of finishing:

Analysis of industrial finishing capability has been divided into two parts.

##### A. Finish of Hand knitted goods

Approximately 90% of total artisan production is knitted garments. There is essentially no real roll for industry, in the finishing of knitted garments; however, if the need should arise the industry is capable of doing so.

##### B. Finish of woven goods

It is absolutely essential for all woven goods to receive an industrial finish, including industrial pressing. The industry is able to do the final finishing needed.

### Assembly Capability

Creative Associates feels Bolivian industry is not, at this time, able to perform mass assembly. There are small tailoring operations that might be developed with a limited investment.

### Hides and Leather

- o Creative Associates has come to the conclusion the llama and alpaca are not at this time used commercially.
- o The Bolivian leather producers do have the capability to develop the industry if they had access to good raw products.
- o The following items could easily be developed using soft quality hides of alpaca and llama.
  - Shoe linings for all kinds of shoes and boots
  - Shoes for children and women
  - Accessories
- o There are presently approximately 250,000 hides being wasted annually.
- o It is imperative for development of the leather industry that the herders receive technical assistance in proper skinning and hide preservation techniques.
- o It is also necessary to organize the collection of hides for market.
- o The Bolivian industry is losing large numbers of good hides to nearby countries.
- o The Tannery Tomy in Cochabamba would be willing to help teach herders better skinning methods as well as provide chemicals for the early preservation of these hides, if they are guaranteed that they can buy a certain number of hides from the herders.

## MASTER LIST OF SITE VISITS

### Small Business and Cooperative Site Visits

Amerindia  
Andino Internacional  
Artesanias Titicaca  
C.E.I.S. (Central al Servicio de la Integración Social)  
Chaskhanawi  
La Kochalita  
Inti Art  
Indo American  
Fotrama  
Kay Huasis  
La Lana  
Los Andes  
Merino  
Suri  
Quantity  
A.I.G.A.C.A.A. (Alpaca herders)  
Soligno  
Forno  
Universaltext  
Printex S.A.  
Sendtex Ltda.  
Infol  
La Polonesa  
Vision Global  
Curtiembre Illimani  
Tomy  
Curtiembre Illimani  
Tomy  
Curtiembre Salas  
Punto Blanco  
La Modelo  
Sillerocio, Sastreria  
Hilbo

Community Visits

Arani

Kay Huasi

Andean

Las Imillas

Independent Center

Lago - Fotrama

Independent group--knitting for Puma Punku and Artesanias  
Bolivia

El Alto

Cooperativa Arnalbol Ltd.

Asociacion Mixta Alpaca Marka

Asociacion Korm Inti de Sorazapa

Cota Cala Baja

Cooperativa Winay Marca

Hilarion Poma de los Andes

Asociacion Mapanatha

Indo Americana

APPENDIX A

Glossary

## Appendix A

### Glossary

- Adoption.** The decision by an individual to become a regular user of the product.
- Advertising goal.** A specific communication task to be accomplished with a specific audience in a specific period of time.
- Agent Middlemen.** Firms such as brokers and manufacture's representatives that find customers and/or negotiate contracts but do not take title to the merchandise.
- Analytical marketing system.** Consists of advanced techniques for analyzing marketing data and problems.
- Behavioristic segmentation.** Dividing buyers into groups on the basis of their knowledge, attitude, use, or response to a product.
- Concentrated marketing.** Instead of going after a small share of large markets, the firm goes after a large share of one or a few submarkets.
- Concentric diversification.** The term refers to the company's seeking to add new products that have technological and/or marketing synergies with the existing product line; these products will normally appeal to new classes of customers.
- Conglomerate diversification.** The term refers to the company's seeking add new products that have no relationship to the company's current technology, products, or markets; these products will normally appeal to new classes of customers.

**Consumerism.** An organized movement of citizens and government to enhance the rights and power of buyers in relation to sellers.

**Differentiated marketing.** The firm decides to operate in several segments of the market and designs separate offers to each.

**Distribution channel.** The set of firms and individuals that take title, or assist in transferring title, to the particular good or service as it moves from the producer to the consumer.

**Distribution structure.** All available arrangements in a particular industry to get products from the producers to the consumers.

**Diversification growth opportunities.** Those opportunities lying outside the current marketing channel system.

**Facilitators.** Business firms--such as transportation companies, warehouses, banks, and insurance companies--that assist in the logistical and financial tasks of distribution but do not take title to goods or negotiate purchases or sales.

**Forecasting.** The art of anticipating what buyers are likely to do under a given set of conditions.

**Geographic segmentation.** Dividing the market into different geographical units such as nations, states, regions, counties, cities, or neighborhoods.

**Growth stage.** The product life-cycle stage that is marked by rapid market acceptance and increasing profits.

**Macroenvironment.** Consists of the larger societal forces that affect all the actors in manipulation of yarn-

To develop, blend, and mix threads or yarn

**Marketing firms.** Business firms--such as advertising agencies, marketing research firms, and marketing consulting firms--that assist in targeting and promoting the sellers' products to the right markets.

**Marketing information system.** A continuing and interacting structure of people, equipment, and procedures to gather, sort, analyze, evaluate, and distribute pertinent, timely, and accurate information for use by marketing decision makers to improve their marketing planning, execution, and control.

**Marketing intelligence system.** The set of sources and procedures by which executives obtain their everyday information about developments in the commercial environment.

**Marketing intermediaries.** Firms that aid the company in promoting, selling, and distributing its goods to the final buyers.

**Marketing management.** The analysis, planning, implementation, and control of programs designed to create, build, and maintain mutually beneficial exchanges with target buyers for the purpose of achieving organization objectives.

**Marketing management process.** Consists of (1) analyzing market opportunities, (2) selecting target markets, (3) developing the marketing mix, and (4) managing the marketing effort.

**Marketing process.** The managerial process of identifying, analyzing, choosing, and exploiting marketing opportunities to fulfill the company's mission and objectives.

**Marketing research.** The systematic design, collection, analysis, and reporting of data and findings relevant to a specific marketing situation facing the company.

**Marketing strategy.** The marketing logic by which the business unit hopes to achieve its marketing objectives. Marketing strategy consists of specific strategies bearing on target markets, marketing mix, and marketing expenditure level.

**Market potential.** The limit approached by market demand as industry marketing expenditure goes to infinity, for a given set of competitive prices and a given environment.

**Market segment.** Customers who respond in a similar way to a given set of marketing stimuli.

**Market segmentation.** The act of dividing a market into distinct groups of buyers who might require separate products and/or marketing mixes.

**Market selection.** The act of evaluating and selecting one or more of the market segments to enter.

**Market testing.** The stage where the product and marketing program are introduced into more authentic consumer settings to learn how consumers and dealers react to handling, using, and repurchasing the product, and how large the market is.

**Mass marketing.** A style of marketing in which the seller mass-produces, mass-distributes, and mass-promotes one product to all buyers.

**Maturity stage.** The product life-cycle stage in which sales growth slows down and profits stabilize.

**Merchant middlemen.** Firms such as wholesalers and retailers that buy, take title to, and resell merchandise.

**Pricing strategy.** The task of defining the rough initial price range and planned price movement through time that the company will use to achieve its marketing objectives in the target market.

**Producer markets.** Organizations that buy goods and services in order to resell them at a profit.

**Product.** Anything that can be offered to a market for attention, acquisition, use, or consumption that might satisfy a want or need.

**Product development.** The term refers to the company's seeking increased sales by developing new or improved products for its current markets.

**Product concept.** A management orientation that holds that consumers will favor those products that are available and highly affordable, and therefore management should concentrate on improving production and distribution efficiency.

**Product mix.** The set of all product lines and items that a particular seller offers for sale to buyers.

**Pull strategy.** A strategy that calls for spending a lot of money on advertising and consumer promotion to build up consumer demand.

**Push strategy.** A strategy that calls for using the sales force and trade promotion to push the product through the channels.

**Sales analysis.** The act of determining where the company's sales are coming from by product, customer, territory, and so on.

**Sales potential.** The limit approached by company demand as company marketing expenditure increases in relation to competition.

**Sales promotion.** Short-term incentives to encourage purchase or sale of a product or service.

**Sales-response function.** Forecasts the likely sales volume during specified time period associated with different possible levels of one or more marketing mix elements.

**Sales variance analysis.** An attempt to determine the relative contribution of different factors to a gap in sales performance.

**Standard Industrial Classification (S.I.C.).** A U.S. Bureau of the Census classification of industries based on the product produced or operation performed by the industry.

**Target market.** A well-defined set of customers whose needs the company plans to satisfy.

**Total market potential.** The maximum amount of sales (in units or dollars) that might be available to all the firms in an industry during a given period under a given level of industry marketing expenditures and given environmental conditions.

**Trends analysis.** Forecasting color, style, form, pattern and texture that are needed for product design and development.



A P P E N D I X B

S u m m a r y o f  
P r o j e c t P a p e r  
T e a m I n t e r v i e w s

## Appendix B

### Summary of Project Paper Team Interviews

The project paper team visited 15 producers and industrialists and had 16 interviews with community based artisan producers. This section of the report presents the finding of those very informal visits/interviews.

#### Producers

Of the groups visited, 10 were privately owned and managed, 4 were cooperatives. While some report that they have some workers who produced exclusively for them, most share-full or part-time workers with other producer groups. This is a reflection of the labor situation that makes it far more advantageous to hire workers on a "piece" basis rather than as employees; consequently, there is no reason for either worker or employer to have exclusive affiliation.

Even so producers report very low worker turnover. It seems that while workers don't work exclusively for one group-- each employer can count on a certain amount of product, regularly from particular worker. The motives for being in business seem reasonable-- they all are looking for profitability and some are also interested in social benefit to society or workers. Some coops in Cochabamba provide allied services to its membership including health care facilities and food and nutrition services. In the Cochabamba area, the

benefits to workers are also direct in the form of decent pay. These workers receive the highest per piece pay encountered, with one organization putting fully 50% of the finished value of the garment into workers salaries (La Kochalita). While prices vary with difficulty or complexity of design, it is very clear that workers in the Cochabamba area benefit far more from their handcrafts when compared to their counterparts in La Paz.

Producers each expressed great difficulty in obtaining their needed raw materials. Owners rely on a very ephemeral INFOL supply in combination with hand-spun and imported yarns. And, owners or Managers are devoting a great deal of their time and resources trying to cope with the raw material acquisition problem.

For the most part each group or organization is producing designs provided either by their organization staff or the owner--with ideas from outside sources (people, magazines). All but 2 owners expressed interest in technical assistance help with design.

The current market is a combination of the tourist trade, export orders, and intermediaries or export buyers who come to Bolivia to buy. These latter has been increasingly pursued in an effort to overcome the difficult financial constraint to exporters. While each producer expressed an interest in increasing their export market, they reminded us of the financial draw back to that export increase. In fact owners/managers let us know that their exports have decreased in the last two years specifically because of GOB financial policies.

When asked what type of technical assistance would be useful if available through a service agency, the full range of services was listed: there was interest in organizational development, market analysis, and color/sizing/styling, with less interest in mechanization. Mechanization was appealing only to those working with sheep skins where shearing and cutting would be greatly streamlined with more modern equipment.

## Worker/Artisan

Workers are composed of both women and men with a larger proportion of women knitters in the Cochabamba area. Cochabamba workers report they produce goods in their homes and travel short distances to community-based centers to obtain yarn, instruction, and supervision. This differs in the Alto/Lake areas of La Paz where workers are responsible for obtaining their own yarn and using their own fairly unimaginative design to sell to intermediaries who serve no training, quality control function.

Artisans produce a full range of knitted garments--sweaters, shawls, and some weavings. Most learned their craft in one of two ways: from family members or from community-center-based trainers provided by a coop or business. In the La Paz area, the family learning dominates and in Cochabamba--where the center concept flourishes--the workers tend to learn their craft at centers.

Many in the Cochabamba Area have been artisans for 4, 6, or more years. Devoting as much time as they can manage around other household and agricultural responsibilities (4-8 hours a day). In the La Paz area there was some indication that workers are turning more to handcraft production in the last 2 years than before as a result of diminished or non-existing agricultural opportunities.

In all cases workers report their primary interest in handcraft production is for income generation. It is perhaps important to understand that though the term artisan is frequently used, we are really speaking of

crafts workers--people involved in crafts because of its income generation possibilities rather than because of a need to express some innate artistic talent.

As mentioned earlier, few artisans work exclusively for one group--though some devote most of their time to larger groups such as Fotrama and La Kochalita. Their affiliation is more a result of knowing that good quality yarn, along with teaching and quality control will result in ensured sales or products. Others work for those whose systems are modeled after the Fotrama process. Still others sell through intermediaries. Most seem happy with their arrangement, though they would like to be able to earn more. And, they would devote more time to their craft if they could realize greater income from their efforts.

There were mixed feelings on the topic of fair treatment and organizational commitment to workers. Overwhelmingly workers feel underpaid and uncertain that organization leaders really have workers' best interest in mind. Still many were reluctant to say they are not fairly treated.

### Industrialists

Industrialist had a few unique problems-- they are hampered by both GOB work laws and financial policy that make their willingness to increase production, change production, or commit themselves to working with artisan groups difficult if not impossible.

Currently labor laws make it virtually impossible to think of bringing on additional staff to diversify business without real guarantees of steady, reliable markets. For they would be required to retain any staff they brought on for increased production or product diversification.

The capital investment required to increase the capacities of some groups would be substantial. Once accomplished firms would naturally like to see that capacity improve their current line, i.e. more wool content in larger sized blankets, rather than using their new capacities to produce raw materials for artisans. The exception would be Forno and Fotrama.

Still, industrialists can see how they might benefit from increased access to wool and fiber and market information on market trends, and interest; and they would like to benefit from technical assistance available through the service agency.

 APPENDIX C

Formation of a Board  
of  
Directors

## Appendix C

### Formation of a Board of Directors

The information supplied in this Appendix is intended to present an example of a board candidate screening process (The Matrix) used to identify strong, effective board members. Also included is the Corporate Capability Statement for Benchmarks whose president has been involved in the formation of several boards of directors.

# BENCHMARKS, INC.

3248 PROSPECT STREET, N.W., WASHINGTON, D.C. 20007 (202) 965-3983

September 13, 1984

Ms. Cheryl Jones  
Vice President  
Creative Associates  
3201 New Mexico Avenue, N.W.  
Suite 270  
Washington, D.C. 20016

Dear Cheryl:

We found the matrix and it is enclosed. My corporate capability statement, also enclosed, talks about Benchmarks' efforts in creating Youthwork, Act Together, Sports Directions Foundation and the Gulf + Western Dominican Foundation. All of these were new non-profit organizations similar to the one you are creating for handcraft development in Bolivia. In all cases, Benchmarks was responsible for recruiting the Board of Directors during which task we prepared a matrix similar to the one for Act Together.

I know of no other consulting organization which has our success in creating Boards of Directors. We believe in creating responsible, small and close-knit working groups to oversee the successful development of a new organization. In the case of Youthwork and Act Together, there was much greater continuity in the Board itself than there was in the staff. Descriptions of my activities in setting up these non-profit organizations are included on pages 10 through 15 of the corporate history.

Added to the above is the fact that for 11 years I have served as an active member, on a voluntary basis, of a non-profit foundation called the Public Welfare Foundation which has assets of over \$100 million and which is unique in the foundation world because of its Board's involvement in program development. I have chaired every major committee of the Foundation (including the one responsible for nominating new members of the Board). The Public Welfare Foundation makes grants of over \$5 million a year. I devote 4-5 days a month of my time to my role as a Board member.

I hope the enclosed adequately substantiates Benchmarks' credentials for creating Boards of Directors which are responsible and effective in managing an organization's affairs.

Best regards,



Thomas J. Scanlon  
President

64

**LIST OF POSSIBLE CANDIDATES  
FOR ACT TOGETHER BOARD**

Prepared by Benchmarks, Inc.  
under a grant from the Edna  
McConnell Clark Foundation

December, 1979

65

CATEGORIES

1. Representative from LEAA Advisory/Public Interest Groups
2. Education
3. National Youth Advocacy Group
4. Youth Health Specialist (including substance abuse)
5. Model Youth Service Representative
6. Employment Specialist
7. Judges
8. Business Representative
9. Private Foundation
10. State Youth Commissioner
11. Young Person (including someone who has been through it & out of the woods)
12. Rural Youth Specialist
13. Sociologist
14. Former Government Officials Working with Youth
15. State & Local Agencies
16. District Attorney/Chief of Police/Probation Representative

69

Representative from LEAA Advisory/Public Interest Groups

<u>Name</u>	<u>Organization</u>	<u>Recommended by</u>	<u>Affirmative Action</u>	<u>Additional Info. &amp; Comments</u>
D. Laverne Pierce Salem, OR	National Advisory Committee for OJJDP	Modzeleski West Thennes	x	Chairman, Oregon Juvenile Justice Advisory Committee; Former Executive Director of free medical clinic; project supervisor for Youth Alcohol Program; (Marion-Polk-Yamhill Council on Alcoholism) Board member, National Youth Work Alliance
H. Robert Wientzen Cincinnati, OH	Chairman, Ohio Advisory Group, OJJDP	Modzeleski West Thennes		Chairman, Board of local youth center; Vice President, Proctor & Gamble
Lee Thomas SC	President, National Association of Criminal Justice Planners	Modzeleski West Wills		Director, State Planning Agency
Barbara T. Sylvester Florence, SC	National Advisory Com- mittee for OJJDP	Croft	x	Former Chairman, SC Board Youth Services; Former Chairman, State Board Juvenile Corrections worked on creation of SC Dept. of Men- tal Retardation; Chairman, Mum- ford G. Fuller Developmental Cen- ter Board (community school for retarded children)
Herb Sturz NY	Deputy Mayor of NYC	Modzeleski Mosley		Formerly Director of the Vera Institute for Criminal Justice
Carol J. Parry NY (212/927-1400)	Chairwoman, SAG, NY	West Modzeleski	x	Recently Vice President, Chemi- cal Bank; division head of Metro- politan Bank, NY; was with public sector formerly; attorney; was with DHR; Board member-elect of National Child Labor Committee
Peter Coeltz NH	National Criminal Jus- tice Association	Thennes		

<u>Name</u>	<u>Organization</u>	<u>Recommended by</u>	<u>Affirmative Action</u>	<u>Additional Info. &amp; Comments</u>
Dr. Blandina Cardenas-Ramirez Austin, TX	Department of Education, University of Texas	Croft	xx	Commissioner, Administration for Children, Youth and Families (HEW)
Adria Reich Cambridge, MA	Cambridge Alternative Public School	Pressman	xx	Published high school curriculum re: women in workplace; <u>Changing Learning, Changing Lives</u> , (Feminist Press)
Robert B. Coates 969 E 60 Street Chicago, IL 60637	School of Social Service Administration, University of Chicago	Wolfe		Formerly involved in deinstitutionalization of delinquent youth
Dr. Larry Cuban 1426 N. Quincy St. Arlington, VA 22207	Superintendent of Public Schools, Arlington, VA	Pressman		Formerly at Cardozo High School, DC; wrote black studies history in mid 60's
Mr. Ron Edmunds Senior Asst. to Chancellor for Instruction . 110 Livingston Street, Room 1004 Brooklyn, NY 11201	Graduate School of Education, Harvard University (on leave)	Pressman Mosley	x	Doing research for NY City Schools as Senior Asst. Chancellor NY; published in <u>Social Policy</u>
E.K. Nelson CA	School of Public Administration, University of California	Boone		Authority on juvenile delinquency & corrections; very interested in problems of bureaucracy & public service systems
Robert Roessel Rough Rock, NM	Assistant to President Navajo Community College	Boone		Expert on Native American needs with particular reference to problems of Indian youth
Mauva Collins SC	Director, South Carolina Alternative School	Croft	xx	
May Christianson Atlanta, GA	High School Principal	Modzeleski	x	

53

Education - cont'd.

<u>Name</u>	<u>Organization</u>	<u>Recommended by</u>	<u>Affirmative Action</u>	<u>Additional Info. &amp; Comments</u>
Greg Anrig MA	Chief State School Officer	Edelman		
David Hornbeck MD	Chief State School Officer	Edeiman		
Mary Jane Kennelly Washington, DC	Principal, The De- velopmental School	Dunleavy	X	

12

National Youth Advocacy Group

<u>Name</u>	<u>Organization</u>	<u>Recommended by</u>	<u>Affirmative Action</u>	<u>Additional Info. &amp; Comments</u>
Mark Thennes DC	Executive Director National Youthwork Alliance 1346 Connecticut Ave. NW DC 20036 202/785-0764	Pressman Boone		
Steve Rourke DC	Executive Director, National Network of Runaway & Youth Services 1795 DeSales Street 8th Flr. DC 20036 466-4212	West Modzeleski Edelman Thennes Croft		
Miriam Thompson NYC	Executive Director, Advocates for Children	Boone	xx	One of best youth advocacy organizations in nation; tough & hard-hitting; very knowledgeable about problems of coordination
Mildred Wurf Washington, DC	Girls Club of America Collaboration for Youth	Edelman	x	
Pablo Eisenberg Washington, DC	President, Center for Community Change	Royston		innovative
Jeffrey Newman New York, NY	Executive Director, National Child Labor Committee	Scanlon		
Joaquin G. Avila 201 North St. Mary's Street, San Antonio, TX 78205	Associate Council of Mexican-American Legal Defense Fund	Mosley	x	
Leon Hall Atlanta, GA	Associate, Martin Luther King Institute	Boone	x	Extensive work with black youth in South, especially those "pushed out" of school system; excellent credentials among CBO's

National Youth Advocacy Group - cont'd.

<u>Name</u>	<u>Organization</u>	<u>Recommended by</u>	<u>Affirmative Action</u>	<u>Additional Info. &amp; Comments</u>
Richard Trudell Oakland, CA	Director, National Indian Lawyers' Training Program	Boone	x	Largest & most successful professional training pro- gram for Indians

Youth Health Specialist (including substance abuse)

<u>Name</u>	<u>Organization</u>	<u>Recommended by</u>	<u>Affirmative Action</u>	<u>Additional Info. &amp; Comments</u>
m Turanski	Executive Director, The Door, NY 618 Ave. of the Americas NY 10011 212/691-6161	Edelman Wolfe		Psychiatrist
. Al Poussaint Cambridge, MA 7/232-8390	Director, Judge Baker Guidance Center, Harvard University	Pressman Mosley Boone	x	Psychiatrist; writes in <u>Ebony</u> & publishes on self-esteem for black youth; formerly at Har- vard Medical School
m Cottle Boston, MA 7/354-2020	Department of Psychiatry Harvard University	Pressman		Cambridge City Hospital; author of works concerned with effect of unemployment on families
ary Tomes Nashville, TN	Director, Community Men- tal Health Center	Edelman	x	Assistant Professor of Clinical Psychology, Meharry Medical Col- lege, 1005 18th Ave. N., Nash- ville, TN 37208
el Garcia Oakland, CA	Executive Director, Fruitvale Health Project	Boone	x	Has organized extensive "CBO" health projects for Chicanos, knows problems of Chicano youth
ardon Harper, M.D. Boston, MA	Chief of Service Division 73, Children's Hospital Medical Center 300 Longwood Avenue Boston, MA 02115 617/734-6000	Boone		One of Field Foundation doctors who surveyed issue of hunger & malnutrition in US; concerned with delinquency & coordination of services; highly recommended by others as well
Joseph English New York	Psychiatrist	Scanlon		First Peace Corps psychiatrist; former chief, NYC Health & Hos- pitals Corporation; former assistant Secretary for Mental Health, HEW

72

Youth Health Specialist (including substance abuse) - cont'd.

<u>Name</u>	<u>Organization</u>	<u>Recommended by</u>	<u>Affirmative Action</u>	<u>Additional Info. &amp; Comments</u>
Marie Brandt Columbia, MO	President, MO Prevention Network (assn. of substance abuse programs)	Thennes		
Rita Atkinson 2101 Constitution Ave., NW Washigton, DC 20418 889-6951	Clinical Psychologist, National Academy of Sciences	Boone	x	Co-author (with husband) of Introductory Psychology text
Irene Margolin 2 World Trade Center New York, NY 212/488-7596	Children's Service Representative, New York State Department of Mental Hygiene			

13

Model Youth Service Representative

<u>Name</u>	<u>Organization</u>	<u>Recommended by</u>	<u>Affirmative Action</u>	<u>Additional Info. &amp; Comments</u>
John Freiman Hartford, CT	Director, <u>The Bridge</u> , Hartford, CT	Croft	x	
Tom James Denver, CO	Project New Pride, Executive Director	Modzeleski		
Janie Sherman Chicago, IL	Executive Director, Chicago Youth Network Council 313/226-1200	Edelman		
John Flores Los Angeles, CA	Executive Director, Project Heavy 213/627-2031	Edelman Boone Thennes Croft	x	
Stan Davis Chicago, IL	Director, Chicago Alli- ance of Collaborative Ef- fort (C.A.C.E.)	Thennes		Chairman, Board of Directors, National Runaway Switchboard (involved in collaboration of business public and private resources) Director, Northwest Youth Outreach
Isolinda Ferre Puerto Rico	Executive Director, St. Anthony's Services & Ori- entation Center (Ponce Youth Services)	West Modzeleski	xx	Works with sociologists (John Martin, et al) at Fordham Uni- versity
John Root Chicago, IL	Executive Secretary, YMCA Chicago (largest operating Y in US)	Scanlon Boone		Extensive work with relatively high-risk youth in inner city; Chairman of local CETA council; history of working with coor- dinated services in Chicago; respected by city administration, schools, and business community

Model Youth Service Representative - cont'd.

<u>Name</u>	<u>Organization</u>	<u>Recommended by</u>	<u>Affirmative Action</u>	<u>Additional Info. &amp; Comments</u>
Joyce Grant Boston, MA	Director of Planning, Boston Public Schools	Pressman	xx	Formerly with Harvard Roxbury program
Tommy Hemans NY	NYC Youth Board	Edelman	x	
William Lytle 670 Old Connecticut Path, Framing- ham, MA 01701. 617/354-2222	Executive Director, The Key Program, Inc.	Wolfe		
Juan Patlan San Antonio, TX	Director, Mexican- American Unity Council	Boone	x	Successful community develop- ment corporation in San An- tonio
Sr. Barbara Whelan Boston, MA	Executive Director, The Bridge	Croft		
Sr. Barbara Scanlon Boston, MA	Director of runaways The Bridge	Croft		
David Roth 12201 Euclid Ave. Cleveland, OH 44106 216/721-4010	Director, Safe Space Station	Croft		
Mike Reeder 1033 Wade Ave. Raleigh, NC 27605 919/832-6087	Director, Haven House	Croft		

Employment Specialist

<u>Name</u>	<u>Organization</u>	<u>Recommended by</u>	<u>Affirmative Action</u>	<u>Additional Info. &amp; Comments</u>
Marion Pines Baltimore, MD	Director, Mayor's Office of Manpower Resources 701 St. Paul Street, Ste. 500 Baltimore, MD 21202 301/396-1910	Edelman Royston Coleman	x	
Carl Peroux Sacramento, CA	Director of Planning, State of CA	Boone		One of brightest planners in state employment system
Paul Barton 1211 Conn. Ave., NW Wash., DC 20036	Vice President, Policy & Planning Development National Manpower Institute	Dunleavy		
Erik Butler Boston, MA	Director, CETA Prime Sponsor	Edelman		Now affiliated with Brandeis

16

<u>Name</u>	<u>Organization</u>	<u>Judges</u> <u>Recommended by</u>	<u>Affirmative</u> <u>Action</u>	<u>Additional Info.</u> <u>&amp; Comments</u>
Collins	Juvenile Judge	West Modzeleski		
ed Nuremberger olon, NB	National Advisory Committee	Thennes Modzeleski	handicapped	
ine Polles	Chief Judge, NYC Juvenile Court (retired)	Boone	x	On Board of Field Foundation & Eleanor Roosevelt Institute; knowledgeable about problems of coordination of services; especially interested in young, single parents
aret Burnham on, MA	Judge, Juvenile Court	Pressman	xx	Good reputation working with youth rights, rape victims
raemer ey, MA hestnut St. on, MA 471-1650	Presiding Judge, District Court	Edelman Wolfe Royston J. Rosenberg		Worked with Governor Dukakis; not juvenile judge
iam McAnulty sville, KY	Juvenile Judge County Court	Callaway (National Youthwork Alliance)	x	Young judge
an Houston on, MA		Modzeleski		
iam S. White ago, IL	Presiding Judge, Cook County	Edelman	x	
ngston Wingate York, NY	Judge	Boone	x	Former Director of Maryou Act; long concern for high-risk black young people in Harlem

11

Business Representative

<u>Name</u>	<u>Organization</u>	<u>Recommended by</u>	<u>Affirmative Action</u>	<u>Additional Info. &amp; Comments</u>
Phil Toia	Vice President, Chase Manhattan Bank	West Modzeleski		Former Deputy Mayor of NYC under Koch; former commissioner NY State Department of Social Services
Cornell Meyers Oakland, CA	President, Kaiser Aluminum & Chemical Corporation	Mosley		Began demonstration program for youth coming in ill-prepared; worked with DOL
Fed Small	NY Private Industry Council	Mosley		
Dick Connor	Control Data Corporation	Edelman Mosley		Has worked with DOL
Carol Parry	See Category 1			
L. Robert Weintzen	" " "			

18

Private Foundation

<u>Name</u>	<u>Organization</u>	<u>Recommended by</u>	<u>Affirmative Action</u>	<u>Additional Info. &amp; Comments</u>
Myrtis Mosley NY	Program Officer, Jobs for the Disad- vantaged, Edna Mc- Connell Clark Founda- tion	Scanlon Boone Pressman	xx	
Charles Blair Indianapolis, IN	Program Officer, Eli Lilly Foundation	Boone Mosley	x	Concerned with building black com- petence in work with black "high- risk" young people
Justine Poller	See Category 7		x	
Judy Auster Miller	Executive Director, Norman Foundation	Boone		Concerned with educational issues regarding high-risk youth & prob- lems of bureaucratic school sys- tems; favors coordination of services

11

State Youth Commissioner

<u>Name</u>	<u>Organization</u>	<u>Recommended by</u>	<u>Affirmative Action</u>	<u>Additional Info. &amp; Comments</u>
Joanne Mitchell IL		Thennes	xx	Title XX Experience, one of last three candidates for head of OJJDP; IL Commission on Delinquency & Prevention
Mike Reagan IA				
Joe Phelan 1241 Williamsborough Dr. Sacramento, CA 95823 916/445-4673	Administrator, Subvention Standards & Evaluation Section, Department of Youth Authority	Modzeleski West		
John Isaacson 120 Boylston St. Boston, MA 02116 617/727-8900	Director, Office for Children	Wolfe		

3

Young Person (Including someone who has been through it & out of the woods)

<u>Name</u>	<u>Organization</u>	<u>Recommended by</u>	<u>Affirmative Action</u>	<u>Additional Info. &amp; Comments</u>
Janny Thompson	Transitional Employment Enterprises	Pressman	x	Ex-Offender, about 28 yrs. old, began as CETA worker/participant
Juanita Bright DC		Thennes	xx	DC Coalition for Youth DC Youth Congress 18 or 19 yrs. old
Ann Williams San Diego, CA		Croft	x	Now student at University of CA - San Diego; 22 yrs. old; bright, articulate "definitely been through it"
James Kenney Malpole, MA	Coordinator of Supervisors; Work Opportunities for Retarded Citizens	Pressman	x	Works with handicapped - formerly with inner city youth; been through it; can relate to troubled kids on their terms as well as "straight" types - knows both
Bob Hayes	Presently incarcerated	Scanlon	x	Dallas Cowboys ; "world's fastest man"; is he out of the woods?
Lisa Cobb San Diego, CA	Project Director, Center for Women's Studies & Services	Doone		Concerned with feminist issues & special problem of young women trapped in stereotypes; excellent organizer; good working with groups, esp. CBO's

Rural Youth Specialist

<u>Name</u>	<u>Organization</u>	<u>Recommended by</u>	<u>Affirmative Action</u>	<u>Additional Info. &amp; Comments</u>
Doug Herzog Verde, SD	Director, State Youth Coalition	West Modzeleski Croft Thennes		Title XX experience; CETA experience; acceptable to Advocacy groups & government
Lloyd Westbrook 201 McAlmont P.O. Box 391 Little Rock, AR 72203	State Leader, 4-H	Schaller, USDA		
Ray Crabbs 100 Conn. Ave. C 20015	Vice President National 4-H Council	Schaller, USDA		
Joel Sobitsky 4th & Independence Ave. Rm. 5035-S C 20250	Program Leader, 4-H USDA	Schaller, USDA		

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Sociologist

<u>Name</u>	<u>Organization</u>	<u>Recommended by</u>	<u>Affirmative Action</u>	<u>Additional Info. &amp; Comments</u>
Lloyd Ohlin Boston	Professor, Harvard Law School	Boone Mosley		World authority on corrections; currently researching deinstitutionalization in MA; architect of President's Committee on Delinquency Plan; bringing together Justice, DOL, HEW
Alan Gartner NY	Director, Center for Advanced Studies in Education, SUNY Graduate School	Pressman Boone		Close to Chancellor of NYC schools; concerned with plight of low-income youth in school system
S.M. Miller Boston, MA	Boston University	Pressman Scanlon		Involved in practical research; very concerned about disadvantaged youth
John Martin Fordham University Bronx, NY 10458	Professor of Sociology (Criminologist) Fordham University	West Modzeleski		Juvenile delinquency specialist
Delbert Elliott 2305 Canyon Boulder, CO 80302 303/444-1682	Executive Director, Behavioral Research Institute	West Modzeleski		

93

Former Government Officials Working With Youth

<u>Name</u>	<u>Organization</u>	<u>Recommended by</u>	<u>Affirmative Action</u>	<u>Additional Info. &amp; Comments</u>
Jim Parham Atlanta, GA	former Deputy Assistant Secretary HEW	Scanlon Treanor Royston Croft Modzeleski West Thennes		Practicing law in Atlanta; Title XX responsibility
Bill Wolfe LA	Chairman of the Board, Youth Program	Scanlon		Formerly with OMB, worked with White House, LEAA, DOL on youth matters

10

State & Local Agencies

<u>Name</u>	<u>Organization</u>	<u>Recommended by</u>	<u>Affirmative Action</u>	<u>Additional Info. &amp; Comments</u>
Bill Elkins Los Angeles, CA	Special Assistant to Mayor Bradley	Royston Boone	x	
Donald J. Cogsville New York, NY	President, Harlem Urban Development Corp.	Modzeleski		
Don Clark Portland, OR	Chairperson, Board of County Commissioners, Multnomah County; Chief Administrative Officer of Portland	Boone		
Joe Diamond Concord, NH 603/271-2754	Interim Director, Sub- stance Abuse New Hamp- shire Executive Branch	Thennes		



District Attorney/Chief of Police/Probation Representative

<u>Name</u>	<u>Organization</u>	<u>Recommended by</u>	<u>Affirmative Action</u>	<u>Additional Info. &amp; Comments</u>
Coland Dart Vallejo, CA	Chief of Police	Boone		Concerned with use of preventive services, "forward looking"
Lowell Jensen Oakland, CA	District Attorney Alameda County	Boone		
Ed Nuth L	Department of Corrections	Wills		
Charles Zizza Newark, NJ	Chief of Police	Boone		"forward looking", has been involved in special training program at Harvard University
John Cocorros Dallas, TX 14/631-4010	Chief Probation Officer, Juvenile Probation	Scanlon		Dedicated individual who has been involved with young people in both an academic and direct service setting

26

## Introduction

Benchmarks, Inc. is a consulting firm incorporated in Pennsylvania in March 1970. Benchmarks has earned both a national and international reputation for "doing good work at good works." This mission derives from the early experiences of its founder and President, Thomas J. Scanlon, who was among the very first 'young' Americans to serve overseas in President John Kennedy's Peace Corps. In many ways Benchmarks is the pursuit, on a professional basis, of the Peace Corps mission of helping those in need help themselves.

Benchmarks capabilities are best described in terms of services actually performed for clients and results achieved. Basically, these capabilities fall into four main areas:

- A. Getting Things Done in Washington
- B. Design and Managing of Social Benefit Programs
- C. Communications Services
- D. Evaluations and Information Systems

BENCHMARKS DOES GOOD WORK AT GOOD WORKS

- A RETROSPECTIVE AND STATEMENT OF CAPABILITY

MARCH, 1983



A Brief History

Benchmarks originated as a consulting firm specializing in evaluations of social development programs. The firm's name was derived from program evaluations, called "benchmarks studies", pioneered by Benchmarks in the early seventies.

"Benchmarks studies" measured levels of success in social development projects without relying heavily on sophisticated social research methodologies. They took an almost journalistic approach in describing both the intended and unintended outcomes as well as the problems encountered in a social program. "Benchmarks studies" went beyond project evaluation. They made creative, programmatic suggestions which meant that the studies were useful not only to the funding institution but to the operating agency as well.

This kind of action-oriented research as well as the attempt to make a constructive and creative contribution to projects led Benchmarks into several new fields:

- . institutions came to the company not only for its ideas but also for its ability to carry them out, especially with regard to achieving support for these ideas in Washington.
- . private companies, foundations and government agencies came to Benchmarks for assistance in spending their social development funds wisely and in creative ways. For example: .
  - In 1972, Gulf + Western Americas Corporation entrusted \$5 million to a foundation in the Dominican Republic which was established at the direct recommendation of Benchmarks. Benchmarks provided management assistance and program advisory services to the foundations for seven years. The foundation has spent over \$16 million on over 500 development projects in that Caribbean country.

- In 1974, IBM requested Benchmarks' assistance in reviewing its corporate social responsibility program worldwide and in creating linkages between its efforts and those of non-profit groups and international agencies.
- Three federal agencies have requested Benchmarks' professional assistance in creating new institutions to choose, manage, and evaluate demonstration projects. These institutions have since made over 100 grants totaling \$35 million to youth service agencies throughout the United States and Puerto Rico with Benchmarks assistance.
- Numerous foundations have solicited Benchmarks assistance in developing private/public ventures with federal agencies as a way of "leveraging" their limited resources.

Intelligent Giving: One of the Things We Do Best

It is an excellent thing for a corporation, foundation or public agency to designate funds for humanitarian or social benefit programs. However, this is only the beginning. To use these funds in a way which maximizes the results is a task requiring a great deal of thought, creativity and hard work. In the words of Aristotle,

"To give away money...is an easy matter and in any man's power, but to decide to whom to give it and how large and when, and for what purpose and how, is neither in every man's power nor an easy matter. Hence, it is that such excellence is rare, praiseworthy, and noble."

While we hesitate, of course, to consider ourselves "rare, praiseworthy, and noble," we are convinced that one of Benchmarks most important achievements, over the past thirteen years has been the creative and wise programming of public monies and private philanthropic funds.

Relevant to Benchmarks capability and experience in this area is the fact that its founder and president, Thomas J. Scanlon has served for ten years as one of eleven directors of the Public Welfare Foundation. As a

97

PWF director, he has responsibility for over 200 grants totaling approximately \$5 million annually. The PWF Board is an active Board, and the foundation's policy on grant development calls for directors to become actively involved in the identification and development of projects. The foundation meets monthly, either in full board sessions or in the Appropriations Committee of which Mr. Scanlon is also a member. He provides several days a month to the philanthropic programs of the foundations on a pro bono basis.

#### Writing and Communications Skills

Another direction in which its original "Benchmarks' studies" took the corporation was toward writing and communications assignments. Client after client over the past twelve years has engaged Benchmarks for the writing skills of its staff. Our corporate clients have asked us to help them communicate their social responsibility programs to the public at large. We have prepared responses to corporate critics and church groups. We have prepared numerous reports to the Congress, federal agencies and to foundations. Several of Benchmarks' publications have had an impact on national and local policy-makers.

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I. GETTING THINGS DONE IN WASHINGTON

Benchmarks has assisted numerous organizations to achieve their social development objectives by placing in their service its extensive knowledge of how Washington works, its "network of friends and institutions" and its ability to "operate" or "get things done" in our nation's capital.

1. The Association on American Indian Affairs - retained Benchmarks to increase public awareness of the validity of Alaska Native Land claims and to enlist the support of influential and respected national constituency organizations for Native rights. The League of Women Voters, AFL-CIO, National Council of Churches and the Leadership Conference on Civil Rights, among many other church and civic groups, joined in support of Alaska's Natives as a result of this campaign. Benchmarks also interested several corporate groups, including numerous oil companies with an interest in the Alaska pipeline, in supporting Native claims.
2. Benchmarks worked in behalf of the Alaska Federation of Natives to obtain passage of the Alaska Native Claims Settlement Act of 1971. Legislation had been passed by the Senate in the summer of 1970 which provided a \$1 billion cash settlement and 10 million acres of land. The Natives estimated that 40 million acres (less than 10% of the land to which they had legitimate claim) was the minimum amount of land needed to support traditional Native subsistence patterns. Working intensively with Native groups and supporters for over a year, Benchmarks was instrumental in raising the land grant in the final legislation from 10 million to 40 million acres. The cash settlement of \$1 billion was not affected.
3. Decathlon gold medalist, Bill Toomey, retained Benchmarks in the spring of 1980 to seek support from the U.S. Department of Labor for a program to use Olympic athletes to motivate unemployed and discouraged inner city teen-agers. Benchmarks obtained a total of \$1.8 million in government funds for Toomey's Sports Directions Foundation

97

(SDF) and assisted SDF to design the motivational program which involved 100 Olympic medal winners and 3,500 disadvantaged teenagers.

4. The Field Foundation, representing a consortium of private foundations, retained Benchmarks to represent the foundations' interests in developing a unique partnership with the federal government aimed at improving the way in which our nation's educational institutions prepare disadvantaged teenagers for the world of work. Benchmarks created a task force which combined \$350,000 in foundation funds with \$18 million in federal funds to create a new intermediary called Youthwork, Inc. This joint effort ultimately received \$1.6 million in foundation grants and \$32 million in federal resources. Over 92 demonstration projects were funded in 32 states.
5. The Edna McConnell Clark Foundation provided a grant of \$45,000 so that Benchmarks could create a similar task force to bring into existence another intermediary organization, Act Together, Inc., which would conduct a national demonstration of comprehensive programs for treatment of "troubled" or "high risk" youngsters. Despite many bureaucratic delays and the effects of budget cuts, Benchmarks negotiated a total of \$4 million for this program with several federal agencies. Thirteen demonstration projects became operational in the Spring of 1982.
6. Gulf + Western Industries requested that Benchmarks assist its relief efforts in the Dominican Republic after Hurricane David struck in September of 1979. Benchmarks developed a project with the Organization of American States, the Pan American Development Foundation and the State of Maine. Through this joint effort, emergency field hospitals stored in Maine were shipped to the hurricane stricken areas. Over \$1 million in hospital equipment, medical supplies and electrical generators was provided. OAS Secretary General Alejandro Orfila called the G + W/OAS/Maine collaboration "an outstanding example of the way private enterprise can work together with the OAS in an emergency situation." (Total cost to G + W for the acquisition and shipment of the hospitals, generators and supplies: \$21,000.)

93

7. Gulf + Western Industries also requested that Benchmarks link its social benefit efforts in the Dominican Republic with other Washington based resources. Benchmarks was continuously enriching the G + W social development efforts in the Dominican Republic with new ideas and new resources from U.S.-based groups operating in Washington, New York and other locations. Some examples:
- At G + W's request, Benchmarks arranged for the Smithsonian Institution to provide technical assistance to the Museum of Dominican Man in Santo Domingo, and to oversee archeological excavations in the eastern region of the island.
  - Benchmarks arranged for Johns Hopkins University and the Joint Commission on Hospital Accreditation to provide technical assistance to G + W's program of medical service to its employees.
  - Benchmarks arranged with the Partners of the Americas for the acquisition and shipment of tons of flower and vegetable seed, used fire engines, ambulances, and other equipment to the Dominican Republic.
  - Benchmarks arranged for the Pan American Development Foundation (PADF) to acquire and ship lathes, welding equipment, sewing machines and typewriters for vocational education courses in Santo Domingo.
  - Benchmarks brought the American Field Service program back into Santo Domingo, enabling 22 outstanding Dominican youngsters to live for one year with American families.
  - Benchmarks obtained the assistance of the U.S. National Park Service in planning a park for the Dominican Republic.
8. Chicago Association of Commerce and Industry (CACI). The Chicago Association of Commerce and Industry is the largest metropolitan Chamber of Commerce in the United States. It retained Benchmarks in January of 1982 to seek support for its efforts to link the Chicago business community with Caribbean needs and opportunities. Benchmarks has assisted CACI to develop a proposal to the Agency for International Development. This proposal was funded for \$750,000 in September of 1982. Benchmarks continues to serve as CACI's Washington representative and is assisting CACI to implement the program in the Caribbean.

94

9. Benchmarks represents the National Child Labor Committee, (NCLC) in Washington NCLC is a private national non-profit organization, founded in 1904 to fight against the exploitation of children in the workplace. Child labor abuse had decreased dramatically since the late forties. However, the problems of young people growing up without job skills or professional behavior pattern continues today. NCLC works to broaden youth employment opportunities, to strengthen education programs for children of migrant farmworkers and to protect the rights of all young people in the labor force. Benchmarks has assisted NCLC to design and implement a program of recognition for outstanding participants in the summer youth employment program. It also assisted the organization to negotiate a contract with the Department of Labor to produce a broad range of technical assistance training materials for supervisors of entry level youths "on the job".
10. National Crime Prevention Council Benchmarks represented the Advertising Council and a private philanthropist in New York in developing and negotiating a work plan with the Department of Justice to create a new organizational base for McGruff, the crime dog advertising campaign which urges the American citizenry to "Take A Bite Out of Crime." Nine hundred thousand dollars was obtained from federal sources for follow-up activities to this highly successful advertising campaign.

11. Public Interest Activities

Benchmarks staff have frequently been devoted to "getting things done in Washington" on a public interest basis. Some examples --

Peace Corps Independence

Mr. Scanlon and members of Benchmarks staff worked over a 10-year period to regain independent administrative status for the Peace Corps after President Nixon merged the Peace Corps into Action in 1971. Appearing before the House Foreign Affairs Committee and the Senate Foreign

95

Relations Committee year after year, Mr. Scanlon argued that the Peace Corps needed to be as free as possible of bureaucratic, political and foreign policy constraints. In addition, Benchmarks provided staff and office facilities to a Committee for an Independent Peace Corps, made up of former volunteers and Peace Corps administrators. In December 1981, the Congress finally voted to separate the Peace Corps from Action. On the day separation took place, the New York times wrote:

"Much of the credit for the Peace Corps' newly regained independence from Action goes to one of those early volunteers, Tom Scanlon, now an independent Washington consultant on international development. In the last 10 years or so, he has made repeated appearances before Congressional committees, urging that the Peace Corps be removed from Action so that it could once again be the effective agency he had once known."

New York Times  
February 27, 1982

Social Progress Trust Fund (SPTF).

Benchmarks prepared a prospectus for the use of over \$500 million in local currencies available in the Social Progress Trust Fund (SPTF) for private educational groups in Latin America. The SPTF consists of local currencies owned by the United States government and placed in trust to the Inter-American Development Bank (IDB). Mr. Scanlon has presented the Benchmarks prospectus to AID and the Inter-American Development Bank. He has testified before the House Foreign Affairs Committee on the prospectus and the SPTF. These proposals were incorporated into legislation offered by the Chairman of the House Sub-Committee on Inter-American Affairs. They have already led to reforms in the way the SPTF has been administered by the IDB.

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Benchmarks public interest efforts in Washington, as well as the work it has done in behalf of its clients, have earned it a close working relationship and credibility with internationally minded members of the House and Senate -- and with their staffs.

96

## II. DESIGN AND MANAGEMENT OF SOCIAL BENEFIT PROGRAMS

Benchmarks has been involved in the creative allocation of over \$50 million in private and public resources to social benefit projects. Benchmarks has not only advised philanthropic institutions; it has created several of them, recruited their boards of directors, provided management assistance and developed the organizations' work plans and strategies. In almost all cases, it has assisted these organizations to carry out their programs. Thus, we consider ourselves "doers" rather than only "studiers" or "consultants." Because we are "doers," our clients tend to stay with us for many years.

### 1. Youthwork, Inc.

Youthwork is a private, non-profit, "intermediary" organization which has conducted a national demonstration program to identify new and better ways for school systems and other educational institutions to prepare disadvantaged young people for the world of work. Youthwork has provided a total of \$33 million in program funds to 92 experimental projects throughout the United States.

Benchmarks' role in the formation of this national youth employment institution illustrates its uniqueness as a consulting firm. It highlights the extent to which the Benchmarks' staff are "doers," their ability to recruit and work with a board of directors, and their commitment to a program not only in the early, exciting days of creation, but through years of hard work, administrative problems and hard-won successes. Benchmarks has been retained by Youthwork for over four years.

Youthwork was literally run from Benchmarks' offices from September 1977 through April 1978 when program guidelines went out into the field. In sum, Benchmarks:

- a. Coordinated a Task Force which oversaw all organizational matters until a core board of directors was in place.

- b. Arranged for Youthworks' incorporation and tax-exempt status.
- c. Conducted a nationwide search and recruitment process for board members representing business, labor, youth specialists, community organizations, employment specialists, schools and state and local officials.
- d. Became the technical secretariat to the Youthwork Board, a role Benchmarks still plays today.
- e. Staffed out the selection process of the executive director on two occasions.
- f. Assisted in preparing guidelines for applying for Youthwork grants. These were forwarded to over 10,000 potential grantees in the spring of 1978.
- g. Recruited over 40 "Youthwork Associates" who participated in the review of proposals submitted for grants and who conducted site visits.
- h. Directed research under a Field Foundation planning grant to develop policy options and a national advocacy strategy for reform and restructuring of the vocational education system.

Benchmarks continues to work closely with the Youthwork board and staff. Mr. Scanlon serves as the secretary to the board of directors, attending board meetings, preparing minutes, staffing board committees and assisting in the recruitment of new board members.

Also, Benchmarks staff has undertaken numerous special writing assignments and management studies for the board and the executive director. It has conducted three executive searches for top management positions in Youthwork.

2. "The Olympic Experience: A Motivational Program for Youth"

After obtaining funding for Bill Toomey's Sports Directions Foundation, Benchmarks played a major role in designing and managing this exciting program. The program's objective was to tap the experiences of athletes who have pursued or are pursuing Olympic medals, and relate them to the challenges and decisions which young people must face in their lives and careers. The program was based on the premise that, with personal guidance by the athletes, disadvantaged youths might be motivated to

98

develop greater self-confidence and self-motivation, to set and strive for realistic goals, and to realize the need for personal sacrifice to achieve success.

In less than two months after a federal contract was awarded, Olympians were working with youngsters in Los Angeles, Newark, Miami, Richmond and Indianapolis. Among the athletes were 11 members of the 1980 Olympic Team who did not attend the Games in Moscow because of U.S. protests over the Soviet invasion of Afghanistan.

Benchmarks provided critical administrative and programmatic support throughout the development, implementation and evaluation of the 1980 Olympic Experience.

The Olympic Experience program was repeated in 1981 in 7 cities with an improved curriculum, a more efficient use of Olympic athletes and improved program management. Benchmarks was instrumental in expanding the program and in obtaining second-year funding for the project during a time of severe budget cuts.

### 3. Act Together, Inc.

Working with funds from the Edna McConnell Clark Foundation and several federal agencies, Benchmarks created Act Together, Inc., the national non-profit intermediary corporation committed to the support and development of comprehensive service programs for "high-risk" or "troubled" youths who are in trouble with the law, on drugs, learning-disabled, runaways, handicapped, school dropouts, or teenage parents with little means of support.

Once the decision was made at the White House level to create the new intermediary, Benchmarks:

- a. Incorporated Act Together and engaged legal counsel in obtaining tax-exempt status for the organization.

99

- b. Recruited a bipartisan board of directors for the organization, which has since established a national reputation for its commitment, judgment and ability to make quick and wise decisions.

The original Clark Foundation grant of \$45,000 was to cover start-up costs over a four-month period. In fact, it was one year before all of the necessary agreements were in place. Benchmarks was able to keep Act-Together going during that entire period with funds in the original four-month grant.

After all federal agreements were in place, Benchmarks:

- a. Directed the daily administration of Act Together for six months while staff were being brought on board.
- b. Oversaw the preparation of guidelines for the submission of applications to Act Together. These were published in the Federal Register on January 9, 1981.
- c. Conducted a nationwide public search for the executive director of Act Together. Over 500 applicants were screened and carefully evaluated.
- d. Evaluated over 100 candidates for staff positions of Act Together.
- e. Prepared Administrative, Personnel and Financial Management Manuals which were approved by the new executive director and board of directors.

Benchmarks staff serve as a Secretariat to the board of directors, work closely with the executive director and staff of the intermediary as part of the administrative team and provide valuable assistance in the design of program information systems.

Despite cutbacks in social programs, Act Together has become the most important national source of funding for innovative youth programs in the country over the past two years. Act Together recently announced \$2.2 million in funding for comprehensive projects throughout the United States.

100.

4. Gulf + Western in the Dominican Republic

For seven years, Benchmarks assisted G + W to develop one of the most unique corporate citizenship programs of any U.S. corporation in the Third World.

Gulf + Western Dominican Foundation

In 1972, Benchmarks recommended a thorough reorganization of the company's procedures for making charitable and development grants. It recommended the creation of a Gulf + Western Dominican Foundation to serve as the central clearinghouse for all social development efforts in the Dominican Republic. It suggested that the Foundation be set up to identify and develop projects, to encourage innovative individuals and self-help efforts, and to cooperate with other national foundations and government ministries.

These recommendations were accepted by G + W management, and Benchmarks was asked to assist in creating the Gulf + Western Dominican Foundation. This assistance included developing planning and management procedures for the Foundation and recruiting members of the Foundation's board of directors, both from within and outside of the company.

Benchmarks also served as program advisor to the Foundation. Since its creation the foundation has made over 500 grants for a total of \$16 million.

A Mass Immunization Campaign

Benchmarks designed and organized a mass immunization program in the eastern part of the Dominican Republic in Gulf + Western's behalf. This campaign involved the Brother's Brother Foundation of Pittsburgh, PA, the Public Welfare Foundation, the Universidad Central del Este, and the Dominican Public Health Ministry. It was the largest mass inoculation campaign in the country's history.

101

All G + W employees, and citizens throughout the eastern region of the country were immunized against tetanus, measles, diphtheria, whooping cough and poliomyelitis. Ultimately 282,000 people were immunized against tetanus and 80,000 children were protected against early childhood diseases. The cost to the G + W Foundation was \$123,000.

The success of this program was borne out when, shortly after the immunizations, there was an outbreak of polio in Santo Domingo and the central region of the country. Over 100 youngsters were stricken. Because the target of 80% inoculated had been met in the eastern region, there was only one case in that area.

#### Improvements in Cane Cutter Living Conditions

Benchmarks assisted G + W in developing a series of efforts aimed at substantial social improvements in the rural communities (bateyes) where company cane-cutters live.

These efforts began in 1975 when Benchmarks was asked to plan new initiatives in the bateyes. Among the initiatives mounted were:

1. A census and research survey of the economic and migratory patterns, family organization, nutritional habits, educational and social attitudes, problems and needs of the agricultural workers. This survey provided baseline information which was previously unknown, and which provided a foundation for further detailed plans.
2. A community development approach which incorporated the efforts of the cane-cutters themselves in improving their standard of living.
3. Specific projects in health, nutrition, sanitation, housing, education, cooperative development and recreation. In several instances Benchmarks identified international experts in these fields and brought them to Romana to assist in program implementation.
4. In April, 1980, G + W asked Benchmarks to coordinate the planning and design of a 10 year, \$100 million program aimed at enhancing the "human dignity" of those living in batey communities.

102

5. A.T. International

A.T. International is a private, non-profit organization which has received over \$18.7 million in public funding to "promote the development and dissemination of technologies appropriate for developing countries." When it began its field operations in early 1978, A.T. International contracted with Benchmarks to assist in developing the organization's field program in Latin America with special emphasis on involving private business groups in ATI's efforts. Benchmarks remained on contract to ATI for over 4 years. During that time it developed joint projects with outstanding Latin American business leaders and institutions in Jamaica, the Dominican Republic, Haiti and Colombia. It has represented ATI to private business institutions in Guatemala, Honduras, Panama and Costa Rica as well.

Projects developed include: efforts to assist manufacturers of small scale agricultural equipment (Dominican Republic); creating a nutritional supplement from the liquid yeast by-product of a local brewery (Haiti); and assistance to one of the leading small enterprise development organizations in South America (Colombia).

Benchmarks staff went to Dominica after hurricanes David and Frederick struck the island in 1979. Collaborating with the Intermediate Technology Development Group (ITDG) in London, Benchmarks designed a project to increase the availability of indigenous building materials in Dominica for rebuilding the country's housing. A burnt clay brick-making factory established by a private Dominican businessman as part of this disaster relief project is a thriving business today.

Benchmarks created "Private Sector Advisory Committees" for ATI in Colombia and Jamaica. It organized a Panel made up of distinguished development and business leaders from Latin American and Caribbean countries, which reviewed all of ATI's efforts in the region. Finally, Benchmarks assisted ATI to reach out to corporations and business organizations within the United States to seek their collaboration and support for the ATI program.

102

6. National Crime Prevention Council

In July of 1982, Benchmarks was retained by a joint Committee made up of representatives of the Advertising Council and a private philanthropist in New York City. Benchmarks was asked to create a new non-profit organization to conduct a national program of technical assistance and public education in crime prevention. This national effort was to be carried out in conjunction with a national media campaign sponsored by the Advertising Council which urges Americans to "take a bite out of crime." The campaign features McGruff, the crime dog in a trench coat, "spokesdog" for the public education effort. McGruff is a widely recognized symbol for crime prevention and is now rivaling "Smokey the Bear" in terms of his recognition by the American public.

In creating the new national organization to house "McGruff," Benchmarks accomplished the following in six months:

- a. Assisted in organizing the Board of Directors and provided all staff preparations for the first three meetings of the Board and numerous Executive Committee meetings.
- b. Developed a "work plan" for the organization and negotiated this work plan with the Department of Justice which provided \$900,000 for the effort as a result of these negotiations.
- c. Negotiated the work plan and similar agreements with a private philanthropist in New York who subsequently provided the new Council with \$225,000 for its first two years of operation.
- d. Conducted a national search for an Executive Director of the Council which concluded in December. The Executive Director was on board by January 3, 1983.
- e. Served as interim management for NCPC, overseeing relations with the Advertising Council, Justice Department and over seventy national, state and local organizations which have formed the National Crime Prevention Coalition to support the campaign.

7. Peace Corps Program in Haiti

In the twenty year history of the Peace Corps, the Corps had never sent a contingent of volunteers to Haiti, one of the Western Hemisphere's most poverty-stricken countries. This was due to several reasons including disaffection on the part of the Kennedy Administration toward the Duvalier dictatorship and other serious diplomatic problems between the two countries. In 1981, the Peace Corps decided that the social and economic problems of this country were so serious that Peace Corps volunteers should be stationed there. It asked Benchmarks to develop the contacts with private voluntary organizations and the Haitian government which could lead to a program. Mr. Scanlon went to Haiti and his visit, contacts and recommendations led to solid results, with volunteers arriving in Haiti in March, 1983.

105

### III. COMMUNICATIONS AND INFORMATION SERVICES

One of Benchmarks' greatest strengths is its ability to prepare reports and digest information in simple and clear English. The ability of the Benchmarks staff to write and communicate information has been used by all of our clients -- even when the original contract did not specifically call for this. Some examples follow:

#### Preparation of Annual Reports and Briefing Materials

Benchmarks is frequently contracted to assist its clients prepare written materials describing their programs. It recently assisted A.T. International to prepare a briefing book reviewing the organization's first four years of activity for Congressional Committees. Benchmarks has prepared all of Youthwork's reports to the foundations which support that organization. Benchmarks has prepared quarterly reports to government agencies for both Act Together and Sports Directions Foundations as well as annual reports for several other public and private agencies.

#### Documenting the Collaboration Between a Private Voluntary Corporation and a Large Corporation in Liberia

A.T. International contracted with Benchmarks to research, investigate and document a collaborative development project between a multinational corporation -- the Liberian American Swedish Minerals Company (LAMCO) -- and a private voluntary organization -- Partnership for Productivity (PFP). Benchmarks has investigated LAMCO and PFP's joint effort to create local enterprises independent of the corporation's mining operations in Liberia.

Based on its research, Benchmarks is preparing several documents which describe the joint project, incorporating the views of the corporate participants (Granges International Mining Company, Bethlehem Steel Corporation and the Lamco Joint Venture Operating Company) as well as Partnership for Productivity. A.T. International intends to distribute these documents as a model for other collaborative projects between multinational corporations and non-profit organizations in the Third World.

106

Reports on Corporate Involvement in Development

Under contract with A.T. International, Benchmarks researched and wrote in-depth monthly reports which provided ATI staff with profiles of corporate development projects and summaries of relevant books, articles and activities. This single-source digest was helpful for ATI in working to carry out its Congressional mandate of promoting private sector involvement in third world development. The memoranda were used by several large U.S. corporations as well as by the International Chamber of Commerce in preparing its own periodic newsletters on third world development.

Master Plan for a National Park

Benchmarks prepared a Master Plan for a national park in the eastern end of the Dominican Republic. The purpose of the plan was to communicate in full detail the potential which a 430 square kilometer area had for recreation, wildlife and forest sanctuaries, as well as for research and education.

The Master Plan was published in both English and Spanish. It was the first completely bi-lingual document of its kind and was distributed by the U.S. National Park Service to over 100 countries.

Most importantly, the document was well received in the Dominican Congress and by President Balaguer himself, who proclaimed the area the Yuma National Park in 1974.

Fact Sheet on Gulf + Western's Operations in the Dominican Republic

While Gulf + Western operates one of the largest sugar mills in the Dominican Republic -- and one of the most productive in the world -- the company also has contributed greatly to the diversification of the Dominican economy in order to reduce the country's dependence on sugar for its foreign exchange. Gulf + Western has built hotels and resorts; has introduced milk, vegetable and citrus production; has improved the quality of

107

Dominican beef cattle herds and has created 9,000 jobs through the establishment of an industrial free zone. In addition, Gulf + Western has carried out extensive social and economic development projects.

The company requested that Benchmarks assist it to create a series of FACT SHEETS describing the company's Dominican operations in substantial detail. The information was then widely distributed to G + W's employees and stockholders -- as well as the public at large who often were unaware of the extent of G + W's social and economic contributions in the Dominican Republic.

#### Five Year Economic Study of the Dominican Republic

Benchmarks coordinated the preparation of a 5-year economic study of the Dominican Republic designed to attract investors to the country. The study provides a 5-year overview of the country's industrial, agricultural, tourism and mineral sectors, incentives offered to investors, and national infra-structure.

#### Documenting Good Programs for Youth

Benchmarks published Working Together - Multi Purpose Programs for Troubled Youth. This book was developed to focus attention on good program ideas serving "high-risk" young people around the country. It provides real life examples of good programs for young people in a range of service areas: counseling, employment, developing basic educational skills, treating learning disabilities, and encouraging youth involvement. Working Together has been distributed to youth programs seeking innovative ideas throughout the U.S. It was co-authored by two Benchmarks Associates, Harvey Pressman and Deborah Kuhn.

#### Panama Canal Information Service

Through its Panama Canal Advisory and Information Service, Benchmarks provides clients with expert information and analysis of issues related to the Republic of Panama and the Panama Canal.

152

The Benchmarks quarterly publication Panama Proceedings researches, monitors and evaluates information of economic, strategic and political importance to its subscribers who include canal users, such as the American Institute of Merchant Shipping, government agencies such as the Panama Canal Commission, and corporations including Mitsubishi International, SOHIO, and IBM.

Panama Proceedings provides analyses of U.S. and Panamanian legislative and regulatory initiatives, as well as reporting on all factors affecting the operation of the Panama Canal. It provides updates on political conditions and economic developments in Panama, analyses of business opportunities and risks there, and interviews with and profiles of key Panamanian and American officials.

IV. SOCIAL PROGRAMS  
EVALUATION AND INFORMATION SYSTEMS

Examples of evaluations and management information systems developed by Benchmarks are:

- A study of the efforts of The Overseas Education Fund of the League of Women Voters (OEF) to increase involvement of Latin American women in civic affairs and development. Benchmarks reviewed OEF's efforts in ten South American and Central American countries, and made several program recommendations which were subsequently adopted by the Fund.
- A three-part survey of the Pan American Health Organization's (PAHO) maternal, child health and family planning programs. Benchmarks surveyed the organization's current family planning program activities, designed an "action plan" for all three program areas, and inventoried the management information available on PAHO maternal, child health and family planning programs.
- Evaluations of several projects of Volunteers in Service to America (VISTA) and preparation of numerous technical reports for VISTA.
- An evaluation of the export promotion training program of the World Trade Institute for participants from over 50 countries.
- Management recommendations for the National Rural Development and Finance Corporation (NRDFC). After reviewing NRDFC's goals and resources, Benchmarks suggested strategies for developing foundation and corporate support for community-based, rural economic development. Benchmarks also suggested strategies for achieving financial self-sufficiency.
- A review of both the first and second-year activities of a project called "Improving Victim Services Through Probation", which was funded by the Law Enforcement Assistance Administration and carried out by Blackstone Institute. The purpose of the project was to create new, or expand existing, probation-sponsored programs to assist victims and witnesses of crimes. Benchmarks determined the extent to which the project sensitized probation officials to the need for witness/victim services.
- An initial set of guidelines for the Inter-American Foundation to be used in developing, evaluating and monitoring its social development programs.
- A two-fold evaluation and management study for the Grey Nuns of the Sacred Heart. The study made recommendations on adjusting

to the financial problems created by the crisis in parochial education, and improving the operations of individual schools.

- Evaluations of programs run by training institutes at the University of Connecticut and the University of Nebraska. Both programs were sponsored by the Agency for International Development, to help the Ministries of the Government of Afghanistan improve their management capabilities. (This was completed prior to the Soviet invasion of Afghanistan.)
- A review of IBM Corporation's social responsibility mechanisms world-wide including its Fund for Community Service, leaves program, assistance to universities and corporate donations. Benchmarks developed a 10 point program for gaining wider use of these mechanisms by IBM employees and for achieving greater social impact with IBM's annual expenditure on corporate social responsibility projects.
- A development plan for a new university in the Dominican Republic called the Universidad Central del Este. Working closely with the university's board of directors, Benchmarks provided long-term curriculum and financial planning, and made recommendations about technical courses to supplement traditional programs.

#### Management Information Systems

- The Act Together Learning Access System (ATLAS), which Benchmarks played a key role in developing. ATLAS is a management information system that has as its components participant and program data and process narratives. The system enables the overseeing national organization and the local project itself to evaluate and validate the results of a demonstration. Benchmarks assisted in the conceptual development of the system; developed the structure, format and definitions for the system's statistical component; produced formats for information collection and statistical tabulation; and managed and evaluated the system.
- Benchmarks conceptualized and developed an Information Center for the National Crime Prevention Council which when implemented will feature a computerized information bank, referral services and research component that aims at responding to inquiries from anywhere in the U.S. on crime prevention programs, techniques and procedures.

111

V. BENCHMARKS STAFF

Thomas J. Scanlon, Benchmarks founder and president, has spent his entire professional career in activities related to social and economic development in the United States and the third world. He has personally overseen all of the firm's projects.

Before forming Benchmarks in 1970, he was an official of the Agency for International Development, Bureau for Latin America. His interest in international development began in 1961 when he served as a member of the first Peace Corps group to go to Chile. His writings on the Peace Corps have been widely published and quoted; he was the only Peace Corps volunteer ever cited personally by President Kennedy for his service and attitude.

Mr. Scanlon has been an active Director of the Public Welfare Foundation since 1973 and has initiated and evaluated numerous programs during this time. The Foundation has committed over \$20 million to public charity while he has been a Director.

Mr. Scanlon received his B.A. degree, magna cum laude, from the University of Notre Dame. He received his master's degree in Philosophy from the University of Toronto, which he attended as a Woodrow Wilson Fellow. He earned an additional master's degree from Columbia University in International Relations as a Ford Foundation Fellow in International Development.

Terrence W. Modglin assists Benchmarks clients in the areas of administrative management and program development. He is currently program director of Benchmarks services to Act Together, Inc., and assists in planning, operations and external relations. During the start-up period of this organization, he helped administer its financial, operational and programmatic activities on a daily basis, and developed its policies and procedures.

112

As consultant to the Olympic Experience, Mr. Modglin planned and coordinated the training and evaluation conference; wrote a comprehensive evaluation of the program's content and administrative framework; authored a revision of the entire motivational curriculum; conducted on-site evaluations of the program; and wrote a major process evaluation for the program.

Mr. Modglin is currently editor of the Benchmarks publication Panama Proceedings which provides expert information and analysis of economic, strategic and political issues related to the Republic of Panama and the Panama Canal. He was the staff coordinator for the U.S. House of Representatives in development and consideration of the Panama Canal Act.

Mr. Modglin holds a master's degree in public administration from American University. He received a bachelor of science in foreign service from Georgetown University.

Marsha Simon is a researcher, writer and project developer who has directed research under a Field Foundation planning grant to develop policy options and a project design for the reform and restructuring of the U.S. vocational education system, and has assisted in preparation of a case study for A.T. International of a private voluntary organization and multi-national corporation collaboration on a development project in Liberia, Africa.

Ms. Simon was formerly the national coordinator of the Rural Community Assistance Project, a federally funded project providing front-end financing and technical assistance nation-wide to low-income, rural communities in water/wastewater system design and construction. The project also generated several policy papers on the reform of federal financing programs for rural community development.

Ms. Simon holds a master's degree in public policy from the Massachusetts Institute of Technology which she attended as a National Science Foundation Fellow. She received undergraduate degrees, magna cum laude in economics and political science from Mt. Holyoke College.

A P P E N D I X D

G e n e r a l i z e d S y s t e m

o f

P r e f e r e n c e s

M a r k i n g : C o u n t r y o f O r i g i n

## \*Appendix D

### Generalized System of Preferences

#### Marking: Country of Origin

The Generalized System of Preferences is a program providing for free rates of duty for merchandise from beneficiary developing independent countries and dependent countries and territories to encourage their economic growth. This program was enacted by the United States in the Trade Act of 1974, became effective on January 1, 1976, and will expire January 4, 1985.

#### Eligible Items

The GSP eligibility list contains a wide range of products, classifiable under approximately 3,000 different item numbers in the Tariff Schedules of the United States. These items are identified by either an "A" or "A\*" in the GSP column of the tariff schedules. Merchandise classifiable under an item number designated in this manner may qualify for duty-free entry if imported into the United States directly from any of the designated countries and territories. Merchandise from one or more of these countries, however, may be excluded from the exemption if there is an "A\*" in the GSP column. The list of countries and exclusions, as well as the list of GSP-eligible articles, will change from time to time over the life of the program. Therefore, the latest edition of the Tariff Schedules of the United States annotated will contain the most up-to-date information.

If advance tariff classification information is needed to ascertain whether or not your commodity is eligible under the GSP, you may get this information under the procedures previously discussed in chapter 9 relating to dutiable status.

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\*excerpted from: Importing into the United States; Department of the Treasury, U.S. Customs Service

Shipments Valued  
Over \$250

For commercial shipments valued over \$250 where a formal entry is required, a claim for duty-free status is made under GSP by showing on the entry summary that the country of origin is a designated beneficiary developing country and by showing an "A" with the appropriate GSP-eligible item number. Eligible merchandise will be entitled to duty-free treatment provided the following conditions are met:

1. The merchandise must be destined to the United States without contingency for diversion at the time of exportation from the beneficiary developing country.
2. The UNCTAD (United Nations Conference on Trade and Development) Certificate of Origin Form A must be properly prepared, signed by the exporter, and certified by the designated governmental authority of the beneficiary developing country, and be either filed with the entry or furnished before liquidation or other final action on the entry.
3. The merchandise must be produced in the beneficiary developing country from which it is directly shipped. This requirement may be satisfied when (a) the goods are wholly produced of materials which are the growth or product of the beneficiary developing country, or (b) the value of materials produced in the beneficiary developing country and/or the direct costs of processing performed there represent at least 35 percent of the appraised value of the good.

The cost or value of materials imported into the beneficiary developing country and/or the direct costs of processing performed there represent at least 35 percent of the appraised value of the good.

The cost or value of materials imported into the beneficiary developing country may be included in calculating the 35 percent value-added requirement for an eligible article if the materials are first substantially transformed into new and different articles and are then used as constituent materials in the production of the eligible article. The phrase "direct costs of processing" includes costs directly incurred or reasonably allocated to the processing of the article, such as the cost of all actual labor, dies, molds, tooling, depreciation, research and development, and inspection and testing. Business

overhead, administrative expenses, salaries, and profit are not considered as direct costs of processing.

Certificate of Origin  
Form A

Normally, the Customs Service will accept an entry at the free rate if Form A is presented at the time of entry. If Form A is not available, the importer may give an appropriate bond (security) for subsequent production of the form within 60 days (subject to an extension), and may be required to deposit estimated duties.

The UNCTAD Certificate of Origin Form A is not available for sale in the United States. The beneficiary developing countries and territories participating in the program are responsible for printing and supplying this form. Exporters may get this form from the designated governmental certifying authority in their respective countries. Customs GSP Circular No. 31 and supplements to it contain the most current list of certifying authorities. If Form A is not available from the governmental certifying authority, the form may be purchased from any of the commercial printers listed below, or you may contact the Director, Technical Assistant Project/GSP, UNCTAD, 1211 Geneva 10, Switzerland, for further advice on obtaining the form.

Federal Republic of Germany  
-Formular-Verlag Purschke  
& Hensel  
Barbacher Strasse 232  
D-5300 Bonn

Hong Kong  
-Che San & Company  
10 Pottinger Street  
-Cheung Lee Printing  
Company  
210 A Li Po Chun  
Chambers  
185-195 Des Voeux Road,  
Central.  
-Winson (HK) Printing  
Company  
8082 Wharf Road  
North Point

Shipments Valued at  
\$250 or less

Certificates of Origin Form A are not issued for merchandise valued at \$250 or less by any beneficiary developing country. Consequently, the district director of Customs may require such other evidence of the country of origin as he may deem necessary. The requirement for a Form A for merchandise valued over \$250 may be waived by the district director only as may be otherwise provided for, or if the imported articles are for household or personal use and are not intended for resale or brought in for the account of others, and if the district director is otherwise satisfied that the merchandise qualifies for duty-free treatment under GSP.

Sources of Additional  
Information

Customs rules and regulations on GSP are incorporated in sections 10.171-10.178 of the Customs Regulations. Address any question you may have as to the administrative or operational aspects of the GSP to the Director, Duty Assessment Division, U.S. Customs Service, Washington, D.C. 20229. Requests for information concerning additions to, or deletions from, the list of eligible merchandise under GSP, or the list of beneficiary developing countries, should be directed to the Chairman, Trade Policy Staff Subcommittee, Office of U.S Trade Representative, 600 17th St., N.W., Washington, D.C. 20506.

## Independent Countries

Angola	El Salvador	Mali	Singapore**
Argentina	Equatorial Guinea	Malta	Solomon Islands
Bahamas	Fiji	Mauritania	Somalia
Bahrain	Gambia	Mauritius	Sri Lanka
Bangladesh	Ghana	Mexico	Sudan
Barbados***	Grenada***	Morocco	Surinam
Benin	Guatemala	Mozambique	Swaziland
Bhutan	Guinea	Nauru	Syria
Bolivia*	Guinea Bissau	Nepal	Taiwan
Botswana	Guyana***	Nicaragua	Tanzania
Brazil	Haiti	Niger	Thailand**
Burma	Honduras	Oman	Togo
Burundi	India	Pakistan	Tonga
Cameroon	Indonesia**	Panama	Trinidad and Tobago**
Cape Verde	Israel	Papua New Guinea	Tunisia
Central African Empire	Ivory Coast	Paraguay	Turkey
Chad	Jamaica***	Peru*	Tuvula
Chile	Jordan	Philippines**	Uganda
Colombia*	Kenya	Portugal	Upper Volta
Comoros	Kiribati	Romania	Uruguay
Congo	Korea, Republic of	Rwanda	Vanuatu
Costa Rica	Lebanon	Saint Lucia***	Venezuela*
Cyprus	Lesotho	Saint Vincent	Western Samoa
Djibouti	Liberia	and the Grenadines***	Yemen (Sana)
Dominica***	Madagascar	Sao Tome and Principe	Yugoslavia
Dominican Republic	Malawi	Senegal	Zaire
Ecuador*	Malaysia**	Seychelles	Zambia
Egypt	Maldives	Sierra Leone	Zimbawe

## Non-Independent Countries and Territories

Anguilla	French Polynesia	Pitcairn Islands
Antigua and Barbuda***	Gibraltar	Saint Christopher-Nevis***
Belize***	Heard Island and McDonald Islands	Sain Helena
Bermuda	Hong Kong	Tokelau
British Indian Ocean Territory	Macau	Trust Territory of the Pacific Islands
Brunei	Montserrat***	Turks and Chicos Islands
Cayman Islands	Netherlands Antilles	Virgin Islands, British
Christmas Island (Australia)	New Caledonia	Wallis and Futuna
Cocos (Keeling) Islands	Niue	Western Sahara
Cook Islands	Norfolk Island	
Falkland Islands (Islas Malvinas)		

\*Member countries of the Cartagena Agreement-Andean Group (treated as one country).

\*\*Association of South East Asian Nations (treated as one country).

\*\*\*Member countries of the Caribbean Common Market (Caricom).

It is the general rule of the United States customs laws that each imported article produced abroad must be legibly marked in a conspicuous place with the name of the country of origin in English in order to show the ultimate purchaser in the United States the name of the country in which the article was manufactured or produced. There are certain exceptions to this rule: (1) articles which are merely in transit through the United States, (2) articles which are under a bond to insure/their exportation, (3) articles which are otherwise specifically exempted from marking requirements. Certain articles may require special marking.

#### Marking required

Unless specifically exempt from marking, every imported article must be marked legibly and in a conspicuous place in such manner as will indicate to an ultimate purchaser in the United States the English name of the country of origin of the article.

It is not feasible to state who will be the "ultimate purchaser" in every circumstance. Broadly stated, an "ultimate purchaser" may be defined as the last person in the United States who will receive the article in the form in which it was imported. Generally, if an imported article will be used in manufacture, the manufacturer is the ultimate purchaser. If an article is to be sold at retail in its imported form, the purchaser at retail is the ultimate purchaser. A person who subjects an imported article to a process which results in a substantial transformation of the article, even though the process may not result in a new or different article, may be an ultimate purchaser in certain circumstances; but if the process is merely a minor one which leaves the identity of the imported article intact, the consumer of the article will be regarded as the ultimate purchaser.

When an imported article is of a kind which is usually combined with another article subsequent to importation but before delivery to an ultimate purchaser, and the name indicating the country of origin of the article appears in a place on the article so that the name will be visible after such combining, the marking shall include, in addition to the name of the country of origin, words or symbols which shall clearly show that the origin indicated is that of the imported article only and not that of any other article with which the imported article may be combined subsequent to importation. For example,

bottles, drums, or other containers imported empty, to be filled in the United States if marked to show the country of origin, shall be marked with such words as "Bottle (or drum or container) made in (name of country)." Labels and similar articles so marked that the name of the country of origin of the article is visible after it is affixed to another article in this country shall be marked with additional descriptive words such as "Label made (or printed) in (name of country)" or words of similar import.

Words or symbols in addition to the country of origin need not appear on articles of a kind which are ordinarily so substantially changed in the United States that the articles in their changed condition become products of the United States. For example, additional words or symbols are not required on toothbrush handles or hairbrush blocks which are to be used in the United States in the manufacture of brushes by inserting bristles in the blocks.

Although it is permissible to mark articles (or their containers) with the name of the country of origin after importation, under Customs supervision and at the expense of the importer, marking after importation almost invariably results in delay, inconvenience, and expense which could have been avoided had the articles (or their containers) been marked at the time of manufacture.

A P P E N D I X E

E s t i m a t e o f T e c h n i c a l

A s s i s t a n c e C o s t s

## Appendix E

### Estimate of Technical Assistance Costs

#### Technical Assistance

- o Trends and Market analysis. \$50,000

The New York based firm will provide the trend projects for U.S. and European market.

Garments and Fibers

color

stitch

weights

styling

yarn

sizing

quality

Locate and direct I.A. in development of yarn manipulation, dyeing and color development

Fabric and Home Textile Development

weight

color

style

finish

size

Accessories

current important styles

development of wood and

pewter

They will help with development of all samples to be used in market strategy as well as lead project to sales market appropriate to each product as its market ready

- o Yarn manipulation and development \$15,000 to \$20,000
- blending
  - novelty, plain, and combinations
  - brushed, twisted, and combinations
  - machinery analysis
  - finish
  - training of technicians

o Dying \$15,000 to \$20,000  
Machinery  
dye stuffs (color)  
Finish - all aspects including  
heat and washing  
training of technicians

o Designers - \$100,000  
o Other Consultants: (organization development specialist \$100,000  
industrial managers)  
business management et. al.

International Marketing Institute - Cambridge, Ma.  
I.M.I. will develop in country seminars in all aspects  
of international marketing designed especially for the  
needs of the project. \$4,000 to \$5,000

T.A. Contractor Staff - 1 in country Director (full)	Cost to be
1 admin in count (full)	provided by
1 U.S. based (1/2)	contractor

A p p e n d i x F

F i r s t Y e a r P l a n



A p p e n d i x G

NONFORMAL EDUCATION SERVICE AGENCY

EXPERIENCE IN LESOTHO AND ECUADOR

EXECUTIVE SUMMARY

## Appendix G

### EXECUTIVE SUMMARY

The Service Agency approach to building institutional capacity is emerging as a response to a variety of problems encountered in grassroots-oriented development. Nonetheless, while there is growing argument for the approach, there is little available in the way of concrete models or discussion of concrete factors basic to Service Agency design and implementation. Drawing on evaluations of two ongoing S&T/ED Nonformal Education Service Agency projects and on insight from the fields of nonformal education, development organization and broader organizational theory, the authors 1) discuss the Nonformal Education Service Agency as a promising organizational strategy for supporting and improving development activities at the grassroots level and 2) suggest a methodology aimed at assisting US/AID mission personnel and other interested parties in the design and implementation of Nonformal Education Service Agencies.

The points emphasized in this paper can be summarized as follows:

1. Grassroots undertakings have two major recurring problems--lack of training and institutional support and lack of credit. The nature of the Service Agency and its nonformal education focus respond to the first problem. The S&T/ED Service Agency model also addresses the second problem by making a credit fund available to Service Agency clients and beneficiaries.

While such credit resources may not be available everywhere, the importance of credit to grassroots development should not be dismissed. Service Agency designers should find ways to make financial resources available to clients and beneficiaries. At the same time, the mechanisms and arrangements adopted should not be prejudicial--grassroots beneficiaries are already disadvantaged vis-a-vis the larger system; they should not become indebted as well.

2. Strengthening institutional capacity is a fundamental development strategy, however, the lack of institutional infrastructure at the grassroots level and the diversity and characteristics of grassroots populations and development programs make the 'leading institution' approach unsuitable. What is needed is an approach which serves rather than leads the broad array of existing programs which work directly with specific target populations at the grassroots level.

3. Virtually every grassroots-oriented development project is highly dependent for its success on the quality of its teaching-learning activities, i.e., those activities through which project personnel and beneficiaries engage in exchange of information and skill acquisition related to project goals and objectives. This is true of what are categorized as nonformal education projects (literacy, adult education, etc.) as well as projects in other specialized areas (agriculture, health, nutrition, income generation, technical training, etc.). It is true of both the public and the private sector. This commonality gives a Nonformal Education Service Agency (unlike other models for multisectoral collaboration) the advantage of combining program coherence with the ability to attend to a broad array of programs in various technical sectors.

4. The beneficiaries of the Nonformal Education Service Agency approach are grassroots populations. However, the direct clients of the nonformal Education Service Agency are public and private sector personnel directly engaged with grassroots beneficiaries in the communication of information and promotion of skill acquisition.

5. A Nonformal Education Service Agency serves clients by helping to systematize, improve and expand client programs. The specific functions recommended to achieve this derive from needs common to grassroots development processes, experienced by clients and essential to effective teaching-learning activities. Specifically, the nonformal Education Service Agency should make available to public and private sector clients effective nonformal education materials, methods and techniques as well as technical assistance in their use and production for various aspects of grassroots development, i.e., specific content areas and programs as well as related needs assessment and program planning, systems analysis, documentation, monitoring, evaluation, use of credit; all from a grassroots perspective and for a variety of target populations. In addition, the Nonformal Education Service Agency should operate a data bank on grassroots programs and development information, widen clients' and beneficiaries' access to credit and logistical support and strengthen relationships among clients and beneficiaries through ongoing network-building.

6. In order to ensure that these services will be available to interested clients, Nonformal Education Service Agency designers must analyze 1) the general characteristics of their clients and beneficiaries; 2) the current availability and distribution of services mentioned above; and 3) possible

organizational frameworks based on the foregoing as well as on available resources, possibilities for collaboration, and development priorities. This paper offers a methodology for carrying out these steps.

7. In some cases, nationwide or even partial nonformal education/grassroots development inventories might exist to assist Nonformal Education Service Agency designers in making needed analyses. Inventories are not, however, necessary in order to proceed with Service Agency design and may advantageously be postponed until after an incipient Service Agency is consolidated. Whether an inventory is made sooner or later, at once or in stages, it should be made so as to support concrete network-building processes as well as to provide data about existing nonformal education activities and program organization.

8. Effective network-building with Nonformal Education Service Agency clients will require prior consolidation of the Service Agency's ability to provide services. It will also be related to how the Service Agency is perceived by clients. A Service Agency which pretends to reach a wide variety of clients in both the public and private sectors will need to be decentralized and structured so as to increase the opportunities for inter-institutional collaboration. Effective network-building is more likely if the Nonformal Education Service Agency core reflects its general clientele.