

PART IV
FIELD SURVEY REPORT
ON
AIFLD PROGRAM IN
HONDURAS

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INTRODUCTION

The American Institute for Free Labor Development operates a program in Honduras, under contract with the Agency for International Development, to strengthen free labor unions, implementing the policy of the United States declared in Section 601 of the Foreign Assistance Act of 1961, as amended. The Honduras AIFLD program is subject to the provisions of AID/1a-259, the general document establishing and defining the contractual relationship between AID and AIFLD, and is specifically covered by Task Order 34 under the contract.

From inception of AIFLD's Honduras activities in January, 1963, until August, 1969, the Honduras national program was an integral part of IESCA (Central American Labor Education Institute), the ROCAP-sponsored AIFLD-operated educational program for trade unionists from all Central American countries, also located in Honduras. IESCA was moved to Guatemala early in 1970 and the Honduras national AIFLD program, that shared its instructors and administrative support, now operates independently with a much-reduced staff. This report deals with IESCA operations only as involved in the national program.

CHAPTER I

GENERAL ASSESSMENT AND RECOMMENDATIONS

A. GENERAL ASSESSMENT

Overall Program Impact

1. AIFLD has been an important influence on the dedication, understanding, and technical competence, of Honduran trade union leadership, which has produced a growing free, democratic, and responsible movement, with a steadily improving record of sound contract negotiation and administration.

Labor Education

2. AIFLD education activities have had significant positive impact on membership and leaders of the Honduran free labor movement.

3. The two principal regional labor federations of Honduras have the will, the instructional capacity, and the administrative ability, to operate their own education programs, but, in the absence of AIFLD or other outside support, their limited resources and the competing demands of other service activities make implementation of an adequate program unlikely during the next five years.^{1/}

4. AIFLD and the federations have successfully undertaken to expand and support a campesino federation (ANACH) that is a critical element in implementation of agricultural reform in Honduras and will require extensive assistance for more than the next five years.

^{1/} Because of the reluctance of the federations to disclose income and expenditures data to the evaluators, it was not possible to ascertain the financial resources of the unions with any degree of precision. Observation of union facilities and interviews with labor leaders suggest that the financial resources of the unions and the federations are severely limited.

5. The AIFLD educational activities are not designed to provide for achievement of specific skill levels and the relationships among student capability, course length and content, and achieved skill levels, are not known or evaluated by the contractor.

Social Projects

6. AIFLD social projects have had significant impact on the well-being of Honduran workers and campesinos, and have made a demonstrable contribution to the individual and institutional capacity of the labor movement to develop and implement economic activities.

Housing Project

7. AIFLD has made a major contribution in helping a Honduran labor federation undertake an important housing project (1,000 homes) by assisting it to establish credibility as a borrower and by supplying architectural and engineering assistance.

Program Management

8. The AIFLD/H program is well managed and relations with AIFLD/W and USAID/H are good.

B. RECOMMENDATIONS

1. Considering the growing capability of the Honduran labor movement to manage its own affairs, AIFLD/H should seek progressively to "phase out" of local basic labor education activities and concentrate attention on:

- (a) providing assistance at more sophisticated levels, while
- (b) aiding the federations in establishment of a basic

education program to be financed and administered by them; and

(c) training an adequate number of instructors to permit professionalization of basic course teaching.

2. AID should request AIFLD to develop and implement a system for measuring progress toward specific labor education and social project goals.

3. The labor education program should be improved by careful planning of number and types of courses based upon assessed needs for worker training and the development of specific leadership skills. Study should also be made to relate student capability and course length and content to specific skill levels desired.

4. AIFLD/H should continue efforts to help ANACH become a more effective instrument for supporting agricultural worker agrarian reform aspirations, using social projects to expand agricultural credit and improve the organization's administrative capability.

5. AIFLD/H should review alternatives, in addition to conventional education and social project activities, for developing self-sufficiency of the Honduran free labor movement, including:

(a) internship arrangements;

(b) technical assistance in management and administration; and

(c) direct administration of social project funds by the federations.

6. AID/H and AIFLD/H should join with cooperative federations and the national Agrarian Reform Agency (INA) in coordinating their efforts to assist Honduran campesinos through mutually reinforcing programs addressed to education, agricultural assistance, and cooperative development.

7. Responsibility for USAID/H monitoring of AIFLD/H should be concentrated in a single officer who would follow the program in close association with the Embassy Labor Attache.

CHAPTER II

THE CONTEXT OF THE AIFLD PROGRAM

The Conservative and Liberal parties are both continuing strong presences in Honduras. The 1971 elections are already creating an atmosphere of uncertainty. The Social Christian element is an active political force and maintains links with some labor groups. The Latin American Confederation of Christian Trade Unionists (CLASC) has affiliated to it the Authentic Labor Union Federation of Honduras (FASH) which claims nine constituent unions and 1200 members.

The Communist Party is illegal but extremist elements continue to seek influence with students and workers. Both labor and employer spokesmen expressed concern over this.

The increased nationalism growing out of the Salvadoran conflict and the exodus of Salvadorans from Honduras also affect labor and the AIFLD role. In addition, the hurricane during September, 1969, considered by many to have done more economic damage than the war, involved a financial drain on the unions and also reduced employment, temporarily slowing the labor movement's steady financial progress.

The very limited Honduran industrial development and the heavy dependence on banana exports have also shaped the labor movement. The largest and financially strongest unions are SITRATERCO, the United Fruit Company Workers' organization with more than 10,000 dues-paying members, and SUTRAFSCO, with about 7,000 Standard Fruit Company workers. These two unions make up more than half of the 28,000 recorded members of FESITRANH, the north coast federation. Of the 28 other unions in the Federation, only the campesino group has more than 1,000 members. FECESITLIH, the Federation for Tegucigalpa and the south, includes many government workers among its estimated 7,000 members from more than 50 unions. Both Federations are affiliated with CTH, the national confederation of free trade unions.

Because Honduran labor is more than 70 per cent agricultural, and vagaries of the banana business cause constant shifts from campesino to fruit company worker and the reverse, the Honduran labor movement is closely tied to agricultural laborers and small cultivators. ANACH, the campesino union, is part of the north coast federation, heavily supported by it and by the larger individual unions. ANACH is weaker in southern Honduras, and FEMTCH, the campesino group of FASH, (the CLASC-affiliated federation), competes most strongly there. The appropriate resource allocation and strategy for meeting this challenge is a major policy issue facing the Honduran

federations and the AIFLD program. The campesino issue is especially important because the Agrarian Reform Law, presently administered by INA (the national Agrarian Reform Agency), is beginning to have substantial impact. The landless are a potentially strong source of political and financial support.

The AIFLD program is also influenced by the remarkable quality of Honduran primary labor leadership. Oscar Gale Varela and Ceieo Gonzales, Presidents of SITRATERCO and FESITRANH, both veterans of the 1954 United Fruit Company strike that marked emergence of the free labor movement as a major force in Honduras, are universally respected and acknowledged to be the dominant free labor leaders. In no interviews with Hondurans from various groups, or with U.S. private industry or governmental personnel, was there expressed anything but the highest regard for these two men. There was no suggestion of venality, rivalry between them, personal political ambitions, or excessive commitment to U.S. or AIFLD interests. Although Gale and Gonzales have shared their leadership roles with others, their pre-eminence raises serious question about the future of Honduran labor leadership. There are no clear heirs apparent and, despite past stability, the possibility of a splintering struggle for power exists. The situation has important implications for the AIFLD program.

These two leaders have kept the labor movement notably free of internal political bickering and have retained the support of their membership. They have helped strengthen the Tegucigalpa southern movement and have curbed many of the local regionalist tendencies that might otherwise weaken labor nationally. Labor is an important democratic political force without being tied to any party. The union leadership lobbies continuously for favorable legislation, but has not yet been successful in raising minimum wages or requiring non-union beneficiaries of collective agreements to share union expenses, their major interests.

Honduran employers, including U.S.-owned businesses, vary widely in their acceptance of trade unionism. While the United Fruit Company manager and the Honduran president of the San Pedro Sula Chamber of Commerce, for example, were very positive in their appraisals of the bargaining process and the unions' role in it, paternalistic and hostile attitudes were encountered frequently among other management people, especially in the south. The Honduran Labor Code, considered by many employers to "favor the worker too much," does not prevent mass firings and other union-busting tactics during attempts to organize unions.

The Labor Minister signs off on the AID labor program document and is friendly to AIFLD, but does not get involved in program matters. The Honduran government, though the target

of a 1968 general strike over regressive taxation, does not hinder operation of trade unions. The labor movement and the government maintain respectful relationships and trade union officials sit as members of governmental bodies, but both groups also appear to perceive each other as potentially threatening. Government's support of the collective bargaining process might be severely tested if maintenance of Honduras's present relative financial stability required more stringent measures of economic stabilization or austerity.

The labor movement's desire to avoid dependence on government has made labor increasingly concerned with social projects and non-wage benefits. This concern is frequently broadened to include interest in projects that benefit the community beyond trade union membership.

ORIT (Inter-American Regional Workers' Organization), the International Labor Organization, Organization of American States, and the international trade secretariats do not maintain continuing active programs in Honduras. Their intermittent activities are done in coordination, and often in conjunction, with AIFLD, but they are less involved with the national labor movement because of their limited operations.

United States government policy toward the Honduran government and the labor movement can be described as pluralistic or contradictory, depending on the describer's predilections. The Honduran government is supported while the Honduran labor movement, which will often differ with the

government, is also encouraged. The AIFLD program is funded, but a contract program with ACDI (Agricultural Cooperative Development International), to develop and assist agricultural cooperatives serving many identical constituencies, receives greater financial assistance.

CHAPTER III

HISTORY AND OBJECTIVES OF THE AIFLD PROGRAM IN HONDURAS

A. HISTORY

Activities of the U.S. labor movement and AID in Honduras preceded formation of AIFLD. Honduran labor leaders still refer gratefully to the help of AFL-CIO's Andy McLellan, then a roving international representative. He helped them win the critical 1954 SITRATERCO union recognition strike against United Fruit Company that formed the country's free labor leadership. Jesus Artigas, first AIFLD Regional and Country Program Director in Honduras and a strong influence on Honduran leaders, participated with other U.S. trade unionists as an instructor in AID-sponsored courses, during the years immediately before AIFLD was organized. The AFL-CIO and AIFLD emphasize that AID support reinforced already existing private activities. In Honduras, although funding of the labor program by AID is

acknowledged, AIFLD is still viewed primarily as a private group continuing and expanding the early union-to-union activities.

The first AID contributions to AIFLD operations in Honduras were part of the IESCA budget. In 1965, the first separately funded national program received \$5,000. Subsequent AID commitments have increased the total funds obligated through 1970 to \$352,400.

These funds represent only the national program and do not include expenditures for IESCA. Separate financial allocations were made and separate records kept for the two programs, although they were indistinguishable in operation, sharing staff and facilities. The IESCA departure presents a serious handicap to the national program, because staff and facilities previously made available by it at little or no cost must now be obtained elsewhere.

The 1970 national program budget provides funds for a country director, an educational coordinator in Tegucigalpa, and a cooperative technician who serves as social projects coordinator. The three professionals, one full-time and one part-time local secretary, are the entire staff. Salaries, travel, and office expenses account for over \$90,000 of the total task order budget of \$145,038. The only substantial flexible

item is \$55,000 for direct costs of the education program. There is no separate social projects program budget.

The only other governmental funds included in program input are amounts received by AIFLD/Honduras from AID/financed regional social project funds, the costs of AIFLD regional consultants, and allocable expenses from AIFLD Regional and International courses, financed under other task orders.

Non-AID program dollars have been limited to AFL-CIO contributions for special impact projects. Since January, 1966, \$41,387 has been made available to AIFLD/H in the form of either loans or grants.

B. OBJECTIVES

The Honduras Country Labor Plan for FY 1970 contained no statement of specific goals or objectives. The proposed program called for twelve two-week seminars, a special seminar for the campesino union executive council, five four-week advanced seminars for selected graduates of basic courses, and three week-end round table discussions between labor leaders and employers. The plan also described social projects activities, including:

- (1) technical assistance to housing projects;
- (2) technical assistance to union organizations on cooperative efforts;
- (3) advice to the vocational education program;

- (4) technical assistance for construction of union buildings;
- (5) assistance to the medical brigades and other campesino projects;
- (6) development of impact projects.

The absence of specific objectives and the couching of plans almost exclusively in activity terms are partly a consequence of the AID practice of viewing the labor program contract as the purchase of activities rather than as the expenditure of funds for achievement of specific labor objectives. Although this approach makes financial review and control simpler, since delivery of the activities becomes the basis for certifying performance, it diverts attention from the important analytical tasks of identifying the results to be anticipated from these activities and reviewing the consequences that actually occur.

The AID Non-Capital Project Paper (PROP), a 5-year plan for the Honduras Labor Education and Social Development Project, dated January 5, 1970, goes further, identifying the project objective as

"to develop democratic worker organizations and related groups, who can effectively participate in and contribute to the social and economic development of Honduras."

This document emphasizes popular participation in the development process, comparing trade unions with other private sector institutions receiving AID attention in Honduras.

The project paper identifies subsidiary 5-year targets, encompassing both activities and goals that flow from the broad objective of developing a strong democratic movement, including:

- (1) Basic, intermediate, and advanced seminars, both full and part time, for union officers and members, campesinos, women workers, and social projects.
- (2) An adequate supply of officers and rank and file members qualified to act as instructors in basic labor and social service programs.
- (3) A strengthened and expanded ANACH (National Association of Honduran Campesinos) program with campesinos and other agricultural workers.
- (4) An expanded volunteer ANACH Medical Brigades program.
- (5) An increase in union membership, including campesinos, of at least 10% annually.
- (6) Establishment of labor information centers in the principal cities.
- (7) Increased participation of unions in social and civic development activities.
- (8) Skill training, literacy training, and English language training programs in North Coast and Tegucigalpa area.
- (9) Increased union participation in the legislative process and improved liaison with governmental agencies.
- (10) An appropriate technical assistance program developed between USAID and the Ministry of Labor for personnel training.

A later statement converts some of these targets into quantitative goals such as:

- (1) 150 seminars.
- (2) 5,000 course participants, including 1,000 graduates of instructor training.

- (3) Increase in ANACH paid memberships from 1,500 to 15,000.
- (4) Increase in campesino families treated under Medical Brigade program from 2,500 to 5,000 per year.
- (5) Growth of membership in democratic labor organizations from 30,000 to 50,000.
- (6) Average of 2-man years of participant training for key personnel in Ministry of Labor.

Despite the increased precision in identification of goals and quantification of anticipated results, the program document still rests heavily on seminars and social projects, attributing to them broad potential results such as the membership growth figures forecast for ANACH and the whole democratic labor movement. Such objectives are useful in identifying the general direction of AIFLD program efforts, but do not provide a sound basis for review of program activities in relation to performance. The labor program would benefit from establishment of milestones and intermediate performance objectives directly related to project activities, that more readily permit measurement of short-term progress.

For example, the long-term goal of assisting the Honduran free labor movement to operate its own education program can readily be broken down into a series of short-term goals relating to the number of instructors to be trained, the skill levels they will attain, and the post-course activities they will perform.

CHAPTER IV
THE AIFLD PROGRAM IN HONDURAS

The AIFLD program in Honduras is based upon activities broadly defined as labor education and social projects. The 31 courses sponsored by AIFLD during 1969, and the five new and four continuing social projects financed from various sources with the Institute's assistance, are formal measures of the program's intermediate output, but they do not convey the essence of either the AIFLD techniques in Honduras or their contribution to development of a free and effective labor movement.

The labor program has from the start been a broad technical assistance effort through which AIFLD staff have helped Honduran trade unions move to constantly higher levels of proficiency in achieving their objectives. AIFLD sponsorship of courses is essentially a support, stimulus, and coordination effort that broadens and improves the educational and other activities of the Honduran federations.

Course length and content reflect only a part of the total assistance effort. There is no fixed package of courses that can be considered as an isolated input. For example, in a typical basic course, there are no lost time payments and the AIFLD contribution may involve only furnishing a coordinator, who finds a donated site and assembles a roster of instructors from Honduran labor, university, private, and governmental sources. From the arrival of Director Alvin Warren in September, 1969, until the evaluation visit in late February, 1970, AIFLD paid no instructional costs for basic courses in the Tegucigalpa area and very little elsewhere.

For intermediate and regional courses, instruction has been provided by the AID-funded instructors of the IESCA staff. With their dismissal when the Institute moved to Guatemala, the AIFLD/Honduras national education program will be more dependent on volunteer instructors and will increasingly become part of the local federations' educational activities. This is similar to the pattern found in Colombia, for example, where AIFLD adds a fixed amount to the educational budgets of the two major confederations, using personal and institutional influence, along with this financial leverage, to affect goals, content, and administration.

The coordination of labor education courses by AIFLD, essential because the federation and confederations cannot afford the full-time help required to do this for themselves, has brought the Institute into such close relationship with the labor movement that the AIFLD coordinators have typically become consultants, guides, and mentors to the groups with which they are involved. As the AIFLD Director put it, in opening a basic course, AIFLD provides "formal and informal" education. Labor education is the vehicle through which AIFLD, in Honduras and elsewhere, has gained the trust and confidence of local labor movements sufficiently to permit provision of the broad range of technical assistance required to advance a free labor movement. Jesus Artigas was described by labor leader Celeo Gonzales as "un brazo" (an arm) of the Honduran labor movement, emphasizing their highly personal relationship and the broad role AIFLD has played in Honduras.

The independence and ability of Gonzales and Oscar Gale, the two principal Honduran leaders, led AIFLD into an ideal technical assistance relationship in which dialogue among equals, accompanied by the continued operating responsibility of those being assisted, brought about steady growth in skills and performance. Although neither Gale nor Gonzales were ever enrolled in an AIFLD course, both acknowledge the importance of continued assistance received from AIFLD staff.

The evolution of SUTRAFSCO, the union of Standard Fruit Company workers, from a communist-dominated group of little value to the rank and file, into a responsible and effective free trade union, is another example of the AIFLD role. It was accomplished, according to informed observers, by Honduran trade unionists who had participated in AIFLD labor education programs.

The influence and impact of AIFLD on the Honduran labor movement results principally from the counseling and other activities of the Country Program Director (CPD) and those working with him. Their education administration work is important but the effect of it is rarely separable from that of the direct involvement with local unionists it facilitates. Programming documents can too easily ignore this critical aspect of the union-to-union relationship and its implications for labor solidarity. Concern over details

of seminars and expenditures should not be permitted to obscure importance of the personal relationships that are critical to the success of the education program.

A. EDUCATION ACTIVITIES

1. Description of Courses

Review of the AIFLD educational input emphasizes the difficulties of describing the program in terms of numbers of seminars or social projects. The education activities include provision of coordination, instruction, and lost-time payments, that are different in each course. There are basic, residential, intermediate, national and special courses. Honduran unionists are also sent to IESCA Regional courses and the Institute's Front Royal and Georgetown University programs. Separate basic, intermediate, and regional courses are given for campesinos.

The third week of each four-week regional campesino course is an "action week," during which students get practical experience assisting local communities with social projects. The education program is, at this point, so linked to social project activities that attempts to separate them would give a distorted picture of the total program. The "action week" results, for six courses since 1964, have included 21 different construction efforts. Schools, roads, water systems, and similar projects have been completed, with work and funding coming primarily from the course participants and communities.

The AIFLD contribution averages less than \$250 per course for the project work.

The AIFLD and local federation basic courses are designed:

- (1) to motivate members of local unions to further union activity;
- (2) to give them an introduction to the rights, benefits, and responsibilities of union membership; and
- (3) to help the federations select promising candidates for further training.

They are typically given immediately after a new union has been organized (to give them earlier would alert employers to the organizing effort). The federations also offer annually, with AIFLD assistance, a number of other basic courses for older unions throughout the country. In 1968, 11 basic courses were identified as AIFLD-sponsored and 25 were included among the activities of 1969. The federations and local unions offered an unascertained number of additional basic courses during these years, in which AIFLD was not directly involved.

Many Honduran unionists have specialized training and can teach sections of the basic courses, but there is no cadre of union people trained specifically for labor education. A Front Royal instructor's course graduate heads the budding FECESITLIH education program, but the standards required of the instructors he is obliged to use are necessarily elastic. The failure to professionalize labor education reflects the federations' decisions to give priority in use of their resources to training for contract negotiation and administration. It may be remedied

as their resources and AIFLD support permit employment of paid full-time instructors.

Because the IESCA regional program has been in Honduras, with full-time instructors also collaborating in national courses, the quality of most AIFLD instruction has been high. Unlike countries where full-time instructors include AIFLD-trained graduates from local unions, the Honduras group are all older, university-trained, people with extensive practical experience in their specialized area. The intellectual level of Honduras advanced labor education reflects their qualifications, judging from the obvious command of sophisticated collective bargaining issues by most of the graduates interviewed during the evaluation visit.

The basic courses are relatively free of ideological indoctrination or pressure, according to Celeo Gonzales and Oscar Gale, who indicated that they would permit none. Brief discussions of FASH and CLASC, the Christian Democratic Federation and confederation, in an early class on trade union history, and one two-hour session on democracy and totalitarianism, are the only political elements in a twenty-hour basic course that typically also covers union organization, collective bargaining, cooperatives, parliamentary procedure, and labor law. An opening class attended by one of the evaluators included brief negative reference to Christian Democratic and Communist approaches to trade unionism, that could do no more than alert students to ask questions. The volunteer instructor,

an AIFLD alumnus, emphasized principally the economic benefits that could result from free trade unionism and the CPD, who also spoke, did the same.

The influence of basic courses is well illustrated by a situation encountered by the evaluation team at the Port Workers union in Puerto Cortez. The union president, who had completed three AIFLD courses, was obliged to cancel an annual assembly for lack of a quorum. Without prodding, he pointed out that those union members who had attended a recent basic course had been far more diligent in attending than their less interested brothers. He also pointed out that, because the basic course is voluntary, attendance is the first step toward leadership positions for those sufficiently motivated.

Other Honduran leaders emphasized that the basic course is to give "conscience," "responsibility" or "discipline" to the membership, with success measured ultimately by willingness to support a democratically reached strike decision. Some added that worker conduct during the 1968 general strike, called to protest government-imposed taxes on consumer goods, indicated considerable need for more labor education.

In Honduras, successful completion of a basic course is a prerequisite for entry into higher level courses. Papers are written, examinations are given, and evaluations are made of participating students. Course records serve as the reference source for selection of students to attend advanced courses.

Although formal enrollment in basic courses is limited to union members, outside auditors are permitted. Instructors suggest that the auditors occasionally become active in organizing a union, a fringe benefit of the education program that has seldom been noted.

The regional intermediate and national advanced courses are arranged jointly by AIFLD and the federations. Some include more intensive general study of the material covered in basic courses, but there is also an effort to provide technical preparation in specialized fields such as accounting, cooperatives, union organization, and contract negotiation. AIFLD has also sponsored a vocational training course for hotel workers. The AIFLD/Honduras program has not yet provided specialized preparation for instructors, as has been done systematically and effectively in Colombia and Ecuador. While this is explained in part by the greater Honduran emphasis on training for services perceived as more useful by members of local unions, development of a body of instructors with common training should be encouraged by AIFLD.

Specialized courses are offered to actual and prospective union officers, so that the criteria for reviewing effectiveness must include both later assumption of office and performance in positions already occupied. Passage through the labor education system, culminating with international study, is an important part of the informal selection requirements

accepted by trade union leaders and members in expanding or replenishing the leadership pool. The quality of leadership is more a function of the personal and political factors affecting selection than of the kind of education offered, but in Honduras labor leadership and labor education are serious business. Economic benefits share importance with political appeal as the tests of leader survival and labor education is viewed as a key to obtaining ever-greater benefits. Creation of this environment, though partly a tribute to AIFLD, reflects the complex personal, cultural, and historical influences that have made the Honduran labor movement a very important democratic force in the country and one that is widely respected in Latin America.

2. Impact and Evaluation

The AIFLD and IESCA labor education activities have served as the principal training ground for the Honduran labor movement. While Celeo Gonzales and Oscar Gale, the movement's leaders, say they had learned their work through the lessons of experience and informal education before the Institute was organized, they acknowledge the importance of labor education and point out that the selection of local and national officers from among course graduates, and the entry into courses of non-graduate officers, are almost automatic. The 25-man directiva of ANACH, for example, includes only AIFLD-trained people. In both the free labor federations and their

affiliated unions, the prevalence of Institute graduates is so evident that detailed tabulation would be superfluous. The president of CTH, the free labor confederation, is a Front Royal graduate.

More impressive than the number of AIFLD-trained people in high positions are the depth and independence of their commitment to free and democratic trade unionism. Unlike Ecuador, for example, where a young free labor movement too often appears dominated by AIFLD guidance and local leaders' opportunism, the Honduran trade unions view their AIFLD assistants as partners in a broader effort to further workers' interests. The pluralistic U.S. government approach, supporting an independent labor movement and a government not noted for labor sympathies, helps avoid any impression that the trade union movement is "sold" to the United States. The conduct of Honduran leaders is even more effective in dispelling any such impressions. FECESITLIH's president, when asked whether an American labor presence should continue in Honduras, spoke of moral support and technical assistance, but emphasized the need for help in keeping the Honduran movement from "diverging" into less responsible paths. Further discussion revealed that his reference was more economic than political or ideological.

3. Indicators of Impact

There is no systematic evaluation of program impact or effectiveness by AIFLD and AID. The criterion of continued participation in union activities, an intermediate measure, suggests a high degree of post-course involvement. Spot checking of two regional courses given six months earlier indicated that all of the students had remained active in their unions. All Front Royal and Georgetown graduates of the last three years are also still involved in the movement. An AIFLD tabulation in December, 1966, showed that only 13 of the 100 prior Regional or International course graduates had ceased to be active in labor activities, compared with 24 percent in Guatemala. A more detailed study in November, 1967, showed 28 union presidents out of 116 graduates.

While an information system based on regular tracking would permit more precise statement of results, the most useful evaluation effort would involve intensive study of performance by graduates of advanced and specialized courses to test the relationship of courses to performance in related activities. There is at present no serious attempt to revise course lengths and curricula on the basis of (1) experience in achieving terminal training objectives and (2) the relation of these achievements to later performance of specific tasks.

One of the evaluators observed a course on cooperative accounting, scheduled to take advantage of the presence of an ILO expert. The students were underqualified for the material and it was apparent that the 20-hour series was likely to be of limited value for them. More important, it was not clear that any well-planned curriculum for further development of specific skills existed. While continued study, practical experience, and the help of others, eventually produce some skilled performers, a more precise preparation series would accelerate the process and increase the number achieving proficiency.

This criticism is less applicable to basic courses. Here the end is primarily motivational and the steady flow of students into advanced courses and union leadership positions suggests that the present formula is better than adequate. The 20-hour introduction covers such a broad range of subjects, and the entering knowledge of students is so limited, that little more than exposure is accomplished. The basic courses are, nevertheless, an essential tool for keeping open the paths to trade union leadership and giving direction and reinforcement to motivated aspiring members. Since the average cost to AIFLD for each course is about \$350, the benefit-cost relationship, even in the limited terms of number of people exposed to favorable U.S. presence, is high.

The specific accomplishments of the AIFLD labor education program are only suggested by the total of more than 10,000 students who have passed through courses since 1965. This figure, which includes some double counting of those attending more than one course, tells little of the contributions made by the program to elevation of the analytical level of collective bargaining negotiations and the emergence of modern labor-management relations in Honduras. The local manager of United Fruit Company operations and the president of the San Pedro Sula Chamber of Commerce, for example, noted that informed and responsible trade unionism had steadily increased in Honduras during recent years. The Chamber head described, with admiration, the high quality of union participation in a recent AIFLD-sponsored labor-management round table.

It would be presumptuous to attribute all Honduran labor progress to the Institute. Nevertheless, the wide range of AIFLD technical assistance and the absence of other substantial outside inputs suggest that the AIFLD program has been consequential to the growth of the free labor movement in Honduras.

The education program's effects are particularly evident in ANACH, because that group started with no base of trained personnel. AIFLD-trained campesino activists and union officers now administer an institution that appears to be an authentic example of improved control of individual destinies by a

previously ignored group. While ANACH is a long way from self-sufficiency, current progress is impressive in relation to the economically and educationally primitive beginnings from which it has developed.

The evaluators were able to observe a sampling of ANACH organizers, officers, and members in action, and to view officials and members of other unions at work as well. Their verbal attributions of results to AIFLD efforts were supplemented by specific references to subject matter, such as new clauses proposed for collective agreements and new techniques for estimating employers' ability to pay. More important, their ability to discuss intelligently the meaning of free, democratic trade unionism, and the tangible evidence they offered of contracts negotiated, activities undertaken, and services rendered to members, also supported the attribution.

Observation of secondary union leadership was especially important in reviewing the Honduras program. The older leaders, veterans of the 1954 strike for recognition, were not trained by AIFLD, though they have always maintained close contact with it. Impact of the program on them is more speculative than in the case of the new generation, formed in part by AIFLD courses. The younger leaders learned much of what they know about running unions under Institute auspices and there is palpable evidence that they have learned many lessons well.

The growth in the number of Honduran collective bargaining contracts from 38 in 1968 to 48 in 1969, and the increase in FECESITLIH affiliations from 40 unions in 1968 to 52 currently, for example, are quantitative indicators of the health of the Honduran labor movement. They are not, however, appropriate measures of the Institute's impact, since many other factors affect them. The activities of course graduates, some of which are attributable to their training, influence broader variables such as union formation, membership, and the number and terms of contracts. There are serious methodological problems presented in gauging this impact precisely, since broad AIFLD coverage prevents use of comparison groups. However, an evaluation system for reviewing direct links between advanced course work and specific activities of graduates would still be helpful for reporting results and revising activities. The Honduras program should begin to work with the federations on implementation of such a system.

There has been no real effort by AIFLD in Honduras to identify the limits of labor education, the conditions that should exist before the program goes out of the education business or at least is limited to maintaining an achieved level. There is sometimes conveyed an unfortunate impression that the Institute simply plans to give course after course indefinitely. If the broad education program goal is defined as equipping the free labor movement to perform effectively all

functions necessary to administer existing unions and to maintain a reasonable rate of growth, a finite limit to efforts can be identified. This limit is implicit in current AIFLD activities and is a useful working tool. By defining the ideal achievement level for the education program, the resource constraints affecting labor development are illuminated and new possibilities for program tradeoffs are revealed. The achievement of education goals does not bar a continuing program based on technical assistance and exchange of ideas among equals.

In Honduras, for example, the PROP lays out a five-year goal of 15,000 members for ANACH. The limited sphere, and inherent difficulties, of further organization among non-campesino workers suggest a five-year total of no more than 35,000, compared to 25,000 currently. The combined target figure of 50,000 organized workers provides a framework for estimating educational requirements. A tentative ratio of one well-trained specialist for every ten union members suggests a need for about 5,000 graduates of advanced or specialized courses. More detailed analysis would permit specification of numbers for various labor skills.

One alternative for achieving this goal is to train 20 instructors for two years and have them train an average total of 250 students each, during the following three years, including some upgrading of present leaders. The PROP sets a

five-year goal of 1,000 trained instructors, adopting an alternative approach but beginning, for the first time, to shift from the earlier practice of taking a given number of courses as the only program objective. AIFLD seems rarely to have considered the likely impacts of alternative education program models and, as a result, has not stated progress in terms of realistic quantified objectives. The Honduras program is readily adaptable to this approach. AIFLD should be encouraged to set some targets and to compare a few alternatives for reaching them.

The lack of clear definitions for levels of educational achievement, and routine testing of them against graduates' performance of related tasks, is not limited to Honduras. The ROCAP - AIFLD Regional Program, designed for graduates of national courses, is plagued by a wide range of student preparedness that makes it impossible to assume any generally applicable base from which further instruction can begin. While part of this difficulty results from national confederation failures to honor prerequisites given them for selection of students, it is also clear that an "advanced graduate" means something different in almost every country. Despite the diversity of country conditions, there is a very substantial body of concepts and knowledge, such as the principles and economics of negotiation, that should be common to advanced labor education in all of them. Uniform mastery of these materials can be improved by (1) identifying a standard

curriculum with tests for accomplishment and (2) varying the number and length of national courses to permit students from countries with less sophisticated labor movements to study longer before entering Regional courses.

AIFLD is qualified to identify desirable achievement levels for trained labor leaders. Some setting of standards and uniform definitions would help assure that instructional time is used most efficiently to achieve educational objectives. It would also be a major step toward coordination among AIFLD national, Regional, and Front Royal efforts, and of these with labor education activities of ORIT and other agencies.

Much that is designated as advanced "labor education" is really provision of opportunities to build solidarity through acquaintance and dialogue. The AIFLD program would avoid a lot of misunderstanding by distinguishing these "courses" from those directed to the transfer of specific knowledge or skills. The training of trade union officials, like the training of the skilled craftsmen who make up many of their unions, should not be haphazard exposure to a loosely defined subject matter. It should include mastery of the skills required for effectiveness and sufficient guided experience to assure proficiency in their regular performance.

The era of AIFLD-sponsored courses should soon disappear. The Honduran labor movement has a cadre of trained leaders who

could readily be turned into excellent instructors with a little assistance and guidance. The federations claim they cannot pay these people to be full-time labor educators. The lack of resources, not the lack of courses, obstructs efficient achievement of program goals, and there are more efficient ways to provide resources than by sponsoring courses.

This conclusion is also supported by a review of recent Georgetown graduates. The last one from Honduras lost his job after being given the scholarship and has not found a new one since his return. Some Honduran private and governmental employers are reluctant to make commitments to such students because they expect that improved qualifications will mean a demand for higher salary.

This Georgetown labor economist is voluntarily teaching in AIFLD seminars while he waits for a possible opening at FESITRANH. Once again, effectiveness of labor education is diminished by the lack of union resources and not by a shortage of trained people.

B. Social Projects

The view of the AIFLD program as generalized technical assistance delivered through education and social project activities is supported by review of the Honduran social projects. The AIFLD program input is not the amount of money granted or lent to the unions and federations, nor is it the volume of project proposals prepared. It must be understood as the totality of efforts involved in helping a developing institution, the Honduran free labor movement, build the capability to perform increasingly more difficult tasks useful in achieving its objectives.

The AIFLD program resembles typical AID efforts in cooperatives, including that in Honduras. Co-op contract technicians, though heavily involved in education, are essentially builders of an institution and movement, who must direct their assistance wherever it can be most useful in reaching program goals. Although AIFLD task orders emphasize educational activities and implementation of social projects, operation of the program actually involves a wide range of assistance useful in building the free labor movement. The proliferation of special task orders for various new projects and activities reflects the difficulty of fitting desirable AIFLD efforts into the two principal categories, emphasizing the need to develop goal-oriented resource allocation and coordinated sets of related activities.

For example, the Institute role in the FESITRANH housing project, involving a BID loan of more than \$2,000,000 for 1,000 homes, included the supplying of conventional architectural and engineering assistance. It also involved a \$3,158.77 loan from the ALF-CIO impact projects fund, to permit early construction of a model house, so that the final design would more accurately reflect the workers' desires. More recently, a \$34,000 loan from the AID-financed Regional Revolving Loan Fund has helped the FESITRANH project survive war and flood-induced delays until the BID funds begin to flow. The first 350 houses of the project are now being constructed on schedule.

The major AIFLD contribution has perhaps been the provision to FESITRANH of help that gave that Federation the nerve and knowhow required to turn an inexperienced labor group into a capable and acceptable borrower. Informed observers, including Hondurans and Mission personnel, assert that the AIFLD role was critical in bringing the labor group to BID attention, establishing its credibility, and pressing its claim for resources. This combination of catalytic role, moral support, and technical guidance, is the essence of AIFLD's social project activities in Honduras.

AID finances the performance of similar roles in assistance to cooperative movements and in the Pan-American Development Foundation program of self-help community projects, among others. This pluralistic approach to institutional development recognizes the unique capabilities of particular U.S. groups for assisting their related groups in developing countries.

1. Fund Sources

The AIFLD social projects program of generalized technical assistance helps the Honduran labor movement to mobilize resources, including, but not limited to, AID and AFL-CIO funds, for the satisfaction of worker needs by their own efforts. Assistance includes (1) motivation, (2) technical help in design, financing, and construction, (3) supervision of credit and repayment, and (4) education for continued independent efforts. Although recourse is had to various suppliers of resources, the following regularly available funding sources are considered to be part of the specific AID-AIFLD input:

- (1) AIFLD Regional Revolving Loan Fund (AID Task Order No. 43);
- (2) AFL-CIO impact projects fund;
- (3) AID Mission "small projects" and other funds;
- (4) ANACH Revolving Loan Fund (includes grants and loans from AID, AFL-CIO, and others);

These funds and the administrative costs of operating the social projects activities are the program input that is supplemented by self-help labor and other Honduran resources. The AIFLD Honduras staff includes a co-op specialist who serves as a full-time social projects technician. AIFLD regional staff and outside consultants also provide intermittent help. The IESCA instructors formerly devoted part of their time to social projects and the Country Program Director will continue to do so. A \$2,400 grant from the AIFLD regional campesino

office funded four staff people for ANACH from January through June, 1970, and most of their work is social project activity.

The AID-sponsored Regional Revolving Loan Fund of \$500,000 was established in 1968, to provide no-interest loans not available to unions from other programs. The fund is administered by AIFLD, but all loans, from \$5,000 to \$50,000 for up to five years, are approved by the AID Director of the borrowing union's country. AIFLD/Honduras helped SITRATERCO borrow \$50,000, one of only four loans made by the Fund during its first year, for construction of a warehouse, consumer cooperative supermarket, and community center building that will enable the union co-op's well-established operation to expand sales volume and serve members more effectively. The building is an impressive addition to the workers' neighborhood.

A non-American technician, temporarily assisting the co-op in stocking and record-keeping for its expanded operation, remarked that, although he had seen evidence of some anti-American feeling during his three months in Honduras, the labor movement appeared to be strikingly free of such sentiments. It is reasonable to assume that projects such as the SITRATERCO co-op building have contributed to this condition.

AFL-CIO impact project funds are administered by AIFLD under rules similar to those applied to AID small projects.

Both appear in the AIFLD Impact and Small Projects Combined Manual (January, 1969). AID projects involve up to \$2,000, while AFL-CIO efforts can be as much as \$5,000. Labor funds cannot be spent for "ordinary union activities," but priorities and purposes of both sources are otherwise similar, emphasizing local contributions, preference for continuing activities and for loans over grants, and projects that are "genuinely initiated by local unions." AID approval is required only for AIL projects. In both categories, the AIFLD reporting requirements are as stringent as those of AID.

This list indicates the type and magnitude of 1969-70 projects:

<u>Date</u>	<u>Title of Project</u>	<u>Source of Funds</u>	<u>Amount</u>
1/15/69	SITRATERCO--Consumer Cooperative building	AID RRLF	\$50,000
3/11/69	SITRATERCO--Vocational school equipment	AFL-CIO	4,038
5/26/69	Grant to FESITRANH--sewing machines	AFL-CIO	1,165
5/26/69	ANACH Medical Brigade	AFL-CIO	2,025
9/5/69	FESITRANH--Hurricane relief	AFL-CIO	500
2/11/70	FESITRANH--to assist in housing project	AID RRLF	34,000
	ANACH Revolving Loan Fund--farm loans	AID & AFL-CIO	\$14,000 (from 4/1/67)

Projects not yet completed from previous years require continuing attention and disbursements may take place in more than one year. In addition, AIFLD assists in development and implementation of projects that do not receive direct U.S. funding.

The ANACH revolving fund, though appearing as a single project, has included 15 or more separate loans requiring individual attention. It is a more impressive effort, with greater economic impact, than the useful but diffuse array of small projects. The fund was started in April 1967, with a \$3,000 grant from AID, entrusted to AIFLD for administration. In June, 1968, AID added another \$6,000. Late in 1969, AID added \$2,500 more from the Special Projects Fund and the AFL-CIO made a \$2,500 loan to the Fund, bringing the total invested to \$14,000. During the evaluation visit, the President of the Republic delivered \$15,000 to the Fund, supplementing a \$75,000 commitment made almost simultaneously by the Banco de Fomento. The Bank agreed that ANACH could administer the fund on its behalf and that loans would be made only to campesinos. AIFLD then helped ANACH start a "technical department," including a fund administrator, a development officer, and an agronomist, by an impact project for \$1,400 and assistance in negotiations for assignment of a Peace Corps Volunteer. The governmental confidence in ANACH, manifested by the entrusting of funds,

indicates the effectiveness of AIFLD and Honduran efforts to build a strong campesino institution.

ANACH, with the assistance of AIFLD's full-time cooperative technician, has developed a long-term Plan Cooperativo, designed to make the campesino union not only the principal political instrumentality of the campesinos but also a major source of economic power for them. The strengthening of ANACH, politically and economically, is a major objective of the Honduran free labor movement. AIFLD, through counselling, financial support, education and social projects, is a critical factor in achievement of that objective.

All loans made from the rotating fund are for supervised agricultural credit, including cultivation and storing of grains, purchase of livestock, and similar economic activities. Eighteen "pre-cooperative" groups are now cultivating parcels collectively through loans from the Fund. Members of the pre-cooperative are also free to cultivate individually. As ANACH has been the campesinos' political spokesman in support of rights under the Honduran agrarian reform program, the Revolving Fund has been a source of the economic strength needed to make acquisition of cultivation rights more than an empty ceremony. Fifteen loans had been repaid by the end of 1969 and another fifteen were outstanding. Hurricane losses have caused some delay in repayments, but no campesino group has been financially irresponsible. Only one loan, about \$1,900 for cattle, has been for more than \$1,500, and since

the average number of cooperative cultivators is about 20, the AID-AIFLD effort has directly affected more than 600 campesinos already.

2. Impact and Evaluation

Officials of INA (the Agrarian Reform Agency) and the cooperative movement raise serious questions about the future role of ANACH and the pre-cooperatives, preferring less political, "pure cooperative" alternatives. Labor movement leaders have pursued an independent course, convinced that their model is the best hope for campesino security and economic progress. They acknowledge the highly political involvement of their approach, but assert that the campesinos can be protected in no other way.

The AID mission has supported INA, the co-ops, and ANACH, urging pluralism and healthy competition. The relatively small commitment to ANACH up to the present time, and the convincing evidence that the Rotating Fund responds to felt needs of both the campesinos and their trade union brothers, suggest that the group should receive continuing support unless circumstances or performance change significantly.

AIFLD records on the Rotating Fund have to date been concerned almost exclusively with documenting disbursements and repayments. As the ANACH technical department becomes active, the economic consequences of the loans should be tabulated, since this will furnish broader evidence of the social project impact.

One member of the evaluation team accompanied the AIFLD cooperative specialist and an ANACH activist on visits to three pre-cooperatives. Observation confirmed that AIFLD is helping AID give effective assistance to people who need it most, is broadening the base of Honduran society, and is building a new institutional structure that will add political and economic strength to the free labor movement.

Non-labor observers seemed concerned that AIFLD and the Honduran federations are working with campesinos. Honduran labor leaders at all levels made clear that their commitment to ANACH was not only the implementation of a socio-political view about the organization of labor in a predominantly agricultural society but also had deep cultural roots. As the leader of a SITRATERCO local explained it, there is a common bond of heritage and interest between the agricultural laborers of United Fruit Company and landless campesinos, due partly to the similarity of their work and mobility between the two sectors. He added that the campesinos had supported the fruit workers in the critical 1954 recognition strike. Oscar Gale pointed out that the first six seminars given by IESCA in Honduras had culminated in the founding of ANACH, simultaneously with signing of the Agrarian Reform Law, in 1962, emphasizing that concern for the campesinos has been part of free labor movement and AIFLD concerns from inception of both. With at least 70 percent of all Honduran workers

classified as campesinos, the social and political rationale for their inclusion in the labor movement is clear.

In addition to the Rotating Fund, AIFLD also provides continuing assistance to campesinos through the Medical Brigades project. This wholly non-governmental effort, coordinated by an IESCA instructor, brings volunteer doctors to various rural sites on Sundays. Campesinos pay one lempira (\$.50) for medicine prescribed, but examination and treatment are free. The AFL-CIO impact fund furnished \$1,500 for initial medical supplies and later granted \$2,800 to help in replenishment and expansion. Self-help construction of a dispensary that will serve ten surrounding hamlets is also being assisted currently, but the bulk of program support is generated from other private sources. An evaluator listened to the instructor discuss the question of procuring wood for doors, windows, and furniture, with the campesino group's head, and the process was in the best tradition of self-help community development practices. AIFLD social projects are helping ANACH mobilize resources from private and governmental sources for the benefit of campesinos.

3. Indicators of Impact

Although the goals of social project activities are even less tangible than those of the education program, the results are easier to measure in Honduras. As in education, the low baseline level of the campesinos causes changes attributable to social projects to stand out more clearly than among more

sophisticated groups. However, the tangible accomplishments created by major social project efforts with the federations, for example, are also dramatically visible. While it is misleading to say that AIFLD "caused" construction of the new \$50,000 SITRATERCO community center and consumer cooperative building, there is little evidence to support any claim that the building would have been built without the Institute's financial and technical help. The improvement in SITRATERCO's capacity to obtain and administer loans, another major goal of the project, has not been measured but is evident. The attribution of specific results to a catalyst is at best ambiguous, but description of the catalytic process and its outcomes is nevertheless useful for decision-makers.

The concentration on campesino self-help projects reflects an AIFLD emphasis forced by the priorities of the federations and the difficulties of finding useful small projects in the cities of Honduras. The numbers cited are some indication of the magnitude of efforts and results, but the full measure of impact on individuals and institutions would require a major sophisticated study of attitude and behavioral changes that would be a luxury under the circumstances.

The volume of Honduran self-help activities and financial resources generated by social projects has not been calculated by AIFLD/Honduras. Nevertheless, it was apparent during the evaluation visit that AIFLD loans have permitted recipients to

complete projects of their own that would otherwise have been left uninitiated or uncompleted. While tabulation of local contributions would be helpful, it should not be assigned much importance as an indicator of impact. Though AIFLD/Honduras's social projects strategy is not clearly delineated, assistance to those least able to contribute is clearly an element in it. While self-help should be encouraged, emphasis on local contributions leads too easily to imposition of commercial banking criteria for loans that have goals not limited to economic matters.

The American labor movement was fortunate to be present and helpful in the 1954 founding struggle of the Honduran labor movement. That initial relationship and the strong ties that evolved from it enable the Institute to integrate its social project activities into the plans and programs of the federations, while maintaining sufficient friendly influence and direction to assure financial probity and avoid gross misapplications of resources.

Quick response and a minimum of formalities are essential to effective use of small project funds. Delayed delivery of funds reduces impact and often saps motivation. Excessive formal requirements for approval and reporting are wasteful in relation to the possible monitoring or savings benefits involved. The AIFLD project approval and fund delivery system would be improved by treating the first \$1,000 of annual social

project expenditures, for example, as a Country Director's discretionary fund, to be replenished after documentation of loans made from it. The sacrifice of AID and AIFLD prior approval prerogatives is minor in relation to the benefits of increased program flexibility. A talented Director can describe any project in glowing terms and the wisdom of those far from the scene is little protection against poor projects. Examination of field-headquarters correspondence indicated that, at least in Honduras, social project funds are not disbursed frivolously. The SITRATERCO official who was obliged to return \$5, because disbursements on the \$50,000 consumer co-op loan exceeded the face amount by that sum, will support this view.

The February 1, 1970, AIFLD "evaluation system" report for social projects covered 26 projects. Nineteen were "closed" and seven were still "active." All closed projects were listed as "success" and the active projects were not graded. The closed projects were also marked "Funds Accounted for," suggesting that this weighed heavily in the determination of success.

While the actual spending and accounting for money, for the purposes contemplated in project descriptions, are important accomplishments, this evaluation system is not helpful in identifying progress toward the long-run self-sufficiency objectives of social project activities. The

real value of these projects often depends on what happens after the project is completed and this is presently neglected in the labor program. The Medical Brigades project, for example, would receive high marks. The ANACH technical department may not, unless sources of continued funding not presently visible are discovered. As the ANACH Revolving Fund experience shows, successful social projects can have a demonstration effect that generates unanticipated support.

The evaluation of AIFLD social projects is made in Washington by a one-man Community Services Staff. He makes broad judgments of social and political success based upon information from the field. This kind of gross evaluation is helpful in identifying country patterns, such as a series of "failures," though these would usually be equally apparent without the system. In the absence of more specific objectives for social projects, program appraisal of each project, in terms of achievement of stated purposes, is about all the evaluation can do. An effort like the ANACH Rotating Fund, involving many projects with similar objectives, requires an evaluation system that permits tabulation and appraises progress toward the overall goal.

When the social projects program is viewed as an aspect of the broader general effort to strengthen free trade unionism, evaluation of impact is linked with the effects of other activities. On this basis the Honduran social projects have

had substantial impact. AIFLD and its Honduran partners have used social project funds to test the viability of innovative institutions and to illuminate important latent capabilities of labor groups. These efforts have helped to achieve the broad partnership effort and wider sharing of benefits contemplated by the Alliance for Progress.

CHAPTER V

ADMINISTRATION OF AIFLD PROGRAM

A. Planning and Budgeting Procedures

The annual program of the AIFLD in Honduras, and in all other countries, is presented in the Country Labor Plan (CLP), without AID consultation, and edited by AIFLD in Washington. All country plans are approved by the AIFLD Board of Directors at their annual meeting, usually in late spring, and only then are they discussed with AID, serving as AIFLD's basis for budget negotiation.

In addition to the PROP, previously discussed, AID prepares a Project Agreement and a PIO/T (Project Implementation Order/Technical Services). In Honduras, the AID drafters of these documents consulted with the AIFLD CPD, so that they are generally consistent with his views, but he did not review final drafts. Circular Airgram 72 of November 9, 1965, entitled "AID Labor Programs in Latin America," instructed Missions to give "all practicable positive aid to the AIFLD officers in developing and presenting their projects." The response to this in Honduras is unilateral AID preparation of project documents, but if collaboration could take place before preparation of the CLP, a joint program document could serve for both contractor and sponsor. Since the CPD presents an estimated calendar year budget and the PROP uses fiscal year figures, a combined document could simplify matters considerably.

The difficulties experienced by AID and AIFLD in developing coordinated planning and budgeting cycles are evidenced by the January 1965 recommendation of an AID official^{1/} that the AIFLD budget be shifted from a calendar year to a fiscal year program cycle. The AIFLD Financial Director is still trying to gear into country planning processes and claims that country dates are constantly changing. He is hopeful that the desired coordination will be achieved for FY71.

In Honduras, the AIFLD Country Program Director's proposed budget was reduced from \$110,000 to \$80,000 by an AID program officer, without his knowledge. Thereafter, although the reduction was reinstated, the AID budget submission was forwarded to Washington before the CPD had presented his budget to AID/Honduras. If appropriate budgetary guidance could be given before the CPD begins work on a planning document, more realistic programming would be encouraged. For Honduras, planning of the labor program involves reallocation of resources within a relatively fixed budget rather than development of plans for use of additional funds. Since flexibility within the existing budget is limited by previous commitments and fixed expenses, few planning issues exist. The CPD indicated some unhappiness about \$4,000 for a new trade union education

^{1/} Cited in "A Report of the Comptroller General," part of Survey of the Alliance for Progress, Senate Committee on Foreign Relations, U.S. Government Printing Office 1968, p. 39.

program for school dropouts that was cut from his budget. The only other serious planning issue involved disagreement over the appropriate amount for traditional labor education program expenses.

Planning, budgeting, and evaluation of the labor program are handicapped by the failure of AIFLD and AID to describe the anticipated relationships between program goals and the activities purportedly related to their achievement. Without this, planning discussions become power struggles for more activities money. Each party contends for his version of the appropriate amount of what both agree is something worth doing. In Honduras, these discussions have not escalated to higher authority levels. Program contracts have been negotiated amicably, though without reference to specific program goals or useful evaluation of prior program performance.

Despite disagreements over individual program activities and the almost unavoidable contractor pleas for more money, there is a unity of political and educational objectives between the contracting parties that permits resolution of planning and budgeting problems at the field level.

Honduran labor planning and budgeting would benefit from clearer relationship of expenditures to program goals. For example, AIFLD supports ANACH by courses, technical assistance, financing of personnel and social projects. If specific goals

relating to ANACH were identified, and all program activities relating to them were grouped together in plans and budgets, more useful documents would emerge. Budgetary questions could then be reviewed in terms of prospective contributions to program impact, instead of fruitless debates about appropriate amounts for separate activities, considered without relation to achievement of specific results.

The simple budgeting problems for AIFLD country programs cause an inordinate amount of useless discussion and needless ill feeling, even in Honduras. The decision to have a country program at all is a commitment to fund CPD salary and fringe benefits, secretarial help, office rent and supplies, transportation, and similar expenses. The extent of variation is negligible from year to year and, once AID provides a figure for budgetary guidance, there is little to negotiate. Nevertheless, Country Program Directors persistently press unrealistically for money they will not get and AID program and financial staff plague the Directors with attempts to scale down line items that are virtually fixed or certainly not worth the time and ill-feeling involved in the reductions that may be achieved. The entire process shows a lack of understanding of budgetary guidance by the contractor and a failure to appreciate the need for program flexibility by AID.

B. AIFLD/Washington, AID/Honduras, and the Country Program

The relationship between AIFLD/Washington and its Country Director in Honduras could serve as an example for AID in developing an appropriate relationship to the contract program. Despite obvious difference in their situations, AIFLD's Washington office and AID/Honduras are both charged with supervision, support, and monitoring of the Honduras contract.

AIFLD Headquarters relies heavily on the Director's Country Labor Plan and accompanying budget for guidance on what activities are likely to occur in the coming year. Although there is little evidence that AIFLD's Regional Director, Social Projects Director, or Education Director made any substantive changes in the 1970 Honduras program plan, for example, they reviewed the document at the annual Country Directors' Conference and asked for clarification on specific points. If the Director's strategy is internally consistent and aimed at strengthening of the free labor movement, he is given broad authority to develop and implement it. When a social project is proposed, Headquarters requires the Director to justify it and to explain how it will achieve free labor goals, but rarely substitutes its own judgment of importance or appropriateness. The Honduras Director stated that a typical small project required 6-7 weeks for AIFLD approval and delivery of funds, which he did not find burdensome. Support from the AIFLD regional architect and engineer, and from consultants, is also furnished on request and justification. The Headquarters

staff is a resource available for guidance and for direct help with specific problems that the CPD thinks require it.

The Country Director has limited latitude in the choice of participants for the Front Royal and Georgetown programs. He is circumscribed in Honduras and elsewhere by the desire of national confederations to control selection. AIFLD/ Washington intervenes only when a candidate is palpably inappropriate. This intervention has been infrequent, although greater judicious exercise of such intervention would give the CPD a chance to improve selection without jeopardizing his relationship with local leaders. Not all countries have matched Honduras's consistent record for sending students likely to benefit from the programs and to use what they learn.

Washington receives bi-weekly reports of activities which, for Honduras, include separate reports from the co-op specialist and the Tegucigalpa coordinator. These reports, plus visits by various Headquarters staff, are Washington's main sources of program information. In the absence of serious complaints from AID or local labor people, the Country Director is customarily free to perform without interference from year to year.

This system logically calls for some annual review of performance based on comparison of plans and results. To date, AIFLD review is concerned primarily with the number of courses conducted and the number of social projects undertaken, with little examination of their value or consequences. Paradoxically, the Institute, which teaches Latin American unions to

ask for "more" and support their requests with performance data, is constantly asking AID for "more" without supplying similar data. A useful analogy might be a union seeking higher wages because the members worked hard (i.e., gave courses) rather than because of their higher productivity.

While AIFLD criteria for appraising the Country Director's performance are vague, the broad autonomy given provides opportunity to demonstrate his ability. It is good for morale and avoids any case unsuccessful Directors might have for claiming that Washington caused their difficulties. AID might usefully follow a similar procedure.

In the absence of joint agreement about specific results to be achieved, AID monitoring of the AIFLD program in Honduras and elsewhere involves excessive concern over minute details of expenditures and a general uncertainty about the value of continuing to give so many courses. Because AIFLD can and does justify its program as a vehicle for maintaining dialogue and relationship between U.S. and Latin American labor, the monitors are left with a limited area for surveillance or control. This leads to occasional bickering over amounts that are small in relation to the AIFLD budget and negligible in relation to AID expenditures. The time spent in disputations of this sort and the number of AID people involved in it (at least five in Honduras) complicates the contractual

relationship. AID efficiency would be improved by assigning responsibility for review of these issues with AIFLD to one person and allowing the results of joint deliberations to be measured against eventual assessment of performance outcomes. Involvement of more people has not, in Honduras, had constructive effects equal to the costs of their participation.

AIFLD and AID view the labor unions as both a democratic force and as an instrument of development. The AIFLD commitment to ANACH, shared by most Mission personnel concerned with the labor contract, reflects joint concern for the campesino sector. Serious disagreement arises only with respect to the appropriate economic activities for campesino improvement, with AID viewing the national cooperative movement as an alternative to be encouraged along with the ANACH Plan Cooperativo. Despite this difference of opinion about means, the AIFLD contract in Honduras is generally viewed by its sponsor as a good vehicle for accomplishment of Mission objectives and the contractor is reasonably content to pursue these objectives.

The supervisory support and monitoring of AIFLD country activities in Honduras by both AID and AIFLD/Washington is limited by the inadequacy of written reports for conveying a sense of the field situation. AIFLD Headquarters compensates for this by giving Country Directors considerable autonomy and looking for written evidence that activities have been performed. AID, unaccustomed to such contractor autonomy, seeks in vain for the additional reporting that will permit more intelligent intervention or, at least, assurance that the contractor is not missing anything that AID thinks important. It is significant that the labor attache who, like AIFLD staff, spends much of his time in contacts with labor leaders, does not share AID frustration. He knows what is going on. The difficulties he experiences in conveying this knowledge to AID program staff confirm AIFLD's contention that the limits of reporting prevent useful substitution of judgment by those not on the scene. The AIFLD Director now visits Tegucigalpa weekly, at AID request, and it is difficult to imagine what additional reporting might be useful beyond the weekly opportunity to compare notes.

More field visits by AID program officers would be helpful in improving their understanding. The AIFLD Director also submits monthly plans and quarterly reports to AID, and is obliged to clear all social projects with the Mission. He estimates that ten percent of his time goes to providing such

information. AID receives information about completed activities and can review results with the AIFLD Director. Because results are expressed primarily in terms of number of students participating in courses, they do not convey much sense of AIFLD involvement with, and impact on, the labor movement. However, the labor attaché's reporting is shared with AID staff and there is no shortage of labor information related to the AIFLD program. Although occasional differences within AID about the appropriateness of AIFLD relationships to various labor and campesino groups aggravate the contractual relationship somewhat, agreement about the direction of AIFLD efforts is still general enough to maintain a harmonious program.

The Executive Director of AIFLD is sometimes interpreted as contending that U.S. government policy-making in the labor area should be delegated exclusively to the Institute. This is an exaggerated contention, but he is correct in calling attention to the policy formulation implications of the Institute's continuing contractual relationship. AIFLD's CPD in Honduras, by a unique involvement with labor people that is not matched even by the labor attaché, is especially qualified to provide information and make judgments. Since this is recognized by the Mission, he plays an important role in developing and implementing U.S. labor policy.

AIFLD labor education and social projects activities are frequently criticized for being "too American." A sympathetic observer, despite what follows, described the 1962 AIFLD initiation of IESCA in Honduras as a "gringo deal" in which the AFL-CIO, now more heavily supported by AID, "swooped down" to take credit for projects and activities largely initiated by Hondurans, to the annoyance of the latter. Although that situation soon improved substantially, similar criticism is still heard at ORIT regional seminars, for example, when the frustrations of an underfunded program staff are given free rein.

The appropriate posture or manifestation of American labor movement presence should not be confused with the question of control. In Honduras, American government and U.S. labor movement beneficence are not seriously resented. It is the appearance and fact of control or dominance that sours positive impact. Since some control is inevitable from donors, the degree exercised and the techniques employed are critical. AIFLD's occasionally heavy hand elsewhere, and that of the AFL-CIO, are rarely felt in Honduras. Although the Honduran labor movement could ill afford to do without assistance, its leaders have always made clear the terms on which they will accept it. As a result, neither their followers nor their benefactors consider them "bought."

Anti-Americanism is less apparent within the labor movement than among other sectors in Honduras. The Consul General in San Pedro Sula, for example, emphasized that his reception at labor-sponsored ceremonies was outstanding. Honduran labor and business leaders, even when in disagreement with AIFLD policies, did not express anti-American sentiments. Discussions with beneficiaries of social projects indicated an awareness of private U.S. support that transcended any political basis for anti-American feeling. AIFLD and other U.S. activities related to the Honduran labor movement are currently sufficient to produce positive feelings toward the United States.