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AIFLD Panama 1977-1978

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Attached is the Program Evaluation summary for AIFLD/Panama for the office of George W. Phillips, LAC/DP/SD (AID Washington).

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PROJECT EVALUATION SUMMARY (PES) - PART I

Report Symbol J-447

1. PROJECT TITLE Manpower and Labor Development (AIFLD)	2. PROJECT NUMBER 525-15-460-118	3. MISSION/AID/W OFFICE US Mission PANAMA
4. EVALUATION NUMBER (Enter the number maintained by the reporting unit e.g., Country or AID/W Administrative Code, Fiscal Year, Serial No. beginning with No. 1 each FY) <input checked="" type="checkbox"/> REGULAR EVALUATION <input type="checkbox"/> SPECIAL EVALUATION		

5. KEY PROJECT IMPLEMENTATION DATES A. First PRO-AG or Equivalent FY 1964 After B. Final Obligation Expected FY 1983 After C. Final Input Delivery FY 1983 After	6. ESTIMATED PROJECT FUNDING ANNUAL A. Total \$ 148,500 B. U.S. \$ 135,000	7. PERIOD COVERED BY EVALUATION From (month/yr.) October 1977 To (month/yr.) October 1978 Date of Evaluation Review
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8. ACTION DECISIONS APPROVED BY MISSION OR AID/W OFFICE DIRECTOR		
A. List decisions and/or unresolved issues; cite those items needing further study. (NOTE: Mission decisions which anticipate AID/W or regional office action should specify type of document, e.g., airgram, \$PAR, PIO, which will present detailed request.)	B. NAME OF OFFICER RESPONSIBLE FOR ACTION	C. DATE ACTION TO BE COMPLETED

None

9. INVENTORY OF DOCUMENTS TO BE REVISED PER ABOVE DECISIONS N/A <input type="checkbox"/> Project Paper <input type="checkbox"/> Implementation Plan e.g., CPI Network <input type="checkbox"/> Other (Specify) <input type="checkbox"/> Financial Plan <input type="checkbox"/> PIO/T <input type="checkbox"/> Logical Framework <input type="checkbox"/> PIO/C <input type="checkbox"/> Other (Specify) <input type="checkbox"/> Project Agreement <input type="checkbox"/> PIO/P	10. ALTERNATIVE DECISIONS ON FUTURE OF PROJECT A. <input checked="" type="checkbox"/> Continue Project Without Change B. <input type="checkbox"/> Change Project Design and/or <input type="checkbox"/> Change Implementation Plan C. <input type="checkbox"/> Discontinue Project
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11. PROJECT OFFICER AND HOST COUNTRY OR OTHER RANKING PARTICIPANTS AS APPROPRIATE (Names and Titles) James P. Murphy (Labor Attache) Philip Dean Butcher Gabriel Migala	12. Mission/AID/W Office Director Approval Signature Typed Name Date
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PROJECT EVALUATION SUMMARY
Part II

14. Evaluation Methodology - This evaluation measures the progress of the democratic labor movement in the Republic of Panama. The AIFLD project under review is a trade union education program in cooperation with the Confederation of Workers of Panama (CTRP). Key figures in democratic trade union education are the Secretary General and the executive council of the CTRP, the AIFLD Country Program director, the instructors and the participating trade unionists. The evaluation generally focuses on measurable activities e.g., courses completed, increase in affiliation, contracts negotiated and improvements in worker's conditions, but it also notes the qualitative aspects affecting CTRP's progress.

15. External Factors - The major local obstacle to progress increasing CTRP membership during the evaluation period was the continuing prohibition of wage bargaining under Law 95. Worldwide inflation accompanied by declining economic activity created special problems in Panama's economy which had a bad effect on trade-union growth. Real wages declined and unemployment and underemployment increased. The GOP earlier had encouraged militancy among the leftist unions especially the Moscow-line Communist labor confederation (CNTP)-- CTRP's main rival in Panama. More recently, courting private investment, the GOP shifted to a pro-business attitude at times cooperating in anti-union actions by businesses which Panama hopes to encourage such as the banking sector. Under such adverse conditions, maintaining its existing union and dues structure while avoiding deterioration probably represented the best CTRP could hope to accomplish.

On a more optimistic note, the approaching implementation of the Carter-Torrijos treaty (October 1, 1979) will bring an important, high-wage, and well organized sector (Canal Zone employees) into the labor arena of Panama. CTRP has been planning and preparing for a more important role under this new situation. CTRP also concentrated on preparing for a return to wage bargaining as the clause in Law 95 prohibiting collective bargaining for wages expired in January 1979.

16. Inputs - A major problem for CTRP's education program has been its fixed-dollar budget, as inflation caused costs for instructors and "lost time" to increase dramatically. The net effect was a decline in real dollars available for education. The local economic depression has added to CTRP's problems as increasing dues under such economic conditions was politically not feasible.

Despite close contacts with AID officials, CTRP encountered several problems in obtaining access to excess property that could have facilitated its programs and overall effectiveness. AIFLD and AID officials involved in excess property disposal are trying to remedy this situation.

17. Output Indicators - The goals set for CTRP's increasing membership and improving wages and benefits by collective bargaining hinged on government actions and improvements in the economy. Neither area was encouraging from labor's viewpoint. The GOP continued the prohibition of wage bargaining throughout the period, dampening interest in trade unionism and new affiliations. The economy's sluggish performance reduced the expected increase in jobs. Finally, as real dollars declined, several projected seminars had to be dropped for budgetary reasons. The CTRP had hoped to expand during the evaluation period but found itself lucky to hold on to its members and continue some education courses. (See Output A and B).

OUTPUT A

Progress Indicators	Accomplished Sept. 30, 1978	Shortfall
5,000 new affiliates	500	4,500
30 Unionists prepared to work on Tripartite Conciliation Board	10 prepared	20
50 Unionists trained in accounting and budgeting	15 trained	35
Improved Elaboration of curriculum, course objectives and follow up	Some progress registered. More sophisticated program carried out.	
Train 20 labor leaders to become instructors.	Training is being carried out.	

SEMI-ANNUAL REPORT: PART II ACTIVITIES

Country: PANAMA

Period: April 1 - September 30, 1978

APPROVED COUNTRY APPENDIX ACTIVITIES TO BE ACCOMPLISHED:	ACCOMPLISHMENTS After 6 Months	ACCOMPLISHMENTS Expected at End of Year	NOT YET ACCOMPLISHED
Objective 1: <u>Strengthen Democratic Trade Union Movement</u>	1. Objective 1: _____	1. Objective 1: _____	1. Objective 1: _____
Activities: one-week basic sem. (6) two-week basic sem. (3) one-week res. c. (2) two-week res. c. (2) two-week res. c. (ITS) (2) one-week reg. sem. (1) Conferences and round tables	Activities: <u>1</u> <u>1</u> <u>1</u> <u>7</u> <u>0</u> <u>1</u> <u>3</u>	Activities: <u>6</u> <u>3</u> <u>2</u> <u>2</u> <u>2</u> <u>1</u> <u> </u>	Activities: <u>5</u> <u>2</u> <u>1</u> <u>Completed</u> <u>2</u> <u>Completed</u> <u> </u>
Objective 2: <u>Development of Labor Education Institutes</u>	2. Objective 2: _____	2. Objective 2: _____	2. Objective 2: _____
Activities: one-week basic sem. (4) two-week basic sem. (3) one-week spec. sem. (1)	Activities: <u>0</u> <u>1</u> <u>0</u>	Activities: <u>6</u> <u>3</u> <u>1</u>	Activities: <u>6</u> <u>2</u> <u>1</u>
Objective 3: <u>Dev. of Trade Union Social Servs. Programs</u>	3. Objective 3: _____	3. Objective 3: _____	3. Objective 3: _____
Activities: one-week res. c. (2) one-week reg. c. (1)	Activities: <u>0</u> <u>0</u>	Activities: <u>2</u> <u>1</u>	Activities: <u>2</u> <u>1</u>
Objective 4: <u>To Develop Trade Union Expertise on the New Canal Treaty</u>	4. Objective 4: _____	4. Objective 4: _____	4. Objective 4: _____
Activities: one-week nat. res. c. (2) Conferences and round tables	Activities: <u>0</u> <u>0</u>	Activities: <u>2</u> <u> </u>	Activities: <u>2</u> <u> </u>

18. Purpose - The Project's purpose is "to organize the majority of the workers in Panama under the basic principles of the free trade union movement." Following is a listing of conditions expected at the end of Planning Period (EOP's) along with brief comments in some cases:

A. The percent of Panamanian unions affiliated to CTRP will increase from 35 to 45 percent during the next four years. The CTRP will obtain a majority of union membership sometime after CY1983.

B. The contributions of CTRP to a labor institute will increase to about 70 percent by CY 1982. Although CTRP's eventual goal remains 100 percent self-sufficiency in all trade union education programs carried out in Panama, this goal cannot be obtained until long after CY1983.

C. To reach goals in B. the CTRP needs to increase membership and increase per capita dues. With new membership coupled with an improved economic situation the CTRP can gradually improve its internal revenues.

D. The CTRP should have at least three activists, two clerical workers and at least one education specialist as permanent full-time employees. It now has one clerk and one education specialist. It will be sometime after 1983 before CTRP meets these minimum goals and becomes self-sustaining in staff.

E. As part of the services its membership needs and to win new affiliates, the CTRP must improve its legal advice, as well as the advice and information it provides about collective bargaining, economic research, grievance procedures, and cooperativism. Although it already is meeting some of these objectives, CTRP will not be staffed or financed adequately (from internal sources) to provide these services until sometime after 1983.

Unions affiliated to CTRP should increase their dues-paying members by 25 percent over the next four years and increase the percentage of these members covered by collective bargaining agreements. CTRP affiliates should also increase the amount of union-sponsored education courses.

On the financial and political side the CTRP expects to help a total of 50 unions operate savings and loan cooperatives, to start planning on a national worker's bank, and to continue democratic elections and responsible wage bargaining.

During the next four years, the CTRP plans to double the number of specialists (from 100 to 200) in the fields of

organizing, bargaining, grievance handling, and in raising and administrating unions funds.

19. Goal/Subgoal - The AIFLD manpower and labor development project should increase the participation of low-income groups in the economic life of Panama. During the evaluation period, the best indicator of union effectiveness in improving its membership's economic situation was probably a negative one, i.e., the GOP prohibition of wage bargaining. However, labor unions cannot operate on a vacuum. If poverty exists on a widespread basis, unions can only assure a slightly different distribution pattern of this poverty. Some economists even argue that in an expanding economy most skills eventually will command some higher market "price" with or without unions. Nonetheless, most observers agree that unions exert pressure on management to distribute a part of profits to the workers more rapidly than would be the case without unions. Unions can also serve a useful purpose at the workplace by securing safer and better working conditions and preventing unfair or abusive treatment of the workers on the job. Achieving results by unified action and cooperation among union members is also a useful practical lesson for poor people. Strong democratic unions offer a realistic way to give a voice to sectors of society with little access to conventional channels of communication with decision makers. Progress in trade unionism in Panama has been seriously held back for reasons already .. elaborated. However, the importance of trade unionism has not diminished nor has the necessity of improving union education.

Comment. The EOPs set out in the Project Design Summary Logical Framework 1977 are ambitious but not unrealistic. Growth in numbers and more self-financing are probable for the CTRP during the years ahead. The EOPs should be maintained as they are.

20. Beneficiaries - The direct beneficiaries of this program are the members of CTRP whose purchasing power, standard of living, and influence on government policies should be increased by the CTRP's improvements in education, in collective bargaining and in social action. Indirect beneficiaries are the lower income unorganized workers who will see the practical benefits of organizing and cooperation. The overall economy should benefit from increased activity as union members purchase more goods and services as well as pay more taxes for government activities such as education and health. Society should benefit by the improved income distribution brought about by wage bargaining and the practice of democracy by the organized labor sector. The GOP and members of Panama's upper income groups can benefit from increased labor organization to the extent that the government and wealthier Panamanians

learn to deal more equitably with an increasingly important democratically organized group within Panama's society.

21. Unplanned effects - Programs necessary to advance toward the reasonable goals set by AIFLD have been reduced or eliminated for budgetary reasons. These shortfalls exist in obtaining necessary finances to provide more sophisticated courses and to expand membership. The depressed situation in Panama is partly responsible, but the CTRP and AIFLD will have to try to obtain more funds while giving increased attention to educational priorities in order to use their limited resources more effectively.

22. Lessons learned - AIFLD projects have been tested in many countries and in various social-political contexts. There are no alternatives to education and the chief concern of AIFLD/Panama should be to assure that the courses are relevant to the local situation and that the careful accounting of funds by CTRP that now exists is maintained.

23. Special Comments - The implementation of the Carter-Torrijos treaty should bring about 6 to 7000 new members into CTRP over the next few years. These high-paid and strategically located workers will have an important impact on the CTRP and the Panamanian government. It is very important for GOP and U.S. interests that the CTRP remain dedicated to increasing its membership and improving its services as it prepares for more important role in Panama's future.