

Free Trade Union Institute

Suite 300 • 1101 14th Street, N.W. • Washington, D.C. 20005
(202) 842-0322 Fax: (202) 310-5310



PD-ABH-792

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January 31, 1994

Mr. Gerald Hyman, Project Officer
EUR/DR/DPI
Room 4440
320 21st Street, NW
Washington, D.C. 20523-0053

RE: A.I.D. Grant No. EUR-0017-G-00-2025-00

Dear Jerry:

Enclosed please find the Free Trade Union Institute's quarterly program performance report on the referenced grant for the period October 1, 1993 - December 31, 1993.

Please note that FY 1993 direct salaries and indirect cost expenses have been included in the financial report. Reprogrammed budgets reflecting the application of FTUI's ICR will be forwarded shortly.

Sincerely,

Executive Director

Enclosures

DD-ABA-792

QUARTERLY REPORT
TO THE
U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

Regarding activities and expenditures
undertaken pursuant to Grant No. EUR-0017-G-00-2025-00

for the Fourth Quarter of 1993
(October 1, 1993 through December 31, 1993)

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INTRODUCTION

This report briefly presents information by country or regional project for the period October 1, 1993 through December 31, 1993. All activities discussed herein were funded under the terms of the grant agreement between the United States Agency for International Development (AID) and the Free Trade Union Institute (FTUI).

This report covers only those efforts already underway as of December 31, 1993. In some cases, even where narrative program reports have been received, complete reporting of overseas financial transactions (and documentation thereof) cannot be completed and verified within 30 days. In these cases, financial information will be completed in subsequent reports.

Please note that FY 1993 direct salaries and indirect cost expenses have been included in the financial report. Reprogrammed budgets reflecting the application of FTUI's ICR will be forwarded shortly.

A financial summary is included at the end of the report.

1. **POLAND/NSZZ SOLIDARNOSC - \$1,387,500**

A. **Summary Description of Project Activities for the Quarter ending 12/31/93:**

[This report combines information from the 3rd and 4th quarters of 1993.]

Equipment. FTUI Washington received a complete report from Solidarity Headquarters on equipment purchases made to date. It arrived at our offices on December 28, 1993 and has not yet been translated into English.

The report includes an accounting for \$205,046.17 in equipment purchases. Data are provided for all 37 Solidarity regions, listing specific brand and model of each piece of equipment, all serial numbers and exact price of each unit. This 45-50 page report will be submitted in English to USAID by the second quarter of 1994, as part of the lengthy, detailed update on Solidarity activities.

Economic Development. The Economic Development Program is constructed as a system of training courses and seminars dealing mainly with ownership transformations, organized for the unionists and State enterprise workers. They are combined with general lectures on basic economic categories.

The lecturers are expert in their field and are drawn from either the academic community or from the ranks of previously trained Solidarity activists.

The training courses and seminars dealt with the following subjects:

1. Aims and directions of ownership transformation in Poland based on the Government Privatization Program.
2. Legal basis of privatization in Poland.
3. Trade unions and workers' rights in ownership transformation process.
4. Ownership transformation procedure.
5. Basic economic categories which characterize market-oriented economy with a private ownership domination system built in.
6. Structure and functioning of commercial law enterprises.
7. Social threats resulting from stabilization program carried out in Poland and accompanying ownership transformations.
8. Employee shareholding - the dangers and prospects.

The following courses have been completed during this quarter, by region (not all regional reports provided the dates during which courses were held):

REGION: Elblag

COURSE TOPIC: "Economic Education Program"

DATES: November 15-19, 1993 (fourth quarter)

NUMBER OF PARTICIPANTS: not provided

REGION: Pojezierze

COURSE TOPIC: Single party ownership/State Treasury

DATES: not provided

NUMBER OF PARTICIPANTS: 256

COURSE TOPIC: How to create and operate worker cooperative ventures

DATES: not provided (three courses held)

NUMBER OF PARTICIPANTS: 148 + 150 + 250

COURSE TOPIC: Transforming enterprises into cooperative ventures

DATES: not provided

NUMBER OF PARTICIPANTS: 80

COURSE TOPIC: The privatization of state enterprises

DATES: not provided

NUMBER OF PARTICIPANTS: 115

COURSE TOPIC: The worker-shareholder

DATES: not provided

NUMBER OF PARTICIPANTS: 486

REGION: Chelmsk

COURSE TOPIC: The purpose of privatization, principles and forms of privatization, NSZZ Solidarity's participation in the privatization of state enterprises.

DATES: Sept 29-30, 1993

NUMBER OF PARTICIPANTS: 33

REGION: Slasko-Dabrowski

COURSE TOPIC: Economic and Social Consequences of the "Pact on Enterprises"

DATES: Aug. 23-27, 1993; Sept. 13-17, 1993

NUMBER OF PARTICIPANTS: 22 + 13

COURSE TOPICS: Changes in the Labor Code; Enterprise Collective Agreements; Enterprise Collective Bargaining; Collective Agreements beyond the Enterprise level; The Tax Consequences of the Pact on Enterprises; Laws on Taxation for Income beyond Regular Wages; Social Enterprise Funds; Laws on Insurance at the Workplace; What to do When Wages are not paid by the Employer.

DATES: Aug. 30 - Sept. 3, 1993; Sept 13-17, 1993; Sept. 27 - Oct. 1, 1993; Oct. 4-8, 1993.

NUMBER OF PARTICIPANTS: 12 + 24 + 22 + 24

REGION: Mazowsze

COURSE TOPICS: Privatization; How Enterprises Function in Free Market Systems

DATES: (12 one-day Courses held in Third Quarter, each in different regional enterprises) Sept. 2, 3, 6, 7, 8, 10, 14, 21, 23, 27, 29, 30

NUMBER OF PARTICIPANTS: Total 268 participants in 12 different enterprises

COURSE TOPIC: Specialized courses for Solidarity's Legal and Economic Experts

DATES: Sept. 1-3, 21-23, 27-29

NUMBER OF PARTICIPANTS: Total of 74 participants

REGION: Swietokrzski

COURSE TOPIC: not provided

DATES: Aug. 31-Sept. 3; Sept. 7-10; Sept. 14-17; Sept. 21-24; Sept. 27-30

NUMBER OF PARTICIPANTS: between 175 and 200

REGION: Czestochowa

COURSE TOPIC: not provided

DATES: July 19-22; Aug. 2-3; Aug. 30-Sept.2, Sept. 6-9; Sept. 13-16

NUMBER OF PARTICIPANTS: not provided

REGION: Gdansk

COURSE TOPIC: Leadership Training

DATES: not provided

NUMBER OF PARTICIPANTS: 120 representatives from 5 sub-regions

COURSE TOPIC: Leadership skills

DATES: not provided, 7 meetings and one course held

NUMBER OF PARTICIPANTS: 200 at meetings and 20 in course

COURSE TOPIC: Basic Training

DATES: not provided

NUMBER OF PARTICIPANTS: 350 in 7 subregions

COURSE TOPIC: Training for mid-level union leaders whose enterprises are undergoing the process of privatization

DATES: not provided

NUMBER OF PARTICIPANTS: 50

COURSE TOPIC: Legal and Economic Principles of Privatization for Joint Ventures

DATES: not provided

NUMBER OF PARTICIPANTS: 15

REGION: Wielopolska

COURSE TOPICS: Transition to a free Market Economy, Privatization, Worker and Union Rights during the process of Privatization

DATES: Aug. 21-22, 27-28, 28-29; Sept. 4-5, 11-12

NUMBER OF PARTICIPANTS: 50

REGION: Podbeskidzie

COURSE TOPIC: How to Analyze Financial Records of Enterprises, Enterprise Accounting; Marketing Analysis; Business Plans; The Program of the National Investment Fund

DATES: Sept. 22-30

NUMBER OF PARTICIPANTS: Representatives of Solidarity Locals,
number not provided

REGION: Konin

COURSE TOPIC: Wage Issues and the Role of Trade Unions

DATES: Sept. 8-10

NUMBER OF PARTICIPANTS: 31

B. Implementation Status:

Programs are on schedule.

C. Activities Planned for the Next Quarter (1/1/94 - 3/31/94):

1. Solidarity headquarters will be asked to submit a substantive report on how the computer network they have installed with funds from AID is helping them build their union and communicate with their members. To date, they have submitted only a quantitative accounting of all equipment purchases.

2. Courses will continue to be taught under the Economic Development Program.

D. International Travel Requirements Expected for the Next Quarter (1/1/94 - 3/31/94):

Christine Sadowski will travel to Poland during the next quarter to follow up on reporting for this grant.

E. Reasons Why Established Goals Were Not Met:

The program goals are being met.

F. Other Pertinent Information: (includes analysis and explanation of any cost overruns or high unit costs)

None.

2. **POLAND/ECONOMIC FOUNDATION - \$75,000**

A. **Summary Description of Project Activities for the Quarter ending 12/31/93:**

The final, close-out report from Poland on the activities of the Economic Foundation was not received before this report was submitted.

B. **Implementation Status:**

A final, close-out report on the program is being prepared.

C. **Activities Planned for the Next Quarter (1/1/94 - 3/31/94):**

A final, close-out report on this program will be completed.

D. **International Travel Requirements Expected for the Next Quarter (1/1/94 - 3/31/94):**

Christine Sadowski will travel to Poland during the next quarter to interview Economic Foundation leaders responsible for this grant, and she will provide a final, close-out report.

E. **Reasons Why Established Goals Were Not Met:**

None to report.

F. **Other Pertinent Information:** (includes analysis and explanation of any cost overruns or high unit costs)

None to report.

3. **RURAL SOLIDARITY - \$45,000**

A. **Summary Description of Project Activities for the Quarter ending 12/31/93:**

John Glaser, the FTUI field representative in Poland, visited Rural Solidarity during this quarter and urged them to submit a final, close-out report on this grant. Although Rural Solidarity promised to submit this report by late November 1993, no report has yet been received.

B. **Implementation Status:**

The project has been completed, and FTUI is awaiting receipt of the final, close-out report.

C. **Activities Planned for the Next Quarter (1/1/94 - 3/31/94):**

A final, close-out report will be completed.

D. **International Travel Requirements Expected for the Next Quarter (1/1/94 - 3/31/94):**

Christine Sadowski will travel to Poland during the next quarter to interview Rural Solidarity leaders responsible for this grant, and she will provide a final, close-out report.

E. **Reasons Why Established Goals Were Not Met:**

None to report.

F. **Other Pertinent Information:** (includes analysis and explanation of any cost overruns or high unit costs)

None.

4. **CONSULTING AND NEGOTIATING BUREAUS (BKN) - \$839,531**

A. **Summary Description of Project Activities for the Quarter ending 12/31/93:**

The Consulting and Negotiating Bureaus are involved in providing the staff of the transformed enterprises with the following services:

1. Legal and economic consultations concerning:
 - the trade union rights in ownership transformation process, procedures of enterprise transformation and bankruptcies of enterprises,
 - payment problems,
 - problems related to disability pension and old age pension,
 - group dismissal,
 - collective conflicts,
 - regulations concerning bonuses, and
 - work regulations.
2. Preparing opinions for NSZZ Solidarnosc concerning:
 - State Enterprise Pact,
 - wage settlements and wage regulations,
 - collective redundancy settlements,
 - possibilities for promotion, based on a financial analysis of an enterprise,
 - tax on social, housing and wage funds,
 - functioning of joint stock companies within an enterprise,
 - trade union's rights concerning the regulation of promotion system, and
 - the powers of various organs within an enterprise.
3. Participating in negotiations concerning:
 - wage settlement,
 - structural alterations of an enterprise, and
 - possibilities of protecting an enterprise against closing down.
4. Organizing training courses dealing with:
 - principles of functioning of an enterprise in the conditions of market-oriented economy,
 - employee - employer relations,
 - West European trade unions' experience,
 - economic and social effects of privatization,
 - amendments to the principles of taxation on wage increase,
 - legal basis for trade unions' activity,
 - creation and distribution of social and housing funds within an enterprise,
 - principles and methods of negotiations,

- creating and negotiating an enterprise wage system,
 - financial parameters analysis of an enterprise.
 - trade union's rights in the process of ownership transformation,
 - dismissals caused by an enterprise.
5. Publishing regional information bulletins. According to the information contained in the Consulting and Negotiating Bureaus' reports the number of consultations conducted in the third quarter of 1993 was about 2,020.
6. Some specific examples of BKN activity by region are provided below for the second half of 1993:

CONSULTATIONS AND NEGOTIATIONS

LUBLIN BKN:

- A. Collective bargaining underway at the "Bogdanka" coal mine where 600 employees are threatened with layoffs and the process of restructuring is proceeding supervised (on-going case).
- B. Liquidation of PGR plant in Machow. BKNs are negotiating conditions in behalf of workers (on-going).
- C. Liquidation of Installations Plant in Lublin. BKNs were successful in getting employers to pay workers back wages.

TORUN BKN:

- A. Furniture Factory in Czersk - BKNs succeeded in negotiating with German firm interested in purchasing the factory and the right for unions to take part in the process of privatization.
- B. "Drumed" Factory - a similar agreement was negotiated with the help of the BKNs for worker participation in the privatization process.

GDANSK BKN:

- A. Factory manufacturing metal containers - BKNs assisted Solidarity union in working out a guarantee that they be included in the privatization process.
- B. Naval Hospital, Gdynia/Orlowo - BKNs assisted in negotiating a pay raise for workers.

SZCZECIN BKN:

Lists involvement in cases during the second half of 1993 in 21 different enterprises. Sixteen have been settled; five are on-going.

SLASKO-DABROWSKI BKN:

Lists involvement in 10 enterprise disputes regarding group layoffs, wages, and working conditions.

KRAKOW BKN:

Lists involvement in 3 cases regarding wages, wage scales, and changing working conditions.

BIALYSTOK BKN:

Currently involved in two major disputes: one having to do with back pay, the other with group layoffs.

DOLNY-SLASK BKN:

A. Twelve sets of negotiations have already taken place over corruption in the process of privatizing the "Porcelana" plant.

B. Machine factory - negotiations taking place over wages.

C. Industrial parts factory - negotiations over wages.

D. Voivodship Administration of Wroclaw - negotiations over the working conditions of health service workers.

E. Hospital of Specialized Medicine in Wroclaw - group layoffs.

COURSES CONDUCTED BY BKNs:

In Kielce: Trade union rights in setting up enterprise wage schedules.

In Szczecin: The Role of Trade Union during Privatization.

In Katowice: The Pact on Enterprises, wage issues, and social security.

BKN PUBLICATIONS

In the Swietokrzyska Solidarity Bulletin:

"Managing enterprise social security funds and housing."

"Pact on Enterprises during Privatization"

In the Kurier Mazowsze (Solidarity Bulletin in Warsaw Region):

"The Effects of Privatization"

"Preliminary Agreements and Letters of Intention"

"The Current Privatization Program"

"Defending Wage Levels"

"What Workers should do when their Legal Rights are Violated"

"Joint Ventures with Foreign Capital"

"Profits and Liquidations"

"Value Added Tax is not so Terrible"

"Vacation Benefits"

"What's being done about Enterprise Debts?"

"Restructuring during Privatization"

In the Slasko-Dabrowski Solidarity Bulletin:

"The Fundamentals of Establishing and Distributing Enterprise Social and Housing Benefits"

"Taxes on Goods and Services"

"Transition from a Planned to a Free Market Economy"

"Wage Scales"

Book entitled Making Informed Decisions about Privatization: A Handbook for Workers and Trade Unionists, by Dariusz Sadowski, Director of BKN office in Slasko-Dabrowski Region.

In Gdansk:

The BKN team completed a study of what to do about reclaiming assets confiscated from Solidarity during the 1980s. They also provided instructions and developed questionnaires for distribution to Solidarity unions throughout Poland. Recommendations were prepared and delivered to Prime Minister Hanna Suchocka on how this matter should be handled.

The above mentioned examples of BKN activities during the second half of 1993, are only a small sampling of the work they do. Clearly, their role in informing workers about their rights and obligations, teaching workers about free market economics, and informing them of new laws on topics such as income and property taxes, constitutes a critical contribution toward helping workers understand and participate in the process of economic and democratic transition.

B. Implementation Status:

Programs are on schedule. There were some problems involved in providing Solidarity with its first financial installment under the new (extended) grant. The problems were the result of the change to direct lines between Washington and Gdansk, rather than through the Brussels Office as had been the practice in the past. New bank accounts had to be established, and the task proved far more difficult than one would have anticipated.

C. Activities Planned for the Next Quarter (1/1/94 - 3/31/94):

1. Base-line data forms and standardized quarterly report forms for BKNs will be discussed with Solidarity Headquarters and new BKN Director; they will be distributed and collected for reporting during the second quarter of 1994.
2. The translation of very extensive and comprehensive BKN regional reports, including statistical data and case studies, will be undertaken for delivery to USAID by the second quarter of 1994.
3. Field Representative, John Glaser, will complete his survey of BKN offices by visiting Bialystok, Rzeszow, and Krakow BKNs.

D. International Travel Requirements Expected for the Next Quarter (1/1/94 - 3/31/94):

Christine Sadowski will travel to Poland during the next quarter to follow through on new BKN reporting procedures and to meet for the first time with the new BKN director in Gdansk.

E. Reasons Why Established Goals Were Not Met:

The program goals are being met. FTUI, however, was unable to deliver the promised BKN baseline data by the fourth quarter for a number of reasons:

1. FTUI's Poland Program Officer in Washington, Carolyn Lauer, left FTUI in mid-August. Her position has been posted, but not filled.

2. Two weeks after the decision to create baseline data for the BKNs, Poland held parliamentary elections and Solidarity's attention was geared toward those elections.

3. In the weeks following the elections, the Vice-President of Solidarity, Janusz Palubicki, resigned and with his resignation relinquished his role as national director of the BKN program. This happened in October. His replacement was not named until November.

4. FTUI's management decided that a representative from our Washington staff should visit the newly appointed BKN Director and involve him in developing the BKN reporting forms. Christine Sadowski, who had planned to make that trip in the latter part of the fourth quarter was unable to do so for medical reasons. She is unable to travel until March 1, which will again postpone the implementation of these forms. We apologize for these delays. They were truly beyond our control.

F. Other Pertinent Information: (includes analysis and explanation of any cost overruns or high unit costs)

During the fourth quarter of 1993, a transition was being made from using the Brussels office of Solidarity as an intermediary, to dealing directly with Gdansk. This change-over had two consequences regarding the current reporting period. First, Solidarity headquarters encountered difficulties setting up a bank account in Gdansk that would receive these funds directly from FTUI. That problem has been settled. After encountering many difficulties, a transfer of \$187,500 was finally made to Solidarity in early December. Second, the Brussels office served the function of translating Solidarity reports from Polish to English. Since it is no longer an intermediary, reports from

Gdansk arrive in Washington in Polish. Very extensive, comprehensive reports were received by FTUI on December 28, 1993. They will be translated and submitted to USAID by the second quarter of 1994.

5. **WARSAW OFFICE - \$184,861**

A. **Summary Description of Project Activities for the Quarter ending 12/31/93:**

The resident representative for the FTUI Warsaw office, John Glaser, devoted most of his time in Poland to monitoring and tracking the activities of the AID-funded Solidarity Consulting and Negotiating Bureaus (BKNs). He undertook the following activities:

In October, John Glaser traveled to the Wroclaw and Kielce BKNs where he interviewed its staff and, in Kielce, visited an enterprise undergoing privatization.

In December, John visited the Szczecin BKN.

John has played an active role at AID Mission and U.S. Embassy meetings, and familiarized himself with the details of privatization.

B. **Implementation Status:**

The BKN offices in Krakow, Bialystok and Rzeszow must still be visited by John, which will complete his visits to all 13 BKN offices.

C. **Activities Planned for the Next Quarter (1/1/94 - 3/31/94):**

Submission of final reports on Rural Solidarity and the Economic Foundation.

Finalize BKN quarterly report forms and send out to all 13 regions.

Site-visits to remaining BKN regional offices.

D. **International Travel Requirements Expected for the Next Quarter (1/1/94 - 3/31/94):**

Christine Sadowski will travel to Poland to close out AID-funded projects that have been completed, to visit a number of regions, and meet with BKN officers at Solidarity Headquarters.

E. **Reasons Why Established Goals Were Not Met:**

Poland Program Officer in FTUI Washington office resigned last quarter and her position has not yet been filled. Christine Sadowski, temporarily charged with overseeing FTUI Poland programs, was out of the office for medical reasons during the second half of this quarter. The Vice-President of

Solidarity in charge of the BKNs resigned in October. The aftermath of the parliamentary elections left Solidarity concerned mainly with issues of retrenchment.

F. Other Pertinent Information: (includes analysis and explanation of any cost overruns or high unit costs)

None.

6. ALBANIA - \$30,000

A. Summary Description of Project Activities for the Quarter ending 12/31/93:

Two four-day seminars were conducted in October on the principles of basic trade unionism with an emphasis on local level activity. Three trainers plus the DC-based FTUI staff person conducted the training. The seminars were held in the facilities belonging to the trade unions.

Following a meeting in Tirana with the AID officer, Diane Blane, and U.S. Embassy Officer, David Kostelancik, the delegation travelled to Vlore where the first seminar was conducted, then to Dhermi for the second seminar. The Vlore seminar was attended by 34 participants, six of whom had attended FTUI's July seminar in Vlore; the Dhermi seminar was attended by 25 participants. Participants from the BSPSh regional and local offices were present in addition to representatives from the BSPSh-affiliated unions of civil defense workers, electrical energy workers, building and construction workers, light industry, agricultural workers, transportation, printing, hydro-electric workers, general services, mechanics, education, telecommunication, road maintenance, miners, and food workers.

The four-day seminars were conducted through question-and-answer, small group problem-solving exercises, and lecture. The discussion remained lively for most of the sessions, particularly during the collective bargaining session. The participants were initially most interested in the topic of collective bargaining, however, it became evident that the discussions on recruiting new members became the focus of the seminar. Most of the Albanian labor leaders do not engage in active organizing because the BSPSh in its short history has not experienced much resistance to new members joining. They do freely admit however that membership has declined. The unions are in the process of re-registering members (membership must be renewed every two years) and feel that they are not having trouble getting people to sign up.

Many questions were raised about foreign investment and how the union can play a role in getting companies to invest in Albania. Labor leaders are clearly concerned about the level of unemployment, the economic growth and the political implications of the government's economic reform measures. Many participants asked for future seminars which focus on free market economics, privatization, unemployment, and wage policies.

Discussions initiated by the Albanians regarding labor law revealed their concern. While the FTUI delegation tried to handle the questions in a general fashion, avoiding a technical discussion of labor laws, the Albanians were clearly disturbed by the current labor laws and the potential changes which

may be made without the labor movement's participation. Participants asked for future help with labor law reform and getting the unions top level leaders to address these issues.

The workers were also clearly upset by the recent strike of the Education Union in which the teachers won a 5% increase in pay and a one-step increase on the national wage scale. They saw this success as a "compromise" in a negative sense; the workers were concerned that the union leaders did not ask for an increase of several hundred percent.

The participants were most interested in discussions directly related to trade union problems in Albania: dispute resolution, grievance handling, scope of bargaining, labor law, structure of the labor movement, governance and leadership. In the course of these discussions, the leaders were willing to engage in larger, more abstract discussions on the democratic process, pluralism, activism, voluntarism, freedom of association, and decentralization.

There was a great difference between the participants who had previously attended a seminar by FTUI, and those who had not. Those who previously attended asked more challenging questions, exhibited a greater enthusiasm for activities such as role-playing and were more willing to engage the trainers in specific discussions during breaks, meals and off-hours.

The trainers ran into problems with the BSPSh coordinator of the seminars. First, many participants were invited from regions far away from the training sites -- as a result, many who were invited were not able to attend. Second, the facilities were not checked by the BSPSh delegate in advance and therefore were not set up for our arrival.

B. Implementation Status:

All funds have been spent. Albania is included in a Sub-Regional Education Project in FTUI's nine-month "bridge" proposal submitted in December 1993.

C. Activities Planned for the Next Quarter (1/1/94 - 3/31/94):

There are no activities planned for next quarter. All funds have been spent.

D. International Travel Requirements Expected for the Next Quarter (1/1/94 - 3/31/94):

There will be no travel to Albania in the next quarter. All funds have been spent.

E. Reasons Why Established Goals Were Not Met:

Program goals were met.

F. Other Pertinent Information: (includes analysis and explanation of any cost overruns or high unit costs)

None to report.

7. **BALTIC REPUBLICS - \$291,155**

A. **Summary Description of Project Activities for the Quarter ending 12/31/93:**

Print Shop for Lithuanian Workers Union (LDS)

The vessel carrying most of the printing equipment and supplies left the port of Norfolk, Virginia on December 2, 1993. The shipment arrived in Vilnius to the offices of the LDS on January 5, 1994.

Despite a frustrating series of set-backs experienced in consolidating, inspecting and shipping the equipment from the U.S. during the fourth quarter (detailed below under "Reasons Why Established Goals Were Not Met"), real progress was made in Lithuania in preparing for the arrival of the printing press. After receiving an initial report that the equipment would arrive in early November, the LDS staff worked intensively to ensure that the printshop premises would be completely renovated in time for the anticipated date of the vessel's arrival. A representative of the manufacturer was sent from Poland to inspect the site and make recommendations on electrical wiring, plumbing and other aspects of the renovation. During the quarter, the LDS also hired a professional printer and three assistants, who will operate the press once it is fully operational.

Education Programs for Lithuanian Workers Union

In the fourth quarter, the group of LDS trade union educators, who had gone through an extensive "train-the-trainers" course in 1992-93, began to use their new skills and taught three basic trade union education courses to local LDS activists. The courses were supervised by LDS Education Director Kristina Krupaviciene, and in one case observed by Ewa Sawicka, FTUI's Education Coordinator, who had run the "train-the-trainers" program. Ms. Sawicka and Ms. Krupaviciene purposely made minimal interventions during the courses themselves, but critiqued the instructors after each session and gave them constructive suggestions for improvement. In general, the new LDS instructors performed exceptionally well in their first real experience in training union activists. Below are brief descriptions of these three courses.

* From November 8 - 12, three LDS "apprentice-trainers" taught a course at the LDS training site at the Silas sanatorium near Vilnius to 14 activists from local LDS regions. The course covered organizing trade union work at the local level, LDS internal rules and by-laws, workplace health and safety, understanding wage structure, social security issues, negotiations, and the

implications of privatization. It also focused on how to set up an organizing committee at the enterprise level, how to run a successful meeting and how to plan activities. The participation of two LDS members who possess a wide range of experience in negotiations led to a useful exchange of information for less experienced trade unionists in the group. Course methodology included interviews, small group discussions, and role-playing exercises. The students responded very favorably to these methods because it gave everyone an opportunity to participate actively and express their views.

* From November 29 - December 3, four different LDS "apprentice-trainers" taught a course at the Silas sanatorium for 23 LDS activists from different regions of Lithuania. Course content was very similar to the previous seminar. Ewa Sawicka of FTUI's Warsaw Office attended as an observer.

* From December 13 - December 17, four different LDS "apprentice-trainers" taught a basic trade union course in Kaunas attended by 19 LDS activists. The content of the course largely followed the two courses described above. However, on the third day of the seminar, LDS President Aldona Balsiene responded to questions from students about the LDS structure, LDS legal and economic services and the LDS response to the crisis in the agricultural sector. In addition, Kazimeras Uoka, a member of the Lithuanian Parliament and former President of the LDS, together with a representative of the Lithuanian Farmers Union, responded to participants' questions and suggested constructive ways for dealing with the economic crisis in the agricultural sector.

In addition to the three basic trade union courses held during the fourth quarter, the LDS also organized a one-day course for LDS leaders from around Lithuania to explore the recent changes in the law pertaining to safety and health, and social security. LDS lawyers and trade union activists also discussed the impact of new loan regulation laws recently passed by Parliament, and how union members might become eligible to receive interest-free loans under the new legislation. Discussions were also held on the best ways to inform union members about these legislative changes and how the changes will affect them at the workplace.

Center for Labor Education and Research

During this quarter, the LDS set the official guidelines under which the Center for Labor Education and Research (CLEAR) will operate. The Center will be established under the auspices of the LDS and will be directed by the union's elected leadership. The LDS Coordinating Council will elect a Director who

will be responsible for submitting monthly Financial and quarterly reports to the presiding body of the Council.

Aldona Balsiene was elected by the Coordinating Council to serve as CLEAR Director. Under her supervision, the process of hiring a permanent staff for the Center has begun. Kristina Krupaviciene has been selected as the Center's Education Director and will receive half-time compensation for this position to supplement her position as the LDS Education Specialist.

Other specialists were hired on a temporary contractual basis to perform specific tasks during the quarter.

B. Implementation Status

The inspection and consolidation of printing equipment and supplies took much longer than planned. Despite numerous delays experienced by FTUI's procurement agent, AMEX International and its shipping agent, the Matrix Company, FTUI was satisfied in the knowledge that equipment shipped to Lithuania had received a full inspection and certification from the R.W. Hunt Company. As of the end of the third quarter, the printing press and associated equipment were shipped out and received by the LDS in the first week of January. In addition, FTUI has been notified that additional equipment being shipped from Holland has been procured and will be sent out early in the first quarter of 1994.

Three courses conducted by eleven different LDS "apprentice-trainers" took place during the quarter as scheduled. A total of fifty-six LDS members received the training. One course on current important legislation was conducted for LDS lawyers and trade union activists by the LDS Education Director and LDS officials.

The Center for Labor Research and Education has officially been registered and the LDS Coordinating Council has approved the Center's statutes. The process of hiring specialists and administrative personnel to staff the Center began during the fourth quarter and will be completed early in 1994.

C. Activities Planned for the Next Quarter (1/1/94 - 3/31/94)

Print Shop: During the first quarter of 1994, FTUI will arrange for two technical experts/instructors to conduct a two-week training session on the use of the donated printing equipment. One U.S. trainer, a printer with many years of teaching experience, will train the LDS Print Shop staff on the basic use of the press and demonstrate more advanced printing techniques. The

second U.S. instructor, an experienced camera room technician will offer instruction on the use of darkroom equipment which supports the printing operation. As soon as the printshop training is fully completed and the press has become operational, the LDS has scheduled an inauguration ceremony which will take place to commemorate the official opening of the LDS Print Shop.

Education Program: During the first quarter, the LDS "apprentice-trainers" will conduct one basic trade union course from January 17-22. In addition, from January 31 - February 4, the LDS trainers will meet to revise the LDS Training Manual, based on their teaching experience over the past several months. Finally, LDS specialists will conduct a course for LDS regional leaders from March 14 - 17 on grievance procedures and alternative dispute resolution.

CLEAR: In the coming quarter, CLEAR will hire the rest of its administrative and technical personnel, and begin to provide support services to LDS structures and to individual workers.

D. International Travel Requirements Expected for the Next Quarter (1/1/94-3/31/94)

Two American print shop experts are expected to travel to Lithuania in February.

All other travel to the region will originate from Poland. FTUI's Warsaw Staff will travel to Lithuania to oversee the training of printshop personnel, and implementation of CLEAR's programs. In addition, FTUI's Education Consultant will travel to Lithuania to oversee LDS training programs.

E. Reasons Why Established Goals Were Not Met:

In the fourth quarter of 1993, FTUI asked its procurement agent, AMEX International, Inc., to expedite the Lithuanian Print Shop order by hiring one shipper that would be responsible for all the equipment coming out of the U.S. and Western Europe to Lithuania. In late October, all U.S. equipment had been sourced by the procurement agent and was ready to be consolidated in Chicago by the Matrix Shipping Company.

Following AID guidelines, FTUI asked AMEX to arrange for an independent inspection of all U.S. equipment prior to shipment. Despite very specific guidelines given to the manufacturers prior to the inspection date, efforts to ship the equipment were hampered by the manufacturers' failure to properly

uncrate the equipment in time for the inspector's visit, and the delay incurred in replacing a printing press mistakenly sent to a different customer. As a result, the consolidation of equipment was postponed, setting back the date of the shipment by about three weeks.

F. Other Pertinent Information:

None to report.

8. **BULGARIA - \$276,938**

A. **Summary Description Of Project Activities For The Quarter Ending 12/31/93:**

During the quarter FTUI conducted the following programs under this grant:

1) October 14-26, 1993 - FTUI labor educator, William Douglas conducted the third series of seminars under this grant entitled, "The Role of Trade Unions in Political and Economic Transitions". Fifty four union leaders from the regional and local levels participated in the series of seminars which was broken up into three, two-day seminars held in Dubnitsa, Goce Delchev and Hissarjja.

Unionists attending the seminar came from a wide variety of economic sectors including teachers, mechanics, tobacco industry workers, electronics, apparel and manufacturing. Podkrepa's regional chairmen for the three regions coordinated the logistics and succeeded in persuading some management representatives to also attend the seminars.

A course outline for the October series is attached for review.

FTUI labor consultant, William Douglas and Steven Voien, U.S. Embassy labor reporting officer held follow up discussions about the courses taught and about the general pessimistic attitudes of workers around the country as the economic crisis continues.

2) In November, Podkrepa's trainers worked closely with FTUI educators under a NED funded program on organizational development. These courses focussed on exposing a broad group of union journalists and union activists to different publishing methods and assisted them in the development of concrete plans to improve current union publications. Discussions about the development of new and effective union publications were held jointly with Podkrepa's regional and branch leaders in an effort to develop unity and action that would bridge the gap between these two diversified union groups.

Also in November, FTUI Senior Policy Advisor, Robert Gabor, Associate Director, Randall Garton and Program Officer, Adrienne Doherty visited Hungary and Bulgaria. In Bulgaria, meetings were held with Gerald Zarr, Director of the AID Mission and with the newly confirmed U.S. Ambassador, William Montgomery.

3) In December, Podkrepa's trainers met with FTUI Assistant Director of Finance to review proper reporting procedures under the grant. Much of the

trainer's work in December focussed on preparing the membership for Podkrepa's third Congress to be held February 8 - 12, 1993 in Sofia.

4) Also in December, a FTUI/Coopers & Lybrand team completed the Sofia portion of a pre-award audit requested by the leadership of Podkrepa. The information gathered in Sofia is being processed in Washington and a final audit report on Podkrepa will be prepared in January.

B. Implementation Status:

FTUI Trainers Program with the Confederation of Labor, Podkrepa is proceeding on schedule. Courses for Podkrepa's seven trainers are scheduled for January - March, 1994. The details of the program will be included in the next quarterly report.

Podkrepa trainers have begun to deliver local level basic courses on trade unionism and the labor code. Evaluative program data and information developed to track the progress of this program is being prepared in Sofia and inputted into an education database developed during the last three months. We anticipate receiving a more detailed report on the Bulgarian trainers activities for the next quarter.

C. Activities Planned for the Next Quarter (1/1/94 - 3/31/94):

Plans were finalized in December for a cooperative effort with the University of Delaware to deliver basic market economics training to Podkrepa members. It has become clear to FTUI that many Bulgarians still do not have an understanding of the workings of democracy or free markets, and therefore are ill-prepared to adequately respond when transitional changes threaten their security. The FTUI Sofia office has succeeded in working cooperatively with the University of Delaware to partner a series of courses which will reach a broad audience of Bulgarian workers in general, about these topics.

Two types of courses will be offered. The first, tentatively scheduled for late February 1994, will be a very basic level course entitled, "What is a Market Economy?". It is aimed at helping average people understand how market economies impact on them as workers, consumers, and citizens. The second course will focus on "Privatization" and is being developed. Currently, the purpose of the second course will be to address the needs of mid-level union leaders during the privatization process and to acquaint them with privatization law, regulations and its impact on how businesses operate in a market economy.

FTUI labor consultant, Penny Schantz will travel to Bulgaria in January to coordinate the development of instructor's guides and participant materials for the Podkrepa trainers on the topics of "Parliamentary Procedure" and "role of a local section leader".

D. International Travel Requirements Expected for the Next Quarter (1/31/94 - 3/31/94):

One to two FTUI labor educators to Bulgaria in January/February to work with core group of seven Podkrepa trainers.

E. Reasons Why Established Goals Were Not Met:

The program goals continue to be met.

F. Other Pertinent Information: (Includes analysis and explanation of any cost overruns or high unit costs)

Nothing to report.

9. CZECH REPUBLIC and SLOVAKIA - \$50,000

A. Summary Description of Project Activities for the Quarter ending 12/31/93:

No project activities were conducted during the quarter.

B. Implementation Status:

Implementation of the project was delayed pending the dissolution of the country into its two constituent republics. It now appears unlikely that FTUI will implement the project in the Czech Republic or Slovak Republic. However, in the near future, an assessment of program possibilities will be undertaken and a decision will be made as to how FTUI can best assist in the development of democratic trade unions in Slovakia.

C. Activities Planned for the Next Quarter (1/1/94 - 3/31/94):

FTUI has not planned any activities in this project for the next quarter.

D. International Travel Requirements Expected for the Next Quarter (1/1/94 - 3/31/94):

None.

E. Reasons Why Established Goals Were Not Met:

Until an assessment of program possibilities is undertaken, the project will not be implemented.

F. Other Pertinent Information: (includes analysis and explanation of any cost overruns or high unit costs)

None.

10. **HUNGARY - \$559,600**

A. **Summary Description of Project Activities for the Quarter ending 12/31/93:**

1) The League leadership elected in July, 1993 has had a tumultuous first six months in office. In December, the leadership elected an interim governing board to direct the League's activities until a Congress is held in April 1994.

2) The League continued to represent its members at the National Reconciliation Council on tri-partite relations.

3) In December, the Democratic League of Independent Trade Unions was affiliated to the International Confederation of Free Trade Unions (ICFTU) in Brussels. Unfortunately, the National Confederation of Free Trade Unions, formerly the ex-official trade unions was also affiliated to the ICFTU at the same time.

4) FTUI Washington Senior Policy staff and program staff visited Hungary during the quarter to conduct discussions with the new League leaders and to monitor current ongoing FTUI projects.

While in Hungary, FTUI also met with the AID mission Project officer, James Watson and Nancy Kyloh to discuss FTUI's programs and current pending proposal on Hungary to AID. FTUI facilitated contacts between the League leadership and the AID mission and as a result, future meetings between the mission staff and the trade unions were tentatively planned. These discussions were positive and proved helpful to FTUI in refining its current planned programs.

5) FTUI has requested that a detailed project report be submitted by the League.

B. **Implementation Status:**

The election-related campaign projects have been completed. The post-membership campaign of the League and the Workers Councils begun later than originally anticipated.

The post election membership campaign of the Workers Councils has yielded very positive results. In December the Workers Councils reported that they have attracted 17 new local level unions from the ex-official trade union, MSZOSZ. Strong membership growth was reported in the transit workers, electrical and pedagogical branch unions of the Workers Councils. These new members will undergo training sponsored by the Workers Councils' education

teams on basic organizing and will be trained to assist the Councils during the second trade union elections campaign scheduled for 1995.

C. Activities Planned for the Next Quarter (1/1/94 - 3/31/94):

Currently, FTUI has plans for one program monitoring trip to Hungary in March/April. The program is tentative at this writing.

D. International Travel Requirements Expected for the Next Quarter (1/1/94 - 3/31/94):

The possibility of one trip to Hungary in March/April is being discussed.

E. Reasons Why Established Goals Were Not Met:

Goals of this program continue to be met.

F. Other Pertinent Information: (includes analysis and explanation of any cost overruns or high unit costs)

None to report.

11. **ROMANIA - \$327,564**

A. **Summary Description of Project Activities for the Quarter ending 12/31/93:**

The following activities took place during the months of October, November, and December 1993:

A sample collective bargaining agreement was translated into Romanian and we are in the process of getting bids for printing 10,000 copies of the document for a wide distribution.

We received an activities report from the 15 November Confederation in Brasov. The Confederation has been actively recruiting new members and negotiating collective labor contracts with Enterprise management. At their National Council Board Conference, the delegates changed the name of the organization to: National Independent Trade Union Confederation 15 November.

The FTUI office in Bucharest was involved with planning and implementing a program with the Center for Participative Management from Lodz, Poland. The program was held from October 24 - 31, 1993. It was a joint training program between the Polish Center for Participative Management and FTUI held in the city of Pitesti. There were 65 Romanian trade union leaders from the various federations affiliated to the BNS and 7 trainers from Lodz, Poland.

Seminar Topic: Seminar on Initiating and Facilitating Change in Companies Adjusting to Market Economy Conditions

Workshop Topics: "Identification of Local Problems"
(3 parallel workshops)

Workshop A

Trainer: Dr. Kryspin Karczmarczuk

Subject: Negotiating techniques

Participants: Holders of name tags with BLUE
BAR (25 persons)

Workshop B

Trainer: Ms. Beata Groblewska

Subject: Problem solving techniques

Participants: Holders of name tags with
YELLOW BAR (25 persons)

Workshop C

Trainer: Prof. Stanislaw Rudolf

Subject: Phases of the problem solving
process

Participants: Holders of name tags with PINK
BAR (25 persons)

"Problems of Transition to a Market Economy:
The Polish Experience"
(5 parallel discussion groups)

Discussion Group 1

Trainer: Prof. Stanislaw Rudolf

Subject: Workers' participation in the
privatization process

Participants: Holders of name tags with
RED DOT (15 persons)

Discussion Group 2

Trainer: Dr. Jaroslaw Sosnowski

Subject: How to create a market orientation
in the company

Participants: Holders of name tags with
YELLOW DOT (15 persons)

Discussion Group 3

Trainer: Mr. Stanislaw Liziniewicz

Subject: Employers' experience with the
changes leading to a market economy

Participants: Holders of name tags with
BLUE DOT (15 persons)

Discussion Group 4

Trainer: Mr. Dariusz Kucharski

Subject: The role of trade unions in
the transformation processes
(Case study: Solidarnosc)

Participants: Holders of name tags with
GREEN DOT (15 persons)

Discussion Group 5

Trainer: Mr. Dariusz Szewczyk

Subject: The role of the Lodz Regional
Development Agency in restructuring
the companies in the Lodz region.

**Participants: Holders of name tags with
BROWN DOT (15 persons)**

The office staff was instrumental in planning the meeting schedule for Mr. James O'Leary in December from the Hassan Fathy Institute (HFI) based in Rome, Italy. HFI is supported by the building and Construction Trades Department of the AFL-CIO but also has an international Board of Directors, including directors from Central and Eastern Europe. Mr. O'Leary met with representatives of the construction and building unions in Romania. He is planning to hold a regional conference for trade union leaders in Central and Eastern Europe on the topic of health and safety in the building and construction trades. His meetings in Bucharest were very fruitful and he was also able to visit a construction worksite in Cernavoda.

The FTUI Bucharest office staff took care of administrative and financial matters and responded to special requests for materials and information made by Romanian trade unionists.

Ms. Monica Moscu attended a meeting at the AID/Bucharest office during the quarter. It was a good opportunity to meet other grantees working in Romania and to exchange views and ideas. She also attended the National Congress of the FSPIR (the Romania Federation of Teachers Unions) in Brasov at the end of November. She delivered greetings to the Congress on behalf of the American Federation of Teachers, an affiliate of the AFL-CIO, which has had an educational training program with FSIPR for the last three years. She submitted a report on the proceedings of the Congress.

We also prepared and submitted a new proposal to AID/Washington for activities in Romania beginning in January 1994 for nine months. The proposal has been approved and is at this time in the contracts department of AID/Washington.

B. Implementation Status:

The implementation of all programming was on schedule and without complications. We have developed an implementation calendar for 1994 and are waiting for the release of funds for the 9-month bridge proposal. We are also beginning to write a proposal for two-years beginning in October 1994. This proposal will include renewal of funds for maintaining the office in Bucharest and placing an American in-country representative in Romania. We will begin an intensive search for candidates for the position of an in-country representative. We hope to have a person in-country by October, pending approval by AID of our proposal.

The BNS has supported our education programs and continues to be very helpful with recommendations for future education efforts.

C. Activities Planned for the Next Quarter (1/1/94 - 3/31/94):

Ms. Monica Moscu, the Local Liaison for FTUI, will continue to report on the Romanian labor movement's activities as well as on the general political, economic, and social situation in Romania.

We will be also preparing programs on leadership skills training, job evaluation, conflict/dispute resolution and labor law to take place during the upcoming quarter.

Professor Ken Mericle will travel to Romania from March 4 - 13, 1994. He will conduct consultations with the Shipbuilding trade unions in Constanta regarding various systems used by management to establish job classifications and labor grades. Instruction will cover the theory and practice of job analysis, the preparation of job descriptions and specifications, and the application of job evaluation procedures from simple ranking to factor point manuals. Common problems and limitations of the process will be thoroughly examined.

Professor Larry Bush will be going to Romania on March 20 for eight days to consult with the Locomotive Engineers Trade Union headquartered in Brasov. The program will focus on dispute resolution and explore the possibilities of preparing a case for the International Labor Organization (ILO) on violations of freedom of association, a basic internationally-recognized worker right.

D. International Travel Requirements Expected for the Next Quarter (1/1/94 - 3/31/94):

There will possibly be three trips taken by trainers and FTUI Washington staff during the next quarter.

E. Reasons Why Established Goals Were Not Met:

Program goals continue to be met.

F. Other Pertinent Information: (includes analysis and explanation of any cost overruns or high unit costs)

None to report.

12. **DEVELOPMENT OF INDEPENDENT UNIONS BY TRADE AND INDUSTRY - \$77,675**

A. **Summary Description of Project Activities for the Quarter ending 12/31/93:**

The CWA submitted a program narrative report covering the activities which were implemented in July, 1993. From July 26-28, 1993, four trade union leaders from the democratic unions in Central and Eastern Europe were invited to participate in the 55th CWA Annual Convention held in the U.S. The purpose of the labor exchange was to enable these newly emerging leaders from Central and Eastern Europe to observe, first-hand, the elections process and the proceedings of a democratic trade union Congress.

The four participating leaders in the program were from various sector specific industries and represented the three countries.

Vasile Burloiu, Leader	Romanian Telecom Union	Romania
Costel Ovidenie, Vice-Pres.	Romanian Postal Workers	Romania
Marian Ogonowski, Vice-Pres.	Telecom Employees, Solidarnosc	Poland
Deyan C. Petrov, Federal Sec.	Podkrepa Communications Trade Union	Bulgaria

All of the participants represented mid-level to high level leaders and are newly affiliated members to the Postal, Telephone and Telegraph International (PTTI) which serves as the International Trade Secretariat (ITS) and coordinating body for workers in like industries around the world. The participants had the opportunity to observe how a democratic Congress is conducted in the West. Participants also met with the top level leadership and policy makers of the CWA International Union and with leaders from the PTTI to discuss the current specific trade union developments and problems faced by these unionists in Romania, Poland and Bulgaria.

As a result of contacts made in July, future educational assistance programs were conducted in cooperation with the PTTI in Bulgaria in November, 1993. Specifically, CWA national level leaders reviewed constitutional reforms proposed by the Bulgarians and conducted a short series of seminars on "The role of democratic trade unions during the Economic Transition" for twenty local level Podkrepa leaders in Bulgaria. The communications workers from Central and Eastern Europe will now be invited to participate in all appropriate international forums sponsored by the CWA/PTTI and have established strong ties to their western counterparts.

B. Implementation Status:

The Service Employees International Union (SEIU) and the Communications Workers of America (CWA) have implemented programs as planned.

FTUI did not include a continuing program for this specific project in its December 10, 1993 bridge proposal submission to AID.

C. Activities Planned for the Next Quarter (1/1/94 - 3/31/94):

None to report. The program has been completed.

D. International Travel Requirements Expected for the Next Quarter (1/1/94 - 3/31/94):

None to report.

E. Reasons Why Established Goals Were Not Met:

Program goals continue to be met.

F. Other Pertinent Information: (includes analysis and explanation of any cost overruns or high unit costs)

Financial reports were forwarded by the CWA to FTUI and were in good order.

13. **AFL-CIO TECHNICAL AND POLICY FORMATION ASSISTANCE PROGRAM - \$212,650**

A. **Summary Description of Project Activities for the Quarter ending 12/31/93:**

1) Director of Technical Assistance

Leon Wickersham, Director of Technical Programs, continued to assist FTUI program staff by locating and arranging for the participation of trade union experts and other resource people in FTUI education programs. He continued to review training materials i.e. development of a model collective bargaining agreement for use by unions in Central and Eastern Europe.

During the quarter he arranged for the participation of American labor educators and technical experts from the George Meany Center, and the Graphic Communications International Union (GCIU) in FTUI education/training programs held in Belarus, Hungary, Albania, Lithuania, and Bulgaria.

2) Preparatory trip for Regional Conference on Health and Safety

Mr. James O'Leary from the Hassan Fathy Institute (HFI) based in Rome, Italy travelled in December to five countries in Central and Eastern Europe. HFI is supported by the Building and Construction Trades Department (BCTD) of the AFL-CIO but also has an international Board of Directors, including directors from Central and Eastern Europe. HFI has been given the task of organizing a Regional Conference on safety and health in the construction industry with the participation of labor, management and safety and health professionals. The HFI will be able to call upon the resources of the Center to Protect Workers' Rights (CPWR), which is the occupational safety and health research arm of the BCTD and its 15 affiliated unions, to help develop the conference. For example, Mr. O'Leary met with representatives of the construction and building unions in Romania. His meetings in Bucharest were very fruitful and he was also able to visit a construction worksite at the nuclear power plant being built in Cernavoda. The regional conference is tentatively planned for May 4-7, 1994 in Budapest.

B. **Implementation Status:**

Proceeding as planned.

C. Activities Planned for the Next Quarter (1/1/94 - 3/31/94):

Working two days per week, Leon Wickersham will continue to provide assistance to program staff and to broaden the contact base of trade union expertise available to be called upon by FTUI.

D. International Travel Requirements Expected for the Next Quarter (10/1/93 - 12/31/93):

None expected.

E. Reasons Why Established Goals Were Not Met:

Goals are being met.

F. Other Pertinent Information: (includes analysis and explanation of any cost overruns or high unit costs)

None to report.

14. **ASSISTANCE TO TRADE UNION PUBLICATIONS IN CEE - \$200,000**

A. **Summary Description of Project Activities for the Quarter ending 12/31/93:**

HUNGARY AND BULGARIA

During the quarter under review, FTUI Senior Policy advisor, Robert Gabor, Associate Director, Randall Garton and program officer, Adrienne Doherty traveled to Hungary and Bulgaria to monitor political developments and ongoing FTUI projects.

As part of that trip, discussions were held with the trade union leadership responsible for coordinating the printshop project and a site visit was conducted by FTUI staff.

While in Hungary, FTUI met with AID project officer, James Watson and his assistant, Nancy Kyloh to discuss FTUI's Hungary programs in general and to discuss future coordination of programs and proposals. Discussions held were very positive and from FTUI's standpoint will lead to improved communication between the independent trade union movement and the mission in general.

B. **Implementation Status:**

Both printshop projects have been implemented successfully. As of December 1993, both printshops are operating with experienced hired staff and are being managed well. Minor problems in operations have occurred, but the manufacturer has responded by providing additional training and advise without additional cost to FTUI.

In Hungary, the League printshop, called LIGA PRINT, has begun to secure outside contracts with publishing companies and has managed to secure two additional staff members with funds generated from production. For most of the year, the shop did not generate any significant profits; however, small progress has been seen with the growth in staff and new work.

FTUI has no further plans to expand printshop operations or capabilities for the League as the project has already begun to move towards becoming self-sustaining.

C. Activities Planned for the Next Quarter (1/1/94 - 3/31/94):

With a small balance of remaining project funds FTUI plans to negotiate a one year service contract for the Podkrepa Print shop in Bulgaria. This contract will prove very useful for the Bulgarians who find such costs prohibitive at this time.

Outcome of negotiations on this contract will be noted in next quarterly report.

D. International Travel Requirements Expected for the Next Quarter (1/1/94 - 3/31/94):

No travel has been planned for the next quarter under this grant.

E. Reasons Why Established Goals Were Not Met:

Program goals continue to be met.

F. Other Pertinent Information: (includes analysis and explanation of any cost overruns or high unit costs)

Explained in previous implementation status reports.

15. **MULTILATERAL DEMOCRATIC EDUCATION AND TRAINING PROGRAM**
- \$100,000

A. **Summary Description of Project Activities for the Quarter Ending 12/31/93:**

There were no activities carried out during the quarter under review.

B. **Implementation Status:**

There is still a possibility that funds may need to be used to supplement other necessary education projects that have been proposed.

C. **Activities Planned for the Next Quarter (1/1/94 - 3/31/94):**

Ten Podkrepa leaders will travel to Austria for a short term technical assistance program to study "Developing Union Constitutions". FTUI will cooperate in the joint project sponsored by the Swiss Trade Union Confederation, (SGB) and the Austrian Trade Union Confederation.

FTUI's will cover airfare for the Bulgarians, but all in-country program costs will be picked-up by the Swiss and Austrian trade union confederations.

D. **International Travel Requirements Expected for the Next Quarter (1/1/94 - 3/31/94):**

Ten Bulgarian leaders from the Podkrepa labor movement will travel to Austria for a short term technical assistance program. The program is expected to run for 7-10 days.

E. **Reasons Why Established Goals Were Not Met:**

Program goals are being met at a slower pace than anticipated. This is due to the fact that FTUI must schedule its assistance programs in coordination with many other European unions which are working in Bulgaria.

F. **Other Pertinent Information:** (Including analysis and explanation of any cost overruns or high unit costs)

None to report.

16. **REGIONAL DOCUMENTATION CENTER - WARSAW - \$ 50,000**

A. **Summary Description of Project Activities for the Quarter ending 12/31/93:**

There were no project activities during the quarter.

B. **Implementation Status:**

This program has not been implemented.

C. **Activities Planned for the Next Quarter (1/1/94 - 3/31/94):**

None at this time.

D. **International Travel Requirements Expected for the Next Quarter (1/1/94 - 3/31/94):**

None at this time.

E. **Reasons Why Established Goals Were Not Met:**

No activity at this time.

F. **Other Pertinent Information:** (includes analysis and explanation of any cost overruns or high unit costs)

None.

17. **REGIONAL OFFICE -- SOFIA - \$287,350**

A. **Summary Description of Project Activities for the Quarter Ending 12/31/94:**

FTUI Sofia representative coordinated and assisted in facilitating all projects reported under the AID funded projects entitled;

- 1) Multilateral Democracy
- 2) Assistance to Trade Union Publications
- 3) Bulgaria

In addition to the above project activities the Sofia office coordinated the following other activities:

1) Further discussions with trade union leaders from Kosova were held in Sofia with FTUI's field representative while trade unionists traveled through Bulgaria. A program to provide assistance with trade union publications in Kosova are planned for the future.

2) FTUI Sofia hired one additional part time staff accountant to assist with administration and financial reporting. This additional staff accountant will greatly contribute to the alleviation of administrative/financial duties now undertaken directly by FTUI's in-country representative. This will enable the representative to focus more on development of regional programs.

The Sofia office also purchased two international telephone lines for installation. Although these costs were slightly higher than we anticipated, FTUI believes that they were necessary in order for more effective, consistent and clear communication between Bulgaria and Washington. Over the last six months prior to their installation, FTUI had difficulty in faxing and phoning the office. This has resulted in higher mailing costs also which were unanticipated.

3) FTUI Sofia office continued to monitor a wave of strikes by the miners, teachers and medical workers in November and December.

4) FTUI's field representative, Fay Lyle was on vacation from December 16 through January 9, 1994.

5) In consultation with the AID Mission in Sofia and Washington, FTUI submitted a nine month "bridge proposal" for Bulgaria to AID on December 10, 1993. Podkrepa leaders have requested continued AFL-CIO. FTUI assistance in 1994. In coordination with Podkrepa, projects put forth in the

December proposal focus on the development of labor education training programs and legal counselling/economic assistance programs.

B. Implementation Status:

The FTUI Sofia Office continues to be a key component to the success of on-going FTUI activity in the region.

Office staff and consultants work closely with FTUI on all projects and assist in expanding needed contacts for future programs.

C. Activities Planned for the Next Quarter (1/1/94 - 3/31/94):

Assist in the implementation of in-country seminars planned for the months of January through March under separate AID funded projects.

Continue to provide updated reports covering all regional program activities, trade union activity and political developments.

Continue to reach out to other non-governmental organizations to establish relationships and exchange of information. Promote the development of partnership programs with complimentary organizations.

D. International Travel Requirements Expected for the Next Quarter (1/1/94 - 3/31/94):

None.

E. Reasons Why Established Goals Were Not Met:

Program goals continue to be met.

F. Other Pertinent Information: (Includes analysis and explanation of any cost overruns or high unit costs)

Noted under Summary Section.

18. REGIONAL CONFERENCES - \$45,000

A. Summary Description of Project Activities for the Quarter ending 12/31/93:

A preparatory trip throughout the region was conducted by the Hassan Fathy Institute, the organizers of the regional conference on Safety and Health in the Construction Industry. The costs were covered under the Technical Assistance project.

B. Implementation Status:

Discussions are underway for a regional construction trades safety and health conference tentatively planned for May 4-7, 1994. The conference will be held in Budapest, Hungary. Trade union leaders from the following countries will be invited: Romania, Bulgaria, Slovakia, Czech Republic, Poland, Slovenia, Albania and the Baltic States. The goal of the conference is to help construction unions in Central and Eastern Europe develop effective programs in health and safety in construction with the participation of construction management.

C. Activities Planned for the Next Quarter (1/1/94 - 3/31/94):

Preparations for the conference will occur during the next quarter.

D. International Travel Requirements Expected for the Next Quarter (1/1/94 - 3/31/94):

None.

E. Reasons Why Established Goals Were Not Met:

Program goals continue to be met.

F. Other Pertinent Information: (includes analysis and explanation of any cost overruns or high unit costs)

None to report.

FREE TRADE UNION INSTITUTE
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**Mr. John Cloutier
AmEmbassy/Vilnius
Box R5
APO AE09723
20001**

All Program officers, All Field offices, Any subgrantees

ATTACHMENT 1

THE ROLES OF TRADE UNIONS IN POLITICAL AND ECONOMIC TRANSITIONS

The countries of East Europe and the former USSR are in the midst of basic changes in both their political and their economic systems. Politically, these nations are moving from totalitarian dictatorship to democracy. Economically, they are moving from fully state-directed and state-owned economies to market economies with much larger private sectors.

Trade unions can make major contributions to the success of these efforts, in both the political and economic fields. Trade unions also must defend the workers' interests during these transitions, so that the workers get their fair share of both the costs and benefits of change.

To play these roles effectively, the trade unions must have clear ideas about where they want their nations to go, both politically and economically, and about how they can help their nations to get there.

THE POLITICAL TRANSITION

Where Do We Want to Go?

Social, Political, and Economic Democracy

How Can Our Unions Help us to Get There?

Trade Unions' Contributions to Transitions to Democracy

Alternative Models of Relations Between Trade Unions and Political Parties

Political Strategies for Unions During Adjustment

THE ECONOMIC TRANSITION

Where Do We Want to Go?

Options For Economic Models

How Can Our Unions Help Us to Get There?

The Unions' Roles in Economic Stabilization

The Unions' Roles in Economic Restructuring

Equitable Sharing of the Costs of Economic Adjustment

**Financial Summary of AID Grant No. EUR-0017-G-00-2025-00
for the Quarter 10/1/93 through 12/31/93**

55

<u>Name of Project</u>	<u>Budget</u>	<u>Prior Expenses as Prev. Reported</u>	<u>Current Expenses</u>	<u>Cumulative Expenses</u>
1. NSZZ Solidarnosc	1,387,500.00	887,580.04	285,816.98	1,173,397.02
2. Economic Foundation	75,000.00	50,772.00	1,442.45	52,214.45
3. Rural Solidarity	45,000.00	36,810.00	606.98	37,416.98
4. Consulting & Neg. Bur. (BKN)	821,499.00	0.00	108,208.58	108,208.58
5. Warsaw Office	184,861.00	108,182.95	47,733.75	155,916.70
6. Albania	30,000.00	1,033.62	39,177.41	40,211.03
7. Baltic States	291,155.00	154,078.88	37,882.17	191,961.05
8. Bulgaria	276,938.00	105,089.70	46,475.45	151,565.15
9. Czechoslovakia	50,000.00	2.28	3,184.36	3,186.64
10. Hungary	575,002.00	465,463.96	46,433.90	511,897.86
11. Romania	327,564.00	252,317.54	41,688.53	294,006.07
12. Union to Union	77,675.00	21,354.09	40,233.30	61,587.39
13. AFL-CIO Tech Asst.	212,650.00	34,021.23	82,178.14	116,199.37
14. Assist. to T.U. Publications in CEE	200,000.00	184,090.18	5,109.39	189,199.57
15. Multilateral Democratic Education	100,000.00	29,549.92	5,762.84	35,312.76
16. Regional Center - Warsaw	50,000.00	0.00	3,261.14	3,261.14
17. Regional Office - Sofia	287,350.00	270,324.45	95,398.55	365,723.00
18. Regional Conferences	45,000.00	0.00	0.00	0.00
19. Program Mgmt & Evaluation	0.00	0.00	16,537.12	16,537.12
Total Program	5,037,194.00	2,600,670.84	907,131.04	3,507,801.88
FTUI Administration	532,348.00	266,938.50	246,017.06	512,985.56
Total	5,569,542.00	2,867,639.34	1,153,148.10	4,020,787.44

* Amount reported in December 31, 1992 A-133 audited financial statements.

** ICR of 25.03% applied to direct costs net of equipment and support grants.