

**USAID ADMINISTRATOR
 REAFFIRMS LABOR'S ROLE
 IN DEVELOPMENT ASSISTANCE**

On April 10, 1995, J. Brian Atwood wrote AFL-CIO President Lane Kirkland expressing his satisfaction with the work of the USAID/AFL-CIO Joint Working Group and the cooperative dialogue that has ensued as a result of their decision taken at their meeting at AFL-CIO headquarters last May, to establish this mechanism. Also, given the significance of labor programs in the context of U.S. development assistance, the Administrator informed President Kirkland that he had established a labor desk within the Global Bureau's Democracy Center and appointed a labor advisor to assist with day-to-day coordination and management of USAID core grants to the AFL-CIO international institutes.

Since its establishment, last August, the Joint Working Group has held several meetings to discuss a wide-range of issues and experiences that have characterized the relationship of the two institutions over the last thirty plus years. This joint partnership has endured the challenges of the Cold War and power politics, and in throughout this process were extremely successful in carrying out critical U.S. development assistance in Africa, Asia and Latin America. The focus of the USAID/AFL-CIO Joint Working Group discussions has been the transitional role of Labor in the post-Cold War period and the evolving partnership with USAID in support of sustainable development strategies in the 90's and beyond. The essence of these discussions has culminated in the issuance of a strategy document entitled "LABOR AND U.S.A.I.D.-Partners in Sustainable Development", which the Administrator transmitted to field missions on March 10.

In his cover letter to the Missions, J. Brian Atwood emphasized that one of the ways in which the U.S. Congress encourages USAID to accomplish its mission is to work, to the maximum extent possible, through the private sector, including free labor unions. In addition to this Congressional mandate, Atwood noted that he strongly believes that the U.S. labor movement can be an effective force in achieving sustainable development goals. Atwood added, "I am encouraged by the creative thinking of the AFL-CIO...I hope [USAID] can be equally creative in thinking of new ways in which it can tap the great strengths of the U.S. free labor movement."

For its part, the AFL-CIO recognizes that "with the end of the Cold War, the U.S. faces a risky new world of possibility and challenge that has generated renewed interest in the purpose and objectives of U.S. foreign assistance programs. The world is less predictable. Old relationships and arrangements have either broken up or are under new strains. In the global marketplace, economic and political interests compete and cooperate in ways which affect American workers more directly than ever in our history. Global environmental concerns and threats to peace posed by undemocratic

regimes add to the uncertainty."

The AFL-CIO document notes that "these new challenges demand fresh approaches to labor's strategy. In this spirit, the AFL-CIO's international institutes are formulating and implementing programs which focus on the role of unions and the future of work in the global economy. These programs, while rooted in labor's traditional commitment to democracy, are significant new priorities designed to meet the challenge of sustainable development as we approach the 21st century."

Among its new priorities, the AFL-CIO states the following:

1. Trade Unions and the Global Economy -- Economic growth can be sustained only with the participation of workers in development's decisions and rewards. Economic reform can be achieved only through a broad social consensus. Trade unions are the most effective and legitimate institutions to represent the interests of working people, and to engage their support for change which may be painful in the short term. Effective participation in the economic transformation of the former Soviet bloc, Latin America, Asia and Africa requires a new level of training and sophistication for unionists. The AFL-CIO's international institutes will provide the training.

2. International Trade Union Development -- The new international trade and financial institutions of the global economy cannot succeed without greater participation by workers, through their representative organizations. In a world economy, unions must cooperate across national boundaries, including involvement in the policy debates of these international economic institutions. The programs of the AFL-CIO's institutes equip workers to meet the multinational challenge of including a "social clause" in economic development programs. One critical goal is to give trade unionists the skills they need to educate policymakers on the importance of implementing internationally-recognized workers rights - thus, helping to ensure that economic growth and international trade act to raise living standards, rather than to increase exploitation, income disparity and instability.

3. The Role of Unions in Economic Development -- Trade unions are at the cutting edge of change, formulating new strategies for economic development, such as using innovative ways of generating capital pools through worker ownership. Trade unions mobilize support for necessary economic reform. The AFL-CIO's institutes support programs which stress new ways of looking at work and new skills for union leaders, especially at the enterprise-level.

4. Environment and Global Competition -- Working families, at their jobs and in their neighborhoods, bear the lion's share of daily exposure to environmental degradation. The AFL-CIO's institutes will inform unionists about the latest thinking on economic-environmental issues, implementing programs with a strong grassroots component which focus on worksites and neighborhood

issues.

According to the AFL-CIO, these new priorities are rooted in a continuing commitment to the values, ideals, and strengths that make trade unions possible:

- **Democracy.** The existence of free trade unions depends upon freedom of association, the bedrock right of a democratic, civil society. Programs to promote fundamental, democratic rights are an important part of the institutes' agenda.

- **Independent Unions.** Economic growth can be sustained only if workers participate in the development's decisions and rewards. Democratic unions are vital mediating institutions in society, ensuring such participation. Programs that focus on strengthening fragile trade unions and organizing new ones are a critical component of the institutes' programs.

- **Grassroots Focus.** The labor institutes' comparative advantage is rooted in the nature of a democratic labor movement, which draws legitimacy from its members. The labor movement is often the only independent, democratic organization in a developing country. Frequently, they are also the only mass-based organizations whose membership cuts across racial, ethnic, religious, and gender lines. To be most effective, programs must be embedded in the towns, villages, and worksites where real people actually live and work. The grassroots approach is the cornerstone of the institutes' development philosophy.

This new focus does not exclude union participation in the broad issues of population, health and poverty. The AFL-CIO institutes offer a substantial contribution to such programs.

Finally, the AFL-CIO post-Cold War strategy concludes that "the U.S. labor movement and USAID today share many programmatic priorities. USAID's vision for the future, **Strategies for Sustainable Development**, can be read as a blueprint for partnership between USAID and the AFL-CIO. It sets out five priorities that parallel those of American labor: democracy and democratic institutions, economic growth and equity, the environment, population and health, and humanitarian assistance.

USAID and U.S. unions also stress similar operational approaches, such as "empowerment," "investment in human capital," and "participation," meaning the "aspirations and experience of ordinary people."