



REPORT TO THE CONGRESS
BY THE COMPTROLLER GENERAL
OF THE UNITED STATES

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How To Improve Management
Of U.S.-Financed Programs
To Develop Free Labor
Movements In Less
Developed Countries

Department of State
Agency for International Development

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Since 1962 the U.S. has provided over \$77 million to three AFL-CIO-affiliated institutes to encourage other countries to strengthen free trade unions.

Responsible Government agencies have not specified what the institutes are expected to accomplish. Consequently, GAO believes the effectiveness of the institutes' activities have not been and cannot be evaluated.

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COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

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To the President of the Senate and the
Speaker of the House of Representatives

In 1968 and 1969, the Chairman of the Senate Committee on Foreign Relations asked us to review the relationship between the Agency for International Development and the American Institute for Free Labor Development. Because of the problems noted in these reviews, we undertook a followup review of the U.S.-financed labor programs carried out by AFL-CIO affiliates-- the American Institute for Free Labor Development, the Asian-American Free Labor Institute, and the African-American Labor Center. In this review, we wanted to

- evaluate the U.S.-financed programs' effectiveness in meeting the labor goal of the Foreign Assistance Act,
- determine the relationship of the program to U.S. foreign policy,
- ascertain the extent of Agency for International Development and Department of State participation in program management, and
- evaluate efforts to implement prior recommendations by GAO and others.

Our review was made pursuant to the Budget and Accounting Act, 1921 (31 U.S.C. 53), and the Accounting and Auditing Act of 1950 (31 U.S.C. 67).

Copies of this report are being sent to the Director, Office of Management and Budget; the Secretaries of State and Labor; and the Administrator, Agency for International Development.

James B. Stacks

Comptroller General
of the United States

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ABBREVIATIONS

AAFLI	Asian-American Free Labor Institute, Inc.
AALC	African-American Labor Center, Inc.
AFL-CIO	American Federation of Labor and Congress of Industrial Organiza- tions
AID	Agency for <u>International</u> Development
AIFLD	American Institute for Free Labor Development, Inc.
ATAC	American Technical Assistance Corporation
GAO	General Accounting Office
OLAB	Office of Labor Affairs, AID
ULC	United Labor Congress of Nigeria

COMPTROLLER GENERAL'S
REPORT TO THE CONGRESS

HOW TO IMPROVE MANAGEMENT
OF U.S.-FINANCED PROGRAMS
TO DEVELOP FREE LABOR MOVEMENTS
IN LESS DEVELOPED COUNTRIES
Department of State
Agency for International
Development

D I G E S T

Three AFL-CIO-affiliated institutes--the American Institute for Free Labor Development, Inc.; the African-American Labor Center, Inc.; and the Asian-American Free Labor Institute, Inc.--were established in the 1960s and employed by the Agency for International Development to assist in strengthening free, democratic labor movements in less developed countries.

The Agency has provided about \$77 million, or over 90 percent of the support for the activities of these institutes. Funding was also provided by the Departments of State and Labor, the AFL-CIO, and American corporations. (See apps. I, II, and III.)

The Agency has not specifically identified what the institutes must do to accomplish the labor goal of the Foreign Assistance Act--i.e., to encourage efforts of other countries to strengthen free labor unions.

GAO believes the Agency should join with the institutes to develop labor programs with objectives to (1) permit meaningful evaluation of the institutes' performance and (2) provide for gradual phaseout of U.S. assistance.

Furthermore, the State Department should insure that the Embassies (1) provide the institutes and missions with political and economic guidance regarding the U.S.-financed labor programs and (2) help formulate country program objectives and evaluate institute performance.

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The Congress may wish to consider clarifying the language of the Foreign Assistance Act to more clearly identify U.S. intentions.

The Agency, the State Department, and the institutes believe the Foreign Assistance Act allows the institutes to carry out the country labor programs by a continuous "presence" and/or by technical and financial assistance projects, according to the circumstances.

The Agency and the State Department said they would welcome any clarification of the intent of the Foreign Assistance Act; however, the flexibility to apply the appropriate approach should be maintained. (See p. 62.)

PROGRAM EVALUATION

The Agency has not fully developed country program objectives which clearly show what the institutes are expected to accomplish and the extent to which these accomplishments will contribute to attaining the Foreign Assistance Act labor goal.

The program objectives developed by the Agency and the institutes are often stated in unspecific terms which do not permit evaluations of institute performance.

Under these conditions, the institutes' effectiveness cannot readily be judged and program defects and potential improvements cannot readily be identified. (See pp. 1 and 2.)

State and the Agency believe that quantifiable objectives should not be set in countries where the institutes have only a "minimal presence." GAO agrees that (1) specific objectives may not be feasible where program

activities are limited to providing "information, advice, counsel, guidance, moral support, encouragement, and expertise" to labor leaders and officials and (2) qualitative factors, local conditions, and delicate political matters must be considered in developing and evaluating these activities. (See p. 56.)

Participation in institute programs varies among the responsible State and Agency organizations. Generally, the amount of participation by U.S. officials is limited. (See pp. 19 to 24.) GAO believes increased U.S. Government participation would provide assurances to the Congress, the public, and the agencies that the programs are consistent with U.S. foreign policy and sound management principles.

State and the Agency believe that (1) because the institutes are private, voluntary agencies, they are responsible for developing the program objectives and (2) the Congress intends that State and the Agency not participate too closely in the management of the institutes' activities. (See pp. 57 and 58.) GAO does not agree. The right balance between the Government's need for accountability and the institutes' desire for independence must be achieved.

GAO further believes that because the institutes have not developed program objectives to the satisfaction of prior review groups, the Agency must now play a principal role in formulating objectives and evaluating the institutes' activities. (See pp. 58 to 60.)

CHAPTER 1

IMPROVING PROGRAM MANAGEMENT

The Foreign Assistance Act of 1961, as amended, (22 U.S.C. 2351) states that U.S. policy is to encourage the efforts of other countries to strengthen free labor movements.

In carrying out this policy, the Agency for International Development (AID) has relied on three affiliates of the American Federation of Labor and Congress of Industrial Organizations (AFL-CIO)--the American Institute for Free Labor Development, Inc. (AIFLD); the African-American Labor Center, Inc. (AALC); and the Asian-American Free Labor Institute (AAFLI)--to formulate labor activities in each of the countries where they have programs. The labor programs and project activities which these affiliates, known as institutes, have implemented, however, do not permit evaluations of performance or of the program's impact on the labor movements.

Organizational elements of AID involved in this effort include its regional bureaus in Washington, which are responsible for the institutes' contracts and grants; the USAID missions, which are responsible for monitoring institute activities in the field; and the Office of Labor Affairs (OLAB), which is responsible for coordinating objectives and policy.

The institutes' activities are described in detail in chapter 3. They can be grouped into three categories: (1) educational activities, (2) social development projects, and (3) "other" activities, which have been described as involving the "more informal areas of influence and assistance."

ESTABLISH COUNTRY OBJECTIVES

AID and the institutes have not fully implemented the fundamental management procedures that would assure the American public that the U.S. Government's resources are being effectively and efficiently applied in this program. The contracts and grant between AID and the institutes do not specify what the institutes intend to accomplish in each country nor how and to what extent the proposed programs seek to resolve issues in the labor area. Moreover, the ~~contracts and grant~~ do not contain a strategy for the eventual phaseout of AID support for the institutes. Yet the institutes, with the concurrence and financial support of AID, are continuing to expand their activities to other countries and to increase the magnitude of their existing programs.

The level of performance which the U.S. Government expects from the institutes' educational and social development activities should be specified. This can best be done by establishing specific country labor objectives and regional programs in terms that would permit periodic measurements of performance. However, where the institutes' activities are limited to influencing and informally assisting labor leaders and officials, quantified program objectives would not be practical or possible.

We noted that AID's Latin American bureau and AIFLD were employing programming procedures that required the establishment of program objectives and progress reports on these objectives. However, our analysis of the programming documents and evaluation reports showed that the program objectives were not specific; thus no true evaluation of AIFLD's effectiveness could be made. Also, the Asian and African bureaus and their respective missions had not developed program documents with quantifiable objectives, nor had they evaluated the effectiveness of the institutes' activities. This issue is discussed in greater detail in chapter 4.

Since completion of our fieldwork, AID's Latin American bureau has amended its contract with AIFLD to include starting data and targets for measuring AIFLD's fiscal year 1975 progress toward each program objective specified in the contract appendix. AID's Asian bureau has entered into a grant agreement with AAFLI which calls for quantifiable program objectives and a system for evaluating AAFLI activities. The African bureau is also writing a project paper to identify program objectives; however, it believes specific and measurable objectives are inappropriate.

We believe that these recent efforts by AID's regional bureaus and the institutes will help establish meaningful, quantifiable program objectives. However, additional improvements should be made (especially by the Asian and African bureaus) to develop quantifiable objectives which can be independently evaluated.

INCREASE GOVERNMENT PARTICIPATION

The degree of participation in planning and evaluating the U.S.-financed labor programs has varied among the State Department and AID organizations responsible for the programs.

In the past, OLAB has not fulfilled its responsibility of coordinating and directing the AID regional bureaus in managing these programs. However, at the time of our review,

OLAB was taking steps to more effectively carry out its responsibility by chairing a committee to establish uniform program management by the three regional bureaus.

At the bureau level, participation has differed with the three programs. For example, the Latin American bureau has taken an active interest in the AIFLD program and directed its missions to become more involved in planning, monitoring, and evaluating the program. On the other hand, at the time of our review, the Asian and African bureaus seemed to be following more of a hands-off policy by generally accepting the institutes' projects, with little consideration as to whether each project can contribute efficiently to the attainment of U.S. labor goals.

At the USAID missions, we found basically the same degree of participation in the programs as at the AID regional bureaus in Washington--i.e., the mission project officers in Latin America were involved in developing country labor plans and surveying the ongoing labor programs; the USAID missions in Asia and Africa, participated little in planning labor programs or in evaluating institute activities.

Increased U.S. Government participation would provide assurances that the institutes' programs are consistent with U.S. foreign policy and sound management principles. Moreover, because social, economic, and political factors are interrelated with developing free labor movements, the Embassies should provide political and economic guidance to elements of the U.S. missions and the institutes involved in the labor programs. This issue is discussed in greater detail in chapter 5.

MATTERS FOR CONSIDERATION BY THE CONGRESS

Because program objectives which AID and the institutes have developed for their labor programs are often stated in unquantifiable terms which do not permit evaluations of the institutes' performance, we are proposing an alternate approach to the institutes' labor education program. The institutes would provide advice and technical and financial assistance needed to implement the local unions' education programs. The assistance would be phased out as the need disappeared.

AAFLI and AIFLD officials stated that this alternative would be possible if their purpose were only to develop the educational capabilities of the local trade unions. They interpreted the Foreign Assistance Act as giving them a much broader responsibility for developing free, democratic

trade unions in less developed countries. They implied that the act authorizes their assistance and presence until the trade unions in these countries become totally self-sustaining.

The State Department, AID, and the institutes believe the Foreign Assistance Act allows the institutes to carry out programs through "presence" and/or technical and financial assistance, depending on the circumstances.

U.S.-financed programs, such as those to develop free labor movements in less developed countries, need to be reassessed and their objectives and goals redefined periodically, lest they continue long after they have served their purpose. Since 1962, the U.S. has provided over \$77 million to three AFL-CIO affiliates to encourage other countries to strengthen free trade unions; however, little has been done to measure the effectiveness of such expenditures toward reaching specific objectives.

The Congress may wish to consider assessing the objectives of the program, deciding what types of activities the U.S. should continue to support, and establishing policies and priorities to guide the State Department and AID in carrying out the program.

RECOMMENDATIONS

We recommend that the Secretary of State insure that:

- The U.S. Embassies in each country with an institute program provide political and economic guidance to the elements of the U.S. missions and the institutes involved in U.S.-financed labor programs.
- The Embassies take more active roles in formulating program objectives and evaluating institute performance.

We further recommend that the AID Administrator direct:

- Latin American, Asian, and African regional bureaus, in conjunction with the institutes, to develop country labor programs consistent with the accomplishment of U.S. foreign policy objectives. Each education and social development program should include (1) objectives expressed in terms that permit measurement of progress, (2) total requirements for each objective, and (3) a time frame for the eventual turnover of programs to the local unions.

--AID headquarters and USAID mission officials to take more active roles in formulating program objectives and in evaluating institute performance.

--AID regional bureaus to consider requiring the institutes to adopt a labor education program similar to our suggested alternative program.

CHAPTER 2

AID'S RELATIONSHIP WITH THE AFL-CIO AFFILIATES

AID assistance ventures in many fields are accomplished by contracting with organizations such as universities, institutes, and businesses to provide technical and professional help to similar institutions in foreign countries. Such a contract was developed between AID and the American labor movement, because they recognized the need to strengthen free and democratic trade unions in Latin America.

With the cold war, a struggle developed between trade unions of the world to establish themselves. In 1949 the International Confederation of Free Trade Unions was founded as a counterweight to the Communist-dominated World Federation of Trade Unions. Actively affiliated under the International Confederation of Free Trade Unions are the Inter-American Regional Organization of Workers and the American Federation of Labor and Congress of Industrial Organizations.

The AFL-CIO, through its Executive Council and its Department of International Affairs, made substantial contributions toward helping build free unions all over the world. In August 1960 it allocated about \$20,000 to study the feasibility of an institute to develop democratic trade union leaders in Latin America. The study resulted in plans to establish an institute for the training of Latin American union leaders and workers.

In May 1961 the AFL-CIO approached private foundations, businessmen, and Government agencies to seek financing for the planned institute. In June 1961 it allocated an additional \$15,000 toward development of the institute, which was to be established along the lines of a previous 3-month course held by the Communications Workers of America for its Latin American affiliates.

AIFLD was incorporated in Delaware in August 1961 as a private, nonprofit organization. Prominent North and Latin Americans became members of the board of trustees.

These events happened at a time when the United States Government, in cooperation with its Latin American neighbors, was embarking on a bold venture. In March 1961, at a White House reception for Latin American diplomats, the late President Kennedy suggested an Alliance for Progress, "a vast cooperative effort * * * to satisfy the basic needs of the American people for homes, work and land, health and

schools* * *." At Punta del Este, Uruguay, on August 17, 1961, the President's words and Latin America's aspirations were translated into a formal charter, signed by all members of the Organization of American States except Cuba.

Of the specific goals enumerated in the Charter of Punta del Este were (1) that institutions in both the public and private sectors, including labor organizations, cooperatives, and commercial, industrial, and financial institutions, be strengthened and (2) that social reforms be carried out to permit a fair distribution of the fruits of economic and social progress.

As details of the Alliance for Progress were worked out, it was recognized at the highest executive levels of Government that AIFLD represented a good approach to some of the major problems of the Western Hemisphere.

In January 1962 the United States Government established the Labor Advisory Committee on the Alliance for Progress which later developed into the Labor Advisory Committee on Foreign Assistance. The Committee included prominent American labor leaders. Through its meetings, attended by top officials of appropriate Government agencies, it advised the United States Government on Latin American labor matters. The Labor Advisory Committee was terminated by the AID Administrator on January 15, 1973.

Government financial support for AIFLD's activities was decided upon primarily through the first meetings of the Labor Advisory Committee in 1962. At the first meeting on January 25, 1962, agreement was reached to make \$350,000 available to AIFLD to enable it to undertake its educational activities. Of this amount, \$100,000 was provided from the President's Contingency Fund, through the Department of Labor.

From 1963 to 1964, AFL-CIO operated through the International Confederation of Free Trade Unions to develop free, democratic trade unions in Africa. However, more and more African governments began forcing their local unions to sever relations with the International Confederation of Free Trade Unions. Therefore, in 1964, AFL-CIO established AALC to expand assistance to the African free trade unions. AID, in December 1964, contracted with AFL-CIO for AALC to conduct the AID labor program in Africa.

Three years later, AFL-CIO chartered AAFLI to educate and train union leaders and workers in Asia. On January 8, 1968, AFL-CIO and AID signed an agreement providing that AAFLI would furnish expertise, advice and assistance to trade union programs and labor-related efforts in Asia.

Since 1962, AID has provided about \$77 million, or over 90 percent of the institutes' operating funds. The remaining funds have been obtained from Departments of State and Labor AFL-CIO, and American corporations. Appendixes I, II, and III show the details of this financial assistance. Levels of assistance and other financial data for the five countries we visited are shown in appendixes IV and V.

Also, the institutes channel a portion of their AID financing to support programs carried out through several international trade secretariats. The international trade secretariats are international labor organizations formed along industrial lines, uniting workers of a given industry--regardless of national boundaries. Their programs involve lending expertise to unions in organizing and collective bargaining activities, for which assistance by the institutes might detract from the institutes' image of supporting the total democratic labor movement in a country.

We were informed by Department of State officials that in the countries where the institutes are active, the local labor unions are subject to varying degrees of government regulations.

CHAPTER 3

THE INSTITUTES' PROGRAMS

The institutes' activities to develop free, democratic trade unions can be grouped into three categories: (1) educational activities, (2) social development projects, and (3) "other" activities, which have been described as involving the "more informal areas of influence and assistance."

EDUCATIONAL ACTIVITIES

The institutes' educational programs include training both in the country and in the United States. Course topics range from basic trade unionism to university-level courses on labor leadership, labor economics, and cooperatives. In the African and Asian countries, the institutes also conduct vocational training programs in order to strengthen a particular union while meeting an economic need for skilled workers. (See app. VII.)

The in-country educational programs involve both 1- to 2-day seminars and courses lasting several days or weeks. Courses include such topics as arbitration, collective bargaining, history of trade unionism, and research and development.

The AIFLD headquarters in Washington operates two advanced education programs in the Washington, D.C., area for Latin American labor leaders. One program is conducted at AIFLD's Front Royal Institute in Virginia, where labor leaders are given advanced instruction in courses such as collective bargaining, principles of democratic trade unionism, and women's trade union leadership. Two 5 or 6 week courses are usually run concurrently, with about 20 students attending each course. At the end of 1974, over 1,700 students had graduated from the institute. (See app. VI.) AIFLD also sponsors the Inter-American Labor Economics Program at Georgetown University. This program was begun by AIFLD in 1967 to give trade union representatives university-level training in labor economics. The course lasts 6 months and accommodates 15 to 20 students per session. As of the end of 1974, the program had graduated 145 students.

AALC and AAFLI supplement their in-country education programs by bringing trade union leaders to the United States for courses in advanced union leadership at Harvard University and cooperative management at the University of Wisconsin. In addition to formal education, AAFLI and AALC also sponsor observation tours in the U.S. for union leaders to meet and confer with their U.S. counterparts and observe U.S. unions in action.

The labor education activities of AIFLD and AAFLI are financed through contracts with AID. AALC's educational activities are financed through its annual grant from AID and AFL-CIO contributions. AALC's labor leadership exchange program is financed through a grant under the Mutual Educational and Cultural Exchange Program administered by the Department of State.

SOCIAL DEVELOPMENT PROJECTS

All three institutes carry out a wide range of social development projects directed at strengthening the local labor movements, solidifying the rank and file membership, and improving the image of trade unionism.

AIFLD's major social development effort originally involved assisting local unions in obtaining financing for workers' housing projects. However, because of inflated housing costs, AIFLD has not been active in housing for the past four or five years.

The institutes' primary emphasis now is on small projects, such as helping establish credit facilities, supermarkets, and cooperatives; providing potable water supplies for rural villages; constructing, repairing, and equipping school houses, union halls, and community centers; and disaster relief. The institutes believe that by assisting the unions to provide these social benefits, they will increase union membership.

The source of funding for social development projects varies among the three institutes. For example, AIFLD has four sources of funds for its social development projects: (1) the AID-financed Regional Revolving Loan Fund, (2) the AFL-CIO Impact Project Fund, (3) the mission's Special Development Activities Fund, and (4) repayments of loans made under certain AID-financed grants in Brazil and the Dominican Republic.

AIFLD's Regional Revolving Loan Fund was established by an AID grant of \$500,000 in 1968. The fund was increased to \$625,000 by an additional AID grant in 1971. Loans made from this fund range from \$5,000 to \$50,000, and as of September 30, 1974, loans totaled over \$880,000.

AIFLD has administered the Impact Projects Program since 1964. Under this program, AFL-CIO provides funds through AIFLD as grants or interest-free loans of up to \$5,000 for union-sponsored self-help projects. In 1972, AIFLD reported that AFL-CIO had provided \$600,000 for this program since it began but because of the revolving nature of the fund, AIFLD was able to make loans of over \$334,000 and grants of over \$342,000.

Under the Special Development Activity Authority, the USAID Mission Directors are authorized up to \$50,000 annually to finance expeditiously small activities which will have an immediate impact in the cooperating country. Funding for individual activities is unlimited; however, AID expects the "average" activity to cost not more than \$5,000. As of March 1974, AIFLD had received over \$185,000 in Special Development Activities Funds for about 190 social projects in Latin America.

Between 1966 and 1970, AID granted AIFLD \$320,000 (in U.S. dollars and U.S.-owned Brazilian cruzeiros) to finance an Alliance for Progress fund in Brazil. AID also granted AIFLD \$600,000 in the Dominican Republic to finance a housing project for workers. Under the current arrangement, AIFLD can use the repayments of loans made under these grants to finance additional social projects in these two countries.

AAFLI and AALC receive social development project funds as part of their annual agreements with AID and from contributions from the AFL-CIO Impact Projects Program.

OTHER ACTIVITIES

In commenting on this report, the State Department and

available concerning them, nor did the contracts and grant contain any specific provisions requiring the institutes to carry them out.

CHAPTER 4

ESTABLISH COUNTRY OBJECTIVES

Country program objectives have not been fully developed to clearly show what the institutes are expected to accomplish and how their accomplishments will contribute to the Foreign Assistance Act goal of strengthening free trade unions in less developed countries. The program's objectives are often stated in nonquantifiable terms. Therefore, the institutes' effectiveness cannot readily be judged, and program defects and potential improvements cannot readily be identified.

AMERICAN INSTITUTE FOR FREE LABOR DEVELOPMENT

Our examination of AIFLD's contract showed that AID has not specifically defined how it expects to implement in each country the labor policy stated in the Foreign Assistance Act. AID has adopted instead the broad overall goal, "to establish financially viable, self-sufficient labor organizations" in Latin America. In the past, AID has relied to a great extent on AIFLD for formulating country labor plans (including a country labor goal and program objectives) in all countries where AIFLD operates. This procedure was revised in 1973, and USAID mission personnel were also required to submit to AID their own drafts of country appendixes to the AIFLD contract.

In reviewing the AIFLD country labor plans for Colombia and the Dominican Republic for the years 1971-75, we noted that during the first 3 years (1971-73), AIFLD made serious efforts to develop country labor plans. These country labor plans, in addition to stating an overall country goal, program objectives, and project activities, contained background information on past AIFLD emphasis and accomplishments, a diagnosis of the problems affecting free labor movements, and alternative program strategies. In the 1974 and 1975 country labor plans, AIFLD deleted all background data, the diagnosis segment, and alternative programs and included only a program goal, program objectives, and project activities. AIFLD officials said they had taken considerable effort to prepare the background, diagnosis, and alternative program information, but because AID was not using it, they decided to delete it from their country labor plans. AID officials stated they approved of the deletion because the cost of compiling this generally repetitious material far exceeded its value.

In reviewing the country appendix drafts submitted by the USAID missions in Colombia and the Dominican Republic, we noted that neither the AIFLD nor the mission country appendix drafts submitted between 1971 and 1975 described in specific terms what AID expects to accomplish in Latin America with the resources available and within a reasonable time frame. For example, in the 1974 Colombia country labor plan, AIFLD described the overall labor goal as assisting in the expansion and strengthening of the local democratic labor movement. This has generally been the goal in each country labor plan for Colombia for the past 5 years.

To accomplish this program goal, AIFLD developed the following short range program objectives:

- "1. To assist the UTC and CTC [Union of Colombian Workers and Colombian Workers Confederation] to expand their membership and to improve their structure.
- "2. To assist the Confederations in reaching economic and technical self-sufficiency for institutionalization of programs.
- "3. Assist the Confederations in strengthening their National Agrarian Federations, and improving the Rural Development Programs.
- "4. Assist the Confederations in the fields of labor economics and research services."

These objectives have also remained basically the same over the past 5 years.

Because the program objectives are expressed in broad general terms, AIFLD has included with each program objective several statements of results which AIFLD expects to achieve in the coming year and within 5 years. These statements are meant to represent benchmarks by which to measure the degree of accomplishment of the stated program objective. For example, the 1974 country labor plan for Colombia included the following statements under the first objective.

- "1. An increase of about 5% in the current Colombian democratically organized labor force.
- "2. Approximately three new industrial or professional national unions or federations will be formed, potentially among the public employee sector, the construction workers, and teachers.

"3. Impact projects, small projects and Regional Revolving Loan Fund projects will be developed if funding is available.

"Also, it is hoped that by 1978 complete unification of the two Confederations will have taken place and that at least 50% of its affiliates will be organized in national unions or federations. An estimated 20% of the total Colombian labor force will be organized under the sole confederation."

Although AIFLD has attempted to establish quantifiable indicators by which to measure progress, we believe that the nonquantifiable terms of the program objective, "to assist * * * to expand * * * and to improve * * *," preclude the benchmarks from serving their intended purpose. The country labor plan does not explain how reaching these benchmarks relates to achieving the objective. For example, even if AIFLD accomplishes a 5 percent increase in the current Colombian democratically organized labor force and the formation of three new industrial or professional national unions during the year, one could not assess the relationship of these accomplishments to the attainment of the program objective and the overall goal for the country.

The same conclusion is true of the 5-year benchmark. The mere fact that the benchmark was reached, i.e., that total union membership increased by 20 percent, does not indicate the extent of progress toward the stated program objective.

In our opinion, a program objective expressed in such terms as "to assist * * * to expand * * * and to improve * * *" simply does not permit measurement of progress. Quantifiable terms which permit evaluation and measurement of progress are needed. For example, program objectives and benchmarks might be stated as follows: To increase the membership of the Union of Colombian Workers and Colombian Workers Confederation by 20 percent over the 5-year period 1974-78. AIFLD expects an increase of about 5 percent in its current membership during 1974. The country labor plan should then describe the project activities proposed to increase the confederations' membership.

In commenting on our draft report, State and AID said,

"* * * the Non-Capital Project Paper (PROP) is the document which establishes specific objectives and indicators of progress for the AIFLD program in Latin America."

They also stated that

"Each country Mission has prepared a Project Design Summary Logical Framework for their country program containing verifiable indicators of progress toward the project goal and purpose. * * * AID expects AIFLD, as the prime contractor, to prepare a program proposal within the framework of the PROP."

We examined these program documents for Colombia and the Dominican Republic. The Non-Capital Project Paper contained statements on the project's purpose, outputs and inputs, rationale, and the recommended course of action. These subsections are not expressed in specific terms but in general terms which are applicable to all Latin American countries where AID wants to develop their labor movements.

Both of the logical framework documents for the Dominican Republic and Colombia contained statements of the goal and purpose of the project and a list of conditions designed to indicate when the purpose has been achieved. These conditions were also expressed in general rather than specific terms. Therefore, it was not possible to determine when these projects will be completed or the effect that AIFLD has had on the development of the labor movements in the Dominican Republic and Colombia.

ASIAN-AMERICAN FREE LABOR INSTITUTE

Our examination of AID's April 1, 1974, contract agreement with AAFLI showed that the stated objective of the AAFLI program is to develop and strengthen free trade unions in Asia and the Near East. Included as an integral part of the contract are the contractor's proposals for each country, describing the project activities planned for the fiscal year.

The contractor's proposals do not contain program objectives defining what he expects to accomplish in regard to developing the labor movement in a particular country. Rather, the proposals describe in general terms the labor education and social development type of assistance being proposed. As an example, the Philippine proposal for the contract period April 1, 1974, to March 21, 1975, showed the following:

"The Institute will continue its current program of trade union and cooperative education projects with a number of Philippine trade union federations and will extend its activities to incorporate projects with additional federations.

"The activities of the prototype national trade union center will be continued including the on-the-job training program and the series of training courses dealing with labor arbitration. The center will continue to publish pamphlets on technical subjects as well as provide technical expertise and materials for special AAFLI educational activities.

"In the field of cooperative development, it is anticipated that commodity and seed capital support will continue to be given to producer and consumer cooperatives, union-operated credit unions, and similar self-help projects. These activities will also include support to cover consumer feasibility surveys, architectural services, construction and vocational training programs. Professional training will also be provided with special emphasis on cooperative development, finance and management."

"The barrio health projects which are designed to assist Philippine unions extend health services, low cost medical equipment and supplies as well as training materials for health, sanitation, and nutrition and family planning information programs will be further expanded."

In summary, AID is purchasing a number of annual project activities which will probably have some beneficial impact on the labor movement in the Philippines. However, the lack of quantitative program objectives prohibits meaningful evaluation of the program.

AFRICAN-AMERICAN LABOR CENTER

Our examination of the AID/AALC grant agreement showed that the stated objective of the AALC program is to develop and strengthen the free and democratic trade unions in Africa. AID has not specified in the agreement clear program objectives describing what AID intends that AALC accomplish in each African country. Instead the grant involves the purchase of 17 trade union education and vocational training projects which AALC believes contribute to its primary objective of developing and strengthening free and democratic labor movements in Africa.

The agreement does not describe the relationship of each project to the overall goal, nor does it identify in quantifiable terms the objectives which each is expected to accomplish. Each project contains a purpose usually expressed in broad general terms, such as "to establish labor education

programs capable of training trade union leaders" or "to develop the skills of the working force," prohibiting any independent evaluation of the program's success.

It appears that once approved the projects are continued on a year-by-year basis, until it can be determined that the unions or confederations are technically and financially capable of assuming the responsibility for the projects.

The institutes' projects appear generally beneficial to the local trade union movements. However, for effective management and control of the institutes program, AID should define its objectives for each country in specific terms which permit an evaluation of progress. The institutes should then design projects to accomplish these program objectives.

The failure of AID to define the total needs for each country and to state specifically what the institutes are to do in each country was recognized as a problem in earlier reviews by AID's Auditor General and a private consulting firm hired by AID, (See ch. 8.)

We would like to propose an alternate mode of operation for the institutes' education program. The institutes should be directed to concentrate their efforts more towards encouraging unions to establish education program objectives and plans in-house. Planning and administering a balanced, sequential program of instruction, from grassroots unionism to advanced leadership training, should be a union responsibility. The institutes should act more in an advisory capacity and provide technical assistance (and possibly financial assistance under appropriate control) to plan and implement the union's own programs.

We believe that this approach would result in a more efficient operation, allowing for the establishment of long and short term objectives. The institutes' performance could be periodically reviewed and evaluated, as cannot be done under the present method of operation. The concept would involve considerable self-help on the part of unions. The institutes would be able to withdraw from the education programs once the unions have demonstrated their ability to carry them out without U.S. assistance.

CHAPTER 5

INCREASE GOVERNMENT PARTICIPATION

Participation in planning and evaluating the labor programs carried out by the institutes has varied among the responsible AID and State Department organizations in Washington and abroad. As shown in chapter 4, country program objectives that clearly show what the institutes are expected to accomplish have not been developed by either AID or the institutes, and therefore, meaningful evaluations cannot be made. State Department and AID officials' relationship with AAFLI and AALC has consisted chiefly of performing contract administration functions, and virtually no efforts have been made to influence the direction and extent of the institutes' efforts or to evaluate program activities abroad. The relationship of State Department and AID officials with AIFLD has been closer, but could be further improved to increase the contractor's effectiveness. To insure improved program management, both AID and the State Department should become more actively involved in developing plans for the program and in evaluating the institutes' activities abroad.

AMERICAN INSTITUTE FOR FREE LABOR DEVELOPMENT

Although AID's Latin American bureau has increased participation by the USAID missions with AIFLD in managing the labor programs, participation in planning and evaluation is still inadequate.

AID's Latin American bureau was made responsible for administering the AIFLD contract in 1973. Since that time, the bureau has been concerned primarily with such contract administration matters as preparing the Regional Non-Capital Project Paper, finalizing the first regional contract with AIFLD, and settling the question of whether the AIFLD program should be under a contract or grant agreement.

Recently, the bureau has taken measures to increase the USAID missions' participation in managing the labor programs in their respective countries. In June 1973, the Latin American bureau directed the USAID missions to formulate and submit specific program objectives for the 1974 AIFLD contract and to develop a set of activities for achieving the objectives.

As its country appendix draft to AIFLD's contract, the USAID mission in Colombia submitted AIFLD's country labor plan accompanied by a matrix describing the project goal, a list of project activities and estimated costs, projected outputs, and a statement of conditions needed to attain the

project goal. The mission in the Dominican Republic advised that the AIFLD budget be reduced through prudently managing administrative support costs and pruning some activities.

In December 1974, the bureau again asked the country teams to submit country labor plans. The country teams were advised to improve the design of their labor programs so as to maximize their contribution to AID priority objectives. The country teams were also directed to submit with their labor plans the following attachments:

- Comments on the self-help efforts by local unions.
- A summary statement on the progress of the labor movement.
- A project appraisal report.

The Dominican Republic country team's country appendix draft, self-help statement, and progress summary disclosed much information regarding the labor movement's progress, problems facing its further development, and recommendations for action in the next fiscal year. However, we noted that this data does not identify in quantifiable terms what AID expects to accomplish with its assistance to the labor movement in the Dominican Republic.

In efforts to evaluate the effectiveness of AIFLD's programs, officials of the Latin American bureau and AIFLD have made field trips to selected Latin American countries to provide program guidance and to discuss with mission and AIFLD officials the progress and problems of the program. Also, the bureau has contracted with private consulting firms to evaluate the effectiveness of AIFLD's activities. (See pp. 32 and 48.)

During our visits to Colombia and the Dominican Republic, we found that the amount of U.S. participation in the country programs generally varied with the priority assigned them by the Embassy.

In the Dominican Republic, the Ambassador considers the AIFLD program important in the development of a free, democratic trade union movement, but because of its long term nature, he does not consider it a priority program. Consequently, the Embassy's labor reporting officer devoted only 5 to 10 percent of his time to labor matters. His involvement with the AIFLD program consists of reviewing AIFLD's country labor plan to determine that it complies with U.S. political objectives for the country.

The USAID mission in the Dominican Republic is also involved only in the planning phase of the AIFLD program. The mission reviews the AIFLD draft of the country labor plan and prepares its own plan to comply with the Latin American bureau's directions. The mission has not performed any evaluation of the contractor's performance; however, in 1974 a private consultant reviewed AIFLD's activities in the Dominican Republic. (See p. 32.)

In Colombia, we found that the Embassy has recently taken a more active interest in the labor movement and the AIFLD program because of the recent recognition of the Communist labor union by the Government of Colombia. The Ambassador has exhibited particular interest by requiring AIFLD to stop funding recruiting activities of the Colombian Workers Confederation and the Union of Colombian Workers and by offering to give \$50,000 from the mission's special development activities funds to finance social projects for these two confederations.

Also in Colombia, the USAID program evaluation officer reviews AIFLD's project activities, plans, and expenditures. The evaluation officer visits no activities or projects himself, but relies on the AIFLD country program director and the U.S. labor attache to provide information on the program.

A reason cited for lesser participation by the mission's officer is that the labor attache has been appointed by the Embassy as the project manager for the AIFLD program. The labor attache reviews the country labor plans for compliance with U.S. objectives. He also visits social project sites and maintains a good informal relationship with the AIFLD country program director and union officials, through whom he is able to stay advised of the AIFLD activities.

ASIAN-AMERICAN FREE LABOR INSTITUTE

Our review disclosed little planning or evaluation of AAFLI activities by AID and State Department officials at either the headquarters level in Washington or the mission level in the field.

The AAFLI country plans are formulated by the AAFLI country program director, based on proposals and requests received from local unions and the country program director's knowledge of the local labor movement. The country program director forwards the proposals to AAFLI headquarters in the form of an annual country labor program with budget estimates. AAFLI headquarters reviews the country submissions to see that they coincide with AAFLI's overall objectives, makes necessary revisions, and then forwards the assembled program to AID for approval.

AID's Asian bureaus¹ review the program to determine that it does not conflict with the Foreign Assistance Act, but do not make a detailed analysis of the content of the contractor's proposals. The bureaus forward the contractor's proposals to the respective AID country desks for their review and approval. We were advised by AID officials that the country desks review the AAFLI proposals primarily to determine that the programs do not conflict with the U.S. objectives for the respective countries.

In the Philippines, the AAFLI program is monitored by the Embassy's labor attache who has been designated as the project officer. We were informed that the labor attache monitors the AAFLI programs through onsite visits and informal conversations with the AAFLI country program director. He does not participate in developing country plans, nor has he reported on the effectiveness of the contractor's activities.

AID policy requires that all technical assistance projects be evaluated annually in terms of their efficiency, effectiveness, and contribution to U.S. objectives. At the conclusion of the evaluation, a project appraisal report is to be submitted to AID.

During our review at AID and the USAID mission in the Philippines, we were informed that no evaluations had been made of the AAFLI program and consequently no appraisal reports had been prepared by the missions.

In December 1974, Asian bureau and AAFLI officials visited several countries with AAFLI programs, to better understand AAFLI activities, to improve AAFLI operations, and to get an impression of AAFLI's reception in those countries. The trip report contained recommendations to AID and AAFLI to improve the contractor's operations and the mission's involvement in the program. However, the report did not provide an evaluation of the institute's effectiveness in the Philippines.

We did note that the labor attache in the Philippines has referred to AAFLI's activities in his annual labor reports to Washington. However, the references basically described the institute's activities and did not evaluate their effect on the labor movement or U.S. political goals.

¹Effective September 18, 1975, the Bureau for East Asia was redesignated as the Bureau for Asia and the Bureau for Near East and South Asia was redesignated as the Bureau for Near East. For purposes of this report, these bureaus will be referred to as the Asian bureaus.

AFRICAN-AMERICAN LABOR CENTER

At the time of our review, AID officials had not developed a Non-Capital Project Paper or formal planning document for the AALC program. Their approval of AALC activities is required before funding a project, and they apparently monitor the actual implementation of the projects but do not report on the effectiveness of AALC's operations or the impact of the program on the labor movement.

Most AALC projects begin in response to requests from the countries' national trade union centers or, on occasion, requests from the host government. If AALC approves a request, the project is discussed with the U.S. Ambassador or USAID Mission Director to insure that it complies with the U.S. policy objectives. If no objections are raised during this preliminary review, AALC prepares a project budget and submits a formal proposal to AID for approval. AID sends a copy of the proposal to the American Embassy for their review and comment; however, the final decision to approve or disapprove the project rests with AID. If the project is approved, AID will negotiate the estimated cost with AALC and it will be added to the grant agreement. With regard to impact projects, AID does not become involved in the approval process--only the Ambassador's approval is required.

In Kenya, the AID program officer is primarily responsible for monitoring the AALC programs; however, the Embassy's labor reporting officer also devotes approximately 10 percent of his time to the labor sector. Through their informal relationships with the AALC representative, these officers can generally monitor AALC's activities.

In Nigeria, the labor attache is responsible for the AALC program. He maintains an informal relationship with the AALC representative and occasionally sits in on classes at the Trade Union Institute; however, he has not participated in developing plans for the labor program nor in evaluating AALC's project activities.

With respect to evaluations, we found that at least once each year, an official from AID's African bureau visits most of the countries where AALC has programs. During these trips, he visits most of the major project sites and meets with AALC field personnel and USAID and Embassy officials to discuss the status of AALC's projects and to review projected budget submissions. Also, in 1972 an outside consultant on behalf of AID together with representatives of AALC evaluated AALC's programs. This team visited selected countries and concluded that the AALC projects were contributing in varying degrees to the economic and social development of Africa.

Both the labor reporting officer in Kenya and the labor attache in Nigeria referred to AALC activities in their labor reports to Washington. However, these references basically described AALC's activities and did not evaluate them. An AID official stated that no project appraisal reports had been prepared on AALC projects in Kenya and Nigeria, although they are required.

CHAPTER 6

AIFLD PROGRAMS IN COLOMBIA AND THE DOMINICAN REPUBLIC

COLOMBIA

During the terms of President Alfonso Lopez (1934-38 and 1942-45), the fragmented Colombian labor movement was consolidated. Union federations and national industrial unions were established, and in 1936 the Colombian Workers Confederation was established.

In 1946, as a result of pro-Communist and anticlerical feelings in the Colombian Workers Confederation, the Jesuits formed an opposition confederation, the Union of Colombian Workers. The Union of Colombian Workers has grown considerably and today is the largest labor confederation.

In the 1960s, the Communists formed their own labor confederation, the United Confederation of Colombian Workers, which was granted legal recognition by the Government in August 1974. Subsequently, the United Confederation of Colombian Workers increased its membership by recruiting members of existing unions. Today it is considered the fastest growing labor confederation.

The fourth labor confederation is the Christian Socialist Confederation, which is small and uninfluential.

Membership of the Union of Colombian Workers and the Colombian Workers Confederation has grown from 1,247,000 in 1963 to 1,620,000 in 1974 according to a Department of Labor official.¹

The more recent Governments of Colombia have enacted legislation favorable to labor. According to an official with a U.S. firm in Colombia, a worker aged 55 with 20 years' employment can retire with an annuity of 75 percent of his current pay. Further, fired employees must be given 2 months' severance pay for each year of service.

Description

The AIFLD program in Colombia began in 1963. Since that time, the institute has provided equal support to the Union of Colombian Workers and the Colombian Workers Confederation

¹AID officials cautioned that the unions habitually inflate membership figures, sometimes by 100 percent or more.

for labor education and social projects. AIFLD felt obligated to assist both confederations equally, because they were associated with the same international labor organizations as the AFL-CIO.

AIFLD has receded to an advisory role in Colombia. The institute has provided funds, and the Colombians have been given operational responsibility for carrying out their own labor education and social projects. To date, this approach has been successful in that the AIFLD program has been accepted by the Government.

Relationship to U.S. foreign policy

The overall USAID goal for Colombia is to improve national distribution of income and social services for the poor. Since the Colombian workers are traditionally poor the mission's labor objective is to support the development of free, democratic labor unions and thereby encourage workers to participate more actively in this social and economic process.

In discussions with USAID mission officials, we were told that the labor development program was not considered to be an effective tool in meeting the mission's overall goal for Colombia. However, in Washington, an AID desk officer for Colombia stated that the AIFLD program is not directly related to AID's sector programs but many of its objectives tie in with AID's, for example, efforts to educate workers to better their standard of living and projects with small farmers. Also, an official in AID's Latin American bureau pointed out to us that in response to an AID questionnaire on labor, the country team in Colombia said they considered the AIFLD program important because it assists the workers' participation in the political development of the country.

We were unable to identify the official U.S. labor policy in any of the documents we examined; however, at our request State Department officials prepared a paper describing the U.S. labor policy in the five countries included in our review. The paper states,

"Since we advocate and support the development and growth of democratic governmental institutions in Colombia, we encourage the development of responsible and democratic trade unions to engage in collective bargaining and participate in other activities designed to improve the economic and social life of their members and strengthen the social fabric and other institutions of the country."

This policy to encourage the development of democratic trade unions is being implemented primarily through the AIFLD program.

Embassy officials confirmed this labor policy and added that AIFLD has been instrumental in developing the labor movement. They also stated that the U.S. seeks to fight Communism by developing a free, democratic labor movement.

Project activities

Education

AIFLD provides financial support to federations and confederations for training sessions. Since 1963, over 33,500 students have attended AIFLD educational courses varying from short term training in the rudiments of union operations to advanced training involving weeks or months and covering such areas as negotiations, economics, and law. AIFLD does not participate in basic instruction, because the Colombian labor unions conduct such training on their own. Generally, the labor unions furnish the instructors, designate the students, and provide the training facilities, while AIFLD provides the financial support.

In the past, AIFLD financed a promoter training program in Colombia. A promoter is a labor organization field operative who attempts to organize workers. He instructs the workers in union operations, benefits of union organization, and worker rights. Promoter training was terminated in September 1974 at the direction of the U.S. Ambassador. He was concerned that the Government might construe U.S. support of such activity as intervention in Colombian affairs.

AIFLD also sends union members to labor institutes and universities in the U.S. and training centers in other countries. These are the most advanced courses and are open to the best students. Thirty-nine Colombian students attended courses at the AIFLD U.S. institute between 1969 and 1972.

Social development

There are three funding sources for social development projects in Colombia--the AFL-CIO Impact Projects Fund, AID's Small Projects Fund, and the Regional Revolving Loan Fund. Before recommending a source of funding for a project, the country program director will consider the availability of funds and the AID criteria. AIFLD and AID headquarters make the final decision as to project approval and source of funding.

AIFLD is sponsoring 11 social projects, including installation of elevators in the unions' headquarters and establishment of a pharmacy and cooperatives.

Program effectiveness

During the past 12 years, AIFLD and AID spent over \$2 million to assist two union confederations in Colombia. AIFLD has worked toward consolidation of the two confederations, and although this objective has not been totally accomplished, the confederations now cooperate on important labor issues, release joint communiques, and have ceased mutual membership raids.

The labor movement appears advanced and competent. The confederations have obtained benefits for their members and operate cooperative stores, credit unions, and educational activities. The confederations have also obtained financing for building construction and a workers bank.

Although the labor confederations have made advances, we found little verifiable evidence that the AIFLD program has had an impact on the progress of the labor movement.

The AIFLD program goal--to assist in the expansion and strengthening of the local democratic labor movement--is general and vague. Further, how much program activities contribute to goal achievements is unclear.

AID mission and Embassy officials were disenchanted and frustrated with the program. They could not see exactly what AIFLD had done to strengthen the Colombian labor movement nor understand why after years of assistance the two AIFLD-supported confederations continue to lose substantial membership to the newly legally recognized Communist confederation. The Embassy felt that the democratic confederations' reliance on AIFLD has resulted in a lack of aggressiveness.

AIFLD officials believe the labor movement lacks leadership and accordingly limit assistance to financially supporting training programs for middle and upper level union members with leadership potential. Recent defections to Communist unions, however, indicate that this may not be the best course of action. Such defections indicate a lack of grass roots support and the need for more ideological training and indoctrination at a lower level.

DOMINICAN REPUBLIC

The Dominican Republic suffers from economic and political instability. About 30 percent of the workforce of 1.2 million are unemployed and many others are underemployed.

During the Trujillo regime the only labor unions permitted were those that served his political purposes. In 1951, the Government of the Dominican Republic instituted a labor code which included such basic items as an established work week, minimum wages, paid vacations, collective bargaining, and union organization. However, the labor code was ignored by Trujillo. The labor movement now considers the code inadequate, because unions cannot protect workers from dismissal, organize farm workers or government employees, nor obtain code revisions.

The current Government of the Dominican Republic is concerned with the political and economic impact of organized labor. The Government wishes to prevent unions from being used against it politically, as they have in the past. Also, the Government believes that strong unions could deter capital investment by raising the cost of labor. Therefore, the Government believes its best interest is to restrain the growth of organized labor.

Because of the attitude of the Government and employers and the prevailing high unemployment, a weak and divided labor movement has developed. Currently four confederations represent about 10 percent of Dominican workers.

The National Center of Dominican Workers was established in November 1971 through the efforts of AIFLD and other foreign labor organizations. It succeeded the National Free Workers Confederation, the nation's first central labor body, which collapsed in 1968 as a result of internal differences arising during the 1965 revolution.

The Autonomous Confederation of Christian Unions is the most affluent national union and receives financial assistance from foreign Christian socialist organizations. The General Center of Workers is an aggressive, extreme leftwing confederation also receiving foreign financial support. The final confederation is the Government-supported Confederation Union of Organized Workers, a paper organization established for political reasons.

Union membership in the Dominican Republic has grown from 5,000 in 1963 to 42,000 in 1974.¹

Description

AIFLD's efforts in the Dominican Republic began in 1962, when several labor leaders were brought to the U.S. for the newly established AIFLD education program. About a year later, the National Free Workers Confederation invited AIFLD to open an office in the Dominican Republic to develop a labor education and social projects program.

AIFLD concentrated its efforts on strengthening the National Free Workers Confederation by sponsoring education programs and organizing campaigns to gain more affiliates. While the effort succeeded in strengthening some unions at the local level, lack of a good organizational structure prevented the National Free Workers Confederation from becoming the spokesman for the workers of the country that AIFLD felt it should be.

After the dissolution of the National Free Workers Confederation in 1968, AIFLD directed its effort at (1) fortifying several of the existing federations such as the sugar, port, and hotel workers and (2) creating new federations. Several new federations have been formed and have become affiliates of the National Center of Dominican Republic Workers.

In the Dominican Republic, AIFLD has maintained a social projects program related to its labor education effort. The major social project activity was the John F. Kennedy housing project, begun in 1964 and completed in 1967. After construction was completed, AIFLD continued to assist development of the housing project by organizing community development seminars and self-help maintenance groups and providing medical services.

The social projects program has also included more than 60 grants and loans to local unions for such self-help projects as buildings, building repairs, vehicles, medical supplies, and equipment. The social projects activity of the past few years has focused on cooperatives and savings-and-loan institutions, in addition to small-impact projects.

Relationship to U.S. foreign policy

AID's goal in the Dominican Republic is to improve the

¹See note, p. 25.

economic and social welfare of the people. In support of this goal, USAID has sponsored projects in family planning, income distribution, agriculture production, and nutrition.

USAID officials stated that the AIFLD program has been consistent with AID's country goals but is not considered a priority program because it is regionally funded by AID.

According to the State Department paper cited on page 26, the U.S. labor policy in the Dominican Republic is to encourage through AID funding of AIFLD projects, the development of strong, independent, responsible, and democratic trade unions in the country.

U.S. Embassy officials stated that U.S. labor policy in the Dominican Republic is to develop an effective democratic labor organization that will be able to contribute to the labor decisionmaking process in the future. The Embassy feels that the AIFLD program is an effective tool for attaining this goal because (1) it blocks the Communists from filling a social gap in the labor movement and (2) it prepares labor to assume a decisionmaking role.

Despite the Embassy's interest in AIFLD, both the USAID mission and the Embassy stated they do not give it priority, because it is a long term program and does not have immediate political implications to the U.S.

Project activities

Education

AIFLD's in-country program has three course levels: basic, intermediate, and advanced. Topics such as labor law, arbitration, and collective bargaining are discussed in each level, but the content and complexity of the courses increase at successive levels. The format of courses is not rigid. Individual courses are designed to fit the specific needs of students. For example, if students are preparing for contract negotiations, courses in collective bargaining and economics may be presented.

Since 1963, about 13,000 participants have attended AIFLD training courses. However, the number of participants is not the number of workers trained, since some of the workers have participated in more than one training course.

While it is not totally committed to unifying labor under the National Center, AIFLD has attempted to reinforce the center's position in the Dominican labor movement. Requests for training are funneled through the center, giving it a degree of control over the unions and federations.

AIFLD sponsors out-of-country training for the better students. Dominican students are sent to Mexico, to an AIFLD training institute at Front Royal, Virginia, and to U.S. universities. The students attending these programs are selected by AIFLD and approved by the unions.

Since 1963, 72 Dominicans graduated from the Front Royal Institute and 7 from labor economics programs conducted at U.S. universities.

Social development

AIFLD social projects have materially benefited Dominican workers. They have helped improve worker organizations and increase worker self-confidence and have reinforced the role of the unions. The AIFLD country program director in the Dominican Republic described social projects as tangible signs of what a union can do for the workers and as a "glue" which binds the workers and unions.

There are two types of AIFLD social projects: cooperatives and human-needs projects. Both types address the basic physical needs of the workers, including housing, food, and increased income. The difference between the cooperatives and the human-needs projects are size and duration of the AIFLD commitment. The cooperatives are larger projects including a retail store and credit unions; the human-needs projects include the purchase of a water pump and medicines for local unions. The cooperative projects range in size from \$20,000 to \$50,000, whereas the human-needs projects cost between \$800 and \$3,250.

Program effectiveness

During the past 13 years, AIFLD and AID have expended over \$2.6 million to assist development of a free labor movement in the Dominican Republic.

According to a recent report by a private consultant to AID, the labor movement has progressed in the recent past. He reported that while the Government has managed to keep labor divided, it has also encouraged industrial development, passed a minimum wage law, and allowed limited collective bargaining. The consultant also implied that AIFLD has played a part in a recently negotiated dues collection arrangement, the rise in collective bargaining agreements, and the increase in education and dedication of union leadership. Although he suggested that the prospects for free labor development are mildly promising, he concluded that the AIFLD

program suffers from a lack of strategy and poorly defined objectives. He pointed out a more precise definition of goals and planning of activities would increase the likelihood of success.

During our field review, we met with officials of the Embassy, the USAID mission, AIFLD, and local unions. The consensus of the union members with whom we met was that the unions are stronger now than before AIFLD began its activities. They pointed out that as a result of AIFLD's activities they had more membership support, were better able to manage their affairs, and had more respect from the local communities. As examples of union development, they stated that the owners of the sugar mills had agreed to provide \$400,000 for rehabilitation of housing units, \$1,000 for worker training, and a doctor at no cost to union members.

According to the U.S. mission officials, neither the Embassy nor the AID mission have assigned any priority to the AIFLD program. They agreed that education and social projects have benefited the Dominican worker; however, they stated that any evaluation of the impact of AIFLD's programs on the development of the labor movement is difficult because of the omission of measurable criteria.

The Ambassador, a former labor attache, expressed interest in the labor movement and the AIFLD program. He stated that the Embassy could do more to assist in the development of organized labor, e.g., sponsor meetings between U.S. employers and local labor leaders.

AIFLD officials believe the program has made positive advances in developing labor unions in the Dominican Republic. They point to the following results as indications of their success: the federations and local unions have assumed some seminar costs and provided instructors for courses; new unions have become affiliated with the National Center; trained leaders have remained with the labor movement; 43 collective bargaining agreements have been signed; some unions have received increased wages; and union and cooperative leaders are more active on government boards and in private sector institutions.

Our onsite inspections of cooperatives, union headquarters, and housing projects confirmed that AIFLD's assistance to the local unions has fostered projects which contribute to the social and economic welfare of the workers. However, because of the vague and general wording of the program goal and objectives in the AIFLD country labor plan, we were unable to reach a conclusion regarding the effect of the institute's performance or the impact of its program on the development of the labor movement in the Dominican Republic.

CHAPTER 7

AAFLI PROGRAM IN THE PHILIPPINES

On June 27, 1969, AID and AAFLI signed an agreement establishing a country program in the Philippines. During 1969 and 1970, AAFLI's programs met with little success because of civil strife in the country. AAFLI became involved in the turmoil, as sources within the Philippine Government and Communist unions, charged that AAFLI was linked to the U.S. Government and was affiliated with the Central Intelligence Agency.

According to AAFLI officials, both the Philippine Department of Labor and the American Embassy desired to exercise a degree of control over the institute that neither the institute nor the trade unions were willing to accept. The two governments regarded the AAFLI program as a government-to-government program rather than a union-to-union effort. The Philippine Department of Labor insisted at one point that they would choose the unions that AAFLI could assist. This created suspicion among unions about AAFLI's intentions. A stalemate developed whereby AAFLI's educational and social programs could not be implemented until its operational functions were clarified. The institute successfully renegotiated its status and was licensed by the Philippine Board of Investments as a voluntary, non-profit organization. This action apparently resolved AAFLI's difficulties with the Philippine Government and stopped the charges by the Communist unions.

Notwithstanding the Philippine Government's apparent acceptance of AAFLI, there are still constraints to the attainment of a free and democratic labor movement in the Philippines. Upon declaring martial law in 1972, President Marcos (1) decreed that all labor disputes were to be settled through arbitration, (2) outlawed strikes, and (3) placed limitations on collective bargaining.

According to an AAFLI official, the institute's activities have not thus far been seriously hampered by martial law, though the Philippine Government is clearly in a position to override or curtail AAFLI operations. We were informed that while martial law has deprived the unions of some liberties, it has also instilled discipline into the labor movement.

Union membership in the Philippines has grown from 1,205,000 in 1969 to 1,520,000 in 1974.¹

¹See note, p. 25.

DESCRIPTION

In 1970 over 4,500 labor unions in 5 principal and 13 minor federations, representing 1.2 million workers, were legally registered with the Government. The federations were not making progress toward limiting their affiliations to unions in the same or related trades. For the most part, geographical considerations were of paramount concern to the federations; thus administrative structures were ill-equipped to cope with workers' problems throughout the country. Therefore, AAFLI adopted as its basic objective the consolidation of the federations along industrial lines.

Although this objective has not been totally accomplished, there is evidence that the unions are headed in this direction. In 1972, the new labor code included a provision requiring mandatory unification of the labor movement along industrial lines. Officials of unions which will probably be united in one organization have attended week-long AAFLI seminars on conditions and problems of particular trades. These seminars have resulted in a number of meetings and joint efforts by the unions independent of AAFLI.

AAFLI's short term objectives were threefold. First, the institute had to establish its own professional credentials; second, AAFLI needed to identify unions and leaders interested in assistance programs; and third, AAFLI sought to enhance the professionalism and credibility of the various trade unions in the eyes of their members, the Government, and employers. AAFLI initiated labor education courses and social projects aimed at accomplishing these objectives.

According to an AAFLI official, since initiating its programs the institute has progressed toward the realization of these short term objectives. AAFLI is now readily accepted by the Philippine Government. Unions which had no labor education programs for their members send participants to AAFLI courses. Unions are now developing social projects on their own, based on practical experience gained through previous joint efforts with the institute.

RELATIONSHIP TO U.S. FOREIGN POLICY

The USAID mission's goal is to improve the standard of living of the Philippine people. In support of this goal, it has directed its assistance to four prime target areas: agriculture, rural development, nutrition, and family planning. As labor does not fall within these areas of assistance, the mission does not consider the AAFLI program to be a priority program.

AID officials in Washington also stated that while AID assistance in the field of labor is a minor part of the U.S. economic aid efforts in the Philippines, AAFLI's activities are important in furthering trade unionism in the Philippines.

According to the State Department paper cited on page 26, the U.S. labor policy in the Philippines is to encourage the development of strong, independent, responsible, and democratic trade unions that will engage in collective bargaining, participate in various activities to improve the economic and social life of their members, and strengthen the social fabric and institutions of the country. The paper further stated that the AAFLI program contributes to the labor goal.

During our discussion with Embassy officials, we were told that the AAFLI contribution to the accomplishment of U.S. foreign policy objectives is nil, except that--given a growing importance of labor in the Philippines' future development--AAFLI may achieve some influence in the years ahead.

PROJECT ACTIVITIES

Education

The AAFLI educational program includes support of a research and documentation center, training courses on trade union matters, and a labor-leader exchange program.

Research and documentation center

AAFLI stated that in its efforts to unify the Philippine labor movement, it recognized that the need for statistical and economic data and research capabilities could demonstrate the benefits of unity to most trade unionists. Available documentation on the project shows that it consisted of a three-stage program starting with seminars to show top national labor officers that trained researchers could help formulate union policy and aid collective bargaining. AAFLI stated that the institute sent an experienced labor economist to the Philippines to conduct these sessions, which were attended by representatives of 27 labor organizations.

Stage two of the program called for a 6-month, on-the-job research training course for union officers whose salaries would be paid by their union or federation. AAFLI also stated that nine officers received instruction in ways to find, organize, understand, and use economic data for trade union bargaining and for increasing labor's participation in national economic planning.

AAFLI also sponsored a series of seminars on data collection, minimum wages, job evaluation, and time and motion studies. Two training manuals were published as a direct result of these seminars, "Job Evaluation" and "Time and Motion Study."

AAFLI also stated they hired a full-time labor economist and researcher to supervise its research and documentation center and its training activities. The institute conducted a 30-week internship program for six Philippine trade union research specialists, and this activity area has continued with publishing an analysis of 150 collective bargaining agreements by the AAFLI-sponsored interns. AAFLI stated that, building on this cadre of research specialists, it established an interunion research committee which meets monthly to review mutual problems and needs and economic research methods to answer them.

The third stage of the program, which has not yet been achieved, calls for establishing a permanent interunion research and documentation center to be wholly financed by the Philippine labor movement.

Trade union training

AAFLI has sent consultants to the Philippines to conduct seminars and labor education courses on various trade union functions, such as data collection, minimum wages, job evaluation, time and motion studies, and arbitration. As of December 1973, over 10,000 participants had attended AAFLI's labor education courses and seminars in the Philippines. However, the number of participants is not the number of workers trained, as some workers have participated in more than one course.

Participant training

AAFLI also provides advanced training on unionism and cooperatives at U.S. universities. Through 1974, 17 Philippine labor leaders had visited the United States for this advanced training.

Social development

Social projects are designed to enhance a union's image among members and the community. However, we found that AAFLI had no definitive criteria for approving or funding its social projects. It appeared that each project is considered on a case-by-case basis, with little regard for the project's priority in terms of furthering union development.

The AAFLI program is heavily concentrated in social development projects, such as development of cooperatives and health clinics and construction of trade union training centers. In the April 1, 1974, to March 31, 1975, program year, AAFLI budgeted \$70,000 of the \$150,000 total Philippine program for social projects. The remainder of the program was \$56,500 for workers' education and \$23,500 for the research and development center.

PROGRAM EFFECTIVENESS

During the past 6 years, AID has expended through AAFLI about \$2 million to assist union development in the Philippines. Although the education and social projects have had some incalculable impact on the labor unions, there is little evidence that the AAFLI program has had any significant effect on the development of the labor movement.

AAFLI officials contend that in a developing country such as the Philippines, AAFLI must have the flexibility to work on problems as they arise and cannot structure its programs into the future because of changing political situations. However, they believe that after union restructuring under the new labor code, AAFLI should be able to act more in an advisory capacity and the unions will assume more responsibility for running their own program.

The U.S. mission currently provides no funds nor has any direct participation in planning or evaluating the AAFLI program. The only reporting on AAFLI operations are occasional comments included in the labor attache's annual report on the labor movement in the Philippines. The U.S. mission does not consider labor a priority item because of the absence of Communism today in the Philippines and the Government's control of the labor sector.

CHAPTER 8

AALC PROGRAMS IN KENYA AND NIGERIA

KENYA

The first workers organization in Kenya was the African Workers Council founded in the late 1890s. During the next 50 years, the Kenyan trade union movement was disbanded, re-formed, and reorganized several times.

In 1937, the British promulgated a Trade Union Ordinance which allowed for the rudimentary trade unions. As these trade unions were the only mass organizations which were allowed to function for the next several years, many of the potential political leaders of the colony (e.g., Jomo Kenyatta and Tom Mboya) channeled their energies into the trade union movement. Even in the years just prior to independence in 1963, political parties continued to look upon the trade unions as valuable political allies.

In 1965, a new unified national center, the Central Organization of Trade Unions, was formed. The organization is structured along industrial lines, and includes a few craft and professional unions but excludes two large unions--the Civil Servants Union and the National Union of Teachers.

Membership in the Central Organization of Trade Unions has grown from 212,000 in 1965 to 600,000 in 1975.¹

Description

In its efforts to initiate a program in Kenya, AALC was concerned with gaining basic acceptance of trade unionism by the workers, the population, and the Government as an economic institution capable of contributing to the "nation-building" process. In the past, various roles of the trade union movement were generally misunderstood. The tendency was to view trade unions as being primarily political in nature.

Through vocational training programs, AALC has attempted to demonstrate that trade unions can and should play a basic economic role to help the nation as a whole. In 1965, AALC took over the management of the Institute of Tailoring and Cutting in Nairobi to get its foot in the door in Kenya. In mid 1968, AALC established a printing and lithography training project at the Kenya Polytechnic Institute, in cooperation with the Central Organization and the printing union.

¹See note, p. 25.

According to AALC, the major problem remaining in developing trade unions in Kenya is the lack of leadership with administrative training to provide the services which an increasingly sophisticated work force demands.

Due to a political split in the Central Organization of Trade Unions in early 1969, which continued through the next 3 years and was closely intertwined with the internal political struggles in the Kenya Africa National Union political party, no further attempt was made to expand AALC activity beyond the two major vocational training projects until early 1973. However, AALC continued to build a close working relationship with all Central Organization factions during this time, through trade union seminars and exchange visits.

In 1974, AALC initiated its Labor Education Center program to help train a large cadre of trade union supervisors to provide for the services and functions essential to a viable trade union movement.

AALC administers, in addition to its three major project activities, an Impact Fund for small one-time assistance projects, such as providing equipment to unions. The Impact Fund is also used to sponsor Kenyan labor leaders in the Harvard University Trade Union Program.

Relationship to U.S. foreign policy

AID's goal in Kenya is to improve the standard of living of the people. In support of this goal, it has emphasized rural and agricultural development, family planning, and income distribution.

Mission personnel stated that the AALC programs, although not directly supportive of AID's or the Kenyan Government's priority areas, are complementary to them.

According to the State Department paper cited on page 26, the U.S. labor policy in Kenya is to sponsor labor programs, implemented through AALC, that encourage a more equitable distribution of wealth through the strengthened collective bargaining of Kenya's predominant trade union.

In discussions with Embassy officials, we were informed that the State Department's program activity review assessment does not now contain any statements on labor in Kenya; however, because of labor's political and economic importance, mission officials believe it should be addressed in future policy papers.

Project activities

Education

Institute for Tailoring and Cutting

The Institute for Tailoring and Cutting was started in 1963 by the Kenya Tailors and Garment Workers Union with a \$10,000 grant and initial technical assistance from the International Ladies Garment Workers Union.

In a November 1965 agreement, AID authorized AALC to provide a U.S. technician to administer the tailoring institute's operations with an approved budget of \$68,000. The technician's job was essentially (1) to increase the student capacity at the tailoring institute and (2) to broaden the curriculum. The plan at that time was for the tailoring institute to become self-sufficient through income from student fees, contracts, and private sales. Fiscal year 1972 was to be the final year for AID and AALC assistance to the project.

The complete course consists of three 9-month sessions, or grades. Lectures in trade unionism and in subjects related to the general welfare of the community are part of the curriculum. Upon completing a grade, a student takes the Government trade test and, if successful, may enter the next grade. Some students obtain employment, however, and do not seek a higher grade of skill.

During the 8 years AALC has been associated with this project, the tailoring institute's administrative and teaching staff has doubled to 13 and the student body has increased from 20 to 340. Throughout this period AALC has provided financial aid, technical assistance, and training for the administrative staff. Through 1974 the project has been funded for about \$411,000. AALC technical assistance terminated in 1973, and financial assistance was scheduled to end in December 1974.

Although the success of the Institute for Tailoring and Cutting has been proclaimed by AALC, there has been no followup to determine whether the students actually obtained employment and became union members.

The project was a vocational training program for one union. As such, we believe it had little impact on the overall Kenyan labor movement. It may, however, have afforded AALC the opportunity to maintain contact and some degree of influence with the Kenyan labor movement during times of political turbulence.

Printing education project

The objective of this project was to provide technical advice and assistance to Kenya, Uganda, and Tanzania in developing a program to train skilled workers in the printing industry. The program was considered necessary to (1) help meet the current shortage of experienced, qualified printers, (2) assist in the growth of the national economy and regional development of each country, and (3) meet the resultant increased demand for skilled African craftsmen in this field.

The AALC's project agreement with AID was originally signed in June 1967; however, only in March 1969 did AALC and the Government of Kenya finally sign an agreement by which AALC promised to provide the equipment necessary to train students in a formal 5-year apprenticeship in graphic reproduction. In June 1969, the AALC-AID agreement was amended to include AID support for scholarships for selected students.

The course is divided into two phases, the first 3 years for an intermediate certificate and an additional 2 years for a journeyman certificate. If all apprentices admitted through 1972 complete the full 5-year course, there will be only 39 new journeyman printers by 1977.

We visited the Kenya Polytechnic Institute and observed that the printing school was in operation and using the AALC-donated equipment. AALC participation ended in June 1974 with the final scholarship payment.

Labor education program

The objective of this project is to create a labor education center which will further the development of the Kenyan labor movement as an effective and mature labor movement responsive to the needs of the workers and the country. The project was justified on the basis that the labor movement needed trained people to keep pace with increased membership responsibilities and administration demands.

The planning for the project was begun in 1973 and funding that year totaled \$25,000. The estimated cost of the project is \$475,000 and AALC support is expected to phase out by the end of 1979.

Despite problems in starting the program, the AALC representative was able to assemble a staff, develop the curriculum, and hold the first series of seminars in Novem-

ber 1974. In 1975, AALC plans to hold 10 to 15 1-week seminars and 6 longer intensified courses.

Social development

AALC financed 10 small, short term projects which are social and economic in nature and contribute to the development of the labor movement. These projects included a trade union leadership seminar for sugar and plantation workers, a labor education program for Mombassa dockworkers, and medical supplies for the clinic at the Institute for Tailoring and Cutting. The cost of these 10 projects totaled \$72,000.

Program effectiveness

According to an AALC official, the Kenyan labor movement is still rather unorganized and relatively weak as a labor organization. The power and influence of the Central Organization of Trade Unions in the political arena has not been transferred to the trade unions. Moreover, it appears that past assistance by AALC in the area of vocational training has done little to aid the development of Kenyan labor into a viable movement. The current labor education project seems to be the right approach, however, and should produce some beneficial results.

Because of the lack of firm criteria, there is no objective way to measure the effect of AALC assistance to the Kenyan labor movement. While the number of participants attending courses could be determined, the influence of these people and their training on the development of a free and democratic labor movement in Kenya is unknown.

According to U.S. Embassy and AID officials, the U.S. role in the Kenyan labor movement is and should continue to be solely educational, limited to those activities which can help Kenyan labor leaders and Government labor personnel to better represent the interests of Kenyan workers. Through this effort, the U.S. Government hopes to encourage a responsible and democratic labor movement.

All the officials with whom we met--Embassy, AID, AALC, Kenyan Government, and Kenyan labor--believed that the AALC programs were good. The U.S. officials believed that the AALC programs in some way helped the development of a free and democratic labor movement in Kenya. They could not substantiate their beliefs objectively, but stated that teaching skills to workers and educating the labor force had to be beneficial.

NIGERIA

In the early 1950s, as international labor groups sought to increase their affiliates in all areas of the world, the central labor organizations affiliated themselves with the International Confederation of Free Trade Unions, the International Federation of Christian Trade Unions (now the World Confederation of Labour), and the World Federation of Trade Unions. These international bodies began to subsidize their affiliated unions in Nigeria, often paying little attention to how these subsidies were being used. The American labor movement was very much involved in this effort through the pro-Western International Confederation of Free Trade Unions and individual U.S. unions' membership in international trade secretariats.

Today there are four central labor organizations. The United Labour Congress (ULC) is the only group that AALC has supported. All indications are that ULC is the largest of the various labor groups and has representation in the widest number of industries and occupations in Nigeria.

Membership in ULC has grown from 217,000 in 1971 to 800,000 in 1974.¹

During the civil war in the late 1960s, union members from the secessionist state of Biafra left the unions and returned to their home state. Biafran union leaders have returned to fill union posts; however, their absence and the civil war itself further disorganized the unions. In addition, the Government of Nigeria has banned strikes and imposed a wage freeze. Union leaders have been jailed for calling strikes or speaking out against the wage freeze.

At the end of 1974, the four central labor bodies were discussing the possibility of forming a single, united labor center--tentatively named the Nigerian Labour Congress. Although merger efforts in the past have been unsuccessful, there is hope that the current discussions will result in a successful merger. According to a Nigerian Government official, if a merger takes place the Government will establish a labor college.

Description

AALC has identified the major problems of the Nigerian labor movement to be the need for leadership, grassroots education, understanding of mature trade unionism, and

¹See note, p. 25.

vocational training. AALC has directed its efforts in Nigeria toward these problems through its two major projects--the Drivers and Mechanics Vocational School and the Trade Union Institute.

Since its inception in 1966, the Trade Union Institute has provided 15 residential courses and conducted a number of extramural programs throughout Nigeria. Also, hundreds of courses have been given at the Trade Union Institute in conjunction with various individual unions and international trade secretariats.

In addition to the labor education program, AALC has undertaken a number of short term impact projects and recruited several labor leaders for overseas training under the AALC/State Department foreign leaders program.

Relationship to U.S. foreign policy

AID's goal is to improve the living conditions of the Nigerians. In support of this goal, AID has sponsored projects in agriculture, manpower development, and health. The USAID country program for Nigeria does not include any objectives concerning the trade union movement. USAID mission officials in Nigeria stated that they have not been involved with AALC since the program became regionally funded from Washington and that responsibility for the program has been delegated to the Embassy labor attache.

According to the State Department paper cited on page 26, the U.S. labor policy in Nigeria supports overall U.S. objectives in Nigeria, which are to seek advantageous economic relations and contribute to development. The State Department considers a trained, enlightened workforce with sound, experienced leadership an essential part of development and views AALC as an instrument for pursuing U.S. objectives and related developmental goals.

State Department officials told us (1) the AALC program is really an Embassy program more than a USAID program and (2) even though it is a technical assistance program, it is sensitive in that it deals with people and economics.

Embassy officials in Nigeria said the labor movement in Nigeria is important, not because of its accomplishments, but because of its potential. The labor movement is viewed as the largest organized group of people in the country likely to affect the stability of the Federal Military Government. Therefore, the U.S. Government supports AALC's efforts to build a strong, free, and democratic labor movement in Nigeria.

Project activities

Education

Drivers and Mechanics Vocational School

In 1963 the Nigerian Drivers and Mechanics Vocational School was established with assistance from AFL-CIO and the International Transport Workers Federation.

The school offers theoretical and practical instruction in driving and maintenance. In 1965 AALC began to support the program with the ultimate aim of helping the school become self-sufficient.

Through 1974 over 1,000 persons received driving instruction. While there has been no formal followup on the school's graduates, AALC reported that by the end of 1972, 75 percent of the school's graduates had received employment with a major industrial firm or the Nigerian Government.

In January 1974 AALC ended its sponsorship of the Drivers and Mechanics Vocational School. Since that time, the school has received funds from the Nigerian Ministry of Education for remodeling its facilities and training 1,200 drivers for the World Festival of Black Arts. Using data available in Nigeria, we estimated the cost of AALC participation in the Drivers and Mechanics Vocational School from 1965 to January 1974 at about \$550,000.

Trade Union Institute for Economic and Social Development

The largest AALC project in Nigeria is the Trade Union Institute for Economic and Social Development. The Trade Union Institute was established in 1966 as a joint program of ULC and AALC to provide a comprehensive labor education program for ULC members and affiliates.

As of October 1974, 482 students had taken the 10-week resident course covering collective bargaining, the development, structure, and administration of unions, and strikes. In addition, 4,114 had attended short seminars or conferences held by the Trade Union Institute. According to a recent survey of graduates of the 10-week courses, about 60 percent were still associated with labor unions.

AALC budgeted \$1.1 million for the Trade Union Institute, from 1966 through the end of 1974. Although AALC

plans call for ULC to take over financial responsibility for the school at the end of 1977, both U.S. Embassy and AALC officials consider this unlikely.

Social development projects

Six small social projects, costing about \$63,000, were implemented in Nigeria from 1966 to 1973. These projects for the United Labor Congress included building workers' hygienic facilities at the Port of Lagos and buying drugs, medical supplies, office equipment, and a vehicle. The only social development project in the last 4 years was the purchase of the vehicle in 1973.

Program effectiveness

During our visit to Lagos, Nigeria, we discussed the AALC programs with officials of AID, the Embassy, AALC, and local unions. We also visited the Drivers and Mechanics Vocational School and the Trade Union Institute. We talked to several union officials who had attended the Trade Union Institute or participated in the labor leaders exchange program, and most praised AALC.

U.S. officials stated that if AALC had a purely economic purpose, it would have to be judged ineffective. They added that funding projects with no specific objectives was being continued for political, not economic reasons.

Embassy officials acknowledged that the labor program has political meaning, as the labor unions are the only groups besides the Nigerian Government that possess enough political power to affect the political stability of the country. Embassy officials believed that AALC has helped the labor movement, although they could not objectively assess its impact.

From our observations and discussions with Embassy officials, it appears that the primary purpose for financing the AALC program in Nigeria is to meet the Embassy's political objective of preventing the labor movement from becoming totally communistic. We believe that the AALC program has had some beneficial effect in teaching the union participants the principles of free, democratic trade unionism; however, because of the lack of specificity in the program, we could not assess its impact on the labor movement.

CHAPTER 9

FOLLOWUP OF PRIOR AUDIT RECOMMENDATIONS

We attempted to determine what actions AID has taken on our recommendations and those of the AID Auditor General and the American Technical Assistance Corporation to correct problems previously noted in AID's participation in institute program management.

In our 1968 review for the Senate Foreign Relations Committee, we found that while AIFLD had been given great flexibility in order to obtain effective union-to-union cooperation, AID and AIFLD had not maintained as close a relationship as had been expected. To improve AID's surveillance of the contract arrangement without upsetting the union-to-union cooperation principle, we recommended that AID:

- Reevaluate the contract relationship with AIFLD with a view toward implementing a system which could be applied more uniformly to carry out the broad purpose of the contract and at the same time recognize minimal guidance, coordination, and general surveillance necessary for sound contract administration.
- Make an evaluation of the Agency's capacity to monitor the institute's activities, both in Washington and at the mission level, and, on the basis of the results of that evaluation, take action to ensure that appropriate assignments of personnel be made as necessary.
- Take appropriate action, in cooperation with the institute, to evaluate the institute's educational program with a view toward implementing adequate administrative and reporting requirements.

ATAC'S REVIEW

In 1970, AID contracted with the American Technical Assistance Corporation (ATAC) to assess the relative success of AIFLD's programs. ATAC intensively reviewed AIFLD's operations and relationship with AID in Washington and three selected countries where AIFLD was carrying on programs.

The July 1970 report concluded:

"The most serious shortcoming in AIFLD management is no longer in accounting, but in the absence of clear operational objectives, a time frame for

achieving them, an explicit strategy, a consideration of alternative programs, and an information system that provides data which permit evaluation and program modification."

The report stated that no evaluation system or body of facts existed to permit the results of AIFLD's program to be measured with respect to AID's broad goal stated in the Foreign Assistance Act. The information ATAC assembled suggested that in the countries visited (Honduras, Guyana, and Brazil), the AIFLD labor education program and social projects have generally contributed to the development of the labor movements it supports. However, ATAC could not determine (1) the link between AIFLD's achievement and the broad labor goal of the Foreign Assistance Act and (2) the "right" amount of AIFLD program efforts.

The report recommended that AID continue the AIFLD relationship only if it redefines explicitly the objectives of its investment in support of free labor development in Latin America. The consultant recommended that AID and AIFLD emphasize self-help by the recipient unions and that AID monitoring and evaluation be concerned primarily with progress toward goals, leaving project management to AIFLD.

AID and AIFLD set up a joint task force to oversee implementation of ATAC's recommendations. Most of the recommendations have been implemented; however, recommendations to set specific objectives have not been completely implemented, as noted by the AID Auditor General in 1974.

Before the ATAC report was completed, we conducted a followup review for the Senate Foreign Relations Committee and concluded in April 1970 that the unusual flexibility noted in our earlier report still existed.

THE AUDITOR GENERAL'S REVIEW

In late 1973 the AID Auditor General concurrently reviewed the labor programs of AID's Latin American, Asian, and African bureaus and the Office of Labor Affairs. The Auditor General found wide variations in the management practices of the different bureaus responsible for carrying out free labor development programs through the institutes. He felt that since the basic aim of the program conducted by the three institutes is the same, i.e., the strengthening of free labor unions, more centralized direction and control would lead to better programs.

Addressing this issue in a formal recommendation, the Auditor General stated that OLAB, in conjunction with other AID offices, should ensure that AID labor programs implemented by AIFLD, AAFLI, and AALC are centrally directed and controlled, to promote uniform standards and practices for program planning, progress reporting, and project evaluation.

He also concluded that some cost savings might be achieved by consolidating some of the headquarters functions of the institutes. He pointed out that presently three separate headquarters are maintained, AALC in New York and AIFLD and AAFLI in Washington, at a combined annual funding level of about \$3,350,000, about 30 percent of total program costs. He felt that some consolidation of the headquarters functions not only should reduce these costs, but would lead to improved programs through greater uniformity of operations. He recognized that such a consolidation might raise basic policy questions and implied that AID should consider these before making a time-consuming cost study to determine the feasibility of consolidation.

The Auditor General's reviews of the institutes programs included examining the participation by AID's regional bureaus in planning programs and appraising accomplishments. In summary, he found that (1) the country labor plans and country programs for the institute do not define how to accomplish the program objectives nor provide a strategy for phasing out AID support and (2) AID has not evaluated the institutes' performance on a regular basis.

The Auditor General's recommendations varied slightly for the three bureaus. For example, noting that the AIFLD country labor plans contained specific program objectives, he complimented the Latin American bureau on its progress but still recommended that the bureau establish effective procedures to

- systematically analyze each AIFLD program proposal to identify deficiencies in planning methodology and

- followup with AIFLD until identified deficiencies are corrected.

Noting on the other hand that the country programs for Asia and Africa did not contain specific program objectives, he recommended that the Asian and African bureaus ensure that the institutes' programs are redesigned to identify (1) project objectives, (2) a detailed workplan or strategy, including a time frame and estimated costs, for achieving

each objective, and (3) acceptable performance indicators providing objectively verifiable evidence of progress towards goals.

The Auditor General further reported that the bureaus had not systematically appraised the institutes' performance on a regular basis. He did not make a recommendation on the point to the Latin American bureau because it had taken action to require its missions to begin submitting project appraisal reports. He recommended that the Asian and African bureaus regularly appraise the institutes' performance.

OUR OBSERVATIONS

Responding to the Auditor General's recommendations, the AID Deputy Administrator directed OLAB to coordinate and control the programs carried out by the institutes. During our review, OLAB, under a new deputy director, has been actively working to implement this and other recommendations of the Auditor General.

OLAB's first actions to implement the recommendation on central direction and control involved meetings with the bureaus responsible for the institutes' programs. These meetings revealed the difficulty of placing responsibility for central direction and control on OLAB while leaving day-to-day monitoring and financial responsibility in the bureaus.

Between July and November 1974, OLAB continued to hold meetings with the bureau representatives, while requesting clarification from the Auditor General of the role that the Office should play. Agreement on OLAB's role was finally made possible by a strict construction of the wording of the recommendation which read only that the Office "should ensure" that the programs are centrally directed and controlled.

Based on this understanding of OLAB's role, the bureau representatives and OLAB agreed to establish a permanent committee on the operations with the labor institutes. The committee will provide the centralized direction and control, and OLAB will chair the committee to ensure centralized direction and control.

In November 1974, the Auditor General closed the recommendation, stating that he was satisfied that the concept of centralization had been adopted. He acknowledged, however, that substantial reforms would take some time.

At the time of our review, the Auditor General's recommendation on consolidation was still open. OLAB had

originally presented to him the position that any decision to encourage the institutes to consolidate should be deferred until AID could get its own house in order. He disagreed, and reiterated that the first action necessary was consideration of the policy implications of consolidation.

In mid-February 1975 OLAB reported that it had studied this recommendation for 6 months and had consulted with various parties, including the concerned regional bureaus, the institutes, and other AID bureaus with similar contractual or grant arrangements. On the basis of their study and consultations, OLAB stated that consolidation was neither feasible nor desirable and requested that the recommendation be closed. As of early April 1975 the Auditor General and OLAB were attempting to resolve the issue.

We did not perform a cost analysis that would permit us to either support or reject consolidation. We did discuss the issue with officials of AID and the institutes to obtain general views. We found that institute officials did not favor consolidation. AAFLI and AIFLD officials had not considered the issue, and AALC's director stated that AALC's New York location facilitates its operation by giving its staff easy access to African representatives assigned to the United Nations. AID officials considered the issue a low priority, citing as more important, achievement of uniform management practices among the responsible regional bureaus.

OLAB's determination did not include an analysis or study of the economic feasibility of the proposal. According to OLAB, the determination was based partly on the contention by AID's African bureau and AALC that the institute's New York location facilitates its communication with African country officials. It seems obvious to us, however, that those desired communications could be equally effective in Washington, D.C., where most of the African embassies are located.

Our review confirmed the Auditor General's findings concerning the AID regional bureaus' participation in planning and evaluating institutes' programs. The bureaus were acting in response to the recommendations, but as noted in chapters 4 and 5, the problems of specifying objectives and evaluating accomplishments had not been fully resolved.

CHAPTER 10

AGENCIES' AND INSTITUTES' COMMENTS

The Departments of State and Labor, AID, and the three institutes were given an opportunity to comment on the matters discussed in this report. These comments were too extensive to include completely, but they are discussed elsewhere in the report and summarized and evaluated below.

NEED TO ESTABLISH COUNTRY OBJECTIVES

The State Department, AID, and the institutes agreed on the need to (1) define their goals in each country or region and (2) establish specific country objectives which permit measurement of the institutes' performance. They apparently are concerned about how much performance requirements can and should be specified by the Government in its contractual and grant relationship with the institutes. (See pp. 57 to 58.)

State and AID also commented in considerable length on the recent efforts of the Latin American, Asian, and African bureaus to develop country programs with quantitative objectives. They stated that the Latin American bureau and AIFLD recently signed contract amendment number 10 which

"* * * contains both base-line data and targets for measuring the progress during the year toward accomplishing each objective specified in the contract appendix for each country."

The Latin American bureau enumerated examples of quantifiable indicators included in the amendment for Colombia and the Dominican Republic.

The AID Asian bureaus stated that:

"The NESAs [Near East and South Asia] Bureau concurs in the GAO recommendations that program objectives be developed and has made a conscious, concerted effort toward evaluation of the AAFLI program, based upon quantifiable objectives."

The Asian bureaus also said that, in accordance with the grant agreement between AID and AAFLI which was signed on May 30, 1975, they have developed a detailed plan of assessment including "* * * country-specific objectives within specified time limitations."

The AID African bureau commented:

"It would improve operations if joint goals and objectives were specified in writing, and the Bureau is preparing a Project Paper for this purpose. We also feel that the Paper will improve the planning and evaluation of labor programs in Africa and generally concur with the GAO analysis in this area."

The bureau director later told us that developing specific and measurable objectives for this type of activity would require additional financial and manpower resources. For this reason, the bureau believes that evaluations should continue to be based on qualitative measurements.

AALC believes it is responsible for developing country objectives since it conceives, develops, and implements the programs. AIFLD agreed that program objectives should be quantifiably stated but believes that "* * * the Latin American Bureau and the Institute have already fulfilled this recommendation." AIFLD further stated that "The 1975 programs are replete with numbers, objectives with numbers, indicators with numbers, etc., which should allow better measurement of effectiveness." AAFLI commented:

"We agree with the GAO report that the establishment of quantifiable objectives is desirable. However, in working with mass social movements in developing countries we feel that quantifiable objectives can be applied only to a limited extent, particularly when linked with fixed time periods."

AAFLI added that:

"* * * we have consciously established objectives consonant with our primary goal. Within these broad guidelines, limited objectives such as establishing goals for training specific numbers of trade unionists in selected fields, can and are set."

In contrast, AALC stated that:

"* * * we feel that our work is capable of evaluation but not necessarily in numerical terms * * * although the purpose and objectives of the AALC may not be quantifiable in numerical terms, they are nonetheless fairly clear and specific in the context of the developing world."

Comments on measuring the impact of the institutes' programs on the development of labor movements in less developed countries included the following:

--"Measuring progress is a particularly difficult task in the area of institution building. Base line data is often either unavailable or unreliable. Statistical changes over a reporting period may look impressive on paper, but may be meaningless in reality. Even if there has been generally recognized progress in developing an LDC (less developed country) institution, it may be difficult, because of other variables, to demonstrate that the progress was actually due to a technical assistance project."--AID.

--"We hope these quantifications will yield some means to measure the success and effectiveness of the Institutes * * * but we defy anyone to determine this on an empirical basis because of interrelated phenomena--social, economic, political and even natural * * *"
--AIFLD.

--"Current evaluatory methods and mechanisms do not lend themselves to assessment of the specific, albeit broad, objective of strengthening free and democratic labor unions. * * * there are simply too many intransigent and intangible factors involved * * * to permit the application of a measuring devise for determining the impact of short-termed activities on the major goals set for the labor movements."--AAFLI.

In regard to our proposal for specifying labor education objectives (see p. 18.), the Department of State and AID responded that the underlying principle--to encourage self-help--is consistent with AID's policy. According to AID officials, the institutes generally share this view. They also said that the approach may be feasible in some less developed countries but in others needs are so great that the institutes have to become more involved in broader problems of economic development.

AIFLD and AAFLI stated that the proposed approach has already been implemented in Brazil, the Caribbean, and the Philippines and is being gradually implemented in additional countries where conditions permit, such as Colombia.

AALC stated that:

"* * * a major weakness of African unions is that they lack the resources to design and structure their own projects, properly administer them, and build-in the necessary controls to insure that they are operating properly."

Our evaluation

Assuming that the institution-building goal is attainable solely through the efforts of the institutes, we would agree that establishing quantifiable objectives is a difficult and somewhat impractical process. However, our view is that free labor union development in less developed countries should not be expected to depend solely on the institutes. Therefore, explicit objectives or performance requirements for the institutes are needed. In most instances, such specificity permits the use of quantification in measuring performance progress.

We do not concur with the African bureau's position that the cost of developing quantifiable program objectives is too high. We believe that identifying specific objectives would reduce the timespan for AID financing, resulting in savings far greater than the costs incurred.

The comments of State, AID, and the institutes do not dispute the desirability of quantifiable program objectives. Instead the comments reveal a deep concern as to who should formulate and carry out the objectives.

In addressing whether performance requirements and quantifiable objectives should be required, AID said: "It would appear to us that this requirement clearly ought not to apply in those countries where an institute has only a minimal presence."

We would agree that in those countries where program activities are limited to representatives' providing "information, advice, counsel, guidance, moral support, encouragement, expertise" to labor leaders and officials, specific, quantifiable objectives cannot be developed which would permit meaningful evaluations of such activities. In these instances, we concur with State's and AID's opinion that qualitative factors which require a full grasp of local conditions, including delicate political matters, must be considered in developing and evaluating these activities.

Concerning the comments of State and AID on our proposal for developing labor education programs, we noted during our

visit to Colombia that AIFLD funds were used to finance labor education programs which the local confederation had developed. In our visits to the Dominican Republic and the Philippines, we observed that the AID-financed education programs in those countries were designed and implemented by the institutes and generally consisted of a number of short seminars to meet immediate short term needs of the local unions. We saw no evidence in the Philippines, the Dominican Republic, Kenya, or Nigeria of institute efforts to assist local unions to develop the capability to carry out their own labor education programs designed to meet their specific long range training requirements.

GOVERNMENT PARTICIPATION

In commenting on this point, State and AID replied that this is perhaps the most important issue of our report. They stated that because the institutes are private voluntary agencies, State and AID should not participate closely in the management of institute activities; such participation would be contrary to both the normal working relationship of grantor to grantee or of contracting parties and the intent of the Congress as the agencies understand it.

State and AID also said:

"We agree that AID, as part of its oversight responsibilities, must periodically perform systematic assessments of progress toward objectives and results of institute programs. But we believe that the major responsibility for planning and evaluation must remain with the institutes themselves."

* * * * *

"* * * The specific country objectives of an institute labor program must be initiated by the institutes. * * *"

* * * * *

"Embassies and AID Missions can and do assist in AID's oversight responsibilities; they can and do contribute to the assessments AID must make of the progress of the overall program, and they also can and do contribute to the evaluations of specific projects. In our view, however, the initial responsibility for evaluation of these projects as well as for their design, properly belong with the Institutes."

AID also cited the Senate Appropriations Committee Report on the bill providing foreign assistance appropriations for fiscal year 1975, which says:

"We are concerned, however, that a relationship that too closely joins the Private and Voluntary Agencies with AID may erode the unique character of these organizations. We are fearful that a relationship that involves joint planning and operations will lead to a bureaucratization of these organizations * * *."

Officials of the Department of Labor, AID, AAFLI, and AALC stated that before AID's regional bureaus and country missions can play more active roles in the program, they will have to add specialized labor staff. The officials added that at present AID does not have officials qualified to plan, supervise, or evaluate country labor programs.

The institutes commented that they are private, voluntary organizations, contracted by AID to develop and implement a program based on their experience and expertise. AIFLD added, "We do not believe the Congress intended the U.S. Government to develop a labor program and then look around to find someone to execute it."

AIFLD and AAFLI believe they have already established the closest possible contact with AID and USAID missions as well as with the labor attaches and labor reporting officers in the Embassies. Also, the U.S. Embassies and USAID missions have the opportunity to review the institutes' proposed programs and question any proposals which may contradict U.S. foreign policy and the missions' country goals. AIFLD and AAFLI believe that the current practice of consultation should continue, but any increased participation in institute management by any Government agency would destroy the institutes' effectiveness as private organizations.

AALC had

"* * * no objection to closer coordination between the various elements of AID and AALC. However, we strongly feel that this focus of coordination must be between the Africa Bureau of AID and the Headquarters of AALC."

Our evaluation

The concept that the private sector should play the role for which it is qualified should not stop Government agencies from assuring that the programs they finance are being carried out effectively and efficiently. The problem is to find, in

each instance, the right balance between the Government's need for accountability and the contractor or grantee's desire for independence.

AID's hands-off attitude toward the institutes has resulted in objectives or performance requirements that do not permit an evaluation of institute effectiveness (notwithstanding the progress made by AIFLD in establishing quantifiable objectives as discussed on p. 19 to 21 and p. 53). Consequently, the time has come for AID to establish specific objectives for its labor program with the institutes and evaluate their performance accordingly.

The comments of State and AID imply that a congressional mandate requires that the institutes be permitted to set the objectives. However, the comments also include lengthy descriptions of recent and current efforts being made by AID's regional bureaus to include programs in the agreements with the institutes which can be evaluated in quantitative as well as qualitative terms.

We agree that the institutes are experts in the field of labor and that in the past, they have developed statements of objectives for those countries in which they operate. However, our contention that AID should be responsible for formulating quantifiable objectives for the program is based on one observation. Although the institute program has existed since 1962, reviews of the institutes' activities by GAO, several consultants, and the Auditor General have shown that they have not developed program objectives in terms permitting evaluations of their effectiveness or assessments of their progress.

Therefore, we believe that AID should determine and explicitly state what it wants the institutes to accomplish in each country, and each contract or grant should include activities to accomplish those specific objectives.

AID's policy determination number 52, dated May 2, 1973, states:

"The primary responsibility for incorporating labor-manpower considerations into AID activities must rest with the Missions because of their greater familiarity with the specifics of country situations, their continuing dialogues with host governments, and their role in conceiving and developing programs and projects in collaboration with local institutions. The Regional Bureaus also have a major role to play as they review the proposals submitted by the Missions."

Furthermore, in his transmittal letter with policy determination number 52, AID's Administrator stated that the:

"AID field Missions in mounting their development assistance programs--e.g., agriculture, nutrition, education, health, family planning--should address the goals and objectives outlined in the Policy Determination."

Monitoring the activities and periodically evaluating institute performance and progress toward objectives specified in the contact or grant agreements can and should be effectively performed by the U.S. missions and/or the respective AID bureaus without unduly altering the institutes' independent character.

RELATIONSHIP OF THE PROGRAMS TO
U.S. FOREIGN POLICY

With regard to our suggestion that the U.S. Embassies should provide political and economic guidance to mission and institute officials, State and AID commented:

"* * * the institutes are not docile 'instruments' of U.S. foreign policy. * * * In many countries, the institutes' effectiveness would be undermined if a document of the U.S. Government were to contribute to the impression that the institutes are 'arms' of U.S. foreign policy.

"The recommendation * * * should be limited to elements of the Mission and AID/W [headquarters] which deals with the institutes. * * * Putting the institutes in the same category as elements of the government is objectionable because it lends credence to the erroneous belief that the institutes are arms of the U.S. Government."

* * * * *

"The recommendation in regard to State's role should include having Embassies and regional Bureaus review institute country programs for consistency with foreign policy objectives."

* * * * *

"* * * institute programs do not exist in the abstract; they are subject to the realities of the situation, including information and views from the Embassy and from State. In many countries with institute programs, there is a constant dialogue between institute representatives

and Embassy/AID officials, particularly the Labor Attache. A similar dialogue exists between AID/W and the institutes * * *

AIFLD said:

"* * * all of [its] Country Program Directors now receive political and economic 'guidance' from the American Embassies in their countries to the extent that 'guidance' means advice on the political and economical [sic] situation in the country insofar as it affects [its] programs."

Our evaluation

State, AID, and the institutes referred to the development of free labor movements as involving "the more informal areas of influence and assistance and interrelated phenomena--social, economic, political and even natural * * *." The Department of Labor stated that the institutes' "real objectives are more political and ideological than economic or technical."

Our discussions with mission personnel in the countries visited--Ambassadors, Embassy political and economic officers, labor attaches, labor reporting officers, and USAID personnel--revealed that virtually all these officials viewed the activities of the institutes as less important than their other activities.

Because the development of a labor movement in less developed countries involves social, economic, and political factors and because unions are dynamic groups that can affect the political and economic stability of less developed countries, we believe that the Embassies concerned must address the labor issue and improve their system of providing political and economic guidance to the USAID mission and institute officials in the countries. This will not only enhance the effectiveness of the institutes' activities, but could mitigate or avoid the possibility of embarrassing situations for the United States.

IMPLEMENTATION OF AUDITOR GENERAL'S RECOMMENDATION

State and AID commented that the staffs of OLAB and the regional bureaus had explored the AID Auditor General's recommendation very carefully and had concluded that consolidation of the institutes' headquarters functions was not advisable at that time. Nevertheless, State and AID stated that a detailed study would be made in order to finalize the issue.

AIFLD and AALC did not object to such a study, but reserved the right to comment on the results. However, they believe that such a consolidation is unrealistic because of the peculiar nature of the programs and methods of operations.

The Department of Labor stated that if the three institutes were merged, its administrative arrangements for training foreign labor leaders in the U.S. would be simplified. At present the Department of Labor must negotiate contracts with each institute.

MATTERS FOR CONSIDERATION BY THE CONGRESS

In discussing our approach for the institutes' education program with AIFLD and AAFLI officials in Washington, they agreed that such an approach is possible in order to develop the educational capabilities of the local trade unions. However, they did not believe that such a program would totally satisfy their responsibility under the Foreign Assistance Act. They implied that the act requires something more than merely making the unions viable in trade union education. They apparently believe their assistance and presence are required until the trade unions in less developed countries have become totally viable and independent.

The Department of State, AID, AIFLD, and AAFLI believe that the Foreign Assistance Act allows the institutes to carry out their programs through both the "presence" approach and the technical and financial assistance approach or a combination of the two, depending on the circumstances involved. State and AID added that although they believe they have identified what is needed to satisfy the intent of the act, they welcome any clarification of intent that the Congress may wish to supply; however, the flexibility to apply the suitable approach should be retained.

Our evaluation

U.S.-financed programs, such as those to develop free labor movements in less developed countries, need to be re-assessed periodically and their objectives and goals re-defined, lest they continue long after they have served their purpose. Since 1962, the U.S. has provided over \$77 million to three AFL-CIO affiliates to encourage other countries to strengthen free trade unions; however, little has been done to measure the effectiveness of such expenditures in reaching specific goals or objectives.

Accordingly, we believe the Congress may wish to consider assessing the objectives and goals of the program, determining the types of activities the U.S. should continue

to support, and establishing policies and priorities to guide the Department of State and AID in carrying out the program.

CHAPTER 11

SCOPE OF REVIEW

During this review, we wanted to (1) determine the relationship of the institutes' programs to U.S. foreign policy, (2) ascertain the extent of AID and Department of State participation in the institutes' program management, (3) evaluate the institutes' effectiveness in meeting the labor goal of the Foreign Assistance Act, and (4) evaluate efforts to implement our prior recommendations and others.

Our review was made at AID; the Departments of State and Labor; AIFLD and AAFLI headquarters in Washington D.C.; AALC headquarters in New York City; and the U.S. missions and institutes' field offices in the Dominican Republic, Colombia, the Philippines, Kenya, and Nigeria. We examined applicable legislation, program documents, reports, correspondence, and other pertinent documents. We also discussed program activities with officials of the agencies and institutes and visited the institutes' activities in the field.

AIFLD FUNDING BY SOURCE, 1962-74

<u>Year</u>	<u>AID</u> <u>(note a)</u>	<u>Dept. of</u> <u>Labor</u> <u>(note a)</u>	<u>AFL-CIO</u> <u>(note b)</u>	<u>AFL-CIO</u> <u>affiliate</u> <u>unions</u> <u>(note b)</u>	<u>U.S. firms</u> <u>(note b)</u>
----- (000 omitted) -----					
1962	\$ 250	\$100	\$ 110	\$-	\$ 133
1963	1,533	-	139	-	159
1964	2,353	-	211	-	165
1965	4,765	-	200	-	164
1966	2,695	-	200	-	141
1967	4,304	-	200	-	147
1968	6,595	-	200	-	133
1969	5,871	-	200	-	122
1970	7,074	-	200	1	113
1971	5,614	-	200	1	95
1972	6,202	-	200	-	72
1973	6,028	-	200	-	82
1974	<u>5,244</u>	<u>-</u>	<u>200</u>	<u>-</u>	<u>81</u>
Total	<u>\$58,528</u>	<u>\$100</u>	<u>\$2,460</u>	<u>\$2</u>	<u>\$1,607</u>

a/ Funding by fiscal year.

b/ Funding by calendar year.

AAFLI FUNDING BY SOURCE, 1968-74

<u>Year</u>	<u>AID</u> <u>(note a)</u>	<u>AFL-CIO</u> <u>(note b)</u>	<u>AFL-CIO-</u> <u>affiliated</u> <u>unions</u> <u>(note b)</u>
	----- (000 omitted) -----		
1968	\$ 472	\$ 75	\$13
1969	581	25	-
1970	371	135	-
1971	693	22	-
1972	1,626	73	-
1973	1,498	66	-
1974	<u>908</u>	<u>129</u>	<u>-</u>
Total	<u>c/ \$6,149</u>	<u>\$525</u>	<u>\$13</u>

a/ Funding by fiscal year.

b/ Funding by calendar year.

c/ Includes Vietnamese local currency converted to U.S. \$1,517,174.

AALC FUNDING BY SOURCE, 1965-74
(Calendar years)

<u>Year</u>	<u>AID</u>	<u>Dept. of State</u>	<u>AFL-CIO</u>	<u>Other (note a)</u>
----- (000 omitted) -----				
1965	\$ -	\$ 8	\$ 47	
1966	45	14	118	
1967	165	26	126	
1968	151	15	175	
1969	382	8	187	
1970	322	12	180	
1971	1,108	22	175	
1972	1,927	15	175	
1973	1,888	20	175	
1974	<u>2,102</u>	<u>31</u>	<u>175</u>	
	<u>8,090</u>	<u>171</u>	<u>1,533</u>	<u>\$393</u>
Adjustments (note b)	<u>4,347</u>	<u>-</u>	<u>200</u>	<u>-</u>
Total	<u>\$12,437</u>	<u>\$171</u>	<u>\$1,733</u>	<u>\$393</u>

a/ Primarily AFL-CIO-affiliated unions; yearly breakdown unavailable.

b/ To contract AID/Afr 245 and grant agreement AID/Afr 386.

COMPARISON OF U.S. ASSISTANCE TO INSTITUTE
ACTIVITIES WITH TOTAL U.S. ECONOMIC ASSISTANCE IN
SELECTED COUNTRIES

(Cumulative amounts as of June 30, 1975)

<u>Country</u>	<u>Program begun</u>	<u>Institute activities</u>	<u>Total U.S. assistance</u>
		(millions)	
Colombia	1963	\$2.2	\$1,243.4
Dominican Republic	1962	2.6	504.2
Philippines	1969	2.0	341.9
Kenya	1965	.8	77.3
Nigeria	1965	1.6	294.8

OTHER SOURCES OF ASSISTANCE TO LABOR
MOVEMENTS IN SELECTED COUNTRIES

<u>Country</u>	<u>Source of assistance</u>	<u>Nature of assistance</u>	<u>Estimated value</u>
Nigeria	All Union Central Council of Trade Unions of Soviet Union 1967-71	Staff salaries and allowances, 3 years rent for Patrice Lumumba Labor Academy	\$71,000
	Central Council of Trade Unions of Bulgaria - 1968	50 bicycles	Unknown
	Federation of Free German Trade Unions - 1969	165 books to Patrice Lumumba Labor Academy	Unknown
	International Organization of Journalists	3 scholarships	Unknown
	World Federation of Trade Unions - 1967	Rent for Patrice Lumumba Labor Academy	\$ 1,650
	Canadian Labor Organizations 1968-72	Funds and vehicles	Unknown
	Fredrick Ebert Foundation 1969-72	Courses in Industrial Relations	Unknown
	German Federation of Labor 1968-72	Funds and vehicles	Unknown
	Histadrut Institute 1967-70	Labor courses in Israel	\$3,300
	International Confederation of Free Trade Unions	Office rent and automobiles	Unknown
	All-African Trade Union Federation 1969-72	Funds	\$ 165

<u>Country</u>	<u>Source of assistance</u>	<u>Nature of assistance</u>	<u>Estimated value</u>
Kenya	International Labor Organization, Fredrick Ebert Foundation, USSR, Bulgaria, Yugoslavia, United Kingdom, and the Swedish International Development Authority	Seminars and training	Unknown
Colombia	Inter-American Foundation	Unknown	\$800,000
	Konrad Adenauer Foundation	"	Unknown
	Fredrick Ebert Foundation	"	"
Dominican Republic	Konrad Adenauer Foundation	"	"
	Fredrick Ebert Foundation	"	"
Philippines	Fredrick Ebert Foundation	"	\$266,000 (1974)
	Konrad Adenauer Foundation	"	Unknown
	Histadrut's Institute	"	"
	Japan	"	"
	United Kingdom	"	"
	International Confederation of Free Trade Unions	"	"
	International Labor Organization	"	"
			\$3.5 million (1969-1978)

Note: The above information was obtained from AID officials without verification of its accuracy or completeness.

51st Program

January 14 — February 15

Course 1-A**The Role of Trade Unions in the Andean Pact**

This course will cover the importance of and mechanisms for trade union participation in Andean Pact decision-making, the impact of the Andean Pact on workers and trade unions, the possibilities of obtaining uniform labor and social legislation in the member countries, methods for setting up regular exchanges of information among unions in the Pact area, and problems in establishing migration of workers among Pact countries.

Participants in Course 1-A, which will be a high level course, should be union leaders who potentially can be involved in negotiations with various organs of the Andean Pact mechanism.

Course 1-B**Advanced Collective Bargaining**

This course will be our standard collective bargaining course, taking the participants through the stages in the negotiating process: research, preparation of demands, negotiations, deciding whether to settle or strike, finalizing a settlement, and presenting the settlement to the membership. Mock bargaining sessions, workshops, and group dynamics techniques will be featured in this course, so that the participants get maximum practical training to meet the real situations they will encounter upon their return to Latin America.

Participants in this course should be trade unionists who already have basic union training and will be responsible for negotiating with management.

FRONT ROYAL PROGRAM 1974

53rd Program

April 8 — May 24

Course 3-A**Adult Education Methods
(Special ITF Course)**

This course will improve and diversify the teaching methods of union instructors in ITF-sponsored courses. It will cover the use of audio, visual, and other training aids and varied instruction techniques, such as role-play, group discussion, and case study. No particular trade union subject-matter will be taught in this course. Rather, instructors, who are already experts in varying trade union subjects, will be brought together to learn better techniques by which to teach their respective topics.

Participants should be instructors who know their own subjects and desire to improve their teaching skills.

Course 3-B**Advanced Collective Bargaining
(for Banana Workers)**

This course will be our standard collective bargaining course, taking the participant through the stages of the negotiating process: research, preparation of demands, negotiation, use of statistics, bargaining techniques, job description, and contract administration. Examples will be keyed specifically to the problems of banana workers when negotiating with their employers.

Participants should be those persons engaged in bargaining for their unions or likely to become involved in bargaining. Selection will be limited to unions of banana workers in Central and South America.

52nd Program

February 25 — April 5

Course 2-A**Principles of Democratic
Trade Unionism**

In order to apply technical skills in collective bargaining, dues systems, etc., in building up the labor movements in their countries, Latin American trade unionists need a clear understanding of the basic role of labor in society. This course will provide this broad framework within which specific union skills can be put into perspective. The course will cover the origins and purposes of democratic trade unionism, the functions of unions in a developing society, and techniques for defending democratic unions from attacks by anti-democratic extremist elements.

Participants should be trade union leaders holding union office, who have a broad responsibility for influencing the general outlook of their membership as to what their movements are supposed to accomplish.

Course 2-B**Principles of Democratic
Trade Unionism**

This course will run concurrently with 2-A, and it will cover the same material. The separation of the 40 participants in the program into two groups is being done for pedagogical reasons. Limiting the number of participants in each classroom to 20 will allow more opportunity for each student to participate in class discussions and role-playing sessions.

AIFLD is devoting two courses in 1974 to trade union principles because of the importance of a firm grounding in the basics of the movement if union leaders are not to lose sight of labor's long-range goals, as their attention is taken up by the daily administrative and technical problems of running a trade union.

The criteria for selection for course 2-B are the same as for 2-A.

BEST DOCUMENT AVAILABLE

55th Program
July 8 — August 23

Course 5-A

Labor Relations in Developing Countries (Brazil)

This special course for Brazilian trade unionists will go beyond collective bargaining techniques to cover other aspects of labor relations which are of crucial importance in a developing economy and policy arbitration procedures, use of statistical data, public relations, relations with government agencies and grievance procedures.

Participants should be experienced trade unionists with responsibilities for action in such broad aspects of labor relations. This course will be of use to either urban or rural trade unions in Brazil and is thus open to participants from unions in all parts of the country.

Course 5-B

Adult Education Methods (Caribbean)

This course will improve and diversify the teaching methods of instructors used in Caribbean union sponsored seminars. It will cover the use of audio-visual and other training aids and varied instruction techniques, such as role-play, group discussions and case study. No particular trade union subject-matter will be taught in this course. Rather, instructors, who are already experts in varying trade union subjects, will be brought together to learn better techniques by which to teach their respective topics.

Participants should be instructors who know their own subjects and desire to improve their teaching skills.

56th Program
August 26 — October 11

Course 6-A

Collective Bargaining and Research (Special FETRATEL Course, Venezuela)

This specialized course will be offered through the financial cooperation of the Federation of Telecommunication Workers of Venezuela, exclusively for its members. The course will be adapted to the particular problems of bargaining in the communications industry. Subjects covered will be research, use of statistics, bargaining techniques, job evaluation, job description and contract administration. Special emphasis will be put on the research aspects of bargaining, in view of the increasing sophistication of labor relations in the Venezuelan communications sector.

Participants will be selected by FETRATEL.

Course 6-B

Communications and Public Relations (Special FIET Course)

This course will teach techniques by which trade unions can reach their own membership, governmental and business elites, and the general public with labor's demands and viewpoints on issues. Mastery of these techniques is essential to effective action by trade unions on both macro- and micro-economic issues, also to the defense of democratic trade unionism from attacks by non-democratic union and political forces.

Topics covered will be trade union journalism, use of the mass media, preparation of press releases, selection of target audiences, and principles of effective communication with the membership.

Participants should be elected or appointed trade union officials affiliated or related to FIET, responsible for communication and public relations functions and who are already familiar with such basic trade union functions as organizing, collective bargaining, and dues collection.

Course 4-A

Trade Union Structure and Organization (Special FETRATEL Course, Venezuela)

This specialized course will be offered through the financial cooperation of the Federation of Telecommunication Workers of Venezuela, exclusively for its members. The course will be adapted to the particular problems of bargaining in the communications industry. Subjects covered will be research, use of statistics, bargaining techniques, job evaluation, job description and contract administration. Special emphasis will be put on the research aspects of bargaining, in view of the increasing sophistication of labor relations in the Venezuelan communications sector.

Participants will be selected by FETRATEL.

Course 4-B

Communications and Public Relations (Women) (Special FIET Course)

This course will teach techniques by which trade unions can reach their own membership, governmental and business elites, and the general public with labor's demands and viewpoints on issues. Mastery of these techniques is essential to effective action by trade unions on both macro- and micro-economic issues, also to the defense of democratic trade unionism from attacks by non-democratic union and political forces.

Topics covered will be trade union journalism, use of the mass media, preparation of press releases, selection of target audiences, and principles of effective communication with the membership.

Participants should be elected or appointed trade union officials affiliated or related to FIET, responsible for communication and public relations functions and who are already familiar with such basic trade union functions as organizing, collective bargaining, and dues collection.

57th Program
October 14 — November 26

Course 7-A

Adjustment to Automation and Mechanization

This course is especially designed to assist the trade unionist in developing a better understanding of the social and economic changes being made possible by the introduction of automation and mechanization. It will cover the effects of automation and mechanization on the transition and the role of the trade unionist in the process.

Participants should be trade unionists who should be able to understand the negotiation of contracts.

Course 7-B

Labor Relations in Developing Countries

This special course will go beyond collective bargaining techniques to cover other aspects of labor relations which are of crucial importance in a developing economy and policy arbitration procedures, preparation and use of statistical data, public relations, relations with government agencies, and grievance procedures.

Participants should be trade unionists involved in these processes, who are already well trained in such core trade union functions as dues collection, organizing, etc. This course is especially suited for, but is by no means limited to, participants from unions of government employees.

BEST DOCUMENT AVAILABLE

SUBJECT MATTER INCLUDED IN AALC'SIN-COUNTRY EDUCATIONAL PROGRAMS

Industrial relations--trade unions--what they are and what they do; trade union structure; objectives of a sound structure; duties of principal officers; types of unions; how to organize successfully; collective bargaining techniques; handling of grievances; trade union finance, preparing union budget; collective agreements; leadership requirements; national center etc.

Labor economics--scope and purpose of labor economics; raw materials and capital equipment; economic efficiency and control; banking--money and capital markets; central banking; how to increase incomes; workers' role in the economy; labor and the economy; wages in developing countries; introduction to statistics; social and economic data; essentials of effective development plan; labor action to promote social development; economics of collective bargaining, etc.

Communication process--social factors in communication; interpersonal communication; communication situation; social action, etc.

Industrial law--labor code act; trade union act; trade disputes (emergency provisions) decree; wages board act; factory act; workmen's compensation act; national provident fund, etc.

Cooperative studies.

Developing countries today--characteristics, population, food, health, education, income and expenditure, energy, transport, communication, group dynamics and interpersonal relations.

Financing development plans:

Essentials of an effective development plan.

Trade--direction of trade: exports, primary commodities, manufactures, prices, terms of trade, price stabilization, commodity agreement, tariffs and quotas, trade agreements.

Aid:

Government aid.

Recipients.

Types--grants, loans, aid in kind, technical assistance, uses of aid.

Note: Curriculum used in the Trade Union Institute in Nigeria.

Channels--bilateral and multilateral aid, bilateral coordination, multilateral channels e.g. (a) the U.N. specialized agencies, U.N. specialized fund, U.N. programs, (b) African Development Bank, (c) Organization of African Unity.
Non-Government aid--foreign private investment.

Employment and manpower:

Human resources and potential.
Education and training.
Science and technology and the possible effects of automation on industrial relations.

Issues in social and economic development of developing countries:

The need for action research and how to go about it.
Measurement of social progress; social change and change agents.
Population problems.
Urbanization, town planning, and housing.
Education.
Health.
Agriculture and rural development.
Power, transport, and communication.
Welfare programs.
Industrial development:
 Small businessman
 Large and medium-sized businesses and industries.
Specific labor action to promote social development.
Self-help and cooperatives.

SUBJECT MATTER INCLUDED IN AAFLI'SIN-COUNTRY EDUCATIONAL PROGRAMSGrievance Handling Seminars

Under the Philippine Labor Code, each collective bargaining agreement must provide for handling grievances. Since the beginning of 1975, AAFLI has sponsored 9 grievance courses with a total of 334 participants.

Arbitration and Dispute Settlement

U.S. arbitration experts have trained more than 200 impartial arbitrators to handle disputes in line with provisions of the new labor code.

Labor Code

These seminars included such subjects as provisions of the law affecting health, safety, and welfare benefits; conditions of employment and post-employment; general labor relations; union structure; collective bargaining; and the philosophy behind the Labor Code as perceived by labor, government, and management.

Collective Bargaining

Courses were given to local officials and members on the concepts, legal requirements, process, and techniques in collective bargaining under the new Labor Code.

Seminars on Special Issues

AAFLI has continued using worker education programs to induce the trade unions to start activities in new fields, such as restructuring, women's activities, health and occupational safety, and economic research.

Use of Economics and Statistical Data for Collective Bargaining

This course was given to research officers to develop skills in collecting and preparing data for negotiations and interest arbitration.

Note: Philippine Education Program for 1975.

Workers Education and Trade Union Research

This course was designed to train labor union representatives in preparing and conducting worker education programs and in labor research topics and techniques and their application to collective bargaining and worker education.

Cooperative Education

A 3-week residential education program for cooperative credit-union treasurers and managers examined in detail the relevant changes and provisions in Philippine Cooperative Law with special emphasis on the Government's Cooperative Development Program.

A 3-day residential program helped the union in its consumer-cooperative expansion program.

A 2-day education program reviewed developments in cooperative law and progress toward re-registering cooperatives affiliated to the Associated Labor Unions.

A 6-day nonresidential program on the philosophy and concepts of cooperatives and the requirements of Philippine Law for cooperative organizations.

SUBJECT MATTER INCLUDED IN AIFLD'SIN-COUNTRY EDUCATION PROGRAMS

Collective bargaining--basic labor economics, collective bargaining process, negotiating the agreement, techniques, strategy, tactics, labor law, etc.

Union finances--basic bookkeeping, general accounting, dues structures, cost price index, etc.

Cooperative organization and administration--consumers, production, credit, housing, etc.

Labor law--labor code, interpretation and application; Ministry of Labor, structure and functions; role of labor inspector.

Elementary and general labor economics--gross national product, net national income, net disposable income, purchasing power curves, etc.

Communications and human and public relations--definition; written communications; audio-visual communications; problem analysis; the use of TV, radio, journals, pamphlets, etc.

Organization techniques.

PRINCIPAL OFFICIALS
RESPONSIBLE FOR ADMINISTERING
ACTIVITIES DISCUSSED IN THIS REPORT

Appointed or
commissioned

DEPARTMENT OF STATE

SECRETARY OF STATE:

Henry A. Kissinger	Sept. 1973
William P. Rogers	Jan. 1969
Dean Rusk	Jan. 1961

AGENCY FOR INTERNATIONAL DEVELOPMENT

ADMINISTRATOR:

Daniel Parker	Oct. 1973
John A. Hannah	Mar. 1969
Rutherford M. Poats (acting)	Jan. 1969
William S. Gaud	Aug. 1966
Daniel E. Bell	Dec. 1962
Fowler Hamilton	Sept. 1961

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