

Chapter 7

Assisting Displaced Coal Miners in Poland

(7-22-2010 draft)

1. Background of the Workforce Development Project

One of the projects proposed in the USDOL's Labor Market Transition Program financed by SEED money was creating a "Re-employment Fund" [REF] in Poland. This chapter discusses how the proposed REF project metamorphosed into a displaced worker adjustment project (known as the Workforce Development Project) for redundant coal miners in Silesia -- Southern Poland). Nothing had materialized although the planning and design work for the project had been underway for at least two years. National elections that brought changes in the Polish government and the political dynamics of Polish-American relations during economic restructuring influenced the evolution, design and eventual implementation of that project in 1998.

The Poland Workforce Development Project (WDP for redundant coal miners turned out to be one of the most difficult and frustrating projects that I worked on for the USDOL in Central and Eastern Europe. It illustrates the wide range of challenges and the difficulties experienced in trying to carry out SEED-funded technical assistance projects in the 1990s in Poland.

The Introduction in the final report of the Poland Workforce Development Project states that the project faced "several challenges," and that it was a complicated project to design and implement. Based on my experience, that is a gross understatement. The Executive Summary in WSI's *Final Report* of the project outlines the official version of how the project started, and identifies six challenges that it faced: (*Poland: Workforce Development Project, Final Technical Report, 1998-2000, p. i*)

The Poland Workforce Development Project (WDP) was an initiative sponsored by the U. S. Department of Labor (USDOL) and funded by the U. S. Agency for International Development (USAID) to facilitate restructuring in Poland's coal and steel sectors. The WDP was initially developed with the Ministry of Labor and Social Policy (MOLSP) and brought to Silesia through an agreement with Marek Kempinski, then President of the Regional Board of Solidarity Union and later appointed Governor of Silesia. The WDP was defined as a regional project focused in Silesia. As a result, although it was designed in 1997, the WDP did not start until October 1998. It was initially scheduled to close in June 2000 but was later extended to September 2000, and then given a final closing date of December 31, 2000, to allow Local Economic Development (LED) community projects to be implemented and money expended.

The Project faced several challenges:

1. Lack of time to fully implement the project, learn from pilot site experiences, and develop sustainability among government partners;
2. Administrative restructuring of participating local authorities obscured the identification of a primary project partner;
3. Lack of perceived need for project activities by local authorities due to delayed impact

- of economic restructuring;
4. Political histories and shifting alliances hampered not only cooperation between project partners but also project efforts to transfer ownership;
 5. Although the Ministry of Labor and Social Policy was the WDP's official partner, the designation of Silesia as the primary area of activity created false expectations for funding control from the Regional Labor Office, Governor's Office, Mining Labor Agency, and Regional Development Agency.
 6. Designation of Silesia as the focus of activity restricted development in other regions that were more receptive.

In 1995, the USDOL/USAID Labor Market Transition Program approved the concept of a coal restructuring “re-employment fund” to help the Polish Government respond to the upwards of 80,000 coal workers who would be affected by mine closures and other means to restructure the hard coal sector of Upper Silesia. The then Polish government decided to accomplish labor shedding by restricted hiring and attrition. The project’s objectives to develop effective measures to increase the capacity of communities affected by the significant labor shedding to deliver affordable and effective employment assistance services and to generate jobs also changed.

June 16, 1997, a draft proposal of a USDOL project to create a “Model Re-employment Fund for Dislocated Workers in Poland” was completed by a consultant from New York hired by OFR. As I recall, he was a retired Regional Director of the USDOL. But USAID was not satisfied with that document, and informed OFR that something had to be done to make it acceptable.

Ewa Springer, who had been hired by the OFR to be their on-site field manager in Poland, tried to address the USAID’s criticism of the June 16 draft in a memorandum she prepared for Jim Perlmutter, the deputy director of OFR. In her July 23, 1997 memo, she outlined the status of the Re-employment Fund project as part of the OFR’s response to the issues raised in the USAID draft cable “Reftel: State 128316.”

1. Re: Re-employment Fund

USDOL welcomes and appreciates the joint Embassy/USAID decision to select option 3 in ref tel to allow DOL to improve the P- I design to an approvable level. USDOL agrees to use the Re-employment Fund Project funds to finance the work necessary to finalize the project design and will work with USAID to secure the necessary expertise to complete the project design ASAP. As stated in prior USDOL communications with Embassy/IUSAID, USDOL is fully committed to make reasonable and necessary changes to the project design, including a flattened, lower cost management structure. Consistent with prior discussions and agreements regarding this project, USDOL also believes that one of the main aims in the process of finalizing the project design should be to achieve the highest possible level of coordination and synergy with other USAID projects, particularly with the local governance program which specifically targets increased local capacity for addressing socio-economic problems.

However, DOL believes that more specific and detailed comments regarding the required amendments to US DOL's June 16th draft project design are necessary in order to secure the necessary expertise and to provide prospective experts hired to finalize the design work with adequate directions. Moreover, USDOL perceives the finalization of the design process as a collaborative effort by USDOL and USAID, rather than as an activity

performed only by a retired USAID Project Design Officer. Finally, USDOL believes that a labor expert with specific expertise in work dislocation must collaborate in partnership with USAID expert in finalizing the project design.

Consequently, USDOL proposes that the final version of the project design be completed by a joint USDOL/USAID team according to specific written comments addressing the DOL draft design of June 16th, 1997. DOL is anxious to receive USAID comments on the draft design so that work on securing the necessary expertise to finish the design can begin immediately. USDOL is fully committed to having this project design completed within the proposed time frame. USDOL Field Director [Ewa Springer] is standing by to facilitate the process of the finalization of the project design. USDOL Jim Perlmutter will make the necessary arrangements to come to Poland for the last week of the finalization of the design work. USDOL hopes that work on finishing the project design can be completed no later than September 1997 with project implementation beginning in early October.

The time frame for the completion of the design work and the October 1997 start up date proved to be overly optimistic. The actual start-up date began a year later, October 1998.

Per Ewa Springer's memo, USAID identified a retired staff person to help her prepare a new design for the project. Two months later, they produced a new September 24, 1997 REF draft proposal in Warsaw.

2. My involvement in redesigning the REF project

September 26, 1997, I received a review of the Springer/USAID draft by another OFR project officer, Don Ridzon, who had worked in Poland for some time and was the project officer over two USDOL-funded and AFL-CIO operated Craft Construction Centers in Warsaw and Gdansk. His four-page critique of the new September 24, 1997 REF draft proposal was harsh. The second sentence in his memo said, "In a nut shell, this draft re-design is an embarrassment to ILAB. My comments follow:" (Memo from Don Ridzon to ILAB, September 26, 1997, p. 1)

September 29, 1997, OFR Deputy Director Jim Perlmutter sent a memo to Director John Ferch in which he wrote: "The following are my comments re Reemployment Fund Project redesign. Regretfully, I think the redesign of the Reemployment Fund Project contains many serious flaws and represents a serious step backwards from earlier versions." (Memo from Jim Perlmutter to John Ferch, September 29, 1997, p. 1)

Two days later on October 1, 1997, I received a telephone call from Jim Perlmutter. In addition to asking me to go on an OFR design mission to Egypt (one that I considered but declined), he told me that the Poland REF project needed a complete redesign. Jim said that the September 24 REF project proposal was a disaster and needed recasting "to have more labor and DOL content." He said that he would fax me a copy of the current proposal and wanted me to help him critique it. Jim further said that the first draft had been a funding mechanism with a Board set up to disburse the funds. In the second draft, the Board had been deleted and replaced by a "Community Advisory Council, with the authority left to an NGO." Two million dollars were now available for NGO employment services, \$2.3 million for flood relief to communities in Upper Silesia, and \$250,000 for training classes.

October 13, 1997, I received an email from Jane Daly, another Western States consultant with whom I had worked on a USDOL project in Bulgaria and who had participated in drafting the first REF project proposal dated June 16, 1997. Jane's memo contained her evaluation of the Sept. 24, 1997 REF draft proposal. She concurred with the others in their assessment of the redesigned proposal: "I must say I am disappointed in this project design—as with the June 16 design, for many reasons, including the ones cited in your papers. I will add my additional thoughts [two pages worth]."

Two days later on October 15, I received another telephone call from Jim Perlmutter. He said that John Ferch had another approach to the problem. The September 24, 1997 REF Design had shifted too far from the original design of a fund to provide money to workers for adjustment purposes. Now that a new Polish government was in power, we should discuss with them what their concepts of restructuring were going to be. Then we could design an approach to meet the needs as the new government saw them. However, he was still favorable to the World Bank concept of a Reemployment Fund. Jim wanted me to come up with a two-page concept paper listing the critical components that a new program would need. He said that I could include a Fund mechanism, but call it something else. He said John Ferch wanted something to "make a pitch with and a map to get from here to there." (Notes of telecon with Jim Perlmutter, October 15, 1997)

John Ferch's candid version of the REF project history

The next day, October 16, Ambassador John Ferch called me, and we discussed the origin and background of the original June 16, 1997 REF project proposal at some length. He said that the idea came from Ralph Johnson, the former American Ambassador to Poland, who had asked John Ferch to address the social aspects of the transition [from a command to a market economy]. Consequently, he had written a chapter on that subject for an interagency report. When President Clinton gave a speech in Warsaw about the help the U.S. would provide for the social aspects of the transition, John said he felt that something concrete should be done.

David Fretwell, once an employee at the Labor Department and now employed by the World Bank, wanted to establish a Social Investment Fund (SIF). He said that \$10 or \$12 million would be left on the World Bank Polish Loan, and he wanted it put in that fund. USAID and USDOL would work with the World Bank to set up something. Unfortunately, the Poles did not buy into the idea. So, Suzanne Garment at USAID, without consulting USDOL, put \$1.5 [\$2.5 ?] million in the SI Fund pot to see what the U.S. (USDOL) could do. John Ferch said that he thought she was parking money and may not have wanted to spend it for other purposes.

Subsequently, John Hudale from the New York Labor Department and John Ferch went to Poland to design the project. Ewa Springer also participated. The Poles agreed to put up a \$2.5 million match, and decided to set up a pilot SIF. Suzanne Garment (from USAID) did not like the idea and threatened to cancel the \$1.5 [2.5?] million. John Ferch said he would go to the Poles and get their support to prevent her from canceling out. Suzanne said that he should get a design bid.

Work was done on a design, using Jane Daly, an ES consultant who had worked on several other projects for USDOL. But they did not work directly with the Poles. The June 16, 1997 REF draft proposal was the result. It was not a well-written draft, but had some new elements. Then, out of the blue, in July 1997 USAID told USDOL to recast the proposal in “AID speak.” The then Polish government did not think that there would be a major restructuring problem because attrition would do the job. So, USAID changed the proposal to suit that thinking. Ewa Springer and her USAID selected co-author prepared the new draft and in the process changed the whole substance and direction of the proposal. According to John Ferch, “there was no DOL content anymore.” His deputy, Jim Perlmutter, and other DOL staff who reviewed the document were disgusted with the new Sept. 24, 1997 REF draft proposal. John Ferch admitted that he had not been keeping an eye on the situation, and Ewa did not inform him of the changes she and her USAID co-author were making. In his words, “she was out of control.”

3. The Showdown in Warsaw: REF versus WDP

John Ferch told me he was proposing to make a trip to Warsaw to meet with DCM John Cloud. Ferch said he would spell out why DOL could not carry out the current proposal as written and suggested that there might be an opportunity to reconsider the design and work with the newly elected Polish Government. He wanted to talk with them and see if they wanted to focus on the dislocation of the coal miners. However, he was somewhat pessimistic and thought John Cloud might say forget it, scrap the whole idea and use the money somewhere else.

If John Cloud accepted John Ferch’s proposal to start over and talk with the new Polish government, the USDOL needed to be prepared to offer a new approach for their consideration. He asked me: “What should it be? Should it contain a SIF? Should it emphasize the USDOL Adjustment Model?” The new Polish government might have a different view and want a major labor redeployment program, including adjustment efforts to help workers and communities in certain industries. (GBH telecon notes of call from John Ferch, October 16, 1997)

Later that day I faxed John Ferch a copy of my “quick and dirty” draft of a concept paper that he might want to use as part of the discussions with John Cloud and USAID in their Warsaw meeting scheduled for Monday, October 27, 1997.

Trip to Poland and watching John Ferch in action

My October 20-28, 1997 Warsaw trip report outlines discussions that were held with USAID and the American Embassy officials concerning the future of the Re-employment Fund (REF) Project. It also includes a report of the meeting we held with some Polish academics as part of another LMR project that USDOL was involved with and I was helping to carry out:

October 20: Departed North Logan for Washington at 12:30 PM. Arrived at State Plaza Hotel, Washington. D.C., at 12:00AM

October 21 and 22: Met with John Ferch and Steve Marler to plan the October 24 formal meeting in Warsaw with the representatives of the Polish universities regarding the DOL

LMR grant proposal process. Additional meetings were held with John Ferch and Don Ridzon to discuss the latest REF proposal and strategy for the October 24 meeting with the U. S. Embassy DCM and USAID director concerning the DOL position re the REF project proposal. The afternoon of Oct. 22 departed for Warsaw.

October 23: Arrived in Warsaw. John, Steve and I met with Ewa Springer to discuss the upcoming meetings.

October 24: John, Steve and I met with Ewa prior to the meeting with the Polish university representatives. Then we met with that group and Matt Boyce until 3 p.m.

After the LMR meeting concluded, John, Ewa and I drove to the U. S. Embassy for the REF meeting with DCM John Cloud, Matt Boyce, and USAID Director William Frei and one of his staff. John indicated that DOL was not prepared to continue with the REF project as outlined in the September 24 proposal. He stated that upon carefully reviewing the latest proposal his professional advisors were unanimous in rejecting the design. The DOL professionals were not satisfied with the design of Subcomponents I and III (worker adjustment, vocational training), which they viewed as being unsuitable -- with Subcomponent I being geared to creating an NGO rather than using the existing public Employment Service to deliver the services, and also lacking the essential rapid response component that is essential for implementing a good worker adjustment program, and Subcomponent III having a poor and unfocused training design. John went on to say that Subcomponent III (a loan fund for 5MBs impacted by the floods) was not the type of project that DOL considered to be within its realm of expertise.

Finally, he stated that with the recent election of a new Solidarity-led government in Poland the REF design did not reflect their input. This made it somewhat outdated and perhaps not suited to their interests and desires. John concluded by stating that if the Embassy and USAID wanted to continue with the project as proposed, they were welcome to do so without the participation of DOL. On the other hand, if they would like DOL to participate, he would send a professional team to Poland within 30 days to meet with the new Government (Minister of Labor) and determine just what kind of worker adjustment program they wanted and then work with them to write a mutually acceptable proposal which could be implemented immediately.

October 25-26: I prepared a document containing the information Steve Marler had collected in his capacity as notetaker during our LMR meeting with the Polish university representatives plus additional information the OFR wanted to convey to the Polish universities prior to the official release of the SGA. I also revised the USDOL Adjustment model summary paper I had written for John to reflect the input received at the REF meeting. [Steve Marler then left Warsaw to return to Washington.]

October 27: John, Ewa and I met at the USAID office. While there, John prepared a letter to go to John Cloud, DCM, and William Frei containing John's summary of the REF meeting and the steps the OFR/USDOL is prepared to take if the Embassy and USAID want to continue the project. While John prepared his letter to the DCM, I wrote the summary document we had agreed to prepare for the Polish universities as a follow up to our Oct. 24 meeting. The new document incorporated John's suggested outline and input plus previous notes from Steve and additional information from my list of expected outcomes for the LMR project. Ewa wrote a cover letter. John Ferch reviewed the drafts of Ewa's letter and the summary LMR document and then left. Late that afternoon we faxed them to Steve Marler in Washington for Steve's review.

During the afternoon I interviewed Ewa to learn what information she has in her files to help me document the work that has been done on the LMR project from February 1996 to October 1997. She has some information, but much of it is in Polish. (It will have

to be translated into English before I can use it.) I listened to Ewa while she expressed her thoughts and feelings about the REF project and her work in Poland.

October 28: Departed from Warsaw. Arrived home at 11 p.m.

What I did not mention in my trip report was watching John Ferch, with Ewa Springer sitting next to me on a nearby couch, excoriate everything in the current proposal that she and the retired USAID person had co-written, and verbally cut her off at the knees. At the October 27 meeting he told John Cloud that the current (September 24, 1997) REF proposal was a disaster, and that OFR rejected it out of hand. If I had been Ewa, I would have wanted to crawl under the sofa that we were sitting on while John verbally eviscerated her REF proposal in front of us. She did not move a muscle or change her expression throughout the lecture, but I think she knew her days with DOL were numbered.

The following letter, prepared by John Ferch after the October 27 meetings, was sent to John Cloud at the American Embassy in Warsaw after we returned to the U.S. The second item is a cable from Cloud back to Ferch after receiving his letter. [Unfortunately, the cable from John Cloud to John Ferch is missing and cannot be included.]

Dear John:

To follow up on our meeting with Bill Frej, Debbie, Ewa and Gary concerning conceptual differences between the AID Mission and DOL over the "Re Employment Fund", I would like to outline my understanding of the outcome of that meeting and suggest "next steps"

1. DOL does not support the most recent redesign of the proposal, but we also believe that the lengthy evolution of the concept away from a "re employment fund" based on World Bank models cannot now be reversed.

2. If the Embassy wishes to continue with that element of the most recent design that focuses on support for small and medium enterprises in the flood affected areas of Poland, the amount of funding for such a program should be determined and that sum deleted from the DOL/AID Inter-Agency Agreement. DOL does not have the expertise to carry out this component. The AID Mission, therefore, should obtain another contractor for the component.

3. Although the remaining two components of the most recent redesign purport to address the issue of dislocated workers and thus are in DOL's field of expertise, these two components do not make use, in DOL's professional judgement, of experience and procedures successfully employed in North America and the rest of Central Europe. DOL, therefore, strongly recommends against their deployment. While DOL would not be willing to serve as implementing agency for these two redesigned components, it would be willing - and eager - to work with Embassy/ AiD and the Polish Ministry of Labor to develop and implement a sound "dislocated worker" program.

4. In our discussion we briefly considered whether the new Polish Administration will push forcefully for early restructuring of the coal mines and of heavy industry or whether their approach will be more gradual and driven by retirements, early out incentives and other voluntary ' methods of downsizing. Those two extremes would obviously affect the pace of a dislocated worker program but not its structure or method of operation. In either case a "dislocated worker" program would involve among other things, techniques which stimulate local economic development and create linkages between labor offices, training institutions and emerging businesses and "rapid response" with tripartite committees at the plant/mine level assisting workers to make the transition

from employment, through dislocation, to reemployment. I offer this observation to clarify what may be misconception; there is no correlation between the most recent redesign of the “reemployment fund” and gradual downsizing and between a “dislocated worker” program and rapid downsizing.

5. You indicated that the mix of issues should be resolved within 30 days. I agreed but also suggested that the process of resolution should involve responsible personnel from the Ministry of Labor of the new Polish Administration. I believe that you accepted that suggestion, adding that the incoming Poles should be offered the choice of the most recently redesigned programs or a “dislocated worker” program to be outlined by DCL professionals. (A third option might be an entirely different labor market program suggested by the Poles.)

6. DCL is prepared to send a team of dislocated worker experts to meet with Embassy/AID and the new leadership team of the Ministry of Labor during the week of November 17.

If we proceed along these lines, we should also reach prior agreement on the division of funding between the components of the program before we meet with the Poles. Obviously, if the Embassy chooses to continue with the small and medium enterprise component and the Poles opt for the redesigned labor market components (#1 and #3), DOL would not be involved in such a decision. However, if the Poles ultimately choose a “dislocated worker” program, you should know in advance roughly what it will cost. Funding for such a program should not be set as the residual left from the \$2.5 million after you initiate a small and medium enterprise program. Nor, of course, should funding for a small and medium enterprise program be the result of residual calculation. To assist you in your decision making process, I will provide you within the next several weeks with high and low estimates for a “dislocated worker” program.

A word about the Polish financial matching contribution. Since there would be no capital fund in a “dislocated worker” program, the determination of the Polish contribution would be quite different from that we used in the “Re Employment Fund” project and to which the Poles then agreed. Most Polish inputs to a “dislocated worker” program would be in the form of regular operations by the Polish employment service. It would be advantageous to have Polish funding of certain support activities, however. Those details need not be addressed at this time.

Finally, I fully understand your desire to begin real work as soon as possible. If the Poles choose a “dislocated worker” program, I believe that we can begin activities in late January or February. From DOL’s perspective, the biggest start-up problem would be to identify the US expert who would assume the responsibilities in Poland that Maria Heidkaxup has in Hungary. Program design itself is quite simple; it should be possible to meet AID’s work plan and strategic objective requirements fairly quickly once all parties understand the nature of the program.

I hope that you will find these observations and suggestions useful in reaching your decision about the future of this evolving program. Which thought prompts me to add that I am certain Darwin would have agreed that evolution can take place during pregnancy provided that the period of gestation is sufficiently long.

With warm personal regards, John A. Ferch, Ambassador, Director, OFR

At this point, I had been asked by DOL to look at the Springer proposal and come up with a suitable one based on the various discussions between Ferch, USAID, and the Government of Poland. In short, if the Embassy and USAID bought the proposed “dislocated

worker” program concept, it meant that I would be a key consultant in the design and implementation process of the project. For good or ill, that turned out to be the case.

During the first week of November 1997, I spent three days working on the REF project preparing documents for the meetings that were scheduled to be held in Warsaw and Katowice in mid-November. I wrote several summaries (one-, two- and five- pages in length) of the USDOL Adjustment Model paper comparing the last version of the Reemployment Fund proposal and the new Poland Dislocated Worker Adjustment Project proposal, plus a graphics package and summaries of the proposed Poland Dislocated Worker Project for use in the REF project meetings to be held with the Minister of Labor and Solidarity leaders. In addition, I made xerox copies of the papers for distribution at both REF meetings.

It was interesting that there had been a major article about the economic and employment situation in the Polish coal mining industry in the Sunday, November 2, 1997 *New York Times*. I found the article, and the following day faxed a copy to Jim Perlmutter Don Ridzon and John Ferch at OFR. That same day I received a fax from Don Ridzon with a copy of the same article plus several other articles from *Central Europe Online*. The article, “Poland’s Proud Coal Miners, Once Stars, Are Now Surplus,” by Jane Perlaz in the *New York Times* was right on target. A sampling of the first few paragraphs said it all:

After spending more than six hours, day after day, a mile and a half underground, Darek Ptak emerges, a fine gray powder streaked across his fleshy face, a hard hat cocked back on his head, and considers himself a lucky man.

In Poland's hugely inefficient coal mines, where the glory days of model Communist workers and Solidarity's battling union are over, Ptak, 31, is relieved just to have a job.

But if Poland's new government -- an odd marriage of admirers of Margaret Thatcher with unionists -- has the courage to carry out its stated program, more than 80,000 miners like Ptak will lose their jobs in the next several years.

The coal mines of the Silesia region are one of the biggest drags on Poland's booming economy and one of the last redoubts of unreformed industry in this country, which threw off communism in 1989. But Silesia is also a social time bomb, nearly seven million people in the industrial heartland in southern Poland, where big swipes at the coal mines could cause economic and psychological quakes across cities, towns and villages.

The new finance minister, Leszek Balcerowicz, has stressed the need for restructuring the coal mines. Indeed, his chief assistant, Jakob Kamowski, 23, has just completed his thesis on Mrs. Thatcher, who broke the British coal miners, and the welfare state in Britain. Kamowski concluded the British prime minister did right. (“Poland’s Proud Coal Miners, Once Stars, Are Now Surplus,” by Jane Perlaz, *New York Times*, November 2, 1997).

Clearly, the subject of our meeting in Warsaw the week before was now on the front burner—both in Warsaw and Washington.

November 7, 1997, I received a copy of DCM John Cloud’s response (probably prepared by Bruce Odell, the new AID Project Officer in Warsaw) to John Ferch’s letter. It appeared that the battle was not over yet. USAID still was not satisfied and was not willing to agree with the

understanding reached at our meeting in Warsaw as was made clear in Odell's email to Jim Perlmutter that accompanied the draft copy of the Cloud response.

Jim Perlmutter's faxed response to Bruce Odell makes it clear that DOL was not prepared to back down:

Thanks for the draft AIDAC cable. Fortunately it arrived on Friday before both John Ferch and I leave Washington for a week. We strongly suggest that you not send the draft. It differs significantly from John's understanding both of what was said at the October 24 meeting and what decisions were reached at that meeting. John's understanding of what transpired is related, of course, in his letter to John Cloud of October 29.

To summarize, as you correctly report, DOL does not believe that it has the expertise to manage a small and medium enterprise development program. If Embassy/AID wants to pursue this portion of the project, we agree that the component should be split off from our IAA [Inter-Agency Agreement]. However, and most importantly, no discussion took place during the October 24 meeting about the amount of funding that should be split off for this portion. As John Ferch pointed out in his letter to John Cloud, neither funding for a dislocated worker program nor funding for an SME project should be the result of a residual calculation. (The issue of funding for the various components is also complicated by the fact that while the reemployment fund is budgeted at \$2.5 million, there is only \$1.5 million in our IAA [Inter Agency Agreement]. Furthermore, the Polish contribution may not be fungible.

Second, the draft cable's characterization of DOL's position concerning the two labor market components of the re-designed re-employment fund are not accurate. Without going into detail, John Ferch said that the professionals in DOL could not support either of the two as drafted. At that point he recalled that the genesis of the reemployment fund was the need to address the problem of dislocated workers. With that fact in mind, he suggested that he send a team to meet with Embassy/AID and Polish counterparts to discuss a dislocated worker program. John Cloud, agreeing, requested that the AID redraft remain on the table during those discussions. John Ferch agreed. At no point during the October 24 meeting, nor afterward, was it agreed (or even discussed) that DOL would prepare a "design" of a dislocated worker program.

That is exactly the procedure that we wish to avoid. We do not wish to present the Poles with a unilaterally designed program (or programs). Rather, we want our professionals to discuss with the Poles the concepts that underlay dislocated worker programs as they are operated in the US, Canada and other Central European countries. From that discussion should come some idea as to what the Polish labor Ministry really is thinking about. If they are interested in what we understand to be a dislocated worker program, our team will be prepared to write it up very quickly, including a budget. At that point you will have to address the question of how to divide the pie between a SME component and a dislocated (or other) component. I would hope in that context that the Polish MOL would also have a say in the SME component. (Fax from James Perlmutter to Bruce Odell, November 7, 1997)

While emails went back and forth between OFR in Washington and USAID in Poland, November 14, 1997, I wrote a document entitled, "Critical elements in successful adjustment programs for state-owned enterprises undergoing restructuring and privatization," and began making preparations to go to Poland as part of OFR's "experts team" to meet with the Polish Government about their preferences for the design of the dislocated worker project. My four-page document would be available for translation and used on our next trip to Poland. It

incorporated some of the essential parts of the USDOL Adjustment Model and emphasized the selection and training of Industrial Adjustment Specialists to help implement the project. My paper defined IA Specialists as “a team of highly skilled professionals in a specially designed organization or unit called an “Industrial Adjustment Service” or “Rapid Response Team” that works directly with affected workers, employers and communities to plan and organize the delivery of needed services.” It noted that the training materials for each of the three components -- worker adjustment, local economic development, and enterprise competitiveness -- in the proposed adjustment program for Poland were being developed as part of the USDOL technical assistance being provided in the Romanian Labor Redeployment Program.

The same day, Nov. 14, 1997, that I prepared my Critical Elements paper, I received a cable from USAID in Warsaw indicating that country clearance had been received and arrangements made for Jane Daly and me to arrive in Warsaw on November 16, 1997 to begin our round of meetings with Polish government officials to discuss the design of the proposed dislocated worker adjustment project. That cable said that the purpose of our trip was “to participate with Donald Ridzon in meetings with Ministry of Labor and local coal region officials to discuss various potential regions and prepare a preliminary work plan to implement such a project.” The cable also provided reservations for us to stay at the Marriott Hotel while we were in Warsaw.

The following excerpt from the email I sent to my family on Nov. 27, 1997 describes my Polish trip:

Last week I was in Poland on another assignment for the USDOL. The coalmining region in Upper Silesia (southwest Poland) needs to be restructured and about 80,000 coal miners will have to be permanently laid off. The area is much like Pittsburgh, with heavy industry (mining and steelmaking, and with a population of about 4 million). In addition, they had serious flooding in Lower Silesia this past summer which destroyed many homes and businesses in Lower Silesia. Our job was to salvage a project--a botched dislocated worker project design that had been in process for over two years but had never been successfully concluded and was formally repudiated by the USDOL when I was in Poland in October with the big boss at a showdown meeting with the Embassy and USAID. Our "Mission Impossible" objective on this trip was to design a "new" Dislocated Worker Adjustment Program to help the Government solve the original coal sector restructuring problem plus the flood damage problem.

I arrived in Poland on Nov. 16, and after checking in at the Marriott Hotel, met with the other members of the team. The team, consisting of the USDOL Project Manager [Don Ridzon] from Washington, myself, and a woman consultant [Jane Daly] who is working on a similar project in Bulgaria (plus a new USAID rep [Bruce Odell] and the American Embassy Labor Attache [Matt Boyce]). We met again on Nov. 17 to discuss the project and plan our work for the coming days. Bruce Odell told us that there was \$2.5 million available for the project, less \$300,000 for design work, to fund USDOL's Worker Adjustment Project and the Flood restoration and SME development work. He did not know what the Government of Poland would contribute. It was clear that USAID's interest was in the flood restoration and SME development components.

We went down to Katowice by train on Tuesday, November 18, to meet with the local officials and see what they wanted and whether they would support our new proposal. We had to catch the train at 6:30AM and the trip down lasted for 2 hours and 45 minutes. We finished up our meetings by 5:30PM and had a pizza before catching the 6:45 PM

train back to Warsaw. On Wed., we (the same group plus the Embassy DCM --the No. 2 person and in charge of the Embassy--since the new ambassador would not be arriving until Friday) met with the new Minister of Labor and his entourage to tell him what we proposed to do and get his agreement. He was very cordial and gave his blessing and told his staff to work with us. On Thursday the other two members of the team left to go home, leaving me to hold the bag and finish the job. In the morning I met with the Director General of the National Labor Office (Polish employment service) to determine their capacity and interest in participating in the project, and spent the afternoon meeting with the local USDOL and USAID reps (Bruce Odell) to discuss the project and get their input, since I was left with the task of writing up our proposal.

I spent the entire day on Friday in my hotel room working on the proposal (about 20 pages in length), and then met with Bruce Odell late in the afternoon to discuss my first draft and leave a copy with him so he could review it and provide his input.

Saturday, Nov. 22, I returned home, leaving Warsaw at 10:55AM on the Delta flight to Berlin and New York, and arriving back in SLC at 10:15PM (which with the 8 hour time difference meant a 20 hour trip). Helen was at the airport to meet me and we drove back to Logan, arriving at 12:05AM.

This week, in addition to teaching my classes, I have been completing and revising the proposal based on input and documents that have been coming in via email from Hungary, Poland, and Washington.

Upon returning home I continued to draft and revise the proposal that I had started while in Warsaw. After receiving emails from Bruce Odell with his comments and suggestions and emails from Maria Heidkamp to Jim Perlmutter on Nov. 7, and Maria Heidkamp to me on Nov. 12, 1997, with her thoughts and suggestions based on her own experience while carrying out the Hungary Rapid Response Project, I incorporated their comments into the draft proposal and sent the revised version to Bruce. During December I continued to work on the REF project design, first revising the original work plan completed in November and then preparing a second version at the request of Don Ridzon.

Writing a new work plan that eliminated the flood hit region

I received an email from Jane Daly on December 4, 1997 saying that the current work plan draft I had sent to her was "great." That same day, I received a call from Don Ridzon instructing me to remove all elements of the work plan that made any reference to the flood impacted vovoidships in the current draft, plus make some other changes. USDOL did not want to get involved in that kind of work.

What happened? Apparently, after reviewing the first version of the work plan, USAID decided to have a second work plan prepared that focused only on the coal sector in Katowice and eliminated any project activity in the flood-impacted region of Lower Silesia. Consequently, I revised the budget, work plan and timeline and created a second Poland Dislocated Workers Project work plan. The new proposal dated December 19, 1997 was submitted to Don Ridzon and John Ferch. After a few more changes, it was sent to Bruce Odell in Warsaw. The flood mitigation work was given to the Polish-American Business Center to carry out.

Evaluating a PIER proposal to start a mediation project in Katowice

During January 1998, in addition to teaching my USU classes, I worked at home, spending one day working on the Poland REF project for USDOL/OFR preparing talking points, consulting with and providing assistance to John Ferch and Jim Perlmutter. While I was working on the new work plan, Bruce Odell sent Don Ridzon a fax (that he forwarded to me) indicating that a group called Partners in Economic Reform (PIER), established under the auspices of the U.S. United Mineworkers Union, had received a grant to set up and run a small project in Silesia to train the miners in health and safety issues.

Like all good contractors, the PIER group wanted to keep their project alive by writing a proposal to carry out a new mediation project in the Katowice region. They had obtained the blessing of the Solidarity officials in the region and sent it to USAID. USAID officials, Labor Attache Matt Boyce and DCM John Cloud at the U.S. Embassy read the proposal and sent USDOL a copy and wanted us to consider whether that project could be carried out as a complementary project to USDOL's dislocated worker adjustment project we were in the process of designing. Fortunately, USAID and the Embassy officials were not wedded to the PIER proposal, primarily because the output of the previous health and safety project being carried out by PIER was somewhat "underwhelming." (Fax from Bruce Odell to Don Ridzon, Dec. 29, 1997)

Jim Perlmutter asked me to review the PIER proposal and give him my comments. On January 15, 1998, I sent him a memo with my thoughts on the subject. My recommendation was to not approve it unless it would not take money from or interfere in any way with our new dislocated worker project, and only then if USAID had other money they wanted to spend for that purpose. My recollection is that the project was not funded. Alison Smith, the eventual director hired by OFR to run our Poland dislocated worker project, eventually picked up one of the soon to be unemployed PIER employees to work on our project. Much to her sorrow, his performance was less than satisfactory.

During that same time period, I received an email from Gedeon Werner at the University of Lodz, where he was directing the Polish-American Management Center for the University of Maryland, telling me that he was ready for a change and wanted me to write him a letter of recommendation. I was happy to do so. He eventually took a job with George Soros's Open Society Foundation and went to Moscow, Russia, to work for them for a couple of years. My recollection is that the newsletters his wife Beth wrote during their stay in Moscow were delightful to read and very informative about living and working in Russia.

John Ferch goes to Warsaw before retiring from OFR

January 21, 1998, I received an email from Bruce Odell telling me of a high-level meeting on our Poland Dislocated Worker Proposal that would be held with John Ferch in Warsaw and that I should attend as well. In addition to the meeting with the Poles, there would be a going away party for Ewa Springer, whose last day would be January 30. The axe had fallen.

On January 23, John Ferch called to ask if I could attend the Warsaw meeting. I told him I had teaching commitments at USU so would not be able to attend, but Jane Daly might be able to make it for the first meeting. Ferch said that the Polish position on the project proposal was that there was too much emphasis on training Local Labor Office bureaucrats (many of whom were holdovers from the previous government), and not enough on dislocated worker training. He wanted me to craft some talking points for him by January 27 that he could use at his January 29-30 meetings.

Later that day John Ferch called to tell me that he had talked to Matt Boyce and they agreed that I should go to Poland February 5-6. I told him I could not go to Warsaw on those dates because I was already committed to go to Geneva, Switzerland, Feb 7-9, 1998, and from there to Sofia, Bulgaria, Feb. 7 – 13, 1998, to help design a USDOL LED project for Bulgaria.

January 29, 1998, I received an email from Bruce Odell. He thanked me for the information I had sent, said that he would look for Jane Daly and Bruce Grogan to attend the discussions, and that I could discuss the outcomes with him the following week. That same day, I sent Bruce Odell a fax containing a copy of the talking points for our Poland Dislocated Worker Adjustment Project work plan I had prepared and sent to Jim Perlmutter at OFR on Jan. 27 for his input. Apparently, the January 29 meeting in Warsaw went well, as did my visit the following week although I can not find a report of in my files.

March 9, 1998, I received an email from Bruce Odell indicating the successful resolution of the two issues and concerns that had been raised by Solidarity leaders. According to Bruce, Matt Boyce, the Labor Attache at the American Embassy, had met with Solidarity leaders in Katowice, and they had asked for only two things: “1. that in addition to working with the local labor offices, as much accommodation as possible be made for other “actors” in the process, and 2. to maximize the number of displaced workers actually helped by the project... According to Solidarity, all polish parties (Gov. Kempesky, MOL, etc.) are on board.” (Email from Bruce Odell to GBH, March 9, 1998)

March 12, 1998, I received a follow-up email from Bruce Odell stating that Don Ridzon had met with Piotr Kolodziejczyk, Deputy Minister of Labor, and was told that the Polish government definitely plans to proceed with a “mine restructuring” program, perhaps affecting as many as 100,000, over 3-3 ½ years. The project would be announced (or launched) on April 1, 1998. Furthermore, the government would set up a “Miners Agency” to be lead implementor in the restructuring or at least the “social aspects” (displaced workers aspect) of it. “So, it sounds like the project now will have real displaced workers to associate with, rather than just preparing the /NLO/community/businesses for some future decision.” (Email from Bruce dell to GBH, March 12, 1998)

March 18, 1998, Steve Marler called to confirm what Bruce had told me. He said that we now needed to develop a *detailed* work plan for the Deputy Minister of Labor. He also said that Jim Perlmutter was worried about USAID’s commitment to the project. Steve now wanted me to make a trip to Poland, with three objectives: (1.) go over and present the implementation plan; (2.) identify a site for training and see what the “miners agency” is all about; and (3.) provide orientation training for key people -- Pietr (Deputy MOL), Kempensky (GOV), and Solidarity

officials. He wanted the implementation plan to have a budget of \$2 million, with plenty of money for consultants, and a suitable co-location for the project office. (Telecon notes GBH and Stephen Marler, March 18, 1998)

In my March 18, 1998 email to Bruce Odell, I told him what our implementation plans were, verified the budget (\$2 million), and said that we planned to have a team go to Poland on April 1, 1998, to begin the implementation process.

The three objectives of our team would be to

- (1) meet with the appropriate regional or higher level people from the MOL, Labor Office, Miner's Agency, and Solidarity to brief them on how the project will be implemented, obtain their inputs, and learn from them more details about what the government's specific plans and timetable are for restructuring the coal mining sector;
- (2) spend several days making site visits in the Katowice region...; and
- (3) have a follow up meeting with the individuals and groups in (1) to have them identify and designate counterpart staff that we should work with, inform the MOL, and other partners of the preferred project office location, set up a training schedule for partner designated adjustment staff, and begin training and working with them to implement the rapid response worker adjustment and other project components. (Email from GBH to Bruce Odell, March 18, 1998)

I received an email from Bruce Odell confirming my request to know if the project would have \$2 million. He said yes, and identified the money available for various activities and projects then underway, and wanted Jim Perlmutter's verification of the numbers that he provided. Bruce also said that the \$2 million in funds for that project represented the remaining SEED funds available under the IAA until the closeout of USAID work in Poland. Finally, Bruce said that "Overall, the work plan for April looks good." (Email from Bruce Odell to GBH, March 18, 1998)

April 14, 1998, I completed the Poland DWA project "Implementation Plan." A copy of my 34-page document and budget for the two year \$1,839, 250 project was sent to OFR and USAID in Poland. At that point, it appeared that everything was in place to start implementing the project.

Big Changes at OFR and WSI slow down the Poland WD project implementation

During the month of April 1998, two events slowed the implementation of the Poland DWA project. First, Ed Musselwhite, husband of Jane Daly and CEO of WSI, abruptly left WSI and returned to Alaska to take up a new job and life with a former woman friend. On April 15, 1998, Virginia Stacey took over as CEO of WSI. She was the daughter of an American construction worker father and a Mexican farm worker mother who moved out of the migrant labor stream. They eventually settled in Boise, Idaho, where Virginia grew up, attended college, settled down, and eventually worked for the Idaho Department of Employment Security and other state agencies. Over the six-year period WSI served as the implementation contractor for USDOL projects in CEE countries until I retired October 31, 2004, I worked closely with

Virginia and gained great respect for her. I used to kid her that I served as her “rabbi” and advisor—someone she could call and talk to about the many problems and frustrations of her job.

The second event that created problems for our new Poland DWA project was the retirement of Ambassador John Ferch as Director of USDOL’s Office of Foreign Relations. His retirement created a major vacancy in the OFR, and finding a replacement required considerable time before a new director could be appointed. Because Jim Perlmutter, the Deputy Director, was in the running for Ferch’s job, he could not serve as acting director. April 29, 1998, Steve Marler sent me an email in which he said, “My schedule is going to be crazy until we settle [on a] successor to John [Ferch]. I’ll be acting and won’t be able to go to Poland probably till June. I need you and Jane to go do reconnaissance—assess state of readiness of labor offices, mining agency, and get blessings on implementation plan. Thanks.”(Email from Stephen Marler to GBH, April 29, 1998)

That same day, April 29, 1998, I received an email from Piotr Kolodziejczyk, requesting information about our next planned visit to Poland. He also included a draft agenda. After conferring with Jane and Don Ridzon, I let him know that we liked his proposed agenda, but that we would not be coming until May 18-22, 1998. While in Poland, we would visit with the MOL, and then go to Katowice and meet with the Miners Agency, Local Labor Offices, and vocational training agencies to determine their readiness for the project startup, look for sites to house the project, and visit some mines and communities to see if we could identify some pilot sites to start up the project. After our visit to Katowice we would return to Warsaw for a final meeting with Piotr to brief him on what we had found out and what the next steps would be. (email from Piotr Kolodziejczyk to GBH, April 29, 1998)

May 6, 1998, Don Ridzon sent me an email indicating that he had some ideas for us to consider, and that he hoped to be able to come with us to Poland. He also sent along a newspaper article about the Polish Prime Minister going to Katowice and talking about the mining restructuring that needed to take place. (Email from Don Ridzon to GBH, May 6, 1998) The following day he sent another email indicating that Solidarity would probably want more money devoted specifically to training, and we needed to be prepared to address this issue. (Email from Don Ridzon to GBH May 7, 1998)

Polish PM Defends Industrial reform Plans

KATOWICE, Poland -(Reuters) Prime Minister Jerzy Buzek on Monday plunged into the heartland of Poland’s coal and steel industries to defend plans for slashing jobs in both sectors as part of restructuring programs

Buzek headed a government delegation visiting the southern region of Silesia, where most of Poland’s 50 coal mines are located, to promote the reform among highly critical trade unionists and local officials.

“The contract for Silesia, the program of re restructuring the mining and steel industries, must be tested together as one large scheme to repair the economic situation in Silesia” Buzek told a news conference.

The moves are essential both for internal economic reasons and to meet the requirements of the European Union, which Poland hopes to join by around 2002.

The government estimates reform of the money-losing coal sector will cost Zl 7.2 billion (\$2.1 billion) and additionally the government will write off about Zl 7.9 million of the muss' Zl 13.6 billion debts.

"These huge sums will come from two sources -the World Bank and the European Union and internally from ..the national budget," Finance Minister Leezek Balcerowicz told the conference at provincial government headquarters.

Voicing the widespread opposition of many miners to the reform some 50 trade unionists outside the building shouted "Balcerowicz to Brussels" and "cart Buzek out"

Many miners are bitter that free market reforms, which they helped initiate during protests against the former communist regime, have turned against them as subsidies for the sector were radically cut in the early 1990s.

Critics of the program include officials of the Solidarity union, the main force in Buzek's Solidarity Election Action (AWS) bloc which won last years parliamentary polls.

The ex-communist opposition; which lost power in the elections after four years in which it failed to implement the coal reform while recognizing that it was essential, has vocally joined in the criticism.

Under the plan, employment in the mining sector is to be cut to 126,000 from the current 238,000 within five years. Output is to be curbed to 114 million metric tons of coal by 2000 from last years 137 million metric tons. Some 24 mines are to shut

The government says massive lay-offs would be avoided as generous social security provisions, such as early retirement, grants and training, would help miners leave voluntarily.

The government plan to restructure the steel sector will mean the loss of about half the industry's 84,000 jobs.

The tough industrial reforms are set to be a serious test for Buzek's government, in which supporters of hard-nosed reforms often clash with advocates for social needs.

May 11, 1998, Steve Marler sent an email informing us that Arthur Rudy, a Solidarity leader in Katowice who was also head of the Regional Development Agency, would be in the U.S. when we were in Poland, and would not be there to participate or provide assistance in making site visits. He said that Matt Boyce felt the meeting should go on as planned and that Matt would work with Rudy's assistant to make the necessary arrangements for us.

My May 16-23, 1998 trip to Poland was most interesting and frustrating. While on that trip, I made 24 pages of notes during the various meetings in Warsaw and Katowice. My notes and recollection suggest that it was one of the most difficult and frustrating assignments that I had, trying to get the various Polish groups to agree on what they wanted and then to agree with our proposed design for the project. Everybody had a different agenda. The most receptive people were the Mining Agency people, and the most difficult were the Ministry of Labor people, especially the Regional Labor Office director in Katowice. He thought that he and his people had all the knowledge and skill necessary to do the job and did not need any help from us. The Solidarity leader in the region was very politicized, and had his own agenda as well. The fax I sent to Jim Perlmutter, and Jane's note to me are illustrative of what we experienced. My files

also contain a number of newspaper clippings and other items about the economic and social situation in Poland and about the restructuring that was needed in the coal industry.

Jane Daly took notes at our various meetings as well, and after our meetings she prepared and sent a fax on May 22, 1998 to Jim Perlmutter at OFR in Washington. It spelled out the five items that we had agreed to in our meetings and also included a page outlining the project implementation activities and startup schedule.

We agreed to the following:

1. All the time frames as written on the attached paper
2. Polish partners will scout out potential office site in Katowice--neutral, accessible within budget by June 1st—DOL will select during visit.
3. Polish partners will select 2 dislocated worker centers—Bytom and the other located in Sosnowiec—possibly.
4. Polish Ministry will send us training materials previously used next week.
5. Polish partners will decide make up of training cadre.

Gary will be in contact with you May 26-27. Everything is going really well—all partners are willing to work together—maybe the least willing are the LLOs—they think they have all the training needed to accomplish successful worker adjustment. Got it from the Brits back in 93'.

GB. Hansen and J. Daly 05/22/98
LISDOL Poland Dislocated Worker Project
Implementation activities and startup schedule

1. *Selection of USDOL in-country project director.* It is anticipated that the USDOL Project managers and consultants will recruit and select a suitable candidate for this position within the next six weeks—by June 30, 1998. Criteria: Knowledge and experience in developing and implementing rapid response dislocated worker adjustment programs, knowledge of Poland desirable but not necessary, self-starter, motivation and negotiation skills, hard worker, high energy level, good administrative skills, understanding of group dynamics and processes, etc.

2. *Selection of project office site.* Criteria: central location, neutral setting, accessible to partner offices, suitable accommodations for project operations, within project budget. Recommended location: Katowice. Office selection will be completed by June 30, 1998. Project office will be equipped and become operational by July 31, 1998.

3. *Selection of location for “model” dislocated worker resource center (DWRC).* Criteria: mines and/or holding company where dislocated worker assistance is needed first, where substantial layoffs of miners and surface workers are scheduled to occur, where all partners can actively participate and work together in delivering services, where suitable facilities and space can be made available (by the holding company or other entity) that will enable the DWRC staff to effectively carry out their work. Possible sites: Bytam, Rudzka, and the holding company owning the mines (KWK Morcinek and KWK Jas-MOS) in the area we visited an LLO with RLO staff on May20. Site selection will be completed by June 30, 1998. Equipping and staffing of model DWRC will be completed by September 15,1998.

4. *Selection of locations for introduction of community economic renewal (CER) activities.*

Criteria: areas where a number of smaller communities will be impacted by mine restructuring and closures, where local community leaders are interested in participating

in structured CER activities. Possible sites: the communities in the area where we visited an LLO with RLO staff on May 20.

5. *Development of staff training materials.* Project consultants will obtain copies of training materials and handbooks (British, Swedish, and Polish, etc.) developed and/or used in previous training of LLO, MLA and Solidarity staff in the skills and techniques needed to help dislocated workers and communities. Regional Labor Office indicated that they would make these materials available to USDOL by May 22". These materials will be evaluated by Project consultants, and, based on its content and appropriateness, training modules will be developed to provide training for LLO and community partners' staff Two types of training will be provided: (a) training for industrial adjustment(IA) specialists, and (b) training for DWRC staff These modules will be translated into Polish and printed. Development, translation and printing of rapid response worker adjustment and CER training materials will be completed by August 31, 1998.

6. *Selection of Polish IA specialists and DWRC staff.* RLO, MLA and Solidarity will identify and select appropriate individuals from within their ranks (or hire new staff) to receive the specialized training. Partner organizations will appoint these individuals to function part- or full-time as IA specialists and DWRC staff in their respective organizations on an on-going basis. Staff selection will be completed by August 31, 1998.

7. *Training of U specialists and DWRC staff* Project consultants and trainers will provide basic and/or advanced training to LLO, MLA and Solidarity IA specialists and DWRC staff Training will be carried out during September 1998.

8. *Startup of operations.* Model DWRC will open for business and IA specialists will begin work on October 1, 1998.

May 26, 1998, I received a fax from Jim Perlmutter. He included an email from David Fretwell at the World Bank. I had dealt with David Fretwell when designing the worker adjustment project for Romania, using World Bank loan funds, so he was knowledgeable about our USDOL Adjustment Model and what we were now proposing for Poland. David had his own mindset of what and how things should be done from his World Bank perspective. Basically, Fretwell wanted Jim to be aware of several things:

- (1) that the World Bank had conducted an Industrial Adjustment project for the MOLSP and National Labor Office in Poland—carried out by the Brits several years earlier from 1993-94, and they had developed manuals, etc., for this work. Consequently, we should be careful not to waste money going over old ground and reinventing the wheel;
- 2) they had tried to carry out a QuickStart –type project with the Polish MOLSP, but could not get the model going;
- (3) we should not try and create an Industrial Adjustment Service (IAS) or emphasize pre-layoff services, since there was no (World Bank) money for those services; and
- (4) the World Bank was still involved in Poland and we should try to work together if at all possible, like we had done in Romania. My experiences working with the World Bank in Romania, which I told in Chapter 7, tells an equally fascinating story.
(Email from David Fretwell to Jim Perlmutter, May 26, 1998)

As I recall, later in the summer, after Alison Smith was hired to be the Director of the Poland DWA project, we tried to do what David had said about working together by going to the

World Bank Office in Warsaw to meet with the local rep and tell them what we were doing. They were very cordial, but there was not much interaction after that visit.

Despite what David Fretwell said in his email to Jim Perlmutter, little remained of the World Bank-funded British project in Poland when we were trying to start the USDOL DWA project for the miners in Katawice in May 1998.

An excerpt from my May 26, 1998 email to Irena Wolinska, (Director, Department of Policy of Labor Market, Ministry of Labor and Social Policy), spells out how difficult it was to find any remnants of the 1993-94 project, and determine what the situation really was. It is another example of how ephemeral technical assistance work may turn out to be.

We were told prior to coming to Poland that the NLO had in its possession "a set of training materials" and a manual that could be used for organizing and conducting dislocated worker adjustment programs in restructuring enterprise.. It is our understanding that these materials were developed in 1993-95 as part of a World Bank funded Employment Promotion and Services Project. The training materials and manual were developed by the United Kingdom Employment Service. (with input from British Coal). This is the set of materials that we need to obtain (preferably the original version in English and the resulting Polish version).

We need to obtain a complete set of worker adjustment training materials and manuals in order to review the content and coverage, and to determine what additional training modules and materials will be needed to successfully implement the USD01-Poland Worker Adjustment Project

It would be most helpful if you could have someone on your staff find the whereabouts of these training materials and manuals, and have them obtain a complete set for us to use as part of the project implementation. (Email from GBH to Irena Wolinska, May 26, 1998)

The British project must have had little impact on the Polish national, regional or local labor offices, as we could not locate or obtain a copy of *any* materials that were created as part of that British/World Bank-funded Employment Promotion and Services Project just three or four years after it had ended.

June 8, 1998, I received a fax from Irena Wolinski that contained two pages of explanation about the British Project, the various problems encountered in implementing it, and why it did not include the kind of activities and materials that we had hoped to obtain from her to help us address David Fretwell's concerns. Her comments were not encouraging, as the following excerpt from her fax states:

None of the manuals used in our services describes how to organize a center for dislocated workers, how to provide services for the families of dismissed workers, how to create committees of industrial adjustment, etc. It does not describe since we [were] never allowed to burden our workers with such tasks. Labour offices have their competencies determined statutorily (although the work they perform within the Model monitored already exceeds significantly laws, similar to a number of tasks related to counseling and vocational information); their human and financial resources are so small compared with the tasks as in no western country I know; thus adding further tasks, far exceeding provisions, on which no-one will give financial means, is out of the question.

For this and other reasons we discussed during our meeting, we believe that the training within the USDOL project should cover above all leaders of transformations in enterprises and activists of trade unions, and not our [labour office] workers. The more so as the transformation process of coal mines, also in the field of employment is to be implemented practically with no participation of labour offices. It was a real satisfaction to welcome your project just as an opportunity for preparation of future personnel of the Vocational Assistance Offices to be established at liquidated and restructured coal mines (by the Mining Labour Agency) and union activists. (Fax from Irena Wolinska to GBH June 8, 1998)

Upon receiving that fax from Irena it was abundantly clear that we would have to start from scratch to develop the necessary manuals and training materials to carry out our project. Her fax also explains (foretells?) why we would have difficulty working with the Regional Labor Office Director and his staff in Katowice during the project implementation. They did not see themselves playing any role whatsoever in our project or in assisting displaced coal miners.

Selecting a Project Director to lead the Poland WDP

The process of selecting a project director for the Poland project proved to be a difficult and challenging one. Because Jim Perlmutter was now officially the Director of OFR, he was very busy learning the ropes. The exchange of emails and faxes during the early summer of 1998 indicated that the project startup was moving very slowly. Since I was working on OFR technical assistance projects in Hungary, Romania and Bulgaria at the same time, I was not too concerned about the delays encountered in starting the Polish project.

During the month of July 1998 I worked at home preparing a budget for the Poland implementation plan, developing training materials, providing consulting assistance to Jim Perlmutter, and preparing to go to Warsaw and Katowice. In discussions with Jim Perlmutter, we recognized that we would probably have serious problems with the Polish Regional Labor Office and local LLOs in the Katowice region. We wanted to train their staff to become Industrial Adjustment Specialists and get them directly involved in the adjustment process as we had done so successfully in Hungary. However, Jim thought that many of the staff in these offices were “old commies,” who would not be supportive of what we were trying to accomplish in any way. Their complete lack of support was evident in Irena Wolinski’s fax to me in June and was ever present in subsequent meetings with the director of the RLO in Katowice.

July 7, 1998, Jim phoned and wanted me to send an email to Piotr Kolodzechek expressing our concerns and asking whether the RLO and LLO staffs in Katowice should be trained to address the problems experienced by the surface workers at the mines who were not covered by the Mining Agency adjustment programs. We had fully expected the RLO and LLOs to be involved in providing assistance to the miners, the surface workers, and others in the community who would be displaced by the mine closures or downsizing. At Jim’s request I revised the budget for the project to reflect changes in agreements made with the Poles, and any cost increases anticipated. (Telecon with Jim Perlmutter, July 7, 1998)

July 9, 1998, I received an email from Stephen Marler saying that Jim was very concerned to have someone on the ground in Poland as soon as possible to get the project underway.

July 14, 1998, I sent Bruce Odell a fax to with a copy of the new budget and indicated that Jane Daly and I were working on the training materials and hoped to have them ready within a month for translation. I also told him that Jim had interviewed several candidates for the Project Director position and hoped to have one selected soon. (July 14, 1998 fax from GBH to Bruce Odell)

July 19, 1998, I received an email from Jane Daly. She told me that a young woman named Alison Smith had been hired to direct the Poland Project. Alison was a 1986 graduate of Randolph-Macon Woman's College in International Relations and had spent her junior year attending the University of Reading in England. She started her career working on Senator Bob Dole's presidential campaign and was subsequently rewarded with a job in Washington as a political appointee and confidential secretary to Elizabeth Dole when she was Secretary of Labor. During the next seven or eight years she worked her way into a civil service job at the DOL's Bureau of International Labor Affairs, where she eventually became a Washington project manager at OFR and later served as a field project director on a DOL technical assistance project in Turkey. Subsequently, she had worked on an OFR study of child labor practices in Burma. (CV of Alison Smith, June 1998)

I vaguely remember meeting Alison Smith at OFR in the mid-1990s before she went to Turkey. Although I did not know much about her, based on my experience in Poland I knew that Alison would need all of the political skills and southern charm she could muster to work on the Poland DWA project.

4. Planning for and starting the WDP

July 19, 1998, email from Jane Daly to me said that Alison and Virginia Stacey, CEO of WSI, had been communicating and that the first training session for the cadre of IA Specialists would be held in Poland during the week of October 26, 1998. Apparently, the original dates conflicted with training that was planned for Bulgaria, and Jane wanted clarification. Although Jane was fully engaged as the USDOL's Bulgaria LED Project Director, she wanted to have a hand in the first training activity planned for Poland. (Email from Jane Daly to GBH, July 19, 1998)

July 20, 1998, I sent a fax to Jim Perlmutter asking him for his reading of Irena Wolinska's fax about not seeing *any* Labor Office involvement in our project. Two days later, July 22, Jim called me to discuss the problems in Poland. He wanted us to continue to put pressure on the MOLSP to have the RLO and LLOs participate in the project, especially to address the needs of the surface mine workers and other workers in the communities who would be impacted by the mine closures. (GBH Telecon notes of discussion with Jim Perlmutter on July 22, 1998.

July 22, 1998, I received a fax from Alison Smith and USAID with the necessary country clearances for a visit to Poland by Alison Smith, the new Project Director of the Poland Project, and Gary B. Hansen to take place on July 26-August 2, 1998. It also included an agenda spelling out what we would be doing, who we would be meeting in Warsaw and Katowice, and where we would be staying. This would be Alison's first trip to Poland, and my job would be to take her to meet all the players in Warsaw and Katowice, and help her get the lay of the land and meet the people that she would be working (and fighting) with.

Coordinating the USDOL and World Bank activities in Poland

July 23, 1998, I participated in a conference call with Jim Perlmutter and David Fretwell. David outlined all of the financial arrangements being made to provide the World Bank loan to Poland for the Coal mining restructuring program, and the parts the various agencies and parties would (or should) plan [play?], and the many problems anticipated. In David's view there would be plenty of money for the Mining Restructuring Agency (GAP) to train and equip up to 47 offices, and provide the services needed by the miners. He said that he wanted the World Bank money to flow through Piotr K's office in the MOLSP. But the Government of Poland money will not. The Ministry of Education wanted training money to flow through them. David Fretwell said that GAP had a big job and little experience, and MOLSP had considerable experience but was out of the loop.

Fretwell said that the World Bank Loan money would be used for "budget support" and "investment" in Poland. He also identified who the key World Bank people were in Poland, and wanted us to make contact with them. Jim told him that our project had less than \$2 million, and that if he wanted us to do training for 47 GAP offices and their staffs, or even 20 of them, he would have to make some of the World Bank money available so we could get the things he wanted done. David said that the World Bank would be back in one year to provide more money to Poland, and he did not think there would be a problem using some of it for the purposes we had discussed. Finally, Fretwell said that the World Bank would be starting a public relations program in Poland to publicize the adjustment activities.

Jim Perlmutter pointed out that DOL would only be working with the Solidarity Union, because of the opposition of the AFL-CIO in the U.S. This would create problems, because there were other (old communist) unions that needed assistance as well. (Notes of conference call with Dave Fretwell of the World Bank and Jim Perlmutter of USDOL, July 23, 1998)

As a result of David Fretwell's suggestion, we arranged to meet with Kyystyna Milewska, Operations Officer and several of her colleagues at the World Bank office on Monday, July 27, the first day Alison and I would be in Poland.

My list of things to do during my July 25 – 31, 1998 trip to Poland and the charts that I made after visits in Warsaw and Katowice help explain what I wanted to accomplish while in Poland. For example, I wanted to learn about the relationships between the various agencies we visited. I wanted to determine who the various players were; check out proposed project sites; determine the relationship between the local, regional and national labor offices; determine the relationship between the National Labor Office and GAP (the Mining Agency); verify the costs

set out in our budget; meet with the World Bank people and establish a relationship; determine who could serve as Industrial Adjustment Specialists; determine whether the concept of a displaced worker resource center was viable and whether the World Bank wanted us to train the staff of the 47 BPZ (dislocated miner resource centers) that would be located at each mine, etc., etc.

On July 28, 1998, Alison and I, and our translator Janusz Kwitecki, met with Piotr Kolodziejczyk, Irena Wolenska, and Jaralow Tyc. After the usual formalities, Piotr provided some background about the new legislation and the expectation that 100,000 miners would be dismissed. He outlined what kind of resources and funds would be made available to provide assistance, and what he hoped that our work would be able to accomplish. It was a very complicated process with 12 communities involved, up to 24 mines, and many agencies, including the World Bank which would be providing a loan of up to \$1 billion. Thus there was a need to work together to address the problems and reduce social tension.

Fortunately, Alison kept detailed notes of our various meetings. She typed them up and sent me a copy. Her July 28, 1998, meeting notes for our visit to the Ministry of Labor are four single-spaced typewritten pages long. Alison's notes provide an excellent, and detailed account of the nature and results of our meeting with the Piotr K., Deputy Minister of Labor, and Irena W. Anyone wanting to understand what was going on at this stage of the project implementation could benefit from reading full text of this document, and also marvel at Alison's note taking ability. Several excerpts from Alison's notes will help demonstrate this skill and what transpired.

The MOL [Ministry of Labor] will provide the training and expertise in vocational counseling, labor exchange functions and LMI activities for the 47 BPZ (dislocated worker resource centers) offices that will be located in each mine. The MOL will also provide support for establishing small businesses (consulting and advisory services) for miners who want to take lump sum payments to start their own businesses (and hopefully with some commitment not to spend the money on anything but a business start-up). The MOL will provide more than just initial funding -- they'll also help the DWs plan how to earn future income (through deposits, investments, business plans, etc.).

The trade unions have made preliminary statements that they would like to become shareholders in the MLA [Mining Labor Agency]. This is very important because if the MOL could build a coalition and bridge across separate groups in Parliament -- it would be possible to build support for the package from the bottom up, and avoid the shortcomings of a top-down approach with this package. Then the MOL could be successful. So 140,000 jobs could be created in the mining sector. Therefore, privatization could only take place only when private investment. So whole project = social investment; and the \$1 billion loan from the World Bank should make the mining sector more efficient and profitable. The role of the public information campaign (PIC) becomes very important which will aim at informing the Silesian communities and also other regions who will, of course, be paying for this World Bank loan for years to come, about why they should pay for this loan.

The MOL is preparing provisional laws about how to use the funds through 12/99 about providing framework for restructuring the debts of the mining sector because today the mines have large debts. Without restructuring or writing off some of these bad debts, it would be impossible to talk about other forms of restructuring. All holding companies have temporary managers for 4 months. They are required to develop new business plans for each of the 7 holding companies in four months to show which mines would be

closed and which mines won't be explored any more; and which ones are out of coal; and where new staff could be employed. So whole plan on a macroeconomic level, So not all mines will undergo the same level of restructuring. The more expensive mines will be closed.

Also -- the MOL will have to clarify with the communities and local partners about what contributions each party should make and what expectations each party should have about the process. They should be informed about the methodology that will be used to implement the project; who will be the beneficiaries; and coordinate with partners to produce a timetable to avoid duplication of effort.

Following Piotr's opening remarks, Gary turned to the memorandum which had been sent to the MOL following his previous meeting in May 1998, and walked through each point in the memo.

1. Alison Smith has been recruited as the in-country Project Manager. She'll start work in early September.

2. The MLA has selected potential office space for the project in an academic institution in Katowice. This is the same place which, Jim Perimutter has referred to as the "Professional Development Center," but it's really more of a national vocational training institution. This will be a very neutral location, and is a good site according to MOL staff Hansen and Smith will try to see the space in Katowice later this week,

3. Gary referred to the agreement from his previous visit that the MLA requested DOL to establish two pilot DW resource centers. One location was to have been at a mine in Bytom. Hansen asked if this approach was still on target, in light of events that have transpired since the most recent WE mission, Is it still necessary for DOL to follow a pilot approach with two centers, or should we focus on training all BPZ staff? David Fretwell has advised DOL to skip the pilot approach and move to full implementation of training with all BPZ staff. He has stressed the fact that BPZ staff must become functional as soon as possible, and that all 47 centers are now scheduled to be opened by August. Hansen asked for the MOL's reaction to this recommendation.

Irena said that Piotr should make this decision. She said he's very attached to the concept of an "inter" trade union center, where representatives from different unions could collaborate in DW activities. Irena suggested that DOL work under the assumption that we will have two model DW resource centers because it's the MLA's responsibility to open 47 centers. The mines are responsible for providing furniture; and the World Bank will purchase equipment.

Irena said an "inter" trade union office would help break down the barriers between different trade unions and their varying ideologies...

Irena said there will be a total of approximately 80 staff in all of the 47 BPZs. Perhaps some BPZs will only have 1 staff person; others will have 4 or 5. But the MLA will be in a better position to tell us on July 29 exactly how many staff will work in each center. Generally speaking, these BPZs will be seen as mobile units. The MLA will have 47 rooms -- one in each mine; with at least one person in each BPZ.. There will be more staff in mines that undergo more extensive restructuring. BPZ staff will be moved around on an as-needed basis...

The primary cadre to receive training will be the human resource (HR) and personnel staff from the mining companies. They will be on the front lines in terms of notifying workers of dismissals. This cadre is familiar with the labor code, but they should be trained in assertiveness and how to deal with difficult clients. This group could also be

considered as an additional resource for BPZ staff.

4. Hansen then turned to the fourth item on the list of issues agreed to in May 1998 -- the location for CER training. He acknowledged that economic development (ED) activities are already happening in the Silesia region, so we need to coordinate with what's already taking place. The local labor office (LO) in Katowice was very excited about this training when we discussed it in May. Hansen pointed out that we need to identify training sites soon so LED training can be introduced. The rapid response/worker adjustment (RRJWA) training is the first priority, but we should start planning for LED training now, and identify the locations where it will take place. This component will involve a series of four workshops in a community that has agreed to participate in the LED process. DOL provides the technical assistance and training, but the local community has agreed to take on this development responsibility.

5. Hansen pointed out that in Irena's most recent letter to him, she indicated that the U.K. materials didn't include LMAC and WA activities, so DOL materials will cover these topics. Mr. Tyc pointed out, however, that the local offices are not required to implement these activities Hansen said that DOL needs to have the cadre identified so the consultants can adapt the materials accordingly, complete them as soon as possible, and have them translated into Polish.

6. Selection of Industrial Adjustment (IA) specialists and BPZ staff: The NLO can refer 4 staff to participate from the RLO or LLO in this broad category of training. GAP will provide 6 staff for IA training. Hansen indicated that there will be two separate types of training:

- A. One workshop for general training (basic or advanced) for industrial adjustment (IA) specialists...
- B. The second type of training would be for BPZ staff...

Piotr returned to the meeting at this point and indicated that BPZs will also serve surface miners. The Social Package provides assistance for two different groups. Miners with more seniority (at least 5 years) will be able to choose between different benefit packages.

After returning home from Poland, I spent two and one-half weeks during the month of August making revisions in the LED Guide, revising the Poland DWA Project Work plan, and writing other training materials for use in Poland and Bulgaria. I also received a packet of materials from Alison with copies of all of the notes she had taken during our stay in Poland, plus other documents she had collected about the "social package" developed for the miners by the GAP and Polish Government.

After I sent Alison the latest version of the work plan and budget, on August 19, 1998, she sent me an email stating that she wanted to send copies of those documents to USAID and the Polish MOLSP under her name so that they would begin to look at her as the primary contact for the project. I was quite happy to see that she was beginning to assume her responsibilities as the Project Director. Hopefully, the demands on my time and energy on that project could soon be reduced.

The exponential growth of paperwork and reports

Aug. 11, 1998, I sent a fax to Virginia Stacey verifying all of the information about the various projects and my activities during the previous seven months on Poland Task Orders from OFR because she had to reconstruct and include detailed information about deliverables,

accomplishments, work performed during the reporting period, work to be performed during the next reporting period, etc. It was clear that the paperwork DOL now required of its contractors like WSI was much more detailed and voluminous than it had been in the earlier period when OFR staff handled everything internally. We were inundated with paperwork and reports that continued unabated until I retired from that work on October 31, 2004.

The Polish Workforce Development Project starts up

Aug. 19, 1998, Alison Smith, at OFR office in Washington, sent a fax to Paula Thiede at the U.S. Consulate in Krakow that spelled out Alison's plans to set up shop in Katowice and start functioning as the project manager.

Here's how things are shaping up for project start-up.

I'll arrive in Katowice on September 5, and will start working with Darek [her assistant] on September 7 to pin down office space, purchase office equipment and furniture and find an apartment. Hopefully we'll be settling into an office by the following week, which will simply be a base of operations for Darek, myself and one administrative assistant/interpreter. I doubt the opening of this small office will warrant any PR attention.

We've agreed with MOL that the first two training workshops should start during the week of October 5 (two separate five day workshops, running simultaneously or consecutively). We suggested that the training take place in Zakopane, but the MOL wanted something closer to Katowice. The actual location had not been specified in July; I need to pin this down soon. Jim Perlmutter, Steve Marler and I have discussed the possibility of having a ceremony with high level officials to open or close these workshops to highlight the fact that delivery of technical assistance on this project (even if it only looks like more training for technocrats) has started.

The other possible event with PR value would be the opening of one of the model dislocated worker centers that we've agreed to set up in enterprises that will be restructuring. A description of this center is provided in Activity 2.ii of our work plan. We'll aim at having at least one of these model centers up and running by late October.

During the next couple of weeks I communicated frequently with Alison and Jane Daly about the organization and agenda for the training sessions planned to take place in October. I also worked with Jane to prepare the training materials for the opening workshops.

An excerpt from my billing statement to Virginia Stacey outlined the type of work I did on the Poland Project in August:

In August, twenty-three hours of the work consisted of: (1) revising and updating the Katowice budget; (2) revising the activity descriptions in the implementation plan; (3) contacting employment service and State Dislocated Worker Unit officials in Massachusetts, Ohio, New York, and Mississippi to obtain materials on organizing dislocated worker centers and exemplary models of triage in a "one stop worker adjustment center;" (4) developing training workshop materials for the Industrial Adjustment workshop planned in Katowice, providing consulting assistance to Jim Perlmutter, Steve Marler, and Alison Smith, field director of the project.

I also spent seventeen hours in August working on revisions in the LED Guide... (Letter

from GBH to Virginia Stacey, September 3, 1998)

The work of preparing for the October IA Specialist Training workshop in Poland continued in September, and the actual training was scheduled to take place as planned in mid-October. The first training session was scheduled to take place in Ulston, about 60 kilometers south of Katowice, and the second workshop was to be held in Wisla.

An email from Alison on October 13, 1998, gives an interesting perspective of the relations with the various Polish players just prior to the first training session held by the Workforce Development Project in Poland.

Darek and I met briefly today with Mr. Bucher, head of the mining restructuring agency (PARG). We contacted him after being informed that the MOL has designated him as the point person for this project in Katowice. This info was passed on to us by the Regional Labor Office (RLO) with some chagrin (which I don't understand frankly because Bucher is from the NLO system).

Bucher offered his general assistance to us in implementing the project, and asked if we had set up an office yet. We indicated that we'll share space with the Regional Development Agency, but that we probably won't have time to set up an office until November, after the first two training workshops. I indicated that we'd definitely need his help in November when we start actual implementation of worker adjustment resource centers.

He shared a preliminary copy of the participants' list for the October 19-23 workshop, which was heavy on GAP and PARG representatives, and light on RLO staff. We agreed that most GAP staff should wait until the second workshop for worker adjustment counselors, and that they shouldn't participate in the first industrial adjustment workshop. We accepted his offer to send a fax to all participants with logistical details and a copy of the agenda. He'll give us a confirmed list of participants on Friday. The MOL issued original invitations directly from Warsaw. Mr. Bucher agreed to participate in the first day of training (Monday afternoon). He thanked us for taking care of all the arrangements and "for doing his job for him."

Bucher made the following general suggestions for training (which I'm sure you've already taken into account):

-- Poland in general is not a developing country and many trainees will have already had similar training; this info won't be new to them.

-- Poland's coal mining sector is not comparable to Western Europe's which completely closed down. Polish mines are only restructuring.

There are plenty of investment opportunities in Katowice region, and a lot of economic development is already taking place. The government has already established incentives to attract new business here. Key sectors are automobile assembly and food processing.

— Polish coal miners are similar to miners everywhere in that they've lived in a politically insulated environment with inflated wages. There's no problem in finding jobs in Poland, but it will be difficult for miners to find jobs paying the same wages. Miners who have earned 2,500 zloty/month are offered jobs at 1,300 zloty/month.

— Education and training is the barrier for miners. They have a very low level of

education and will need a lot of retraining.

— Our training should emphasize the need for miners to think differently about themselves in a market economy. Changing their mentality and attitudes will be critical for their successful adjustment.

He briefly touched on the destructive competition between GAP and the RLO, and expressed hope that our project could facilitate collaboration between these two agencies.

[I'm pleased with his involvement in the project, which will still need to be balanced with other social partners. I regret not having met with him earlier and had obviously been confused about the relationship between PARG and GAP. I assumed that Mr. Skowronski in GAP spoke for PARG in relation to our project. Bucher clarified that PARG and GAP are separate.] Alison

October 15, 1998, I traveled to Warsaw as planned, although not without incident. My flight from SLC to New York was delayed, and I missed the connecting flight. Hence, I had to spend the night at a hotel near Kennedy Airport at Delta's expense and take the flight the next day. After a night at the Sobieski Hotel in Warsaw, I took the train the following day to Katowice, where I was met by Alison. Jane flew from Sofia to Katowice, and met us there. The next day we traveled with Alison and Darek to the first training site.

As I recall, Alison had recently purchased U.S. Embassy Labor Attache Matt Boyce's used Volvo, just before he left Poland for his next State Department assignment at the embassy in Moscow. I also remember that Alison had a small dog with her when I saw her in Katowice, and the dog traveled with her to the various training sites and stayed in her room while we were conducting the training sessions.

The first training session of the WDP in Poland.

My abbreviated account of what we did follows:

The work consisted of preparing for and conducting two workshops: (a) an Industrial Adjustment Specialist Workshop held October 19-23, 1998, and (b) a BPZ Counselor and WARC Specialist Training Workshop held on October 26-30, 1998. Follow-up activities, included consulting with the Field Coordinator and making recommendations concerning the future direction of the project have also been carried out. Stayed at Hotel Sobieski in Warsaw Oct. 17-18, Hotel Warszawa in Katowice Oct. 18-19; Hotel Elektor in Krakow Oct. 23-25, Hotel Chemik in Ustron, Oct. 26-29.

Fortunately, I was able to obtain AOL connections in both Warsaw and Katowice, and wrote emails to my family from both locations, giving an account of my travels and the work we were carrying out.

An excerpt from the (October 1, 1998-January 31, 1999) progress report of the new "Workforce Development Project," as it was called, spells out in typical Alison Smith fashion what happened during the first training sessions:

Participants in the first workshop expressed support for the concept of Labor-Management Adjustment Teams, but expressed doubts about their ability to implement

these techniques. Several participants voiced concern that they would not be able to persuade labor and management to support the team approach. Trainers addressed many of the barriers that were identified, and helped coach the group in how to market a Rapid Response Program. Group exercises were conducted to develop realistic action plans that trainees could follow after the workshop. An agenda for the training and a summary of the evaluations are attached to this report.

The second workshop (October 26-30 in Wisia) trained 21 people representing GAP, the RLO and local labor offices in how to provide effective services through on-site Worker Adjustment Resource Centers (WARC). Group exercises and simulations were used to teach trainees how to: conduct triages (use rapid mechanism of initial assessment for all customers, followed by more in-depth counseling for those most in need); organize peer counseling; implement Labor-Management Adjustment Teams; facilitate collaboration between GAP and labor offices; and organize 'one-stop service' techniques. Trainees themselves outlined practical steps they could implement after the workshop.

The project originally intended for labor office staff to deliver this second WARC training with U.S. consultants, rather than participate as trainees. Labor office staff did make presentations that were well received by GAP staff~ Labor office staff expressed interest in having GAP staff make similar presentations about their services in future workshops. Although some of the material covered during the training was repetitive for labor office staff, evaluations indicate that participants appreciated having an opportunity to establish contacts, develop closer collaboration between the agencies and work together in small groups. An agenda for the training and a summary of the evaluations are attached to this report.

Oct. 20, 1998, I sent an email to Bruce Odell at USAID in Warsaw and got a response from Jim Perlmutter. Seems USAID and USIS were paying for a conference in Poland on the subject of job creation and economic restructuring in Poland, including restructuring of the coal industry. I said to Bruce:

Too bad that someone representing our new project designed to ameliorate the worker, community and enterprise adjustment problems arising from the restructuring of coal industry in Katowice was not invited to participate as a speaker or panelist at the conference—especially when USAID is helping foot the bill. It would have given our project some good visibility and helped educate the local academics about some important issues they don't know much about. (email from GBH to Bruce Odell, Oct. 20, 1998)

Bruce Odell's response to my email was rather interesting. He said he thought that we had received the information about the conference, but had not checked to see if we had. "Frankly, [I] never thought of you as a panelist, in part because we're still just getting going in Katowice, but I see your point. (Email from Bruce Odell to GBH, Oct. 21, 1998). Typical example of life in Poland. Looks like the left hand does not know what the right hand is doing.

Jim Perlmutter's Oct. 20, 1998 response was, "How can Solidarity not be represented? Someone should talk with Kempinski and have him help assure Solidarity will be represented at next event. I can't go on in my opinion without their involvement." (Email from Jim Perlmutter to GBH Oct. 20, 1998)

In an October 19 email to my family, I reported on our first day of the workshop:

Our afternoon of training went off ok, but there were some early doubts that our 22 participants were the right ones to be attending the workshop. We raised the question with them in the late afternoon, telling them that if they were not prepared to make the commitment of time and effort, or, after learning about the role of the Industrial Adjustment Specialist is all about, they better contact their bosses and get the right persons down for the training tomorrow.

There were some glitches in getting started. For example, the local coordinator did not arrive until five minutes before starting with the printed materials. Furthermore, they did not make any overheads in Polish for me, so I had to talk from my English versions without them having Polish ones to look at. Such is life in the hinterland.

This evening we had a welcoming dinner. Tomorrow will be a full day with more potential problems. We found out that Solidarity had not sent anyone to participate—but three other unions had. This apparently stems from the fact that the old regional president of Solidarity (who is now the governor, and the new regional president, have a personality conflict and there is a feud going on between them. The governor is supportive of the project, so I guess the new man is showing his independence by not sending anyone to participate.

Alison brought her dog down with us in the taxi today. He is a terrier of some brand, although bigger than a Scottish terrier. She got him in Turkey. He sat on her lap in the taxi and seems to be well behaved. (email from GBH to family, Oct. 19, 1998)

Oct. 21, 1998, I sent another email to my family, providing a report of our second day at the workshop.

When we returned to Ustron we prepared for the 4PM session. While the group was working, Jane and I met with Darek and Alison to talk over some issues. Darek has not been attending all the sessions. He has been on the telephone a lot while he is here; and has been going back to Katowice to take care of some business for his previous employer. This has made it harder for us to carry out the training. Also, his absence is worrisome since he is supposed to be learning how to function as the local coordinator for the project. How can he provide leadership to the Katowice Industrial Adjustment Team after the training ends if he hasn't even participated in the training? After some frank and painful discussion, it was clear that both Darek and Alison need to catch a greater sense of urgency and start prioritizing their effort to accomplish the more important tasks. Once the training ends they need to grab the reins and move forward. Neither is prepared to do so at this point. The success or failure of the project may depend on how fast they learn their duties and start providing more leadership. It will be interesting to see if this happens.

When the 4 work groups reported back to the larger group, it became clear that three out of four had not gotten the instructions correctly (miscommunication in translation), and did not do what they were supposed to do. They had worked on some of the tasks scheduled for tomorrow and had not done what we wanted them to do this afternoon. It means that tomorrow's agenda will have to be adjusted accordingly. So, as you can see, what started as a promising day has not ended on a high note. Oh well, tomorrow will be another day. (Email from GBH to family October 21, 1998)

The next day was a welcome change, as recorded in an email to my family.

Today was a great day. The sun was shining and it is warm. Most importantly, our

training went very well. We gave them some assignments (role playing simulations) and they spent the morning preparing. Then, after lunch we had them present their reports to the entire group. Each group of five or six had 45 minutes to make their presentation. They really got into their parts and did a great job. Maybe they have learned something after all. They even had fun. In fact one of them came up to us at lunch and said he had never been to this type of training before. It was remarkable because some people were laughing and having fun. Not the kind of training he was used to in his work.

After we finished up at 5:20PM. I took a walk for a mile or two up the valley from our hotel. It was very pleasant with all the fall colors in the mountains. I returned at 6PM for dinner. Dinner tonight consisted of liver and onions, bread, and a sweet bread. I needed the exercise because sitting in a Classroom all day is tiring, and eating all the food they give us is not too good for the body either.

This evening I have been typing up a job description for the Industrial Adjustment Specialists which we will give them tomorrow. The first exercise today was for them to write one (a job description) in small groups. Now it is our turn to give them what we think is their role. It will be translated by Derek tonight so we can hand it out to them tomorrow.

We finish up tomorrow at noon, and then have the weekend to relax until the second workshop starts on Monday. (Email from GBH to family, Oct. 22, 1998)

The final day of the workshop did not proceed very smoothly, due to the inexperience of Alison and the incompetence of Darek. The difficulties we experienced were reflected in subsequent emails to my family, especially the one I sent on October 24, 1998:

Well, round one is over. We survived—just barely. On Thursday while the participants were doing their group work we wrote up a job description for the Industrial Adjustment Specialist. Since Darek was not there on Thursday (Grr) we had to make do without a second translator and writer on the flip charts in Polish. It was very inconvenient and nearly wore out Janusz (our primary translator) by the end of the day. After the session ended (with four groups making their reports), we gave the job description (and page) to be translated that night so we could make copies and give them to the participants on Friday morning.

Later in the evening after dinner, Alison came to me and said that since Janusz was busy correcting some of the translated materials for the workshop next week that she would email a file containing the job description to Darek in Katowice and he could translate it and bring it with him on Friday morning when he came for the final session. So, I put the file on a disk and gave it to Alison to email to Darek, which she did.

On Friday morning Darek did not show up until after the session had started, and informed Alison that he had not translated the job description. (His reason was that "The file had not come so he could not do it.") So, Alison told him to go to Janusz's room and start translating it and have it ready by the time of the morning coffee break (at 10:30AM). Jane had planned to start the morning with a discussion of the job description, so that upset the whole training schedule. By now, Alison was finally beginning to see what we had been saying all week—that there was a serious problem with Darek.

Anyway, at the break time, Darek reported that he was only half way through the translation. So, no job description to start the final session. By now Jane was fit to be tied, and Alison was breathing fire. We had to move on to the final session where we discussed the next steps and what they should be doing after the workshop ends. At 11:30AM Darek finally had the translation completed. But we couldn't get any copies xeroxed because the man with the key was not in the hotel at that time and the room

where the zerox machine was located was locked up. So, Darek and Alison had to go to their printers and print out 22 copies on their notebook printers.

While they were printing the copies, we handed out the evaluation forms to the participants to fill out. At 12:00 they returned and we handed out the job descriptions and said our goodbyes, since time was up and there was no opportunity to talk about them at that point. I suspect the evaluations will reflect some of the problems we had in getting things organized and running smoothly because of Darek's spotty attendance and Alison's inexperience at conference organizing. After lunch we packed up and left. (email from GBH to family Oct. 24, 1998)

After the completion of the first workshop we traveled to Krakow to spend the weekend on R&R. My October 25 email to my family provides a good summary of what we did in Krakow—and the details of our trip to Auschwitz—which I will never forget.

Yesterday was a pleasant sunny day. I walked around the area of old town during the morning hours. In the main square lots of people seem to congregate on the weekend. This weekend is All Saints weekend, and it is much like Memorial Day in the U.S. People buy flowers and light a lantern (like they do in Latin countries) in graveyards. Then, I guess they spend the weekend praying and holidaying—depending on one's proclivities.

The old town area of Krakow has more churches per square meter than anywhere I have ever seen. There is literally a church on every corner. If you look down a street, any street, you see church steeples a few blocks away.

I sat in the square for about an hour people watching and listening to a band playing for money. A mime was hard at work in another corner just outside the big church. In the center of the square there is a big market and dozens of little shops where knick knacks are sold to the tourists. The big church on the corner has two towers 87 and 67 meters high and is made of brick. It is being renovated and has scaffolding up one of the towers. Every hour a trumpet player comes out in that tower and plays a tune. He does the same thing at each of the four sides of the tower, and then ends with an "aargh" which is to symbolize when a Turkish arrow pierced his neck in 1400 something or other and did him in.

In the afternoon I went up to the castle and saw where all of the Polish kings are buried. The castle is still under renovation. It sits on a hill overlooking the river. An impressive sight.

Today, we hired a car and were driven to Auschwitz for a tour. We left about 10:00AM. It was cold and rainy, which set the tone for a visit this dreary site. It is about an hour's drive from Krakow, half way between Krakow and Katowice. There were buses of groups and lots of people at the site. They show a movie and then take you through the (in)famous gate which says "work makes you free." The electrified barb wire is still there, along with the gallows and wall of death.

The tour goes through the museum in the old Polish military barracks which became the Auschwitz I unit, housing 16,000 to 20,000 prisoners. The museum contains thousands of shoes, hair, glasses and used canisters of zyclon B all piled up in rooms, and uniforms, cells with beds, etc., and thousands of pictures of inmates hanging on the walls, with date of arrival and date of death—usually 5 or 6 months later. The pictures were taken when they arrived. The Auschwitz I unit also has one surviving gas chamber and two furnaces still in place. It was just a small one that was used to kill 350 persons per day.

After the tour of this place (Auschwitz I), they take you 3 km to Auschwitz II—Birkenau that was the big camp housing 100,000 prisoners. It had 4 production line gas chambers and furnace complexes, and was the main killing ground where they killed thousands every day. After touring several of the barracks (wood and brick), you walk about 800 meters down a road and you come to a railroad siding where they unloaded the boxcars and marched the people to the gas chambers. The ruins of the 4 gas chambers and other buildings are still present, along with a huge memorial on the site with plaques in a dozen languages.

Over 1.5 million people were murdered at Auschwitz. The magnitude and horror of it all boggles the mind and assaults the senses.

All in all, it was a very sobering experience. Everyone should see this place to understand just how horrible it really was and why it must never be allowed to happen again. (Email from GBH to family, October 25, 1998)

After the weekend in Krakow, Monday morning we traveled to our next workshop site, an old and shabby hotel much less comfortable than our first site, to conduct the second training session for a new group. Since it did not have a suitable telephone system, I was unable to send any emails to my family. It was not until we returned to Warsaw after the completion of the workshop that I was able to resume communication with the outside world—and send an email home to report on our experiences. An extended excerpt from my email is included below. It was entitled, “Back in civilization—and a warm room with hot water (and other essentials)” (Email from GBH to family Oct. 30, 1998)

Sony for the long silence. We found that the hotel we were staying in to conduct the second training session this week was an old style place with no way to communicate via email. Poor Alison was in worse shape than I was, being cut off from her email link with the world. Seems their telephone system consisted of the old rotary telephones. All the Connectors were the old fashioned kind without any way to connect up a modem. The TV had not English speaking channels, there were not newspapers, so it was like being cut off from the rest of the world for 5 days.

The telephone system wasn't the only problem, The heating system did not work either, or the manager refused to turn it on very high because he was too stingy. We concluded the latter after we put all the pieces together. They would not bring any bottled water in until we complained, and then brought two small bottles and two glasses (for five people in our staff group). At the coffee breaks they brought in two coffee pots and five or six cookies. By Wednesday they were down to one coffee pot. Then there was the heating system. After having our translators continuously complaining for three days he finally turned it up a little bit-- not enough to make a difference. We did finally pressure him into bringing two small electric radiators into the training room so we did not have to wear coats all day. The lighting in the room was also very poor. The rooms were “roomy,” but that was about it. If we had not had comforters we would have frozen. The water did not come on in some rooms, and the hot water was tepid. Taking a shower was like being in the snow in Finland~ You get the picture. This place was the pits.

The only saving grace was the food, what there was, was pretty good. Otherwise it was a disaster. Poor Alison and Shadow (her- dog) were stuck in a small cold, cramped room in the far corner of the hotel--because she had a dog I guess--and really suffered. By Wednesday it was so bad that she complained and they moved her over closer to the rest of the group. Shadow doesn't bark hardly at all, and appears to be perfectly well behaved, so fit in nicely.

The training was also very rocky. The participants were not told what the training was

about. They were just told to come to some training for a week. Then, we had 11 people from GAP, the mining agency, and 10 from the Regional Labor Office. Each was highly suspicious about the other organization. We found out last night at the "celebratory dinner, after they had had a few beers, that the GAP people were so incensed on Monday when we asked them to introduce themselves to each other that (they thought we were trying to put them down and show how superior the Labor Office people were). They would have gone home right then if their bosses had not ordered them to come and stay the entire week. Fortunately, as a result of the training they were able to work together in teams and get to know each other and overcome this mutual suspicion and hostility. Today they were starting to develop action plans to spell out how they could cooperate and work together. What a turnaround.

The entire week was touch and go, and the first two days were like pulling teeth. Then, on Tuesday we asked the Regional Labor Office who from their office was going to make the presentations scheduled for Wednesday. When we called them, it was clear that they had not identified anyone. The regional director had to scramble around. Thirty minutes later one of the participants was called to the telephone and instructed to prepare a presentation and give it the next day. Three or four of them took half a day on Wednesday, but it was clear that (a) they did not know how to train, and (b) the material they covered was not what they RLO had agreed to have covered. All of this has to be seen in the context of the fact that they had told us months ago when we were planning the training that their staff knew all or the concepts, and could provide training. When we called their bluff it was clear that they were not able to walk their talk.

So, as you can see, it was a very trying week. We finished up at 12:30 this afternoon. After lunch (at 1:30PM) a driver drove us back to Warsaw, arriving at 6:00PM. It was a long drive in heavy traffic, with literally hundreds of coal trucks heading north on the highway. I guess they were hauling coal for the winter heating season. Reminded me of being in Britain many years ago. Alison Smith (the field coordinator then living in Katowice) said her landlady had purchased a coal box for her to use. She said she was not planning on using it, but would pay higher electricity bills to use electric heaters instead.

Yesterday Alison had received a call from two Brits who were writing a proposal for the "Know How Fund" (their equivalent of our USAID, to do a project in Katowice, and they wanted to talk to me and learn about our project so they could cooperate with us and not duplicate what we are doing. She told them that I would be in Warsaw this evening so they could have dinner with me. I called them after checking in to the Sobieski Hotel, and they came over to have dinner. Both were first generation British (with Polish parents who had moved to Britain). They bought my dinner, and we had a good chat. One was a sociology professor from the University of Essex, and the other was a consultant from Cambridge. Both spoke Polish fluently, but were also fluent in English without any accent. It was a pleasant meal, and they paid for it.

During November 1998, Alison's progress report on the WDP in Poland provides a summary of what was happening in the project. (Nov. 1-30, 1998 Progress Report, WDP Poland)

November: Meetings were held with project partners (MOL, NLO, RLO, GAP, GARR, trade unions and personnel directors from individual mines) about their reactions to the first delivery of training. The Katowice RLO suggested that the project focus on engaging the coal holding companies and gminas in project activities, as these entities would have more direct responsibility for employment sector restructuring in the coal sector. Project staff thus met with Jan Szlajak (Undersecretary of State, Ministry of Economy) to discuss management support and involvement in the project. The project also arranged a briefing for coal holding company presidents. During this meeting, Mr. Szlajak expressed support

for the project and encouraged all coal holding companies to initiate Rapid Response programs with WDP support.

The Tychy powiat council approached project staff in November and requested a briefing for members of their council. As a result of this meeting, plans were made to deliver an abbreviated IAS course for the Nadwisłanska coal holding company and other community partners from the Tychy area in December.

Several information sessions about the project were held in November with labor and management representatives. Translation of economic development materials for Phase II was started. The project office was established in GARR headquarters.

In an email Alison sent to Stephen Marler at OFR on Nov. 2, 1998, she noted that the WDP office had been established in the building where the Upper Silesian Regional Development Agency was located. She also reported on the situation with Darek and said that she had discussed the matter with Bruce Odell at USAID in Warsaw.

2.1 discussed Darek's role on the project with Bruce, and let him know that PIER has definitely been taking too much time to close out; and that Darek has yet to demonstrate a serious commitment to this project. Bruce said he'd be happy to speak with him personally since AID recommended him. I said that wasn't necessary now—that I'd have lunch with him this week and explain how we need to start over. Bruce agreed that Darek had a rather dysfunctional working relationship with the PIER project manager, so those habits need to be adjusted. Bruce didn't think it's realistic to consider Darek as a trainer and doesn't believe he was hired to do this. (email from Alison Smith to Stephen Marler, Nov. 2, 1998)

Alison also stated that she had hired another person, Ewa Gliwicka, to be the administrative assistant/interpreter for the project. It is interesting to note that in an email she sent two weeks later, Alison noted that Darek's father was the Solidarity representative at one of the Bytom Coal Mines. This may help explain his dual loyalties and lack of commitment to the WDP when we held the training in October.

As Alison took the reins of the project, her stream of emails intensified, and her requests for assistance increased. She also became enmeshed in the political dynamics of the relationships between the WDP and its partners—the various players in Poland, with each having their own agenda and objectives for the project. Her email of Nov. 24, 1998 discussed in three pages some of these dynamics.

At the same time Alison was struggling to get the WEP up and running, an interesting dynamic was developing between WSI and OFR, as communicated in Jane Daly's emails to me during that period. Jane, Virginia Stacey and WSI were becoming more proprietary about the training materials that we had been developing, and WSI's role in working as a contractor for OFR, while Jim Perlmutter and OFR wanted to make them more freely available to other consultants so they were not limited to a dependence on WSI.

Hi Gary, Just back from D.C., which was interesting, in that the speech was cut into so much by the two in front of me; they left me only 5 minutes!!! Sydney as the moderator did nothing to speed them along. So, I relaxed gave 5 minutes to selling the concept and how effective it was and sat down. There were only about 5 in the audience, really

strange, but the World Bank and soon to be main contractor for ILAB through the treasury for World Bank were the two responders for our panel and they responded well to our project.

Maybe the most important part of my journey was to request and get an immediate meeting after the speech with Perlmutter, Marler, Stacey, Smith and myself to discuss Poland. Virginia was concerned after meeting that last week with Alison, how decisions were made and by whom—etc. Alison is off trying to add to the consultant base of training without anyone's approval. Ridzon is still floating around, and Perlmutter is Perlmutter. So, the end result of our meeting. Jim understands clearly, you and I will not release our materials for others to use until we are comfortable that the project is on target and trainers can deliver what we need.

He directed me to talk to Alison and slow her down. What we agreed to was that Alison would do a plan of what is needed in the near future and who should be trained, etc. No T-T-T- No future training until she has a clear picture of who and how to do next steps—not just the doing to meet other's time frames.

Jim wants other consultants doing our work. He does not want to be "tied" to only us. I countered that until we had clear signals that Poland was succeeding we were not going to move out of the picture. I did it much more diplomatic than that, but said the same thing. The end result is Jim understands you and I need to be involved until we are comfortable with Poland and Romaina's implementation success and right now we are not comfortable. Our names are on the line and we need to assure success. As you might guess, Jim totally backed down and agreed to work things through you and me as well as with Alison. Of course he asked me to tell Alison about our conversation, which I did in very limited fashion.

Now, the question is what can be done? Alison, does not see you and me as the only ones to approve next steps. The whole question of who does what is still not clear at DOL. All I achieved is to stop Jim and Alison from doing some damage and thinking they can find consultants to do our work.

I have agreed to go to Poland, so that they can't say we are unavailable—and to provide guidance. What are your thoughts on all this? If you can go all the better as I have enough to do. I did say yes, but either of us will do. (email from Jane Daly to GBH Nov. 30, 1998)

Under Alison's direction, the WDP continued to make progress, as illustrated in her December 1998 progress report. (Dec. 1-31, 1998 Progress Report WDP Poland) Her emails filled out the political reality and elaborated on the dynamics and frustrations she experienced working with the "partners."

December: Follow-up meetings were held with both groups that received training in October. Although LAS trainees had accomplished little in terms of direct follow-up, they expressed interest in continuing to participate in project activities. WARC trainees, on the other hand, reported that the training had provided them with a better understanding of either GAP or labor office services, and that they were experiencing better cooperation between these two organizations. They also expressed interest in participating in future project activities.

Project staff visited the Grodziec mine on December 11 and met with representatives of labor, management and GAP to discuss the mine's liquidation plans and how the project could support their efforts to help re-employ workers. Agreement was reached to conduct LAS training for the Grodziec mine in January.

Project staff and consultant met with PARG on December 14 to discuss a Personal Profile Analysis that a Warsaw firm had proposed adapting for GAP staff to use in counseling miners. WDP consultant advised not using this profile primarily because more effective counseling tools had already been adapted for use by the labor offices [i.e., General Aptitude Test Battery (GATB); John Holland's Self-Directed Search (SDS) and Vocational Preference Inventory (VP!); and other publications for dislocated workers]. WDP consultant suggested that PARG and labor offices collaborate in order to find a way to make these tools available for the mining sector.

An abbreviated version of the IAS course was held at the Piast mine on December 16. Organizations represented by the 40 participants included all personnel directors from the Nadwislanska coal holding company, Piast mine unions, Katowice and Krakow regional labor offices, the Oswiecim local labor office, the local development agency and the Tychy powiat. At the end of this workshop, the group agreed to meet again in early 1999 to develop concrete plans for introducing Rapid Response programs in the Nadwislanska coal holding company.

An email from Jane Daly after her trip to Poland describes the success that had been achieved in the previous weeks and how she felt after her December trip.

Hello Gary, I want to provide you with good news about the Poland project. I have just returned from three days of coordinating, training and selling the project with Alison.

1) The Industrial Adjustment Specialists that were trained in October met to provide us (Alison and myself) some needed information. We had nine returnees, which is very good. Several others wished to come, but had conflicts. In sum, that meeting provided a forum to discuss concerns, solutions and next steps. The mine holding company representative left with strong words of support for our next venture, as he will be on the spot in January when we begin discussions and training at the Groziets mine (sorry for the spelling).

2) We met with the Mine Holding representatives. I provided training for 4 hours on Labor-Management committees. Alison presented the project concept. At the end of the 5 hours, the "leader" along with the Tychy council member endorsed the project, said every mine in the holding company was to have a committee (in Poland they are teams). This is a huge success!!!

3) The opening of the project is to be on January 13th with training on committees following in another holding company.

4) We now have committed mines to develop a quality pilot to replicate the way Poland and DOL wants.

5) Alison and I will work on a work plan to cover the next 6 months, in order that consultant training is coordinated and mirrors the model

My congratulations to Alison and staff Ioran [?] their good coordinating work.

I think things are off to a great start. The Piast breakthrough is so wonderful, it has the community, and the mining leadership asking us for help!! The unions will have to begin to deal with the project in order to have some influence over their workers. Unions still are not involved to the level we need them, although one of our IAS is from the trade unions and promised to continue to discuss our project.

GAP is on board, we had great meetings with both RLO, Gorskey and PARG, Mr. Pucher. They welcomed us and voiced total support.

So, Gary and all others, mark your calendars for Jan. 13-15 for the kick-off of the project. Send Alison your good wishes and congratulations on her work!! Have a nice Holiday—all of you, Jane (Email from Jane Daly to GBH, Dec. 18, 1998)

Although the year 1998 ended on a high note as described in Jane's email, there was a dark cloud in the sky. Don Ridzon sent us an email on December 21, 1998, with a newspaper article stating that the Polish miners had voted to strike over plans to strip them of pension privileges. The strike, if approved, would idle 200,000 miners and interrupt supplies of coal to Poland's power generating plants. The social security reform would require miners to work until age 65, instead of 25 years of work before retiring, as the system now provides. (Marcin Grajewski, "Polish miners vote to strike over pension reform." Warsaw, Dec. 21, 1998, Reuters)

Don Ridzon replied the same day, Dec. 21, via email to say, "If the pension issue is more than a misunderstanding or lack of information, a Black Lung type of medical disability program with presumptions (such as what we did here about 40 years ago) could be a way out. You might recall the discussion on coal workers pneumoconiosis we had at Bytom last month. DOL "experts" are abundant in this area." Don (Email from Don Ridzon to GBH, Dec. 21, 1998)

Alison had Darek find out through his father, Jan Stankiewicz (the Solidarity official from Centrum-Szombierki mine) if the national president of Solidarity mining division would be interested in receiving any Black Lung technical assistance. (Email from Alison Smith to GBH, Dec. 22, 1998) Fortunately, the coal miners did not go out on strike, and the WDP was able to continue with the work of implementing the various components of the work plan.

5. WDP results achieved in Katowice and Malopolska

Rapid Response Worker Adjustment Component.

The WDP work plan I developed designated the 22 individuals initially trained in the first October 1998 workshop as the primary cadre for implementing all three phases of the project. That role was modified over the course of discussions in late 1998 with regional partners (MOL, NLO, RLO, GAP, GARR and others) as it became clear that the staff of those organizations would not have the time or authority to utilize the new tools that the project introduced..

The second workshop held in October 1998 trained 21 people from the GAP, the RLO and local labor offices (LLOs) to provide effective support services for dislocated workers through on-site Worker Adjustment Resource Centers (WARCs). Using group exercises and simulations, these individuals were trained to conduct triage (rapid delivery of initial assessment to profile a group of dislocated workers, followed by more in-dept counseling for those workers most in need), introduction to the concepts of peer counseling (training other dislocated workers to support their peers); initiating and implementing Labor Management Adjustment Teams (LMAT); and organizing "one stop" service techniques.

Although it had been intended to use the Regional and Local Labor Offices to deliver many of the services the dislocated miners needed, that was not done in Poland at the outset

because of the complications and lack of interest and support exhibited by the RLO Director in Katowice. Consequently, the Polish partners decided to directly start pilot projects at a local community level to demonstrate how dislocated workers would benefit from them. This was done by using the powiat (local government) councils and having them partner with the management and unions at several selected mines in Piast (one of the largest mines) and Grodziec (the first mine to be liquidated by the Polish Government) and the National Mining Agency. The partners worked together to form LMATs at Piast in December 1998 and at Grodziec in January 1999, and introduced the Rapid Response component of the USDOL model at each pilot site.

The success achieved in these early efforts led Andrezej Martynuska, the Director of the RLO in Malopolska, a neighboring vovoidship, to ask Alison Smith if his RLO and LLO staffs could participate in the WDP training in March 1999. He remembered the training given by the British as part of a World Bank project 5 years earlier and wanted to build on it by adopting the USDOL Adjustment Model and have his RLO and LLO staff members receive the WDP Rapid Response training. That was agreed to over the objection and grumbling of the Katowice RLO director. In a remarkable turn of events, Director Martynuska later wrote an article describing how his office and staff had been working with the WDP and had the article published by the Malopolska Regional Office. In summary, the article pointed out that Rapid Response (as well as the other components of the USDOL Adjustment Model) could be applied universally to serve dislocated workers in any industry, not only in mining and steel.

The success achieved in the pilot communities in Malopolska and pilot communities in Silesia eventually caused the director of the Katowice RLO to belatedly admit that he had made a serious mistake by not cooperating with the WDP when he had been invited to do so at the very beginning of the project.

By the beginning of year 2000, both the rapid response and peer support programs that were part of that component were being widely implemented in Silesia and Malopolska using the two different approaches -- community and LLO -- and they were both proving to be quite successful, much to the chagrin of the Silesian RLO director.

The Final Report of the WDP included several pages of impressive statistics about the accomplishments of the eight LMATs that finished their work in the liquidation of their enterprises, and others that were continuing to provide services to the workers and communities. In cooperation with the Solidarity Union, the Local Labor Offices, Worker Assistance Resource Centers were created in three cities to provide ongoing assistance to job referrals and job readiness. They WDP created 4 job centers in Katowice, Czeladz, Zawierce and Oswiecim, and trained job center staff to initiate LMATs, to develop Peer Support programs, and to deliver Peer Support services to dislocated workers in those centers and on-site at impacted enterprises. (*Poland: Final Report*, pp. 11-14)

Worker Assistance Resource Centers (Data as of December 31, 2000)				
Location	Oswiecim	Katowice (Open 3 days per week)	Czeladź	Zawiercie
Date Opened or Expanded	October 2, 2000	August 28, 2000	August 21, 2000	September 11, 2000
Number of Clients since opening	1430	1000	240	114
Types of Services	<ul style="list-style-type: none"> - Obtaining job offers from the internet and other sources - Distribution of job offers - Providing information about training, loans and qualifications. 	<ul style="list-style-type: none"> - Job placement - Vocational counseling - Peer support elements - Resume writing - Job counseling in active job search - Legal advice 	<ul style="list-style-type: none"> - Job placement - Peer support elements - Resume writing - Job counseling in active job search - Legal advice 	<ul style="list-style-type: none"> - Job placement - Peer support elements - Resume writing - Job counseling in active job search - Legal advice
Number receiving jobs (estimation)	143	400	16	10
Number referred to other institutions (estimation)	220	50	24	54

Labor Management Adjustment Teams Activity Summary	
- Active LMATs	17
- People Serving on LMATs	241
- Employees Leaving Enterprises during LMATs Operation	14,772
- Workers with Stable Financial Subsistence Situation	8,517
- Active Job Seekers	2,978
- Estimated Number of Active Job Seekers Placed in New Employment	1,672
- Participants in Job Fairs organized by LMATs	13,220
- Workers Participating in Meetings held by LMATs	2,698
- Workers Receiving Vocational Training sponsored by LMATs	1,066
- Active Peer Counselors	108
- Estimated Number of Workers Served by Peers	5,249
Total Jobs Created/ Retained as a Result of LMAT Activities	564
- Jobs Created (including self-employment)	478
- Jobs Retained through retraining or otherwise	86
Worker Assistance Resource Centers (WARCs)	
- Centers Created	4
- Clients Served since Opening	2,784
- Estimated Number Placed in New Jobs	569
- Estimated Number Referred to Other Institutions	348

Local Economic Development Component.

Introducing the Local Economic Development (LED) component of our USDOL model was delayed because of complications in establishing a sustainable partnership with a regional institution that could take the lead in implementing that component. Although several organizations in Silesia were involved in implementing the rapid response component, they did not have the staff resources to commit to the LED component. As a result, the WDP selected LED pilot sites by working directly with the local communities that were already involved in the rapid response component. Those communities were also experiencing serious restructuring problems as a result of mine restructuring and had started dislocated worker programs that could be linked with the LED initiative. A number of people at the community level were selected to provide leadership to the LED efforts, and they soon became effective LED advocates and leaders. However, there were also some problems with this approach.

A major disadvantage of working directly with the pilot communities was that capacity could not be developed in a Polish institution to replicate the LED component in other

communities. Since most of the LED coordinators worked for a powiat (local government), they did not have the flexibility to work in other communities. A more in-depth discussion of sustainability for the overall project was needed. Consequently, in 1999, the WDP developed a draft agreement for communities to sign that were similar to that used in other USAID-funded programs. The agreement was signed by the local mayor and provided that the local LED coordinator and community “team” would receive the full series of LED training workshops from the WDP trainers, and the community would receive follow-up technical assistance, and \$25,000 to facilitate the startup of their LED program. My good friend and colleague, Marion Bentley, who first worked with me to introduce the LED component in Hungary in June 1996, became the primary WDP trainer in Poland, and conducted many of the LED training workshops in the pilot communities, along with others WSI recruited from the U.S. to help out in that process. (*Poland: Final Technical Report*, p. 10)

At the end of the final workshop, a smaller Project Implementation Team was created from within the membership of the LED task force with responsibility for turning the project idea into a proposal that would be submitted to the WDP. The first five communities (Bytom, Miedzna Wola Piekary Slaska, Ruda Slaska, and ychy-Bierun completed the last workshop in January 2000 and started developing their proposals in February. Project Implementation Teams also participated in a training program in late February on advanced proposal writing, project management, and evaluation. Information on funding procedures and related administrative issues was also provided during this workshop.

Once the teams finalized their project proposals and submitted them in March 2000, WDP consultants and staff began reviewing them to ensure that they met an extensive set of pre-established criteria to help ensure their viability and success. The primary goal of the LED component was to allow each community to select and implement its own development project, as opposed to relying on an external consultant or organization. The LED materials were designed specifically with that goal in mind.

The first set of LED proposals were well-prepared and outlined practical projects that would improve local business conditions. The project ideas ranged from different forms of business support centers to customized vocational training programs for employers. In general, the proposals were strong in presenting the need and justification for the project, as well as identifying the legal structure needed to implement the proposal. The WDP asked each community to prepare a detailed action plan by the following month.

By April 2000, the WDP had given final approval to the proposals from the five pilot LED communities, clearing the way for financing to begin. That same month, the second round of communities completed their LED workshops and established project implementation teams to take the lead in developing proposals for their project ideas. Once their proposals were reviewed, needed changes made and approved, they too, received the go ahead and the funding for their projects.

According to the Final Report, LED workshops were held in 14 sites in Silesia, attended by 413 persons. Fourteen projects were carried out with \$325,000 of start-up funds and \$349,295 of matching funds. The projected jobs created between 2000 and 2005 were listed as 1,210. (*Ibid*, p. 16)

Enterprise Competitiveness Component.

The Rapid Response and LED components were the major focus of the WDP during the two plus years of its operation. However, there were attempts to introduce at least one of the elements of the USDOL model's enterprise competitiveness component as well. Efforts were made to introduce Quickstart, a customized vocational training program that had been successfully introduced in Hungary and Bulgaria. I recruited Gary Stewardson, a USU faculty member in Industrial and Technical Education, to go to Katowice and introduce the Quickstart Training methodology. That program relied on cooperation between labor, management and vocational trainers to design curricula for specific jobs that were in demand as requested by employers. The approach ensured that workers can perform essential tasks in as short a time as possible. It was introduced to help mining enterprises fill the jobs of older more experienced workers who had left their jobs as a result of restructuring.

Quickstart training was used in only one site, the Piast mine, due to the uncertain project closing date. However, the use of the Quickstart training program methodology was introduced at the Nadwislanksi Mine Training Center and was ultimately adopted by the The final six months of the WDP focused on sustainability, consolidating the activities in progress and developing the capacity of partners and staff to reproduce the methodology beyond the life of the project. That included the development of a Memorandum of Understanding and new partners to expand the project to reach beyond Silesia and Malopolska. In short, to "take the program nationally" if possible. (Ibid, p. 11)

The Project Director, Alison Smith, left in May 2000 and Lee Schore assumed leadership of the WDP. There was a period of uncertainty whether the actual closing date for the project was September 30 or December 31 and whether sufficient resources were available to cover an additional three months of operation. As a result, there were many requests for new activities that could not be decided on a timely basis. However, those requests reflected the success of WDP activities as word spread to new communities.

A closeout conference was held of over 130 participants that included all partners who presented examples of activities in all three components of the USDOL Adjustment Model in Poland. The theme of the conference was "Partnership and Cooperation: The American Model and The Polish Model". These activities and proceedings were compiled in a conference booklet.

Thus ended the Poland Workforce Development Project. It also brought to an end my travel to and work in Poland -- 17 trips covering a period of 5 years and 4 months, plus innumerable hours of travel, work, frustration -- and finally, the satisfaction of a job well done, notwithstanding all the challenges and difficulties that we had encountered.