

## Chapter 9

### My last consulting jobs

(July 21, 2010 Draft)

#### Part 4. My last consulting job: Working on a WSI Project for the World Bank and Government of Serbia

##### Background of the World Bank project in Serbia

Just as we were finishing up the WSI's CEE Regional Project for USAID/USDOL, September 23, 2003, Sydney Smith Heimbrock sent an email informing me that WSI would be submitting a proposal for a World Bank-funded project in Serbia and inquiring whether I would be interested in working with them if they received the contract.

1. Serbia-Montenegro: We are currently preparing a Letter of Interest in response to a World Bank solicitation for implementing a Romania-style Labor Redeployment Program in Serbia-Montenegro. The program has a number of components including LRP, Employment Service and small business development. Based on our reputation in the Balkans with LRP, our work in Macedonia (which you helped design) and the fact that the model we have developed fits this SOW [spell out] quite nicely, we think we have a good shot at this. We would be very interested in including you in our bid as a consultant to help with the sub-component: "identification and assessment of administrative structures for LRP," which we are interpreting as a design component. I understand that you may not be able to travel as extensively as previously, but we believe that much of this design work could be done from your home base. If you agree to being included in our bid, I would appreciate your sending your CV to Christina Thomas in our DC office so we can create a "personnel blurb" for inclusion in the LOI. (Sept. 23, 2003 email from Sydney Smith Heimbrock to GBH,

On October 6, 2003 (I had just turned 68), I responded to her email that I would be willing to participate under certain conditions.

Are you (WSI) bidding as a contractor or sub to someone else? What is the nature of the project WB is putting out on bid? I would be willing to help out, but only if it is not too demanding and lengthy a design job. As you know, I am semi-retired (which means spending my time enjoying grandchildren and other leisurely pursuits) and do not want to become too involved in demanding, short deadline projects. And, yes, I do not prefer to do much travel--except to see grandchildren. I will send my CV to Christina in DC this afternoon. (October 1, 2003 email from GBH to Sydney Smith Heimbrock,)

Sydney responded to my email indicating that they would be willing to meet my conditions and wanted me to participate.

Thanks so much, Gary, I'm delighted you are interested in joining us on this bid -- your CV is very impressive.

WSI is bidding as prime on a World Bank-funded labor redeployment program, similar to Romania, but including employment service reform and small business assistance. We will have a full team (to include Julie, Jane, Amy and Tom Ivory among others) but would like to include you for advisory services related to design and, if you wish, assessment of the program.

I fully understand (and envy!) your desire to limit travel and work hours, and we can definitely work around your requirements. I was envisioning your being available to advise the WSI team on design. If you wish to travel, you could, but otherwise you can provide advisory services to WSI via e-mail and phone. We would simply build in hours for design and (if you wish) some mid-term assessment activities. Managed correctly and barring unforeseen demands by our clients, the project should not impose impossible deadlines on you. We would be able to schedule all of your work well in advance so you can plan your other activities around the project

Unless I hear from you otherwise, I will assume that you agree to have us include your resume. I have to get the final documents out to the field COB Thursday. (Oct. 7, 2003, email from Sydney S. Heimbrock to GBH)

About the same time that I responded to Sydney about the Serbia proposal, I had sent an email to Virginia and Sydney suggesting that if WSI was bidding on some projects that required a RRDWA component it might be useful to make an updated edition of the RRDWA guide that I had prepared for the Poland Project back in 1998. Sydney had informed me that rather than use scarce resources from the CEE Regional Project for such a purpose and the DOLs lack of interest in doing any further work in that area, it would be better to hold off on the update and perhaps get a chance to do so as part of a future project, such as in Serbia. (Sept. 23, 2003 email from Sydney S Heimbrock to GBH)

3. Rapid Response: Virginia and I have discussed your thoughts about the DWRR manual and the history of our CEE project. We recalled that early on in the process of designing and negotiating the CEE initiative, we made a conscious decision not to make changes to the DWRR manual because of the combination of scarce CEE resources and DOL's lack of interest in doing any further work in the dislocated worker area. While it would have been useful for WSI's purposes to revise your document, our other priorities and our need to pick our battles with DOL precluded our doing any further work in this area. Since DOL is not expecting a revised DWRR manual as part of the CEE initiative, we do not anticipate any problems with them on this issue. Unfortunately, we no longer have access to the funding we would need for a document revision, so we will have to hold off until another opportunity presents itself for funding a fine-tuning of the documentation. Perhaps Serbia?

Like all contracts, the Serbia project was very slow in materializing. Although the Proposal had been submitted in the fall of 2003, and a revised proposal submitted in February 2004, it took another five months to hear what happened. Apparently, a number of mass layoffs in Serbia had helped to get the project finally underway.

It should also be mentioned at this point that I experienced several significant health problems in the period between October 2003 and July 2004. These unexpected events made it much more difficult for me to work and travel, from that time onward. On November 5, 2003, an event occurred that made it even less desirable for me to travel. On that day I fell on our garage stairs and broke my upper right arm, requiring orthopedic surgery and a significant

recovery time. On July 9, 2004, while taking my morning walk, I had completed my walk and returning home when I fell down and could not get up. Fortunately, a neighbor was out getting his morning paper and saw me sitting on the curb. He came to my rescue and helped me get back home ok. After going to the doctor and undergoing extensive tests at the Logan Regional Hospital and the University of Utah Medical Center in Salt Lake City, the doctors concluded that I had a disease called Inclusion Body Myositis (IBM), a disease of unknown causes and no cure. This diagnosis changed my life style and activities from that point on.

July 30, 2004, I received an email from Christina Thomas at the WSI Washington office indicating that WSI was the lead bidder on the Serbia Employment Promotion Project and that Julie Hillebrand had traveled to Belgrade to open negotiations with the Serbian Government. Christina said the Serbs had raised a number of questions and WSI was now going over the proposal to answer them. The answers needed to be provided by August 10, 2004. (July 30, 2004 email from Christina Thomas to GBH)

The next email I received was from Jane Daly on August 22, 2004, with the good news that the negotiations had been successfully concluded and WSI had won the contract. Jane said she was in Boise reviewing the final proposal and preparing to close down the Bulgaria project in September and move to Belgrade to start the new Serbia project on October 1, 2004.

In addition to their contract with WSI, the Serbian government made two additional contracts -- one with the Swedes and another with the European Union for other pieces of the overall project. According to Jane, the expectations and time frames for all three projects were completely unrealistic. (August 22, 2004 email from Jane Daly to GBH) Clearly, that project was going to be a difficult one for Jane, as project manager, and for WSI as a contractor. The Serbs had already selected the pilot sites.

October 7, 2004, the WSI team received an email from Virginia Stacey outlining the nature of the Serbia contract (fixed fee, performance-based and activity-based contract) with detailed reports to be filed by all WSI employees. Virginia apologized for the stern tone of her email, but she was feeling the pressure of working under the very rigid and bureaucratic World Bank/Government of Serbia arrangement. (Oct. 7, 2004 email from Virginia Stacey to GBH) October 8, 2004, Virginia Stacey sent an email to the WSI team stating that Jane and Julie would have email access the following week, and that some of us would need to begin work during Month 1, starting on October 1. That included Miche Grant, Gary Hansen, and Marion Bentley. (Oct. 8, 2004 email from Virginia Stacey to GBH)

My comments in a note in my files aptly summarize what the new contract would mean for WSI.

This is a new project initiated by the Serbian Ministry of Labor with World Bank funds. WSI won this contract in competitive bidding with several other international bidders. I had been asked by both WSI and a British group to let them use my name on their proposals. Since I went with the American group, instead of the British, WSI won!! The contract was awarded in September 2004 after lengthy negotiations between WSI and the Serbs. Unfortunately, it is a poor contract with too little money and tight constraints—such as no payments until products are delivered. Virginia Stacey had to put her house up as collateral to obtain a line of credit to finance the ongoing activities.

During this period my work consisted of assembling materials and writing drafts of training manuals for developing and implementing enterprise social plans (ESPs) that can be used by employers and LRP specialists to help displaced Serbian workers find new jobs. The first drafts of these materials were sent to Jane Daly and Miche Grant for them to use while visiting the 4 pilot sites in Serbia in late November, and to Marion Bentley for his review and use while working on the draft ESP guide.

## **Frustrations of writing manuals for the Serbian MOL**

During October and November I worked 72 hours on the various writing projects assigned to me. It was very difficult for Marion Bentley and me to fathom what the Serbs wanted, and to make sense out of their requests. Clearly, they were being influenced by other (probably European-based) projects or consultants. It was very difficult for us to put what the Serbs wanted in an American context, let alone a Serbian context. Jane's emails to Marion or me indicated that the MOL was not being very helpful, and things were moving very slowly. Four weeks into the project, and they still did not have any computers in their Belgrade office. (Oct. 25, 2004 emails from Jane Daly to Marion Bentley that he forwarded to me; Oct. 27, 2004 email from Jane Daly to GBH)

Oct. 26, I emailed Jane and asked her the following questions:

My basic questions are: (1) What do the Serbians mean when they use the term "Enterprise Social Plan"? Do they want the same thing that we developed for use in other countries in the region, or something entirely different? Who is the plan intended for--the restructuring company's management, worker representatives, or the local employment service office? Do they want a training guide like the one we developed for Poland, with the materials for training LMACs and conducting surveys, setting up a worker assistance resource center, etc.? (2) Is the ESP supposed to be a cookbook, or a guide to establishing an LMAC or a guide for an LMAC to use when organizing and carrying out a displaced worker program? (3) Do they want an updated version of our RRDWA handbook [I had wanted to prepare a new version of that guide as part of the CEE Regional Project, but never received authorization to complete it.] (4) Do the Serbs want a handbook that can be used by community's leaders to address the impacts of enterprise restructuring and layoffs? Something like the guide I prepared for the ILO in 2001?

Basically, it seems to me that what they need is a repackaging of some of our existing materials. Is this the way you read the situation?

I cannot proceed to develop an ESP document(s?) until I have a pretty good idea of who it is for, what it will be used for.

Jane's response to me in her October 27 email was very enlightening and demonstrated just how difficult it was to work with the Serbs:

Let me quickly answer your questions.

ESP is enterprise based plans to transition their workers, The Plan must be simple, practical and low, low cost for everyone, as Serbia has no money and I mean that in the real sense. They have blown through their donor gift/loan without good results, Miche and I think that in our nine-month design (just terribly unrealistic) we have to do a

modified LMAC, there is no time to train the LO on that extensive a program. My hope is that we meet the TOR and timeframes well enough that by February, when the Government will fall, we can approach the WB and get more money, and extension,

I read it that we need a simpler version of our materials, putting in the basic, most basic program for a poor huge enterprise to find useful. A menu approach for the LO will be necessary, but a worker survey, which Miche will talk to you about is necessary. Then what to do with that survey, how to tack [?] and support the workers? (Oct. 27, 2004 email from Jane Daly to GBH)

October 29, 2004, Marion and I had a conference call with Miche Grant to discuss what she had learned during her site visits and how we should proceed to prepare whatever training materials would be needed for the first workshops. After reviewing what she found during her site visits, one of which included a metal fabricating company that would be shrinking from 7,000 to 5,000 employees, and would entail 350-400 redundancies, we discussed the beginning steps. The steps would include: (1) early warning and detection, followed by evaluating the company situation and needs; (2) identifying and prioritizing the services available and establishing a framework for determining costs, including developing a questionnaire to conduct a survey of the workers and templates for developing a social plan. (Oct. 29, 2004 telecon with Marion Bentley and Miche Grant)

October 30, I sent Miche Grant an email with several attachments that I thought she might find of interest or use in planning for her work in Serbia.

Yesterday, I mailed you a copy of the guide that I prepared for the ILO several years ago. I used a community approach in this ILO document, and emphasized a business retention/layoff aversion (BR/LA) approach to the restructuring problem, since they gave me a free hand in developing the guide. I have attached two files containing another version of the BR/LA approach that I had hoped we (USDOL/WSI) could try out in some CEE country, based on our earlier experience in the region. Unfortunately, we never got the chance to conduct a pilot project using this more innovative approach. Based on some of your comments yesterday, I thought you might find this BR/LA document of some interest. (Oct. 30, 2004 email from GBH to Miche Grant,)

The next day I received an email with attachments from Miche Grant, including material on early detection and the initial on-site meeting agendas with a restructuring enterprise. In another email on November 4 she commented about the ILO document I had sent to her.

Your Guide to Worker Displacement is really a good piece of work. I think you have much of the work done for Serbia. I think Chapter 4 might be the right front end stuff. We probably still have work to do on worker needs survey and how that sets the stage for prioritizing adjustment services offered to workers.

Have you considered a US version of this handbook? Maybe as a joint project with someone else who might have a professional interest?? (Nov. 4, 2004 email from Miche Grant to GBH)

It was clear by now that Jane Daly was really under the gun. Two weeks later, on Nov. 17, 2004, I received an email from her in which she asked that we send her all of the materials that Miche Grant and I had assembled—ASAP. The same day I sent an email to Miche Grant and Jane Daly letting them know that I would be completing a draft of the new guide for the ESP

in Serbia that very day, and asking whether Miche needed a copy to take with her to Serbia, and whether she could give me some feedback before she left to go there. Miche Grant responded immediately and wanted me to send her an electronic copy to review and said that she expected to use the materials within 30 days, or at the latest in January 2005. (Nov. 17, 2004 emails from GBH to Jane Daly & Miche Grant; and from Jane Daly to GBH, and from Miche Grant to GBH)

At 6:30 PM on Nov. 17, 2004, I finished the draft as promised and sent a copy to Miche, Jane and Marion.

Well, here it is. In addition to power failures and other problems. I prevailed and finally got something out of the computer. It should give you an idea of what I am trying to do at this point.

Attached is a file containing a very rough 1st draft of the RRDWA guide that I have prepared for Serbia. It incorporates much of the material that you sent last week. However, I still have a few more forms to add, when I can find the file that contains them. I have too many different places on my computers that I have put such files, and then when I want them I cannot find the one I need.

I did not include any material on layoff aversion, since it was not part of the Serbia work plan, plus I thought their primary concern was addressing worker displacement at this point, and I don't want to confuse them with too much material on other topics at this point. Any thoughts that you or Jane or Marion may have on this issue are welcome (email from GBH to MTB, Miche Grant & Jane Daly, Nov. 17, 2004.)

The following day I received an email from Miche Grant with her comments and suggestions for improving the draft. On my printout of her email I noted the changes that I made in the draft.

During the following week it became apparent that Jane Daly was having serious communication problems with the rest of us and was under the gun to make progress on the project, come hell or high water. November 24, we all received an email from her that expressed her thoughts about trying to work with the Serbian MOL and provide better organization and direction to the project. The project was clearly causing her much frustration and angst.

Dear Marion, Gary, Miche, Virginia,  
Several issues have emerged, some even have been costly and painful, for which I am a partner and for which I feel badly about in all aspects, truly. Good follow up to communication and clearing up of assumption based on our past relationships are at the root of some of these issues, thus I will try to lay out where we are today regarding Enterprise Social Plan work, LED community planning processes per the proposal design. I will offer guidance to Gary on material status, and to Miche and Marion on next steps for ESP, as well as Marion on LED plans. (Nov. 24, 2004 email from Jane Daly,)

Marion's November 24 calm and diplomatic email to Jane, helped to pour a little balm on Jane's frustrations.

I think we can make the adjustments indicated in Jane's message, although questions remain regarding audience, focus and terminology that perhaps get answered as we move forward. We currently have (1) the materials that Gary has developed that need to be modified and adapted for NES and/or pilot enterprise use, and (2) the draft ESP Guide materials (currently a 15 page guide) that I have developed that also need to be modified

for pilot enterprise and/or NES use. The loss of the opportunity to further test and develop these materials on site is significant. However, I will wait for Miche's return to coordinate the revisions and applications of our materials under development, and to work them into the revisions and guidelines indicated by Jane. Regards to all, hope everything is going well. Marion. (Nov. 24, 2004 email from MTB to GBH)

November 25, Jane sent Marion an email responding positively to his previous day's email, and indicated that Miche had arrived and things seemed to be going more smoothly. They were in the field "checking, modifying, and gathering the whole range of information," and would return to Belgrade the following week to complete their work and make arrangements for the January workshops being planned for Marion to commence the LED work. (Nov. 25, 2004 email from Jane Daly to GBH)

The next day, Nov. 26, 2004, Jane emailed Marion a lengthy missive discussing the ESP development that Marion was working on. Miche had gathered data from the pilot companies that could be used to test the basic elements of the plan design. Afterwards, Marion sent me an email wondering just what Jane had meant in her email.

Hi Gary, I don't know what you think about this; I don't know what to think other than Jane wants some thought and input on LED. Do we finish the ESP stuff? I guess I'll think some more about it and decide what to do. Marion (Nov. 26, 2004 email from MTB to GBH)

My response to Marion follows:

Marion, I was just sending my response to you concerning Jane's lengthy missive that came a little while ago. The new one she sent to you is equally baffling. Jane must be really stressed out these days.

It sounds like she now wants you to work on the LED planning process. What does this mean—is it planning for CER workshops in the pilot communities? or determining how to have the communities put together proposals to win some LED grants from the WB pot? or how to start business incubators or SBDCs? Once again, Jane doesn't seem to be functioning on all cylinders.

When the Serbs were giving the displaced workers severance pay did they also provide them with entrepreneurship training workshops to teach them what the business development process is all about and how to get started?

My suggestion is that you spend a little time on LED right now, and then let's talk with Miche when she returns and see where she sees the ESP going before you move forward on that effort. Gary (Nov. 26, 2004 email from GBH to MTB)

Marion's reply to my email was short and to the point:

Gary. I agree with your assessment and conclusions. I guess I'll look at the LED component again and see what sense I can make of it—again it seems like the cart is in place before the horse has been hooked up. I know June has already been on site talking about incubators, but I don't know whether LED is another component, or an umbrella for a basket of business and economic and business development strategies. Meanwhile, I'll finish the draft of the ESP material, send it on, and then we'll wait for Miche's return. I'll talk to you Monday and we'll see where the latest episode of this soap

opera has taken us. Talk to you soon. Marion (Nov. 27, 2004 email from MTB to GBH)

During the month of December 2004, I worked 38 hours for WSI on the Serbia Employment Promotion Project. My work consisted of revising the first drafts of the training manuals for developing and implementing action plans that could be used by employers and LRP (new name for IA) specialists to help displaced Serbian workers find new jobs. After the draft was sent to Miche Grant and Marion Bentley on December 14 for them to review, some additional material was added to Chapter 4, and that version was taken to Belgrade to be used in training sessions planned for January 2005. The third drafts were sent to Marion, Miche and Jane on January 4, 2005.

Rereading Jane's emails to Miche and the rest of us during November and December 2004 brought to mind the difficulties that she was having trying to harmonize the materials we were preparing for use in the project with the demands and desires of the Serbian MOL. It was proving very difficult to reconcile the two positions. It was especially difficult for Marion and Miche Grant, and other trainers that WSI was planning to use, to begin the training activities while there were still significant differences between the Serbian MOL, WSI and their respective staffs about what the project should be doing.

It finally got so bad that I sent Virginia Stacey an email on December 9, 2004, outlining my concerns. My email and her response are included to provide some sense of the magnitude of difficulties that we were experiencing at this time.

I am becoming concerned over the progress of the RRDWA work in Serbia. During the past week we have been receiving frantic emails from Jane saying that she is behind and some products are overdue. She was also giving one set of instructions to Marion to work on the ESP and then reversing herself shortly thereafter and telling him to drop everything and work on the LED. She indicated that the materials that I had sent included what was needed, but gave no instructions about what else needed to be done. I have also been trying to communicate with Miche since her return from Serbia, but have not received any response for a week. Marion has also been trying to reach her by phone without any luck. He sent her a draft of the ESP while she was in Serbia, but has not received any feedback either. In one of her emails last weekend Jane alluded to the fact that Miche was ill at the time she left Belgrade to return home.

My concern is twofold: (1) I sent the drafts of my work to Jane, Miche and Marion some three or more weeks ago, asking for input and changes that needed to be made before the final product was to be completed by Nov. 30. Marion sent his draft of the ESP to Miche as well. My expectation was that they would have these materials in time for all three of them (including Marion) to use when they made the trip to the pilot sites. After seeing the situation on the ground they could make the needed revisions-or let us know what changes were needed. Then at least I could make the changes in my materials -- in time to meet the Nov. 30 deadline. Marion could make his changes over there, or when he returned. Unfortunately, nothing has been received by either of us since the site visits were made without Marion present, and no communications have been received from Miche for over a week. (2) Jane appears to be so busy that she is unable to give any useful input to the materials development process. Her communications have been disjointed and not helpful. Without Marion having had a chance to visit the sites and Miche apparently out of commission, there is no way for either of us to respond rapidly and effectively to the requests being made by Jane for the overdue products. Do you have any suggestions as to what the situation is and what should be done?



In the absence of any communication, I have two choices: (1) I can finish making my revisions of the manual and other materials, and then send the completed version to you. (2) I can stop work until Miche comes back to life or someone provides some communication about where we are and what is the next step, -- and timetable for the project. (Dec. 9, 2004 email from GBH to VS)

Virginia Stacey's response:

Thanks for the information Gary. I'm sorry I wasn't able to return your call. I have been on the phone all day and in fact have a call starting in 45 minutes with China and another at 7 am tomorrow with Croatia so it has been crazy. Jane will be on the call tomorrow so I'll find out what is happening with this. In the meantime, I would simply stop work until you get more direction. I think your assessment of the situation is right on target. Jane is overwhelmed right now -- when we planned the project the expectation was that Julie would be there full time for the first three months and with her pregnancy that couldn't happen so Jane is trying to cover all bases and not doing it very well. I'll see what I can do and appreciate the heads up. Vs (Dec. 9, 2004 email from VS to GBH,)

December 12, 2004, we received an email from Jane Daly acknowledging some of the problems (by noting that I had called Virginia Stacey) and indicated that Miche Grant had left Belgrade with some bug, which explained why she was out of action and had not responded to our calls and emails. Jane also said they she would be in the field, and then back in the States on home leave until January 10, 2005. (Dec. 12, 2004 email from Jane Daly to GBH)

Jane followed up with a much longer email on December 13, 2004, that discussed the LED training that Marion and Barbara A. (an extension specialist from Montana State U. that Marion had recruited) would be carrying out in January. She also noted that Miche had the information needed to move ahead on the DWA work. (Dec. 13, 2004 email from JD to GBH)

After receiving Jane's email I sent one to Miche Grant saying that Jane had informed me that Miche had "the concept and paperwork in hand" concerning the Dislocated Worker Adjustment work, so it was imperative that we (Marion, Miche and I) make contact ASAP so that we know what you learned, what you are thinking and what still needs to be done to meet the deliverable deadlines that Jane keeps talking about.

When you are ready to proceed with the finalization of deliverables, per Jane's instructions, I can send you the latest (2<sup>nd</sup> draft) of the Serbia LRP Specialists guide to look at and make any changes based on your recent work in Serbia. For example, do you still think we should delete Chapter 2? Or any reference to early warning? Now that you have been over and talked with the locals do you still think we should break the guide up into small pieces rather than having a comprehensive guide for the LRP Specialist training workshops, and for their use after they complete the workshop and begin working? (Dec. 13, 2004 email from GBH to Miche Grant)

On Dec. 13, 2004, we all received an email from Miche Grant explaining why she had been incommunicado for so long:

I am among the living again, and just today felt pretty stable for the entire day. I left Serbia Friday morning and did not make it home until Sunday late -- it took me two days

due to rescheduling, fog, cancellations, and over bookings. (Two days was unreal, not to mention challenging) I saw three countries and all the while wishing they could just send me home in a body bag.

I went immediately on the road last week and finally got into the doctor late in the week. After a week of really poor health it was time. The diagnosis was a bacterial infection, most likely ingested, that will have to run its course. So beyond regular work, I've been worthless. (Dec. 13, 2004 email from Miche Grant to all of us)

During the following weeks, we carried on an extensive communications via email, trying to figure out just what the terms Enterprise Social Plan, Action Plan, and other terms being used meant. I concluded that the Serbians were using ESP to mean an Active Measures Guide like the World Bank had used in Romania. This covered the use of funds provided for retraining and other services provided to workers, and not an “action plan” like we had used in our RRDWA projects in Hungary and other countries—which denoted the plan created by a Labor-Management Adjustment Committee to provide services to displaced workers in a restructuring enterprise. If this was the case, I suggested that Julie Hillebrand be assigned to help design such a guide, as she had developed an Active Measures Guide for Romania as part of our World Bank-funded project in that country.

Subsequently, when Miche Grant was back in service I wrote her an email explaining my thinking about what we were trying to do.

Miche. It is good to hear from you. We were beginning to worry about you. I am glad that you have finally turned the corner and are recovering from the bug you picked up in Serbia.

It has been very frustrating trying to make sense out of the situation in Serbia and to write up an LMAC-directed RRDWA approach for them. The term ESP has been a real stumbling block for me. All of my experience in the U.S. and other countries of the region is based on the notion that the LMAC is the group that prepares an action plan to provide services and assistance to displaced workers in their enterprise. They may use the assistance or leadership or an IA specialist to help them develop and/or implement their plan—but it is their plan, and not a formal document, created and/or directed by someone else—before the LMAC is even organized. The LMAC is (or should be?) the driving force in trying to help their fellow workers find new jobs or obtain the training and other services that they need to facilitate their reemployment. The action plan they develop is more of an ad hoc document that helps them answer the basic questions that they need to answer (e.g., like some of those I put down in the Action Module set out in Ch 4 of the Serbian RRDWA Guide), and then serve as guides for them in obtaining the needed services and ultimately achieving their objective of finding new employment..

In the absence of your input or Marion's, gained from walking and talking to those MOL or other Serbs involved in the LRP, it sounds (on paper) more like they want a formal top-down approach--directed by a document (called an ESP) that must be prepared by a government official or someone of like status (the LRP Specialist?) in consultation with the employer—one that is prepared well before any LMAC is established—and without their (LMAC) input and involvement in developing the ESP. The verbiage in the TOR implies that the formal ESP, with detailed budgets, costs, etc., etc., is then formally approved by someone in the government and funded through the EPP. At that point it is implemented—by whom?? contractors?? There appears to be little or no role or place for an LMAC in this scenario.

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After reading the above, I think that you will now see what my problem is. Without any communication from you or Jane that addresses these issues and answers these questions, it is nearly impossible for me to make any headway on completing the Serbian RRDWA Guide or for Marion to do any more on the ESP than he has already provided to you. (Dec. 14, 2004 email from GBH to MG.)

Miche Grant responded to my email on the same day, and provided some input on the issues that I had raised from her perspective.

Here is a missing piece that might help. There are two different references within Serbia (and this project) to Social Plans. One is a formal government type process that an enterprise uses to build a case for its need to 'lean out' labor force generally in preparation for privatization, (and in some cases the government requires .m [?] enterprise to prepare this plan) and how they hope to salvage the enterprise from complete closure. Some of the driving force behind this social Plan is to get government funds, support or other, to assist with activities. This "Social Planning" is not brand new with the implementation of this project and I have found references to these dating back several years.

The second term, which we (ESP) call the *Enterprise Social Plan* and is more the result of a LMAT, or similar enterprise based planning group, under the facilitation and consultation of a Specialist. Who the specialist is --government or non -- is not defined. Right now the Specialist, during this project's implementing phase, is connected to the EPP [ESP?]. Actually they are employed by EPP [?]. We hope to then train other yet-to-be-determined persons in this role who, may or may not be government.

Their role is to guide, consult, counsel, and facilitate labor and management workgroups (and if time permits full blown LMAT's) into the development of a customized plan that directly relates to the circumstances of the company. Since it is customized the input comes from the labor/management team (or if the group is less structured we call it a workgroup). The Specialist must have the guide, templates, and SOP's to make sure that all necessary information and data is collected and put into an organized fashion. They do not necessarily DO the plan but nurture the process at a minimum. I play this type of scenario out here in Indiana time and time again and never do I create the answers but facilitate and advise the internal workgroup (or if formalized LMA T) as needed. Yet, with all my experiences I still need a guide and guidance to make sure that I don't forget to collect information and create some consistency (equality) between companies I am working with.

The role is more a consulting and facilitation role than decision making, the team gets to make recommendations. The Specialist might end up being a support person or a lead person depending on the willingness and sophistication (and training) of the team. Lastly, the ESP may become the basis for the Government "Social Plan", or it might not - again We would promote that they be equal but....( Dec. 14, 2004 email from MG to GBH)

On Dec. 16, 2004 I responded with another email to Miche Grant:

Thanks for your effort to distinguish between the two types of enterprise social plan in order to prevent the continuing confusion between them, especially in my mind if in no one else's, I have changed the term used in the RRDWA guide. to "action plan." I will no longer put the ESP term in any of these materials. Henceforth the ESP term will only be used in the ESP document and deliverable that Marion and you have been working on.

I am enclosing a copy of the 3rd draft of the RRDWA guide (without the offending ESP word) so you can look at it. It conforms to your second definition of what a LRP Specialist and LMAC are involved with--organizing to provide services to displaced workers and, most importantly, help them find new jobs. Their work is to develop and implement an action plan to accomplish these objectives.

Please look over this 3rd draft version of the RRDWA guide and see what additional material, templates, and SOP's you think need to be added to make sure that "all necessary information and data is collected and put into an organized fashion" (the action plan) as you suggest in your email. Either make the additions in the file and return it to me, or send the material along and I will add it where you want it placed. Since you are going to be implementing this component in Serbia, the guide needs to include what you want included.

Hopefully, you will have sufficient Knowledge about what needs to be included in the other document--the formal ESP document that the Serbs seem to want and that Jane has now been able to define and name, the severance package or golden parachute that restructuring enterprises must negotiate with their unions (or whatever process their legislation spells out) and provide to their displaced workers. Someone with a good knowledge of their system will have to address this document unless you were able to learn what it is supposed to include (severance pay, health insurance, disposition of recreational facilities, or whatever) and who is supposed to negotiate or prepare it. The main thing is to keep that document (ESP) completely separate from and not intertwined with the RRDWA guide and displaced worker assistance process--with its LMAC, action or implementation planning process, RWAC and other displaced worker services. In my judgment these voluntary, cooperative activities should not be linked to or confused with the formal severance package issues that probably should be negotiated between the parties or dictated by the government. (Dec. 16, 2004 email from GBH to MG)

On Dec. 17, 2004, Jane Daly weighed in with an email in which she argued that the ESP was enterprise focused but more than a LMAC because the government funds the plan, unlike our LMAC work.

So, I am saying again, that ESP is more than LMAC in that enterprise management is more engaged as it is the funder, needs to apply and get those funds as a test of our work. The LMAC structure can trigger the services and be how the management gets the data, information for needs and wants of workers. The timelines are for all this to have been designed by now, and we are preparing the materials, of course [course?] this is a huge stress and concern, as time is ebbing and there is LED and Active measures going on at the same time... help!

Later the same day Jane sent a second email responding to my Dec. 15, 2004, email to her.

Sorry for redundancy in comments, I am working my way up the chain of messages. Gary you GOT IT!!!

The law and practice for Serbia today requires a min. of 6,000 dinars paid out per year of employment up to a limit or a set cap, don't know the cap, but it's low as there is limited money. Our ESP is funded by that 1 million fund set aside to fund our creative options, we can work with up to 10 enterprises. I say we work with the 8 we will be mandated to work with and not one more, as this is a huge mouth full to manage. (Dec. 17, 2004 email from Jane Daly to GBH)

The numerous emails traveling back and forth between Marion, myself, Miche and Jane during the latter part of December and first part of January were full of questions and changes we were trying to make in the various documents and manuals to finalize them before the actual training would be started in Serbia in the latter part of January. A paragraph from my email to Miche Grant on January 11, 2005, is illustrative of the dozen or so emails that we exchanged during that period of time.

Since I have not heard from you since I sent the "How to..." material on conducting worker surveys, I have incorporated it into Chapter 4, I put them in different type faces and margins, and also put black lines at the beginning and end of the How to material to set it apart from the other material in the chapter. The only thing I have not done yet is to update the Table of Contents to reflect the new pagination the added material will require for the remainder of the manual. I have not done this yet so you may be adding other material as well, and I do not have a copy of your latest changes to update my master copy.

I am sending you a file containing a copy of the latest version that I have with the above changes included. It is dated 1-11.2005. I sent a copy of this file to Marion as well.

## **Training begins in Serbia**

Marion left on January 15, 2005 to go to Belgrade and begin the training sessions. I gave him a printed copy of the latest draft of the RRDWA manual to take along. On January 14, 2005, Jane had sent him a translated copy of the Serbian government's Social Program to look at that she had just received. She also said that Nebojsa, the MOL counterpart, is "the boss who you will learn is micro managing at all the wrong points, the program." (Jan. 14, 2005, email from Jane Daly to MTB)

Two weeks later, January 31, 2005, Jane sent all of us an email in which she thanked Marion for delivering the LED framework and making the MOL people happy since they were able to deliver it to the World Bank on schedule. As Jane said, "it reduced the pressure loads." She then said that Marion should flesh out the ESP document, and that would keep us on schedule. Jane concluded, "I think you have it close, just need to add more details, taken from other work already created, tying or harmonizing with ESP." On January 27, 2005, Marion sent Miche and me a copy of his latest version of the ESP based on what he had done and learned in Belgrade. On January 31, 2005, he sent us an email asking to have a conference call on the ESP. That was subsequently scheduled for the following week.

On February 4, 2005, Marion sent us an email and a draft version of what we were now calling the ESP (Enterprise Social Plan) Guide. We made a few changes and then sent it on to Jane in Belgrade. Her response was refreshing.

Thanks so much for working on this very quickly. Miche you review, when you can, consider this a work in progress., I will review it on Sunday for terms, push it for translation, so that we can have a deliverable and get money, then all of us can continue to upgrade, work on it to be sure everything is harmonized and as professional as WSI name represents. We can continue to work, review, and adjust the next many weeks or by the end of March. Super work and super to have the guide in paper form as proof we are doing something, as you know I was told we are doing nothing!

In truth things are a bit better, these past two weeks; Nebojsa has been on others or has given up on me. I know he has been yelling at his staff. I walked into their staff office yesterday to deliver the report, to find only the financial person, Melina, (two are sick and the other was attending a meeting with Nebojsa) sitting there, when I asked her how she was, she started to cry. She is verbally abused by Nabojisa and can't take it. I propped her up with kind and true words and left. Sad, for me to see him get to people. I am fighting his behavior by getting more paper work in, being sure there is nothing for him to be displeased about, which is never the case, but I am working for the position of being sure our paperwork is in order, our reports are in front of any timeframe and as perfect as possible. (Feb. 5, 2005 email from Jane Daly to GBH et al.)

In Jane Daly's February 10, 2005 email to Virginia Stacey and the rest of us, she noted how difficult it was to satisfy the Serbs, and how slow and arduous the process of making changes, getting them translated and then getting a final version for delivery. As a result, she said that only the final documents should go through Christina, not the drafts, as Virginia had suggested. We followed that process in the coming weeks as we made changes in the ESP Guide and other documents.

On February 27, 2005, we received a lengthy email from Jane reporting on the RRDWA workshops she and Miche Grant had conducted and providing feedback on our materials development work. Jane was ecstatic about how well things went.

Miche and I spent three days last week and one day the week before in a formal training mode. One whole day was on the stress of the dislocated worker, which was a request from the NES, once they saw some initial stress information tucked into a job search manual. It was an important piece because the implementers here do not know, or deal with such characteristics plus all our work is synced [?] to when a dislocated worker can function and at which stage of guidance certain tools best apply in these stages and characteristics.

Then last week, three days were spent on the LRP and ESP/WTC design. You can see names are shifting, because we are not doing the classic LMAC structure, yes we have teams, but they are titled transition teams, who start the process with the employment LRP teams for a WTC not the classic LMAC. In each of the enterprises there are two pieces, the ESP which starts with management to design and seeking the funding for their ESP. The delivery mechanism for lots of those ESP programs is the WTC (worker Transition Center) -- at least in our design. I picked WTC as the title, to avoid the redundant or dissociated stigma so that all workers in the enterprise being privatized can access the center, seek information, talk as all are in a transition, even if they don't lose their jobs, their status and even their function may be shifting.

Anyway, the three days were super great. Because of our past fast track work, we had 6 enterprises (Marion one is from Panceveo and the other is from Lazarevac) and their teams, employment staff from the local offices, regional (where applicable) and national as well as one from the Ministry who oversees our project. There were 70+ in the room, we grouped them from the second day onward by enterprise, putting the employment and our staff coordinators with the enterprises so we had a mirror of what and who will be implementing our program in the pilot's sites.

For the first time, management, labor and employment people sat and worked while talking together, it was a super structure and experience for us all. They raved about the three days. They accepted the design, our manuals, knowing that the LRP or RR manual needs some adjustments in wording. More information put into it from our other work,

less use of LMAC, etc. last is more editing and harmonizing not our design, putting some examples, say from Romania's WTC's, etc. (Feb.27, 2005 email from JD to GBH)

After Miche Grant returned from Serbia, we had a telecon on March 9, 2005 to discuss what she had learned and what changes still needed to be made in the various manuals and documents. According to Miche, Jane's staff in Belgrade needed to update the forms and ESP application that Miche has given to her and make sure that the new material was incorporated into the translated versions being used.

## **Preparing a Final Report on the Serbia Project**

On March 21, 2005, we received an email from Jane telling us that the time had come to prepare a final report of our work as consultants. She provided us with the format and information about what we needed to prepare. That was okay with me, and I was prepared to complete that for Jane. However, Jane had been requesting some additional changes in the ESP document that created some problems for Marion and Miche.

Soon the emails were flying and telephone was ringing. Neither Miche, Marion or I were able to fathom just what Jane was saying or requesting. Apparently, there was a breakdown in communication between Jane, Miche and Marion about some tasks that Jane wanted them to carry out—such as making more changes in the ESP document creating an ESP proposal rating criteria and tool. Fortunately, I was not directly involved, except to commiserate with Marion when he called and sought my input, which I provided. Jane was apparently reacting and communicating with them based on her situation in Serbia and working with the MOL people. After a flurry of emails and tense moments, they were able to sort out the problems.

Marion went to Belgrade on April 3, 2005 to conduct more training. Unfortunately, there was bad weather on the day of his departure causing his plane to arrive late in New York so he missed his connection to Paris. He called me and asked me to email Jane Daly about the situation. He was able to get another flight via Milan. I communicated the information to Jane and received the following reply the same day.

On April 3, 2005 Jane Daly emailed me. First, she commented on my news about Marion's arrival. Then she gave me a report on the situation in Belgrade as the project was winding down.

As to work, we are succeeding beyond the odds, of such a design. This front loading of everyone in the first nine months is simply crazy. Crazy to implement, but that isn't the worst, the negative part is that there is no sustainability, no real skills development only lots of paper and some trainings. For ES work this is enough but for the LRP and economic pieces this is not ready.

Only because we have such expertise is WSI able to get results. We have Worker Transition Centers about to open in 5 out of 6 of our enterprises, the only reason the 6th isn't opening is that it is Serbia's largest utility, huge, powerful and the government is very worried any action on our part will cause social unrest, so they give us lip service and wait, while workers ferment and slowly get stressed, at the least.

ESPs have been the most difficult to design, because none of us has ever worked in

such an environment nor done one as required here, so between us all, we are getting there, but it isn't easy nor are we finished. Sadly we don't have enough resource to do this subject justice; this is the last trip by Marion.

Economic development is almost a farce, only in that we are expected to create clusters out of nothing, so we have taken the approach of presenting TOT type trainings of which there are four, to assure communities know how complex clusters are and maybe, just maybe there is enough social capital developed to create one, after June. Yet to be known.

For me, I worry a lot about what happens after June, the staffs are not pleased to have us all leave, they ask me all the time what happens after June. Several have stated they will resign when I leave, it's not that I am indispensable, it's there is no leadership, support for them and we live next door to a monster who they fear. They are too inexperienced in our work to be just left to their own after 8 months or in some cases even less time with WSI. Virginia is coming next week to talk; I am hopeful I can swing partnerships with USAID or get EB to understand the consequences of such a design. I hope to find resources to stretch us out some, and to finish with real sustained results.

Gary, I do always thank you for your work, great thinking and support. I hope you are well and still pushing systems to be better. Jane (April 3, 2005 email from Jane Daly to GBH)

## **Getting paid for my work on the Serbia Project**

An excerpt from my billing statement to Virginia Stacey at WSI for my February 1-April 30, 2005, work spells out what my final contributions to the project were, and that my work was now essentially completed.

During this period I worked 9 hours on the Serbia Employment Promotion Project Components 1 and 2 (Tasks 2.1-2.2). My work during February and March consisted of revising the ESP and RRDWA manuals and working with Miche and Marion to prepare other ESP implementation materials for use at the pilot sites.

My work on the ESP Manual and other ESP and RRDWA materials was completed by March 4, 2005, and electronic copies of these items were forwarded by email to Marion Bentley, Miche Grant and Jane Daly for use in their training workshops and by participants at the 4 Pilot Sites in Serbia.

As far as I know, I have now completed all of my assigned work, and have expended all of the hours allotted to me in the WSI Serbia project budget for this purpose. Upon his recent return from Serbia, Marion informed me that the completed ESP materials had been delivered to the Serbians by Jane, and they are now being used. He also said that WSI has been paid for these deliverables as well. As you know, I have not yet received any payment from WSI for work done on the Serbian project. Consequently, I would appreciate your processing this invoice and my three previous invoices, and forwarding the payment for my WSI work, carried out from October 2004 until April 2005, at your earliest convenience. (April 30, 2005 letter from GBH to Virginia Stacey)

Jane Daly stayed on in Serbia until the fall of 2005, in part to provide assistance to the Serbian MOL as they continued the work that we had started, and in part on the expectation that WSI might be able to obtain a follow-up contract when the World Bank made another loan to Serbia. On October 5, 2005, Jane sent an email updating everyone on what had happened since



WSI completed the project in June. The following excerpts from her email are a fitting conclusion to that difficult project.

Anyway, I write to stay in touch, keep you somewhat informed about the ongoing life in this fluid program. First things first, the status of the program is the same and not the same. I will be here through June as per an agreement with PIU, WSI and myself. I will be allowed to work on other WSI projects in the region which is nice. The more important reason is that there will be WSI leadership on the project to assure that our goals and results are achieved and to position ourselves to be the contractor awarded the extension. As you know this SALMI is an ALP grant, which means it is a demonstration that should lead to somewhere, getting the WB grant for replication of best practices throughout the country after June. This is what happened in Romania for WSI.

Virginia was here last week; we worked in Croatia and came back here to negotiate WSI's future. WSI and I agreed that I would stay on the condition there is an understanding that WSI will be the prime candidate for the new WB loan. All agreed that was the understanding, but you well know that words are nothing until it really happens.

We have been told that the program is the only one that has created results and is doing impressive work, so take that as a compliment to each of you. How that plays out to be more and better is my task for this coming year. There is some ignorance; maybe arrogance that the MOL can now implement our work, the belief that manuals or paper make one skilled is very strong here. The knowledge is here, even skills in the ES work and all aspects of our program have some experience, but the true ability to implement our work outside the active measure programs is still quite limited. That is not to say anything about our work; it is saying that LRP, LED work is extremely complex and a process not a series of workshops.

Jane then went on to describe how the various elements of our project had been institutionalized by the Serbian government, and that the LRP programs that we had designed and introduced were now the signature new work in Serbia,

Our materials have been written into the new legislation effective at the end of July, we have 5 functioning Worker Transition Centers, which in September provided services to 952 workers. These services included mini sessions on job seeking, basic computer, how to start your own business, build a CV, worker rights as only .01 [?] few of the services being provided. Worker referrals to real jobs have been on-going as well as neat agreements with the LLOs for worker retraining. Of course, there are the great WTCs and average and poor ones. The ESP work is going very well, I trained the steering committee then they reviewed the plans, had many questions, held meetings with each enterprise and as of September 23, allocated funds, considerably less than expected. around 300,000 not close to the million we were told was available. Never-the-less things are being viewed as excellent by NES and the Ministry. We will open a very strong and interesting incubator in Petrochemical, with 8 new businesses working with supplies at a cut rate from Petrochemical, and bought back at market prices, the good work of June will help them expand out over the next four years and eventually employ over 800 mostly unemployed workers.

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What happens from here through June? We are working to deepen the learning experiences and adapting as necessary all segments of the work. Pancevo has yet to implement a single ES program by WSI, our "lady" is now in more control, she is the deputy--there is little justice! I have a meeting scheduled next week to seek out facts and information as to why nothing has been done. The new director there is supportive of

WSI but he is totally unknowing about ES Work.

There are more changes, within the Ministry there were staff shifts, for us all for the better as we now have a Ministry level working group for EPP [?] they have attended our last trainings, are supportive and very knowledgeable. I was impressed with their knowledge and supportive work on the ESPs.

## Results achieved in spite of all the problems

Jane's email was the last communication that I have in my files that deals with the WSI Serbia World Bank-funded project. It appears that even after all of the problems we had in carrying out that project, we may have done a little good after all. Thus my nearly 15 years of international consulting work ended on a high note.

The Executive Summary of the final report for the Serbia Project, submitted in July 2006, verifies my above statement. It set out the final results achieved by the capacity building and two components of this project: (*Serbia Employment Promotion Project (EPP): Design of Labor Redeployment Program Piloting Reforms in Public Employment Services, Final Report by Worldwide Strategies, Inc., July 2006, pp. 3-4*)

For the 21-month period of October 2004 through June 2006, the WSI-EPP demonstration programs were constructed and implemented in four pilot municipalities. The project successfully introduced innovative active measures approaches, established pre-layoff programs via worker transition centers, and provided redundant workers new options through funding provided by enterprise social plans. WSI also established local partnership working groups focused on economic development, and organized the municipalities to promote industrial clusters and economic development strategies.

### **Institutional capacity-building results:**

- 132 formal presentations
- 2,122 local and NES trained participants
- 19 program operational manuals adopted
- Training and manual: "The Stress of Losing a Job"
- NES staff trained in Active Measures using materials including: Job Search, Job Fairs, Employer Relations, Vulnerable Groups and Job Clubs
- NES staff trained in Small Business Development activities including Industrial Clusters, Small Business Advisory Services, Business Incubators.
- Establishment of Worker Transition Centers and Enterprise Social Plans included at least six training sessions for program partners
- A critical new program concept has been added: retraining workers to save jobs.
- Enterprise Social Plan funding now targets upgrading the workforce to meet demand occupations within Serbia.

### **Component I Results:**

- **Nine** Worker Transition Centers (WTC)
- **11,355 workers surveyed** for needs through the WTCs. Programs were designed to meet the specified needs
- **Eight** enterprises have accepted and funded innovative social plans
- **Eight** WTC networking sessions were held with all nine WTC teams including Ministry and NES staff.
- **Ministry Steering Committee formed** to provide program oversight

- **Nine working groups formed** to provide monitoring, program accountability and funding.
- **LED Studies Framework** designed by WSI and implementation by outside consultants accepted by community local government representatives

**Component II Results:**

- **Ten ground-breaking job fairs** and use of employer roundtables implemented to initiate cooperation among NES, educational institutions and employers.
- **Two Job Search Sessions (minimum) per month** are proactively aiding the unemployed in 4 pilot Local Labor Offices (LLOs)
- **Job Club** equipment being procured for staff who have been trained to target vulnerable groups and redundant workers
- **NES staff trained** and provided operational manual on contracting for outsourcing to service providers
- **Ten intensive training sessions** on development of small business, entrepreneurship and incubators
- **Four established and trained industrial cluster groups** (three clusters are agricultural, one a textile cluster)
- **44 cluster training presentations**, with an average of two additional meetings per month in each pilot site.
- **Three new Agriculture Associations formed** in Lazarevac.
- **Agricultural Ministry has partnered** with WSI to fund and create Kraljevo Kajmak branding for promotion and broader market penetration.
- **One incubator** opened in July 2006.
- **WSI initiated agricultural incubator** in Lazarevac has been granted World Bank funding.