

Chapter 6

(Draft 7-26-10)

Creating and using the USDOL Adjustment Model in Romania, Bulgaria, Macedonia and Ukraine

Part II: Bulgaria

(7-22-10 draft)

1. Background for starting a “new” Project in Bulgaria

As noted in Chapter 5, my first trip to Bulgaria was June 18-23, 1994, to participate in a seminar organized by Sydney Smith, an OFR project officer having responsibility for USDOL projects in Bulgaria. I was scheduled to travel to Poland that June and was contacted by Sydney to see if I could first go to Bulgaria and make a presentation about the U.S. system of displaced worker adjustment. Three years later I received another request to go to Bulgaria based on the success of the LED (local economic development) component that Marion Bentley and I had helped Maria Heidkampft introduce in Hungary in June 1996 and my subsequent designing of the USDOL Adjustment Model and its introduction in Romania in early 1997.

As I recall, Jane Daly and Lee Schore had conducted some training on a USDOL mass layoff response project in Bulgaria from June 30 to July 11, 1994, and subsequently, Jane had been involved in introducing “social partner councils” training programs along with some other trainers as part of several projects being carried out by Western States Multi-Service Corp., for whom she worked. Those programs were based on some welfare-to-work training Western States had done in Idaho and was now exporting to Bulgaria.

Three years later, on June 23, 1997, I received a fax from Ed Musselwhite, Managing Director of Western States Multi-service Corp, saying he wanted to talk with me about my work in designing and helping start the LRP (labor redeployment program) project in Romania and also about the possibility of meeting with me in Bulgaria in September to discuss the development of an LED project for that country, a project that Sydney Smith had previously discussed with me. It appeared from his fax that Ed wanted to learn what was going on and how I fitted into the overall design process for Bulgaria.

In the summer of 1997, Sydney Smith was in the process of working out what the USDOL’s position would be in support of USAID’s “strategy for the Social Sector in Bulgaria to 2002.”

On July 10, 1997, I received a copy of a long memorandum from Sydney Smith to Jane Daly that indicated what they hoped to accomplish in Bulgaria during the coming years. Jane Daly had been designated the “Team Leader” of a USDOL team going to Sofia in September 1997 to assess the situation and determine what project or projects could be developed and submitted to USAID as part of their upcoming planning meeting for Bulgaria.

According to Sydney, the piece of the community development puzzle that was missing was the non-governmental sector because scarce resources and weak institutional capacity combined to block NGO and PVO participation in community development strategies and programs. “With our lengthy experience working with social partners and with community development, DOL is particularly well positioned to address this crucial gap and to create a model that will reinvigorate local development efforts in Bulgaria.” (“Suggestion for USAID Strategy Through 2002,” Memorandum from Sydney Smith for Jane Daly, July 10, 1997, p. 1)

It was clear from Sydney’s memo that she and Jane had a vision of building on several previous USDOL programs in Bulgaria. In her memorandum, Sydney suggested that by combining the social partner community councils that Western States helped create, and the social services programs (including support centers for workers and their families-- a network of labor offices “providing client-oriented, proactive labor market programs”), with the local economic development (LED) and enterprise competitiveness (EC) components of the USDOL Adjustment Model, she could come up with a grand design for a project that could be sold to USAID and funded with SEED funds during the next four or five years.

Sydney saw the following as the USDOL’s role in the new project:

A DOL institution-building program would start with the LED program to help the social partner council conduct a needs assessment for specific Center activities and to create a Board of Directors (most likely a sub committee of the social partner councils). An NGO would then be identified (or created) to staff the Center. DOL would provide training for all the Board and for Center staff on the goals and methods of worker and family service, and on management and strategic planning skills. Training would focus on needs assessment; leveraging governmental and non-governmental resources; community strategic and participatory planning; and program coordination. DOL would also assist relevant community organizations providing services through the Center to develop the appropriate materials to support service delivery. DOL’s final role would be to help the Board and the Center staff identify other resources (particularly other USAID and donor programs) through which the Center would continue to play a vibrant role in the community’s social and economic development. (Ibid, p. 3)

July 15, 1997, I participated in a conference call with Sydney Smith and Western States Director Ed Musselwhite. We discussed at length what Sydney had learned from the USAID officials during her last trip to Bulgaria and what the new project proposal might include. Sydney said that USAID wanted the projects “to be more proactive,” and they wanted the new projects to coordinate more with local partners. Finally, they wanted the new DOL project to start in Varna and see how it might go before expanding it nationwide.

I also learned that Clarence Burdette, a Quickstart (QS) training consultant from West Virginia who had helped USDOL start QS training programs in Hungary, was working in Varna and expected to complete his work there in September. He then wanted to move to several other sites. However, rather than having him running around willy-nilly, we agreed that he should be slowed down while the rest of the proposed new project got underway, and that his activities should be coordinated with the other parts of the project.

We discussed in considerable detail the process of starting an LED project in Varna and other possible pilot sites, whether the project should focus on smaller or larger communities, how the participants would be selected, who would identify and select them, plus other elements of the planning for the initial LED training program to be carried out.

July 16, 1997, I sent Sydney Smith an email in which I raised the possibility of using another approach for the design of the proposed new project rather than the one in her July 10 memorandum for Jane Daly. I proposed that she consider using the USDOL Adjustment Model and briefly outlined what that model contained. I said that we were implementing that model in Romania, and it might be suitable for Bulgaria. Finally, I told Sydney I had just written a draft of a paper describing the USDOL model, and I would be discussing it at an international conference in Dublin in August. If she would like to see a copy of my paper, I would send her one.

When I did not receive a response to my email, I was puzzled, and did not know how to proceed. A week or 10 days later I learned that I had been using the wrong email address, and Sydney had not received my emails. Sydney had been expecting Jane Daly, Ed Musselwhite and me to come up with a Bulgaria project design by August 15th, and it was still unclear to me what she wanted it to contain.

In my July 24, 1997 email to Sydney Smith, I spelled out my thinking about the current proposed design for the Bulgaria project, developed by Sydney and Jane.

Thanks for your quick response, and my apologies for the mistake in your email address. I was using my computer at home and must have entered your address incorrectly in my email address book.

When I received your email response a few minutes ago, it helped bring back to my mind the essence of our teleconference. Yes, I now remember about the August 15 deadline, and working together to come up with a proposal for a community development project. I guess my problem was triggered by reading your email this morning in the context of your earlier memo to Jane outlining what were the conceptual pieces of a local economic development model. It was unclear to me whether this conceptual layout was now the guiding concept for the project—because USAID wants it this way—and whether you are intending to move the Bulgarian project more in a community development direction rather than keeping its focus on economic and business development, and job creation. My confusion was increased even more when I had a chance to look at Jane's CDM manual—with its emphasis on a social welfare to employment program.

Part of my problem is that I am operating without any understanding of what has been occurring in Bulgaria since 1994, e.g., where Jane's CDM activities are coming from and where she wants to take them. What is the status of the earlier mass layoff work she and Lee [Schore] were doing several years ago and how does it relate to CDM, social welfare, and the Support Center? What is the Social Partnership Council and where does it fit in? How do the Quick Start and LED components that we are now introducing relate to all these other pieces? I guess I cannot see much integration in the model, but rather three or four separate projects being tied together to LED in some artificial way.

Your memo to Jane is the first inkling that I have had that the mass layoff project is taking on new directions (community development, social and support Centers for Workers and Their Families).

That is why I said I wanted you to read my Dublin Paper so you could see the direction I am coming from. It is an integrated approach focusing on worker adjustment, economic renewal and enterprise competitiveness. If the die is cast for Bulgaria and with USAID along the lines set out in your memo, I will try to fit the LED component into the proposed framework. If the die is not cast, then I may argue for an entirely different design—one that might be more appealing to the Bulgarian Government and World Bank—but perhaps not to USAID Bulgaria.

July 31, 1997, Jane Daly sent the first response to my email. After commenting on the fact that she had talked with Sydney the day before, and that her emails were not getting through to either of us, she said she would write another one explaining her position on the time frame for preparing a project design and that she hoped it made it to us. Then she set out her position on the project design for Bulgaria and what she wanted from me.

Therefore, I am starting anew and letting you know that the reason I suggested the end of August for a realistic time-frame was that Ed is in Alaska from 8/8 until 8/19. He should have some input. I have my "real work" Board Meeting 8/8 & 8/9. Until mid-August I will not be able to work on Bulgaria stuff. I am unsure what it is I am doing now. I had planned to add onto and put in context the CDM manual so that all community development components would be the same technology. Your LED stuff should correspond, while not duplicating. Meaning that in the cities where we are doing Quick Start, Mass Layoffs, etc., we should all be using the same words, processes and have a grasp of what the others are doing. My purpose is that the same people at the local and regional offices as well as those people out in the communities will be doing all these projects. I do not want them confused, intimidated or thinking that these don't fit together. LED is a tool to assist the unemployed, Quick start is another tool and CDM is a process to organize the community to address some problems—one being the unemployed and all the ramifications/impact this has on the community. Therefore, I would like you to send me your document spelling out your ideas. I will adjust the project we proposed to AID--the worker center—to include the re-employment fund concept as a component--Sydney asked that I not make the re-employment fund concept hinged as part of the success of the original project. Let me know your thoughts.

The same day I received Jane's email, I also had a conference call with Ed Musselwhite and Clarence Burdette concerning the status of his Quickstart work in Bulgaria. Ed wanted to know what we should plan to do when we were all in Bulgaria in September. Clarence planned to bring two people with him and wanted to set up two more Quickstart programs, one in Bourgas and the other in Rousseau. (Notes of conference call with Ed Musselwhite and Clarence Burdette on July 31, 1997.)

Aug 4, 1997, Sydney Smith faxed me a copy of her memorandum to Ed Musselwhite and Jane Daly, outlining the integration of the community development techniques across the Bulgarian LED, Quick Start, Mass Layoff Response and "welfare to work" projects. (Memorandum for Ed Musselwhite and Jane Daly from Sydney Smith, August 4, 1997)

Following is the agreement we reached in today's telephone conference regarding the three current projects in Bulgaria and our next steps in integrating their shared elements more fully.

1. All of the projects USDOL is pursuing in Bulgaria—Local Economic Development, Quickstart, Mass Layoff Response, and Welfare-to-Work – share common methods in enabling community organizations to come up with strategies for community development, whether specifically targeted to unemployed workers, or more generally for economic growth.
2. In order to head off potential criticism at duplication and/or lack of coordination among DOL's projects, we have agreed to develop a unified handbook that will explain the "techniques" for enabling community organizations (whether mass layoff response teams, local economic development councils, etc.) to identify their goals, problem solutions, and strategies. The manual will explain all of the techniques shared by the three USDOL projects, e.g., organizing and facilitating a meeting, brainstorming, prioritizing, strategizing, implementation planning, etc.

3. This effort to integrate common elements of the three projects does not require any substantive revision of the projects' already-existing manuals, i.e., the Local Economic Development manual, the Mass Layoff Response Manual, etc. Instead, the coordinated handbook becomes a resource that II trainers will be able to use, supplemental to the existing manuals, to learn and teach these techniques for implementing any of our programs. In the future, it will be useful to have project manuals refer to this techniques handbook rather than duplicate materials and explanations that the handbook will include.
4. The handbook's development will be led by Jane Daly, and will incorporate the input of all project team leaders (Ed Musselwhite, Jane Daly) plan relevant project consultants as identified by Jane Ed and Sydney. At a minimum, Hartzell Cobbs and Gary Hansen should have substantial input into the substance of the techniques handbook, and should provide written approval for its final draft.
5. The handbook's development will be incorporated into the Employment Service project budget and timeline. Its implementation will be incorporated into all of the existing (and new) projects in Bulgaria, under the direction of Sydney Smith.

My notes of an Aug. 22, 1997 conference call with Ed Musselwhite and Jane Daly suggest that Jane had used my "USDOL Adjustment Model" as the basis for her draft, and that they wanted to raise it to the regional level in Bulgaria and use the Bulgarian Partnership Association (an organization created by another USAID project) as the providers of training and technical assistance to the local communities and participating enterprises. (GBH notes of conference call with EM and JD, August 22, 1997)

In addition to consulting with Sydney, Jane and Ed during the month of August, I also worked on revisions to my LED Guide to make it ready for use in Bulgaria.

On Sept. 4, 1997, I received a fax from Jane Daly with a three-page document outlining her latest version of the now named "Municipal Integration Project." That three-page paper was her attempt to combine the versions prepared by Sydney Smith, Jane's and Western State's welfare-to-work projects (including the worker family resource center), plus a Social Investment fund without any reference to my USDOL Adjustment Model other than using our LED component. It appeared to be a repackaging of Sydney Smith's earlier document.

Jane had proposed that two pilot sites be initiated to demonstrate the effectiveness of using the "community forum as the coordinating link and initiator for decisions in behalf of the community." During the first phase, the staff from the BPA and the RES Mass Layoff Coordinator would be trained by USDOL to implement the various components of the project. During Phase two, "A community plan is developed and approved, then the Enterprise Copetitiveness modules are introduced. Phase Three, the plan is implemented and sustained by the community forum and RES and BPA staff." (Fax from Jane Daly to GBH, Sept. 4, 1997)

This was the plan Jane had prepared per Sydney's July request and would be the basis for any discussion when Sydney Smith came to Sofia in late September to participate in the USAID planning exercise.

2. Participating on an "assessment mission" to Bulgaria

During my September 6-12, 1997 trip to Sofia, my schedule called for me to meet with Regional and National Officials of the Bulgarian Employment Service, meet with officials of USAID and the U.S. Ambassador, meet with officials of the Bulgarian Partners Association, and provide consulting assistance to Sydney Smith, Ed Musselwhite and Jane Daly on the proposed project.

As we made the rounds and touched all the bases trying to design and “sell” the proposed USDOL project to the USAID staff and Bulgarian government during my stay in Sofia, I made 8 pages of notes. My Sept. 17, 1997, trip report for the Bulgaria portion of my trip provides the best account of what actually happened – what our objectives were, what we did, and what we accomplished in Sofia and Varna..

Bulgaria:

Objective of Visit: The purpose of my trip to Bulgaria was to assess the interest and capacity of the Bulgarian National Employment Service staff including three ES Regional Directors in Varna, Bourgous, and Montana regions that had been identified by USAID and others, as suitable candidates for facilitating and launching a pilot LED program in their regions of Bulgaria.

September 5: Departed Logan on morning to drive to SL Airport. Met Gary Stewardson and departed on Delta Flight for Cincinnati and Frankfurt. We arrived in Frankfurt on September 6 AM where we met Ed Musselwhite at the gate to wait for our flight to Sofia.

September 6: Departed Frankfurt for Sofia on the afternoon flight via Lufthansa and arrived at 4:25PM Local time. Went to Hotel.

September 7: In the afternoon Ed, Gary S. and I flew down to Varna. We were met and driven to our hotel (National Union of Journalists Hotel) on the outskirts of Varna on the Black Sea.

September 8: Morning. We drove to the ES vocational counseling center with Varna Regional ES director and ES directors and staff members from Bourgous, and Montana regions. Clarence Burdette made presentation to the group about the Quick Start Program.

I made a presentation on our proposed LED program, during which I: (1) briefly reviewed the origins of the USDOL LED program, (2) outlined the basic features of the LED program, and (3) discussed the proposed procedures for implementing an economic renewal (ER) program in Bulgaria. (The attached item provides a summary of my presentation describing how we proposed to implement the LED program using Regional ES industrial adjustment specialists as facilitators.)

Later in the afternoon the group reconvened at the National Union of Journalists Hotel for additional discussions. The Varna Regional ES director was not overly enthusiastic about having an ER program in Varna. He said they had a European Union economic development program helping them design a strategic plan for the Municipality of Varna, and they had academic experts on tourism, etc. do studies. He did not think our program had anything to offer. I explained that our program was a grassroots participative program for smaller communities in the region—and not necessarily just Varna municipality—and that most plans like the ones he had described were not designed with much grassroots input, and as a result many of them had not been implemented. Furthermore, the EU top down planning approaches were usually designed to develop large scale infrastructure projects and not motivate and involve people to develop smaller scale projects that they could carry out on their own with modest levels of outside help.

The Regional Directors from Montana and Bourgous were much more positive, saying they wanted and needed this type of LED program, and that they would like to participate in carrying out an ER program in their regions. Montana's Regional Director was extremely desirous of having an ER program, and Bourgous's RI) was willing to participate, but not quite so enthusiastically. Their questions related to where would the money come from to pay for the workshops and emphasizing the need to have job creation as an important part of the workshops. I assured them that this was the primary purpose of the program and workshops were designed for this purpose. They also wanted to know what would be the second phase of the project and would the USDOL take part? These questions were answered in the affirmative.

The Varna ES Regional Director was unable to arrange a meeting for us with the Municipality Economic Development director so Ed and I cut our stay in Varna short and returned to Sofia on Wednesday Morning on the 6:30AM flight.

September 11: On Thursday Afternoon we met with Danka Shopova, Deputy Director of the NES [National Employment Service] and several other people on her staff (director of the Mass Layoff Project and director of the ES vocational training programs—and Coordinator of the Quick Start Project, among others). Ed discussed the Quick Start Project, and I then discussed the Economic Renewal program we had proposed to the three Regional Directors in Varna. Ms. Shopova indicated an interest in the LED program, but indicated that she would like to involve the other Ministry's that might also have an interest in local economic development. She said that she would contact them and inform them about our proposal.

I asked Maria, the NES Mass Layoff director, if they provided in-service training and had regular meetings with their regional staff and she said no. They only had received training when Jane Daly and Lee Shore come to train. It appears that there has been little attempt to create an identity, level; of expertise and esprit de corps among the Mass Layoff Rapid Response specialists in the Bulgarian ES. This raises some question about the ability of this group to serve as the LED facilitators for our ER. program.

September 12: On Friday morning, Ed and I met with the U. S. Ambassador (and John Babalon (sp?) from USAID) to allay her fears about Quick Start training. The meeting went very well, and she was very cordial and seemed not to be as hostile as previously indicated.

We then met with the President of the Bulgarian Partners Association, and AID funded group, to assess whether they could be used as a partner in delivering LED training. My impression after the meeting was that this organization, which is located in Sofia and has about 50 members, is primarily a lobbying group for SMEs and would not be suitable for such a role.

In the late afternoon we met with John Tennet, director of USAID. Ed reported on the status of the Quick Start Project, and I discussed my proposal for starting an LED program. Mr. Tennet was very interested and supportive of the LED approach presented. I left him some material to help him understand how our project might operate. The items included: (1) two papers--the CEET article describing how the Rapid Response and LED component were implemented in Hungary, and the USDOL model paper that I presented in Dublin, and (2) a copy of the LED Guide we have been using in Hungary as part of the Rapid Response Project.) Mr. Tennet indicated that they would discuss this approach in greater detail when Sydney Smith came to Sofia in late September to participate in the USAID planning exercise.

Sept. 30, 1997, several days after I returned home from Bulgaria, I received an email from Ed

Musselwhite indicating that Sydney Smith needed to talk with me and to call her immediately. When I reached Sydney in Sofia, she indicated that USAID wanted to proceed with a local economic development program along the lines outlined in the papers I had left with the USAID Director for Bulgaria, John Tennen and John Babylon, and she wanted me to review the rough draft of her proposed outline that she would write the next day. It would attempt to integrate the community development, economic development and LGI (local government initiatives) programs into one integrated community development project for USAID consideration and approval. I faxed her a copy of some additional material, including the attached paper outlining my discussion points with Bulgarian ES staff when in Varna and Sofia.

Notes of my Sept. 30, 1997 telecom with Sydney Smith state that the USAID in Bulgaria was in the midst of a management crisis, and there was a huge transition in the making. Consequently, they want to repackage all their programs and have just one integrated community development program. Furthermore, instead of having Employment Service officers as facilitators for DOL's proposed new project, she wants the Regional Association of Municipalities to take the lead. Sydney said that she would write a paper the following day outlining the overall objectives of the project, who the players would be, how the time would be spent over the next two or three months to conduct project design work, etc., etc. She also wanted any ideas I might have on how to tailor the project to the specific situation in Bulgaria.

The morning of Oct. 1, I received a fax with Sydney's draft proposal to the USAID -- "Integrated Community Development Program for Bulgaria: A Proposal of the U.S. Department of Labor." After reviewing it, I phoned Sydney in Sofia to provide my input and suggestions. Most of all, I was concerned that the language of her document implied that the LED effort would be somewhat bureaucratic and top down rather than participative and bottom-up, and that the proposed design was quite complex and had several definitional problems. There was also need to further clarify several of the steps outlined. The role and relationships outlined for the Regional Development Agency were a little fuzzy. She indicated that she would be meeting the USAID people on October 2, and would be leaving on October 3 to return to Washington. Finally, she said that if the planning document was approved she wanted to have a design team go to Bulgaria in November or December to actually design the integrated community development program and spell out in greater detail how it would be implemented. Sydney said she would let me know the outcome of the following day's meeting upon her return home.

Sydney's proposal contained a statement of objectives and outlined the steps to be followed to design and launch the integrated community development project she was proposing to the USAID. After stating that "USDOL's model for community, enterprise and worker adjustment provides an ideal means through which to synergize USAID's current community development activities, the USDOL model:

- emphasizes grassroots participation in community assessment, planning and implementation of economic renewal strategies;
- builds community partnerships that engage in organizing and implementing projects in communities and enterprises to improve their development and competitiveness;
- emphasizes active worker participation in planning and implementing worker adjustment programs;
- promotes the use of local NGOs in planning and implementing social and economic development activities.

This proposal identifies the basic project components by outlining the next steps necessary to develop an effective project design and initiate project implementation.

Sydney's proposal was quite detailed, and called for fourteen specific steps from the November 1997 design mission to startup, and additional steps to be taken until the project's Final Report in

December 2000. From my perspective, the important parts of her timeline were: (1) Project design mission in November-December 1997; (2) Project initiation in March-April 1998; (3) Identify pilot sites May 1998; and (4) Community Development workshop (Project kickoff), June 1998. The 14 steps included steps where the Local Government Initiative (LGI) project (another USAID project then underway in Bulgaria being carried out under the auspices of one or more American state or municipal government associations) would participate in some of the training of municipal staff at the pilot sites, etc..

3. Going to Sofia to design the PLEDGE project

During the next six weeks, efforts were made to determine a suitable date to carry out the design mission to Sofia. The various commitments had to be factored in with the need to send a design team to Bulgaria. Furthermore, John Tennent, Director of USAID in Bulgaria, did not want his project to get short shrift. It was difficult for me to find a suitable date because I was committed to teach my classes at USU as well as work with USDOL projects in Poland and Romania. We finally agreed on a suitable date for the Bulgarian design mission.

Jan. 21, 1998, Jane Daly called me to say that she had had a conference call with Sydney and the Sofia USAID people. They discussed the agenda for our mission and wanted to know if I had any papers for Sydney to send to Bulgaria. I received subsequent calls on Jan. 22 and Jan. 26, 1998. The final arrangements were that Jane would leave for Bulgaria on Jan. 30, and I would meet her and Sydney in Sofia on Feb. 7 and remain until February 13, 1998.

Following numerous emails and other communications, all the arrangements were made as to what our agenda would be and the approvals necessary for me to make the trip to Sofia. I was also able to make arrangements via email to have dinner one evening while in Sofia with two of my ILO colleagues, Geert van Boekel and Hanna Ruzczyk . They were working on an ILO/UNDP-funded LED project in Bulgaria, and I was interested in seeing what they were doing, how it might relate to our proposed USDOL LED project, and to determine whether there might be any opportunity for collaboration.

An email I sent to my family after returning home provides a succinct account of how we spent our days in Sofia writing the proposal for the USDOL's Bulgarian Project which, after some brainstorming, we named "Partners in Local Economic Development and Government Effectiveness (PLEDGE)."

In Sofia we spent our days meeting people (Bulgarian Industrial Association president, Director of the National Employment Service, etc.) and going to meetings with various (government, USAID and international donor) groups. Every evening but Thursday we had to go out to dinner with someone or some group. I will omit discussing all of the political intrigue and other bizarre elements (backstabbing, IG investigations, theft, graft, corruption, etc.) that permeated our meetings as they are too complicated to explain in an email.

During the afternoons of the last two days we [sat in Jane Daly's hotel room and] wrote the project design proposal based on our findings. We finished up at 11PM on Thursday night. On Friday morning at 9AM we presented our 14-page proposal to the USAID director, then had lunch at 11:30AM with him and several others he had invited (he had the gall to invite us to lunch and then make us pay for our own meals). After lunch we returned to AID headquarters and made a presentation to the PLEDGE group at 2:00PM.

(Pledge stands for Partnership in local economic development and government effectiveness, which is the catchy acronym we created for the project.)

A follow-up email to my family on February 22, 1998, adds a little more information about the cool climate we experienced during our stay in Sofia.

I spent the week of Feb. 5-14, 1998 in Geneva and Sofia. The purpose of going to Sofia was to work with two other team members and design a proposal to conduct a local economic development project as part of the USAID Local Government Initiative and other U.S. projects in that country. Several of these projects had not accomplished much (despite the expenditure of big sums of money), and they hoped that our [USDOL] proposed project would help save theirs. It was a very difficult assignment since USAID seemed to be in disarray and several of the other [LGI] project staffs perceived us as a threat to their projects. We finished our work and returned home on Feb. 14. (Email from GBH to family, Feb. 22, 1998)

Shortly after our PLEDGE design mission to Bulgaria, Edward Musselwhite left Western States Multiservice Corp., as well as his wife, Jane Daly, to return to Alaska and take up a new job and a new life with a previous woman friend. It was quite a shock to all concerned, but also provided an opportunity for Virginia Stacey to become the CEO of Western States.

Virginia was the daughter of a Mexican farm laborer mother who had filtered out of the migrant labor stream and an American father who worked as a heavy equipment operator. They eventually settled down in Boise, Idaho, where she grew up, obtained an education and remained. Virginia had worked for the Idaho Department of Employment, rising through the ranks to a management position, and was eventually hired by Western States Multiservice Corp. Over the years that Western States and its successor WSI served as the implementation contractor for USDOL projects in CEE countries, a role that started in 1997, I worked closely with Virginia. I used to kid her that I had served as her rabbi and advisor—someone to talk to when she experienced the many problems and frustrations of her job. I served in that capacity until I retired in October 2004.

In the meantime, Jane Daly had been selected by Western States and USDOL to be the Project Director over our new project in Bulgaria and had prepared and printed a pamphlet to publicize the work of the PLEDGE project. I was pleased that Jane was now using my USDOL Model graphic and language in her pamphlet, and had dropped the social partner councils and other aspects of the earlier design that she had proposed.

It was interesting that Jane Daly was in Sofia taking steps to get the PLEDGE project up and running while Sydney was still putting the finishing touches on the design proposal in order to obtain the final approval from USAID in Bulgaria. Emails from Sydney Smith in the months after our design trip indicated that she was still making changes in the USDOL Bulgaria proposal for John Tennet in Sofia and needed my help. (Email from Sydney Smith to GBH, April 28, 1998) I responded by sending her some additional material and graphics that she could use. (April 29, 1998 fax from GBH to Sydney Smith)

My emails, other correspondence, and billing statements to Western States indicate that I was continuing to provide Sydney with assistance through June 1998. Apparently, Sydney was having trouble with USAID in maintaining the funding level and determining whether the \$1.3 million allocated might not be enough for the seed funding needed to allow the participating communities to start their local economic development projects after they completed their training and LED planning workshops. (Email from Sydney Smith to GBH, June 12, 1998)

Throughout the rest of the summer of 1998 I continued to communicate with and provide consulting assistance to both Sydney Smith and Jane Daly on the PLEDGE project. Now that Jane was fully engaged in getting the project off the ground, she had a lot of questions about how to organize and implement the LED component in Bulgaria.

Part of the problem was that while Jane Daly had her hands full with the start up of the Bulgarian PLEDGE project, she also wanted to keep her hand in the other USDOL projects, especially the one she had worked on with me earlier in getting the Poles to cooperate with USDOL and embrace the proposal that I had designed for them to provide assistance to the displaced coal miners in Katowice. The Poland Mass Layoff component would be starting in the fall of 1998, and Jane wanted to be involved in the start up of that project as well.

It was decided that USDOL would have two projects with LED components, one in Poland and the other one in Bulgaria, plus a third one that I was already involved with in Romania. I spent most of the summer of 1998 revising and updating my LED Guide for translation and use in both Poland and Bulgaria.

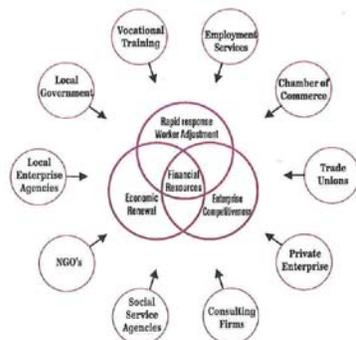
Furthermore, as noted in Chapter 8 on Poland, in October the Rapid Response component was to be started in Katowice before the LED component. Consequently, a Rapid Response manual needed to be prepared for that project as well. Jane helped me develop that manual. Because we anticipated that the training of the Industrial Adjustment Specialists (IAS) for each country would probably be held in October or November, the revisions in the existing RRWA Manual and my LED Guide needed to be completed and the finished products sent to Katowice and Sofia to be translated and printed in the local languages before the IAS training workshops were held.

Front and back pages of the flyer printed to describe the PLEDGE Program:

The **PLEDGE Program** seeks to build local capacity for strategizing community development priorities, designing local projects that address those priorities and accessing resources and assistance needed to implement them successfully.

This program uses a new integrated approach to achieve worker, enterprise and community adjustment. The integration of the worker, enterprise and community components along with training local experts is what makes the program so unique and beneficial.

USDOL Model for worker, community, and enterprise adjustment in Central and Eastern Europe



PLEDGE Program

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PLEDGE

**Partners in Local
Economic Development
and Government
Effectiveness**

**We Create
Partnerships in
Local Economic
Development**

**Project of the U.S. Department
of Labor**

Supported by USAID

By the latter part of September, conference calls were held with Sydney Smith and Jane Daly to see how things were going and to start the planning for the training workshops for the Industrial Adjustment Specialists/facilitators needed to implement the RRWA component in Katowice, and the LED component in Bulgaria.

Because I did not normally teach summer classes at USU and had decided to take an early retirement from USU effective November 1, 1998, I was free to work as a consultant for both the USDOL and the ILO after my USU classes ended. I was also ready to discuss the scheduling of workshops for the months of October and November 1998. After I retired from USU, my wife Helen said, "Now you will only have two full-time jobs instead of three."

At the time of my retirement from USU, I had concluded that while I would help launch the first IA Specialist/facilitator training workshops in both Poland and Bulgaria, as well as any future projects that might develop, I would turn the responsibility for conducting the LED workshops at the community level over to others, especially my good friend and colleague Marion T. Bentley and others we had begun recruiting for that purpose. I felt that from now on my time could be better spent on project design, consulting with the project directors, and trouble shooting for USDOL instead of conducting the community-level workshops for each of the USDOL projects in CEE countries .

During our September 24, 1998, conference call, we set the dates for the first IAS workshop training in Katowice for October 15-November 1, and in Bulgaria for Nov. 14-21, 1998. I also learned that USAID and the World Bank were going to hold a CEE regional conference in Bucharest, Romania, in late November that would bring together 300 people to discuss best practices on labor market programs and local initiatives. It occurred to me that I should attend that conference and share some of USDOL's experiences with those attending the conference. (Conference call GBH, Sydney Smith, Virginia Stacey and Jane Daly, Sept. 24, 1998)

During the next two weeks, a dozen or more emails went back and forth between Jane, Sydney, Alison and myself trying to iron out kinks in the schedules for the Poland and Bulgaria facilitator training workshops and making sure that all of the training materials and manuals were available for translation and printing in Katowice and Sofia. Clearly, running projects and training staffs in two countries was a major undertaking. In September, I spent 85 hours working on those two projects.

Marion Bentley and I flew to Sofia to conduct the five-day LED facilitators training workshop during November 16-20, 1998. Jane was presenting a talk about PLEDGE on Sunday so was not there to meet us when we arrived. She left us a note at our hotel telling us that she would pick us up at 9:30AM Monday morning for the drive to our conference site in Plovdiv.

We used several graphics during the training. Fortunately, all of the overheads and LED Guides had been translated in advance so the participants were able to read them in Bulgarian. My master copy of the agenda shows a number of changes were penciled in, but for the most part everything went according to schedule. One of the graphics that I prepared and used was reproduced as part of the PLEDGE flyer above, and another one outlining the process of implementing the CER component is presented below.

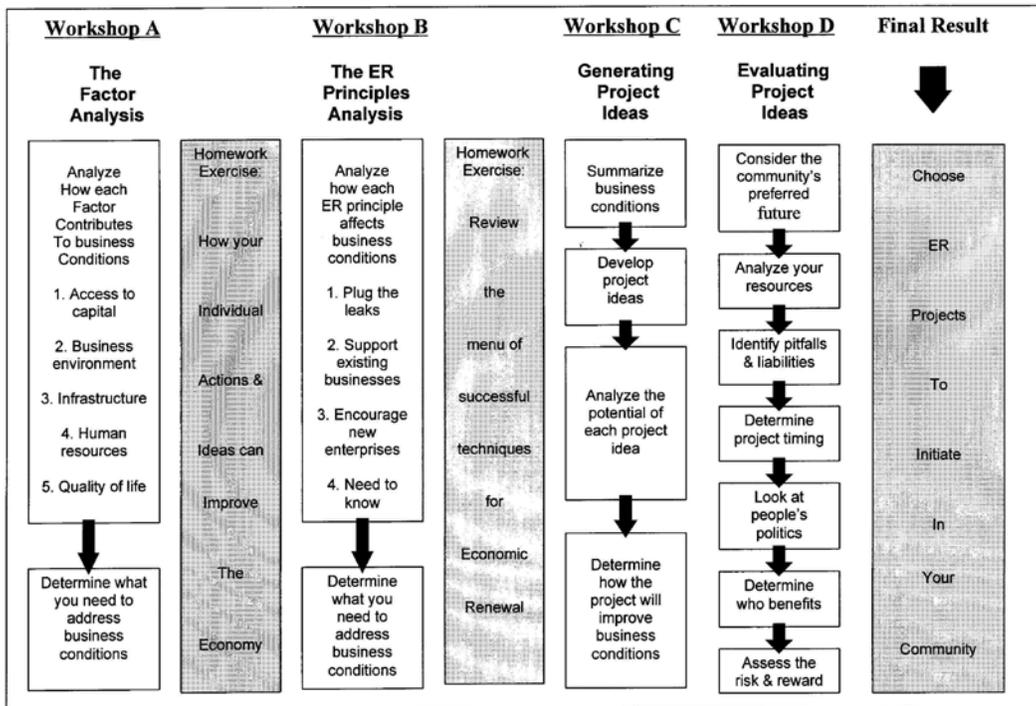
Emails that I sent to my family during my stay in Bulgaria and after my return home from Sofia, indicated that:

...[O]ur workshop went very well. Our stay in Plovdiv was also pleasant. It is a city of about 350,000 some 80 miles east of Sofia. It is an old city that was built on 7 hills, and

dates from antiquity. There are only six hills now, since they used the 7th to get the cobblestone to pave the streets. It is very picturesque, although a little seedy nowadays.

The weather was cold, but the hotel was warm. We had 26 participants attending the workshop, and they were a good group. The participants thoroughly enjoyed the group exercises, and seemed to be happy to be there. The only exciting event was learning from a local newspaper that the movie actress Catherine Deneuve (sp?) was staying at our hotel (in a newer wing) while filming a movie. One local source said she was supposed to be playing tennis outside our meeting room window. Alas, we did not see her. Also, one afternoon when we finished early, our translator, who was a professor at a local university, took us for a walk and showed us the seven hills of Plovdiv. We also stopped to see a Roman amphitheater and some of the historical homes in the area.

Chart 2
USDOL Community Economic Renewal Workshops
Discovering Business Opportunities in your community



During the next three months, I worked at home on the Bulgaria project and continued to provide consulting assistance via email and telephone to Jane and Sydney concerning issues and problems that arose.

I did not return to Bulgaria again until March 20 – 24, 1999. On March 14, 1999, I had flown to Bucharest to work on the Romanian LRP. The evening of March 20, I flew from Bucharest to Sofia. By the time I arrived, the Sheraton had sold my room and had to find me one at the Gloria Palace Hotel for the night. I moved back to the Sheraton the next day, Mar. 21. During the day I met with Jane and the LGI staff and discussed mutual interests and opportunities. I tried to leave a day earlier to return home because my work with Jane had been completed. Unfortunately, I was unable to get a flight from Sofia to Frankfurt, so I had to stick to my original schedule. March 24, I left for Frankfurt, stayed overnight at the Sheraton Frankfurt, (airport hotel) and returned home the next day.

During the coming months I completed some additional work on the PLEDGE project in Bulgaria. The following are some of the excerpts from my billing letters sent to Virginia Stacey at the end of each month.

In March I participated in teleconferences with Jane Daly and Sydney Smith to discuss the implementation of the LED Component, teleconference discussions with Sydney and you [Virginia Stacey] concerning the planned completion of the Quick Start pilot project and planning for how it should be continued as part of PLEDGE, travelling to Sofia and reviewing the effectiveness of the first round of LED workshops (Workshop A) delivered by Marion Bentley and Jane Daly in nine sites during the period from March 8-19, planning the dates for the next three workshops in Phase I (B, C, and D), and planning for the implementation of Phase II of the LED Component upon the completion of Phase I (to be completed in August or September of 1999).

During April 1999 I participated in teleconferences with Virginia, Jane Daly and Sydney Smith to discuss the implementation of the Quick Start pilot project and planning for how it should be continued as part of PLEDGE. Other activities included obtaining materials from Maria Heidkamp and writing a basic set of instructions for implementing Phase II of the LED Component, including new graphics for use by Marion in Workshop B that will be held in Bulgaria during May.

During May 1999 my work consisted of: communicating with Jane Daly and Sydney Smith to discuss issues concerning the continuing implementation of the PLEDGE LED Component, meeting with Marion Bentley to discuss Jane's emailed lists of questions about the future development needs of the PLEDGE project, and writing emails to Jane and others to convey information and answers to her questions.

In June 1999 I had a detached retina which required surgery and slowed me down for a few weeks. In spite of this I did work some hours on the Pledge task order. Work performed this month consisted of: communicating with Marion Bentley, Jane Daly and Sydney Smith to discuss issues concerning the continuing implementation of the PLEDGE LED Component; drafting an outline to be used by a PLEDGE intern to collect data about the implementation of the workshops at pilot CER sites in Bulgaria; meeting with Marion Bentley to debrief him concerning the delivery of Workshop C during June; and writing emails to Jane and others to convey information and provide answers to her questions concerning the project.

Work performed during July consisted of: communicating with Marion Bentley and Jane Daly to discuss issues concerning the continuing implementation of Round 1, Phase II of the LED Component in Bulgaria; prepared and, refined and sent a template to be used by Jane Daly and the PLEDGE LED site coordinators to prepare Phase II project proposals; met with Marion Bentley to debrief him concerning the delivery of Workshop D during July; and wrote emails to Jane Daly conveying information and providing answers to her questions concerning the project.

Work performed during August consisted of: communicating with Marion Bentley and Jane Daly to discuss issues concerning the continuing implementation of Round 1, Phase II of the LED Component in Bulgaria; preparing a CER job description for use by PLEDGE (and the other projects); and writing emails to Jane Daly conveying information and providing answers to her questions concerning the project.

Although I continued to be actively involved in this project throughout the summer and fall of 1999, as demonstrated by the heavy email traffic and telephone conference notes in my files, and I provided additional assistance whenever asked by Jane Daly, Sydney Smith Heimbrock or anyone else, once the project was well under way, my Bulgarian workload diminished as I spent more time on the

other USDOL and ILO projects that I was also working to design and launch during this period of time. For example, the startup and operation of the Poland Labor Redeployment Project (discussed in Chapter 8) was a high maintenance project from the start, with lots of problems and challenges in dealing with the Poles, and Alison Smith was a novice project director, and therefore the project required a good deal of my time and energy, whereas Bulgaria was under the direction of Jane Daly, who was an experienced consultant and project director. However, Jane too was new to the task of implementing an LED component and therefore required considerable help in the early stages of its implementation. Consequently, I continued to provide some consulting support to Jane and this project until it was completed in 2004.

4. Outcomes of the PLEDGE project

The Executive Summary of the Final Report of the Bulgaria PLEDGE project, prepared in 2004, said the following about the accomplishments of that project. (*PLEDGE—Partnership for Local Economic Development and Government Effectiveness, 1998-2004*, Worldwide Strategies, pp. 1-2)

From September 1998 through September 2004, PLEDGE completed LED projects in 55 communities or 22% of Bulgaria's 256 municipalities. All but one of these communities now embrace the program's core value: *people, not money, create positive change*. Communities learned to trust in themselves and hold the belief that working as a team leads a community down a more stable and propitious economic path.

"We are not used to team work. Every group within our local community operates separately. The administration seems to be doing a formal job. Private business and local organizations all work in isolation. Therefore, one of PLEDGE's main goals is to bring about this missing unity. No success will come to people who keep pulling the rug in their own direction".

Svetoslav Mladenov, IAS, Lorn

These guiding principles were key elements in the success of the program:

Create a community spirit of renewal and hope

- Establish community initiative and responsibility
- Introduce decentralized decision-making
- Develop cooperation, collaboration and partnership among local players

Seek realistic solutions to identified problems

- Focus on an economic base that utilizes community assets
- Assess local economic strengths, opportunities and needs
- Install a decision-making process using local data
- Introduce an open, transparent process

Achieve sustainable results using local assets

- Implement a job creation project
- Coordinate resources for maximum benefit

The Final Report of the PLEDGE project concluded that it was both a very successful and a cost-effective project. Furthermore, it made a positive and lasting impact in Bulgaria, leaving behind a cadre of trained community volunteers and an infrastructure capable of continuing the bottom-up, participative community economic development approach in the future. (Ibid, p. 26)

Although other programs have provided greater amounts of money to communities, PLEDGE out-performed these programs in terms of results, transparency, and sustainability.

The PLEDGE program has had a very strong, positive impact in Bulgaria. The network of local partners includes more than 3,300 Bulgarians who have participated in structured activities to bring economic renewal to 54 communities. The number of beneficiaries is uncountable. It includes people who have benefited from training or economic development but future beneficiaries are harder to identify. The PLEDGE methodology has been thoroughly adopted into the fabric of local life. With this start from PLEDGE, Bulgaria will continue to shape policies that support community driven development to fill the gaps where markets are imperfect or lacking or where public institutions or local governments fail to fulfill their mandates.

During its six-years, the PLEDGE project in Bulgaria expended \$4,370, 731. The final report states that project activities showed tangible achievements in 54 Bulgarian communities. (Ibid, p. 2)

Through this community participation process, PLEDGE brought about the following significant changes in 54 communities:

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| <p>Increased Employment of the Workforce 5,251 Jobs Created 941 Jobs Saved</p> <p>Increased Business Activity 188 Businesses Started 283 Businesses Expanded</p> <p>Improved Production 130,744 Decares of Fallow Land Reclaimed</p> <p>Increased Capacity to Pursue Post-Project LED Opportunities 361 Follow-on LED Projects Using Pledge Process</p> <p>Improved Business Climate 634 Local Level Improvements in Financial, Regulatory, Physical Infrastructure, and Services</p> <p>Strengthened Local Partnerships 1,052 Partners from Agriculture, Infrastructure, and Business-Related LED Projects</p> <p>998 Inter-industry Partnerships Created</p> |
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Needless to say, I feel very good about the outcomes achieved by the PLEDGE project, and I am especially proud to have had the opportunity to work with such talented and dedicated people in the design and implementation of this project. These individuals included but are not limited to Sydney Smith Heimbrock, Jane Daly, Marion T. Bentley, and Virginia Stacey, plus a number of Bulgarian nationals who worked with us to make this a successful project.