International Labour Conference

THIRTY-NINTH SESSION
GENEVA, 1956

First Item on the Agenda:

REPORT
OF THE DIRECTOR-GENERAL

GENEVA
International Labour Office
1956
INTRODUCTION

It is a commonplace that we live today in the midst of a revolution. Indeed, if we consider the history of civilisations, we find that situation to be the stubborn factor of virtually every age. Movement and change are the only sure laws of history. The feature that distinguishes a fortunate age from a less fortunate one is not, perhaps, to be found in the degree of change but in whether or not the people and their leaders are aware of the meaning of their own revolution and, in consequence, take steps to facilitate its progress through peaceful transition; or whether, blind to the vital movements of the time, they allow obstructions and frustrations to accumulate to the point where these movements seek outlet in violence and destruction. Our own times are not peculiar in being faced with this situation. Yet a new quality has been added to this persistent historical dilemma: if recourse to violence should lead to war, the ultimate consequences would be so terrible as to be unthinkable.

There are, as I see it, two sides to the problem of creating and maintaining conditions in which the normal and necessary changes of our dynamic world can take place in conditions of peace. The first is the need for peaceful adjustment to the changes which are occurring in the balance between the Continents. The second is the need to maintain the internal stability of societies undergoing change. These are but the same problem, looked at from two different angles. The whole edifice of international conciliation and co-operation is only as strong as the societies which support it.

Regarding the balance of the Continents, I see the essence of the twentieth century revolution in the constantly growing importance in world affairs of the nations of Asia, the Middle East and Latin America—and of the Continent of Africa. In this change social and economic factors predominate. The Industrial Revolution, which transformed the face of Europe during the late eighteenth and the nineteenth centuries, is now being enthusiastically welcomed in those parts of the world where its impact
has hitherto been only indirect. Industrialisation is pursued in these areas for social objectives: in order to improve living conditions, not only absolutely but relatively to conditions in the now industrialised countries. The governments in Asia, the Middle East and Latin America are committed to industrialisation. The governments of the industrially advanced countries have recognised this, and in their turn have decided to assist in the process. Bilateral and international agreements have permitted a vast quantity of assistance in the form of capital and skill to be directed towards the less advanced countries in recent years. This is perhaps the most important political fact of the present; its lasting significance is that governments and peoples are making an effort to understand the contemporary revolution and to facilitate its path through peaceful courses.

The other side of the problem—the political and social stability of countries—is difficult to approach. Factors which make for stability and instability are complex and differ from country to country. I would, however, like to direct attention to one factor which may have important consequences in a number of countries: the effect of economic development and technological change upon the social structure.

Before discussing this, I would like to distinguish between two different kinds of social problem. In the first place there is the kind of problem that economic development is designed to resolve: poverty, ignorance and disease. A good deal of attention has been given to this kind of problem, and governments are increasingly conscious of the need to plan developments in health and education alongside industrial development.

There is another kind of social problem. It concerns the change in the whole pattern of living brought about by industrial development. It includes the relations between individuals and groups who must live and work together if a society is to survive; the institutions they create and accept as vehicles for social action; their own attitudes towards themselves, their work and other people. Levels of education, health and income are, to some extent, measurable; these other questions of human and social relationships are more subtle and elusive. They are more difficult to discuss and understand objectively because they touch human feelings, sentiments, custom and tradition. Yet we must understand them because they concern the bonds of society itself, and if the personal and social life of the workers does not evolve with the increase in material output, it can only
mean that they have become cogs in a machine serving some purpose other than the general well-being of the people. Labour may be a mass, but each element of this mass is an individual human being, with his own inherent dignity and value. It is in the area of the relations between individuals and groups that the problems of social stability and of political stability merge. The growth of stable and responsible workers’ organisations, of the practice of collective bargaining, of various forms of co-operative organisation in industry and agriculture, of what is now called “community development”—all point to a healthy state of social relationships. The contrary indications are not hard to recognise: violations of freedom of association; a reliance on political action or violence rather than collective bargaining to achieve industrial objectives; the existence of masses of unemployed, refugees and migrants from rural areas having no roots in the communities where they live. The question which I wish to raise with you is whether the development of social relationships and social institutions is keeping pace with economic and technological progress and with the capacity of the different countries to support higher standards of living.

Indeed, the experience we have acquired shows that the process of economic and technological change has a serious effect upon social relationships and creates new social tensions and problems which we must understand and begin to take more fully into account. In the underdeveloped countries where industrialisation is now proceeding at a rapid pace, vast numbers of people are being uprooted from their traditional ways of life and finding themselves in unfamiliar situations, subjected to an unfamiliar rhythm of life and work. Communal and family ties are weakened before other bonds are formed in a new industrial society. It is not unnatural that people in these conditions should be subject to fears and instability. It may be that sometimes in our enthusiasm for industrialisation we forget that it is a means of improving human life, and not an end in itself. Social justice is not just more goods: to believe this would be to delude ourselves and, indeed, to work against our objectives.

In the industrially advanced countries, the expansion of industry constantly affects the social life of the workers. It influences their consumption habits, their recreation, their needs and their desires, and society must keep adapting itself to the resulting changes. Moreover, the progress of technology and
economic organisation is making industry an ever more intricate mechanism. Even the skilled worker, let alone the unskilled and semi-skilled worker, comprehends less and less of the total process. This may engender a growing sense of the helplessness of the individual faced with mysterious and at times seemingly malevolent industrial and economic forces. A healthy reaction is to accept the challenge, to endeavour to understand these forces and to work out ways of dealing with industrial and economic problems through democratic processes and institutions. But sometimes the challenge may seem too great or the responsibility of dealing with it too onerous. Some of the symptoms of unhealthy unconcern are familiar: a declining pride in workmanship, less interest in vocational training as wage differentials for skills are narrowed, less active participation in trade union affairs. Some are more drastic: for example, intransigence in industrial relations, inspired by mutual fears and suspicions between employers and workers.

If it be true that economic and technological progress can set in motion this type of chain reaction, this is a serious matter of national and international concern. If countries pursuing the objective of rapid industrialisation do not take into account the factors I have mentioned, the process can have an adverse effect upon the orderly progress of economic development and raising of living standards which are the necessary and proper objectives of national and international policy. And in many of the industrialised countries, if no means is found of giving a real social significance and social content to industrial work, of resolving the problems of industrial life through rational discourse between employers and workers on the basis of facts rather than fears, then the danger of violence and turmoil will have been aggravated rather than lessened by the growth of industry.

When I speak of stability I do not mean resistance to change, but rather the ability to absorb the changes which are making a revolution in ways of life and work. I am speaking of the capacity for peaceful transition. It may be objected that this is a domestic problem, too delicate and sensitive to bear the light of international examination; or that standard "international" solutions or formulae do not fit these problems. It is true, of course, that each people must be free to work out its own pattern of social organisation just as much as its own political forms, since these reflect the collective hopes and
AIMS OF A PEOPLE. Indeed, it is the essence of our approach not to dictate solutions but rather to help people to resolve their own problems in their own way. But the very importance of this being accomplished peacefully and without danger to the world at large makes it a fit object of international concern. And the responsibility of the I.L.O. in social problems makes it especially appropriate for consideration by this Conference.

How should we approach the matter? Before anything else, I believe it is necessary to understand how economic and technological developments affect social organisation and human behaviour. Since the problems themselves are of a psychological and institutional order, the attack upon them must be primarily by the methods of investigation, education and persuasion. The aim of our effort should be that people should themselves deal with their own social problems in a rational way and through democratic processes. What they need in order to achieve this is an objective understanding of the conditions in which they live and work and a habit of working things out through co-operation.

The I.L.O. has, I feel, a special responsibility to deal with the problems of social relationships and institutional growth which I have pointed to above. The regular programme in which we are now engaged will, I hope, go some way towards fulfilling this responsibility. The I.L.O.'s work on co-operative organisation and the activities of the Industrial Committees are two different examples of the way this Organisation has approached these problems. There are other examples which I could give which reside within our traditional forms of action. I would now, however, like to direct your attention in this regard to three main lines of development in our future work. In the first place we have been following closely developments in new industrial processes—for example the application of automation in industry and the industrial uses of atomic energy. We have been preparing so as to be ready to take whatever practical measures may be appropriate to deal with the social consequences of these technological developments. I propose to give more thorough treatment to this subject in my Report to the next session of the Conference. In the meantime our efforts will serve to increase awareness throughout the world of the implications for social policy of technological and economic progress. This is one instance of how the I.L.O. can usefully spread
objective information about new social developments. But in addition to providing objective information and analyses, it is also necessary to promote an understanding of how such information can be used by the people and interests affected by social change, of how they can deal with the problems facing them. This is a problem of education. Through the workers' education programme, which the I.L.O. is now embarking upon, I hope we shall be able to provide a stimulus to practical training for the workers in different countries in how to deal rationally and effectively with their own social problems. Finally, the process of adaptation to new technological methods and new forms of economic organisation requires co-operation between the parties concerned and principally between the employers and the workers. The I.L.O.'s new programme for promoting better labour-management relations aims to attack this aspect of the problem. Labour-management relations, moreover, as I emphasised last year in my statements to the Conference, is essentially a training in the democratic process. It is a practical education in creating and operating the kind of institutions through which men must work together in order to bring about, by their own efforts, the economic and social changes of a dynamic community. Good labour-management relations permits progressive adjustment to new conditions while strengthening the social structure of the community.

These, then, are the lines which I believe should be emphasised in the I.L.O.'s work for the years ahead. I hope that by following them this Organisation will be able to help increase the resilience of society and prevent it cracking and splintering under the strains of economic and technological progress. I hope that through these means we shall be able to help strengthen democratic processes and ease the way for social change. It is for you now to consider whether indeed this is the problem with which we should deal in the years ahead and whether we have chosen the right methods of approaching it.

* * *

I would ask you to bear these factors in mind when reading the Report which I now lay before you. Chapter I gives a factual account of the main social trends observable during the past year. You will note how broad is the area in which we must continually be ready to foresee, to prepare for and to
INTRODUCTION

adjust to social and industrial changes. Chapter II deals with some of the inter-related problems of rural and urban employment. I have chosen this subject for special emphasis in my Report this year in response to the concern with it expressed by many who spoke in the debate on my Report at last year's session of the Conference. The movement of populations between countryside and town is itself one of the principal factors affecting the problem of social stability and institutional development to which I have just referred. Finally, in Chapter III there is an account of the I.L.O.'s programme of activities over the past year. It would be extremely helpful to me, and I believe useful to the Organisation, if delegates would devote some attention in their statements this year to the I.L.O.'s programme, particularly from the point of view of its effectiveness. Have I.L.O. activities been useful in your country? If you would consider this question critically, tell us where these activities have been useful and where they may have fallen short of their objectives, it would be a great aid to future programme planning. And I would ask you to consider too whether the I.L.O. programme seems to respond sufficiently to the various preoccupations which appear from an analysis of contemporary social trends.
CHAPTER I

THE LABOUR AND SOCIAL SITUATION

Conditions in many countries during 1955 were favourable to improvement of living standards and strengthening of social protection. Technological progress continued at a rapid pace, bringing with it fresh possibilities of material growth and social advance and at the same time new problems in the labour and social field. A high level of employment prevailed in many parts of the world. In general, consumer prices maintained their stability of the past three years and, with rising production and productivity, real wages in many countries continued to move upward. New measures of protection against the economic and social insecurities which beset industrial society were introduced in a number of countries to meet new needs. Industrial disputes, which had aroused some apprehension early in 1955, gave no real cause for alarm over the year as a whole.

This bright picture has its dark side. Some countries are experiencing serious inflation, and in others inflationary pressures are becoming more immediate and stronger. Some are suffering from severe and persistent underemployment. In several areas there have been signs of increased social unrest and instability. Most important of all, while labour and social standards are indeed improving in most parts of the world, many millions of workers are still living and working in conditions which fall well below any reasonable standards of health, decency and human dignity.

SOCIAL PROBLEMS OF ADJUSTMENT TO
TECHNOLOGICAL CHANGE

A compelling factor in social progress during 1955 was the accelerated increase in new products and processes. Automation, electronics and the industrial application of atomic energy, moving ahead together with a host of other technological
improvements, again focused attention on new prospects for material progress in all parts of the world and also on the new problems which are arising for management, for workers and their unions and for governments.

Automation made great strides in factories and in offices in many branches of industry (particularly manufacturing) and commerce in a considerable number of industrialised countries. Technical conferences and meetings to study the introduction of automation and its effects were held during the year in a great many countries, including Australia, France, the Federal Republic of Germany, Poland, the Union of South Africa and the United Kingdom. In the United States there were Congressional hearings on the economic and social impact of automation as a facet of technological progress and the technical aspects of automation were widely discussed within industry. Research into the engineering aspects of automation and related forms of technological change has been intensified, particularly in Europe and in Canada and the United States. In the United Kingdom the Department of Scientific and Industrial Research is making a survey of automation in British industry, the results of which will be submitted to the Engineering Advisory Council, on which both employers and workers are represented. In the U.S.S.R. a new Ministry was recently set up to deal with automation and machine-tool construction and a special committee has been charged with the task of helping to apply research results and to introduce new industrial methods.

Striking progress was also made during the year in the industrial application of atomic energy. The International Conference on the Peaceful Uses of Atomic Energy, convened by the United Nations in August, was a great stimulus in this direction. It showed that the production of electricity from nuclear energy is a practical possibility which will be rapidly developed and that radio-isotopes are already being extensively used in industry, although only the fringe of their possible uses has so far been explored. It also made clear that little is yet known about the long-term effects of ionising radiations and that urgent steps must be taken to educate and protect the workers exposed to radiations through the use of radio-isotopes in industry.

But it is not only the large-scale production of energy based on the fission of the atom that looms on the horizon. At the Atomic Energy Conference it was hinted that within the next
20 years scientists would have learned how to control the fusion process (used in the hydrogen bomb), which would provide mankind with a cheap and virtually inexhaustible source of power. More recently, a conference on the utilisation of solar energy was held in the United States, where over 1,000 scientists from 36 countries discussed the future possibilities of developing a cheap and practical means of utilising solar energy to produce electric power on a large scale.

There is certainly more intense and more widespread concern with the social aspects of technological change today. This in itself is significant. It is helping to centre attention on the real problems and to dissipate the imaginary ones, to create the attitudes and understanding on which the acceptance of change depends, and to work out practical solutions for the problems. As has been pointed out, rarely, if ever, has there been so much consideration at such an early stage of the social and human implications of new technological developments, so much stress laid on the need for advance preparation for the future, and such widespread recognition of the initial difficulties. All this implies a healthy evolution. In many cases the result has been greater understanding and greater confidence based on more objective appraisal of current and prospective developments.

In the discussions which have taken place, it has been generally agreed that the immediate problems to be met concern industrial organisation and location, employment and training, wages, hours and other aspects of personnel policy and labour-management relations, and social security; that there must be sound planning ahead to meet these problems; and that in some areas of policy the main responsibility for action lies with management, in others with the workers and their unions, and in still others with government departments or agencies.

Already automation, electronics and related technological changes are bringing many new problems for management. I would say that the more active concern of business leaders for the social consequences of these changes is one of the significant trends of recent years. In the United States, for instance, employers changing over to more automatic processing and control are giving greater attention to labour-management relations, conferring with the workers and their union representatives about proposed changes and making sure that management and workers at all levels understand the possible effects—good
and bad—of automation. Many are retraining or planning to retrain as many workers as possible at company expense, co-
ordinating new hiring to fit in with the installation of new machinery or with expansion programmes and helping workers whose displacement is unavoidable (e.g. by giving them adequate advance notice, help in finding other work and dismissal pay).

Trade unions generally concur that these are responsibilities which should be assumed by employers. In Belgium, Canada, Sweden, the United Kingdom and the United States they place special emphasis on the need for close labour-management co-
operation in planning ahead and in meeting transitional prob-
lems. For instance, the British Trades Union Congress, meeting in September 1955, adopted a resolution declaring that technological advances in electronic and automatic processes, while presenting opportunities for higher living levels, would create new problems whose solution would depend on a greater measure of workers' participation in industry through joint consultation. In most countries the unions are pressing for equitable distribu-
tion of the benefits of improved production and productivity and in particular for higher wages, shorter hours and larger pen-
sions. Another major emphasis is on adequate social security and income protection to tide a worker and his family over any period of unemployment. The trade unions are also urging that opportunities presented by technical advances should be used to improve working conditions generally.

Government agencies have been concentrating very largely on objective studies of the facts, in order to promote wider understanding of the changes taking place, to analyse their impact and to anticipate any temporary difficulties likely to be created. In some cases they are also reviewing their admin-
istrative services (e.g. employment, training and social security services) to ensure that these are properly equipped to handle any short-term problems which may arise.

But despite the greater social concern with technological change, the fear that unemployment may arise out of such change has not diminished. In fact, this fear on the part of individual workers remains one of the dominant psychological elements in the world social situation.

Needless to add, apprehensions about the future tend to be particularly great where there is already chronic mass unem-
ployment and underemployment. Asian difficulties in this respect are obvious and colour the workers' attitudes towards
rationalisation and other forms of technical change. Indeed, it is in many of the industrially less advanced and over-populated countries, where there is a general shortage of employment opportunity, that the social problems of technological change may emerge with the greatest force and urgency. The process of change is likely to be more abrupt, from primitive methods to highly advanced ones. The labour force is largely unaccustomed to industrial work and mechanisation of any kind. Government services, employers' organisations, trade unions and other social institutions lack experience and are not well equipped to deal with the problems as they arise. It is thus in these countries which have the greatest need for industrial progress that social resistance to change is likely to be the greatest and social preparation for it the least advanced.

No one can foresee the speed at which the various technological developments now becoming familiar to us will be put into extensive use in the world economy or how fast those as yet unknown will be introduced. But some of the questions to which the answers must be found through further study and analysis of the facts are beginning to emerge. What will happen to the level of employment? Will economic activity in some sectors expand fast enough to compensate for decreased opportunities in other sectors? What types of industry are likely to be created or stimulated and what types of jobs are such industries likely to provide? What changes will be needed in education and training facilities for young persons and for adults? What can be done to guard against unnecessary dislocation of manpower? How can individual hardship be lessened where workers are unavoidably displaced? What types of changes will be needed in such fields as wages, hours, safety, welfare and social security? What special problems will be raised in the less developed countries?

In general it is, I think, apparent that, in answering these questions in the practical and dynamic terms required, there must be a renewed and forceful emphasis on developing positive labour-management relations in industry. There must also be a comprehensive review of public services and facilities for dealing with social and labour problems to ensure that they are attuned to present and prospective needs rather than to those of the past. Furthermore, close and continuous co-operation between government services and employers' organisations and
trade unions will be necessary, both to assess the problems and
to do something about them. The continued analysis of the
social implications of technological change and of the problems
raised for governments, management and labour must, it seems
to me, remain one of our essential concerns in the years to come.

THE TREND OF ECONOMIC DEVELOPMENT IN THE
LESS ADVANCED COUNTRIES

The economic development of the less advanced countries
will be another decisive element in any general advance towards
higher living standards. Moreover, the transition to industriali-
sation associated with economic development is presenting us
with some of the most urgent social problems of our time.

In Asia considerable progress in the implementation of develop-
ment programmes has been made in spite of the difficulties
encountered in securing financial resources at home and from
abroad. The annual development expenditure in the public
sector in a number of Asian countries is shown in table I.

TABLE I. COST OF DEVELOPMENT IN THE PUBLIC SECTOR IN
SELECTED ASIAN COUNTRIES
(In £ million, at a constant rate of exchange)

<table>
<thead>
<tr>
<th>Countries</th>
<th>1953-54 (Actual cost or revised estimates)</th>
<th>1954-55 (Revised estimates)</th>
<th>1955-56 (Budget estimates)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Burma</td>
<td>51.4</td>
<td>62.7</td>
<td>41.2</td>
</tr>
<tr>
<td>Ceylon</td>
<td>18.3</td>
<td>30.1</td>
<td>31.8</td>
</tr>
<tr>
<td>India</td>
<td>287.2</td>
<td>406.6</td>
<td>533.1</td>
</tr>
<tr>
<td>Indonesia</td>
<td>68.0</td>
<td>76.3</td>
<td>40.7</td>
</tr>
<tr>
<td>Federation of Malaya</td>
<td>17.4</td>
<td>16.7</td>
<td>21.5</td>
</tr>
<tr>
<td>Nepal</td>
<td>0.7</td>
<td>0.4</td>
<td>0.4</td>
</tr>
<tr>
<td>Pakistan</td>
<td>64.4</td>
<td>88.0</td>
<td>120.2</td>
</tr>
<tr>
<td>Singapore</td>
<td>11.4</td>
<td>15.7</td>
<td>15.4</td>
</tr>
<tr>
<td>Thailand</td>
<td>23.1</td>
<td>28.1</td>
<td>22.7</td>
</tr>
<tr>
<td>Total</td>
<td>541.9</td>
<td>724.6</td>
<td>827.0</td>
</tr>
</tbody>
</table>

Source: The Colombo Plan for Co-operative Economic Development in South and South-
East Asia: Fourth Annual Report of the Consultative Committee (Colombo, Government Press,
November 1955), p. 3.

In the fiscal year 1954-55 their total public development
expenditure was equivalent to £724.6 million, an increase of
34 per cent. over 1953-54; the increase occurred in all these
countries, with the exception of the Federation of Malaya and Nepal. The combined budget estimates of the same countries for 1955-56 provides for a further increase of about 14 per cent. in the total public development expenditure. It will be noted that the 1955-56 budgetary provisions for development in Burma, Indonesia and Thailand were curtailed for reasons of financial stringency, while in several other countries development outlay continues to increase at a fairly rapid rate.

Thus far, development programmes in most Asian countries have concentrated on the promotion of agriculture, electric power, transport and communications. Social services, such as health, education and housing, have also claimed a substantial share of the planned development expenditure. One common trend in planning, notably in Burma, Ceylon, India, Pakistan, and the Philippines, has been the growing importance attached to community development in rural areas. Another has been the emphasis on small-scale and cottage industries with a view to creating employment opportunities for the unemployed and underemployed. A number of countries have taken steps to encourage private investment and enterprise in industrial fields through tax incentives, financial assistance and other measures. One important step in this direction has been the establishment of industrial development corporations in Ceylon, India and Pakistan for the purpose of providing funds for private industry. Another has been the encouragement of investment of foreign capital.

On the mainland of China the Five-Year Development Plan (1953-57) now in progress gives priority to heavy industry. Special attention is being paid to the iron and steel, coal mining, electric power, machine construction, automobile and aircraft industries. In Taiwan a Four-Year Plan for Economic Development has been operating since 1953. The plan attaches great importance to industrial development with a view to replacing imports of manufactured goods.

In the Middle East a number of governments have allocated an increased proportion of public revenue to basic development. Several governments (including those of Egypt, Israel, Lebanon, Saudi Arabia and Syria) have reformed their financial and fiscal systems with a view to promoting development work. Israel and Turkey have received considerable financial assistance from abroad; and in Iraq increased resources have been made available for development purposes as a result of the
growth of oil revenues. Recently Egypt has been offered financial assistance for the Aswan High Dam development project by the Governments of the United Kingdom, the United States, and by the International Bank. Negotiations have also continued with regard to the proposed Jordan Valley development scheme, but political factors have so far prevented their conclusion. In some countries basic economic and social changes, such as land reform in Egypt, are helping to lessen obstacles to development. These are some of the events affecting the possibilities of development programmes in Middle Eastern countries.

In Egypt a Permanent Council for Development of the National Economy was established in 1953 to co-ordinate development projects in various fields, and in 1954 a Permanent Council for Land Reclamation was created to frame general policy in this field and to reclaim waste lands entrusted to it or belonging to the State. Special efforts have been made to improve agricultural yield and to increase the country’s electric capacity and a number of important industrial projects are in progress. The crux of the long-term agricultural programme is the building of the High Dam above Aswan. In Iran a new Seven-Year Plan, with emphasis on agricultural and transport improvement, was announced early in 1955; and in Iraq a new Five-Year Plan, directed mainly towards the development of the country’s soil and water resources, has recently been approved by the Ministry of Development and the Development Board for the period 1955-56 to 1959-60. Recent policy in Turkey has placed a special accent on agricultural development but industrialisation has also continued at a relatively rapid pace, although the unfavourable balance of payments situation has in recent months obliged the Government to curtail new projects. Important development projects have been carried out or are in progress in Lebanon and Syria. Many of them aim at improvement of irrigation facilities.

Israel’s major economic preoccupations so far have been to accelerate capital formation or investment so as to absorb the immigrants and to bring its balance of payments nearer to equilibrium. A rapid expansion in investment has been made possible mainly by capital imports in the form of loans, donations and foreign private capital. The two most important fields of investment have been housing and agriculture, with industry as the third. The Seven-Year Development Plan for the period 1954-60
has the primary purpose of reducing the deficit in the balance of payments.

The broad trend of economic development in Latin America since the war is shown in table II. Real income has risen markedly during the last ten years. By 1954 it was over 50 per cent. higher than in 1945. One important factor facilitating this rapid expansion has been the improvement in the terms of trade.

**TABLE II. TREND OF AVAILABLE GOODS AND SERVICES IN LATIN AMERICA: CONSUMPTION AND INVESTMENT, 1945-54**

*(At 1950 prices, in U.S. $1,000 million)*

<table>
<thead>
<tr>
<th>Year</th>
<th>Available goods and services</th>
<th>Gross investment in fixed capital</th>
<th>Indices of terms of trade (1950 = 100)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Consumption</td>
<td>Gross investment</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>Private</td>
<td>Public</td>
</tr>
<tr>
<td>1945</td>
<td>27.9</td>
<td>24.9</td>
<td>21.6</td>
</tr>
<tr>
<td>1946</td>
<td>30.6</td>
<td>26.6</td>
<td>22.9</td>
</tr>
<tr>
<td>1947</td>
<td>34.8</td>
<td>30.1</td>
<td>26.5</td>
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<tr>
<td>1948</td>
<td>34.8</td>
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<tr>
<td>1949</td>
<td>35.7</td>
<td>29.9</td>
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<tr>
<td>1950</td>
<td>36.5</td>
<td>30.7</td>
<td>25.9</td>
</tr>
<tr>
<td>1951</td>
<td>40.0</td>
<td>33.4</td>
<td>28.1</td>
</tr>
<tr>
<td>1952</td>
<td>40.6</td>
<td>33.5</td>
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<tr>
<td>1953</td>
<td>40.1</td>
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<tr>
<td>1954</td>
<td>43.3</td>
<td>36.8</td>
<td>30.4</td>
</tr>
</tbody>
</table>


Some of the figures for the total differ slightly from the sum of the components because of the rounding of decimals. Consumption includes changes in inventories.

Industrial production has continued to expand rapidly in Brazil, Colombia and Venezuela and there was a recovery of production in 1954 in Argentina and Mexico which has been sustained during 1955. In Chile, however, the index of industrial production for the first six months of 1955 fell appreciably below that for the second half of 1954. In Latin America as a whole particular emphasis has been laid on the establishment of capital goods industries, in order to promote a better balance between these industries and consumer goods industries. Much progress has been achieved in the development of the iron and steel industry. The cement industry has continued to grow in response to the expanded construction activity. One serious bottleneck
in industrial development has been the shortage of the supply of energy and many countries are taking steps to improve the situation.

It is to be hoped that the industrialisation of the economically less advanced countries will be accelerated in the years to come. Indeed, faster progress is necessary in view of the rapid growth of population in many of these countries. There is a danger that economic development projects and plans for the coming years will not keep abreast of population increases in many areas, let alone enable the masses to attain higher living standards. The proposed International Finance Corporation may help to resolve some of the financial problems of development. Various forms of international assistance may help to meet some of the technical problems. The I.L.O. should be ready to cope with many of the labour and social problems which stem from economic development and are too often neglected. It is true that higher living standards depend primarily on the extension of world production capacity and therefore that continuous economic development is essential to social progress. But it is also true that economic development tends to be a disruptive force, often engendering social instability and disorder. It is here, I think, that the I.L.O. has an important responsibility, both in anticipating the problems which will be created and in helping to meet them intelligently with measures designed to promote that social stability which is the only sure foundation for sustained economic and social progress. We can well afford to give more thought both to the kind of social problems which are created in the very process of economic development and to the ways in which this Organisation can help to solve them.

THE TREND OF EMPLOYMENT AND UNEMPLOYMENT

There is little to add to what was said in my Report last year concerning the steady and continuing movement away from agriculture towards manufacturing and service occupations. The basic trends have not changed. Urbanisation and industrialisation are proceeding everywhere. In each country they raise specific economic and social problems for both rural and urban peoples (these problems are discussed in the next chapter) and more general cultural problems arising from changes which affect traditional values, social institutions and
TABLE III. TRENDS IN DISTRIBUTION OF LABOUR FORCE
BY ECONOMIC SECTOR
(Millions of persons)
ways of life. The statistical trends in a number of selected countries are shown in table III.

In 1955 employment levels in most countries for which statistical information is available were the highest since the end of the Second World War. In two-thirds of these countries the average was higher than in any previous year. These rises in employment continue an upward trend which has prevailed since the war, interrupted only in or about 1949, when slackened

**TABLE IV. EMPLOYMENT INDICES**

(1948=100)

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</table>

1 Bold type indicates base year where this was not 1948. Italics indicate figures calculated on base year other than 1948.
2 Most figures for 1955 are provisional estimates.
3 Excludes persons temporarily laid off. 1949-52 figures are averages for less than 12 months.
4 Sampling design revised Nov. 1952.
5 Wage earners only.
business activity was reflected in declining or stagnant employment in many countries, and in or about 1953, when employment levels in a number of countries were affected by the tapering off of rearmament programmes and by a variety of other factors.

Most of the increases in employment from 1954 to 1955, as measured according to the available data, ranged from 1 to 3 per cent., some countries showing greater gains, e.g. the Federal Republic of Germany (7 per cent.), the United States (4 per cent.) and Finland (4 per cent.). (See table IV.) The expansion occurred more particularly in manufacturing and service industries; agricultural employment, on the contrary, in a good many of the more developed countries continued the downward trend which it had shown for some time past.

Table V shows the substantial regional variations which have taken place in the recent evolution of manufacturing employment. The composite indices of employment in this sector for the regions shown separately reveal striking increases between 1953 and 1955 (6 per cent. and 8 per cent. respectively) in Western Europe and in Australia and New Zealand as compared with a decrease of 4 per cent. in Canada and the United States. Between 1954 and 1955 manufacturing employment expanded in all these regions.

### Table V. Employment in Manufacturing (1953 = 100)

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<tr>
<th>Region</th>
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<th>1955</th>
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<tr>
<td>Australia and New Zealand</td>
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* Provisional figures. Includes seven countries in regions not shown separately.

In the United States after the recession of 1953-54, which had chiefly affected manufacturing, economic activity increased considerably early in 1955 and a high level of employment continued throughout the year. In Canada the 1955 employment level was, on the average, 3 per cent. above the level of 1954. Both Australia and New Zealand had a buoyant employment situation and there were complaints of "over-full employment". The United Kingdom also suffered from manpower shortage in all sectors of the economy.
In every European country for which statistical information can be obtained, except Denmark, the level of employment, according to the most comprehensive measure available, was higher in 1955 than in 1954. Non-agricultural employment reached its highest post-war level during 1955 in Austria, France, the Federal Republic of Germany, Luxembourg, the Netherlands, Norway, the Saar and the United Kingdom.

In the U.S.S.R. and Eastern European countries there appears to have been a continuous expansion of employment. Reports on the fulfilment of national plans and official statements of policy for the future indicate some general tendency towards a slackening of the rapid growth of industrial employment which has been characteristic of the U.S.S.R. and of all the countries of Eastern Europe in the post-war decade.\(^1\) This is very largely the result of co-ordinated programmes for redistributing workers within industry and transferring workers from industry to agriculture, which have been worked out in order both to meet the relatively high demands placed on agricultural production throughout the area and to maintain—and in some cases to increase—the high rate of growth of capital goods industries, as well as substantially to decrease industrial production costs. Efforts are being made to restrict the flow of manpower from rural to urban areas and to attract additional manpower to agriculture in order to remedy agricultural labour shortages now reported from almost all these countries. Industry has been urged to economise in the use of manpower, and increased employment of women and transfers from handicrafts and services to industry have been encouraged with a view to providing a locally available additional labour force for essential industries.

In Latin America, where industrial employment decreased in several countries in the post-war years, the information available points to fairly general improvement in 1955, except in Chile, where inflation and other factors have caused considerable

\(^1\) The yearly percentage increase of industrial employment (compared in each case with the previous year) was:

<table>
<thead>
<tr>
<th>Countries</th>
<th>1952</th>
<th>1953</th>
<th>1954</th>
<th>1955 Plan</th>
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<td>Hungary</td>
<td>10</td>
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<td>U.S.S.R.</td>
<td></td>
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Sources: Plan Fulfilment Reports; Plánované Hospodářství (Prague), No. 1, 1955.
employment dislocation and insecurity. In Mexico the creation of 250,000 jobs per year is reported to be necessary in order to avoid unemployment and to promote economic development. Although statistical data are meagre in most countries of the region, it is known that serious underemployment exists in many parts of Latin America.

Few data are available on employment in Africa, Asia or the Middle East, but non-statistical evidence indicates that it is in these regions that the employment picture has been least favourable during 1955.

In Asia the employment situation remains a matter of utmost anxiety. In India, for example, where the Finance Minister has estimated that some 15 million people might be regarded as available for absorption in new lines of activity, there has been no conspicuous improvement during 1955. For the purpose of expanding industry and improving the employment situation a target of 11 million new jobs has been set in the second Five-Year Plan and the acceleration of development on a wide rural and urban front has been given an important place, with a decentralised pattern of production and employment opportunity. As concerns the countries for which data are available, unemployment has increased in Ceylon, India, Japan, Pakistan and the Philippines. Underemployment of serious dimensions remains one of the most difficult problems of Asia, affecting millions of workers in rural and urban areas. In many of these countries, however, there is today intense concern with the situation, and more is being done to deal with the repercussions of unemployment and underemployment on the individual human being and to find means of preventing the grave hardship which at present is unavoidable.

In the Middle East also the general employment position is characterised by chronic and extensive underemployment. Moreover, there has been an employment crisis in Iran (in the textile industry), in Turkey (in the woollen, rubber and metal-working industries, because of shortage of foreign exchange for imported raw materials and spare parts) and in Egypt (where unemployment has been particularly noticeable among workers drawn from rural areas and lacking in special skills).

In general, however, world unemployment diminished during 1955, apart from the areas faced with long-term problems. Table VI gives the unemployment statistics for 30 countries and the western sectors of Berlin, and shows that in 20 of these
# TABLE VI. UNEMPLOYMENT

(In thousands of persons)

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<td>4.3</td>
<td>2.7</td>
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<td>15.1</td>
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<td>12.1</td>
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<td>308.4</td>
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<td>1,673.0</td>
<td>1,602.0</td>
<td>3,230.0</td>
<td>2,654.0</td>
</tr>
</tbody>
</table>

* Provisional figures.  
* Beginning Jan. 1953 scope of series enlarged.  
* Less than 100.

areas unemployment was lower in 1955 than in 1954. It must be remembered that these statistics cover only a limited number of countries and tend to throw an unduly optimistic light on the world unemployment situation as a whole.

Even where the level of employment is generally high, as in the United States, it may be possible still further to decrease unemployment. The Department of Labor is conducting a special inquiry into hard core unemployment in particular areas, industries or occupations or among particular groups, with the aim of removing individual causes of unemployment. Several other countries are initiating somewhat similar programmes.

The attack on seasonal unemployment has gained momentum and is an aspect of employment policy which has come increas-
ingly to the fore in the last few years. In Canada the Government's campaign against seasonal unemployment has continued with greater support from business and labour groups and with increasing evidence of success. In Australia seasonal labour problems in conditions of full employment are under study. In the Netherlands, Norway and Sweden there has been considerable discussion of seasonal unemployment, in an effort to reinforce measures aimed at reducing it to a minimum. In the United States methods for regularising industrial employment have been strengthened by many recent collective agreements and in addition a new programme has been initiated by the federal Government for providing greater, more varied and more regular opportunities for working and obtaining income in the poorer rural areas.

In general there has been no lessening of the commitment to the goal of full employment or of general concern with this objective. On the contrary the fact that unemployment is a social evil which cannot be tolerated and the necessity for progressively wiping out underemployment through a constant increase of employment opportunity are being given ever greater emphasis.

Changing Employment Opportunities: Labour Mobility and Employment Security

Along with efforts to create employment opportunities, a strong accent has been placed in many countries, particularly the more highly industrialised, on security of existing employment and increased social protection against unemployment. The concern with employment security arises out of—and is sometimes in conflict with—the need for greater mobility and flexibility in the labour force which, in turn, arises from continuing economic and technological change.

The social pressures for steady employment and for greater protection against unemployment are perhaps best illustrated by the income-maintenance provisions included, at the instance of the trade unions, in a good many collective agreements concluded in 1955 in the United States.\(^1\) In a number of other

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\(^1\) The agreement between the Ford Motor Company and the United Automobile, Aircraft and Agricultural Implement Workers of America (U.A.W.) provides that the employer should set up a trust fund with which to pay unemployment benefits in addition to those received by
countries the importance accorded by the unions and by individual workers to employment security was perceptible—even in countries where no immediate problem of unemployment exists.

In some cases, particularly in countries with general manpower shortage, there have been complaints of over-rigidity in the employment market, of too much resistance to changing jobs, and of undue reluctance to take the risks inherent in moving from one job to another. In other cases there has been excessive labour turnover, which hampers the smooth and continuous readjustment of manpower supply to the demand for workers in industrial and industrialising countries.

Problems arising from too much or too little mobility in the labour force have been particularly acute in countries where, for one reason or another, the pattern of economic activity is changing relatively rapidly. Occupational mobility is one aspect of the problem constituted by the whole question of skill development in industrial and industrialising societies; and vocational training at all levels is receiving much greater practical emphasis now than ever before. Vocational guidance and counselling facilities of one kind or another are directed towards helping people to take the best advantage of changing opportunities. Other problems, connected with assisting the movement of workers and their families from one place to another, have been a matter of special concern in recent years in countries in all stages of economic development.

In Western Europe implementation of current plans for economic and social development involves the transfer of many hundreds of workers from one occupation and often from one place to another and sometimes from one country to another. In France a Manpower Redistribution Fund was set up in 1954 specifically to promote the movement of workers from occupations and areas with declining activity to occupations and areas with better prospects. In Italy the Vanoni plan calls for the

the worker from the Government. Until the fund reaches a certain size, contributions will be made to it by the employer at the rate of 5 cents per worker-hour of employment. Benefits in addition to government unemployment insurance will be paid from the trust fund to workers who have been laid off. The amount of benefits payable per week to workers will depend on the trust fund position but in no case will the total benefit per week paid from the fund exceed $25 or be paid for more than 26 weeks, nor will the combined weekly benefit from the fund and from the Government exceed 65 per cent. of the worker's weekly wage. It is estimated that by the end of 1955 more than 1 million U.A.W. workers were covered by these or by somewhat similar provisions.
transfer of some 600,000 workers from the south to the north of the country. The Netherlands is seeking to encourage unemployed persons to move to other parts of the country by special grants to those willing to take up jobs elsewhere. The Federal Republic of Germany is making particular efforts to improve housing facilities in areas with expanding employment opportunities. Within the Coal and Steel Community measures have been taken to promote the movement of workers from areas where marginal undertakings are being closed down to occupations and areas where additional workers are needed. Within the O.E.E.C. countries, and in relation to their efforts to develop a more integrated economy in Western Europe, a good deal has been done both to encourage effective national organisation of employment and to meet specific problems of manpower demand by facilitating a freer flow of manpower from one country to another.

Eastern European countries have had to encourage extensive occupational and geographical mobility of labour in connection with their efforts to redistribute manpower in accordance with changing production requirements in industry and agriculture. In some of these countries very large numbers of workers and their families have moved from one place to another. Certain countries, the U.S.S.R. for one, have also faced problems of excessive labour turnover during the year in some industries and undertakings, making it difficult in some instances to form sufficient "cadre" staff supported by a stable labour force.

Experience in the industrially developed countries suggests that well equipped guidance and training facilities are essential to encourage occupational mobility of the kind and extent required and that in the movement of workers from one place to another suitable housing and living conditions are almost always significant. The provision of appropriate financial assistance is also an important factor. But many other circumstances of a broader social, psychological and financial character affect workers' decisions to move or to stay. All of these have to be taken into account in organising employment, particularly if we are to limit the hardships suffered by workers in adapting themselves to changes in the character and location of employment opportunities. It is, I think, significant that questions connected with labour mobility are beginning to receive sustained consideration in a wider context than in the past.
Many of the less developed countries also face difficulties connected either with inadequate mobility in labour supply or with excessive and haphazard movements and undue labour turnover. In some cases all these problems are present at one and the same time. They are often acute because of the absence of facilities which would serve to reduce the individual hardship likely to be associated with moving from one place to another.

A special survey (the first of its kind) conducted by the Indian employment service in 1955 is of particular interest in that it suggests the limited degree of mobility among job applicants in that country and the reasons therefor. Out of 37,000 registrants in the "shortage and special" categories, at the end of February 1955, less than 4,000 were prepared to accept jobs anywhere in India. The main reasons were the inability of the employer to provide accommodation for those they would like to employ, the unwillingness of employers to contribute to travel costs, the general reluctance of job seekers to break family and social ties and to uproot themselves (particularly where no special incentives existed for so doing), and the unwillingness of both employers and job seekers in general to commit themselves to any reasonably long period of engagement. The Planning Commission, studying the results of this survey, made an observation which may perhaps be suggestive for other countries faced with somewhat similar problems:

It will be seen ... that the problem of immobility of labour (which might prove one of the crucial manpower problems during the Second Five-Year Plan, with its main emphasis on employment) requires to be carefully studied in all its aspects and measures planned in advance to avoid the possibility of a serious bottleneck in the supply of the requisite manpower. A combination of measures comprising both economic and psychological incentives, such as the adoption of wage differentials and incentives, provision of proper housing, better working conditions and appeal to the public to co-operate with the authorities in the larger interests of the country, will have to be devised to achieve the objective. The solution may also lie in placing more emphasis on regional planning, i.e. equating the demand for and supply of workers of various categories at the state level rather than at the national level so that the need for inter-state mobility within the country could be reduced to the minimum.1

On the other hand, over-mobility and instability of manpower, expressed in high rates of turnover, are problems common to many underdeveloped countries and non-self-governing terri-

tories in the early stages of industrialisation. In most cases they signify that the industrial workers have not yet severed their ties with the land and with their villages. Often, but not necessarily, they are associated with a lack of special skill or training. Unskilled workers particularly are apt to drift from one job to another, picking up what they can but rarely developing a sustained interest in their work. Experience has shown that a high rate of turnover in these countries in such conditions is prejudicial both to the acquirement of greater skills and to the attainment of better wages and conditions of work.

One key sector of employment policy which has received considerable scrutiny in the year under review is that relating to young persons. In many countries special problems have arisen out of the entry into employment of greater numbers of juveniles. In addition the general uncertainty generated by technological change and industrialisation has a special impact on youth. It is becoming increasingly difficult to plan or to foresee with any degree of certainty a career in any occupation. It is not only of the economically developed countries that this is true. It has a particular significance in the countries now in the process of industrialisation, where old patterns of entry into employment, fixed by heredity or tradition, are becoming less rigid and the younger generation is faced not only with problems of transition to an unknown occupational future but also with the breakdown or alteration of the pattern of social life. The increasing complexity of certain technical jobs necessitates long and difficult training, which is sometimes unattractive to young persons, sometimes beyond their means, and sometimes, where it is embarked upon without the required aptitude, a cause of deep disappointment.

In the circumstances it is not surprising that there has been a general growth of interest in vocational guidance and training. Fuller and more accurate data on occupations and opportunities is being furnished so that workers may make their choice of career on a sound basis. At the same time, in a constantly changing situation no choice of occupation can be considered to have a life-time finality. Thus, the accent is being placed upon vocational guidance as a means of improving the young worker’s capacity of personal adjustment to jobs and job situations, so as to make it easier for him to adapt himself to new jobs should the need arise, and on widened vocational training, in order to facilitate future occupational mobility.
The according of more attention to the problems of older workers is characteristic of the more developed countries, particularly those with manpower shortage. Full employment and the gradual but significant increase in the average length of working life in many countries have made it desirable to review policy in this field from the standpoint of economic well-being. There has also been a noticeable heightening of genuine social concern with the plight of older workers. Frequently (for example in Australia, Canada, Sweden, the Union of South Africa, the United Kingdom and the United States), the point of departure has been study of the facts about the employment of older workers and campaigns, undertaken in the light of these facts and in co-operation with employers' and workers' organisations, to lessen any employment discrimination against them found to exist. Aside from varied and persistent educational efforts along these lines, the question of the retirement age and the policies and practices which should govern retirement from working life are being more closely scrutinised. There is more agreement now on the desirability of relaxing rigid and restrictive retirement provisions and introducing greater flexibility into employment arrangements for elderly workers, in view of the beneficial socio-psychological and physical effects of continued work and the economic importance of making full and good use of human resources. This is without prejudice, of course, to the making of adequate arrangements for any worker above a certain age to be able to retire if he so chooses. Finally, research on the problems of older workers has been intensified in a good many countries. In the United Kingdom, the National Advisory Committee on the Employment of Older Men and Women, in its second report submitted towards the end of 1955, has recommended that the Minister of Labour, in bringing the report to the attention of employers and workers, should emphasise the continuing need for firms to examine the age structure of their establishments and the desirability of industries promoting research into aspects of the employment of older workers that are their particular concern. It also suggested that a broader approach to the training given to workers at the beginning of their work lives might help to solve employment problems arising in later life—a point which may be borne in mind in the review of youth training policies now under way in a number of countries.

The question of part-time work in relation to employment,
and more particularly in relation to the employment of married women, has come into prominence in several countries during the last year. Where there is a static or shrinking population of working age, there is some likelihood that such work may become far more general than it is today. Where there is a considerable older group in the labour force, the same may be true. The proportion of married women in employment is rising in a great many countries in different stages of economic development: in quite a few countries at least one woman out of three in the economically active female population is married and in several the proportion is much higher. This tendency is presenting us with a series of economic and social problems concerned with the organisation of employment and of domestic life, of which the development of effective schemes for part-time employment is only one. In most countries what seems needed now, above all else, is objective study of the facts, particularly those relating to the needs and opportunities for part-time work and to the special problems of different industries and occupations.

Finally, interest is developing in the eradication of racial prejudice and discrimination. Patterns of race relations in the United States appear to be changing for the better in consequence of such factors as labour mobility, trade union and employer attitudes, Supreme Court decisions and other legal developments relating, for example, to education and fair employment practice, and as a result of greater knowledge of human behaviour. In India, the passage in 1955 of the Untouchability (Offences) Act is bound to have a long-term effect in removing religious and social prejudice and the social disabilities under which over 50 million people have been living and working. In certain African territories some progress has also been made in reduction of racial discrimination in the field of employment and occupation. In a number of countries employers have been cooperating actively in efforts to lessen racial tensions and to promote better relations in industry. Many national trade unions took a more decisive attitude against discrimination in 1955 and the world trade union movements have affirmed their complete opposition to all forms of racial discrimination.

The whole question of equality of opportunity in respect of employment, whether for the old, for the physically handicapped, or for those who are the victims of discrimination because of race, colour, sex, religion, national origin or cultural differences,
is one which seems to me to merit our continuing attention in the years ahead.

SKILL DEVELOPMENT

One major emphasis in 1955 was on developing more and higher skill in the labour force. In part this emphasis derives from existing shortages. In many countries there have been complaints of lack of skilled workers and technicians in certain trades. In part it stems from the persistent increase in the demand for new skills and, in many instances, for workers with higher qualifications. The demand for new skills, common to all economies at all stages of development, is simply more acute in the present period of relatively rapid technical and social change. There is also, as indicated in my Report last year, some evidence of a long-term trend towards an increase in the proportion of highly qualified workers. Still another reason is the prediction of higher and more extensive skill requirements flowing from steady technological advance in the years ahead.

Thus, partly because of these factors and partly for reasons more peculiar to each country's development, there has been a sustained interest in vocational training over the year. There is also an increasing recognition of the close link between education and training, and in particular of the fact that any advance in standards of training depends primarily on a rise in standards of general education. Education was very much in the foreground in most countries, for there is awareness of a need for review and improvement of existing facilities and for doing more to give real meaning to the generally agreed objective of equality of educational and vocational opportunity for all.

During 1955 there was continued piecemeal improvement in national vocational training facilities, particularly those for young people being trained in schools. In most cases the improvements were in the nature of more extensive and varied openings for training and better instruction and equipment. A tendency to place somewhat more emphasis on quality as against quantity was reflected in the decision of a number of Latin American and Asian countries to devote their limited resources to the development of a few model training schools or centres providing high quality training in a range of needed skills around which gradual expansion of facilities could be planned. There was also more stress on systematic training for agriculture
and rural occupations, perceptible in national efforts to strengthen those facilities (as in the Philippines) and to improve their practical relationship to the carrying out of development schemes (as in Pakistan). The training of instructors for vocational schools and centres was given high priority in many countries (as in Brazil and a number of other American countries and in a good many Asian countries).

A few countries have begun a more comprehensive review of their vocational training facilities. Turkey is carrying out such a review, to detect and fill gaps in its programme, to effect greater co-ordination of the training being given and to promote higher standards. In Egypt a permanent tripartite council on vocational training and productivity has been set up in the Ministry of Social Affairs to study these problems and to assist the Ministry in developing suitable and co-ordinated training programmes.

Continued stress on improvement of training facilities is a marked characteristic of manpower policy in Eastern European countries and in the U.S.S.R. All forms of vocational and technical training are being intensified on the grounds that the rapid development of industry and technological improvements make essential the greatest possible attention to raising levels of skill. In the U.S.S.R., for example, every year some 1,200,000 workers are trained within the systems supervised by the individual ministries both in specialised courses and schools and on the job, and over 2 million annually are given "improver" courses to raise their vocational qualifications. Altogether the State is spending about 2,000 million roubles per year on training and retraining workers. In all the Eastern European countries special emphasis is placed on the need for continuous improvement in the level of the workers' education, culture and training.

In a great many countries there has been an intensified interest in training on the part of industrial leaders and management. In Canada and the United States this is partly due to the employer's own initiative and partly a response to trade union pressure urging expansion of in-plant training as one means of meeting new skill requirements and dealing with workers affected by technological change. In the Netherlands there is reported to have been a greater appreciation on the part of industry of the importance of training and this, combined with a greater willingness to undergo training on the part of workers, has led the Government to expand certain types of
training openings. In many of the less developed countries the livelier interest among employers in training has so far focused primarily on supervisory training (as in Asia) but extends to many other forms of training for young persons and other new recruits for industry.

A second development of general interest is the continued scrutiny of apprenticeship. In Israel, faced with an acute need for more skilled workers, the Government has expanded apprenticeship and new training centres are being set up in different parts of the country. Italy, after review of existing policies, adopted in January 1955 a new Apprenticeship Act to consolidate and improve its system. In several countries a continuing shortage of apprentices in certain trades has caused concern. The Union of South Africa has carried out an inquiry among employers in trades coming within the scope of the Apprenticeship Act, in the hope that the results will reveal any tendency there may be towards overcrowding in some trades and towards understaffing in others and provide useful guidance in planning apprenticeship and recruiting young people for the skilled trades. In the United States multi-state conferences on apprentice training, sponsored by labour and management and by the state and federal apprenticeship agencies, were held during the year to tackle some of the major problems posed by the shortage of skilled workers. The Secretary of Labor has drawn special attention to the urgency of the need to raise the level of skills of the American work force in the light of trends indicating that training will have to be increased tremendously in quantity and improved greatly in quality over the next ten years. Some unions have set up apprenticeship committees to review needs and methods for apprentice training. In many countries there has been evidence of the continued backwardness of present systems and standards for training apprentices in prevailing industrial conditions, and in some cases labour and management are beginning to work more closely together with a view to overcoming deficiencies.

Also, as in the previous year, there have been several important advances in higher technological education. It has been said, with substantial truth, that technological development involves revolutionary thinking in regard to the attitude to be adopted towards technological education. There are signs that consideration is being given to that attitude in a number of countries. The United Kingdom has continued to implement
its policy of providing for all young people with the requisite
ability a graded system of technical education and training, and
is co-ordinating and expanding its facilities within this pattern.
For example, a National Council of Diplomas in Technology in
Technical Colleges has been established, primarily in order to
cooordinate standards and provide a national award for tech-
nical college students taking advanced technological courses.
One of the recent shifts in education and training policy in the
U.S.S.R. is aimed at producing more technicians and semi-
technicians for industry through expansion of facilities and
co-ordination of general and technical education channels.

At the risk of some repetition, I must draw particular attention
to the vast tasks facing the less developed countries in
respect of training. The Prime Minister of India has stressed
the intrinsic economic and social value of training to the indus-
trial expansion which is on the horizon in these countries. The
financial aspect of development is important, he said, but "far
more important is the training of personnel. The danger is that
we may have to slacken our pace for lack of trained personnel.
We have manpower enough and, sometimes, manpower can take
the place even of capital. But without trained manpower we
cannot go far. We have, therefore, in our planning to think
ahead and train an adequate number of persons for all branches
of national activity."1

Despite many difficulties, considerable progress has been
made towards solving some of the outstanding technical prob-
lems of training—for instance, training instructors, develop-
ing curricula and obtaining equipment. But there are many
points still to be dealt with. For example, in all countries in
which the vast majority of the entrants to industry come
directly from agriculture, from a rural to an urban-oriented life,
the training of the labour force presents certain special diffi-
culties. A vast adjustment of outlook and adaptation of native
skill is required. Much more is involved than merely teaching
people with an agricultural background to operate a machine
for industrial purposes.

Too little is known about these problems. The dominant
tendency so far has been to "export" training systems from
the more highly industrialised countries to the less developed
countries. Very often little more than lip-service has been paid

1 Quoted in the Indian Worker (New Delhi), 22 Jan. 1955.
to the need to adapt training content and method to the real needs of the industries and peoples in countries undergoing development. It would not have been possible to do much more for lack of the essential data on which to base a proper adaptation. This has been particularly noticeable in certain countries of Latin America and of the Middle East, where more information is needed about the workers entering industry and the factors influencing their behaviour.

**Recent Wage Developments**

In most parts of the world industrial wages have continued their upward movement. Since consumer prices have remained relatively stable during the last three years, the purchasing power of wages has risen significantly. In 1955 real wages in the countries which send the I.L.O. information on the subject were on the average about one-fourth higher than before the war.

Money wages having increased in nearly all countries considerably more than prices from 1939 to 1954, the median increase in real wages over the period was approximately 26 per cent. (half the countries reported increases of more than this amount while half reported lower figures). This is the over-all gain which would result from a regular annual increase of 1.6 per cent. over the preceding year for each of the 15 years. These figures probably understate the real improvement in the workers' economic position since the pre-war period. They make no allowance for the extension and liberalisation of social insurance and other social programmes. In some countries benefits of these kinds have been more important than gains in real wages themselves.¹

The most recent available statistics indicate a continued increase in real wages from 1954 to 1955. More than half the countries forwarding data on the subject to the I.L.O. reported

¹ Thus in France in 1938 the family allowance for an unskilled worker with three dependent children represented 15 to 20 per cent. of the estimated monthly rate of pay; in 1954, with higher allowance rates and an additional supplement for a non-working wife, the total family allowance for such a worker was almost two-thirds of the estimated monthly rate of pay. In Italy, between 1938 and the autumn of 1954, the family allowance for a worker with a wife and three children mounted from 12 per cent. of average daily wage rates in industry to 48.5 per cent. Other types of social benefits in France and Italy also increased during this period.
an increase of 3 per cent. or more in real wages over the year. The median rise in real wages was 3.5 per cent.

In the U.S.S.R. and Eastern European countries available data on increases in employment and in the wage bill, as well as on the average percentage fulfilment and over-fulfilment of norms of work, suggest that a rise in money wages took place in the course of 1954 and 1955. Reductions of retail prices of consumer goods, although in scope and extent less important in 1955 than in 1954, also contributed to increases in average real wages which, according to official statements, attained substantial proportions. In Poland real wages of industrial workers were reported to have increased by about 20-22 per cent. during the 1954-55 period, according to preliminary official estimates.¹

As has been the case in previous years, both collective bargaining and legislation have been important factors in wage determination. In collective bargaining the year 1955 was noteworthy for substantial concessions affecting income security. Guaranteed monthly wages were adopted in wage agreements negotiated with the Paris Metal Workers. In the United States income maintenance provisions were included in the previously mentioned agreement between the Ford Motor Company and the U.A.W.² and in a number of other important collective agreements. They are intended to promote the regularisation of employment and wages over an annual period. There seems no doubt that efforts to stabilise income and work on a yearly basis will be intensified and will embrace a wider field in the years to come.

Among recent developments in legislation affecting wages, mention may be made of an Act of 13 March 1954 in Ceylon providing that the Commissioner of Labour may determine minimum wages in shops and offices with the consent of both parties concerned: when this is not forthcoming or when a party repudiates its consent minimum wages may be determined by a remuneration tribunal appointed by the Minister of Labour. In Bolivia the Government raised the scale of minimum wages in 1954, acting upon the report of a commission appointed in 1953 to study the wage structure. In Brazil a decree of 1 May 1954 also set up a new table of minimum wages. In the United States

² Cf. pp. 24-25, footnote.
the minimum wage for workers in undertakings engaged in inter-state commerce has been raised from 75 cents to 1 dollar per hour, an increase which directly benefits about 2,100,000 workers.

"Fringe" social benefits financed by employers have continued to be a substantial supplement to wages in a number of countries, particularly in the United States and to a lesser extent in Canada, the United Kingdom, and certain countries of Western Europe. They are raising new problems, which are gradually beginning to receive attention from labour, management and government. Mention may be made of two surveys carried out in Sweden—one by the Swedish Employers' Confederation and one by the Swedish Confederation of Trade Unions. Both were prompted by the growing insistence on increased employer-financed fringe benefits by trade unions which had hitherto concentrated collective bargaining demands on straightforward wage increases. Both show that there is a high total expenditure on fringe benefits (the employer study indicated that such expenditure amounted to 18 per cent. of the payroll) and that white-collar workers, who in their demands had long given priority to social benefits rather than to direct wage increases, receive considerably more fringe benefits than do manual workers.

There was evidence of a good deal of stress and strain in the wage structure of a number of countries. One problem, already obvious last year, is that of wage differentials and inequalities in the wage structure. These have come under increasing scrutiny during the last year. There has been a tendency since before the war for differences in the wages paid in different industries and occupations to become smaller. From an equalitarian point of view, this trend may be considered desirable. At the same time, however, too strict an equalisation of wages may have the bad effect of not encouraging the raising of standards of skill and efficiency and of not encouraging workers, particularly young ones, to take employment in those industries and occupations where they are most needed. In any event the trend towards decreased wage differentials for skill has caused overt discontent among many skilled workers in a good many countries, notably Canada, the Federal Republic of Germany, Ireland, Switzerland, the Union of South Africa, the United Kingdom and the United States. The question of margins for skill remains a matter of controversy in industrial and labour circles in Australia and New Zealand.
Technological changes are putting this problem into a somewhat altered perspective. Along with the continuous long-term decline in the wage differential for skill there is a tendency for technical changes to diminish the skill required in many operating jobs now graded as skilled (no matter what openings for skill may be created elsewhere), so that much work traditionally classed as skilled no longer requires such special qualifications as would justify a substantial premium. On the other hand, technological developments are calling for many new skills and may increase the proportion of highly qualified workers and technicians needed in the economy as a whole. If in fact overall skill requirements do increase with technological progress—and proof of this seems still to require further evidence—then the future may show a relative improvement in payment for skill defined in new terms, as well as a relative upgrading of the labour force at all levels.

Progress towards equal pay for men and women may be noted. In the United Kingdom in 1955 schemes for the gradual increase, through seven annual instalments, of women's wage scales so that they become identical with those of men have been put into operation for non-industrial civil servants in the central service, for employees of local authorities, for teachers, and in the National Health Service. These schemes are bound to have a long-term effect in achieving equal pay for men and women in many sectors of the economy. Equal pay for the sexes is also gaining some foothold in the Australian wage structure, not so much as a general movement but by ever-increasing application in particular cases (e.g. the grant of male rates to women radiographers under the Queensland Radiographers Award). In the Federal Republic of Germany a federal court decision, maintaining that the constitutional right of women to equal rights with men covers the principle of equality of remuneration, has brought under review the provisions of a good many collective agreements in this regard.

**THE TREND OF PRODUCTIVITY**

A great many different factors have contributed to the increase in real wages. The full gains achieved, however, would have been impossible without a substantial increase in productivity, both in agriculture and in manufacturing industries.
Both production and employment in manufacturing have risen appreciably since before the Second World War, but the gains in production have clearly been the greater: the divergence between the two trends reflects a rising level of industrial productivity. This upward trend continued during 1955, and possibly at an even greater pace than in previous years. The rough computations which can be made for Canada, Japan, the United States and the countries of Western Europe as to the advance of production over employment in manufacturing indicate an increase of 5 to 8 per cent. in output per man.

The problem of devising or adapting systems of remuneration so as to provide effective incentives to raise productivity and to ensure that workers share equitably in the resulting benefits is receiving more and more attention in many countries. In France, for example, a decree of 20 May 1955 provides for certain tax concessions in respect of sums paid to augment the earnings of workers in accordance with agreement for joint participation in measures to increase productivity. Only payments which represent an increase in workers' earnings and which are made as a result of agreements between employers' and workers' representatives, after discussion with the works councils, and under approved conditions, are eligible for exemption.

Wide application of payment by results has long been an inherent part of wage and productivity policies in the U.S.S.R. and is now extensively used in countries of Eastern Europe. According to national sources labour productivity has increased substantially throughout the post-war period and the present rate of increase compares favourably with pre-war achievements in this field. Thus, on the basis of official statistics published in these countries, it is estimated that in the U.S.S.R. labour productivity in 1955 was 44 per cent. higher than in 1950 and 100 per cent. higher than in 1940; that in Poland in 1954 it was 170 per cent. above the 1946 and 75 per cent. above the 1937 levels; and that in Hungary it increased over the period 1949-54 by about 47 per cent. both in Industry and in construction.

Hours and Other Conditions of Work

Greater emphasis on reduction of hours of work was reflected in demands for shorter weekly hours and longer holidays. In part, these demands reflect a desire for more leisure; in part,
they express a deeply rooted desire for higher income through overtime; and in part, they may reflect anxieties and insecurities about the future—about the employment effects of automation and other technological developments and industrial rationalisation and modernisation.

In the United Kingdom, at the Trades Union Congress in September 1955, a motion for a 40-hour week was finally defeated on the grounds that, although the 40-hour week was general policy in the trade union movement, the present was not an opportune time for its enforcement: if it were put into effect now, it would not reduce working hours but simply increase the amount of overtime. In Canada and the United States, where a 40-hour week is already standard practice, the trade unions are linking demands for higher wages directly with demands for shorter hours because of automation and other forms of technological progress: the 30 to 35-hour work week has become a major objective of the central federations and of a good many of the individual unions. In Belgium agreement has been reached between the employers' and workers' organisations on a step-by-step reduction of hours of work to 45 in the week. The principle is being applied immediately in a number of industries, and will be applied somewhat later in others and, after further study, in still others. A general review of progress is to be made in May 1956. The question of a reduction in hours is under study, in most cases on a tripartite basis, in a number of Western European countries, including Denmark, the Federal Republic of Germany and Norway. Shorter hours are also under consideration in several Eastern European countries and in the U.S.S.R. In the latter, for example, under the Five-Year Plan for the period 1956-60 working hours will be reduced from eight to seven in the day.

In most countries where the reduction in hours is a topical issue of social policy there seems to be fairly widespread recognition that, in general, where hours are already at a reasonable level—say below 48 per week—a further reduction would often result in some loss of output and would thus involve a choice between increased leisure and increased levels of material living. But the position is complicated and imperfectly understood. There is, however, no doubt that a strong movement of opinion in favour of shorter hours has taken shape among the trade unions, particularly in the more developed countries, and
that 1955 has witnessed the beginnings of a discussion likely to continue for some years.

In many areas of policy bearing directly on conditions of work in industry and agriculture, much has been done in recent years, through legislation and increasingly through collective bargaining, to raise labour standards and to improve the physical and social environment in which people spend their working hours. There is steady progress to report in respect of industrial welfare, holidays with pay, weekly rest, medical care, the protection of wages and many other aspects of conditions of work. Legislative progress has been more noticeable in the less developed countries, and enforcement problems have grown in consequence. In the great majority of industrially advanced countries collective bargaining is the most common means of ensuring that working conditions move ahead with industrial progress, and in recent years technological advances and general gains in productivity have given a considerable impetus to trade union demands for continuously improving labour standards.

Increased concern with the social problems of industry is typical of a greater effort to analyse facts, to find and appreciate real causes and thus to find more effective solutions. Absenteeism, for example, is a problem met with in industry almost everywhere. It is often an acute, if traditional, problem in the less developed countries. In many Asian countries and in some parts of Latin America and the Middle East rates are very high. As in the more industrialised countries, absenteeism is generally a symptom of other problems. It often indicates some degree of maladjustment to new methods, disciplines and work relations, lack of adequate motivation, or imperfections in the developing industrial structure and in the climate of labour-management relations. Its solution has therefore to be sought primarily in a variety of measures aimed at facilitating the progressive adaptation of the labour force to the new conditions of industrial society. In Europe, the United States and several countries of the British Commonwealth, both employers and trade unions have begun to take more interest in problems connected with absenteeism, not only because of the economic wastage involved in absence from work but also because of its indications as to the general climate of morale and because, in some cases, absenteeism appears to have increased despite general improvements in hours of work, holidays and general health. Current research is seeking to site the problem of absenteeism in the
general social environment of industry and of the different undertakings and within that framework to analyse the various factors entering into it in particular cases.

SAFETY AND HEALTH

The growth of interest in occupational safety and health has been shown by the amount of regulations, standards and literature issued in the more advanced countries and in the increasingly varied and numerous safety and health activities in non-metropolitan territories and other underdeveloped countries. This interest has also grown out of the wider recognition that safety and health activities are an integral part of all production efforts and must be accorded their due place in productivity and vocational training schemes.

Generally speaking, safety standards have been improving. Nevertheless, the problem of industrial accidents remains serious in most countries of the world. Recent trends in accidents cannot be described with any degree of accuracy. Many countries—including some of those most important industrially—do not publish any statistics at all and others publish them several years in arrears. However, from the figures available, it seems fairly clear that occupational accidents have not decreased very substantially during the past four or five years.

In the United States alone, occupational accidents average around 2 million a year, of which over 15,000 are fatal and 80,000 to 90,000 result in some permanent disability. Nearly all branches of industry contribute substantially to this huge total—agriculture over 300,000, mining 75,000, construction over 200,000, manufacturing about 500,000, transportation over 180,000, trade over 300,000, and miscellaneous industries over 350,000. Figures of almost the same order of magnitude have been reported from the Federal Republic of Germany, where the average total is about 1,500,000. In the United Kingdom, for the second time since the war years, there was an appreciable increase in 1954 in the number of reported accidents in premises covered by the Factory Acts, although there was a decline in the number of fatal accidents.

Even in less populated countries the number of occupational accidents is quite high: Switzerland had nearly 128,000 in 1952 (not counting 91,990 very minor accidents), the Netherlands
has lately averaged about 300,000, and Sweden a little less. In Switzerland alone, industrial accidents are estimated to cost production the equivalent of 28,000 workers remaining idle throughout the year.

Some industries have notoriously high accident figures—mining is one of them. French mines average between 100,000 and 150,000 accidents a year, Belgian mines had nearly 125,000 in 1952, British coal mines over 220,000 in 1954, the Federal Republic of Germany about 150,000 in 1953 and United States some 75,000 in 1954. Mines are prolific of fatal and serious accidents. Some 200 French miners were killed in 1951 and nearly 7,000 permanently disabled; over 170 Belgian miners were killed in 1952; 700 miners in the Federal Republic of Germany in 1953; and 370 British miners in 1954.

These figures may seem discouraging when one thinks of the effort now being put into accident prevention (at least in the most highly industrialised countries), the voluminous and detailed regulations, the specialised inspectorates, extensive research, education, training and all kinds of propaganda. Yet there is no doubt that this immense effort has borne good fruit and that without it accident figures would be very much higher than they are.

It is fair to add that in many of the more industrialised countries the recent trend in occupational accidents is more favourable than that, say, of traffic or home accidents. Nevertheless, in a good many of these countries occupational accident frequency rates are still higher than the pre-war figures, and there is therefore no room for complacency.

These relatively high accident rates are due to a number of factors which tend to vary from one country and industry and occupation and plant to another. In some cases an element in the situation is the influx into factory work of large numbers of persons—young persons and often women—unfamiliar with industrial hazards. This was a factor stressed by the Chief Inspector of Factories of the United Kingdom in his report for 1954 and also by the Director of the Women's and Minors' Bureau of the Ministry of Labour in Japan in connection with the Minor Worker Protection Campaign held in November 1955.

Technical advances also bring safety and health problems in their train. Much use is now being made of toxic chemicals in agriculture and ionising radiations are beginning to be widely
utilised in industry. Mechanisation is progressing everywhere—in the handling of goods, in the extraction of minerals, in agriculture. These elements may create new hazards. At the same time, there is a welcome tendency towards installing machines with built-in safety devices.

Among occupational diseases, silicosis remains grave. Several countries are making exhaustive studies of dust problems in the principal industries concerned—mining, tunnelling, quarrying, foundry and pottery—and seeking to control its causes and to reduce its incidence.

Now that so much progress has been made in making technical equipment safe and in other forms of physical protection, more and more attention is being paid to the human and psychological factors which continue to play an important part in the accident picture. For instance, more interest is being shown in the problems of adapting industrial equipment, especially machines, to man, rather than endeavouring to adapt man to equipment. Much is also being done within industry to enlist the full co-operation and participation of management and workers in safety measures. Plant safety committees have often proved helpful in this connection.

In spite of unwarranted and often unfair statements regarding the percentage of accidents which are caused by the worker himself, there is a wide realisation that many varied factors enter into accidents, such as inadequate job planning, poor supervision, lack of job training and safety education, and a number of ill-defined factors, as well as unsafe behaviour on the part of the workers. Thus, in attacking the accident problem, more countries are stressing the need for comprehensive and objective surveys of the many different technical and human factors contributing to the incidence of accidents in particular undertakings and among particular groups of workers—e.g. young workers new to factory employment.

While there has been encouraging intensification of occupational safety and health activities in nearly all parts of the world, the present situation is far from satisfactory. The number of accidents and cases of ill health related to working conditions in industry and agriculture is still very high, and some technical advances now on the horizon are likely to increase them unless due precautions are taken in good time.
Social Security Developments

Social security measures often adapt slowly to changed conditions and frequently tend to lag somewhat behind in meeting new needs. On the other hand recent developments evidence steady, if slow, progress towards wider and more adequate protection against the major contingencies of industrial society.

Many of the changes made during 1955 consisted of piecemeal amendment of existing schemes, particularly in the way of administrative and financial improvements, extensions of scope and the liberalisation of benefits and of the terms on which they are provided.

A few countries enacted legislation setting up new schemes covering a single branch of social security. Egypt adopted an Insurance and Provident Fund Act, which applies to employees in establishments where not fewer than 50 persons are employed; steps are to be taken within five years to ensure its progressive application to smaller establishments. On 1 January 1955 Sweden brought into force a compulsory sickness insurance scheme for the whole population, and the Federal Republic of Germany a family allowance scheme for workers, self-employed persons and members of their families working in their establishments, as well as pensioners; old-age assistance has recently been introduced in the Netherlands Antilles.

Although few countries set up new comprehensive social security schemes in 1955, several were making plans to introduce social security or to cover contingencies not yet dealt with—for example, Libya (a general scheme for employees in industry, commerce and public service), Peru (a scheme for salaried employees) and Uruguay (compulsory sickness insurance). Similarly, various countries were studying the provision of social security protection in their non-metropolitan territories.

The provisions of Burma's 1954 Social Security Act relating to sickness, maternity and employment injury of industrial workers were brought into force on 1 January 1956. The Philippines and Thailand are preoccupied with implementing legislation enacted in 1954 to establish their first social security schemes, which are comprehensive in scope but are being applied by stages as regards the persons protected and the contingencies covered.

A number of countries have extended the application of their social security schemes. Particularly important was the exten-
sion to persons engaged in agriculture and to certain categories of self-employed persons of coverage previously available only to industrial workers. Thus, the scope of the Mexican social insurance scheme, which provides maternity, sickness, employment injury, invalidity, old-age and survivors' benefits, was for the first time extended in some regions to wage-earning and salaried employees in agriculture and to certain self-employed agricultural workers. Argentina set up pension funds for wage earners in agriculture, and for self-employed persons, independent employers and members of the professions. Italy extended unemployment insurance to agricultural workers and introduced medical care insurance for small farmers and their dependants, and Austria included self-employed persons in its family allowance scheme. Bolivia, Cuba and Turkey brought certain occupational groups not previously covered within the scope of social insurance, and India extended the application of its Employees' State Insurance Act to new regions. The Netherlands, which limits compulsory social insurance to lower paid workers, widened the range of persons protected by raising the ceiling on earnings.

In September 1955 Austria enacted legislation to revise and codify its existing social security legislation, other than that dealing with family allowances and unemployment benefits; the sickness and accident insurance benefits were liberalised and fundamental changes were made in the pension scheme in order to bring it into accord with modern social security concepts. Belgium revised its sickness and invalidity insurance legislation in 1955, simplified its pension scheme for wage earners and increased the amount of pension payable, and was studying the revision of its pension scheme for independent workers. Canada and Greece revised their unemployment insurance legislation and Sweden brought into force a new employment injury insurance Act.

A good many countries made administrative changes in their social security systems. Poland, for example, abolished the Social Insurance Institution which had been set up in 1934 and transferred its functions in respect of short-term benefits to the trade unions and the administration of pensions to the Ministry of Labour and Social Insurance.

On the whole, special attention continued to focus on the adequacy of benefit levels in relation to living costs. A number of countries amended existing legislation in order to liberalise benefits in one or more branches of social security. In the
United Kingdom there was an increase of both benefit and contribution rates during 1955. The adequacy of old-age pensions and other financial provision for old age was singled out for discussion. In the United States interest focused on the adequacy of unemployment benefits, much of the discussion arising from the "guaranteed annual wage" issue at the bargaining table, which, as has been noted, developed very largely into a matter of industry supplements to unemployment benefits (under certain conditions and for certain periods).

LABOUR-MANAGEMENT RELATIONS

It was a lively and somewhat restive year so far as industrial relations were concerned. Many of the reasons emerge from the preceding sections. Concern with technological change accentuated workers' fears of unemployment and job shifting and centred labour-management discussions in a number of countries on guaranteed wages, seniority, unemployment benefit and pensions and other matters closely connected with a renewed struggle against employment insecurity. This, and the constant pressure for high as well as steady current income, influenced demands for improved wages and better conditions, including the reduction of weekly and annual hours of work. The struggle for trade union recognition and for the right to strike continued to characterise the situation in many less developed countries in Asia, the Middle East and Latin America.

The occurrence of industrial disputes is erratic: they are given to sudden outbursts and declines and may not show any discernible trend. But, in retrospect, it is now clear that, after a general post-war increase between 1945 and 1949 and again in 1952, there was a definite recession in industrial disputes and 1954 was the most peaceful post-war year, with a substantial drop in both the number of workers involved and the number of man-days lost in disputes. Early in 1955 signs of increased labour unrest emerged in a number of countries: in Belgium, Chile, Finland, France, the Federal Republic of Germany, Japan and the United Kingdom for example. In a few countries inter-union disputes seemed more numerous, and unofficial strikes appeared to increase in number and also to assume larger pro-

1 Thus, while in 1949, and again in 1952, nearly 100 million man-days of work had been lost in disputes in the 28 countries for which data are available, in 1954 the corresponding figure was below 50 million.
portions. But while the total loss of man-days of work due to disputes in 28 countries reporting data to the I.L.O. in 1955 was greater than that of 1954 (some 60 million man-days as compared with some 46 million in 1954), the year was relatively peaceful.

Nevertheless, there were signs of tension in labour-management relations in countries at all stages of development. In many of the more advanced countries industrial relations were in course of adaptation to new needs and reflected the substantial progress which has been made in technology, productivity and the maintenance of full employment.

In a good many of these countries there was a tendency to seek to instil a new sense of responsibility in labour-management relations and to find new ways of maintaining stability in such relations and avoiding industrial strife. This was the case in a number of European countries. In France, for instance, agreements were concluded in a number of large undertakings (including the Renault works) providing for wage increases based on the expectation of continuing technical progress and stipulating that the parties concerned will not resort to strike or lockout until all possibilities of resolving the dispute by other means have been tried in good faith.

For many employers key problems seemed to be those connected with securing greater co-operation from the unions in achieving higher productivity and learning to cope with skill shortage and labour discipline in conditions of full employment. A good many management policies were brought under review to see how far they were contributing towards a solution of these and other problems arising out of the impact of industrial and social change. Industrial relations policies and practices tended to stress more extensive application of programmes for supervisory training and for retraining of production workers, improved systems of two-way communication within industry, more effective channels for worker consultation, and the introduction of special advisory and welfare services for workers. In Canada and the United States, in the United Kingdom and in the Scandinavian countries, management was also accepting added social responsibilities in the community. In Canada and Sweden, for example, employers participated more actively in community planning and development programmes and there and in the United States as well they established closer co-operation with education and research institutions.
For many trade unions the key problems centred on adapting policies and organisation to changed conditions. A particular effort was made to improve union structure and relationships and reduce inter-union disputes, to revive membership interest, to develop programmes adapted to current needs and possibilities and to review practices from the standpoint of these programme objectives. In the United States the merger of the A.F. of L. and C.I.O. into a single federation, carried out during the year, affords greater opportunities and involves greater responsibility for trade union participation in the economic and social life of the country. In Canada there seems every prospect that unity between the Trades and Labour Congress and the Canadian Congress of Labour will be achieved in the near future. In the Federal Republic of Germany the Christian trade unions have decided to set up an autonomous central body.

Generally speaking, the practical results of organisational endeavour and scrutinies of policy and programme on the part of many employers and trade unions have not become apparent. Their real meaning has yet to develop in the future handling of the substantive issues of industrial relations—through collective bargaining or tripartite discussions: in the tangible decisions as to wages and hours of work, in the less tangible attitudes towards productivity and, more generally, in policies relating to such matters as social security and social benefits and to education and training.

In most of these advanced countries the government's policy has been primarily one of non-intervention, leaving it to the employers and workers concerned to work out their own problems and to harmonise particular solutions with broader national interests. But in many of them, the governments have tried, and perhaps somewhat more actively than in the past, to promote industrial peace and labour-management decisions in keeping with national needs. Some governments, for instance, have improved the services which make available to employers' organisations and trade unions factual information concerning trends in the national economy. In France a new procedure for mediation in industrial disputes has been introduced.

The distinctive role which the trade unions of Eastern European countries and of the U.S.S.R. play in industrial development was stressed frequently during the year. The trade unions have been dealing with problems of training and productivity and of housing and welfare. They have been urged to keep con-
stantly alert to these problems in order to promote steady and rapid industrial and social progress. Management's role has also been underlined. In the U.S.S.R., for instance, the July 1955 report on Industrial Development directed attention to the need for skill and economy in the managerial apparatus of industry and also the need for greater independence of decision and action for the directors of undertakings and their supervisory representatives.

In most of the less developed countries trade union membership has continued to increase. In the Philippines, for example, total membership is reported to have risen from 150,000 in 1953 to 750,000 in 1955 and the number of unions from some 800 to some 2,000 over about the same period. In Egypt in 1955 there were 1,155 unions with a membership of 300,000 and 29 federations with a membership of 160,000 as against 568 unions with 109,608 members and six federations with 25,000 members in 1952. In India total union membership increased from about 800,000 in 1947 to some 3 million in 1955. In many non-metropolitan territories trade union organisation continued to advance. In a significant number of countries progress was more towards the consolidation and strengthening of existing unions than towards the setting up of new unions, and this was generally regarded as an encouraging feature of recent trade union growth.

In certain of the less developed countries—Burma, Ceylon, Mexico, Pakistan, the Philippines, to quote a few examples—there was evidence of co-operation between employers and unions on specific problems, say of employment, training or welfare. But there are many difficulties. Most of the unions still lack experience and are confronted with a great many practical problems relating to the development of sound organisational structure, financial stability and skilled leadership. Many are struggling to gain recognition from employers. A great many employers are not accustomed to dealing with unions and some of them complain of the difficulties of negotiating with groups which may not be truly representative of the workers or which may make unreasonable demands. On the whole, however, the picture is not unduly discouraging. The improvement of labour-management relations is necessarily a long-term affair, requiring not only time but also effort and changes of attitude. There has, I think, been wider appreciation in some countries of the important role which both groups can play in the transition
towards industrialisation, not only in a general way by contributing to the building of a flexible yet stable social structure but also in a variety of practical ways by easing the problems of workers moving from rural to urban work.

There was sustained government encouragement of trade unions in a good many of the less developed countries. In a number of these this continued to be regarded as a necessary part of social policy, primarily in order to strengthen the trade union movement so that it might contribute more effectively in the national economic and social life. But, as has happened in the past, in some cases government encouragement incurs the risk of developing into domination and threatens the independence of the unions in running their own affairs. This is a danger to which we must be constantly alert.

In some countries, particularly in Europe, the question of workers' participation in the management of industrial undertakings has been an important feature of the labour-management picture. In Norway a committee was appointed during 1955 to study this issue in relation, in the first instance, to the management of big industrial concerns organised as joint stock companies. In the Federal Republic of Germany, and to some extent in Austria, the question of co-determination has continued to engage the attention of employers and trade unions in several industries. The Indian National Trade Union Congress has called for "real and effective workers' participation in management of industry". An agreement to give effect progressively to this demand has been concluded between the union and management in the Tata steel works. In most countries, however, the trade unions are pressing for fuller opportunities for effective consultation, rather than for co-management rights.

There has been a steady widening of practical concern with labour-management co-operation at the plant level. In India, where co-operation at this level has been promoted by the provision for works committees made in the Industrial Disputes Act, more than 650 such committees were reported to be actively functioning in the central sphere (mines, major ports, railways, banks and insurance companies with branches in more than one state) during 1954-55 and dealing with day-to-day problems affecting conditions of work, production, employment and grievances. Plant level co-operation was emphasised in many Western European countries as a vital element in improving productivity and ensuring equitable distribution of the benefits.
In the U.S.S.R. and other countries with a socialised economy plant committees continued to play an important part in industrial administration. In Egypt a few undertakings are experimenting with joint committees set up to strengthen contacts between management and labour and to advise on the development of plant social services.

Increased interest in developing better human relations within industry was characteristic of the labour-management situation in many countries in 1955. This was noticeable in both employer and trade union circles in France, Italy and other Western European countries and also, to some extent, in some of the less developed countries, including Burma, Colombia and the Philippines. The Second International Conference on Human Relations in Industry was held in Rome early in 1956 under the auspices of the European Productivity Agency and was widely attended by employer, worker and government representatives and by sociologists.

In several countries concern with present-day management problems took the form of an expansion of training for management in connection with various aspects of human relations in industry and of more extensive personnel work within industrial undertakings. The Egyptian Institute for Personnel Management has intensified its research into human problems in industry and is encouraging systematic training in personnel management. In India management courses have been started at various centres and universities, voluntary associations of persons interested in management have been formed, and some foreign technical assistance has been supplied. In Ireland a committee has been appointed by the Institute of Management to report on forms of education and training for management.

Another recent development, the training of trade unionists in work study and similar techniques, has made progress in Canada and the United States, the United Kingdom and some other European countries. The British Trades Union Congress, for example, has a training school in London to teach trade unionists the elements of modern managerial techniques and has held many short courses in different parts of Britain; further, many individual unions have organised courses on work study for their officers or members. The purpose is to give trade unionists a closer understanding of such techniques so that they may be better prepared to represent their fellow workers.
in discussions with management and to contribute more positively to the solution of problems in this field.

Finally, workers' education has become a matter of increasing concern in trade union circles. The emphasis is on equipping the unions to cope with their increasing responsibilities for ensuring economic health and social well-being.

Voluntary organisations have played an important role in developing workers' education activities in certain countries. During the past year workers' educational associations, among them those long established in Denmark, Finland, Norway, Sweden and the United Kingdom, have continued to carry out their manifold courses, study groups and seminars. The International Federation of Workers' Educational Associations organised a seminar on workers' education in April 1955 with participants from workers' educational organisations in 16 countries, as well as from U.N.E.S.C.O. and the I.L.O.

The educational activities of international and national trade union groups always include some teaching of the history, administration and organisation of trade unions; this is their special responsibility. But more and more courses on social and economic subjects, designed to promote wider understanding of social responsibility in relation to the community as a whole, are being initiated by the trade unions, often with the assistance of outside educational bodies and international agencies. The I.C.F.T.U., for example, has been expanding and broadening its workers' educational activities in all regions. A European school was held in Denmark in September 1955 with a programme centred on the theme "Problems of Democracy in Economic Life and Industrial Relations"; a seminar organised in November 1955 in West Africa discussed the problems of agricultural and plantation workers; the Asian Trade Union College continued in 1955 to give a series of courses on such subjects as labour legislation and collective bargaining; and following up 1954 seminars, plans are being made to hold a first Inter-American Seminar on Workers' Education in 1956. Other international trade unions, including the International Federation of Christian Trade Unions and the W.F.T.U., are also increasingly active in the workers' education field.

In many industrially less developed countries workers' education is being expanded with the direct or indirect assistance of government institutions, such as the Ministry of Labour, and of independent bodies. In Brazil the Ministry of Labour organises
a variety of courses on labour legislation, trade union rights, etc., and a number of state institutions (e.g. in Sao Paulo) also organise workers’ education programmes. Similar activities are carried out by the Ministries of Labour or their subsidiaries in Bolivia, Costa Rica, Haiti, Peru and Venezuela, to mention only a few instances. National institutes of workers’ education, labour institutes, as well as diverse bodies such as people’s universities, are also active in this field, e.g. in Chile, Ecuador and El Salvador. The Greek Workers’ Centre, supervised by the Ministry of Labour, carries out a variety of cultural and educational activities. The Turkish Government has organised a series of training courses for trade union leaders.

**RURAL DEVELOPMENT**

Rural development schemes have made steady progress. In the Philippines emphasis shifted from planning to the training of technicians and administrators needed for carrying out the Rural Development Programme. In Egypt Rural Service Centres have been started, each serving a group of villages with a population of about 15,000 persons and providing basic agricultural, health and cultural services.

A distinct tendency towards extension of greater social protection to rural workers and their families, e.g. against sickness and old age, has already been noted. Such action, along with other measures to raise income in rural areas, helps gradually to reduce some of the marked disparities which still exist between living levels in rural areas and those in urban areas.

Equally important (as suggested in the next chapter) is the continuing emphasis on small-scale and cottage industries and on handicrafts as a means of reducing the poverty associated with rural underemployment. In several Latin American countries handicraft development projects have made considerable advance over the last year. In Japan efforts are being made to modernise small-scale industries, to avoid cut-throat competition within each industry and to plan development more systematically. In India steps have been taken to set up model workshops and industrial estates for the improvement of small industries. On these estates the land will be developed, workshops and other buildings constructed and power, water and other supplies laid on. Special attention is to be given to furniture making, footwear, glassware, cutlery, locks and cycle parts and sports goods. The
aim is better quality and lower costs. In Turkey the employment service has decided to develop rural industries in certain parts of the country. A workshop for carpet making has already been opened.

In a great many countries in Asia, Latin America and the Middle East, greater emphasis has been placed on preparing for social change in rural areas by means of education. This approach is implicit in most rural service schemes and is the essence of fundamental education schemes and of many of the co-operative organisations which are playing such a significant part in promoting rural development in general.

Relatively more attention has been given to the problems arising for both urban and rural areas as a result of the flow of workers from rural to urban areas and in some cases back again. In many countries the key social problems of the day are centred around the rural-urban distribution and flow of manpower, and many of the most urgent are those associated with the floating population—the rural workers migrating to towns, retaining their ties with their native villages, and tending to drift back and forth, between rural and industrial work.

LABOUR ADMINISTRATION

There was continued interest in questions of labour administration, particularly among the less developed countries. In a good many parts of the world stress was laid on the need to develop sound types of social administration to cope with the new human problems which accompany the process of industrialisation. Plans being made for the holding in 1956 of H.R.H. the Duke of Edinburgh's Study Conference on the Human Problems of Industrial Communities within the Commonwealth and Empire, at which these matters will be discussed, have stimulated analysis of and focused attention on many of these problems, particularly those which beset social administration in less developed countries.

In the more developed countries there have perhaps been some indications of a shift of emphasis from enforcement to promotional activities in the field of the administration of labour and social legislation. In Australia, for instance, the Minister of Labour of Victoria commented that in the past too much attention had been given to the Department's policing powers and too little to helping employers and workers to cope
with their every-day problems. In the United States there has been a noticeable increase in educational, promotional and research activities which seek to foster good practice within industry and to supply informational and other services which meet the current needs of employers and workers.

Thus, in the field of labour-management relations, stress is laid on the training of officers competent to work with management and labour in increasing production and productivity, in maintaining industrial harmony, and in encouraging sound personnel practices relating to such things as safety, health, training and welfare. In several fields, e.g. youth policy, there appears to be less emphasis on the legislative side and more emphasis on positive programmes directed towards anticipating and meeting the practical problems emerging with the evolution of industrial society.

In the less developed countries efforts were concentrated on improving the structure and techniques of labour administration. In a good many of them there has been a sustained and all-important emphasis on the training of labour officers: an area of social policy where, as indicated in Chapter III, the I.L.O. has a unique contribution to make, both in assisting in the development of national facilities and in the training abroad of technical and administrative personnel.

**HOUSING**

Finally, I should point out progress made in respect of housing. In my 1954 Report to the Conference I drew special attention to the magnitude of the problem of housing and to its intrinsic social importance. In this area of social policy much remains to be done in all countries.

In the more highly developed countries it is true there has been a good deal of improvement in the general housing situation, in both urban and rural areas. In most of these countries the house-building industry is now producing at peak capacity. Many factors have played a part in this improvement. Trade union interest is one of these. The unions have not only been actively pressing for adequate housing but also initiating and building new housing, particularly through co-operative housing societies, as in Denmark, Sweden and Switzerland. In the United States a number of important unions have played an active part in encouraging more and better housing.
In the less developed countries, however, housing conditions still present a very discouraging picture. Construction resources are scarce and tend to be absorbed by other urgent development needs; high marriage and birth rates increase the need for housing; the steady movement of people into already overcrowded cities continues to put excessive pressure on the supply of housing; and the improvements in rural housing are small in relation to the needs. Nevertheless, there are several encouraging features in the situation. Aided self-help housing programmes, using locally available materials and drawing on the reserve of unemployed and underemployed workers, have been successfully launched in a number of countries. Community development programmes have improved housing conditions indirectly by better neighbourhood design and by fostering local pride in and responsibility for better housing, and directly by stimulating better maintenance of existing dwelling units and new construction on a modest scale. Co-operatives in a number of countries have taken energetic steps to meet urgent needs for low-cost housing. Employers, and to some extent trade unions, have been providing more active leadership in helping to supply workers' housing. In most of the less developed countries efforts are being made to expand the capacity of the building and building materials industries and to ensure full and effective use of this capacity. Lastly, some governments and local authorities are doing a good deal more than in the past to encourage long-range regional and city planning, with a view to halting undesirable urban concentrations, achieving more balanced urban and industrial development and spreading employment opportunities more widely.

This review of some of the problems and developments of particular concern to the I.L.O. in the social field suggests a number of areas in which new problems are coming to the fore or in which familiar problems are acquiring new dimensions. Particularly in the less developed countries it seems to me that the social and labour problems associated with economic development are beginning to crystallise and to require far greater attention than they have received in the past. It is not a question of importing into these countries policies and patterns of the industrially more advanced countries. As I have empha-
sised before, the real problem is how best to assist the peoples of these countries to develop their own policies and institutions so that there may be balanced economic and social advance and so that the human cost of the continuing transition from old to new ways may be held to a minimum.
CHAPTER II

RURAL-URBAN EMPLOYMENT RELATIONSHIP

My recent Reports to the Conference have referred to the world-wide trend for workers to move out of primary production and towards manufacturing and service activities as industrialisation proceeds, and to the many social matters which arise as economic development moves ahead. The Conference has recently considered the problems of migrant workers in this context and now has before it the question of living and working conditions of indigenous populations. These various problems are all parts of a much larger one to which a number of delegates to the last session of the Conference referred—that of the uneven development of the employment structure in different sectors of the economy. This year I should like to examine with you some aspects of this general problem which arises in different forms in countries at all stages of development.

Underemployment on the land in areas of high population pressure; the vicious circle caused by rural workers drifting aimlessly to the towns, thus disorganising the employment market there, and soon being forced to shift in an equally unorganised manner back to the land; congested urban centres with overcrowded housing accommodation, strained public services, squalor and disease; and at the same time a shortage of a skilled and stable supply of workers for industry—these are serious and urgent problems in many underdeveloped countries. A continuous decline in the proportion of the labour force engaged in agriculture, sometimes so rapid and extensive as to endanger food production and affect the economy of whole rural areas, inferior living and working conditions for the farming population, and ever greater congestion of urban centres—these are characteristic problems of many of the more highly industrialised countries. In both situations the result is that all workers do not enjoy a full share in social and economic progress.
In the course of world development the high degree of interdependence of agriculture and industry has been made manifest. Each sector furnishes the other with materials or tools, and each provides a market for the other’s products. This being so, economic development is furthered by co-ordinated or complementary expansion in the two sectors. In many of the less developed countries, for example, great efforts are being made to reduce the number of workers in agricultural and related occupations and to increase the number in the secondary and tertiary occupations associated with a higher degree of industrialisation. Only as a larger share of people’s efforts are devoted to matters other than the production of an adequate volume of food can there be a general rise in levels of living. But the growth of industries and services brings with it a rapid rise in urban population, and it therefore becomes necessary to improve agricultural methods for the threefold purpose of improving the diet both of farm families and of the growing non-farm population, enabling workers to be shifted from agriculture to other occupations, and increasing the volume of agricultural exports which in many countries are the chief source of foreign exchange for the purchase of capital equipment for economic development. At the same time more purchasing power in the hands of the farm population, which may still form the bulk of the consuming public, is necessary in order to provide the domestic market needed for any substantial expansion of manufacturing industries and services.

These interrelationships are dynamic and change with the process of economic development. The manpower redistribution characteristic of industrial expansion underlies many elements of the accompanying process of social change, which is often painful and apt to disorganise established patterns of life, work and human relations and to engender tensions between the peoples remaining in rural areas and those moving to industrial work and urban society.

The Nature and Extent of the Problems

Less Developed Areas

A series of problems presents itself in the overpopulated and industrially less developed parts of the world, which include most of Asia, large parts of the Middle East, and the Caribbean
area, as well as certain parts of southern Europe. And it is precisely in these areas that remedial measures are most complex and difficult to carry out. By far the major proportion of the population is engaged in agriculture, secondary industries and services remaining relatively undeveloped. Pressure of population on available land resources is great and, except for plantations and similar large estates, much of the farming is of the subsistence type. The most serious problems in the rural sector are underemployment, low productivity and low levels of living, all associated with a high degree of insecurity of livelihood. There are very wide differences in the levels of output and of income between the agricultural and non-agricultural sectors of the economy. The crux of the situation is that too many people are trying to make a living in agriculture using traditional primitive methods, while manufacturing and service activities have not developed to an extent which would permit large numbers of agricultural workers to find employment in such occupations. The situation becomes constantly worse where the agricultural population continues to increase without corresponding increases of non-farm employment opportunities.

A typical example of these problems is provided by India, as may be seen from the following data:

<table>
<thead>
<tr>
<th>Description</th>
<th>Data</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population increase during the past 50 years</td>
<td>about 50%</td>
</tr>
<tr>
<td>Land available per head</td>
<td>2.1 acres</td>
</tr>
<tr>
<td>Decrease during the past 50 years</td>
<td>about 1/4</td>
</tr>
<tr>
<td>Proportion of population dependent on agriculture</td>
<td>70%</td>
</tr>
<tr>
<td>Proportion of agricultural population which is landless</td>
<td>60%</td>
</tr>
<tr>
<td>Proportion of total national output produced by agriculture</td>
<td>about 50%</td>
</tr>
<tr>
<td>Average number of days of employment of adult male agricultural labourer</td>
<td></td>
</tr>
<tr>
<td>In agriculture</td>
<td>189</td>
</tr>
<tr>
<td>In non-agricultural employment</td>
<td>29</td>
</tr>
<tr>
<td>In self-employment (e.g. on his own plot of land)</td>
<td>49</td>
</tr>
<tr>
<td>Income of agricultural labourer's family as proportion of income of industrial worker's family</td>
<td>24-59%</td>
</tr>
<tr>
<td>Proportion of income of agricultural labourer's family spent on food</td>
<td>85.3%</td>
</tr>
<tr>
<td>Proportion of agricultural labourers' families in debt</td>
<td>44.5%</td>
</tr>
</tbody>
</table>

The situation of other persons engaged in agriculture in the areas under discussion is hardly better. The pressure of population on the land leads to a high degree of insecurity for tenant-farmers. The demand for land forces rents up to such a level that the tenant has not sufficient income left to cover his needs. This results in indebtedness, frequently of a permanent nature. In addition, the competition for land encourages the practice of granting only short leases and of evicting a tenant with very little notice if someone else offers better terms. Share-renting, though it has the advantage of simplicity and permits the sharing of risks between owner and cultivator, has often led to undue restrictions on the tenant's freedom of action, because of the close supervision which it frequently involves. In the Philippines the *kasama* system lent itself to abuse and recent legislation has given tenants an opportunity of changing to more desirable rental systems and has in general increased the tenants' security. In Egypt, before the Agrarian Reform Law, which reduced farm rentals and provided for a minimum three-year written lease, land was normally rented for one year and frequently for the duration of the crop only. High rents and short leases led to soil exhaustion and to extreme poverty of the *fellaheen*. In several Latin American countries many tenant-labour contracts, such as those under which the labourer and his family are required to perform certain tasks for the landlord in return for the use of a small plot of land, have undesirable features.

While owner-operatorship has many advantages over tenancy and is the ultimate aim of policy in a good many countries, it also creates problems where there is overpopulation. Holdings are often fragmented through inheritance, with the result that, not only does the cultivator have only a small area to farm, but the holding may be scattered in several tiny plots each at some distance from the other. Efficient farm operation is impossible under such conditions, and operators of these farms find it hard to compete in a money economy. Many lose their holdings to creditors.

Another type of problem is to be found in those parts of the world which are largely agricultural but where land ownership is concentrated in a few hands and economic development has followed an uneven pattern. Many of the countries of Latin America are illustrative of this. In Latin America as a whole some 1.5 per cent. of the individual holdings exceed 15,000 acres.
and they constitute some 50 per cent. of the total agricultural land.\(^1\) And while some of these estates are operated intensively, many of them are used for extensive grazing and a large amount of cultivable land remains in fact idle.\(^2\) On the other hand the rural population is concentrated largely in the less productive areas, and here population pressure is high. This rural labour has a very low productivity ratio due to inefficient methods of cultivation. At the same time many of these countries do not produce sufficient food for their own purposes and have to rely on imports, paid for by the export of such products as minerals, oil or high-risk special crops such as coffee. The problem is therefore twofold: a defective, uneven agrarian structure and an uneven distribution of population.

A different situation exists in areas where the agricultural population is largely tribal and where the rights in land are of a communal nature. These problems are treated at some length in the reports on *Living and Working Conditions of Indigenous Populations in Independent Countries*, now before the Conference \(^3\), and need not be referred to here at any length. Suffice it to say that population growth and economic development are causing violent changes in the old agricultural customs, characterised by shifting cultivation and, by the withdrawal of part of the working population to other occupations, are endangering food supply. In many parts of Africa population growth, the introduction of cash crops, and the development of large plantations and mining are putting great pressure on indigenous subsistence agriculture. A major problem is the growth of a large migrant labour force—a subject which has already been discussed by the Conference.

Largely as a result of these basic economic problems and defects in the agrarian structure, social conditions generally in the rural areas are poor. Reference has already been made to the low level of income of Indian agricultural labourers; much the same is true of other areas and of the rest of the agricultural working population, tenants, share-croppers and

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\(^2\) Estimates of the Economic Commission for Latin America show that only 38.5 per cent. of the productive area of Latin America is used for agriculture and cattle-raising, and of this only 17 per cent. is under cultivation. Cf. *Economic Survey of Latin America, 1954*, op. cit., p. 79, table 43.

\(^3\) Reports VIII (1) and VIII (2).
even smallholders. The typical village in many underdeveloped countries is a picture of poverty and misery—poor housing and nutrition, lack of sanitation and of drinking water, limited educational and recreation facilities and inadequate health and other social services.

In the circumstances of extreme poverty, insecurity and lack of opportunity, many rural workers search desperately for other means of livelihood. Among the indigenous populations of Latin America there is a large-scale movement away from the mountainous regions, because of lack of means of livelihood there. In Ecuador many go to the coastal regions; extensive movements from mountain plateaux are also taking place in Bolivia, Guatemala and Peru. Large numbers become migrant agricultural workers. Natural disasters, such as floods, droughts and famines, in the face of which the poor peasant with his inadequate income and lack of reserves of any kind is helpless, may be the final circumstance forcing him to leave his land, as the mass movement from the north-eastern parts of Brazil in recent years has shown. Or man-made ruin, for instance soil exhaustion, may be the cause, as in parts of Africa and elsewhere. People may also desert rural areas in time of political unrest or upheaval, as in India and Pakistan after partition, and more recently in Viet-Nam owing to the war and in Burma owing to disturbances in the countryside. Frequently whole villages are involved.

Many of those who leave the countryside are attracted by the opportunities which they believe exist in the cities, or they go there for a short period of time to obtain cash earnings not available in rural areas where the money economy is little developed. These factors become more important as isolated communities gain wider contacts as a result of improved communications. But whatever the reasons which drive agricultural workers to the cities or attract them there, many problems are posed. The city-ward migration is typically unorganised and haphazard; the worker is unskilled and remains unskilled; he has no knowledge of employment possibilities; he has no experience of industrial work. Frequently he leaves his family behind in the village and retains close ties with them and a feeling of belonging to the land. After a short period of urban employment (if he is lucky enough to find a job), his first thought is to return to the village, hoping that with his small savings he can have more success in farming. But probably in
a few months’ time he finds his hopes unfulfilled, and he returns to the city. Thus there is a continual drifting back and forth between countryside and city by an unskilled, unstable labour force, which brings no lasting benefit to industry, to agriculture, or to the worker himself: not to industry, because of the instability and high rate of absenteeism and of labour turnover; not to agriculture because the worker is not on his farm long enough or continuously enough to farm well; not to the worker, because this drifting back and forth costs time and money and prevents him from establishing himself anywhere with any degree of permanence.

A characteristic feature of recent years has been the rapid increase in population in the large cities. The population of Karachi rose from 359,000 in 1941 to 1,200,000 in 1951; that of Cairo from 1,312,000 in 1937 to 2,100,000 in 1947; that of Djakarta from 525,000 in 1939 to an estimated 1,500,000 in 1952. In Leopoldville, Casablanca and Accra, the population approximately doubled from 1946 to 1951, 1936 to 1951 and 1931 to 1948 respectively.

The massive and rapid influx of rural manpower into these expanding urban areas has created many problems. It often means overcrowding, slum conditions, unemployment, poverty and destitution, delinquency and crime, labour exploitation, lack of sanitary arrangements, of schools and social services, and ill health. These conditions may be largely due to the failure of communities to develop new social institutions as technological and industrial change proceeds. But many of the basic problems of poverty already existed in the rural environment in less concentrated form; they are simply transferred to the urban environment. And there, the newly arrived rural workers, lacking family support and the meagre pickings of the land, are more subject to demoralisation and social disorganisation, both because of the deplorable conditions under which they live in the cities and also because of the difficulty they experience in adjusting themselves to rapid changes in their way of life and work.

The East Africa Royal Commission, 1953-55, spoke of the deterioration of the conditions of Africans in the towns as follows:

The fundamental cause... is the immense change which has been wrought in African society by the impact of Western culture and of new economic forces. It is the problem of the African who, emancipated from the confines of customary society by economic forces and by new conceptions of man as an individual, sees in the town a means of escape and also an outlet for his energy and ambition. But when he reaches the town he finds himself bereft of the support which membership of a group gave him, while the door to the wealth and standing which he expects the town to unlock for him is closed.¹

In addition, the introduction of rural workers into industry presents many difficulties. The rhythm of industrial work, the methods of organising it, the more impersonal relations often characteristic of it are unfamiliar to rural recruits and require a tremendous effort of adaptation. While it is true that the expansion of industry and services tends constantly to increase the demand for manpower, the supply of inexperienced and unskilled workers at any given place and point of time is often over-abundant and the workers have to compete against one another for jobs. Since rural migrants rarely have the skill and other qualifications needed to fit them immediately into the jobs available in urban areas, training facilities are necessary; these are often lacking or inadequate.

The fact that many new recruits to the urban labour force retain for a considerable time all the characteristics of a floating and unsettled rural proletariat accentuates the difficulties. For example, a Turkish survey carried out in 1946 revealed that 24 per cent. of the workers in 1,638 undertakings had less than six months’ service and 43 per cent. had service of one year or less. A textile factory in the same country had a labour turnover of more than two-thirds during 1948. High rates of labour turnover were found in the textile mills of such large urban centres as Sao Paulo and Rio de Janeiro, where the existence of other developing industries was an additional factor encouraging frequent changes of employment. Absenteeism rates in general tend to be very high, and in most countries there has been found to be a close connection between absenteeism and the agricultural background of the workers. A study among Indian workers stressed this point—

The basic cause of absenteeism in India is the fact that the industrial worker is still part-time peasant and until he cuts his

connection with the soil, his attendance will be irregular and his adjustment to modern industrialism insecure.  

The I.L.O. Committee of Experts on Social Policy in Non-Metropolitan Territories, which met in its Fourth Session in Dakar in December 1955, drew special attention to the vast problems arising out of the instability of large segments of the labour force in many of these territories and emphasised that the stabilisation of wage earners at or near their places of employment was likely to prove the key to all progress in the matter of improving living and working standards.

In many places this relative instability of a large portion of the labour force is a major obstacle to the efficient functioning and steady growth of the urban industrial system. While migrant labour is quite suitable for many types of employment, factory work is not generally among these. In the factory, as a rule, stability is an asset without which the requisite degree of industrial experience and skill is costly to achieve and difficult to maintain. There is some evidence that for this reason, among others, many rural migrants do not find their way into industry. According to a recent survey in Caracas, Venezuela, out of some 200 families of rural migrants surveyed, in only 26 per cent. of the cases was the head of the family employed in handicrafts, factory work or related occupations: 22 per cent. worked in service occupations, 19 per cent. in transport, 12 per cent. in offices and 11 per cent. in distributive trades.

Since the supply of rural labour is very often in excess of the immediate absorptive capacity of urban areas, many workers from rural areas either remain unemployed or find only casual employment. Compelled by circumstances to shift from one occupation to another, many never really become integrated in an urban employment pattern. In order to remedy the precariousness of their situation they may set up as street vendors, peddlers, bootblacks, etc. Indeed in some underdeve-

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1 Summary of a statistical study of absenteeism in Indian labour which appeared in the Indian journal of statistics *Sankhya*; quoted by Oscar Ornatii in *Jobs and Workers in India*, Cornell International Industrial and Labor Relations Reports, No. 3 (New York, Institute of Industrial and Labor Relations, 1955), p. 48. The author of the Cornell report points out (pp. 47 to 50) that high rates and chronic absenteeism are also due in many cases to poor nutrition, exceptionally poor housing (necessitating the presence of the worker at home in order to combat the immediate damage caused by, e.g. wet weather), poor medical care and sickness among family members. However, "leave other than holidays" accounts for the largest proportion of absences.
loped countries (e.g. Brazil, Costa Rica, Egypt, the Federation of Malaya, the Philippines, Thailand), the proportion of people in service occupations is higher than that in manufacturing industries; and the service sector often includes a proportion of unproductive employment.

Finally, because educational facilities are as a rule better and more numerous in cities than in the countryside ambitious young people in rural areas tend to come to the cities to study. They rarely go back to their villages. Similarly, village or small-town people who have some education flock to the large cities, which often are also administrative centres, in the hope of obtaining white-collar work, particularly in government employment. In many underdeveloped countries a shortage of workers in the professional and white-collar categories (in particular, medical and educational personnel) exists in the rural districts, coinciding with surpluses and unemployment in these same categories in large urban centres. Recent studies in India and Pakistan have confirmed the seriousness of unemployment among educated people in the cities, and there is evidence that the problem is complicated by the frequently inadequate qualifications of the applicants and their unwillingness either to practise their occupations in rural surroundings (e.g. teachers) or to retrain for industrial employment.

Underemployment and unemployment anywhere are a drain on any nation’s resources. They appear all the more wasteful when the development of industry—and hence of productive employment opportunities—is concurrently slowed down by the lack of suitably qualified manpower. At the same time a constantly increasing pool of unused or only partially used manpower in the urban areas creates conditions which tend to depress wages and to discourage efforts to improve working and living conditions. In turn the availability of large reservoirs of cheap manpower acts as a deterrent to productivity campaigns. Since labour costs appear low, there is less urge to economise on labour and more of a tendency among workers to resist rationalisation and other measures which appear to spell unemployment for them.

More Developed Areas

In the economically more advanced countries one major problem is to keep on the land a sufficient force of skilled
workers to ensure an adequate volume of agricultural production. In the process of general economic development, the proportion of the labour force engaged in agriculture has been declining steadily over a period of years (see Chapter I). With this occupational redistribution of manpower there has long been a net migration from rural to urban areas.

In England the movement away from agriculture was already pronounced in the early part of the nineteenth century; now, only about 5 per cent. of the economically active population in the United Kingdom remains in agriculture. In other western European countries the proportion has decreased to between 10 and 15 per cent. In eastern European countries accelerated industrialisation has involved a decline in the agricultural labour force.

Much of the internal migration has been a movement towards cities. In the European part of the U.S.S.R., for instance, it is estimated that migration from rural communities to cities in the period 1926-39 involved the net transfer of at least 23 million people, or two-fifths of the total urban population. In the United States the growth of cities reached very large dimensions during the first part of the twentieth century, although recently the rate of growth in many cities has been declining gradually in favour of suburban growth. Migration from rural areas has played an important part in this evolution. During the period 1900-30, the net migration from farms and villages amounted to some 15 million and, although the movement slowed down as a result of the depression in the 1930s, it was heavier than ever during the Second World War.

Among the causes of movement from the country to the town, one of the most important is the fact that, in general, living and working conditions in agriculture are inferior to those in other occupations. This is particularly true as concerns unmarried helpers living with the farmers' families. Although farm workers may have certain advantages in that they may obtain food at lower prices, or pay less rent for lodging, or have a plot of land placed at their disposal, the sum of their wages in cash and in kind is in most cases considerably lower than that earned in most urban occupations. Other causes are long and often unregulated working hours, poor housing conditions and the frequent impossibility for a young man, starting his career in farming, to marry and to make farming his life-long occupation and way of life. The general lack or inadequacy of amenities in rural areas—educational,
health and recreational facilities, and so forth—is also important. Technological changes and adjustments in types of farming and in the agrarian structure are influencing the demand for permanent hired labour and the openings existing for farmers. The fact that birth rates in rural areas are usually higher than in urban areas also results in workers leaving agriculture, in a general situation where fewer people are able to make a secure and attractive living from agriculture and related rural occupations.

No less important are the real or imagined attractions of urban areas and non-farm occupations. Urban life itself, with its wider range of amenities and services, has a positive appeal to many, particularly to the younger generation and to farm women in many countries. More varied employment opportunities, better education for children and greater recreation facilities are also important factors attracting people towards urban life.

In some countries the rural exodus has developed to dangerous proportions, with far-reaching economic and social effects. This is the case, for example, in some of the poorer regions of France, where agricultural production has fallen off and a certain amount of land has gone out of production. In Czechoslovakia labour shortage in agriculture and other factors resulted in at least temporary abandonment of some 500,000 hectares of land.\footnote{1} In Australia rural depopulation has tended to contract the production of labour-intensive products and to expand pastoral activities, which are far more labour-extensive. Real problems have been created with respect to the maintenance of the necessary social services—schools, churches, hospitals—in areas which now support only a small population. In some cases, moreover, more women than men have moved to urban areas, and concern is felt about the effect of this on birth rates and patterns of life in the rural areas.

In searching for a solution to the problem of ensuring adequate agricultural production with a dwindling labour force, great efforts have been made to rationalise farm production and to introduce mechanisation and other labour-saving methods on a larger scale. But these measures sometimes raise other problems. Although they have permitted the permanent labour

force essential on farms to be reduced considerably and higher wages to be paid for shorter employment periods, they have tended in some cases to increase the demand for seasonal labour, since there has been an extension of the acreage of vegetables and fruit and of other crops still requiring harvesting by hand. This has meant in several countries an increase in the number of migratory workers, moving from one area to another as different crops require attention. The relatively short periods of employment which they find each year are usually obtained through costly and time-consuming job-seeking. Their earnings are seldom sufficient to constitute a decent living. They "move restlessly over the face of the land, but they neither belong to the land nor does the land belong to them... As crops ripen, farmers anxiously await their coming; as the harvest closes, the community, with equal anxiety, awaits their going".¹

Finally, while the problem is not likely to arise under conditions of intense economic activity and full employment, some concern is felt about the possibility that, should a severe depression occur, large numbers of former agricultural workers who found themselves unemployed in urban areas would return to the countryside to weather out the bad years. It might be difficult to find a place for them in an agriculture transformed so as to manage with fewer workers. And if large numbers of them should find room in agriculture it is likely that they would depress the conditions of those who had stayed in farming and who, over the years, had succeeded in getting reasonably adequate conditions of employment. The effect would be to shift the cost of depression adjustment to rural families and communities.

In many countries there is increasing preoccupation with the problems raised by the growing concentration of population in urban centres. Among these the provision of housing is probably the most acute, especially since many of the cities which are having to accommodate new workers have not yet been able to make up for the destruction caused by the war or for the cessation in house construction during the war years.

The higher cost of housing in urban areas generally, compared with rural areas, often means that new arrivals are forced either to live in sub-standard dwellings which are within their means or to cut down on other items in their budget. The fact that fairly low-cost housing can frequently be found only in suburban areas or even further out from the city means that the worker must travel long distances to his job, with consequent fatigue and loss of leisure.

There is also the matter of the relatively high cost of social and municipal services in congested urban areas. In France, for example, such services—police force, social assistance schemes, public works, utilities—cost much more per inhabitant in Paris than in other areas: in 1949 the figure was about 25,000 francs as compared with 8,500 in Marseilles, 8,000 in Bordeaux and Nantes, and 7,000 in Reims and Lyons.\(^1\)

Other problems resulting from the growth of urban centres have received more attention in recent years. For example congestion of slums as a result of housing shortages creates conditions conducive to juvenile delinquency, prostitution, crime and serious health hazards. Also objections have been raised from the point of view of military strategy to large concentrations of people and industries.

Problems of employment loom large among those created by the influx of population in urban centres. The number of people attracted by industrial expansion in such areas is often in excess of the employment opportunities actually created. Towns largely dependent upon a single industry are particularly liable to employment problems and, should the activity of that industry decline, to social disaster.

Problems of occupational adjustment are likely to be acute. Many rural workers coming to urban areas are not equipped with skills that permit their absorption in the better paid urban jobs. In France a sample survey carried out in 1951 showed that persons in non-agricultural occupations but with an agricultural background (former agricultural workers, former farmers, former family helpers or children of agriculturists) were particularly numerous in such occupations as domestic service and unskilled work in industry, but constituted only a small proportion of the professional workers, industrial technicians, higher

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supervisory staff and office workers. Similarly, an overwhelming proportion (some 70 per cent.) of North African workers in metropolitan France (excluding casual workers and workers engaged in various independent commercial occupations) most of them of rural origin, are employed in unskilled jobs, primarily in those industries which require large numbers of workers with little skill (building trades, metallurgical industries, metal trades and engineering).

A special aspect of the attraction of cities is that it is in them that opportunities for white-collar employment are mainly concentrated. Though this is an expanding sector of the economy in most of the more developed countries, labour supply tends to exceed demand in a good many white-collar occupations (in particular, office and sales work). Unemployment among certain salaried employees and members of the professions has thus tended to become a chronic problem of urban employment in a number of these countries and to raise related social problems of general concern.

**Measures Leading to Co-ordinated Development**

**Less Developed Areas**

In the preceding section it was pointed out that in the rural areas the major problems are low productivity and low levels of income on the one hand, and underemployment on the other, all leading to insecurity of livelihood. The question arises how far such policies as agricultural development, expansion of employment possibilities in rural areas, and industrialisation can remedy the situation. The first, agricultural development, concerns more particularly improvements in productivity and levels of income, while the other two concern underemployment. However, these various measures are inter-related and each has some influence on the other. A co-ordinated programme must give due weight to each type of action.

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Agricultural development may comprise measures for improvement in agricultural methods, intensification of production or increase of the amount of cultivated land through irrigation and settlement, and agrarian reforms. It also includes public investment in agriculture, for instance for the provision of research facilities and extension services and for social purposes in rural areas, in the form of more and better roads, schools, hospitals and other amenities. Here, the concern is not with the technical aspects of these matters but rather with their influence on the problem of achieving a better balance in employment and conditions between agriculture and other occupations.

There are many ways of improving farming methods and intensifying agricultural production. Some of the less developed countries favour mechanisation. The use of tractors and other motor-driven agricultural equipment may be the best course in certain situations. In Turkey, where the number of tractors has been greatly increased, mechanisation has helped to bring much new land into cultivation and to expand agricultural production. In India the Central Tractor Organisation has made it possible to reclaim much land. But mechanisation may create problems of some magnitude in areas of heavy population pressure on the land. In such areas there may be good reasons for putting the emphasis on, say, seed improvement, the greater use of fertilisers and more labour-intensive practices, such as the Japanese method of rice cultivation, rather than on mechanisation.

Intensification of production would also include double-cropping, which, where feasible, has much the same effect as increasing the size of the operating unit, and a greater emphasis on livestock, which provides, among other things, more year-round employment.

One measure related to agricultural development that would seem to offer much scope in many areas is the promotion of forestry. Apart from its beneficial effects on soil maintenance and flood control, it would provide part-time employment for farmers and their families, both in forestry work as such and in timber processing plants.

While in some of the less developed countries land settlement possibilities may be limited owing to the fact that most cultivable land is already in use, such settlement generally offers considerable opportunities for increasing total agricultural production and expanding employment in agriculture. Large-scale
projects are under way in many parts of the world. In Ceylon, for example, progress is being made in bringing an additional 250,000 acres of land under cultivation. In Pakistan major irrigation works are being carried out which may eventually benefit over 10 million acres. In Egypt the Aswan High Dam is expected to increase the amount of land under irrigation by one-third. In Indonesia land settlement is directed towards a more even distribution of population between Java and the less densely populated islands. Land settlement has for many years been a major element of policy in several Latin American countries, including Brazil, Colombia, Peru and Venezuela. In Bolivia and Peru projects are in motion to resettle indigenous peoples in more productive and less congested farming areas.

Settlement schemes, besides expanding agricultural production and possibly creating more employment, also offer an opportunity of improving tenure systems and rural communities. The Gezira scheme in the Sudan, which combines irrigation and land settlement with careful supervision of the settlers in their agricultural work, is an instance of a successful system of joint land utilisation by tenants. In Egypt new settlement projects on land reclaimed from the desert comprise model villages which demonstrate the possibilities for general rural improvement.

A number of countries have now had experience of various agrarian reform measures introduced for the purpose of remedying defects in the agrarian structure which limit the possibilities of economic development. Tenancy legislation in India and Pakistan, for example, has provided for rent reduction and for greater security of tenure, and in Egypt similar legislation provided for the reduction of rents, the abolition of sharecropping and written leases, with a minimum duration of three years. More far-reaching measures have led to the transfer to the cultivator of ownership of or long-term occupancy rights in holdings, through, example, the abolition of intermediaries in India, land nationalisation in East Bengal and Burma, and the expropriation of landlords' holdings above a certain limit in Egypt and in Taiwan. In instances where land redistribution has involved the breaking up of large extensively operated estates, as in Bolivia and southern Italy, employment has increased, not only for the occupants and workers on new holdings, but also for workers required for various services, trade and the processing of agricultural products in the areas affected.
Another aspect of agrarian reform is the consolidation of holdings, to correct the evils of excessive fragmentation. There is a long history of such consolidation in the Punjab, for example, and it is generally considered to have had a beneficial effect on agricultural methods and incomes, since it permits more efficient operation. However, it may reduce agricultural employment to some extent.

Agricultural development calls for a considerable amount of public investment, not only in connection with the measures mentioned above, but also in the establishment or expansion of the necessary research services and systems for carrying the results of research to the farmer and assisting him to introduce improved techniques. It also calls for the making available to the cultivator of credit in much greater amounts and in a more adequate manner than at present. In India, for example, it has been estimated that co-operative, state and commercial bank loans form together only just over 7 per cent. of cultivator-borrowings and that by far the largest source of credit is private money-lenders, who frequently charge 25 per cent. and more interest. In that country and in Burma, Egypt, the Philippines and Turkey the Governments are extending their rural credit activities considerably, in an effort to remedy the inadequacy of present arrangements.

It is also generally recognised that there is much to be done in the way of increasing the amount of "social investment" in rural areas by the promotion of projects which assist development. Here the building of new roads, including those connecting villages with highways, and the improvement of old ones may be particularly important, not only because this is a prerequisite to the opening up of new lands, but also because without adequate roads the full benefits of improved agricultural methods and the commercialisation of agriculture may be lost because farmers are unable to get their products to the markets. No less important are schools, hospitals and sanitary facilities, the provision of drinking water, and so forth. Experience has indicated that much is gained where the local community itself is closely identified with these improvements, both in selecting the projects to be carried out and in implementing them. Community organisation and development, whereby the local peoples

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1 Reserve Bank of India, All-India Rural Credit Survey: Report of the Committee of Direction (Bombay, 1954), pp. 167 and 173.
participate positively in raising their own levels of living, involve making the best use of all available local resources, particularly labour (the latter usually being contributed on a voluntary basis), and ensuring that these local efforts and achievements fit into national plans for general social and economic development. There is very considerable activity in these fields in many countries, particularly in Asia and the Middle East.

A good many measures relating to improved agricultural methods and higher farm returns have been implemented through co-operative organisations. In recent years the governments of a number of these countries have been playing a more active and important role in promoting and fostering the development of co-operatives, especially in rural areas.

Several countries, particularly in Latin America, have special problems connected with integrating indigenous peoples in rural areas into the general economy and national culture. Some of these problems, as I have mentioned, are before the Conference as an item on its agenda.

In many African territories balanced economic and social development calls for a more settled type of agriculture and the conservation of soil, water and forests which such a policy implies. In Southern Rhodesia, for example, where the rapid increase of the population, as well as of livestock is creating grave problems, the Government is promoting better farming methods, a more stable type of agriculture and soil conservation projects. In British East African territories a Royal Commission has recommended greater emphasis on water development, commercialisation of indigenous agriculture, including the development of markets for livestock, and general improvements in agriculture. Above all, it stressed the need for land policy aiming at "the individualisation of land ownership and mobility in the transfer of land which, without ignoring existing property rights, will enable access to land for economic use". In French and Belgian territories in Africa, government policy also favours the stabilisation of the indigenous populations on the land. In this connection there have been established

1 The Andean Indian Programme in Bolivia, Ecuador and Peru, for which the I.L.O. has major responsibility, and other technical assistance projects, for example in Guatemala, are directed towards this goal. See pp. 123-4.
paysannats indigènes—group settlements in which agricultural advisory services are supplemented by such social and economic activities as improvements in housing, provision of water supply, medical services and education.

Efforts to increase employment opportunities in agriculture along the lines indicated in the preceding pages are unlikely to be on a large enough scale to have much influence on underemployment in rural areas, particularly given the constant natural increase in the rural population. More and more governments are therefore giving attention to measures for increasing employment opportunities outside of agriculture, for the purpose both of drawing off workers permanently and of providing seasonal employment during those times of the year when little farm work is done.

One opportunity is afforded by small-scale rural industries, particularly those using raw materials available in the locality. While large-scale industries offer certain advantages, many have limitations because of the relatively big amounts of capital and higher levels of skill often required. In a number of Asian countries it has been decided after considerable debate that, in areas where there is surplus manpower, policies affecting the choice of types and sizes of industries should take into consideration the capacity of the undertaking to absorb labour as well as its ability to produce income. In other regions as well, in planning development in the industrial sector countries having large reserves of under-utilised manpower are beginning to think in terms of activities which include both traditional crafts and modern factory work and also those lying somewhere between the two which, while having high-productivity features and low capital requirements, tend to be most labour-intensive, that is, to absorb the maximum amount of labour. To find the proper balance in changing circumstances is a continual challenge to the ingenuity of governments, employers and workers in the countries concerned.

There is also scope for the further development of handicrafts, especially those in which members of the agricultural worker's family may be employed. Furthermore, the emphasis being given to agricultural development will create an increasing need for agricultural processing industries, and their location in rural areas would help to relieve underemployment during the "off" season. Several Asian and European countries have
had satisfactory results in this field. Timber processing plants may likewise make a significant contribution. Finally, as agricultural production increases and incomes of agriculturists rise, there may be considerable opportunities in local trade. This was revealed, for example, by a survey recently completed in Burma.

Japan's experience shows how small-scale industries and handicrafts in rural areas may provide subsidiary employment for agricultural workers and their families and contribute to family incomes. In 1952 non-agricultural income constituted one-third of total income in Japanese farm households, with only 12 per cent. of the working days so used, and the proportion of non-agricultural income increased as the size of farm decreased. It is believed that it is largely by finding off-farm employment that the Japanese farmer is able to maintain his level of consumption. In Yugoslavia recent studies show that non-farm income is about 40 per cent. of total earnings of farm households.

Co-operative organisations and methods are being widely used, notably in the Asian region and in some Middle Eastern countries, to help to establish small-scale industries and appropriate handicrafts in rural areas, to adapt them to technological progress and other changing economic and social circumstances and to approach certain of their continuing problems, such as financing and marketing. In some of the African non-metropolitan territories different forms of co-operation have proved helpful in recent years, both in facilitating the social transition from production for subsistence to production for exchange and in diversifying the opportunities for non-agricultural employment in rural areas, particularly through small-scale industries and handicrafts.

In the long run, however, it is undoubtedly true that the only way in which the problem of surplus manpower in agriculture can be solved is through industrialisation on a very large scale. It must indeed be on a very large scale if it is to do much more than absorb the natural increase in population in urban areas alone. In Latin America it has been estimated that more than 20 million workers would need to move from agriculture into manufacturing industries and the services in order to bring incomes per head up to reasonable levels.\footnote{Cf. "The Relationship between Population Growth, Capital Formation and Employment Opportunities in Under-developed Countries", a...} I do not propose to
enter now into a discussion of the many problems involved in the industrialisation of the less developed areas, though I recognise how great these problems are and that it is not enough merely to advise governments to industrialise. There are, however, some points very closely related to the particular questions of concern to us here.

These include, first of all, the social and employment problems in urban areas which were alluded to earlier in this chapter. Overcrowding and related problems necessitate large-scale housing programmes. The experience of Asian countries in this field was discussed by the Third Asian Regional Conference in Tokyo in 1953, and I believe the views expressed there are largely applicable to other areas facing similar problems. It was brought out that there is scope for action by the workers through the formation of housing co-operatives and by employers through encouraging self-help activities and providing material assistance, for instance in the form of loans. But governments undoubtedly must play a major role, not only in developing long-term programmes but also in encouraging the establishment of an adequate building industry with the required flow of materials and labour. There may be particular scope for the utilisation of indigenous material and for providing short-life housing using largely unskilled labour and little-processed materials in plentiful supply. This does not detract from the ultimate need for long-life housing.

Another urgent need in developing urban and industrial centres is for social services and amenities of all kinds. Such services have a particularly important part to play in aiding migrants from rural areas to adjust themselves to an urban environment. But in order that they may play their part effectively it is necessary that they should be properly staffed with adequate numbers of competent personnel and given the funds needed for their work.

Turning to employment problems, first, it may be found helpful to improve ways of collecting and disseminating information about employment in the cities, so that rural families may have as clear an idea as possible of what is in store for them.

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paper presented by Dr. Raúl Prebisch to the World Population Conference (Rome, September 1954). This analysis is based on the assumption that the annual rate of growth in the gross product per head will be 4.1 per cent., permitting in 25 years a gross product per head of one-third of the present level of the United States, or $670.
before they leave their farms and villages. Several of the Asian countries are seeking to improve their information and counselling facilities along these lines. Secondly, action may also be necessary to control the activities of middlemen and other agents active in bringing workers to urban centres or in placing them in employment and to prevent abuses associated with the charging of exorbitant fees and commissions and the provision of various supplementary services. One means of control is through the licensing of agents, as is the practice in several African territories, or through the prohibition of specific practices such as the making of pre-employment advances. Or recruiting may be forbidden altogether, as was done in Bolivia in 1946 and in Argentina in 1950. Thirdly, there is the need for properly oriented vocational training programmes designed not only to impart the occupational skills most in demand but also to familiarise new recruits to industry with the pace and character of factory work and with the group relations which underlie such work. Employers have a particular responsibility in promoting training schemes for new industrial workers and in seeing to it that the methods used are really appropriate for the workers concerned. Workers’ organisations, too, can do much by encouraging workers to participate in training programmes and by helping newcomers to meet any particular difficulties that may arise.

In many of the less developed countries there is, as has already been mentioned, a particular need to take action to stabilise the labour force in the urban areas. Many kinds of measures play a part in this process. But a first essential is adequate remuneration—wages at a level which enables individual workers to cease to be dependent on their ties with village or tribal life and to build up a new life with their families in the urban areas where they are employed. If minimum earnings are not sufficient for these purposes, then workers will necessarily have to seek assistance from outside sources away from their places of employment, such as distant land holdings, and instability of the labour force will remain a major problem of industrialising countries.

Labour and social legislation, with standards adapted to national conditions, has its part to play in making for an efficient and stable labour force in urban areas. There is often a very special need to provide basic forms of protection in order to prevent exploitation of newcomers from rural areas who are
wholly unfamiliar with urban life and industrial work. Wage protection is always important. Child labour must be regulated. Hours limitation may be necessary in some cases or for some groups. Payment for weekly rest, provided the worker has been present during the six preceding days, and paid holidays may encourage workers to remain in employment and often, as has been shown in, for instance, Iraq, help to reduce absenteeism. Industrial welfare services may be particularly important where general social services do not exist or are not well developed. Labour inspection has a highly significant role to play in preventing the abuses so often associated with the early stages of industrialisation and in drawing attention to conditions requiring improvement as development advances. Competent labour administrators can often anticipate the problems likely to arise and do much to see that their solution is sought in good time.

In almost all countries there are great possibilities for locating industries in rural centres. This matter has already been mentioned and it will be referred to again in connection with the situation in the industrially more developed countries. In the less developed countries well-planned action in this direction would not only solve some of the problems of overcrowded urban centres but would also spread employment opportunities more widely, with consequent benefits to the population of rural areas.

Along with measures to this end, there seems to be a need in many of the less developed countries to promote a more effective country-wide distribution of technical and white-collar workers, and of members of the professions, and particularly to encourage such persons to seek employment in rural areas. Teachers, extension agents and persons trained for various kinds of professional, administrative and clerical work are all needed in rural areas, while there are frequently surpluses of these categories of workers in the cities. In some instances special incentives, such as higher pay and better living quarters than are customary in these areas, may have to be offered. These costs would need to be set against the benefits which the presence of these workers is likely to bring to rural areas.

More Developed Areas

In the more highly developed countries where, as has been suggested, the major factor is the rapid decline of the farm labour
force in relation to the total active population, measures of social policy in the rural sector aim primarily at permitting the agricultural working population to enjoy conditions of life and of work comparable to those in other occupations. This is the primary requisite for keeping enough workers on the land to maintain agricultural production at the levels desired. In addition workers, particularly seasonal workers, require help in finding employment in the areas where, and at the times when, their services are most needed.

In some countries it is true that agricultural workers now enjoy conditions comparable to those in other occupations. In Australia, for example, owing largely to the shortage of agricultural labour, but also because of its high productivity, agricultural workers earn wages which compare favourably with those in industrial occupations. In Sweden also the high productivity of the agricultural worker has made possible wage increases almost up to the level of industrial workers and has also made possible shorter working hours. In the United Kingdom labour productivity in agriculture has risen by about one-half compared with before the last war. The worker has gained three to four hours’ leisure time per week and wages have been increased considerably as compared with 15 years ago. Farm workers benefit from most of the social security programmes covering industrial workers. In most Western European countries the conditions of farm workers have been improved in recent years, either by legislation or through collective bargaining.

But comparable wages and conditions are not enough to stop the drift to the cities. Rural workers also expect more comfortable housing and a wider range of amenities in general. A number of countries are attacking the problem of housing for these workers. In the Federal Republic of Germany, for instance, the construction of workers’ houses has been encouraged by legislation permitting employers to deduct from their taxable income the full cost of construction during the current year or one-third of the cost in three consecutive years. The Government has also adopted a scheme for the construction of houses to be owned by agricultural workers; land and financial assistance are made available to agricultural workers for this purpose. Improved rural housing has also been an important element in the social policy of Finland for a number of years and is considered to have had a stimulating effect on rural life and to have
helped to check migration to cities. Government appropriations are distributed through local boards in the form of cheap long-term credits for new construction and the renovation of old buildings. In France, government policy emphasises the improvement and construction of rural dwellings and various forms of financial assistance have been made available for these purposes.

As concerns the living and working conditions in agriculture, a large measure of responsibility falls upon employers and workers and their organisations. Indeed, in a number of countries collective bargaining is now the chief means of regulation—in Denmark and the Netherlands, for example. Where legislation is resorted to, there are usually opportunities for employers and workers to press their views.

The close personal relationship between employer and employee which has always prevailed in agriculture has its advantages and its disadvantages. It may mean that the worker is treated in a friendly way as a member of the family; on the other hand, it may lead to exploitation. In general, experience suggests that the relationship tends to be most satisfactory if it is recognised that the worker is entitled to the benefits which the modern world offers and that the employer has a right to expect that the work will be done when it is required, even if this involves at times long hours under trying conditions.

Farm employment is affected by the structure of the farm. Generally speaking, the labour force on the family farm is stable. In addition, this type of farm provides a degree of social stability far greater than has been achieved under most systems of large-scale farming. For these and other reasons countries in many parts of the world are promoting family sized units. In New Zealand land and credit policy favours the family farm and this type of holding has increased more than others. Another example is afforded by Sweden, where policy aims at giving the agricultural population the same opportunities as those engaged in other branches of the economy to achieve a reasonable level of income and to participate in the general increase in welfare. In addition to price support measures, rationalisation of farms is stressed: an important step in this direction is the creation of adequate-sized economic holdings. As a result of various reforms there has been a significant decline in the number of small farms and a corresponding increase in family sized units.
In countries facing labour shortages in agriculture, improved technology, especially mechanisation, has enabled production to be maintained or even increased. In the United States labour requirements in wheat production and harvesting have been cut by more than one-half in the last 30 years, and complete cotton mechanisation may reduce labour input from 160 hours per bale with traditional methods to only 10 hours. The use of the aeroplane for certain farming operations is already common practice, as in pasture improvement in Australia and New Zealand. Rice-seeding, which under manual operations requires 30 hours per one hundred acres with five unskilled workers, can be done in 30 minutes by aerial operation with one pilot and four unskilled workers. The greater skill often necessitated by technological progress and the higher productivity of labour which results from such progress are rewarded by considerably higher wages. Moreover, the mere fact that modern farming involves working with complicated machinery may often be an inducement to mechanically minded young workers to stay on the land.

Rural regions have seldom received an adequate share of public investment for the development of rural amenities, educational facilities and services. The results achieved in the United States through the provision of electricity on the farms are an example of what a consolidated programme can do. In 1920 only 7 per cent. of the farm dwellings were lighted by gas or electricity; in 1940 the proportion had risen to about one-third; in 1952 there were nine states where more than 95 per cent. of the farms were electrified, while in 16 other states the percentage was between 90 and 95. Considerable progress in rural electrification has also been made in France, where more than 90 per cent. of the rural population is now served by electricity. Hardly any other development has had such far-reaching effects on rural living. It has made possible the introduction of labour-saving equipment, not only in the farmstead but in the farm home as well, and in general it has brought many comforts and conveniences to the countryside.

In a number of countries special efforts have been made to ease the life of farm women, whose lot is probably harder than that of any other farm worker. In the Federal Republic of Germany, where the average life expectancy of farm women is only 52 years—15 years lower than that of their sisters in other occupations—a programme is under way to construct, with
the aid of otherwise idle labour, community centres which will include modern laundry facilities, showers and baths, modern kitchens with equipment for butchering and for fruit and vegetable conservation, including deep freezers. In some cases a children’s nursery is attached. Some 800 centres have been opened and have already benefited the villagers in several ways. They permit a better and more diversified diet for farm families. By providing community halls and libraries they act as a stimulus to cultural and recreational activities. Most important, they make the lot of women on the farm more acceptable, leave them more time for their children, and enable them to have more leisure.

More attention is being given to improving rural education in general and in particular vocational training in agriculture, a question now being examined by the Conference. As farm technology is constantly advancing, new methods of production being introduced and more and more complicated farm machinery and materials being used, there is increasing need for better training. A fairly recent development is the introduction in agriculture of apprenticeship schemes (as in Austria, for example), which under certain conditions can make a substantial contribution to the training of fully qualified agricultural and forestry workers.

Vocational training is indispensable to the building up of a well qualified labour force capable of ensuring an adequate volume of agricultural production. But vocational training in rural areas must also recognise the drift of young people from the land and, while making every effort to attract them to farming as a skilled profession, must also provide opportunities not only to those who wish to take up other employment in rural areas but also to those who leave the countryside for other occupations. Without adequate training opportunities, few of them are likely to find skilled employment. For example, in Canada, during the Second World War, of the 160,000 farm workers who went into industry only one-fifth found their way into skilled occupations.

As concerns general education, much has been said about the inequality of facilities as between rural and urban areas. Particularly in areas of sparse agricultural settlement and where small communities are finding it difficult to keep going, the maintaining of adequate school facilities constitutes a real problem. In some countries, including the United States, the problem
is being solved by consolidating rural schools, particularly secondary schools, in the larger centres; this calls for the organisation of special transport to bring pupils to the schools. Australia and New Zealand have developed "Schools of the Air"—providing radio courses to broaden the curriculum of rural schools and widen the opportunities of rural children.

Measures intended to improve living and working conditions in agriculture, increase productivity and raise the general level of amenities and services in rural areas may be instrumental in keeping on the land workers who otherwise would have abandoned it and have the effect not only of raising the productivity of the remainder but of making them more satisfied. But they may not be enough. In some cases measures may need to be taken to increase the agricultural working population.

Australia and Canada, for example, have adopted an immigration policy favouring agricultural settlement. Several countries have special schemes for settling war veterans on the land. These usually include favourable credit arrangements and special training and advisory services. In Israel, where settlement on a large scale is desired, new immigrants are transferred to settlement areas and given the necessary preparation or training. During the period after settlement when the new farm is not sufficiently developed to give full year-round employment to the settler and his family the employment service helps to find wage employment in public works. The U.S.S.R., in connection with its campaign for ploughing up and seeding 15 million hectares of virgin land during the 1954 and 1955 seasons and an additional 13 to 15 million hectares during the 1956 season, not only has redistributed technical personnel with experience in different branches of agriculture but is also drawing into this agricultural project many thousands of additional workers. In Czechoslovakia the agricultural labour force is being increased by means of transfers from different occupational groups in urban areas. In the German Democratic Republic also industrial workers are being urged to work on the land so that agricultural requirements may be fully met.

Meeting the seasonal labour requirements in agriculture is a special problem. Mechanisation, together with an increase in the consumption of fruit and vegetables, has tended to heighten rather than lower the demand for additional help at seasonal peaks, notably during harvesting. This tendency has been accelerated by the fact that many farmers try to offset
higher wages by shorter employment periods. Seasonal farm labour peaks are being met by the employment of local workers—peasants, tenants, share-farmers and others connected with agriculture and not fully occupied on their own holdings. In some countries city people go to work on farms at peak seasons. In England they help in the hop picking; in Italy they work in the rice fields. Special schemes may also be organised for children and young persons and vacations arranged according to labour demand periods. Thousands of children and young persons help in the potato harvest in Europe—in Sweden, for example. Where these measures are insufficient, some Governments—those of Canada, France, Switzerland and the United States, for instance, and lately also the Federal Republic of Germany—have brought in foreign workers for seasonal activities in agriculture.

Especially as concerns seasonal workers, the public authorities have a vital function to perform in seeing that the worker is brought to the job and that the farmer has labour when he needs it. In this way haphazard job-seeking can be avoided and at the same time the degree of mobility demanded by modern farming and the economy in general can be ensured. The setting up of machinery for clearing job openings in agriculture from one area to another, for example, or of special farm employment services or rural branches of the general employment service may be helpful.

Some of the movements of migratory agricultural workers to successive jobs in the United States are guided and organised through the employment service. In France the employment service also helps to organise the seasonal agricultural labour supply; for example, arrangements are made between departments according to which those short of labour are supplied with workers by those with a surplus. In Canada special machinery has been set up to assist in meeting agricultural labour requirements and in particular to organise the transfer of seasonal farm labour from one province to another. The railroads, in a co-operative effort with the federal and the provincial governments, provide specially low fare rates for volunteer harvesters. Many other countries are developing increasingly effective arrangements for meeting seasonal needs for agricultural workers.

In many respects the planned decentralisation of industry promotes balanced industrial and agricultural development.
Several countries have found through experience that carefully planned industrial decentralisation brings considerable benefits to less developed rural areas by improving communications and opening up closer markets for perishable food products. It also tends to create supplementary employment, educational and recreational opportunities for farm families, and to halt the drift from the land as well as to attract persons away from congested urban areas.

In Italy the Government has granted customs and fiscal privileges, credit facilities, a reduction in freight rates and technical training facilities in order to promote industrialisation in the southern part of the peninsula, Sicily and Sardinia. In France measures have recently been taken to avoid further growth of industries in the Paris area. To encourage the location of new industries in non-central areas, Sweden and Switzerland maintain services which furnish advice to industrialists; in addition certain facilities may be granted by local authorities. In Switzerland, as also in the southern part of the Federal Republic of Germany, there has been for years a development of small industries, such as watchmaking, in rural towns and villages. Good communications, electric power and the availability of local skilled manpower and training facilities have facilitated this trend. Much of the work is done by farmers on a part-time basis. In New Zealand, in an endeavour to keep more workers on the land, a policy of moving industries into rural areas is being followed, thus providing farm workers’ families with additional employment and income possibilities. Australia also is pursuing policies tending towards a planned decentralisation of secondary industries. In the United States the Tennessee Valley Authority development programme, comprising flood and water control, the production of hydro-electric power, the promotion of diversified farming and the encouragement of new industries, has shown how much can be done to transform a poor rural area into one with a more diversified and better-balanced economy.

In some respects, however, a policy of decentralisation has its dangers. The location of industrial plants in remote areas may entail heavy expenses connected with the provision of amenities and public services and with social security and industrial welfare. The drift to the cities suggests a popular preference for the advantages and comforts of city or town life and it may not be halted by the relative advantages and com-
forts of rural centres. Another problem in densely populated areas arises from the fact that these developments might involve further encroachment on already scarce agricultural land, as in the Netherlands, for example.

Ideally, perhaps, in industrial development more emphasis might well be placed on expanding middle-sized towns, thus avoiding a number of the disadvantages of over-centralisation and over-decentralisation. But action in this direction comes up against many practical difficulties. Moreover, it involves systematic planning and execution, calls for the exercise of considerable ingenuity on the part of industrialists and depends on trade union co-operation as well as on appropriate forms of government assistance.

Measures for assisting rural workers to find suitable employment in urban centres in the more advanced areas hardly need be dwelt on here, since in these countries employment services are now usually in a position to take effective action. Given more adequate financial resources, additional staff and improved working procedures, they could become even more effective in enlisting the co-operation of more employers, covering a wider sector of the available labour supply, and improving the quality of employment information and counselling services.

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This chapter has covered a very wide field. If I have touched upon such topics as industrialisation, full employment, education, agricultural improvements and community development, it is because equality of opportunity and social justice for all workers may largely depend on the achievement of these basic objectives. I am not suggesting that the I.L.O. should duplicate the work already being carried out by other agencies in these and other fields. But I am impressed by the need for a fully co-ordinated approach to the problems of urban and rural employment which arise in the process of economic development.

In a general way, this need has been recognised by the Economic and Social Council, which in July 1955 unanimously adopted a resolution on the world social situation requesting the Secretary-General of the United Nations to place emphasis, in his next report on that subject, on the problems of peoples undergoing rapid transition to industrialisation and urbanisa-
tion. Whatever we do to relate our work more closely to these problems will be done within the general framework of the development of this programme emphasis of the United Nations and the specialised agencies.

Our special concern, it seems to me, should be to consider whether there are not certain areas where the I.L.O. can expand and intensify its contribution in order to promote better understanding of the labour and social problems of each sector of the economy and to work out more effective solutions for the matters in which it has a direct and immediate responsibility.

One thing stands out, I believe, and that is the need for greater attention to the way in which the problems of the rural sector impinge on general economic development, particularly in the industrially less advanced countries. How can we meet the related problems of underemployment, low productivity, low levels of living and insecurity in overpopulated rural areas? How can we cope with haphazard migration? How can more workers be shifted into other occupations in an orderly manner, so that both rural and industrial sectors of the economy have a labour force of adequate skill and stability? How can we prevent further congestion in already overcrowded cities, with the resulting social and labour problems of such urgent concern to the I.L.O.? How can large numbers of rural workers be given opportunities of training for industrial and other occupations in the most effective manner, and how can they be helped to adjust themselves to a new industrial environment? What are the respective roles of employers, trade unions and governments in meeting these various problems?

On the other hand, in the more advanced countries, are we in danger of excessive migration away from agriculture? If more workers are to be encouraged to remain in or to enter agriculture, what measures are needed to make living and working conditions in rural areas sufficiently attractive?

What of the potentialities of industrial decentralisation, both from the standpoint of relieving urban congestion and from that of widening opportunities and facilities in rural areas?

What are the possibilities of promoting better urban-rural distribution of white-collar and professional workers?

Are we, in the fields of primary concern to us, helping to promote the new institutions and new forms of community life which assist the peoples to participate fully in their own development? What part has our labour-management programme to
play in this process? And how can it contribute most effectively to the solution of the inter-related problems of rural and urban employment today?

These and many other questions arise, and a full exchange of ideas by delegates coming from countries at widely different stages of development and representing governments, employers and workers will surely be useful and help all of us to understand the problems better. The experience of countries which have been tackling some of these problems for many years may have much to offer to those which are still at the threshold of economic development.

Of what further help can the I.L.O. be in connection with these matters? In recent years this Organisation has been giving increasing attention to the problems of the less developed countries of the world, the bulk of whose populations are dependent on agriculture. But are we doing enough to meet these problems, particularly those which arise for both the urban and rural sectors as the result of the revolution in habits of life and work compelled by the steady and rapid progress of economic development? What further work in the standard-setting, research and operational fields would be most useful? How can we co-ordinate our own activities more effectively with those of other international organisations concerned with other aspects of the transition towards industrialisation and its impact on conditions of life and work in industry and agriculture?

I hope the Conference will be generous with its counsel and suggestions. I believe that these are important problems for all countries, and problems in which employers and workers, no less than the governments, have a real stake. For surely co-ordinated social progress, with all that it implies, is vital to that general improvement in conditions of life and work and in human welfare which it is the aim of this Organisation to promote to the fullest extent.
CHAPTER III

ACTIVITIES OF THE I.L.O.

There has been a considerable amount of discussion of future programme emphases in I.L.O. action during the past year, both in the Governing Body and at the Conference. Such discussions have directed attention to the I.L.O.'s responsibility for anticipating the social implications of technological change and for promoting throughout the world the kind of conditions in which the necessary social adjustments can be made smoothly and successfully in the interest of the material progress of society.

Three points in the I.L.O.'s programme which will be of particular significance for the future may be referred to here.

First, new technological developments in the industrial application of atomic energy and of automation as well as in other fields are being studied so as to keep abreast of events and be ready, at the appropriate time, to deal internationally with the social consequences of these developments. General surveys of the social impact of industrial use of atomic energy, automation and farm mechanisation have appeared in the International Labour Review. While such surveys light the way to the comprehensive treatment of the social problems resulting from a far-reaching industrial evolution, the I.L.O. has already come to grips with one of the industrial safety problems of the new era, that of the protection of workers against ionising radiations, on which a report was prepared for the International Conference on Peaceful Uses of Atomic Energy (Geneva, August 1955).

Secondly, a workers' education programme is beginning in 1956 and will be gradually expanded. The aim of this programme is to promote among the workers, in all parts of the world, an objective knowledge of the social conditions and problems confronting them so that they will be able to deal with these problems in an intelligent, rational and responsible way. Some steps in that direction were already taken in 1955. The I.L.O. provided lecturers and publications for several seminars throughout
the world, sponsored and organised by various international and national workers' organisations. Technical correspondence courses on co-operation and labour law have been prepared for the use of Latin American trade union officials. New credits will now make it possible to make an important contribution to workers' education in such fields as labour legislation and administration, social security, industrial relations, industrial safety and health and other conditions of work.

Thirdly, new emphasis is to be given to labour-management relations. It will be recalled that I placed special emphasis on the subject in my last Report and that it was extensively discussed at the Conference, which adopted a resolution asking me to consider how the I.L.O.'s activities should be modified or supplemented so as to contribute effectively towards promoting labour-management co-operation and better human relations in industry throughout the world and calling upon the Governing Body to draw up a practical programme of action. An outstanding specialist in the field, Mr. David Cole, has prepared, at my request, a survey of the question and made suggestions for I.L.O. action. I will lay before the Governing Body in the near future plans for the systematic collection and analysis of collective agreements, the strengthening of general research activities and the convening of a committee of experts. Meanwhile, the I.L.O. has continued to follow, as closely as possible, the work of the other organisations interested in this field and, for instance, took part in the conference on human relations in industry convened by the European Productivity Agency in Rome. In the course of last year little progress could be made in research and programming because all available resources had to be diverted from normal routine or special projects in order to prepare the work of the independent Committee on Freedom of Employers' and Workers' Organisations from Government Domination or Control. However, the I.L.O. is now in a position to pursue actively the development of this programme.

One of the continuing activities of the I.L.O. which has a direct bearing on the promotion of labour-management relations is the work of the Industrial Committees, in which representatives of governments, employers and workers meet together to discuss the practical problems of the world's great industries. These discussions of the current preoccupations of a given industry by the representatives of that industry, together with govern-
ment representatives, may lead to the formulation of suggestions for practical action which can often be put into effect at the national level by agreement between the employers and workers concerned.

Thus, productivity was one of the themes discussed by two of the Committees which met during the year—the Chemical Industries Committee (Fourth Session, February) and the Textiles Committee (Fifth Session, September-October). It may be noted that the Committee on Work on Plantations also discussed the same subject (Third Session, October). In all cases a considerable measure of agreement was reached on the basic conditions for and principles governing efforts to improve productivity, and suggestions were made as to practical measures to be taken for this purpose.

Earlier meetings of some of the Industrial Committees have discussed labour-management or human relations. Last year the question of labour-management relations was on the agenda of the Textiles Committee, and the question of human relations is on the agenda of the forthcoming meeting of the Petroleum Committee, which is scheduled to be held in April 1956. The Textiles Committee adopted with near-unanimity a memorandum setting forth the general principles underlying the building up of good labour-management relations in textile factories and examining what methods of appointment and terms of reference of joint consultative bodies were most calculated to lead to harmonious relations.

The Chemical Industries Committee also discussed the question of safety and health, with special reference to the classification and labelling of dangerous substances in the industry. This links up with the more general work of the I.L.O. concerning the labelling of dangerous substances, to which reference is made elsewhere in this Report.¹

Turning now to another aspect of I.L.O. activities, I should like to emphasise the continued attention devoted to training. For a number of years to come one of the main contributions the I.L.O. can make will be to further the development of training in all its manifold aspects. Vocational training accounts for approximately one-half of the I.L.O.'s operational activities. Its expanding work in training for labour administration is a newer but no less important development. It is a necessary

¹ See p. 116.
part of the effort to promote an objective understanding and rational handling of social problems throughout the world. Training good labour administrators will not only assist, in the long run, in the implementation of I.L.O. standards, but will also provide a corps of persons who can make an important contribution to the improvement of labour-management relations in their country. The Labour Administration Institute in Istanbul is a notable example of the contribution the I.L.O. is making in this field, and a similar institute is to be established in Mexico. Our work in the field of labour productivity is also very largely a matter of training and education and is equally significant for the future.

I have recently visited a number of member States, including several in the Near and Middle East, and I have returned more than ever convinced of the importance of these related aspects of the I.L.O.'s work in helping to bring about a fuller understanding of the social problems arising out of technological changes and economic development. It thus seems to me that these programme emphases which I mentioned are on the whole correct. I would, however, like to know how they appear from the standpoint of each country's needs.

While in previous years attention was mainly focused on other areas, European problems played a prominent part in I.L.O. activities in 1955, and the first European Regional Conference heralded a number of significant developments. In addition to considering productivity, the financing of social security and the age of retirement, it inspired a general plan of action. In attempting to draw together the main trends of the debate, I remarked that the ultimate goal of economic cooperation in Europe was to raise levels of living through a general increase in production, and that it was for the I.L.O. to assist countries in planning the social policies without which economic changes would not attain their real purpose. The Conference felt the need for further study of the problems of transition to new and more efficient patterns of production and employment, following from the establishment of common markets. The influence of increased competition on the possibility of further improvement of social standards and the freer international movement of labour also calls for objective investigation because of uncertainty about real and apparent differences in labour costs, including social charges. As a result
a group of statistical experts was convened to advise on sources of information in the field of wages and related elements of labour costs in European countries. A group of economists discussed the extent and manner in which closer European economic co-operation and, in particular, freer trade may require adjustment in national social policies, the measures which might be taken in order to mitigate any disturbances in output, employment and social conditions in general which may result from the freeing of trade, and the ways in which European economic co-operation may contribute to the continued pursuit of a progressive social policy in all parts of the area concerned. Practical steps towards such objectives have also been taken through co-operation with the O.E.E.C. and the Coal and Steel Community in connection with liberalisation of European manpower movements and labour and social standards.

Although Latin America and Asia have continued to loom large in the I.L.O. programme of activities, I should like to draw special attention to the growing importance of Africa. No doubt the I.L.O. has always taken a considerable interest in African affairs, and has played a significant part in its social development. The Forced Labour Convention, adopted in 1930 at the instance of the Temporary Slavery Commission of the League of Nations, is now in force in all the British and French territories in Africa south of the Sahara, and in the Italian trust territory of Somalia, and is applied with only slight modifications in Belgian territories. Penal sanctions, which were dealt with by the Conference in 1939, are now in the final stages of abolition throughout most of Africa. The Social Policy (Non-Metropolitan Territories) Convention, 1947, the Right of Association (Non-Metropolitan Territories) Convention, 1947, and the Labour Inspectorates (Non-Metropolitan Territories) Convention, 1947, are in force throughout the non-metropolitan territories in Africa already mentioned. Last year, after preliminary consideration by the Committee of Experts on Social Policy in Non-Metropolitan Territories of the problem of migrant labour in non-metropolitan territories with special reference to Africa, the Conference adopted a comprehensive Recommendation on the subject (the Protection of Migrant Workers (Underdeveloped Countries) Recommendation). The work of the Committee of Experts on the Application of Conventions and Recommendations, which last year reviewed over
a thousand reports on the application of Conventions in African territories, indicates that the Conventions and Recommendations adopted by the Conference have been for many years one of the main formative influences upon the development of labour legislation in Africa.

Today we are confronted with a new and perhaps more complex challenge. Moving away from a group of problems relating to abusive practices centring around the procurement of manpower, the I.L.O. has already dealt with the basic principles of social policy in non-metropolitan territories in the group of Conventions I have just referred to. The protection of migrant workers in non-metropolitan territories and all underdeveloped countries has been the subject of the above-mentioned Recommendation, adopted last year, and two further questions of vital interest to Africa are to be dealt with by the Conference in the near future, namely that of discrimination in the field of employment and occupation and the problem of conditions of work of plantation workers. In addition, a fairly substantial programme of technical assistance is being carried out in Africa. The largest programme is that for Libya, but a significant beginning has also been made in various territories south of the Sahara, including Somalia, Liberia, the Gold Coast and Gambia. Twenty-one persons from the Sudan, Liberia, Libya and Somalia and from British, French and Belgian territories attended a co-operative training course organised by the I.L.O. in Denmark. It is against this background that the 1955 meeting of the Committee of Experts on Social Policy in Non-Metropolitan Territories, held for the first time on African soil (Fourth Session, Dakar, December), should be viewed as a particularly important development, not only because of its substantive work but also on account of the increasingly representative character the Committee is acquiring through the active participation of representatives from non-metropolitan territories.

I should remind the Conference that a great many problems of concern to the I.L.O. are also of interest to other international organisations and that a comprehensive approach has in all cases been made possible through close co-operation with the international organisations concerned. The exact nature and extent of this co-operation are fully discussed in this year's report to the United Nations.
Manpower questions have continued to play an important part in I.L.O. activities. In particular, manpower surveys and the collection of employment information in countries in process of development have received increased attention, in view of the importance of a realistic manpower policy for the implementation of development plans. For example, the I.L.O. expert who is developing an employment information programme within the framework of the employment service in India and the expert who is carrying out a manpower survey in Pakistan work in close co-operation with the bodies responsible for economic planning in the respective countries. Other manpower surveys are at present in progress or envisaged in Colombia, Egypt, Indonesia, Iraq, Turkey and Viet-Nam. Mention may also be made of the comprehensive survey recently completed in Venezuela which led to recommendations covering the whole field of vocational training, immigration and employment service organisation. In the carrying out of projects relating to employment service organisation particular emphasis is placed on the need to ensure that the employment service will be in a position to collect all information required, on the one hand, for its most effective development in accordance with the needs of the employment market of the country concerned and, on the other hand, for the determination, where necessary, of action to be taken in related fields (particularly vocational training and migration) with a view to matching manpower supply and demand. This is an important aspect of the work of the I.L.O. experts who are at present assisting the Governments of Chile and Uruguay to develop their placement services. It should be mentioned in this connection that, because of the importance of the immigration problems in these two countries, the experts concerned work in close contact with the local missions of the Intergovernmental Committee for European Migration (I.C.E.M.).

Occupational Classification

The collection of employment market information and its presentation in useful form depends in part upon the availability of a complete national occupational classification system in which the kind of work performed in the country is identified and defined.
The International Classification of Occupations for Migration and Employment Placement issued in 1952 has already rendered valuable service in many countries. It was used as a basis for the elaboration of national classifications in Burma, Ceylon, India, Indonesia, Israel, Pakistan and Turkey, and it has been utilised for migration purposes by Austria, Brazil, Canada, the Federal Republic of Germany, Italy and Uruguay. It provides a code structure which facilitates the development of the definitions of national occupations and guidance in grouping them according to similarity of worker requirements, thereby making it possible to identify rapidly the groups of occupations within and between which workers may easily be moved from one job to another, as the need arises.

The statistical aspect of the question is also an important one. The Seventh International Conference of Labour Statisticians adopted in 1949 a classification in nine major occupational groups, and the Eighth Conference (1954) adopted a provisional list of minor groups. In order to complete the International Standard Classification of Occupations as early as possible and to achieve the highest possible standards in this work, the Office recruited a statistical expert from Canada to work full-time on this subject, and convened a special working group which met for three weeks late in 1955 and prepared a draft list of minor and unit groups. Final proposals for a three-digit international standard classification of occupations comprising major, minor and unit groups will be presented to the Ninth International Conference of Labour Statisticians in 1957.

In addition, the Office is employing six occupational analysts for the year 1956 to prepare definitions of the occupations and groups of occupations which fall within the proposed International Standard Classification of Occupations. It is hoped that a complete international standard classification will be available in final form for the preparation of the population censuses to be taken in or around 1960.

The I.L.O. also started work on the development of the classification of the labour force by status which, along with the industrial and occupational classification of the working population is of great interest to many countries. The need for considerable extension of the existing classification, developed

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1 This classification will be based on the individual's relationship to the establishment, e.g. as employer, employee, share-cropper, unpaid family worker, etc.
by the United Nations some years ago, has been recognised by various statistical groups. The Conference of European Statisticians set up a working group on status which met in February 1956 and in which the I.L.O. took an active part. Proposals for development of the classification will be submitted to the Ninth International Conference of Labour Statisticians.

**JOB ANALYSIS**

Job analysis, which is intimately connected with the definition and classification of occupations, has an important part to play in the efficient use of manpower. In response to the interest expressed by several European countries the I.L.O. organised in November 1955, jointly with the European Productivity Agency, a Job Analysis Conference attended by delegates and observers from six O.E.E.C. member States. The final report of the Conference, which is to include a glossary of job analysis terms, will be published by the European Productivity Agency.

The I.L.O. is also co-operating with the O.E.E.C. and the European Productivity Agency in a project for the establishment of experimental employment offices in six O.E.E.C. member States. The object of this programme is to improve the efficiency of employment services by using a certain number of them as a testing ground for improved employment market organisation.

**VOCATIONAL TRAINING**

Vocational training is essential to the development and industrialisation of underdeveloped countries and meets one of their deepest and most widespread needs. It is therefore not surprising that in the field of vocational training there has been a considerable extension of technical assistance activities.

In some cases I.L.O. experts have been asked to assist governments engaged on the organisation or reorganisation of their national vocational training systems; more often help has been given on specific training problems such as instructor training, the training of supervisors and foremen, the training of apprentices, and adult training by accelerated methods. Experts have designed the layout of training centres and drawn up lists of the equipment to be installed; they have revised training programmes and prepared new manuals and teaching aids.
In certain countries the introduction of modern equipment has posed large-scale training problems, the most striking examples of which result from the mechanisation of road and water transport. In Burma a national centre for training in the use and maintenance of inland water transport and equipment has been set up with assistance from I.L.O. experts. In Pakistan a training centre for tractor operators and maintenance mechanics working with heavy earth-moving equipment was established and completed its first full year of operation in 1955. A practical instruction manual on the Maintenance and Repair of Motor Vehicles was published by the I.L.O. last year: it includes brief texts in English and numerous line drawings and contains instructions for drivers on the driving and maintenance of their vehicles and instructions for mechanics. The long-range value of such work as this will, I believe, be shown in terms of an increased life-span for vehicles in underdeveloped countries and possibly of lives saved, over and above its immediate use in the training of competent motor mechanics.

Effective action to increase workers’ skills and to raise levels of productivity depends, of course, on the availability of qualified instructors and supervisors. In Brazil a project involving the training of instructors drawn from many Latin American countries was continued and extended to include courses in new subjects such as Diesel mechanics and automobile bodywork. This project was carried out in collaboration with the Brazilian National Industrial Apprenticeship Service. Training-within-industry programmes for supervisors have been organised in Burma, Ceylon, Gambia, the Gold Coast, India, Singapore and Taiwan. A centre for the training of management and supervisory personnel has been established in Zagreb, where a team of I.L.O. experts is working in conjunction with Yugoslav colleagues. In Egypt, the Federation of Malaya and Pakistan assistance has been given in the organisation of apprenticeship schemes, while similar programmes are being undertaken in Burma, Ceylon and India.

Following the success of the experimental worker-trainee project referred to in my Report to the 1953 Session of the Conference, under which foremen-instructors were sent to Yugoslavia and workers from that country received periods of training in factories abroad, requests for similar assistance were received from a number of countries, including Greece, Iran, Israel and Turkey, and steps were taken last year to meet them.
Some 300 workers were placed for training abroad under the worker-trainee programme in the course of 1955. About 400 undertakings and plants in 14 countries of Europe participated in the programmes, and many of these accepted successive groups of worker-trainees. The I.L.O. owes a deep debt of gratitude to all these firms, which have done everything possible, not only to ensure thorough training, but also to see to the comfort and well-being of the trainees during their stay abroad. Special efforts have been made to follow up the workers who have received training with a view to evaluating the success of the programme. Reports received both from the workers themselves and from the plants to which they have returned suggest that the training has resulted in improvement in output, quality and work discipline and has made possible important economies through adoption of better work methods and time-saving devices, which ranged from improved segment mounting on locomotive cylinder pistons in Turkey to the introduction of ferro-phosphorus in the steel industry in Yugoslavia.

Such activities derive impetus and guidance from discussion at international conferences convened by the I.L.O. The Asian Technical Conference on Vocational Training for Industry which was held in Rangoon from 28 November to 8 December 1955 marked an important step forward in I.L.O. action in this field. The Conference recommended the establishment, at the national level, of councils for vocational training to ensure co-ordination between the different ministries concerned with vocational training, the employers' and workers' organisations and other interested bodies. It also recommended the establishment of instructor-training centres, combined with training centres for workers, in regions where industrial concentration makes it practicable and desirable. Further, it recommended the calling of tripartite national conferences to discuss the setting up, as a matter of urgency, of an appropriate organisation responsible for the promotion and development of supervisor training. Finally, the Conference reviewed in detail the question of apprenticeship and in-plant training and defined the respective roles of the government and industry in this field.

In regard to action at the international level, the Conference recommended an I.L.O. inquiry into the functioning of accelerated training programmes in Asia, increased I.L.O. assistance in the field of supervisor training, the calling together of a number of specialists drawn from the various Asian countries
to exchange experience regarding the development of supervisor training and the establishment of instructor-training centres serving a number of countries.

No doubt success in the field of training is not easy to assess. To have trained a few hundred mechanics, electricians or carpenters is already a concrete, satisfactory result. But the real value of such training projects as those carried out in Bolivia, Ecuador, Haiti, Indonesia and Libya lies rather in the initiation of a chain reaction, the ultimate consequences of which may be without relation to the size of the initial impetus and may yield fruits in the form of many kinds of improved skills in a generation or less.

**PRODUCTIVITY MISSIONS**

Success in raising standards of living depends, above all, on higher output and productivity. Hence the need to raise labour productivity; and technical assistance designed to achieve this end is being given to Bolivia, Egypt, India, Israel, Pakistan, and to the Central American Research Institute for Industry, in Guatemala; a short survey mission has been completed in Brazil, and assistance has been requested by Greece, Hong Kong and Mexico. In Egypt, India and Israel aid is being given in developing the work of national productivity centres which, in the case of Egypt and India, were established with I.L.O. assistance. In Israel two I.L.O. industrial engineers are now at work and the services of four leading experts were provided to lead advanced seminars for the benefit of the staff of the Productivity Institute and of industrial consultants at work in the country. One of these seminars, of three months' duration, was designed specifically to point the way to raising productivity in the Israeli building industry—a vital element in a country which is expanding rapidly and has a large immigrant population to house. One of the important tasks successfully completed by the Indian Productivity Centre in 1955 was the community project in Baroda. This project was designed to make a comprehensive impact on representative sectors of local industry. It included a top-management seminar attended by participants from nine medium-sized industrial undertakings, a senior technicians' course, a labour seminar attended by office-bearers and chief stewards of the local trade union, and a six-week joint work study training course attended
by two trainees from each of ten firms, each pair consisting of one worker and one supervisor. Those participating in the course made useful suggestions as to steps to raise productivity in their plants, and a local productivity committee representing employers and workers, as well as joint productivity committees within the participating plants, have been established. In Pakistan a mission of two experts successfully started productivity improvement work in three textile plants and aroused general interest in the practical means and possibilities of improved production performance throughout the local textile industry.

The role of employers and workers in programmes to raise productivity in Europe proved to be a very fruitful subject for discussion at the European Regional Conference early in 1955. I hope that discussion of the same subject at the Sixth Conference of American States Members of the I.L.O. in September this year will be at least equally successful in giving a thorough airing to productivity problems and that the tripartite delegations will carry back to the workplaces and to all sectors of economic life a full appreciation of the conditions under which the application of modern techniques for raising productivity can serve the common interests of employers, workers and society as a whole. Discussions on productivity in the Textiles Committee, the Chemical Industries Committee and the Committee on Work on Plantations, which met during the period under review, and the conclusions adopted by these Committees have helped to bring about a wider measure of understanding and agreement regarding problems of productivity confronting particular industries and undertakings.

There continues to be a lively demand for the I.L.O. report *Higher Productivity in Manufacturing Industries*. The report on “Factors Affecting Productivity in the Construction Industry”, prepared for the Fourth Session of the Building, Civil Engineering and Public Works Committee in 1953, has also aroused considerable interest. A handbook entitled *Introduction to Work Study*, intended primarily for use by I.L.O. technical assistance productivity missions, of which a provisional edition for limited circulation was issued in 1955, has been in demand in many countries. There appears to be a need, in highly developed as well as in underdeveloped countries, for simply written practical handbooks dealing with problems of raising productivity.
Vocational Rehabilitation

During 1955 an expert was working in Egypt on the vocational rehabilitation of the blind. Short-term missions of advice and investigation were carried out in Austria, Greece and Yugoslavia by members of the Office staff.

It will be recalled that the Vocational Rehabilitation (Disabled) Recommendation, 1955 adopted at the last session of the Conference laid down the important principle that vocational rehabilitation is part of the whole continuous and co-ordinated process of rehabilitation in which several professional disciplines, e.g. medicine, social work, education and vocational guidance, training and employment services are concerned. In 1955 this concept was practically demonstrated and given additional emphasis by co-operation between the United Nations, W.H.O., I.L.O. and non-governmental organisations (World Veterans’ Federation and International Society for the Welfare of Cripples) in the staging of three European projects on rehabilitation. These were the Seminar on Selective Placement of the Handicapped (Stockholm, May 1955), the Study Group on Rehabilitation in Austria (Vienna, October 1955) in which specialists in one or other aspect of the total rehabilitation process from most of the countries of Western Europe participated, and the Italian National Conference on Rehabilitation of Children and Youth (Rome, May 1955) in which experts from other European countries participated as lecturers and discussion leaders.

Special Employment Problems

Among the specific employment problems to which increased attention has been paid in the course of the last year, I should mention discrimination in employment and occupation, of which the I.L.O. undertook a study at the request of the United Nations Sub-Commission on the Prevention of Discrimination and Protection of Minorities. A preparatory report on this subject was submitted to the 130th Session of the Governing Body (November 1955) which decided to place the question on the agenda of the 40th Session of the Conference (1957). The Conference will then be called upon to indicate the measures which might, in its view, contribute to the suppression of practices which limit the application of one of the fundamental
principles laid down in the Declaration of Philadelphia, namely equality of educational and vocational opportunity.

Attention has also been devoted to the special employment difficulties of certain classes of workers, such as older workers, and, to some extent, women workers. The I.L.O. has endeavoured to evaluate the effects of age on the working capacity of older persons and to study the means of facilitating, where necessary, the readaptation of such persons while striving to overcome the prejudice which limits their employment opportunities. The work done in this connection includes an article on “The Problem of the Employment of Older Workers” (published in the International Labour Review in June 1954), the report on the Age of Retirement submitted to the European Regional Conference in January 1955, and a study on “Problems of Older Women Workers” which was carried out for the United Nations Commission on the Status of Women, the results of which were summarised in the Review in July 1955. The problems of older salaried employees were referred to in a resolution adopted by the Advisory Committee on Salaried Employees and Professional Workers in May 1954. The position of women in regard to apprenticeship has also been studied at the request of the United Nations Commission on the Status of Women. Attention has also been given to the possibility of expanding the employment of women in handicrafts and cottage industries in economically underdeveloped countries. Similarly, the main problems respecting the development or improvement of gainful employment of women in Asia have been studied by an I.L.O. expert, in cooperation with both public bodies and private employers.

In connection with the employment problems of young workers, attention has been focused on vocational guidance, the importance of which is being increasingly recognised. Attempts have been made to develop and speed up the exchange of information between vocational guidance services in the different countries. Travel subsidies have been awarded for the study of vocational guidance abroad. It is perhaps a small illustration of the results of I.L.O. action that the author of the plan for an experimental scheme of vocational guidance in Pakistan is a former holder of an I.L.O. fellowship to study vocational guidance in the United Kingdom.

Employment in the construction industry has recently been the subject of I.L.O. study from two aspects which both have an important bearing on full employment throughout the
economy. First—a question which has been examined by the Building, Civil Engineering and Public Works Committee—what measures and techniques can be employed to stabilise the total level of public and private housing construction, and thereby lend stability to all related economic activity? Secondly, what is the role of public works programmes in full employment policies, and how far do technical factors set limits to the extent to which it may be practicable, in the short run, to expand construction activities as part of a public works programme?

**Migration**

The activities of the I.L.O. in the field of migration have continued to be closely linked with its work in the fields of employment and vocational training, with a view to promoting the best utilisation of manpower not only at the national but also at the international level. Efforts have been made to determine how far the manpower required by certain countries for their development can be provided by immigration of foreign workers and to encourage desirable migratory movements by action designed to bring the qualifications of prospective emigrants into line with immigration requirements. Consideration has been given to the means of overcoming obstacles to international manpower mobility and of facilitating the adaptation of immigrant workers to their new environment. These activities have called for close co-operation with other international organisations, particularly the Intergovernmental Committee for European Migration, and with European regional organisations.

As regards co-operation with I.C.E.M., reference has already been made to the contact which exists between the I.L.O. experts helping in the development of placement services in Chile and Uruguay and the I.C.E.M. missions in those countries. It is also planned shortly to send a joint I.L.O-I.C.E.M. mission to Latin America to determine current needs for skilled manpower in that region.

In the light of available information concerning the needs of some immigration countries for foreign workers and with a view to meeting such further needs as may be revealed by the above-mentioned inquiries in Latin America, consideration has been given to the question of vocational training of prospective emigrants and there have been consultations with I.C.E.M. concerning I.L.O. assistance to the competent Italian authorities in this
Moreover, following an exploratory I.L.O. mission to Malta, proposals and recommendations were submitted to the Government of the United Kingdom concerning short-term courses to train prospective Maltese emigrants for semi-skilled employment. These proposals and recommendations have been accepted and the I.L.O. is to provide technical assistance with a view to their implementation.

There has been regular co-operation with the O.E.E.C. in connection with the work of that organisation relating to the liberalisation of European manpower movements. Co-operation with the High Authority for the European Coal and Steel Community on migration questions has been strengthened. At the request of the High Authority the I.L.O. contributed material for the preparation of international bibliographies concerning migration and obstacles to the mobility and readjustment of workers.

In pursuing its traditional tasks of disseminating migration information and preparing technical material on particular migration problems, the I.L.O. has placed special emphasis on research and studies which may provide guidance for future national and international action in regard to migration. An article on "The Occupational Selection of Migrants" appeared in the November 1955 issue of the International Labour Review. Consultations have taken place with other international organisations with a view to the preparation of a preliminary study on land settlement by migrants which may serve to indicate some of the factors which have contributed to past successes or failures in this field. Finally, a study of international migration since 1945, in course of preparation, will attempt to identify movements of manpower within the framework of migratory movements during the period in question, drawing attention to the economic and social factors which have determined them and describing the forms and objectives of national and international action in regard to migration.

**Handicrafts**

Although industrialisation often is the key to economic development, it is by no means the only or the complete answer to the needs of the underdeveloped areas. Handicraft, cottage and small-scale industries may supplement large-scale industry or offer a temporary alternative where its introduction is
practicable only by slow stages. The introduction and development of cottage industries are therefore of special significance to the I.L.O. and offer a wide field for direct action. For instance, in Afghanistan an expert is assisting in the improvement of working methods and production standards in the old cotton and silk hand-weaving trades. In Guatemala and Haiti ceramics, leather work and tanning, and woodworking are being taught. In Thailand two I.L.O. specialists, working in cooperation with U.N.E.S.C.O. fundamental education projects, are teaching crafts, developing uses of local raw materials for handicraft and cottage industry production. Instructors in various trades are being provided for Jamaica, the Federation of Malaya and Thailand. Under an important project launched in Iran assistance is being rendered in the setting up of government extension services, while both expert advice and equipment are being supplied for the development of a centre for technological research and for demonstration and training in specific trades. The same kind of aid is being rendered in Afghanistan, where, in addition to fostering the development of specific crafts, experts are assisting the Government in setting up a development agency for handicrafts and small-scale industries, the establishment of which is, in fact, the outcome of an earlier preliminary survey of Afghanistan's handicrafts and associated occupations carried out by an I.L.O. expert. Assistance has followed a similar pattern in Ceylon, where the I.L.O. first conducted a general survey of handicrafts, cottage and small-scale industries, then took part in the 1955 inter-agency inquiry into the setting up of new small industries, and is now undertaking to provide assistance in fields ranging from the reorganisation and expansion of a cottage industries institute to the development of specific small-scale industries, including textile and coir work. At the regional level, the I.L.O. handicraft experts have continued to pursue their combined surveying-extension-training activities in U.N.E.S.C.O.'s two Fundamental Education Centres for Latin America (C.R.E.F.A.L.) and the Arab States (A.S.F.E.C.) respectively. Activities carried out by experts are being supplemented by the grant of fellowships for study abroad, several being devoted to the special international small-scale industry courses of the Technological Institute in Copenhagen and the Technological University in Delft.
Co-operatives

Co-operative organisation also affords a practical means of fostering economic development in a form which allows of gradual adaptation to the social consequences of such development. The work of the I.L.O. in this field has, during the past year, been mainly concerned with the creation of suitable institutional conditions for co-operative development, on the one hand, and with the training of government officials and co-operative personnel on the other. The development of this institutional framework seems in many cases to be an essential preliminary or at least concomitant to practical action. Evidence of widespread concern over this question was forthcoming at the American Regional Technical Meeting on Co-operation held in Mexico City in December 1955, in the course of which co-operative legislation was extensively discussed. Similarly, experts engaged on specific projects in Egypt and the Philippines, for instance, have been consulted by the Governments concerned on the revision or enactment of general co-operative legislation. Many direct technical assistance projects carried out in 1955 were designed primarily to help develop the right structure and administrative practices for co-operative organisations, whether primary and secondary consumer, industrial and multi-purpose co-operatives (in Burma, Egypt, Iran, the Federation of Malaya, Pakistan and the Philippines), or co-operative banks and similar institutions for small-scale producers and distributors (in Burma, Egypt and the Philippines). In this, as in many other fields, technical handbooks are in great demand, and are, I believe, likely to buttress direct action through gradual but widespread diffusion of knowledge. The *Introduction to Co-operative Practice*, first published in 1952, continues to be of value in this respect, and arrangements have been made for its publication in Arabic, Tamil and Sinhalese, the last named to be used as a textbook for the study groups in the Ceylon co-operative training programme. A broadsheet on consumer co-operation was prepared in Persian at the request of the Iranian authorities. Several similar handbooks are in preparation. A much less conventional means of education was developed in 1955—a full correspondence course on co-operation conceived and prepared for the use of the Inter-American Regional Organisation of Workers. Should this course prove successful, it could readily be adapted for use in other regions.
I have already emphasised the importance of technical training, which is also essential to the development of co-operatives. The third specialised regional training course for participants from Asian countries was held in Bandung at the invitation of the Indonesian Government. In 1955 a general co-operative training course was held in Denmark, participation in the course being reserved to persons from African countries and territories.

One of the outstanding achievements of the year under review in the co-operative field has been the establishment under I.L.O. auspices of the Burmese Co-operative Bank, which constitutes an example of the concrete results which the I.L.O. activities are designed to produce.

WAGES

Questions of wage policy remain a major preoccupation of the I.L.O. The report on Problems of Wage Policy in Asian Countries, prepared for the Third Asian Regional Conference in Tokyo in 1953, has been adapted for publication as a study.

The I.L.O. report published in 1951, embodying the recommendations of a group of experts, on Payment by Results has had practical effects. It will be recalled, for example, that in his statement to the Conference last year, the Workers' delegate for Australia, Mr. Broadby, recorded that, despite a deep-rooted opposition to the system of payment by results on the part of the Australian trade union movement, the principles set forth in this report, which, he said, were “designed to safeguard the interests of workers in industry”, had been adopted by the Australian National Trade Union Congress. The I.L.O. formula established “a new standard of industrial morality and has inspired mutual confidence where previously mistrust and suspicion existed. I have no doubt,” he added, “that other countries could recite similar examples testifying to the value of I.L.O. research into particular phases of employer-employee relations.”

The results of the technical assistance in minimum wage-fixing provided to Burma and to Guatemala have been the subject of careful evaluation by the Governing Body. Further assistance will be given to Burma in this field during 1956, to

follow up the results already achieved which, as the Governing
Body noted, were successful. In September 1955 an expert was
sent to Indonesia to advise the Government on problems of wage
policy and industrial relations.

INTERNATIONAL COMPARISON OF REAL WAGES

Renewed attention has also been focused on another aspect
of the wages question, namely the international comparison of
real wages. The problems involved in such comparison have
been reviewed in a report submitted to the Eighth International
Conference of Labour Statisticians, which met in November-
December 1954. The Conference expressed the view that com-
parisons of real wages were principally valuable as indicators
of levels of living, and that the definition of real wages should
in consequence be rather broad; it emphasised, however, that
real wages represent only one component of the level of living.
It also called attention to the difficulty of making comparisons
of real wages and to the obstacle represented by the lack of
appropriate statistics of wages, prices and consumption. The
resolution adopted on this subject defines real wages and pro-
poses that the data used for the purpose of computing ratios
of real wages should be average earnings adjusted to include
social benefits from employers, governments or other sources.
The report prepared by the Office for the Eighth Conference
of Labour Statisticians has been extensively revised during 1955,
in the light of the Conference discussion and the above-men-
tioned resolution, and will include, when published in the near
future, an analysis of the results of several recent research pro-
jects in this field. The methodological work accomplished in this
field by the Office should help the various countries in the
preparation of data which will assist the international com-
parison of real wages, and thus the study of one of the main
factors determining the relative levels of living of the workers.

SOCIAL CONSEQUENCES OF ECONOMIC INTEGRATION

The relative economic position of workers in different coun-
tries is also important from the point of view of closer economic
integration and its social consequences, as was emphasised at
the European Regional Conference. There is a widespread
desire in Europe to benefit more fully from the advantages of
international trade through the establishment of greater freedom of trade between European countries. At the same time it is extensively felt that closer economic co-operation should not be allowed to expose particular industries to "unfair" competition from abroad, and that competition from countries with lower labour standards and lower labour costs may be "unfair". There is also some apprehension lest the costs and difficulties of a transition to a new pattern of international division of work should prove to be too great, or lest they should involve excessive hardship for particular groups of workers. Again, there is some uncertainty as to how closer integration of European economies, if achieved, would affect the rate of social progress in Europe. Would it, for example, be more difficult for particular countries, especially those with more advanced labour standards, to raise wages or grant other social benefits if they were less sheltered than they are now from foreign competition? In this connection the cost of social charges is particularly significant, and study of the question has been initiated. Conversely, in what ways might closer economic co-operation serve to stimulate social progress, especially in countries with less advanced labour standards?

In accordance with a decision taken by the Governing Body in March 1955 a group of six economic experts was convened under the chairmanship of Professor Bertil Ohlin to study and report on social aspects of problems of European economic co-operation. The discussions of the group, whose report will shortly be submitted to the Governing Body, concentrated largely on the question whether and how far closer economic co-operation in Europe will call for harmonisation of social conditions and policies in the participating countries. In addition to this question, which is a topic of lively discussion in European countries, the experts discussed manpower problems relating to the transition to a system of freer international trade in Europe as well as certain aspects of freer international movement of labour and capital. It may be hoped that the experts' report will help to clarify the social problems involved in plans for closer economic co-operation in Europe as well as in arrangements for closer economic relations over a wider area and will help to allay some of the fears which have been voiced in this connection.
FAMILY LIVING STUDIES

The need for a review of the problems involved in the undertaking of family living studies, particularly in less well developed areas, was stressed by the Sixth and the Seventh International Conferences of Labour Statisticians, but until 1955 pressure of other work had prevented the Office from devoting major resources to this subject.

Meantime, the report produced in 1954 by the Committee of Experts on International Definition and Measurement of Standards and Levels of Living, established by the United Nations jointly with the I.L.O. and U.N.E.S.C.O., was an important contribution in the general field, and called on the United Nations and the specialised agencies to proceed with technical work.

In 1955 the I.L.O. launched a new programme of work in this area. A Working Group of Experts on Family Living Studies which was convened by the I.L.O in September 1955 made important recommendations as to methodology which have received wide attention. The I.L.O. has also undertaken to develop the collection and dissemination of information on this subject; the first steps towards accomplishment of this aim have been the preparation of summary descriptions of the main features of some of the more important recent family living studies undertaken in the various countries, and the drawing up of several reports. Technical assistance in this field has been given in a number of countries. The I.L.O. intends to participate actively in the testing of various research techniques through experimental inquiries on family living studies.

HOURS OF WORK

I have already mentioned in Chapter I the increased emphasis on reduction of hours of work which was reflected in widespread demands for shorter weekly hours and longer holidays. In accordance with a resolution of the Conference last year, a report on the reduction of hours of work and the possible repercussions of such a measure was prepared for consideration by the Governing Body at its 131st Session (March 1956). The Governing Body decided to appoint a tripartite committee of its
own members to consider the question in an attempt to secure the largest possible measure of agreement on the analysis of the problem, the probable repercussions of a reduction of hours and the action to be taken by the I.L.O. It is evidence of the widespread interest in the question that the O.E.E.C. also requested a factual study of hours of work, public and annual holidays, rest periods and overtime in the member States of the Organisation, which was duly prepared by the I.L.O. Finally, as the subject of weekly rest in commerce and offices is included in the agenda of the forthcoming session of the Conference, a report has been prepared in the usual manner to serve as a basis for a first discussion of the subject.

At its last session the Conference discussed the question of welfare facilities for workers, including feeding facilities, facilities for rest and recreation, and transport, and a proposed Recommendation on the subject is to be considered this year.

**OCCUPATIONAL SAFETY AND HEALTH**

Occupational safety and health are fields in which the I.L.O. has broad opportunities for bringing about the adoption of practical measures, the impact of which will be felt by all those who are exposed to occupational hazards, that is, practically all workers. As I have already mentioned, the I.L.O. is called upon to deal with new hazards, or at least hazards which have acquired a new importance, such as ionising radiations. However, there is much scope for new methods of dealing with old hazards, or bringing up to date established methods of protection so that they do not lag behind technological advances. One very concrete contribution to the prevention of accidents in the transportation and storage of goods has been the introduction of a set of five danger symbols for the labelling of dangerous substances. The standard symbols correspond to five main risk classes—fire, explosion, poisoning, corrosion and radiation. At the same time a basic list of dangerous substances is being worked out. Such clearly recognisable markings are coming into ever-widening use for the reduction of industrial risks. Further, the I.L.O. has co-operated with the International Organisation for Standardisation in the working out of standards for safety colours, gas cylinders, and identification colours for piping. Changes in industrial practice also require some
adaptation of existing international standards. For instance, a reading of the ten-yearly report recently prepared by the I.L.O. on the application of the Workmen's Compensation (Occupational Diseases) Convention, 1925, and the Workmen's Compensation (Occupational Diseases) Convention (Revised), 1934 suggests the conclusion that these Conventions are in need of revision. A panel of the Correspondence Committee on Occupational Safety and Health has recommended the adoption of a Convention on the sale and hire of inadequately guarded machinery (on which a law and practice report had been prepared) together with the revision of the Power-driven Machinery Recommendation, 1929. Numerous amendments to the Model Code of Safety Regulations for Industrial Establishments for the Guidance of Governments and Industry were also found necessary, particularly in the rules relating to the textile industries, to acetylene and to welding. Dust problems continue to be of grave concern to the I.L.O., and long-standing efforts have been pursued to reduce the risk of pneumoconiosis and more especially silicosis: the three volumes constituting the record of proceedings of the 1952 meeting of experts on the prevention and suppression of dust in mining, tunnelling and quarrying have been reproduced for limited circulation. A considerable volume of material received by the I.L.O. in its capacity as an international centre of information on the subject has been abstracted in Occupational Safety and Health, while reports from governments are being summarised in an international report, a study on dust risks in the handling of grain cargoes is nearing completion, and codes of good practice for coal mining, other mining, tunnelling and quarrying are contemplated. Codes of good practice have an important part to play not only in supplementing more mandatory safety rules but also in fostering the attitudes which will reduce risks due to human factors. Codes of this kind are to cover a number of subjects: one concerning dock work is already in preparation, and work on a code of good practice relating to protection against ionising radiations is soon to be put in hand. Documentary research work must also be pursued, and last year the I.L.O. published the second volume of the study Safety in Coal Mines, as well as a general Guide for Labour Inspectors dealing with, among other things, safety and health inspection.
SOCIAL SECURITY AND COMPARATIVE SOCIAL CHARGES

In the field of social security the I.L.O. has been specially concerned during the last year with problems of development in Europe, and with the provision of technical assistance in the establishment and operation of national social security schemes in Latin America and in the Near and Far East.

Methods of financing social security were discussed at the first European Regional Conference, with special reference to the possibilities of integration of social security schemes. As there is a definite need for an objective and scientific analysis of the various problems involved in closer integration in Europe, the Conference called for an expansion of the work of assembling statistical data and comparing methods of financing social security and other social advantages granted either to workers or to the population as a whole, and of making studies relating to the economic and social incidence of the charges involved in social security and other social advantages, both on the national and the international levels, in order to obtain an objective and complete international comparison. The Conference considered that the confusion and inadequacy of existing data had made it impossible to measure labour costs in different countries on a comparable basis. Work on this programme of study, the results of which may make a significant contribution to European integration, has already been initiated, and a set of basic definitions of wages and related labour costs has been agreed upon by a group of statistical experts convened for the purpose. This group also recommended that the I.L.O. should give first attention to a direct investigation of industrial establishments through the intermediary of co-operating national statistical services. A detailed plan of study and model questionnaires covering selected industries in manufacturing, transport and mining were transmitted to the governments of European Members of the I.L.O. in October 1955, together with invitations to participate. At the time of writing 11 countries have agreed to co-operate in the study, and first results are expected during 1956. These data will be supplemented by an analysis of aggregative statistics of social security agencies and of national social security accounts. The experience gained in Europe may well provide a basis for a broader study at a later stage. Meanwhile other aspects of the cost of social security benefits are being studied, and in particular a new inquiry on the total income
and expenditure of social security bodies in 1952-54 has been initiated. This study will supplement *The Cost of Social Security 1949-1951*, which was prepared in 1955 for the International Social Security Association.

The age of retirement has also been the object of study and discussion, as I have already mentioned, and the European Regional Conference adopted a resolution on the subject, stating that legislation should provide for every worker who has completed a full working life to be able to retire with an adequate pension. The minimum pensionable age should be fixed, as a rule, within the range of 60 to 65 years for men, and should be five years lower for women. In addition, pensions at lower ages should be provided for arduous or unhealthy occupations. Workers who have reached the minimum pensionable age, but who are willing to continue at work and can render effective service, should be given the opportunity to continue at work of some kind if suitable employment is available for them without prejudice to the interests of workers below the minimum pensionable age. The resolution also states the principle that the amount of the pensions in payment should follow the same trend as the general level of the cost of living. It further recognises that economic and demographic circumstances may justify a variation in the conditions of a pension scheme, but states that such variations should always take due account of the rights acquired or in the course of acquisition.

Workers engaged in international transport give rise to a problem which can be solved only at the international level, and which is particularly acute in the field of social security. In order to solve the problem a draft European Convention concerning social security for workers engaged in international transport by railway, road and air and workers engaged in inland navigation was prepared to serve as a basis for negotiations between interested member States. The draft Convention, which covers sickness, maternity and employment injury, has been approved by a meeting of experts from 15 European countries, who had been nominated by the governments concerned and by the Employers’ and Workers’ groups of the Governing Body.

The problem of the Rhine boatmen is of a similar nature. Experience acquired in the administration of the Agreement which had been adopted under I.L.O. auspices to govern the social security of the boatmen has made it desirable to revise some of its provisions. In March 1955 the Administrative
Centre for the Social Security of Rhine Boatmen adopted a procedure for such a revision proposed by the Governing Body of the I.L.O. At the request of the Centre the I.L.O. drew up a study on the proposed revision and drafted a questionnaire on the general principles to be followed in creating an international sickness fund, an employment injury fund or a social security compensation fund. The questions dealt with in these papers will be examined by the Centre in the spring of 1956. Account will thus be taken of the decisions of the expert committees on social security for workers engaged in international transport in Europe and for migrant workers in countries which are members of the European Coal and Steel Community. The latter held two meetings in 1955, convened jointly by the I.L.O. and the High Authority, to continue work on the drafting of multilateral Conventions on the Social Security of Migrant Workers. This work has now almost been completed, and it is hoped that the drafts can be finalised as soon as the governments concerned have examined the points which had to be referred to them in view of their financial or political implications.

Still in the same field, the I.L.O. has continued to give technical assistance to the Committee of Experts on Social Security of the Council of Europe, particularly in the preparation of a European Social Security Code.

In 1955 the I.L.O. furnished technical assistance in social security to the Governments of Bolivia, Burma, Chile, Cuba, the Dominican Republic, Ecuador, Guatemala, Iran, Jamaica, Libya, Peru, El Salvador, Singapore, Thailand, Turkey, Uruguay and Viet-Nam. The nature of the assistance requested varied according to practical problems of social security in the country concerned. Thus, an exploratory survey was conducted in Viet-Nam; Peru was given actuarial estimates and help in drafting legislation concerning social insurance for salaried employees; Burma received advice on the administrative arrangements for the general social security scheme which has been established under I.L.O. guidance; and an actuarial consultation was given to the Turkish public servants' pensions fund. In helping countries to develop and administer schemes which will protect an ever greater number of people against the worst hazards, the I.L.O. has supplied expert advice both in the field and at Geneva, where, for instance, most actuarial studies were made.

The practical problems of running an insurance scheme continue to be of concern to governments, and it is to meet their
ACTIVITIES OF THE I.L.O.

need in this field that the I.L.O. published last year a study on *Administrative Practice of Social Insurance* describing in detail the methods used in the day-to-day administration of sickness, maternity, occupational injury, invalidity, old-age and survivors' insurance, and another on *Unemployment Insurance Schemes* which is especially intended for the use of countries which wish to introduce an unemployment insurance scheme for the first time.

The work of the International Social Security Association, to which are now affiliated 117 institutions or ministerial departments administering social security in 46 countries, has been pursued and its General Assembly, held in Mexico in November-December 1955, considered, in addition to recent developments in the field of social security, sickness insurance (including scope, cash benefits, benefits in kind, insurance carriers, coordination and co-operation between the various authorities and organisations providing benefits, financing and special problems of sickness insurance in Latin America), administrative aspects of reciprocal agreements on social security, and family allowances.

INDUSTRIAL DISPUTES

In Chapter I of this Report I have alluded to recent trends in industrial disputes. The subject has continued to be studied during the past year, and a special analysis of the incidence of industrial disputes in countries for which data was available from 1937 to 1954 was published in the July 1955 issue of the *International Labour Review*. In the meantime up-to-date statistical information on industrial disputes is being collected regularly.

LABOUR ADMINISTRATION

I have already drawn attention, in Chapter I, to the continued interest in problems of labour administration, particularly among the less developed countries. The activities of the I.L.O. in this field have been directed primarily towards meeting the needs of these countries. In Libya an I.L.O. expert has assisted the Government in revising, codifying and applying its labour legislation. In addition to the technical assistance already given to Thailand and Pakistan in the field of labour administration and working conditions, which I described in my last Report,
a second expert on labour administration is being sent to Thailand, and Honduras, Jordan and Panama are benefiting from similar aid.

The work of the Labour Administration Institute at Istanbul, to which I already referred last year, is being further developed, with special emphasis on the training of labour officers such as labour inspectors. Following the course on labour inspection conducted in the first part of the year, a course on general labour administration has been organised and is followed by participants from Greece, Iran, Israel and Turkey. An expert on labour regulation methods and an expert on labour administration organisation have been added to the staff of the Institute. Courses on labour inspection and organisation were also given from September to December 1955 for fellows from Egypt, Iran, Iraq, Jordan, Lebanon, Syria and Turkey.

I have pleasure in reporting that, in view of the results achieved by the Istanbul Institute, a similar Institute is being set up in Mexico City to serve as a centre for training labour officers and for assistance in improving and developing the organisation and methods of labour administration.

A Latin American Regional Seminar on Labour Administration was held in Lima in October 1955, with participants from 17 countries of Latin America. Lectures were given by four experts on the general organisation and working of labour departments and on labour relations services, labour inspection and manpower services. A survey of present-day problems of labour administration in Latin America, drawn from the Seminar discussions, was published in the March 1956 issue of the International Labour Review.

Finally, in order to supplement and strengthen the other types of assistance, a number of fellowships have been awarded to labour officers to study labour administration abroad.

WORKERS IN SPECIAL OCCUPATIONS AND CATEGORIES

Agricultural Workers

The question of vocational training in agriculture was discussed by the Conference at its 38th Session, and Conclusions were approved with a view to the adoption at the next session of the Conference of a Recommendation on the subject.
In addition the Permanent Agricultural Committee held a meeting in September of last year, in the course of which placement and employment service organisation in agriculture were discussed, as well as living and working conditions of tenant farmers, share-croppers and similar self-employed or semi-independent agricultural workers. The Committee submitted to the Governing Body a resolution embodying the guiding principles which the Committee considers it desirable to apply in order to promote employment security.

The Asian Advisory Committee also dealt extensively with questions affecting agricultural workers. At its Sixth Session (March 1955) agrarian reform in Asian countries was discussed, while agricultural credit in Asia, on which F.A.O. had prepared a paper, was considered at the Seventh Session (November 1955), in the course of which the Committee stressed the contribution which the I.L.O. should make to community organisation and development in Asian countries.

In addition to these activities, technical assistance has also played a conspicuous part in agriculture. Twenty-one fellowships have been awarded to forestry workers and persons engaged in the vocational training of forestry workers. In Guatemala the expert assistance for the improvement of the working and living conditions of indigenous workers working partly in coffee plantations and partly at home has been continued. In El Salvador an expert has assisted in the establishment of an agricultural labour inspection service and the regulation of living and working conditions in rural areas, while one fellow was sent to France for a six months’ study tour. In Burma living and working conditions of all categories of agricultural workers have been investigated by two experts, who have paid special attention to employment structure, with a view to achieving a better manpower distribution both among the various branches of agriculture and between agriculture and other occupations.

Indigenous Labour

The joint programme on behalf of the indigenous population of the Andean high plateau, which has already been brought to the attention of the Conference, has been actively pursued. Thanks to the generosity of employers’ and workers’ organisations, it has been possible to secure the necessary equipment for a
number of vocational training centres, where the Indians will be taught woodworking, smithing, motor vehicle maintenance and repairs. The training, combined with fundamental education, will fit them for a better life either on the plateaux or in the urban centres of the plain, towards which there is a continuous spontaneous emigration. The Deputy Director-General has travelled extensively in the region, on the occasion of two inspection tours undertaken last year and early this year, and his reports have been most encouraging. I should prefer not to discuss as yet the practical impact of this large-scale project, because encouraging progress is not enough on which to judge the vast hopes placed in the programme. Literally, our first crops have been sown and are growing, but they have not yet been harvested. Nevertheless, it is, I think, an indication of the expectations and prospects of the project that at the end of last year the Indians grouped into one of the co-operatives created under I.L.O. auspices managed to buy a tractor which, for the first time in the Andean highlands, is their own.

Other aspects of the working and living conditions of indigenous populations have continued to engage I.L.O. attention and conditions and policies concerning tribal groups in Burma, India and Pakistan have been surveyed on behalf of the I.L.O. by an eminent Indian anthropologist, with a view to bringing up to date the material contained in the book on Indigenous Peoples published by the I.L.O. in 1953.

**Seafarers**

I referred in my Report last year to the then forthcoming 18th Session of the Joint Maritime Commission, and to the agenda for that meeting as laid down by the Governing Body. The main emphasis of the maritime work of the Organisation during the year 1955 was directed to preparing for this meeting, which was held in Paris from 24 to 28 October and attended by 15 regular members and five deputy members on the Shipowners’ side and 15 regular members and three deputy members (accompanied by 12 advisers) on the Seafarers’ side. The proposals agreed upon by the Commission were all adopted unanimously and no votes were taken.

The Commission recommended, and the Governing Body agreed, that a Maritime Session of the International Labour Conference be convened, to be preceded by a tripartite Prepa-
It further proposed that the agenda of this Conference be composed of six items, viz. (1) the general revision of the Wages, Hours of Work and Manning (Sea) Convention (Revised), 1949 (No. 93); (2) engagement of seafarers through regularly established employment offices; (3) flag transfer, in relation to social conditions and safety; (4) contents of medicine chests on board ship and medical advice by radio to ships at sea; (5) jurisdiction over the suspension of officers' certificates of competency; and (6) reciprocal or international recognition of seafarers' national identity cards. It was suggested that items (2) and (4) should be considered with a view to the adoption in each case of an appropriate international instrument. At its 131st Session (March 1956) the Governing Body decided that the Maritime Session of the Conference should take place early in 1958.

In addition to the proposals outlined above, the Commission also unanimously adopted four resolutions and an agreed questionnaire to be communicated to governments on the subject of the transfer of flag. The resolutions adopted refer to (1) desirability of promoting reciprocal international co-operation in the sphere of seafarers' welfare, and the possibility of the establishment of a standing tripartite subcommittee of the Joint Maritime Commission to deal with problems of seamen's welfare on an international basis; (2) international effort to alleviate the lot of refugee seafarers; (3) seafarers' health, with a request addressed to the Joint I.L.O.-W.H.O. Committee on the Hygiene of Seafarers to consider the desirability of ensuring that all ships not carrying a doctor should have within their normal complement someone qualified to give assistance in case of accident or illness; and (4) the desirability of international uniformity in the design of ladders used by pilots to board ships.

As I also mentioned in my Report last year, the question of the conditions of work of fishermen, i.e. minimum age on entry, medical examination on entry and periodically thereafter, and articles of agreement, had been referred to the Joint Maritime Commission on the recommendation of the Committee of Experts on Conditions of Work in the Fishing Industry for consideration of the possibility of including the question on the agenda of the next Maritime Session of the Conference. The Joint Maritime Commission decided, however, to recommend to the Governing Body that this question be included in the
agenda of the 40th (General) Session of the International Labour Conference in 1957, for the purpose of first discussion. The Governing Body did not accept this proposal, but agreed at its 130th Session (November 1955) that the question should be considered again in connection with the agenda of the 1958 General Session.

Workers in Non-Metropolitan Territories

In the course of its Fourth Session the Committee of Experts on Social Policy in Non-Metropolitan Territories, meeting at Dakar in December 1955, adopted detailed conclusions on three major questions of social policy, namely industrial relations, wages policy, and initial measures of social security.

The conclusions of the experts on industrial relations in non-metropolitan territories are based squarely on the full acceptance of the principle of freedom of association. The view was taken that the general application of the Right of Association (Non-Metropolitan Territories) Convention, 1947, while an important step forward, was essentially a transitional stage which should be followed by the application in full in all non-metropolitan territories of the Freedom of Association and Protection of the Right to Organise Convention, 1948, and the Right to Organise and Collective Bargaining Convention, 1949.

With respect to wage policy, the Committee of Experts affirmed the importance of ensuring that workers secure, through upward adjustment of wage scales, a fair share of the increased prosperity resulting from economic development. It further emphasised that the stabilisation of wage earners and their families at or near their places of employment was the key to all progress in the matter and that minimum earnings should be sufficient to support stabilised family life without the need for assistance from outside sources away from the place of employment, such as distant land holdings.

Initial measures of social security offered a particularly difficult problem. There are wide differences between different territories in regard to natural resources, stages of economic and social development, administrative machinery, demographic information, and the proportion of the population engaged in any form of wage-earning activity. No cut-and-dried scheme could, therefore, be formulated, and instead the experts set forth a series of general principles. Workmen's compensation
received particular attention and special emphasis was given to the provision of proper and sufficient medical care facilities, the progressive development of sickness insurance benefit schemes where important sections of the population are engaged in wage labour, and adequate maternity protection.

In addition to formulating agreed conclusions on these three subjects, thereby contributing to the progressive formulation of a comprehensive social policy for Africa, the Committee submitted for the consideration of the Governing Body important proposals for the future development of its work. These include a wide definition of the geographical scope of the Committee in Africa, in order to allow of the close association of territories at various stages of self-government with the work of the Committee, and the inclusion in the membership of the Committee of a wider range of expert experience, notably by the inclusion of experts chosen in consultation with the Employers' and Workers' groups of the Governing Body. Finally, the Committee placed on record its view that further meetings in Africa should be envisaged and its hope for ever-closer association between the I.L.O. and Africa and closer attention by the I.L.O. to the special problems of economic and social development in that Continent.

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The work described above represents a sustained effort on the part of the I.L.O. to develop its activities in the light of the broad objectives laid down by the Conference and along lines dictated by the practical evolution of labour and social problems in the different member States. I welcome your criticisms of what has been done—or indeed of what has not been done—during the year. My aim is to direct our work and to vary the emphases of our programme, within the limits of our financial and human resources, in accordance with your needs. I should be particularly grateful for any suggestions you may have to offer as to whether the work now being done corresponds effectively to the specific problems of your countries and as to the ways in which the I.L.O. can contribute further towards their solution.
CONCLUSION

In this Report I have sought to give some indication of a number of the problems which are now engaging the attention of the I.L.O. or which are likely to do so in the near future. I should like here to single out a very few of these which seem to have particularly important implications for our future policy and programme.

The impact of technological change on social policy seems to me one field which requires much more thorough study than has yet been given to it, and, as I said in the Introduction, I have this whole question under review for more detailed consideration in preparation for a fuller discussion at the next session of the Conference. Automation and other technological developments are throwing new light on a great many of the problems of primary concern to the I.L.O. They are influencing the course of economic and social policy in countries in all stages of economic development and in all parts of the world. They are largely responsible for many of the matters now engaging the attention of employers and workers and their organisations as well as of governments. They are bound to be an important factor in determining our programme emphases in the years ahead. I should very much appreciate receiving from delegates to the Conference comments and suggestions as to the scope and character of the labour and social problems which are likely to arise from more rapid technological progress and the direction in which solutions should be sought.

There is also the closely related question of the drastic changes which are taking place with the process of economic development in the structure of industry and agriculture and in the organisation and methods of work and their impact on social habits and institutions and on the way of life of the people. I have suggested that, particularly in countries undergoing rapid industrialisation, a great deal more attention must
CONCLUSION

be paid to the human implications of this process if we are to avoid an increase in social tensions and instability. Are we yet fully conscious of these problems? Is our programme sufficiently flexible to give them the emphasis they will almost certainly merit in the years to come? And can we perhaps do more to promote their solution? Are we, in particular, properly equipped to deal with the problems for both rural and urban populations arising with the changing rural-urban employment relationships resulting from the increasing industrial and urban orientation of the social structure?

In both of these central areas of social policy, I believe that the broadened approach to labour-management relations suggested by the Conference last year will have a significant part to play. Employers' and workers' organisations have a very important contribution to make in adapting traditional habits to new ways and in developing the attitudes and policies needed for adjusting to technical change and for promoting industrial and social progress.

Continued emphasis on training in the broadest sense seems to me another means of encouraging orderly social change and building up the body of skill, experience and work habits needed in all sectors of the modern economy. The I.L.O. is already doing a good deal in the field of vocational training for industry and agriculture. The training of labour and social security administrators is an expanding area of activity. We have a particular contribution to make in promoting management training and workers' education. Our co-operatives and handicrafts programme places a special accent on training in the wide sense. In this whole field of training, our primary effort is to help the peoples concerned to build up their own supply of trained personnel, to develop their own institutions and to meet their own problems in their own ways. Here again our approach must be sufficiently flexible to encompass the many and varied questions calling for solution and we must not hesitate, if need be, to discard many preconceived notions and to seek new and more appropriate methods.

On these, as well as on the many other questions I have touched on in my Report, I look to the Conference for constructive criticism of our past activities and guidance for our future
policies. I am here to serve all the member States of this Organisation. It is for them, through their delegations representing all the parties concerned, to suggest how the work of the Organisation can have that practical and realistic emphasis which is essential if we are to make our full contribution towards balanced economic and social advance in a changing world.

15 March 1956.

DAVID A. MORSE.