

REPORT III

(PART 4 B)

International Labour Conference

FIFTY-SEVENTH SESSION

GENEVA 1972

Third Item on the Agenda

**REPORT OF THE COMMITTEE OF EXPERTS
ON THE APPLICATION OF CONVENTIONS
AND RECOMMENDATIONS**

Volume B

**General Survey on the Reports relating to the
Employment Policy
Convention and Recommendation, 1964**



INTERNATIONAL LABOUR OFFICE

GENEVA 1972

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**Information and Reports on the Application
of Conventions and Recommendations**

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ON THE APPLICATION OF CONVENTIONS
AND RECOMMENDATIONS**

(Articles 19, 22 and 35 of the Constitution)

Volume B

**General Survey on the Reports relating to the
Employment Policy
Convention and Recommendation, 1964**



**INTERNATIONAL LABOUR OFFICE
GENEVA 1972**

The publication of information concerning the ratification and application of international labour Conventions does not imply any expression of view by the International Labour Office on the legal status of the State having communicated a ratification or declaration, or on its authority over the territories in respect of which such ratification or declaration is made; in certain cases these may present problems on which the ILO is not competent to express an opinion.

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INTRODUCTION

1. ADOPTION OF EMPLOYMENT POLICY INSTRUMENTS

1. The problems of employment and unemployment, and the measures needed to deal with them, have always loomed large among the concerns and activities of the ILO. Efforts to create better conditions of work and life are in fact of little avail to those who lack opportunities for productive employment. From the ILO's inception, the Preamble of its Constitution has listed "the prevention of unemployment" among the conditions whose improvement is "urgently required". In 1944 the Declaration of Philadelphia, now also a part of the ILO Constitution, recognised, *inter alia* :

the solemn obligation of the International Labour Organisation to further among the nations of the world programmes which will achieve:

- (a) full employment and the raising of standards of living;
- (b) the employment of workers in the occupations in which they can have the satisfaction of giving the fullest measure of their skill and attainments and make their greatest contribution to the common well-being;
- (c) the provision, as a means to the attainment of this end and under adequate guarantees for all concerned, of facilities for training and the transfer of labour, including migration for employment and settlement.

2. This close and continuing concern with the promotion of employment has also led to the adoption, ever since 1919, of a series of Conventions and Recommendations dealing with public employment services, unemployment insurance and migration for employment, as well as the connected subjects of occupational guidance, vocational training, public works, income security, etc. The expanding membership of the Organisation has moreover focused increasing attention on the grave difficulties encountered by the developing countries in enabling their growing populations to participate fully in the struggle for economic and social progress. As the First Development Decade of the United Nations got under way, in 1960, an ILO meeting of experts prepared a report on *Employment Objectives in Economic Development*¹, which served as background documentation for a general discussion of employment problems and policies at the International Labour Conference in 1961. On that occasion, the Conference adopted a resolution calling for ILO standards on the subject², which led to the convening of a Preparatory Technical Conference on Employment Policy in 1963 and to the adoption by the Conference in 1964 of the Employment Policy Convention (No. 122) and Recommendation (No. 122).

2. OBJECTIVES OF SURVEY

3. During the period of eight years since the framing of these instruments, the ILO initiated a World Employment Programme, conceived as a contribution to the United Nations Second Development Decade launched in 1970. The decisive role of

¹ Studies and Reports, New Series, No. 62 (ILO, Geneva, 1961).

² International Labour Conference, 45th Session (1961), *Record of Proceedings* (ILO, Geneva, 1962), pp. 823-834, 900-904.

employment promotion, within the over-all framework of this ambitious scheme of the United Nations family, needs little elaboration in the light of the desperate and growing needs in this field. Already during 1960-1970 the growth of employment in Asia, Africa and Latin America failed to keep up with the growth in the labour force, and the projections for the following ten years indicate that by 1980 the gap may well widen to over 50 million persons of working age with no prospect of employment.¹ And this figure does not take account of the serious social and economic implications of underemployment.

4. With these challenging statistics in mind, it is easy to understand the Governing Body's decision to ask for reports on the two key instruments in the field of employment policy. Because these standards aim to take account of all the inter-related facets of this grave problem—economic, social, demographic, administrative, transnational, etc.—successive reviews first by the governments individually, then within the context of the present survey and finally by governments, employers and workers jointly at the International Labour Conference should afford an opportunity to appreciate more clearly the issues and techniques involved. And although the Employment Policy Convention, 1964, has already secured quite an impressive number of ratifications, it must be remembered that its primary role and even more that of the Recommendation is not to set precise standards or targets but to suggest, encourage and guide practical action by governments, employers and workers.

5. This basic characteristic of the two instruments had to be constantly kept in mind during the preparation of the present survey. The Committee therefore conceived its task not so much as an assessment of the degree of effectiveness of employment promotion in the reporting countries but rather as an attempt to illustrate through concrete references and specific examples how the terms of the Convention, and especially of the Recommendation, can prove useful in planning and carrying out an active employment policy. It may well be possible on some future occasion to undertake a more ambitious study. At the present stage, the more modest approach adopted in the pages that follow will, it is hoped, help to provide a clearer picture of the way in which the many and often technical provisions included in these two instruments by the International Labour Conference are directly relevant to the endeavours of those in the member countries whose task it is to devise and implement workable solutions for promoting full, productive and freely-chosen employment.

3. CONTENT OF INSTRUMENTS

6. The Convention and the Recommendation² call upon member States "with a view to stimulating economic growth and development, raising levels of living, meeting manpower requirements and overcoming unemployment and underemployment" to "declare and pursue, as a major goal, an active policy designed to promote full, productive and freely-chosen employment". The Convention does not go in any detail into the form or content of such a policy. It simply requires that employment policy shall be implemented within the framework of a co-ordinated economic and social policy, shall "take due account of the stage and level of economic development and the mutual relationships between employment objectives and other economic and social objectives, and shall be pursued by methods that are appropriate to national conditions and practices".³

¹ ILO: *The World Employment Programme*, Report IV, International Labour Conference, 56th Session, Geneva, 1971, pp. 10-11.

² The text of the substantive provisions of these instruments is reproduced in Appendix I.

³ Article 1, paragraph 3.

7. The measures to be adopted for attaining the objective of full, productive and freely-chosen employment must be decided on and kept under review within the framework of a co-ordinated economic and social policy, and appropriate steps must be taken for their application. No provision is laid down as to the machinery or procedure for deciding on, reviewing or applying employment policy measures; this, too, is left to the discretion of the member States, the Convention merely providing that the methods adopted shall be "appropriate under national conditions".¹ There is however a requirement that representatives of the persons affected by the measures to be taken in the application of the Convention, and in particular representatives of employers and workers, shall be consulted "with a view to taking fully into account their experience and views and securing their full co-operation in formulating and enlisting support for such policies".²

8. As regards the way in which the commitment to the goal of full, productive and freely-chosen employment is carried out, the Convention is a very flexible instrument, leaving member States free to decide both the measures to be adopted and the type of machinery to be instituted for the formulation and implementation of those measures.

9. The Recommendation is envisaged as part of "the wider framework of an international programme for economic expansion on the basis of full, productive and freely-chosen employment"³, and sets out in some detail the fields in which measures may need to be taken, as well as suggestions as to the type of measures which might be taken in some of those fields. Among the general principles of employment policy, it draws attention, in addition to the consultation arrangements specified in the Convention, to the need for the collection of statistical data and the preparation of analytical studies of the labour force and employment market; for an appropriate education, vocational guidance and vocational training system; and for the co-ordination of employment policy with over-all economic and social policy.

10. In dealing with employment problems attributable to fluctuations in economic activity, to structural changes and to an inadequate level of activity (problems particularly relevant to developed countries) the Recommendation indicates that both general economic policy measures and selective measures designed directly to affect the employment market may be necessary. Thus, general economic measures may become necessary when an inadequate level of economic activity threatens to lead to general unemployment or underemployment, or when inflationary pressure results from a lack of balance in the employment market. Selective measures may be necessary to even out seasonal fluctuations in employment, to counteract the effects of structural changes in the national economy and to assist lagging regions.

11. In a section devoted to employment problems associated with economic underdevelopment, the Recommendation deals with investment and income policy, describes measures for the promotion respectively of industrial and rural employment, and refers to the problems associated with population growth. Further sections are devoted to action which might be taken by employers and workers and their organisations to promote full, productive and freely-chosen employment, and to international action to promote employment objectives, and in particular to policies which might be adopted by industrialised countries to assist in promoting employment in the developing countries.

¹ Article 2.

² Article 3.

³ Sixth preambular Paragraph.

12. An annex to the Recommendation contains a number of detailed suggestions concerning methods of application of the various employment policy measures set forth in the Recommendation.

4. PREVIOUS SURVEY

13. In 1969, on the occasion of the fiftieth anniversary of the ILO, the Committee of Experts examined, on the basis of reports submitted by governments under article 19 of the Constitution, the ratification outlook of a number of selected Conventions, including the Employment Policy Convention, 1964. Although this earlier review¹ was different in character from the present survey, in that it was limited to an examination of the extent to which it was proposed to give effect to the terms of the Convention, it did provide the Committee with an opportunity of examining some of the difficulties which prevented or delayed ratification.

5. RATIFICATIONS

14. At the time of the Committee's 1969 survey, the Convention had been ratified by twenty-five countries. This total has now risen to forty-five.²

6. THE WORLD EMPLOYMENT PROGRAMME AND ITS IMPLICATIONS FOR THE SURVEY

15. The Governing Body's decision to request reports under article 19 of the Constitution on the employment policy instruments was motivated primarily by the initiation of the World Employment Programme which, as indicated above, was conceived by the International Labour Conference as the Organisation's major contribution to the United Nations Second Development Decade. The objectives of the Programme are, first, to alert the international community and each of the countries forming it to the urgent problems posed by persistent and even rising unemployment and underemployment; secondly, to give active encouragement to the adoption of national development policies which treat employment as one of their priority objectives; and, thirdly, to ensure that international co-operation reinforces national employment-promoting policies as effectively as possible.³ The International Development Strategy for the Second United Nations Development Decade reflects similar preoccupations. It thus provides that "each developing country should formulate its national employment objectives so as to absorb an increasing proportion of its working population in modern-type activities and to reduce unemploy-

¹ *Report of the Committee of Experts on the Application of Conventions and Recommendations*, Report III (Part 4), International Labour Conference, 53rd Session, Geneva, 1969, Part Three: "The Ratification Outlook after Fifty Years: Seventeen Selected Conventions", Chapter 4. References to the report of the Committee of Experts are hereafter indicated by the abbreviation "RCE", followed by the year.

² Algeria, Australia, Belgium, Brazil, Byelorussia, Cameroon, Canada, Chile, Costa Rica, Cuba, Cyprus, Denmark, Finland, France, Federal Republic of Germany, Guinea, Hungary, Iraq, Ireland, Israel, Italy, Jordan, Khmer Republic, Libyan Arab Republic, Madagascar, Mauritania, Netherlands, New Zealand, Norway, Panama, Paraguay, Peru, Poland, Senegal, Spain, Sudan, Sweden, Thailand, Tunisia, Uganda, Ukraine, USSR, United Kingdom, Republic of Viet-Nam, Yugoslavia. In addition, there have been the following seven declarations of application to non-metropolitan territories: Australia (New Guinea, Norfolk Island, Papua); Netherlands (Netherlands Antilles, Surinam); United Kingdom (Guernsey, Isle of Man).

³ For a more detailed statement of the goals, see ILO: *The World Employment Programme*, Report of the Director-General to the International Labour Conference, 53rd Session, 1969, Part 1, pp. 122-3 (Geneva, 1969).

ment and underemployment" (Paragraph 18 (a)) and makes provision for policy measures in the field of international trade which will be helpful also from the point of view of employment policy.

16. In his Report to the Conference in 1969 on the occasion of the launching of the World Employment Programme, the Director-General stressed that the Employment Policy Convention and Recommendation are of considerable relevance, particularly the latter in that it provides guidelines for practical national measures to tackle the employment problem in developing and industrialised countries and provides a standard of reference for assessing progress made in the member States, for identifying the main obstacles and causes of failure to make progress, and thus for pinpointing problems calling for intensified action or research. The Director-General's Report pointed to the need for an intensive follow-up programme on the application of these instruments, and for information, at fairly frequent intervals, on the progress countries are making in applying them and on the results achieved.¹

17. The progress made during the first two years of the World Employment Programme, at both the national and international levels, was reviewed at the 56th Session of the International Labour Conference in 1971. The report prepared for the Conference discussion on that occasion² provides useful background information for the present survey. It contains in particular an indication of the magnitude of the employment problem facing the world in the 1970s, comments briefly on the employment policies of the developing countries and refers to the action taken at the international level, not only by the ILO but by other organisations such as the United Nations, FAO, the World Bank Group, UNCTAD, OECD and the Latin American Institute for Economic and Social Planning. The role played by these organisations, as well as by UNESCO, WHO and the International Monetary Fund, was moreover described in greater detail in the Report of the 1971 Conference Committee on the World Employment Programme.³

18. The main purpose of this Conference discussion was "to review the employment situation in the light of the experience gained since the establishment of the World Employment Programme and to provide guidance on future action".⁴ It resulted in the adoption by the Conference of a series of Conclusions on general principles for action at the national level, the role of employers' and workers' organisations, the role of the international community and the role of the ILO. In regard to the latter, the Conference considered that the ILO "should keep under review... progress and difficulties in achieving fuller employment (taking the Employment Policy Recommendation as a frame of reference) and submit proper reviews to the International Labour Conference...".⁵ This survey may be considered as part of this reviewing process.

7. INFORMATION AVAILABLE

19. Taking into account both the reports submitted under article 22 of the ILO Constitution by countries which have ratified the Convention and the reports submitted under article 19 on the Convention (by countries which have not ratified it

¹ Ibid., pp. 127-8.

² *The World Employment Programme*, 1971 (op. cit.).

³ Report of the Committee on the World Employment Programme, paragraphs 42-48 (International Labour Conference, 56th Session (1971), *Record of Proceedings*, pp. 648-651).

⁴ Reporter's statement to the plenary session, *ibid.*, p. 763.

⁵ Conclusions on the World Employment Programme, paragraph 16, *ibid.*, p. 661.

or which, having ratified it only recently, have not yet been called upon to report under article 22) and the Recommendation, reports have been received from 103 countries (eighty-five member States and eighteen non-metropolitan territories). A table showing the reports received under article 19 on these instruments will be found in Appendix II. The Committee regrets that no reports under article 19 for the period in question have been received up to the time of its meeting from the following countries: Afghanistan, Barbados, Bolivia, Burma, Burundi, Cameroon, Chad, Chile, Congo, Costa Rica, Dahomey, Dominican Republic, Ecuador, Egypt, Gabon, Haiti, Honduras, Ivory Coast, Laos, Mauritius, Mongolia, Nepal, Niger, Panama, Paraguay, Rwanda, Somalia, Tanzania, Thailand, Togo, Trinidad and Tobago, Venezuela, Yemen Arab Republic, People's Democratic Republic of Yemen, Yugoslavia, Zaire. In respect of two of these countries, however (Chile, Costa Rica), reports on the application of the Convention were available under article 22.

20. The nature and value of the information supplied in the reports varied considerably from country to country. Many reports did not attempt to deal with all the questions set out in the report form and some of the replies were extremely brief. The inadequacy of some of these reports may stem from the fact that many of the matters covered by the Convention and Recommendation transcend the competence of the ministry dealing with labour matters, so that the supply of information on all aspects of the instruments would necessitate the collaboration of a wide variety of other ministries or government agencies, such as those dealing with economic affairs, planning, education, industry, trade, agriculture, public works. While this fact has clearly been taken into account by some governments in preparing their reports, it does not seem to have been fully appreciated by others.

21. Several countries have referred in their reports to their current economic development plans as setting out their employment policy or covering certain aspects of it. In so far as copies or extracts of these plans were sent with the reports or were available in the Office, their examination has provided a valuable source of information on the measures proposed in the countries concerned, and has served to illustrate the extent to which employment policy receives priority in the country's over-all development goals. A list of the plans referred to in the survey is contained in Appendix III.¹

8. STRUCTURE OF THE SURVEY

22. This is the first full-scale general survey of the employment policy instruments since their adoption eight years ago. The Convention entered into force on 15 July 1966, and the Committee has so far examined twenty-five first reports on the application of the Convention in ratifying countries, of which three were submitted only this year. As indicated above, the Committee is aware that the matters covered by the Convention—and spelled out in the Recommendation—are extremely broad in scope and cover very many aspects of a country's economic and social policies. For this reason, no attempt is made to present an exhaustive picture, either of the over-all position in individual countries, or of the extent to which action in a particular field is being undertaken in the reporting countries generally. The references to measures in various countries are given by way of illustration, and should not be taken to mean that similar or comparable measures are not taken or planned in other countries.

¹ Plans listed in this appendix are referred to in the footnotes as "Plan" followed by the page number.

23. While both the Convention and the Recommendation provide a framework for the survey, the more detailed structure is based largely upon the provisions of the Recommendation, in so far as was possible given its length and complexity. In the first chapter, the Committee examines the objectives of an active employment policy as set out at the beginning of each instrument, and its relationship to over-all economic and social policy. Chapters II and III consider the various forms of declaration of policy and the procedures for giving effect to it, and Chapter IV is concerned with the training and placement of workers. The two following chapters deal with general and selective measures of employment policy respectively; Chapter VII covers employment problems associated with economic underdevelopment, while Chapter VIII is devoted to the role of employers and workers and their organisations and Chapter IX to international action to promote employment objectives. Chapter X examines the difficulties encountered by States in giving effect to the Convention and Recommendation as well as progress in implementation and prospects of ratification.

CHAPTER I

THE OBJECTIVES OF EMPLOYMENT POLICY

24. It is proposed, in this chapter, to consider first the meaning to be attached to the objective of full, productive and freely-chosen employment, and then to determine how this objective is related to other economic and social objectives and, finally, how it is given concrete form in targets for economic growth and for employment.

1. THE AIM OF EMPLOYMENT POLICY: FULL, PRODUCTIVE AND FREELY-CHOSEN EMPLOYMENT

25. Both Article 1, paragraph 1, of the Convention and Paragraph 1 (1) of the Recommendation provide that, "with a view to stimulating economic growth and development, raising levels of living, meeting manpower requirements and overcoming unemployment and underemployment, each Member shall declare and pursue, as a major goal, an active policy designed to promote full, productive and freely-chosen employment". It should be noted that this provision does not require States to achieve full, productive and freely-chosen employment within any given space of time, but to pursue an active policy designed to promote it: the economic and social conditions and level of development in a given country may be such that the attainment of the goal set by the instruments is impossible in the near future and can only be aimed at in the long run. This should be borne in mind in the following discussion of the term "full, productive and freely-chosen employment".

(a) *Full Employment*

26. The instruments define full employment to mean that "there is work for all who are available for and seeking work". As a goal, this definition corresponds to the approach adopted in the Universal Declaration of Human Rights—cited in the Preambles to the Convention and to the Recommendation—and in the International Covenant on Economic, Social and Cultural Rights, which provide for the recognition of the right of everyone to work or to the opportunity to gain his living by work.

27. While the concept of the right to work has found constitutional recognition in a number of countries¹, in certain other cases, a somewhat more pragmatic perspective underlies the government's employment policy. In one country, for example, the full employment policy has been defined to mean "the creation of sufficient new jobs on average each year to ensure that no one who is actively seeking work . . . and prepared to accept it at the terms currently being offered is unable to find it within a reasonable period".² Another government has indicated that in its country there is no accepted definition of full employment and that it is not considered

¹ See paragraph 59.

² Ireland (*Report on Full Employment* : Report No. 18 of the National Industrial Economic Council (Stationery Office, Dublin, 1967), p. 5).

possible to express the goal of full employment in quantitative terms, since the number of persons seeking work varies according to the economic and social climate of the moment; in this country, the proportion of the population of working age actually in employment has in fact been successively raised.¹

28. While the aim of the full employment policy provided for in the Convention is the creation of opportunities of employment for all who seek work, this does not imply that everyone must be in employment at all times. The Committee noted from the preparatory work leading to the adoption of the Convention that some degree of frictional unemployment—affecting those who have voluntarily accepted a period of unemployment while seeking the work of their choice, newcomers to the employment market who have not yet found a job and those thrown out of work by technological and structural changes as well as changes in the economic situation—was recognised as inevitable if the employment market is to adapt to change and be sufficiently flexible to ensure that supply and demand are kept in balance.²

29. It has been recognised in particular by certain countries that an active employment policy should not merely seek to provide employment for all but should contribute to economic progress by measures facilitating and accelerating structural changes which inevitably require the transfer of workers from declining to more competitive sectors of the economy.³ As has been stated by one country, the aim is to “maintain full employment without slowing down the current rate of change”.⁴

30. A number of countries have indicated the level of frictional unemployment due to such causes which they consider to be consistent with full employment and it may be useful to mention some of the unemployment rates referred to, provided sight is not lost of the fact that these rates are not directly comparable one with another owing to great differences in the way in which unemployment is measured.⁵ Thus, of the countries which state that they have achieved full employment, Australia states that the average rate of unemployment since 1949 has been 1.3 per cent; in Cyprus, unemployment has not exceeded 1.5 per cent in recent years and was down to 1 per cent in 1970; the Government of Israel considers that, with 3.4-3.5 per cent unemployment, virtually full employment has been achieved; New Zealand's highest recorded unemployment rate since 1945 was 0.77 per cent in 1968, but this was reduced by 1970 to the level more usual in that country of 0.01 per cent; according to the statistics provided by the Government of Poland, unemployment during the 1960s varied between 0.52 and 0.86 per cent. The rate of unemployment considered by Argentina's National Development Plan as consistent with a situation of full employment is 1.9 per cent⁶, and the full employment goal set by Ireland is to reduce unemployment to 2 per cent.⁷ The target set in Spain's Second Economic and Social Development Plan is not to allow unemployment to rise above 2 per cent

¹ Sweden (*Modern Swedish Labour Market Policy*, National Labour Market Board, Stockholm, 1966, p. 15).

² *Employment and Economic Growth*, Studies and Reports, New Series, No. 67 (a revised version of a report prepared by the International Labour Office for the Preparatory Technical Conference on Employment Policy held in 1963) (ILO, Geneva, 1964), p. 45.

³ For example: Sweden (*Modern Swedish Labour Market Policy*, op. cit., pp. 16, 75).

⁴ France.

⁵ For instance, in countries where the unemployment index is compiled following a sample survey, the index tends to be higher than in countries where it is based on the numbers of persons regularly registering themselves as unemployed.

⁶ Plan, pp. 17, 35.

⁷ *Report on Full Employment*, op. cit., p. 26.

which is stated in the Plan to correspond to a situation of full employment.¹ The United States has indicated that, even when employers have been very short of workers, its unemployment rate has rarely dropped below 3 per cent.² It states that there are two reasons for this: first, that there is a considerable amount of frictional unemployment in a large country with a very mobile labour force; and, secondly, that the labour force is very elastic, so that whenever job offers become plentiful, married housewives and retired men begin seeking jobs, thus becoming, during the period when they are seeking work, unemployed members of the labour force.

31. The above figures illustrate differences in the level of unemployment regarded as consistent with a situation of full employment. In part this may be attributable to a difference of statistical methods or definitions, in part also to differences in the structure of the employment market or to the rate of technological change in the main branches of a country's economy. While the rate of unemployment at a given time is clearly an important criterion for assessing whether full employment has been achieved, it is also relevant to consider the relationship between the number of unemployed and the number of vacancies, the duration of individual periods of unemployment and the measures being taken by the public authorities to keep under review the likely evolution of the situation and, through the various tools of economic and employment policy, to bring about the attainment of the objective stated in the Convention, namely, the availability of jobs for all those seeking work. Average unemployment figures by themselves may moreover hide unemployment problems existing in particular regions or sectors or during certain seasons, as well as a high level of underemployment, and may thus lead to disregard of the needs of significant groups of workers in pursuing the full employment objective.

32. It will be noted that the above illustrations of the practical meaning of the term "full employment" relate primarily to more developed countries. Several developing countries, apart from referring to the magnitude of their employment problems, have questioned the suitability of the concept of the labour force as adopted in developed countries to their social and economic structures, particularly in the rural areas, and have referred to the resulting difficulties in assessing unemployment and underemployment.³ One of these points out, for example, that a sizable proportion of labour input is provided in household enterprises by members of the family who have only a partial attachment to the labour market and that, while their inclusion in the labour force and in calculations of unemployment would be misleading, their total exclusion would also fail to reflect the real economic situation; it recognises that, while the extent of underemployment is important, its measurement solely in terms of man-years is in these circumstances inappropriate.⁴

(b) *Productive Employment*

33. The terms used in the Convention and Recommendation in providing that the aim of an employment policy must be to ensure that "work is as productive as possible", reflect the difficulty of determining a strict rule in this field. Thus, for example, while confirming the principle that work should be productive, and so

¹ Plan, pp. 103-104.

² It should be borne in mind in relation to this figure that United States unemployment statistics include as unemployed certain categories of persons who would not be so regarded if definitions more widely used in other countries were adopted.

³ For example: India, Madagascar (*Statistique de l'emploi, année 1968-1969* (Secretariat of State for Labour and Social Laws), p. 8), Philippines (Plan, p. 70).

⁴ India (Plan, p. 426).

contribute to economic development which should in turn lead to increased employment opportunities, the instruments do not preclude a policy decision, which may be necessary in certain situations if the full employment goal is to be pursued, to limit technologically advanced projects where work is highly productive and to concentrate instead on labour-intensive projects. Work that is "as productive as possible" thus has to be constructed in the light of national conditions. This need to relate the degree of labour productivity to the level of employment reached at a given moment is reflected in the reports supplied by numerous governments.

34. In the case of developed countries it seems that the measures designed to promote productivity—when considered in relation to employment policy—are often taken because a high level of employment has been reached, and because the possibilities of increasing the labour force in given sectors are almost exhausted; these measures are accordingly looked to as the primary means of ensuring economic growth. A number of the countries in question have indicated that it is an important part of their employment policy to move people out of less productive into more productive forms of employment.¹ Some governments² have also supplied information on the nature of the measures taken to improve productivity, particularly in industry. These measures range from the provision of advisory services on management and production techniques or government grants to enable undertakings to obtain outside expert advice through the organisation of special courses to the establishment of research institutes specialising in questions of productivity, and to the development of vocational training.

35. In the case of developing countries, however, the reasons and emphasis may be very different. Here the efforts to increase productivity are usually inspired by a different need, since the problem is often rather one of employment in work of such low productivity as not to provide a decent living; in these cases, measures to increase labour productivity—particularly in agriculture and handicrafts—form a major part of employment policy programmes. These measures are dealt with in the relevant sections of Chapter VII. It will be seen that in most cases the degree of productivity sought in these countries is considerably lower than in developed countries and that an inherent part of employment policy is often to avoid projects which would have a high level of labour productivity in favour of labour-intensive projects which would provide a better return in terms of jobs for the capital invested.

(c) Freely-Chosen Employment

36. The first Article of the Convention provides that employment policy shall aim at ensuring that "there is freedom of choice of employment and the fullest possible opportunity for each worker to qualify for, and use his skills and endowments in, a job for which he is well suited, irrespective of race, colour, sex, religion, political opinion, national extraction or social origin". A similar provision is to be found in the Recommendation. This requirement may be considered as having two aspects: first, the absence of compulsion to undertake work one has not freely chosen, and, secondly, the opportunity to acquire qualifications and to use one's skills and endowments free from any discrimination.

37. The first of these aspects, that is, the abolition of compulsion to work which is an obvious prerequisite of freedom of choice of employment, is dealt with in depth

¹ For example: Austria, Belgium, Canada, Czechoslovakia, Israel, Romania, Spain, Ukraine.

² For example: Australia, Canada, Ireland, Netherlands, New Zealand, Norway, United Kingdom.

in two other international labour Conventions, the Forced Labour Convention, 1930 (No. 29) and the Abolition of Forced Labour Convention, 1957 (No. 105). The implementation of these Conventions was the subject of general surveys under article 19 of the ILO Constitution in 1962 and 1968¹ and it does not appear appropriate to the Committee to go over the ground again in the present context.

38. As regards the second, positive aspect of the above requirement, it seems that governments do not always state specifically and formally that one of the aims of their employment policy is to ensure equal opportunities and the progressive elimination of any form of discrimination in employment. Yet, the intention to remove such discrimination is at the root of, and inherent in, most measures designed directly or indirectly to implement employment policies.

39. For example, there can be no doubt that most public measures taken in the field of education and vocational guidance and training—whether or not they are formally linked to a government's employment policy—will contribute to greater opportunities for the underprivileged in qualifying for work. Measures of this kind are considered below in Chapter IV, section 1.

40. Similarly, and again regardless of whether or not this is stated in so many words, economic development measures to combat chronic unemployment or underemployment are normally designed to help workers who have been disadvantaged because of the circumstances, for instance, that they belong to a backward and impoverished agricultural community, or to a given ethnic group, or simply to the lowest social stratum. It is obvious that such economic development measures should help to place the workers affected in a situation where they can use their skills and endowments and may also enjoy a wider selection of jobs. Measures of this kind are mentioned briefly below in Chapter VII.

41. However, in addition to the above-mentioned chapters, reference must be made to the general surveys carried out by the Committee in 1963 and 1971² on the Discrimination (Employment and Occupation) Convention and Recommendation, 1958, which contain full information on the measures taken with a view to ensuring equality of opportunity irrespective of any form of discrimination. The requirements concerning non-discrimination in the Employment Policy Convention, 1964, are normally considered by the Committee in the light of the provisions of the above-mentioned Convention on discrimination.

2. RELATIONSHIP WITH OTHER ECONOMIC AND SOCIAL OBJECTIVES

42. In specifying the objectives of employment policy, the instruments indicate that "due account shall be taken of the stage and level of economic development and the mutual relationships between employment objectives and other economic and social objectives" (Convention, Article 1, paragraph 3) and that "employment policy should be co-ordinated with, and carried out within the framework of, over-all economic and social policy" (Recommendation, Paragraph 6). Paragraph 2 of the Annex to the Recommendation lists the principal measures of economic and social policy with which employment policy requires to be co-ordinated if its social objectives are to be attained; namely, "measures affecting (a) investment, production and economic growth; (b) the growth and distribution of incomes; (c) social security;

¹ RCE, 1962 and 1968, Part Three.

² RCE, 1963, Part Three; RCE, 1971, Volume B.

(d) fiscal and monetary policies, including anti-inflationary and foreign exchange policies; and (e) the promotion of freer movement of goods, capital and labour between countries”.

43. It is, of course, difficult to conceive of a well-constructed employment policy which would not respect these principles—quite apart from the fact that a vast range of social and economic objectives are an inherent part of an employment policy. Most governments recognise that employment policy cannot be treated in isolation and many have indicated in their reports that it is co-ordinated with or forms an integral part of over-all economic and social policy.¹ In a number of cases, this is sought by making employment objectives an integral part of the country's economic development plan.² In the words of one country's Minister of Labour, “an employment policy is first and foremost a development policy”.³ Some governments have referred to constitutional provisions which spell out the close relationship between full employment and economic policy. Thus, one Constitution provides that “the right to work is ensured by the Socialist organisation of the national economy, the steady growth of the productive forces of Soviet society, the elimination of the possibility of economic crises and the abolition of unemployment”.⁴ Other countries have enacted legislation which recognises that a policy of full employment can only be pursued by measures taken within the framework of general economic policy⁵ or have expressed the view that it is primarily through measures of economic policy—mainly fiscal and monetary policies—that the full employment goal must be pursued, with manpower programmes designed directly to create employment forming an essential complement to the tools of economic policy.⁶

44. The relationship of employment policy with economic and social policy is further reflected in the objectives which, according to many governments⁷, are pursued jointly with the goal of full employment. These include the goals set out in Article 1, paragraph 1, of the Convention—stimulating economic growth and development and raising levels of living—as well as other objectives such as equilibrium in the balance of payments, reasonable price stability, a more equitable distribution of income, elimination of regional disparities and social welfare policies.

45. However, quite apart from the above-mentioned cases in which governments refer specifically to the relationship between employment objectives and other economic and social objectives, this relationship transpires throughout most govern-

¹ For example: Australia, Canada, Japan, Netherlands, Poland, Sweden, United Kingdom Non-metropolitan territory: United Kingdom (British Honduras).

² For example: Algeria, Argentina, Belgium, Brazil, Bulgaria, Colombia, Cuba, Czechoslovakia, Greece, India, Ireland, Italy, Kenya, Malaysia, Malta, Morocco, Norway, Philippines, Romania, Spain, Tunisia, Turkey, USSR; non-metropolitan territories: United Kingdom (Brunei, Gilbert and Ellice Islands, Solomon Islands). See also *The World Employment Programme*, 1971, op. cit., Chapter II, for a discussion of development plans which include employment objectives.

³ Morocco.

⁴ Constitution of the USSR, article 118, paragraph 2. See also similar provisions in the Constitutions of, for example, Byelorussia (Art. 93), Czechoslovakia (Art. 21), Poland (Art. 58, which also refers to “the development of a social and co-operative system in the countryside, free from exploitation”), Ukraine (Art. 98).

⁵ For example: Finland, Employment Act, 1963, S. 1; Japan, Manpower Organisation Law (Law No. 132 of 21 July 1966). (ILO *Legislative Series (LS)* 1966—Jap. 1) S. 1.

⁶ For example: Canada, United States.

⁷ For example: Algeria, Argentina (Plan, p. 17), Australia, Austria, Belgium, Canada, Ceylon, Colombia (Plan, p. I. 1), Cyprus (Plan, Ch. 4), Federal Republic of Germany, Guyana, India (Plan, pp. 1-5), Japan, Mexico, Netherlands, New Zealand, Peru, Portugal, United Kingdom; non-metropolitan territories: United Kingdom (Brunei, British Honduras).

ments' reports when they deal with the methods by which employment policy is pursued: for example, in connection with the planning machinery which ensures co-ordination between the various policies concerned in connection with education and training, and in connection with the diverse economic measures through which employment problems can be alleviated. These matters are considered in greater detail below under the headings corresponding to the relevant clauses in the Recommendation.

3. QUANTITATIVE TARGETS FOR ECONOMIC GROWTH AND EMPLOYMENT

46. A first concrete example of the relationship between employment policy and other economic and social policies will be found in the measures taken to give effect to Paragraph 2 of the Recommendation, which provides that the aims of employment policy should wherever possible be defined in the form of quantitative targets for economic growth and employment.

47. It appears from the information received that most countries in which some form of economic planning exists establish quantitative targets for economic growth. However, since economic growth can in fact be achieved without necessarily bringing about an improvement in the employment situation, the main concern in the context of employment policy must centre on quantitative targets for employment.¹

48. In many developing countries, targets of this kind are integrated in the development plans, with the number of new jobs to be created set off against the current number of new entrants to the labour market during the period concerned.² It must be noted that in many cases the quantitative targets, even if fully attained, would permit the absorption of only a small part of the mass of unemployed or would even be insufficient to absorb all the new entrants to the labour market³, or are unrelated to the levels of unemployment and underemployment for which there are no statistics, so that the result of attaining the plan target on the over-all employment situation cannot be assessed.⁴ Another aspect of employment targets is that often the figures set out in the plans relate to paid employment only and would normally be accompanied by a parallel increase in the number of self-employed, by means, for example, of rural development programmes; it is therefore interesting that targets for growth in self-employment also are defined in certain plans.⁵ In some of the plans examined, the employment targets appear to be derived merely from the targets for economic growth which is regarded as the primary aim. Targets arrived at in this way—by quantifying the employment which will be created if the

¹ For a selection of employment targets in developing countries, see *The World Employment Programme*, 1971, op. cit., pp. 22-23.

² For example: Argentina (200,000 new jobs annually planned, 140,000 new entrants annually, reduction in unemployment rate from 5.6 per cent to 1.9 per cent aimed at: Plan, p. 35); Colombia (812,100 new jobs planned, 730,000 new entrants to the labour force, reduction in unemployment rate from 8.4 per cent to 6.4 per cent aimed at: Plan, p. III. 4); Philippines (2,050,000 new jobs planned, 1,800,000 new entrants, reduction in unemployment rate from 7.7 per cent to 5 per cent aimed at: Plan, pp. 71-72); Tunisia (122,000 new jobs planned, 112,000 new entrants, reduction of 10,000 in the total of 125,000 unemployed aimed at: Plan, pp. 55-57).

³ For example: Malaysia (596,000 jobs planned, 645,000 new additions to the labour force; while the number of unemployed will increase, the percentage of unemployed members of the labour force will remain constant at 7.3 per cent: Plan, p. 101), Morocco (485,000 new jobs planned, plus 70,000 new employment opportunities under the National Development Scheme, making a total of 555,000; 710,000 new additions to the labour force; 155,000 workers will be added to the ranks of the unemployed: Plan, Vol. I, Section II, Ch. 4, p. 7).

⁴ For example: Uganda (Plan, p. 145), Senegal (Plan, pp. 317-321).

⁵ For example: Kenya (Plan, pp. 6, 106-108), Uganda (Plan, p. 145).

economic growth rate is achieved—would not seem, in the light of experience hitherto, to constitute meaningful employment policy targets unless the economic growth rate was itself fixed in the light of the country's employment needs at a level the attaining of which will contribute to a solution of the employment problems.

49. Among the developed countries, reference must first be made to those (including some with a market economy¹ and some with a planned economy²) where conditions of full employment have existed for a number of years and where quantitative employment targets—in so far as they are considered necessary—are mainly designed to meet changes in the volume of the labour force, or structural changes, or are aimed at a given sector of the economy or area in which an unduly large number of workers are unemployed. In other developed countries, however, where the unemployment rate is higher than what might be considered as an acceptable frictional rate, targets are often expressed in the form of a given rate to which unemployment is to be reduced by a given time.³

50. In considering the over-all situation, it must be borne in mind that the absence of precise employment targets in a plan may mean, not that the need to promote employment-creating projects has been ignored by the authorities, but that the technical difficulties in fixing meaningful targets are such that the planning authorities hesitate to fix any figures in this context. This is well illustrated by information supplied by one country⁴ which indicates that it has discontinued the practice of adopting quantitative targets because its experience had shown that the statistics and estimates on which past targets had been based were too unreliable for these targets to have any real meaning or value. Certainly many other developing countries, as will emerge from the subsequent chapters of this survey⁵, are faced by a major problem in formulating their employment policy because of the absence of adequate statistical data and research into the nature and causes of unemployment and under-employment. It may nevertheless be considered that, even if experience should show that the basic estimates and research were insufficient and misleading, targets for employment expressed in figures will in most cases serve a useful purpose as the best way of expressing and publicising the magnitude of the problem facing the country and the need for urgent and immediate action.

¹ For example: Australia, New Zealand.

² For example: Czechoslovakia, Poland, USSR.

³ For example: Ireland (2 per cent by 1981), United Kingdom (1.8 per cent when economic circumstances permit).

⁴ India.

⁵ See, in particular, Chapter III, section 5.

CHAPTER II

DECLARATION OF EMPLOYMENT POLICY

1. FORM OF DECLARATION

51. The Convention and Recommendation both lay down that States should "declare... an active policy designed to promote full, productive and freely-chosen employment". A formal declaration of employment policy is thus a basic obligation under the Convention. It may also be considered an essential basis for a conscious effort to attain the goals of the Convention, and it emerges from the government's reports, taken as a whole, that an express commitment to the pursuit of an active employment policy as a major national objective is in practice essential if the goals of the Convention are to be given the necessary prominence in government policy and action. This express commitment may take a variety of forms.

52. In some cases, governments have referred in this regard to constitutional provisions relating to employment.¹ These generally take the form of a declaration of the right to work, and in some cases also emphasise the duty of the State to promote the conditions in which the right to work of all citizens can be effectively enjoyed. At the same time, most governments have recognised that brief constitutional provisions of the type mentioned need to be supplemented by a fuller statement of an active employment policy.

53. In other cases, the reports refer to specific declarations setting out the government's employment policy. Such declarations are made in a variety of ways, including the following: in a White Paper presented to Parliament inaugurating the government's active employment policy²; through an election manifesto confirmed in a statement of government policy and objectives addressed to Parliament when the government took up its duties³; through government memoranda published in connection with the annual budget and periodically reaffirming the government's commitment to an active employment policy⁴; in a statement by the Head of State which may take the form of a message to the nation or to Parliament⁵; or in a speech of the responsible minister reaffirming the government's employment policy as already made evident in a development plan.⁶

54. In another group of countries⁷, the government's principal commitment to an employment policy is found in legislation concerned with measures through which such a policy can be implemented. This may be by an express reference in the

¹ Such provisions can be found, for example, in the Constitutions of Cuba (Art. 60), Greece (Art. 27), Hungary (Art. 45), India (Art. 41), Ireland (Art. 45), Madagascar (Preamble), USSR (Art. 118).

² For example: Australia, Canada.

³ For example: Ceylon.

⁴ For example: Netherlands.

⁵ For example: Cyprus, Guyana, Mexico.

⁶ For example: Morocco.

⁷ For example: Costa Rica, Finland, Japan.

text to the terms of Convention No. 122 and the obligation for States to declare and pursue an active employment policy; or by a definition in the law of the purpose of employment policy in regard both to the national economy and to the objective of achieving full employment; or by a provision requiring the government to seek to promote employment through measures of over-all economic policy and otherwise.

55. A fourth method of declaring the employment policy, frequently referred to by governments, is the inclusion of appropriate measures, or declarations of principle, in an economic development plan. In some of the plans mentioned, the achievement of full employment, or the maintenance of full employment, is stated to be one of the major objectives to be attained during the period covered by the plan¹; other plans, while declaring that full employment is a long-term goal, recognise that in view of the economic and other constraints imposed by the country's present situation, this is not fully attainable within the plan period.²

56. In most cases the governments indicate at what date the declarations of employment policy were made and it is interesting that, although some of these go back twenty-five years or more and are obviously still considered as the basis of present-day policy, most of them are of rather recent date. This may in some cases be due to the fact that it is only in the past few years that the government has come to realise the need for a co-ordinated and active employment policy; but often it is because so much importance is attached to the employment policy objectives that a government feels it necessary to renew and reaffirm declarations made in the past by itself or made by a previous government which in other respects may not have shared its views on the general policies to be followed. It would certainly appear that such renewed formal declarations may serve to add vigour to measures for the implementation of the employment policy.

57. The same situation arises where declarations are made through economic development plans. In such cases also, and particularly where problems are most acute, it has sometimes been considered necessary by the government to reaffirm in successive plans its intention to pursue full employment as a major goal, thus ensuring that the promotion of employment opportunities is systematically and continuously in the forefront when the authorities are determining measures designed to stimulate economic growth.

2. POSITION OF THE REPORTING COUNTRIES

58. On the basis of the information supplied by the various countries, it is possible to review briefly the extent to which each government considers that it is committed to an active employment policy as provided for in Article 1 of the Convention. While such a commitment does not in itself imply that measures are already in hand to overcome problems in this field, it does show that the necessary first step has been made—and sometimes a great deal more. The most remarkable aspect of this review is that as many as sixty-four out of the eight-five reporting member States indicate that they are pledged, in one form or another, to pursue an employment policy. A first major group of sixteen countries refer in this respect to declarations made in the form of government statements or documents laying down the basic principles of their employment policy (Australia, Austria, Belgium, Canada, Ceylon, Cyprus, Guyana, Israel, Luxembourg, Mexico, Morocco, Netherlands, New Zealand, Sweden, Tunisia, United Kingdom).

¹ For example: Argentina, France, Spain.

² For example: Algeria, Colombia, Kenya, Philippines.

59. Another large group of twenty governments refer to constitutional provisions bearing on the right to work which may be considered as declarations of employment policy; with one exception (Republic of Viet-Nam) they also indicate the steps taken to translate such constitutional principles into an active policy. Thus, in some cases the government not only refers to constitutional provisions of this kind but also states that it has declared, in a formal statement or document, its intention to pursue an active employment policy (Czechoslovakia, Ireland). Other governments indicate that the constitutional guarantee is supplemented by the terms of their development plans, which show explicitly or implicitly that full employment is being pursued as a major goal, or refer to a variety of measures taken to promote the employment policy objectives (Bulgaria, Byelorussia, Cuba, Greece, Hungary, India, Indonesia, Madagascar, Malta, Norway, Poland, Romania, Turkey, Ukraine, USSR), and one government (Costa Rica) refers to legislation embodying a commitment to employment policy which complements the constitutional guarantee. One government (Nicaragua) which has referred to a constitutional guarantee indicates that the measures taken so far in the field of employment have laid the foundations on the basis of which a national employment policy can be formulated.

60. In a third group of nineteen countries, the governments concerned do not refer to either constitutional guarantees or formal declarations, but commitment to the pursuit of an active policy is found—together with proposals for measures implementing this policy—in the development plans (Algeria, Argentina, Colombia, France, Italy, Kenya, Malaysia, Nigeria, Pakistan, Peru, Philippines, Senegal, Spain, Uganda; in the case of Senegal, the commitment is found not so much in the present plan as in measures taken to supplement it with the specific purpose of ensuring greater commitment to an active employment policy), or in legislation incorporating the essential elements of the employment policy (Chile, Finland, Federal Republic of Germany, Japan, United States).

61. In addition to the cases covered above, it may be considered that ratification of the Convention constitutes in itself a formal commitment to pursue an active employment policy; those ratifying countries which have not yet supplied information on more specific government declarations of employment policy (Denmark, Guinea, Iraq, Jordan, Khmer Republic, Libyan Arab Republic, Mauritania, Sudan) would fall into this category of cases. Another government (Brazil) states in this connection that its declaration of employment policy is to be found in the legislation ratifying the Convention and thereby incorporating it into national legislation.

62. In addition to the above-mentioned sixty-four countries, there are nine cases where the information supplied would seem to indicate a certain commitment to the principles laid down in the Convention, although it is not always clear whether the government itself considers that it has formally declared itself bound to pursue a policy of full employment. Thus, one government (Portugal) states that its employment policy has been formulated through its development plans, but indicates that full employment has not been stated to be an objective of its current plan; it further indicates however that proposals are under consideration to include full employment as one of the essential objectives of its next development plan. Some governments (Iceland, Liberia, Mali, Singapore, Syrian Arab Republic, Upper Volta) indicate that they pursue an active employment policy, but do not refer to a declaration made in this respect, and others (Ghana, Kuwait) state in their reports that the government policy does not differ from, or takes due consideration of, that defined in the Convention.

63. In all the remaining twelve countries it seems from the governments' reports that no employment policy declaration has been made in any of the forms considered

above. However, some of these governments (El Salvador, Iran, Jamaica, Lebanon) refer to preparatory steps which are being taken with a view to the adoption of an employment policy, and others (Central African Republic, Guatemala, Uruguay) refer to a variety of measures which have been taken regarding certain aspects of employment policy. In four cases (Ethiopia, Malawi, Sierra Leone, Zambia) the governments' reports mention no such measures and in one case (Switzerland) the government indicates that there is no need to adopt an active policy designed to promote full employment since its labour market has for some years been characterised by a serious labour shortage.

64. It must be emphasised once again that the declarations of employment policy as enumerated above cannot be used as a yardstick of the extent to which such a policy is being actively and successfully pursued, and merely reflect a government's awareness of the need to pursue such a policy and its intention to take steps with a view to its implementation. Indeed, in some cases governments have not pointed to any practical steps which they have taken to implement their declared policy. The following chapters briefly illustrate the methods followed in the countries concerned with a view to giving effect to their declarations, and the various measures adopted to attain the objective of full, productive and freely chosen employment.

CHAPTER III

METHODS OF GIVING EFFECT TO EMPLOYMENT POLICY

65. Regardless of the nature of the measures which may be necessary in different countries, or of the importance or character of the employment problems to be solved, governments having decided to pursue an active employment policy must normally use or set up some form of procedure or machinery through which employment-oriented measures can be decided upon and reviewed, they must arrange for the consultation of the persons concerned (and in particular representatives of employers and workers) with a view to securing their full co-operation and they must have at their disposal adequate studies and research material. These three aspects of employment policy are to be considered in the present chapter.

1. METHODS OF DECIDING ON AND REVIEWING EMPLOYMENT POLICY MEASURES

66. The planning and implementation of measures designed to pursue an active employment policy is inevitably a very complex process involving, as this survey will make clear, decisions in a wide variety of economic and social fields. By Article 2 of the Convention, governments are required "to decide on, and keep under review, within the framework of a co-ordinated economic and social policy, the measures to be adopted for attaining the objectives" of employment policy as defined in the Convention and "to take such steps as may be needed, including when appropriate the establishment of programmes, for the application of these measures".

67. Governments are, however, under Article 2 of the Convention, free to apply their employment policy "by such methods and to such extent as may be appropriate under national conditions", and it is not surprising that the information available shows that there is a wide range of methods through which decisions on measures to implement employment policy are taken and reviewed. In view of the variety of methods adopted, it is impossible to make a clear distinction in all cases between the stages of decision taking and of implementation and review. Nonetheless, these two aspects of employment policy methods are, as far as possible, considered separately, although some degree of overlapping is inevitable.

(a) *Methods of Deciding on Employment Policy Measures*

68. In the instruments, the main accent in regard to the procedures and methods for deciding on employment policy measures is laid on the need for co-ordination with measures in such fields as monetary, fiscal, trade and population policy, as well as in the social field. Thus, in addition to the provision of the Convention quoted above, the Recommendation provides, in Paragraph 6 (1), that "Employment policy should be co-ordinated with, and carried out within the framework of, over-all economic and social policy, including economic planning or programming in countries where these are used as instruments of policy".

69. The best and most obvious way of achieving this co-ordination in countries in which formal economic planning procedures have been introduced is through the planning machinery itself. It certainly seems that most or all of the measures proposed in the economic plans supplied by governments may influence, directly or indirectly, and negatively or positively, the employment situation.

70. An examination of the reports and plans supplied shows that it is generally not deemed sufficient, in order to achieve such co-ordination, for the government to declare its commitment to an active employment policy as such a declaration does not by itself ensure that employment objectives are given due weight in the plan. Countries whose plans reflect an active commitment to an employment policy have usually adopted special procedures for deciding on the employment aspects of the plan and ensuring that there is over-all co-ordination with the other aspects—at the stages both of planning and of subsequent implementation and review of the planned measures.

71. A particularly interesting example of planning machinery specifically geared to integrate employment policy with other aspects of policy is provided by one country¹ in which the machinery includes an Employment Committee for the plan, which was responsible for working out the principal employment objectives to be included in the plan. While over-all implementation of the employment policy enunciated in the plan is entrusted to the Ministry of Labour, Employment and Population, it was recognised that certain aspects of that policy were outside the competence of this Ministry and an Inter-Ministerial Employment Committee has been created with responsibility for examining employment policy problems of common interest and co-ordinating the action of the various government departments concerned with employment policy.

72. Another method of co-ordinating employment and other policies within the framework of the planning process is by associating the ministry responsible for labour questions in the planning process. This may be done by providing for the representation of this ministry on the national planning body², by entrusting the formulation of employment policy jointly to the ministry responsible for labour questions and the planning body³, or by consultations between these two authorities when the latter works out the employment aspects of the plan.⁴ One country⁵ has preferred to entrust the responsibility for employment policy directly to the planning body by creating a Ministry of Planning and Employment whose internal structure includes an employment division.

73. In other countries⁶, co-ordination is achieved at a higher level through the inclusion within the planning machinery of an inter-ministerial committee responsible for ensuring over-all co-ordination of the various aspects of the national plan.

74. Among the countries which have not referred to formal planning procedures as providing the framework for deciding on measures of employment policy, an

¹ France.

² For example: Cyprus (Plan, p. 260), Guyana.

³ For example: Algeria, Bulgaria, Japan, Romania.

⁴ For example: Malaysia, Malta.

⁵ Ceylon.

⁶ For example: Belgium (Ministerial Economic and Social Coordinating Committee); Colombia (National Economic and Social Policy Council); Italy (Inter-Ministerial Economic Programming Board); Malaysia (National Economic Council).

interesting example is provided by one country ¹ which has stated that the formulation of employment policy is in the hands of the President who is assisted in this regard by a Council of Economic Advisers and an Office of Management and Budget, as well as by the members of his Cabinet, in particular the members responsible for labour and for economic affairs. Other countries ² have stated in more general terms that the over-all responsibility for the formulation of employment policy is vested in the government as a whole. Certain countries ³ have indicated that this responsibility is divided between the ministry which deals with labour matters and the ministry which deals with economic questions. The division of responsibilities between the two is described by one government ⁴ in the following terms: "Employment policy is vested in the Ministry of Economic Affairs; this Ministry is responsible for the general economic equilibrium, i.e. the level of employment, industrial policy, regional industrialisation, regional infrastructures. The Ministry of Social Affairs and Public Health" (which fulfils *inter alia* the functions of a ministry of labour) "is primarily responsible for labour market policy, i.e. the best possible keying of supply and demand on the labour market, both quantitatively and qualitatively. The policy includes labour placement, supplementary employment, occupational counselling, retraining, rehabilitation and supplementary training, encouragement of migration, policy regarding foreign workers".

75. Certain countries ⁵ have referred to the ministry dealing with labour questions as the authority with over-all responsibility for deciding on measures of employment policy as well as for implementing them, while one ⁶ has referred only to the ministry responsible for economic questions. Many of these governments recognise that the attribution of sole responsibility to either the labour or the economic authorities would imply an unduly limited conception of what is meant by employment policy and they have indicated—as have also some of those who have adopted other methods for deciding on their over-all measures of employment policy—that a number of ministries are concerned in the more detailed planning and implementation of employment policy. ⁷ These include, in addition to the ministries responsible for labour and economic affairs, the role of which has already been referred to, those responsible for social affairs, health, education, industry, trade, transport, power, construction, housing, public works, technology, agriculture, fisheries, natural resources and tourism.

76. One country ⁸ has described in some detail the steps taken to reformulate its employment policy during the 1960s. The initiative came from Parliament, with a demand for an over-all review of policy in this field and the Government accordingly set up a committee to undertake this task, consisting of representatives of the political parties, employers' and workers' organisations and the government departments

¹ United States.

² For example: Canada, United Kingdom, Upper Volta; non-metropolitan territory: United Kingdom (Brunei).

³ For example: Australia, Luxembourg.

⁴ Netherlands.

⁵ For example: Austria, Finland, Federal Republic of Germany, Guatemala, Khmer Republic, Nigeria, Philippines, Syrian Arab Republic; non-metropolitan territories: United Kingdom (Antigua, Bermuda).

⁶ Singapore.

⁷ For example: Brazil, Canada, Colombia, Finland, Federal Republic of Germany, Ireland, Japan, Liberia, Madagascar, Netherlands, Nigeria, Turkey, United Kingdom; non-metropolitan territory: United Kingdom (Brunei).

⁸ Sweden (*Modern Swedish Labour Market Policy*, op. cit., pp. 7-8).

concerned. The committee's report was circulated by the Government to a large number of organisations and public authorities for comment. On the basis of the report and the comments thereon, a government Bill laying down the basic guidelines of future employment policy, with particular emphasis upon its relationship with economic policy and upon selective measures related to structural change, regional development and efforts to increase the supply of labour, was adopted by Parliament in 1966, and was followed by the Labour Market Order of 3 June 1966¹ regulating employment policy measures in some detail.

77. Several other countries² also have referred to legislation in which the measures to be used in certain fields of employment policy, and more particularly of manpower policy, are set out in some detail, and which forms the basis for action by the authorities responsible for implementing such policy.

78. The importance of procedures for ensuring that employment policy decisions are taken within the framework of a co-ordinated economic and social policy has already been stressed, as has the useful contribution that can be made by formal planning procedures to ensuring such co-ordination. However, other methods of co-ordination have also been mentioned in the reports—particularly, of course, by countries which do not adopt formal plans—and they also require consideration in this section, particularly since co-ordinating bodies may have both advisory and decision-taking powers.

79. Government reports show that, in some cases, over-all co-ordination is ensured at the highest government level through the Cabinet itself³ or through inter-ministerial committees.⁴ In other countries⁵, the responsibility for co-ordination is entrusted to bodies whose membership usually includes representatives of all the ministries concerned as well as of other interested authorities and, in some cases, employers' and workers' organisations.

¹ LS 1968—Swe. 1 gives the text of the Order as amended up to 17 May 1968.

² For example: Austria: Employment Market Promotion Act, 12 December 1968, (LS 1968—Aus. 2); Denmark: Placement and Unemployment Insurance Act, No. 114, 24 March 1970 (LS 1970—Den. 1); Finland: Employment Act, 28 June 1963; Federal Republic of Germany: Employment Promotion Act, 25 June 1969 (LS 1969—Ger. F. R. 1); Japan: Employment Security Law, No. 141 of 30 November 1947, as amended (LS 1947—Jap. 4, LS 1949—Jap. 2), Manpower Organisation Act, No. 132 of 21 July 1966 (LS 1966—Jap. 1); Norway: Employment Promotion Measures Act, No. 9, 27 June 1947, as amended (LS 1968—Nor. 2, LS 1970—Nor. 2); United States: Employment Act of 1946 (Public Law 304) (LS 1946—USA 1), Manpower Development and Training Act of 1962 (Public Law 87-415) (LS 1962—USA 1) as amended by the Manpower Act of 1965 (Public Law 89-15) (LS 1965—USA 2A) and the Manpower Development and Training (Amendments) Act of 1966 (Public Law 89-792) (LS 1966—USA 2A), Economic Opportunity Act of 1964 (Public Law 88-452) as amended by Public Law 89-253 of 1965, Public Law 89-794 of 1966 (LS 1966—USA 2B) and Public Law 90-222 of 1967), Emergency Employment Act of 1971 (Public Law 92-54).

³ For example; Australia, United Kingdom.

⁴ For example: Netherlands (Cabinet Committee on Economic Policy; Inter-Ministerial Committee on Labour Market Policy; Inter-Ministerial Committee on Physical Planning); Senega (Inter-Ministerial Council for Employment, Training and Educational Structures, Decree No. 69-181 of 11 February 1969).

⁵ For example: Austria (Employment Market Policy Advisory Board); Costa Rica (National Human Resources Council); Finland (Employment Policy Section of the Economic Council attached to the Cabinet Office); Iraq (Board of Administration of the Labour Institution for Training, Employment and Rehabilitation: Labour Law, No. 151 of 1970, s. 162 (LS 1970—Iraq 1)); Poland (Labour and Wages Committee); Syrian Arab Republic (proposed Central Employment Committee); Tunisia (National Vocational Training and Employment Council).

80. Certain countries¹ have indicated that the co-ordination process requires a network of interlocking committees and other bodies, such as study groups, on which the various interested government departments are represented. In others, co-ordination is sought, primarily or in addition to one or other of the more formal procedures described above, through informal consultations between the government departments and other government agencies concerned. In such cases, the over-all co-ordination and the responsibility for initiating consultations may lie with the planning agency² or the ministry responsible for labour matters.³

81. Some countries with a federal structure have also referred to the procedures which they have adopted for co-ordinating measures in the field of employment policy at the federal and constituent levels. Such procedures include regular consultations between the federal governments and those of the constituent units and in particular between representatives of their ministries responsible for labour matters⁴; the inclusion of representatives of the constituent units among the membership of bodies with co-ordinating responsibilities in the economic and employment fields⁵; and the establishment of area manpower co-ordinating committees to co-ordinate joint governmental action at the local level.⁶

82. One country⁷ has stressed the need, if employment policy is to be fully co-ordinated with over-all economic and social policy, for the ministry responsible for labour matters to participate fully in the general policy-making process and to be sufficiently strongly organised and staffed for it to be able to play a useful role in the economic planning process. Indeed, it seems likely that in many countries if this is not done, employment questions may well not be given sufficient weight, in the absence of a spokesman for whom they are of primary concern.

83. The above examples give a general idea of the variety of methods for deciding on employment policy measures. It must, however, be pointed out in this respect that a number of governments have supplied no information on the subject. While some departmental measures affecting employment can be decided on independently, it seems obvious that over-all employment policy objectives as defined in the Convention can only be achieved through co-ordinated action and that such action can only be promoted by means of procedures placed within the framework of a co-ordinated economic and social policy, through which governments can take decisions and revise these decisions, as necessary.

84. Before concluding this brief review, reference must be made to specialised or supplementary machinery covering individual measures which may be required in addition to the over-all procedures. It is advocated repeatedly in the Recommendation that governments should plan, in the context of their employment policy, for certain types of measures usually designed to promote economic development: for example, that governments should plan measures of a short-term character in relation with economic fluctuations, should plan measures to even out seasonal changes in

¹ For example: Argentina, Australia, Netherlands, United Kingdom.

² For example: Mali, Malta.

³ For example: Australia, Belgium, Federal Republic of Germany, Japan, Senegal.

⁴ For example: Australia (in particular through the Departments of Labour Advisory Committee consisting of the permanent heads of the federal and state departments of labour).

⁵ For example: Nigeria (Joint Planning Board (Plan, p. 10); National Labour Advisory Council; National Manpower Board).

⁶ For example: United States.

⁷ Argentina.

employment, should plan for measures required because of structural modifications, etc. Certain governments do refer in this connection, as indicated under the relevant chapters of this survey, to special bodies or machinery having employment policy responsibilities and entrusted with planning in specific sectors of this kind, whereas others supply no such information. While it is obvious that the governments themselves are best able to determine the extent to which planning may require special machinery which is distinct from the more general procedures, it must be stressed that supplementary machinery of this kind—even if it is at the administrative level—can play a very useful role and that adequate arrangements should in such cases be made to ensure that the decisions taken through such machinery are co-ordinated with over-all employment policy objectives.

(b) Methods of Reviewing the Implementation of Employment Policy Measures

85. The Convention provides that the measures adopted for attaining employment policy objectives must be kept under review by appropriate methods within the framework of a co-ordinated economic and social policy (Article 2 (a)).

86. Before considering these methods, some preliminary comments may be called for as regards the implementation of employment policy measures. Thus, for many types of measures strictly in the employment field, machinery exists which is responsible for implementation and which may also have the function of reviewing the results achieved through these measures. For employment market aspects in the technical sense of the term, implementation responsibility is generally stated to lie with the ministry responsible for labour questions.¹ In certain countries, however, it has been entrusted to a specialised committee attached to the Council of Ministers² or to an autonomous national authority ultimately responsible to the labour ministry but with an independent budget and wide powers to act on its own initiative.³ In addition, some government reports show that the implementation of certain particular aspects of employment policy—for example, vocational training—may be entrusted to specialised bodies and these are dealt with in other chapters of this survey.

87. However, from the point of view of a comprehensive employment policy as envisaged in the Convention and Recommendation, the main emphasis will be placed in this survey on the over-all methods adopted by the government to review and assess the results of employment policy measures, in the widest meaning of the term, rather than on the methods for their implementation. Such reviewing procedures are of crucial importance, both for governments and at the international level. In fact, their importance may become even more marked in the coming years, particularly in the case of countries which have recently embarked on pursuing an employment policy and which may not yet have had occasion to assess, first, to what extent the proposed measures—which often are very far reaching—have been implemented and, secondly, the extent to which the desired results have been achieved.

88. The bodies responsible for deciding on measures of employment policy are also frequently responsible for keeping them under review. In particular, countries

¹ For example: Austria, Belgium, Canada, Cyprus, Finland, France, Ireland, Japan, Netherlands, New Zealand, Philippines, Syrian Arab Republic, Turkey, United States.

² For example: Byelorussia, Ukraine, USSR (State Committee of the Council of Ministers for the Utilisation of Manpower Resources); Poland (Labour and Wages Committee).

³ For example: Belgium (National Employment Office); Federal Republic of Germany (Federal Employment Institution); Portugal (Manpower Development Fund); Sweden (National Labour Market Board: Ordinance No. 727 of 11 December 1970 reproducing the amended instructions to the National Labour Market Board and the County Labour Boards).

which adopt economic plans generally make provision for their periodic review and adjustment by the planning authorities and several countries¹ have indicated that the procedures by which their plans are reviewed in the course of their implementation provide the occasion for reviewing and, if necessary, adjusting employment objectives and measures. One country's plan², for example, specifically provides for the annual review of the implementation of the employment objectives by the Employment Committee which forms part of the planning machinery. Its report is published and transmitted to the Higher Employment Committee which examines the effect which should be given to the report in the field of employment policy. This latter Committee is a tripartite advisory body (see paragraph 99 below), and it seems that in many cases the various bodies established to associate employers and workers in the formulation and implementation of employment policy may provide an appropriate forum for examining progress with a view to making recommendations as to any adjustments which may be considered necessary.

89. Other countries³ refer to an over-all review and assessment of employment policy implementation in the form of an annual report, covering either the economy generally or employment policy in particular; this is generally presented to Parliament for discussion. Another country⁴ has referred to the preparation of an annual employment plan by the Ministry of Labour as providing the occasion for regular review of progress in the implementation of employment policy and for its adjustment to future trends; and yet another⁵ has referred in this connection to the recent creation of a department responsible for ensuring the evaluation of policies and objectives.

90. Some of the reviewing procedures mentioned by governments appear to be concerned somewhat narrowly with the implementation of measures in the field of manpower policy. It seems necessary therefore to stress that reviews should as far as possible consider the effect of all the different categories of decisions and measures which may affect the employment situation, including decisions relating to monetary, fiscal and trade policies. Little documentation covering actual review of employment policy measures has thus far been supplied to the ILO by countries having ratified the Convention, and its communication in future would help to provide a somewhat clearer picture of the procedures, the problems and the results.

2. CONSULTATION OF REPRESENTATIVES OF THE PERSONS AFFECTED BY EMPLOYMENT POLICY MEASURES

91. It is specifically provided in Article 3 of the Convention that "representatives of the persons affected by the measures to be taken and in particular representatives of employers and workers, shall be consulted concerning employment policies...".

92. Most of the governments which have supplied information on this question referred to consultations with representatives of employers and workers through their organisations. Some governments⁶ have also indicated that their consultations

¹ For example: Belgium, Cyprus, Malaysia, Portugal, Senegal; non-metropolitan territory: United Kingdom (Gilbert and Ellice Is.).

² France.

³ For example: Belgium, Canada, Finland, Ireland, New Zealand, Norway, United States.

⁴ Japan.

⁵ Malaysia.

⁶ For example: Senegal, Sweden (*Annual Report of the National Labour Market Board, 1969-1970*, p. 120), Tunisia (Decree No. 65-140 of 17 March 1965, concerning the composition, and operations, of the National Vocational Training and Employment Council, s. 1).

extend to representatives of more specialised sectors of the labour force, such as workers in agriculture or rural areas generally, women, students, craftsmen, small-scale or family undertakings and co-operatives.

93. The question of who should represent the interests of the unemployed and of self-employed workers such as farmers and craftsmen was discussed by the Committee on the World Employment Programme at the 56th Session of the International Labour Conference in 1971 and several possible solutions were mentioned.¹

94. As to the purpose of consultations, the Convention provides that the representatives of the persons affected "shall be consulted concerning employment policies, with a view to taking fully into account their experience and views and securing their full co-operation in formulating and enlisting support for such policies". The Recommendation provides that representatives of employers and workers and their organisations "shall be consulted in formulating policies for the development and use of human capacities and their co-operation should be sought in the implementation of such policies" (Paragraph 3). In Part IV of the Recommendation (employment problems associated with economic underdevelopment) it is indicated that "with a view to achieving a rapid expansion of production, investment and employment, members should seek the views and active participation of employers and workers, and their organisations, in the elaboration and application of national economic development policy, and of the various aspects of social policy" (Paragraph 22). Both these paragraphs of the Recommendation refer to the Consultation (Industrial and National Levels) Recommendation, 1960 (No. 113) as providing guidelines for the consultations.²

95. Further guidance is provided by the resolution concerning freedom of association for workers' and employers' organisations and their role in economic and social development, adopted by the Seventh Asian Regional Conference of the ILO held at Teheran in December 1971, which included detailed suggestions as to methods and procedures for ensuring the participation of such organisations in the elaboration and implementation of development plans and programmes.³

(a) *Consultations in Formulating Employment Policy*

96. In view of the inherent relationship between employment policy and overall economic policy, the consultations envisaged in the Convention cannot be limited to employment policy questions in a narrow sense but should also extend to all aspects of economic policy which have an effect on employment. This is spelt out for the developing countries in Paragraph 22 of the Recommendation, and has indeed been recognised by many countries, which have supplied information on consultations in the economic field generally as well as on matters directly related to employment.

97. In the first place, employers' and workers' organisations are frequently associated in the formulation of economic development plans. This association may take the form of actual participation in the bodies responsible for preparing the

¹ Report of the Committee on the World Employment Programme, para. 85 (*Record of Proceedings*, op. cit., p. 655).

² See in particular Paragraphs 4 and 5 of Recommendation No. 113.

³ See paragraph 5 of the resolution (Seventh Asian Regional Conference of the International Labour Organisation (1971), *Provisional Record*, No. 13, p. 13).

plan ¹, or of consultations ², in some cases through sectoral committees established to advise on the various aspects of the plan. ³

98. In some countries ⁴, a forum for consultations is provided through an economic advisory council on which employers' and workers' organisations are represented, while in others ⁵ employers' and workers' organisations are consulted directly by the government in formulating economic policy, and thus enabled to express their views on those aspects of it which are relevant to employment policy. One country ⁶ states that the nature and characteristics of the socialist economic system which it has adopted guarantee the full collaboration and support of all those concerned through the political, economic and social organs of the country.

99. Consultations on matters directly relating to employment may take place through a permanent advisory council or committee usually dealing with labour matters generally, on which employers and workers are represented ⁷, through periodical conferences or meetings between the officials of the responsible government departments and representatives of employers' and workers' organisations ⁸, or through ad hoc committees set up to review employment problems and policies. ⁹ One federal country ¹⁰ has indicated that employment conferences are organised from time to time in the individual constituent states (*Länder*) at which representatives of the federal, provincial and local authorities and of employers' and workers' organisations examine the employment problems of the *Länder* and seek appropriate solutions.

¹ For example: France, Mali, Portugal, Senegal, Tunisia, Uganda.

² For example: Argentina, Belgium (through the National Committee for Economic Expansion; Central Economic Council), Bulgaria, Czechoslovakia, Italy, Japan, Romania, Spain (Plan, p. 53); non-metropolitan territory: United Kingdom (Brunei).

³ For example: Cyprus, Portugal.

⁴ For example: Algeria (Economic and Social Council); Canada (Economic Council of Canada); France (Economic and Social Council); Ireland (National Industrial Economic Council); Mali (Economic and Social Committee); Mexico (National Tripartite Committee); Netherlands (Socio-Economic Council); New Zealand (National Development Council and its sectoral councils); Senegal (Economic and Social Council); United Kingdom (National Economic Development Council).

⁵ For example: Australia, Finland, Singapore; non-metropolitan territory: United Kingdom (Antigua).

⁶ Cuba.

⁷ For example: Australia (National Labour Advisory Council and similar councils at the state level), Austria (Employment Market Policy Advisory Board), Belgium (National Labour Council), Central African Republic (National Labour Advisory Committee), Colombia (National Labour Council, which has an Employment and Human Resources Committee), Finland (Employment Council), France (Higher Employment Committee), Guatemala (National Social Policy Council), Japan (Employment Deliberation Council), Malaysia (National Joint Labour Advisory Council), Mali (National Committee for the Social Sector and Human Resources), Nigeria (National Labour Advisory Council; States' Advisory Committees on Employment), Sudan (Supreme Council of Labour), Uganda (Labour Consultative Council), United Kingdom (National Joint Advisory Council), United States (National Manpower Advisory Committee and Regional Manpower Advisory Committees); non-metropolitan territories: United Kingdom (Bermuda (Labour Advisory Council), British Honduras (Labour Advisory Board), Hong Kong (Labour Advisory Board), Isle of Man (Employment Advisory Committee), Seychelles (Labour Advisory Board), Solomon Is. (Labour Advisory Committee)).

⁸ For example: Australia, Federal Republic of Germany, Guyana, Ireland, Israel, Italy, Liberia, Luxembourg, Norway, Peru, Philippines, Sweden, United Kingdom, United States; non-metropolitan territory: United Kingdom (Falkland Is. (Malvinas)).

⁹ For example: Lebanon, Sierra Leone.

¹⁰ Federal Republic of Germany.

(b) Co-operation in the Implementation of Employment Policy

100. As already indicated, the instruments provide not only for consultations in connection with formulating employment policies, but also for the co-operation of representatives of employers and workers in the implementation of such policies.

101. In many cases, the procedures adopted for consulting employers' and workers' organisations on employment policy questions described above are general in scope, and extend to the implementation as well as the formulation of policy.

102. In addition, at the stage of implementation, employers' and workers' organisations often appear to be closely associated in the structure established for putting particular aspects of employment policy into effect. Thus, they may be represented on the body responsible for over-all manpower planning and for organising and supervising the functioning of the labour market¹, or on an advisory body with specific responsibilities in this field.² Some countries have indicated that a forum for consultations on employment policy questions is provided by the committees attached to the employment service.³ Usually, these countries have also referred to other forms of consultation, and indeed it would seem that committees forming part of the employment service would not normally be competent to deal with all aspects of employment policy. At the same time, the organisation and operation of the employment service is an aspect of employment policy implementation with which, in accordance with the standards laid down in the Employment Service Convention, 1948 (No. 88)⁴, employers' and workers' representatives should be actively associated.

103. Several countries have referred to arrangements for associating employers' and workers' organisations in the formulation and implementation of vocational training policy. These include representation on the body responsible for drawing up and supervising the implementation of the national training programmes⁵ or for

¹ For example: Chile (Employment Service Council), Federal Republic of Germany (Federal Employment Institution), Iraq (Board of Administration of the Labour Institution), Norway (Board of the Directorate of Labour), Peru (Managing Council of the Employment and Human Resources Service), Poland (Labour and Wages Committee), Senegal (Interministerial Council for Employment, Training and Educational Structures), Sweden (National Labour Market Board), Tunisia (Administrative Council of the Vocational Training and Employment Office).

² For example: Belgium (Employment and Manpower Advisory Council), Canada (Manpower and Immigration Council), Costa Rica (National Human Resources Council), Ireland (National Manpower Advisory Council), Madagascar (Training and Employment Committee), Netherlands (Council for the Labour Market), New Zealand (manpower committees of sectoral development councils), Portugal (Advisory Council to the Manpower Development Fund), Senegal (National Employment, Training and Educational Structures Committee), Sudan (Manpower and Training Council), Tunisia (National Vocational Training and Employment Council).

³ For example, Algeria, Austria, Belgium, France, Greece, Israel, Luxembourg, Malta, Philippines, Portugal, United Kingdom.

⁴ Article 4 of the Convention provides:

"1. Suitable arrangements shall be made through advisory committees for the co-operation of representatives of employers and workers in the organisation and operation of the employment service and in the development of employment service policy.

"2. These arrangements shall provide for one or more national advisory committees and, where necessary, for regional and local committees.

"3. The representatives of employers and workers on these committees shall be appointed in equal numbers after consultation with representative organisations of employers and workers, where such organisations exist."

⁵ For example: France (National Association for the Vocational Training of Adults), Ireland (Industrial Training Authority), Madagascar (Training and Employment Committee), Sudan (Manpower and Training Council).

advising on training¹ or for running particular training schemes or institutions.²

104. Other specialised areas in regard to which arrangements exist for the consultation of employers' and workers' organisations include youth employment³, women's employment⁴, the employment of the disabled⁵ or of persons with particular qualifications⁶ and of those affected by technological change.⁷

105. The question of the role of employers' and workers' organisations in employment policy has been dealt with in some detail above, largely because of the increasing emphasis being laid on the need to ensure that these organisations are given the opportunity to participate effectively in the formulation and implementation of employment policies. It will have been noted that considerable information has been supplied regarding the consultation of employers and workers in connection with certain employment measures, such as the functioning of employment services and vocational training programmes. While consultation and participation in these fields are necessary, they cannot replace collaboration at the level where the over-all relationship between employment policy objectives and economic or social objectives is being considered and where co-ordinated decisions are taken. Accordingly, special interest attaches to the arrangements existing in those countries where representatives of employers and workers, and sometimes of other sectors, can collaborate actively in pursuing the declared goal of full employment by making sure that the employment effect of long-term and short-term decisions in the economic and social fields is constantly borne in mind.

106. As well as co-operating with the government in this way, employers and workers and their organisations can, as is indicated in Paragraph 29 of the Recommendation, contribute to promoting full, productive and freely-chosen employment by measures in a variety of fields of direct interest to them. Action of this kind by employers and workers and their organisations, in which the initiative lies with themselves rather than with the government, is considered in Chapter VIII below.

3. STATISTICAL RESEARCH, ANALYSIS AND STUDIES

107. The importance of the role of research in its various forms is recognised by the Recommendation which provides, in Paragraph 4, that "Employment policy should be based on analytical studies of the present and future size and distribution

¹ For example: Canada (Training Advisory Board of the Manpower and Immigration Council), Japan (Vocational Training Council), Malaysia (National Advisory Council for Industrial Training), Peru (National Apprenticeship and Industrial Employment Service), Tunisia (National Vocational Training and Employment Council), United Kingdom (Central Training Council); non-metropolitan territory: United Kingdom (Hong Kong (Industrial Training Advisory Committee)).

² For example: Cyprus (management boards of vocational training institutes), Malaysia (Central Apprenticeship Board), Peru (Managing Council of the National Apprenticeship and Industrial Employment Service), United Kingdom (Industrial Training Boards).

³ For example: Malta (Youth Advisory Committee), United Kingdom (National Youth Employment Council).

⁴ For example: Australia (Committee on Women's Employment), United Kingdom (Advisory Committee on Women's Employment).

⁵ For example: Belgium (Managing Council of the National Fund for the Social Resettlement of Handicapped Persons), Federal Republic of Germany, Japan (Handicapped Persons' Employment Council).

⁶ For example: Nigeria (National Advisory Committee on the Employment of Graduates and Professional Manpower), United Kingdom (Committee on Manpower Resources for Science and Technology).

⁷ Australia (Tripartite Committee on Technological Change).

of the labour force, employment, unemployment and underemployment", and points to the need to devote adequate resources to the collection, analysis and distribution of statistical data. Paragraph 1 of the annex contains guidelines as to the subjects which should be covered by studies and analyses.

108. While not all countries have supplied information on this point, it is possible to draw certain conclusions from the material available. In the developed countries there often exist well-organised systems for the collection of statistical data and for its analysis. Over-all responsibility usually lies with the ministry responsible for labour questions¹ or the central labour market authority.² The analysis of the data and the preparation of studies of the various aspects of the labour force and the employment market are often entrusted to a specialised research or planning unit of the ministry, which is also generally responsible for preparing forecasts in these fields.³ In other cases, these forecasts are the responsibility of the central planning authority.⁴

109. The importance of adequate statistical data for an effective employment policy is also recognised by many of the developing countries.⁵ Some governments have supplied information on the methods by which such data are collected. These include censuses⁶, labour force surveys⁷ and registers of employing establishments.⁸

110. The collection of adequate data is, however, a matter in regard to which many developing countries report serious difficulties. The principal of these referred to by a number of countries⁹ and already mentioned in paragraph 32 above, relates to the problems which arise in seeking to measure the extent of unemployment and underemployment in an economy where a large part of the population has only a partial attachment to the labour force.

111. Several countries have referred to the fact that their statistics are inadequate or insufficiently accurate.¹⁰ In addition to the inherent difficulties referred to above, this may be due to a lack of the necessary financial means and of adequately trained officials¹¹, not only among those responsible for collecting and analysing the statistics, but among those responsible for the sources from which the statistics are taken, such as the relevant services in government departments and in industry.¹²

112. A number of countries have indicated that, in view of the vital importance of adequate data, they are taking steps to improve the collection and analysis of

¹ For example: Finland, New Zealand, United Kingdom.

² For example: Norway, Sweden.

³ For example: Ireland, United Kingdom.

⁴ For example: Sweden (the long-term labour forecasts are prepared by the Economic Planning Secretariat of the Ministry of Finance: *Modern Swedish Labour Market Policy*, op. cit., p. 72), USSR.

⁵ For example: Brazil, Ceylon, Costa Rica (*Situación de los Recursos Humanos y Previsiones para 1969-72*, Ministry of Labour and Social Welfare, San José, 1970, pp. 24-30), El Salvador, Guyana, India, Iran, Kenya, Nigeria (Plan, p. 321), Singapore; non-metropolitan territories: United Kingdom (Gilbert and Ellice Is., Seychelles).

⁶ For example: Brazil, Ceylon, Costa Rica (loc. cit.), El Salvador, Kenya, Singapore, Tunisia; non-metropolitan territory: United Kingdom (Seychelles).

⁷ For example: Colombia, Nigeria (Plan, p. 311), Philippines (Plan, pp. 69-72), Syrian Arab Republic; non-metropolitan territory: United Kingdom (Gilbert and Ellice Is.).

⁸ For example: Tunisia (Plan, p. 185).

⁹ For example: India, Philippines (Plan, p. 71).

¹⁰ For example: Central African Republic (Plan, p. 167), Costa Rica (*Situación de los Recursos Humanos y Previsiones para 1969-1972*, op. cit. pp. 24-30), Madagascar, Peru (*Informe Laboral*, Ministry of Labour, March 1970, p. 1-4), Senegal (Plan, p. 317), Uganda (Plan, p. 145).

¹¹ For example: Madagascar.

¹² For example: Tunisia (Plan, pp. 187-188).

statistics relating to the labour force, employment and unemployment, and the quality of forecasts in these fields.¹

113. Most of the comments referred to above relate to the compilation of statistical data and its analysis. However, the Recommendation provides that studies or research should be carried out, prior to action, on a wide range of subjects; these include studies on the causes of unemployment with a view to distinguishing the different types (Paragraph 9), research on the means appropriate to local conditions for promoting rural employment in developing countries (Paragraph 27)², studies of the economic, social and demographic factors affecting population growth in the context of employment problems (Paragraph 28), compilation of material with a view to distinguishing short-term fluctuations from longer-term structural changes (Annex, Paragraph 1), early and detailed short-term forecasting of the employment market (Annex, Paragraph 1), research on various aspects of labour-intensive techniques (Annex, Paragraph 9), etc.

114. Information on the research carried out on some of the above subjects is mentioned in the relevant chapters of this study and, even if this is not stated specifically in government reports, it may be assumed that in most developed countries a wide range of research material of this kind is available from studies carried out by the government, by universities, by special institutions, or otherwise. The situation is very different, however, in developing countries where—in addition to the absence of reliable statistics—the absence of proper research may prove a stumbling block in the formulation and implementation of employment policy. With the assistance of such technical co-operation as is available, it will be a major task for the governments themselves to try to overcome gradually the many practical difficulties involved and to have the necessary studies carried out.

115. A further suggestion as regards research referred to in the Recommendation (Annex, Paragraph 1) is that governments should undertake and promote studies of the methods and results of employment policies in other countries. Research on some of these subjects can, however, best be made at the international level and the World Employment Research Programme includes certain subjects to be studied on a worldwide basis by the ILO.³ Further, the ILO has in recent years published a number of studies on general or specific aspects of employment policies relating either to a given country or of more general scope. Since these publications are designed mainly to facilitate the task of governments and other persons concerned by familiarising them with measures and methods through which other countries endeavour to achieve employment objectives, the Committee has deemed it useful to list them in Appendix IV to this report. The Committee is aware that, in addition, numerous studies of questions relevant to employment policy and related matters, covering the experience of individual countries as well as questions of a more general character, are undertaken and published at both the national and the international levels. Since these studies would certainly be of value to governments—particularly of the developing countries—the Committee hopes that the ILO will consider publishing a detailed bibliography of publications in this field.

¹ For example: India, Iran, Khmer Republic, Lebanon, Philippines, Senegal (Plan, p. 318), Tunisia (Plan, pp. 188-192).

² On this point, see also paras. 281 and 283 below.

³ With a view to co-ordinating future research on employment promotion, the ILO held in December 1971 a meeting of directors of economic and social research institutes together with other specialists and representatives of international agencies; the meeting discussed future research priorities relevant to the World Employment Programme and possibilities of collaboration between the various institutes and agencies concerned.

CHAPTER IV

THE TRAINING AND PLACEMENT OF WORKERS

116. Unlike the following three chapters, which concern measures which may be taken in given situations to promote the creation of new opportunities to work, or to maintain a high level of employment, the present chapter is concerned with measures taken by governments—in relation with their employment policy—to promote the acquisition by workers of qualifications and the possibility of using these qualifications in a suitable job. Essentially this means education, vocational training, vocational guidance and employment services. It should be stressed at the outset that measures in these fields are concerned with but one aspect of employment policy, namely, the matching of labour supply and demand. The purpose of guidance and training is to prepare workers for the jobs which are available; the purpose of the employment service is to place workers in available jobs with the minimum of delay. While these are important aspects, it should not be forgotten that the major objective of employment policy is the provision of work for all who are seeking it, and that in the absence of a policy directed to this end, measures of the kind described in this chapter will do no more than ensure that existing vacancies are filled by suitably qualified workers: the problems of creating job opportunities for the unemployed and underemployed are of a different order.

117. The present survey is therefore not intended to give a general picture of either education and vocational training or employment services in the reporting countries, but rather to illustrate how measures in these fields are co-ordinated with over-all employment policy.

1. EDUCATION, VOCATIONAL TRAINING AND VOCATIONAL GUIDANCE

118. Article 1, paragraph 2 (*c*), of the Convention provides that employment policy should aim at ensuring that there is the fullest possible opportunity for each worker to qualify for a job for which he is well suited, while Paragraph 5 (1) of the Recommendation refers to the role of education, vocational training and vocational guidance in “building up the means of production and developing human capacities fully”. In addition, Paragraph 12 (1) of the Annex to the Recommendation provides that “developing countries should endeavour to eradicate illiteracy and promote vocational training for workers in all sectors, as well as appropriate professional training for scientific, technical and managerial personnel”.

119. It seems from many government reports that there exists a widespread recognition of the need for co-ordination of education and training policies with general economic development policy, so as to ensure both that those completing their education and training will be able to enter into suitable employment and that the manpower with the appropriate training and qualifications required for the implementation of economic policy will be available. This point is stressed in one country's Basic Employment Measures Plan ¹ in the following terms: “School educa-

¹ Japan (p. 34 of the English translation issued by the Ministry of Labour. The Plan covers the period 1967-1971).

tion should match with the aptitude and ability of each individual person, and the course he wishes to take. At the same time, the scope and structure of education should meet the long-term requirements of economic society. From this point of view, educational policy should be planned, taking adjustment with employment policy fully into consideration. School education should be so conducted as to consolidate the vocational view of the students, to deepen their understanding of technology and skilled jobs, and to increase their aptitude to such jobs."

(a) *Primary Education and the Eradication of Illiteracy*

120. International responsibility for the general question of education and the eradication of illiteracy lies with UNESCO and it is not intended to consider these matters in detail within the framework of the present survey.

121. Certainly, education as such is already a major objective in most developing countries; this is apparent from the development plans communicated in relation to the present survey. However, in their reports relatively few governments mention the relationship between education and employment policy. It may therefore be useful to refer briefly to the reasons for associating primary education and the eradication of illiteracy with measures to implement employment policy. To begin with, just one figure will illustrate the magnitude of the problem: although the proportion of illiterates in the world has fallen, thanks to the efforts of the governments concerned and of UNESCO, the total number of illiterates is still increasing; their absolute number was estimated at around 740 million in 1960, which represented an illiteracy rate of around 40 per cent of the world adult population.¹ Needless to say, the problem normally is most acute in the developing countries faced with the most acute employment problems.

122. Secondly, it must be recognised that the existence of a large body of illiterates will hamper the success of most employment-oriented development schemes.² For example, as will be seen below, many governments have referred to difficulties experienced because of the lack of skilled workers, and it will be appreciated that, although the direct remedy here is vocational training, any young person entering such training must normally have completed primary education; similarly, even in unskilled work some level of literacy is usually an advantage and ensures better performance and higher productivity³; further, for workers engaged in agriculture it is evident that most rural development schemes—such as those mentioned by the governments cited in Chapter VII below or those relating to the "Green Revolution"—will prove more successful if some at least of the workers and farmers concerned are literate and hence better equipped both for action in improving productivity and for giving a lead to other members of the community.

123. Among those governments which have referred to primary education or the eradication of illiteracy in the context of employment policy, many show awareness of the need to adapt their educational systems so as to make them relevant to employment in the local environment or, more generally, in the country as a whole. In several cases⁴, a complete reform of the educational system is at present being undertaken in order to adapt it to the country's needs and opportunities of employ-

¹ Unesco: *Literacy*, 1967-1969 (1970), p. 9.

² See, for example, Unesco: *Literacy and Development* (1970); see also Tunisia (Plan, p. 32)

³ Turkey (Plan, p. 176).

⁴ For example: Peru, Portugal, Senegal.

ment. In others ¹, the problems particular to largely agricultural societies are being given special consideration and the governments concerned have referred to the need for a generalised system of primary education designed to provide for the broad mass of young people an introduction to their future way of life, which in most cases will be a rural life. Another country ² has stated that the progressive introduction of general primary education not so oriented has resulted in a drastic reduction of the numbers of children willing to acquire the skills required for, and sustain the way of life associated with, employment in the traditional sectors in which nonetheless most of them will have to find their livelihood.

124. Adult illiteracy affects most developing countries and a vast number of individuals. An example of the magnitude of the problem is provided by one country's plan ³ which estimates that of a population of 31 million in 1965 52 per cent were illiterate and that, with the rapid population increase, the numbers who could benefit from post-educational literacy programmes are expected to increase from 11.5 million in 1967 to 18 million in 1977. While normal educational methods designed to remedy this situation would be prohibitively expensive, there are simple alternative schemes to which a few countries ⁴ have referred, such as extension courses designed to teach adults to read and write, give them basic information and supply them with new skills to enable them to earn their living, or functional literacy programmes in the rural areas. Schemes of this sort are being promoted by UNESCO and other international organisations. It seems that greater attention could be given by governments to new approaches such as this; in view of the encouraging results which can be obtained through such schemes in regard both to productivity and to the elimination of a major source of discrimination, a special effort might be made by employers' and workers' organisations to participate in the promotion of these schemes.

(b) *Vocational Training and Vocational Guidance*

125. It is in respect of vocational training ⁵ that governments from both developed and developing countries have supplied most information and have apparently been most concerned with promoting co-ordinated measures through which workers will be better equipped to obtain jobs and undertakings will be most likely to satisfy their manpower requirements. Certain specialised forms of training have a particular relevance to aspects of employment policy which are dealt with in other chapters of this survey, and are accordingly dealt with in the appropriate chapter ⁶ rather than in this section which is concerned with vocational training generally and procedures for its co-ordination with employment policy.

¹ For example: Central African Republic (Plan, pp. 193-194), Colombia, Kenya, Morocco (Plan, Vol. I, Section III, Ch. 2, p. 1); non-metropolitan territories: United Kingdom (Solomon Islands, Gilbert and Ellice Islands (Plan, p. 57)).

² Nigeria (Plan, p. 313).

³ Turkey (Plan, pp. 53 and 180).

⁴ For example: Brazil, India (Plan, p. 361), Mali, Nigeria (Plan, p. 238), Turkey (Plan, pp. 198-199).

⁵ For detailed standards concerning vocational training see the Vocational Training Recommendation, 1962 (No. 117) and the Vocational Training (Agriculture) Recommendation, 1956 (No. 101).

⁶ See in particular Chapter VI, section 2 (a), for retraining or further training to promote occupational mobility and Chapter VII, section 3 (b), for training for agriculture in developing countries.

126. In the case of developing countries the situation is often marked by a general shortage of skilled and high-level manpower. Several governments¹ have referred to the fact that, as a result, posts which are essential for development remain unfilled while at the same time large numbers of unskilled workers are unable to find productive work. Measures to increase skilled manpower have accordingly a vital part to play in stimulating economic growth and expanding employment opportunities. As is stated in one country's plan: "Unless the supply of such people is rapidly increased the economy cannot grow fast; nor can employment opportunities be created for the great majority of the population."² Many developing countries³ have therefore provided information on their programmes for training the qualified personnel necessary for the fulfilment of their development programmes. One⁴ has also referred to a scheme run by its National Apprenticeship Service for providing accelerated training in a limited number of skills to urban unemployed persons who lack the qualifications necessary to find paid employment.

127. In the developed countries, on the other hand, one of the main problems in the field of training from the point of view of employment policy is to adjust the skills of the labour force to changing needs.⁵ While some countries⁶ have indicated in this regard that the progressive introduction of more mechanised and automated processes and the reduction in the need for unskilled labour make it urgent to expand training facilities so as to reduce the number of young persons who do not undergo any form of initial training and have supplied information on their initial training systems, others have referred only to retraining or further training to promote occupational mobility.

128. There is however a growing recognition that in a continuously changing, technologically oriented society it is no longer possible to make a distinction between initial training and further training.⁷ This is well illustrated by legislation recently adopted in one country which provides: "Permanent vocational training is a national obligation. It consists of initial training and further training for adults and young persons already in gainful occupations or about to enter upon such occupations. This further training constitutes continuing vocational training. Continuing vocational training forms part of permanent education. Its purpose is to permit the adaptation of workers to changes in techniques and in working conditions, to encourage their social advancement through access to the different cultural levels and degrees of occupational qualification and their contribution to cultural, economic and social development."⁸ With a view to making this conception of training a

¹ For example, Madagascar (*Statistique de l'emploi, année 1968-1969*, op. cit., p. 50), Uganda (Plan p. 131).

² Uganda (Plan, p. 131).

³ For example: Guyana, Lebanon, Singapore, Tunisia; non-metropolitan territories: United Kingdom (Bermuda, Brunei, Gilbert and Ellice Islands, Solomon Islands).

⁴ Colombia (Urban Popular Occupational Promotion).

⁵ For example: Austria, Belgium, Canada.

⁶ For example: Byelorussia, France, Federal Republic of Germany, Italy (*Progetto 80: Rapporto Preliminare al Programma Economico Nazionale, 1971-75* (Budget and Economic Programming Ministry, 1970), para. 68. This preliminary report for the National Economic Plan for 1971-75 is referred to hereafter as *Progetto 80*).

⁷ The provision of opportunities for workers to undergo further training while remaining in employment through paid educational leave was discussed at a meeting of experts convened by the ILO in January 1972, and will be on the agenda of the International Labour Conference at its session in 1973.

⁸ France (Act No. 71-575 of 16 July 1971 organising continuing vocational training within the framework of permanent education). A similar point is made in section 3 of Japan's Vocational Training Law (Law No. 64 of 18 July 1969) (*LS 1969—Jap. I*).

reality for the individual worker, the legislation in question introduces the right to training leave for a period of up to one year for full-time training and 1,200 hours for part-time training, and makes provision for workers on training leave to continue to receive their remuneration, either from a training-insurance fund (financed by employers' and workers' contributions) or from their employer who generally receives assistance from the State in this regard; for certain forms of training state scholarships are available.

129. Information supplied on the planning and organisation of training shows that a variety of methods are adopted for ensuring that it will produce the skilled manpower needed over a given period. As indicated in the reports of several countries¹, such planning must include the preparation of forecasts of the expected needs.

130. In this context training and education are often considered together and many countries² which adopt formal development plans include forecasts of their manpower requirements and a more or less detailed statement of their education and training programme, which forms the basis for action co-ordinated with the broad objectives of the plan. A number of countries³ adopt periodical training programmes which are integrated with the economic development plan; they are prepared through a process of consultation between the various ministries and government agencies concerned.

131. Co-ordination between training and manpower needs is ensured in a number of other ways. Thus in some countries⁴ this is done through special bodies with specific responsibility for preparing the national training plans and supervising their implementation. In others⁵, where over-all responsibility for vocational training is entrusted to the Ministry of Education or to the Ministry of Labour, consultations are held between these two ministries and with other government departments concerned, such as the Ministry of Industries and the Ministry of Economic Planning and Development. One federal country⁶ in which education and training is the responsibility of the individual states has referred to the over-all co-ordinating role of the Federal Department of Labour's Industrial Training Organisation. A high degree of co-ordination is also ensured in those countries where the employment market authority is itself responsible for vocational training⁷, or for adult training and retraining.⁸

132. The importance of training provided through industry itself, both on the job and in training schools run by enterprises or groups of enterprises, has been

¹ For example: Costa Rica (*Situación de los Recursos Humanos y Previsiones para 1969-72*, op. cit., p. 92), France (Plan, p. 39), Greece, Guyana, Japan, Norway, Peru, United Kingdom.

² For example: Argentina, Central African Republic, India, Mali, Malta, Morocco, Nigeria, Senegal, Spain, Uganda; non-metropolitan territories: United Kingdom (Gilbert and Ellice Islands, Solomon Islands).

³ For example: Czechoslovakia, Japan (Basic Vocational Training Plan), Romania, USSR (Manpower Training and Utilisation Plans).

⁴ For example: France (Inter-Ministerial Vocational Training and Social Advancement Committee assisted by the tripartite National Vocational Training, Social Advancement and Employment Council: Act No. 71-575 of 16 July 1971, sections 2 and 3), Ireland (Industrial Training Authority), Madagascar (Training and Employment Committee), Philippines (National Manpower and Youth Council), Senegal (Inter-Ministerial Council for Employment, Training and Educational Structures), Tunisia (National Vocational Training and Employment Council and Office).

⁵ For example: Kenya, Peru, Turkey.

⁶ Australia.

⁷ For example: Portugal (Vocational Training Service of the Manpower Development Fund).

⁸ For example: Canada, Norway, Sweden.

emphasised by several countries. Some have referred in general terms to the role played by enterprises in training and retraining workers.¹ Others have stated that they have adopted², or are preparing to adopt³, schemes for such training which are jointly financed by the government and by industry, for example through a levy or a payroll tax, grants being paid to enterprises which run training schemes. One country has referred to training institutions run by employers' and workers' organisations under agreement with the national vocational training authority, and to the payment of subsidies for training schemes deemed to be of interest.⁴

133. A number of reports have stressed that the vocational training system should not only be geared to the needs of the economy, but should be completed by adequate arrangements for vocational guidance⁵ and for making available information about existing training and employment opportunities and future prospects. The importance of vocational guidance in assisting individuals to make a meaningful choice of employment within the context of the available opportunities has been emphasised by one government in the following terms: "This guidance greatly contributes towards a rational choice of occupation on the understanding that the individual wishes should by no means be neglected... Indeed, we can only speak of a free choice if a deliberate choice can be made between the various possibilities offered to man on the basis of his capabilities, talents and personality."⁶

134. Since the arrangements for occupational information and vocational guidance for young people and adults are sometimes rather different, they are examined respectively in Chapter IV (3) (a) (Measures to Assist Young Workers) and Chapter VI (2) (a) (The Promotion of Occupational Mobility).

135. An important factor in ensuring that each individual is given "the fullest possible opportunity... to qualify for... a job for which he is well suited" (Article 1, paragraph 2 (c) of the Convention) is the existence of adequate arrangements enabling all those who are capable of doing so to undergo suitable training irrespective of their financial situation. Certain countries have indicated in this regard that all forms of training are free⁷, and some have referred to a system of scholarships for those needing financial assistance during training⁸; one country has indicated that loans are made to enable students to finance their education.⁹ The information supplied on this point, however, was fragmentary and not such as to give a general picture of the situation.

¹ For example: Austria, Belgium, Federal Republic of Germany (Vocational Training Act of 14 August, 1969 (LS 1969—Ger. F. R. 2)), Japan, Malaysia, Poland, Portugal, Romania, USSR.

² For example: France (Act No. 71-575 of 16 July 1971, sections 9-22), Ireland, Italy (*Progetto 80*, op. cit., para. 71), Singapore, United Kingdom.

³ For example: Cyprus.

⁴ Portugal.

⁵ In this regard see the Vocational Guidance Recommendation, 1949 (No. 87).

⁶ Netherlands: Explanatory Memorandum to the Budget for 1967 of the Ministry for Social Affairs and Public Health, Ch. II, paragraph 2 (quoted in the Government's Article 22 report).

⁷ For example: Bulgaria, Japan (Vocational Training Law, 1969 section 23 (1)), USSR.

⁸ For example: Austria (Employment Market Promotion Act, 1968, sections 19-20), Bulgaria, Central African Republic (Plan, pp. 165-166), France (Act No. 71-575 of 16 July 1971, sections 23-40), Federal Republic of Germany (Employment Promotion Act, 1969, sections 33-48; Training Promotion Act of 19 September 1969), Japan (Vocational Training Law, section 23 (2); Manpower Organisation Law, 1966, sections 13-18), Nigeria (Plan, p. 238), Philippines (Plan, p. 187), Senegal (Decree No. 69-131 of 11 February 1969, Title II); non-metropolitan territory: Australia (Norfolk Island).

⁹ Kenya (Plan, p. 484).

(c) *Secondary and Higher Education*

136. There is no need to elaborate on the advantages for future workers and for the community as a whole resulting from readily available secondary and higher education, and the social progress which this represents particularly where, as indicated in several reports, all forms of education are free¹, or where a system of scholarships exists for those needing financial assistance.² What must however be stated here is that the failure to co-ordinate such facilities with manpower needs may in certain cases given rise to problems. Thus a number of countries³ have indicated difficulties in providing employment to all those who have completed secondary education or even higher education, at least in certain disciplines; a particularly striking example is found in one of these countries⁴ where no less than 70 per cent of secondary school graduates are unemployed. While this problem mainly affects those who have chosen a classically-oriented education and aspire to "white-collar" jobs, one country has reported that it now affects also doctors and engineers.⁵ Some of the countries concerned have stated that this situation has largely arisen as a result of social attitudes which tend to over-value formal schooling and disregard technical skill.⁶ The solutions adopted by the countries in question include a reorientation of education towards a closer relationship with the needs of the economy, the development of vocational guidance and other measures to promote popular understanding and co-operation and schemes to provide accelerated training in technical skills to educated young persons among the unemployed.

137. However, while it seems that, because of the lack of appropriate employment opportunities, an increasing number of countries may have to have recourse to measures such as these resulting in a redirection, or even a restriction, of facilities for secondary education and for certain university faculties and their replacement by more technical forms of education and training, these measures must be taken in close collaboration with planning authorities as regards both present and long-term manpower needs. Furthermore, bearing in mind that the Convention particularly stresses the principle of equality of opportunity to acquire qualifications, governments will certainly wish to ensure that where restrictions are introduced these are not based on the student's financial status.

2. EMPLOYMENT SERVICE

138. Paragraph 5 (2) of the Recommendation provides that States "should take the necessary measures to assist workers, including young people and other new entrants to the labour force, in finding suitable and productive employment and in adapting themselves to the changing needs of the economy", and Paragraph 5 (3) indicates that in the application of this provision account should be taken of the Employment Service Convention, 1948 (No. 88)⁷ and Recommendation, 1948

¹ For example: Bulgaria, USSR.

² For example: Argentina (Plan, p. 178), Central African Republic (Plan, p. 165), Nigeria (Plan, p. 238), Turkey (Plan, p. 175).

³ For example: Ceylon, Cyprus, India, Japan, Singapore.

⁴ Ceylon (ILO: *Matching Employment Opportunities and Expectations*, (Geneva, 1971), p. 4).

⁵ India.

⁶ Cyprus, Japan (*Basic Employment Measures Plan*, op. cit., pp. 15-16).

⁷ This Convention has been ratified by the following fifty-two States: Algeria, Argentina, Australia, Belgium, Brazil, Bulgaria, Canada, Central African Republic, Colombia, Costa Rica, Cuba, Cyprus, Czechoslovakia, Dominican Republic, Egypt, Ethiopia, France, Federal Republic of Germany, Ghana, Greece, Guatemala, India, Iraq, Ireland, Israel, Italy, Japan, Kenya, Libyan

(No. 83). It will be recalled that Article 1, paragraph 2, of Convention No. 88 refers to the work of the employment service as "an integral part of the national programme for the achievement and maintenance of full employment", and Article 6 of that Convention sets out the methods by which the employment service is to achieve its objectives.

139. The role of the employment service in the implementation of employment policy has been referred to by many governments.¹ As was pointed out by one of them, "where the labour market does not function efficiently, unemployment is higher than it need be, shortages of key personnel are intensified and the labour force is slow to adapt to current needs."²

140. The contribution which an employment service, as envisaged in Convention No. 88, can make to employment policy is essentially of two kinds: first, the implementation of measures designed to match applicants for employment and vacancies notified with a view to ensuring the best possible utilisation of the labour force; and, secondly, assistance to the government in its efforts to formulate and implement employment policy.

141. The importance of the first of these aims is no doubt recognised by the States which have ratified Convention No. 88 and which have either already created a satisfactory employment service, or are in process of establishing an appropriate network or of improving the existing arrangements. In addition, a number of other governments³ refer in their reports on the employment policy instruments to their employment service, with special mention of the responsibilities of the employment service in such matters as the provision of vocational guidance, assisting applicants to obtain vocational training or even the actual organisation of vocational training, the application of measures designed to promote occupational and geographical mobility, etc.

142. However, experience in considering the effect given to the Employment Service Convention shows that serious difficulties may arise in its application. In practically all cases these are due to lack of resources, so that the government may be unable to extend the network of offices, to train the employment service staff, to create specialised sections within the service or to comply with other requirements. Another type of difficulty arises when only unemployed workers may have recourse to the service. Restrictions of this kind, limiting access to the employment service to the unemployed, have been noted by the Committee in certain countries⁴; while they may have been necessary in the early stages in order to concentrate available resources on the most pressing needs, from the point of view of employment policy they should be removed as soon as circumstances permit, since they may not only hamper the freedom of choice of employment of the persons affected but also interfere with the pursuit of the major aims of employment policy by preventing those capable of doing

Arab Republic, Luxembourg, Malta, Netherlands, New Zealand, Nigeria, Norway, Panama, Peru, Philippines, Sierra Leone, Singapore, Spain, Sweden, Switzerland, Syrian Arab Republic, Tanzania (Tanganyika), Thailand, Tunisia, Turkey, United Kingdom, Venezuela, Yugoslavia, Zaire. Two of these countries have denounced the Convention (Italy and the United Kingdom).

¹ For example: Argentina, Australia, Austria, Belgium, Chile, Colombia, Cuba, France, Greece, Iraq, Ireland, Israel, Italy, Jordan, Madagascar, Mali, Mexico, New Zealand, Nigeria, Spain, Syrian Arab Republic, Sweden, Tunisia, United States.

² United Kingdom.

³ For example: Austria, Finland, Denmark, Guyana, Madagascar, Mali, Poland, Portugal.

⁴ For example: Syrian Arab Republic (Article 22 reports on Convention No. 88). In other countries restrictions of this kind have been eliminated.

so from transferring to more skilled and more productive employment¹; this, in turn, will normally create vacancies which could be filled from the ranks of the unemployed or underemployed.

143. The second of the above-mentioned purposes of employment services, that is collaboration with the government in determining employment policy measures, is required by Convention No. 88 and is spelled out in detail in the supplementary Recommendation No. 83. To achieve this, as indicated in Article 6 of Convention No. 88, employment services must collect, analyse and disseminate information on the employment market and its evolution; they must also assist, as necessary, in social and economic planning calculated to ensure a favourable employment situation. This important role of the employment service is specifically mentioned by a number of governments in their reports on the employment policy instruments. Some indicate in general terms that it is an essential function of the employment service to advise and assist the government in the formulation of employment policy as well as in its implementation.² In others extensive collaboration is ensured by the fact that the employment service forms an integral part of, or is subordinate to, the authority responsible for over-all manpower planning and labour market policy.³

144. Since these two requirements are basic to the planning of employment policy, it would be useful if the governments of the countries bound by Convention No. 88 provided fuller information regarding the manner in which they are complied with in their reports under article 22 of the Constitution on the application of that Convention.

145. As already indicated, several governments maintain that no employment policy can be effectively implemented in the absence of an employment service. However, a special situation exists in certain of the countries with centrally planned economies⁴, which have stated that the achievement of full employment has eliminated the need for placement offices as such, and where employment service functions in the field of matching the labour supply and demand are entrusted to the bodies responsible, under the central economic planning authority, for manpower planning and its implementation, such as the state committees for the utilisation of manpower resources, the state authorities responsible for vocational and technical training, the ministries of higher and specialised secondary education and, at the local level, the executive committees of the councils of working people's deputies.

146. In conclusion, it should be stressed that many countries⁵—including some which have ratified Convention No. 88—recognise the importance of the role played

¹ This aspect of the role of the employment service is specifically recognised by, for example, Belgium.

² For example: Iraq, Mali, Norway, Peru, Sweden, United Kingdom.

³ For example: Austria (Employment Market Administration Services), Canada (Department of Manpower and Immigration), Costa Rica (Human Resources Department: Legislative Decree No. 5 of 30 May 1967, section 12), Guyana (Division of Employment and Productivity), New Zealand (Department of Labour), Norway (Directorate of Labour), Peru (Employment and Human Resources Service), Poland (Labour and Wages Committee: Act to establish a Labour and Wages Committee of 13 April 1960 (*LS* 1960—Pol. 1), section 2 (4)), Portugal (Manpower Development Fund), Sweden (National Labour Market Board), Tunisia (National Vocational Training and Employment Office).

⁴ Byelorussia, Ukraine, USSR (Article 19 report for the period ending 31 December 1968 on Convention No. 88). As indicated below, these functions include special measures for placing persons completing their education.

⁵ For example: Argentina, Ireland, Italy, Khmer Republic, Lebanon, Libyan Arab Republic, Luxembourg, Malaysia, Philippines, Portugal, Spain, Syrian Arab Republic, United Kingdom.

by the employment service in ensuring the efficient functioning of the labour market, and have indicated that it is their intention to improve or expand their existing employment service so as to make it a more effective instrument of employment policy. Some of these countries ¹ have stated that in its present form the service is not used as fully as it might be by employers and workers, and that it is their aim to seek to ensure that the employment service becomes the first resort of employers seeking workers as well as of workers seeking jobs.

¹ Ireland, United Kingdom.

CHAPTER V

GENERAL MEASURES OF ECONOMIC POLICY AS INSTRUMENTS OF EMPLOYMENT POLICY

147. Paragraph 8 of the Recommendation stresses the need to deal with employment problems attributable to fluctuations in economic activity, to structural changes and to an inadequate level of economic activity by general measures of economic policy as well as by selective measures of employment policy. In the present chapter, it is proposed to deal only with general economic measures, that is, long-term measures for the expansion of the economy as a whole and short-term measures to deal with fluctuations in the employment market; the selective measures will be considered in the next chapter.

1. LONG-TERM MEASURES FOR THE EXPANSION OF THE ECONOMY

148. Paragraph 10 of the Recommendation suggests that "General economic measures should be designed to promote a continuously expanding economy possessing a reasonable degree of stability, which provides the best environment for the success of selective measures of employment policy", while Paragraph 21 states that "In developing countries employment policy should be an essential element of a policy for promoting growth and fair sharing of national incomes."

149. This relationship is likely to be given due attention whenever procedures for the co-ordination of employment and economic objectives (see Chapter III) are functioning satisfactorily. It is interesting to note the many cases in which the relationship is formally recognised and in which the governments have expressly indicated that the need to achieve or maintain full employment was a determining factor in choosing the rate of economic growth to be aimed at in a given period¹, or have referred to economic growth as an essential means of expanding employment opportunities or maintaining full employment.² Several countries have pointed out that economic growth will not automatically lead to higher employment, and must therefore be accompanied by employment-oriented policies.³

150. On the other hand, certain countries⁴ have indicated that they have so far relied primarily on general measures of economic policy designed to promote national development in order to expand employment, and it seems from the reports and plans supplied that many others have in fact concentrated their efforts on the promotion of

¹ For example: Argentina (Plan, pp. 28, 35), Belgium, Colombia (Plan, pp. I. 4-5), France, Italy (*Progetto 80*, op. cit., paras. 170-174), Kenya (Plan, p. 106), Malta (Plan, p. 3), Tunisia (Plan, p. 17).

² For example: Byelorussia, Canada, Ceylon, Ireland, Jamaica, Luxembourg, New Zealand, Pakistan, Poland, Ukraine, USSR, United Kingdom.

³ For example: Brazil, India (Plan, p. 14), Kenya (Plan, p. 106), Philippines.

⁴ For example: El Salvador, Mexico; non-metropolitan territory: United Kingdom (Hong Kong).

economic growth as the principal aim. Similarly the explicit linking of economic growth to the expansion of employment is not fully recognised in some plans ¹, which suggest that policies in the field of employment are limited to manpower planning directed to purely economic objectives. This more limited approach is illustrated by the statement of one government ² that "the measures taken so far... have been guided primarily by the concern to adjust training and employment to the needs of the economy."

151. It may therefore be useful to stress the underlying purpose of the Convention, i.e. that the goals of employment policy should be reflected in general economic policy. This sort of approach is well illustrated by one country's plan, where it is stated that "the planned growth of the gross national product at an average rate of 7 per cent between 1971 and 1975 will make feasible the gradual elimination of unemployment. In order to achieve the levels of employment planned for 1975, the economy will have to create an average of 200,000 new employment opportunities a year for all occupational categories, in order to provide employment for the 140,000 persons who it is estimated will enter the employment market annually, and to absorb the current unemployment."³

152. At the same time, it has been maintained by some governments ⁴ that long-term measures to ensure sustained economic growth may have to take priority over measures designed to promote the creation of the greatest possible number of employment opportunities in the short term. Thus, for example, one country ⁵ has considered it essential to invest in industries using advanced technology requiring little labour in preference to labour-intensive industries because such investment will have a positive long-term effect on both growth and employment in that such projects will create capital which can then be reinvested in industries which have a powerful effect on the level of employment.

153. Developing countries are almost all faced with this alternative in choosing the form of investment to adopt for their all-too-scarce capital resources, and the ILO instruments certainly do not require that short-term employment creation should be pursued at the expense of the long-term solution of the employment problem. What they do require, however, is that the decisions as to the forms of investment should be made after full consideration of the implications for employment of the various options and the employment factor should be given due weight in arriving at a decision. Thus, in one country ⁶ for example the Secretariat of State for Industry has established an Investors' Advice Service on which the National Employment Service is represented. The Government states that this representation is expected to constitute the first step towards an institutionalised co-ordination of industrialisation and employment policy.

154. In addition to indicating their position on the relationship between economic growth and employment policy—as outlined briefly above—a large number of governments supply extensive information on the long-term measures being taken or

¹ For example: Central African Republic, Mauritania.

² Madagascar.

³ Argentina (Plan, p. 35).

⁴ For example: Ceylon (Employment Programme, 1970, p. 6), Colombia (Plan, pp. I. 1-2), India (Plan, p. 12), Malta (Plan, p. 58), Morocco (Plan, Vol. 1, Section II, Ch. 4, p. 8), Tunisia (Plan, p. 193).

⁵ Algeria (Plan, p. 16).

⁶ Portugal.

to be taken with a view to promoting a continuously expanding economy. These measures are, of course, reflected in the over-all economic development plans existing in many of the reporting countries, but a number of governments also refer in their reports to a wide range of general economic measures designed to favour economic growth: these include a variety of fiscal, monetary, foreign trade, investment and other policy measures designed to bring about progressive improvement in the sectors of industry, agriculture and services, as well as special development schemes for the promotion of industry and also of agriculture. While the information on these general economic measures tends to confirm that the governments' long-term objective—pursued with varying degrees of vigour and success—is to promote an expanding economy, the data available do not permit any conclusions as to whether the expected economic growth is being achieved, nor do they show as a rule to what extent these general economic measures are employment-oriented.

2. SHORT-TERM MEASURES TO STABILISE EMPLOYMENT AND PRODUCTION

155. Paragraph 11 (1) of the Recommendation provides that "Measures of a short-term character should be planned and taken to prevent the emergence of general unemployment or underemployment associated with an inadequate level of economic activity, as well as to counterbalance inflationary pressure associated with a lack of balance in the employment market. At times when these conditions are present or threaten to appear, action should be taken to increase or, where appropriate, to reduce private consumption, private investment and/or government current or investment expenditure." Paragraphs 3 and 4 of the Annex contain suggestions as to the type of measures which should be used to stabilise production and employment. These include fiscal measures in respect of tax rates and investment expenditure; measures of monetary policy to stimulate or restrain economic activity; increased or reduced expenditure on public works or other public investment; and variations in the level of government orders to industry.

156. The principles underlying the use of short-term economic measures to influence the level of employment are spelled out in the report of one government¹ which states that over-all financial policy is used to ensure that total expenditure on goods and services absorbs the total output of the fully-employed labour force, and that the level and incidence of public capital expenditure is varied to provide the necessary adjustments to trends in the private sector. Thus, if there is a decline in private spending, the government accelerates and expands its programmes for public works, housing, the provision of capital equipment and social and cultural facilities; and if private spending expands, some reduction may be made in public capital spending.

157. As in the case of the long-term measures considered above, many governments² indicate the kind of short-term measures taken to stabilise production and employment in case of need. As regards the private sector, they refer for instance to variations in the official discount rate, variations in the rates of taxation, the timing of the issue of bonds and the release of funds for loans, the tightening or relaxation of building and construction controls, and the stimulation or restriction of imports and exports through measures in the field of taxation, customs duties, modifications in the rate of exchange and otherwise.

¹ Australia.

² For example: Japan, New Zealand, Philippines, Sweden (*Modern Swedish Labour Market Policy*, op. cit., pp. 93-98), United States.

158. An interesting measure designed to stimulate private investment is found in investment reserve fund schemes operated by certain countries. One of these schemes¹, for instance, gives enterprises the opportunity to set aside tax-free profits in special funds to be used for future investment purposes. Part of the fund must be placed in a blocked, non-interest-bearing account, the rest remaining with the enterprise. These investment funds may only be used when an authorisation is given by the government through the employment market authority. Such authorisations are given to provide an employment stimulus at times when the level of economic activity is declining. Authorisations to draw on investment funds are usually general but may be limited to certain branches of industry or certain regions; they may also be selective as to the type of investments authorised (e. g. in buildings or in machinery only).

159. As regards the public sector, since public current and investment expenditure is under government control, its timing can be adjusted to the needs of the employment situation more easily than expenditure in the private sector, and this fact is reflected in the reports of several governments² which have indicated that the timing of public works and of the release of public funds for loans to the private sector are important instruments to counteract the adverse effects on employment of a decline in the level of economic activity. Some of these countries also refer to extra public works undertaken at times of economic recession in addition to their regular programmes of works, both by the central government and by local authorities with a central government subsidy. In addition, certain countries³ have adopted more general programmes for providing employment in the service of a local authority or public body or utility, which can be of particular value in providing employment for white-collar workers; one of them⁴ seeks to integrate or supplement such employment with suitable training to enhance the workers' future employment prospects.

160. The possibility of placing government orders in a branch of industry in which recession threatens is mentioned in certain reports. Thus in one country⁵, extra government orders, or government-subsidised local authority orders, may be given to industry to provide temporary support to enterprises giving advance notice of their intention to cut down production or close down the plant whether temporarily or permanently. In the case of a permanent reduction or closure, the purpose is to give the employment service time to find new jobs or arrange training for the workers affected. In the case of a temporary curtailment or stoppage, it is to keep the work force together so that normal production can be rapidly resumed.

161. The Recommendation, in referring to short-term measures stresses the importance of the timing of the measures in question. For action to be taken at short notice, it is necessary to plan in advance the measures to be introduced (Paragraph 11 (1) of the Recommendation) and to have projects prepared and ready to be put into operation in times of recession (Annex, Paragraph 4), and to vest governments with powers permitting such measures to be introduced or varied at short notice (Paragraph 11 (2) of the Recommendation).

¹ Sweden (*Modern Swedish Labour Market Policy*, op. cit., pp. 32-33, 95).

² For example: Belgium, Denmark, Finland, Japan, Netherlands, New Zealand, Norway, Sweden; non-metropolitan territory: United Kingdom (St. Vincent).

³ For example: Finland, Sweden, United States (Emergency Employment Act of 1971; Supplemental Training and Employment Program: *Manpower Report of the President, 1971* (United States Department of Labor), pp. 41-42).

⁴ United States.

⁵ Sweden (*Modern Swedish Labour Market Policy*, op. cit., pp. 95-96). See also Finland.

162. Relatively little information has been supplied regarding these two aspects of short-term economic measures, particularly as regards the power lying with governments to act rapidly in fiscal and related fields. Yet such powers are an essential prerequisite if the speedy response which economic fluctuations often call for is to be fully effective in the private sector.

163. As regards the public sector, however, more precise information has been supplied, particularly in relation to the making available of public funds for the implementation at short notice of measures requiring government expenditure. Thus some countries¹ have established special funds to be used to even out imbalances in the employment market arising from economic causes. Other countries² make provision in their annual budget for a sum to be used for extra public works in case of a decline in employment; this sum is generally placed at the disposal of the employment market authorities for immediate use in case of need.

164. The importance of the careful advance planning of postponable public works projects is appreciated by some governments. Thus in order that such works may be started rapidly, the employment market authority in certain countries stimulates and co-ordinates the detailed planning by public and local authorities of public works which can be put into operation at short notice and is empowered to release funds for or direct the start and discontinuation of such works, or even itself to undertake such works.³

165. No general picture emerges from the governments' reports of the extent to which short-term measures have been taken to even out cyclical changes, or of the extent to which the necessary advance planning for such measures has been carried out; nor is information available as to whether the measures in question may have been successful in overcoming economic or employment-market difficulties. But in any case it would not be possible for the Committee to consider such highly technical problems or to make any general assessment of the situation in the context of the present survey. As a rule the reports from developing countries do not refer to short-term measures taken or planned with a view to stabilising production and employment; this is no doubt due to efforts being concentrated in these countries on the more general and extensive problems of the over-all high level of unemployment and underemployment.

¹ For example: Finland (Act on the establishment of a governmental counter-cyclical fund of 30 December 1969), Federal Republic of Germany (Economic Fluctuation Reserve Fund).

² For example: Belgium, Netherlands, Norway, Sweden (*Modern Swedish Labour Market Policy*, op. cit., pp. 37, 58-60).

³ For example: Denmark, Federal Republic of Germany, Norway, Sweden (*Modern Swedish Labour Market Policy*, op. cit., pp. 96-99; *Annual Report of the National Labour Market Board, 1969-70*, p. 120).

CHAPTER VI

SELECTIVE MEASURES OF EMPLOYMENT POLICY

166. Paragraph 8 (b) of the Recommendation refers to "selective measures directly connected with the employment of individual workers or categories of workers" as the second type of measure—after general measures of economic policy—that should be used to deal with employment problems attributable to fluctuations in economic activity, to structural changes and especially to an inadequate level of activity. Paragraphs 12 to 19 spell out the types of selective measures designed to even out seasonal fluctuations in the level of employment, to promote and facilitate the adaptation of production and employment to structural changes, to meet the employment and income needs of lagging regions and to meet the particular needs of certain categories of workers.

167. As has been pointed out by certain countries, selective measures of employment policy form an essential complement to general economic policy measures. The use of the latter in expanding employment is recognised to be limited in the first place by their potential over-all effect upon the economy.¹ Thus, one government² has reported that "attempts to expand capacity and accelerate the rate of growth in order significantly to reduce unemployment would, in the circumstances, have resulted mainly in further severe inflation with little impact on the level of real activity. The structural imbalances induced by such inflation would not, in the opinion of the . . . government, have resulted in any permanent lowering of the unemployment rate". This government states that, while fiscal and monetary policies remain the principal instruments for promoting stable economic growth and for the attainment of the full employment objective, it has for this reason continued to emphasise the use of selective measures as the principal means of checking increases in unemployment.

168. The second limitation inherent in general economic policy measures is their inability to deal effectively with the problems of particular groups, regions, institutions and businesses. Selective measures are therefore necessary to meet particular needs.³

169. While measures of the kind described in this chapter may be necessary in developing as well as developed countries, the reports and plans of the developing countries tend to concentrate on the over-all effort needed to raise the levels of development and employment and provide little or no information on selective measures. In the developed countries on the other hand, selective measures form a major element of employment policy being designed, as already indicated, to meet particular needs which do not respond to over-all measures to raise the general level of employment. The examples quoted in this chapter are therefore taken almost exclusively from developed countries. It should none the less be borne in mind that measures to deal,

¹ For example: Canada, Sweden (*Modern Swedish Labour Market Policy*, op. cit., p. 16), United States.

² Canada.

³ United States.

for example, with seasonal unemployment, structural changes such as shifts in demand, serious regional disparities and the needs of particular categories of workers may be desirable also in developing countries. Very often, in fact, it seems that developing countries seek to deal with problems of this type within the framework of their over-all development effort by measures of the type described in the next chapter.

1. SEASONAL FLUCTUATIONS

170. Paragraph 12 of the Recommendation provides that "Measures should be planned and taken to even out seasonal fluctuations in employment", and sets out two specific goals of action to this end, namely "to spread the demand for the products and services of workers in seasonal occupations more evenly throughout the year" and "to create complementary jobs for such workers", while Paragraph 5 of the Annex contains more detailed suggestions of measures which may be taken to these ends.

171. Measures designed to achieve both these goals have been reported by several countries. In the first place, a variety of methods are used to ensure that building and construction work are continued throughout the year.¹ Some of these countries have indicated that their regular programmes of public building and civil engineering projects are planned with a view to promoting seasonal balance in employment. In addition, special government works projects are undertaken in the winter months, and a subsidy is payable for local authority works done in the winter. Measures adopted to encourage private enterprise to carry on building and construction works in the winter months include the incorporation of employment conditions designed to level out seasonal employment variations in contracts for work projects receiving state loans or subsidies, and the payment of grants from public funds to help undertakings in the building industry to carry out work in the winter months. Such a grant takes the form of a subsidy towards the additional expenditure incurred in carrying out such work in the winter, and in one country² the amount is determined by the expenditure that the unemployment insurance scheme would have incurred if the grant had not been made. Other measures include government loans to undertakings to enable them to establish or improve the facilities necessary for round-the-year employment, and grants to employers engaging recipients of seasonal unemployment benefit. A further measure referred to is the development of new building techniques which make it more feasible to undertake work in the winter.

172. In regard to agriculture, the second major sector affected by seasonal unemployment, one country³ has referred to grants payable to enable agricultural and forestry work to be carried out in the winter. The more general method of seeking to counteract seasonal unemployment in this sector, however, is the diversification of activities in rural areas. Reference has thus been made in certain reports⁴ to the development of auxiliary industries and handicrafts in rural areas—for example for the processing of surplus agricultural produce—to the execution of a national programme of public works aimed at the development of the infrastructure during the periods of maximum seasonal unemployment and to the undertaking of communal works aimed at providing seasonal employment to those engaged in agriculture at

¹ For example: Austria, Canada, Finland, Federal Republic of Germany, Japan, Norway, Sweden (*Modern Swedish Labour Market Policy*, op. cit., pp. 44-45, 94-95).

² Austria (Employment Market Promotion Act, 1968, s. 28).

³ Austria.

⁴ For example: El Salvador, Romania, Spain, Ukraine, USSR.

other times of the year. Many developing countries have also provided information on the diversification of activities in rural areas. The measures adopted by them are however not aimed solely at the problem of seasonal unemployment but designed rather to promote rural employment generally, and are therefore more appropriately described in Chapter VII.

173. One country¹ has mentioned the problem of seasonal unemployment in seaside towns, and the efforts made to absorb such unemployment first by extending the season through the holding of gatherings such as conferences and secondly through the encouragement of small industries in the towns affected.

174. Finally, certain countries² have stated that their adult training and retraining schemes are concentrated in the winter months in view of the higher levels of unemployment at this time of year.

2. STRUCTURAL CHANGES

175. Paragraph 13 (2) of the Recommendation defines the term "structural change" to mean "long-term and substantial change taking the form of shifts in demand, of the emergence of new sources of supply, national or foreign (including supplies of goods from countries with lower costs of production) or of new techniques of production, or of changes in the size of the labour force", and Paragraphs 13 to 18 contain indications of the type of measures which may be necessary to "prevent the emergence and growth of unemployment and underemployment resulting from structural changes, and to promote and facilitate the adaptation of production and employment to such changes" (Paragraph 13 (1)).

176. In countries which have achieved a high level of industrialisation, measures to promote and facilitate the adaptation of production and employment to structural changes form an important part of employment policy. As is pointed out by several countries³, such measures are necessary not only to prevent the emergence of unemployment but also to enable the economy to expand smoothly by ensuring that labour and other resources are released from declining sectors and made available to growing sectors. Structural changes in the economy thus require a constant process of adjustment between labour demand and supply.

177. For the individual, this may involve a change of occupation or a change of place of residence or both. Many countries have therefore adopted programmes for the promotion of occupational and geographical mobility. Measures have also been introduced in some countries to provide assistance to industry in adapting to structural change without dislocating its existing labour force. In addition to these three types of measures which are examined in this section, there may also be a need in some countries for assistance to regions particularly affected by structural changes. This aspect of structural change policy is dealt with in the following section which is concerned with the more general question of assistance to regions facing economic and employment problems, including those arising out of structural changes.

178. Before reviewing the various measures taken in these fields, a word should be said about the procedures adopted for dealing with the effects of structural changes.

¹ United Kingdom.

² For example: Canada, Norway.

³ For example: Austria, Belgium, Canada, Israel, Sweden (*Modern Swedish Labour Market Policy*, op. cit., p. 75).

Paragraph 19 of the Recommendation provides that "Appropriate machinery to promote and facilitate the adaptation of production and employment to structural changes... should be established".

179. In this regard, one country¹ has referred to the establishment of a Technological Change Unit within its Department of Labour; a tripartite advisory technological change committee with which the Unit works in close collaboration; and an employment training scheme for persons displaced by technological change. While most governments have not specifically dealt with this point in their reports, it seems from the information and legislation available that in many countries the over-all responsibility for the adaptation of employment to structural changes, including the planning of training, is entrusted to the ministry responsible for labour matters, the implementation of measures in this field being often the responsibility of the employment service. It will be recalled in this regard that the latter's functions, as set out in Article 6 of the Employment Service Convention, 1948 (No. 88), include the collection and analysis of the fullest available information on the situation of the employment market and its probable evolution—a necessary first step—assistance to workers in obtaining vocational guidance and vocational training or retraining and the facilitation of geographical and occupational mobility. In order to assist the employment service to deal effectively and rapidly with structural changes affecting large numbers of persons at one time, employers in some countries² are required or have agreed to provide advance notice of dismissals affecting large numbers of workers.

180. It is evident that, if the individual is to take full advantage of the opportunities open to him when he is faced with the need to change his employment, adequate information should be readily available to him concerning employment and training opportunities throughout the country. Certain reports³ have for this reason made specific reference to the occupational information, guidance and counselling facilities provided for adults through the employment service. They have indicated that the adult guidance system has proved useful in resettling displaced workers in other employment.

181. In addition to the general arrangements for assisting workers affected by structural change through the employment service, some countries operate special schemes for certain categories of workers. Thus for example, a major element in several countries' programmes⁴ is the release of workers from agriculture as productivity rises with progressive mechanisation and their transfer to productive employment in other sectors, often involving both a period of retraining and a geographical move. Some of the countries⁵ affected have introduced special schemes to facilitate the transfer and training of agricultural workers, and in one country⁶ workers belonging to farm families with an income below a specified level are considered to be unemployed for the purpose of qualifying for occupational training assistance. Special schemes have also been introduced in some countries⁷ to assist

¹ Australia.

² For example: Canada, Japan (Manpower Organisation Law, 1966, s. 21), Sweden, United Kingdom.

³ For example: Australia, France, United Kingdom.

⁴ For example: Austria, Bulgaria, Italy (*Progetto 80*, op. cit., para. 67), Luxembourg, Malta, Romania, Turkey.

⁵ For example: France (Social Action Fund for the Restructuring of the Agricultural Sector), Netherlands (Orientation and Rehabilitation Fund for Agriculture).

⁶ United States (Manpower Development and Training Act, 1962, s. 202 (a)).

⁷ For example: Austria, Belgium, Federal Republic of Germany, Japan, New Zealand, United Kingdom.

former coalminers, and in one country¹ to assist workers whose employment has come to an end as a result of foreign imports.

182. These special schemes usually provide an integrated service to the workers affected covering maintenance and removal allowances, occupational counselling, vocational training and placement. They thus provide examples of appropriate machinery to promote and facilitate adaptation to structural changes, of the kind called for by Paragraph 19 of the Recommendation.

(a) *Promotion of Occupational Mobility*

183. The emphasis in programmes of adjustment to structural change generally seems to centre on the promotion of occupational mobility. The information supplied on this point indicates that this may involve not only the provision of training for a new occupation to those who have become unemployed or are threatened with unemployment because the market for their particular skill is contracting, but also further training to upgrade the skills of those in occupations where the level of the qualifications needed is rising, and the provision of limited skill training to hitherto unskilled workers who would not be able to benefit from more demanding forms of training. The reports often mention this raising of the levels of skills of the labour force as the principal aim of occupational mobility measures, in order both to meet the rising demands of the economy and to enable each individual to make the fullest possible use of his natural capacities.

184. In some countries², over-all responsibility for the planning and organising of retraining and further training lies with the ministry responsible for labour matters or the employment market authorities. In others³, a large degree of initiative is left to the employers' and workers' organisations and other public and private institutions, the government being responsible for laying down basic guidelines and providing appropriate incentives and assistance.

185. The methods used for providing the training needed for occupational mobility purposes vary considerably, and often several forms of training are used in the same country, some being more suitable for certain occupations than others. It appears from the reports⁴ that the most usual methods include special retraining or further training centres and courses, courses in general vocational training colleges, and on-the-job training within enterprises. One country⁵ has also specifically referred to part-time training schemes to upgrade the skills of those already in employment. The costs of such training seem as a rule to be borne partly by the State and partly by industry.

186. In order that all workers affected or likely to be affected by structural changes, as well as those wishing to upgrade their skills, may be enabled to take

¹ United States: Trade Adjustment Assistance Program under the Trade Expansion Act of 1962 (*Manpower Report of the President, 1971*, op. cit., pp. 44-45).

² For example: Australia (the employment training scheme referred to in paragraph 179 above is administered by the Department of Labour), Belgium, Canada, Norway, Poland, USSR, United States (*Manpower Development and Training Act of 1962*).

³ For example: France (Plan, p. 38), Federal Republic of Germany (Vocational Training Act of 14 August 1969, ss. 46, 47), Italy (*Progetto 80*, op. cit., Appendix 1, section 2 (b)), Japan (Vocational Training Law, 1969, ss. 4, 5).

⁴ For example: Austria, Belgium, Byelorussia, Canada, Finland, Norway, Poland, Spain (Workers' Occupational Promotion Programme), Sweden (*Modern Swedish Labour Market Policy*, op. cit., pp. 22-24), USSR, United Kingdom.

⁵ United States.

advantage of the training facilities offered, provision is invariably made for financial assistance during the period of training.¹ This may take the form of special training allowances to cover the cost of maintaining the worker and his dependants, including any special expenses such as the cost of travel to and from the place of training or of lodgings away from home, continued payment of the worker's salary or the payment of unemployment benefit.

187. Certain countries have provided an indication of the percentage of the labour force which it is considered desirable to have under training at any one time if the necessary degree of mobility and upgrading is to be sustained. In one country², for example, during the fiscal year 1969-70, 2 per cent of the total work force took part in labour market training schemes; in another³, a collective agreement subsequently incorporated in legislation requires employers to allow up to 2 per cent of their labour force to take training leave at any one time; and in a third⁴ the goal for the 1970s is to have about 3 per cent of the labour force under retraining.

(b) *Promotion of Geographical Mobility*

188. The reports emphasise two main methods of overcoming the problems of areas with a high level of unemployment. The first—which will be examined in section 3 of this chapter—is to seek to expand the employment opportunities available in the area; secondly, in so far as sufficient employment opportunities cannot be created locally, measures may be adopted to promote the transfer of persons from the areas in question to other parts of the country where employment is available. These two methods are complementary and most of the countries which have supplied information on this point make use of both, recognising that neither can provide a complete solution by itself. As is pointed out by one country⁵, it is important to avoid an excessive exodus from the regions affected by employment problems since, if all or most of the younger and more active inhabitants leave, the sound functioning and future development of the region will be adversely affected. The government concludes that it is necessary to reconcile the need for the creation of employment interests in local areas with the economic advantage arising from the concentration of enterprises, which may require transfers of workers to the areas of concentration.

189. The lack of sufficient employment opportunities for the local population in a given area—regional development policies notwithstanding—together with manpower shortages in expanding sectors elsewhere may make it desirable to promote the movement of workers from the former to the latter, and countries faced with this need have generally made provision for payments from public funds to those undertaking such a move.⁶ While such payments are in most cases restricted to the unemployed and those threatened with unemployment, one country⁷ has indicated

¹ For example: Argentina, Austria, Belgium, Bulgaria, Byelorussia, Canada, Czechoslovakia, Finland, France (Act No. 63-1240 of 18 December 1963 concerning the National Employment Fund, s. 2), Federal Republic of Germany, Japan (Vocational Training Law, 1969, s. 23), Norway, USSR, United States (Manpower Development and Training Act, 1962, s. 203).

² Sweden (*Annual Report of the National Labour Market Board, 1969-1970*, p. 133).

³ France (Act No. 71-575 of 16 July 1971, s. 7).

⁴ Italy (*Progetto 80*, op. cit., para. 62).

⁵ Japan (*Basic Employment Measures Plan*, op. cit., pp. 27-28). A similar point is made by Italy (*Progetto 80*, op. cit., para. 112).

⁶ For example: Australia, Austria, Belgium, Canada, Czechoslovakia, Denmark, Finland, France (Act No. 63-1240 of 18 December 1963, s. 2), Ireland, Japan, New Zealand, Norway, Portugal, Spain, United Kingdom.

⁷ Sweden (*Modern Swedish Labour Market Policy*, op. cit., p. 82).

that they are also made available to employed persons living in areas with high and persistent levels of unemployment, the reason being that employed persons in such areas may find it easier to move away than the unemployed. Those who do so will thus free jobs for the unemployed who for personal or other reasons are unable to leave the area.

190. The benefits paid generally include a grant to cover the expenses involved in obtaining a job, travel and removal expenses for those moving their home to their new place of employment, separation allowances or lodging allowances for those working away from home, with, in some cases, periodical payment of the cost of a visit to the family, and an installation allowance towards the cost of settling in a new place of residence. Special transfer bonuses or recruitment subsidies are sometimes paid.

191. Several countries recognise that a change of place of residence often also involves housing problems. In order to ensure that house-owners are not deterred from moving by the fact that they would lose money on selling their home (a recognised risk in areas of declining activity) some countries ¹ pay a special grant towards the sale of the house, and in one country ² the labour market authority is empowered itself to purchase houses at a price based on the rateable value. Assistance is also provided in some countries ³ in obtaining accommodation at the new place of employment. This assistance may take the form of a grant or a loan towards the purchase of a new house, or a rent allowance for an initial period or of a grant to the employer to assist him in providing accommodation for the worker. In other cases, housing is provided for workers in certain circumstances, for example, if they move to an area which is being developed industrially, or measures are taken to facilitate the allocation of state housing to workers who have had to move because their employment has come to an end.

(c) *Assistance to Industry to Adapt to Structural Change*

192. Several countries provide assistance to enterprises which are threatened with closure as a result of structural changes, with a view to enabling them to carry out the conversions necessary for their continued operation and the retention in employment of their existing staff. In order to encourage joint labour and management research and planning to facilitate internal manpower adjustments required by technological and other changes, one country ⁴ has introduced a manpower adjustment programme, under which financial incentives and expert assistance are provided to enterprises in researching, planning and carrying out adjustment measures in an attempt to resolve the manpower problems created by technological or other change. By way of financial assistance, the government pays up to one-half of the costs incurred in the assessment of the manpower effects of industrial changes and in the development of a programme of manpower adjustment, provided that the management and trade union concerned agree to participate jointly in the programme. Assistance is also provided in certain countries ⁵ in the retraining of staff, in the form

¹ For example: Canada, Ireland.

² Sweden (*Modern Swedish Labour Market Policy*, op. cit., pp. 84-85). A similar scheme is also under consideration in Finland.

³ For example: Czechoslovakia, Denmark (Placement and Insurance Act, 1970, s. 17), Greece, Ireland, Israel, Japan (Enforcement Order of the Manpower Organisation Law, art. 2: Cabinet Order No. 262 of 21 July 1966), Spain, United Kingdom.

⁴ Canada.

⁵ For example: Austria (Employment Market Promotion Act, 1968, s. 21), Belgium, Sweden (*Modern Swedish Labour Market Policy*, op. cit., p. 80), United Kingdom.

of the admission free of charge of employees to government-run training courses or financial grants to enterprises which themselves provide facilities for retraining. It is generally a condition of such assistance that the employees concerned continue to receive their full wages. In order to enable enterprises to retain their staff in their employment while output is reduced or interrupted during the process of conversion, grants are also paid in some countries¹ towards the cost of paying wages during conversion.

3. REGIONS WITH A HIGH LEVEL OF UNEMPLOYMENT

193. While regional unemployment problems may emerge as a result of structural changes—several countries² have referred, for example, to the problems created as a result of the decline in coal mining in recent years—it seems from the governments' reports that, in some countries at least, they arise rather from the lower level of development and slower rate of economic growth of certain regions. Such problems may constitute substantial obstacles on the road to the achievement of full employment. Thus one country³, for example, which is faced with a striking difference in the level of development between its northern and southern regions, has stated that in order to achieve the goal of full employment it is essential to concentrate first of all on a reduction in the economic disparities which still exist between the various parts of the country. The Government has adopted a policy aimed at the balanced growth of all regions of the country to avoid further concentration of industrial development in the north which would result in continued population flow from south to north, because it considers that this is essential if internal tensions are to be prevented and continued and stable economic growth is to be ensured. Another country⁴ which is faced with marked disparities between the levels of economic development of its different regions has defined the objective of its regional development policy as "the creation of jobs in each region on a scale which will reduce or eliminate the need for the labour force to secure employment by migrating from slow growth to rapid growth regions".

194. These countries, as well as a number of other countries faced with regional problems⁵, have adopted special legislation or established special institutions for promoting the development of their lagging regions, under which one of the criteria for designation as a "development area" qualifying for regional assistance is a high and persistent level of unemployment, whether this is due to the underdeveloped state and slow growth of the region's economy or to a decline resulting from structural change. One of the principal aims of designation as a development area is the expansion of employment opportunities in the areas concerned.

¹ For example: Austria (Employment Market Promotion Act, 1968, s. 37), Belgium.

² For example: Austria, Belgium, Federal Republic of Germany, Japan, Netherlands, New Zealand, United Kingdom.

³ Italy.

⁴ Canada.

⁵ For example: Belgium (Act of 18 July 1959 instituting special measures to combat the economic and social difficulties of certain regions and Act of 14 July 1966 introducing special assistance to accelerate the economic reconversion and development of regions facing acute and urgent problems), Canada (Department of Regional Economic Expansion which co-ordinates a variety of programmes for the development of, and promotion of employment in, the less developed regions), Denmark (Regional Development Act, Legislative Notification No. 56 of 25 February 1969), Finland (Act respecting investment credits for industry and certain other trades in developing areas of 22 April 1966, as amended by Acts of 24 January 1969 and of 30 December 1969; Act respecting economic development in developing areas in 1970-75 of 30 December 1969; Act respecting credits

195. Assistance to development areas takes three main forms: the development of the infrastructure, direct incentives to private industrial development and the establishment of state-controlled enterprises. Several countries have emphasised the importance of the careful planning and co-ordination of measures in each of these fields if a balanced and stable expansion of the economy of their lagging regions is to be achieved, and some¹ have concentrated on the establishment of a number of growth centres to provide the focal point for the over-all development of the regions on the basis that isolated industrial projects are in danger of being economically inefficient; the aim is to provide new opportunities for employment at some points within each region so that the movement of individuals takes place within the region rather than from one region to another.

196. An example of an ambitious effort to achieve co-ordinated regional development is provided by one country's system of "programmed negotiation" for the comprehensive development of the south.² Under this system detailed programmes for the development of sub-regions of the south are worked out in direct negotiations between government and large-scale industry, in the course of which agreement is reached as to the infrastructural facilities to be provided and the public and private investments to be made in the region concerned. Smaller-scale industry is supplied with detailed information on the programmes negotiated with a view to encouraging it to take advantage of the facilities being created. According to the Government's report, the first two programmes negotiated in this way will create 15,000 and 20,000 new jobs respectively. Another country's³ legislation authorises the payment of federal government grants to provide technical assistance in undertaking project planning and feasibility studies for the purpose of evaluating the needs of, and developing potentialities for, the economic growth of redevelopment areas.

197. Several countries have referred in general terms to steps taken to improve the infrastructure in development areas, in particular through investment which is particularly relevant to industry, such as roads, bridges, power supplies, water and sewerage, as well as through the general improvement of the amenities. Measures to this end include the making available of central government funds, in the form of grants or loans, to the provincial or local authorities responsible for capital investment projects.⁴ As is indicated by the terms of one country's legislation⁵ on this matter, the carrying out of such projects through public works will itself provide immediate employment as well as assisting in the creation of long-term employment opportunities in the area.

198. More detailed information has in general been supplied as to the direct incentives provided to encourage the establishment of private undertakings in develop-

for developing areas of 30 December 1969; Act respecting reduction of taxes designed to promote productive activities in developing areas of 30 December 1969), Italy (under the over-all authority of the Interministerial Economic Programming Board there are a number of specialised institutions such as the Institute for Development Assistance for the Mezzogiorno and the Fund for the Mezzogiorno: *Progetto 80*, op. cit., paragraphs 121, 122), Japan (Law for the Promotion of Industrial Development in Underdeveloped Areas), Norway (Regional Development Fund Act of 18 June 1965), United Kingdom (Local Employment Acts, 1960, 1963, 1970; Industrial Development Act, 1966), United States (Public Works and Economic Development Act of 1965 (Public Law 89-136)).

¹ For example: Argentina (Plan, pp. 74-5), Canada, Netherlands, Spain.

² Italy: "Contrattazione programmatica", in *Progetto 80*, op. cit., para. 120.

³ United States (Public Works and Economic Development Act of 1965, section 301).

⁴ For example: Canada, Federal Republic of Germany, United Kingdom.

⁵ United States (Public Works and Economic Development Act of 1965).

ment areas.¹ These include the provision of industrial estates equipped and managed by a public body and subsidies payable from public funds to enterprises setting up or expanding in development areas, the amount of which is in some cases related to the number of new employment opportunities created. Grants may also be made towards the cost of moving an existing undertaking to a development area; the cost of moving key workers to an undertaking being established in such areas; and the cost of training workers for new or expanded undertakings in such areas. Further methods of making public funds available to undertakings are public subscription to the risk capital through the purchase of shares or the provision of government loans or loan guarantees. In some countries², certain tax concessions or exemptions are granted, such as special tax allowances on new plant and machinery and tax relief on income to be used in development areas. Another form of incentive mentioned is the provision of technical, market research and other forms of information, assistance and advice.³ Two countries have referred to measures specifically designed to assist small or medium-sized enterprises: in the one case the State pays the social security contributions for the workforce of such enterprises in development areas⁴ and in the other State loans and loan guarantees are made available to small enterprises.⁵

199. As well as measures designed to assist development areas as such, one country⁶ has referred to a scheme under which special assistance in overcoming urban unemployment is given from central government funds to cities, whether or not situated in development areas, undertaking a programme of urban renewal which will make marked progress in reducing, *inter alia*, underemployment and forced idleness within the city. Such programmes must be designed to rebuild or restore entire slum areas, and the Government states that the selection of cities for grants—covering up to 80 per cent of the cost—has hinged in part on the prospect they offer of substantially reducing underemployment and unemployment through work and training opportunities for the residents of the areas affected.

200. Parallel with policies promoting activities in the development areas, two countries have referred to measures designed to discourage excessive concentration of activity in the highly-developed areas of the country, in the one case⁷ by imposing penalties on the creation or extension of plant or employment and in the other⁸ by controlling not only industry but also office development. As a further measure to assist the economic and employment situation in lagging regions, certain countries⁹ have stated that it is their policy to concentrate industrial activity which is under public control in such regions. Thus, in one country¹⁰ undertakings in which the State has an interest are required to reserve a certain percentage (formerly 40 per cent, currently 60 per cent and due to be raised to 80 per cent) of their investments for the

¹ For example: Canada, Denmark, Finland, Italy, Netherlands, Norway, Portugal, United Kingdom.

² For example: Argentina (Plan, p. 75), Belgium, Finland, Italy, Japan, New Zealand, Norway.

³ For example: United States (Public Works and Economic Development Act of 1965, section 301 (d)).

⁴ Italy.

⁵ United States (Economic Opportunity Act of 1964, Title IV, as amended by Economic Opportunity Amendments Act of 1967, section 406).

⁶ United States: Demonstration Cities and Metropolitan Development Act of 1966 (Public Law 89-754).

⁷ Italy.

⁸ United Kingdom (Control of Office and Industrial Development Act, 1965).

⁹ For example: Italy, Ukraine.

¹⁰ Italy (Presidential Decree No. 1523 of 30 June 1967).

southern region; and certain of such undertakings have already made an important contribution to the creation of employment in the south. Another country ¹, has in recent years paid special attention to the dispersal of non-industrial activity and has decentralised a large number of central government departments and activities, as far as possible to development areas. As is pointed out in the Government's report, such dispersal not only provides direct employment but assists the area generally both in terms of increased consumer demand and by raising the "image" of the area.

201. While the measures described above cover nearly all those set out in Paragraph 7 of the Annex to the Recommendation, no information has been supplied on preferential consideration in the allocation of government orders, nor has any indication been given as to whether the boundaries of development areas are defined after careful study of the probable repercussions on other areas.

4. MEASURES TO ASSIST SPECIAL CATEGORIES OF WORKERS

202. In order to ensure that there is "the fullest possible opportunity for each worker to qualify for, and use his skills and endowments in, a job for which he is well-suited" (Article 1, paragraph 2 (c), of the Convention), it may be necessary to take special measures to assist certain categories of workers who are faced with special problems in qualifying for and finding employment. This is recognised in the Recommendation, which refers in particular to the problems of young people, older workers and disabled persons.

203. It emerges from the reports that measures in this field serve two different but often complementary aims. In the first place they are designed to promote equality of opportunity by seeking to ensure that those who are at a disadvantage, whether resulting from their youth, from their age or from some form of disablement, are nonetheless provided with a genuine opportunity to qualify for and obtain suitable employment. Secondly, in countries in which there is an actual or potential shortage of labour, they are at the same time designed to bring marginal groups into the labour force and mobilise latent manpower reserves. ²

(a) *Young People*

204. Paragraph 15 of the Recommendation provides that "special priority should be given to measures designed to remedy the serious, and in some cases growing, problem of unemployment among young people", and goes on to state that the employment service and vocational guidance and vocational training arrangements for young persons should be adapted to the trends of structural change, so as to ensure that their capacities are developed and used in relation to the changing needs of the economy.

205. The importance of a vocational training programme adapted to the needs of the economy, and of vocational guidance to assist persons in making a meaningful choice of occupation, has already been examined in section 1 of Chapter IV. The information considered therein shows widespread understanding of the role of vocational guidance and the value of an appropriate vocational training system in overcoming the problems involved in placing young people in employment.

¹ United Kingdom.

² For example: Belgium, Federal Republic of Germany, Norway, Sweden (*Modern Swedish Labour Market Policy*, op. cit., pp. 73-74).

206. Certain governments have referred to the need for an employment service particularly equipped to deal with young persons and qualified to provide vocational guidance and assistance in obtaining suitable training as well as conducting placement work. This may be provided either through a special youth employment service¹ or through a specialised section of the general employment service.² Such services normally work in close co-operation with schools and other educational establishments. Thus vocational guidance, both through talks to groups and individual counselling, is often provided at school, by specially trained careers teachers or through visits by vocational guidance service officials to the schools.³ More generalised careers information may also be supplied through films, pamphlets and other publications describing different occupations or through radio or television broadcasts designed for schools.⁴ One country⁵ has recently established a National Office of Information on Education, Training and Occupations, responsible for making available to the school-going population information which will enable them to make a choice of occupation corresponding to their tastes and the needs of the employment market. The school careers teacher may also act as a regular contact between his school and the employment service.⁶ For school-leavers not going on to further education and training, this co-operation between school and employment service can be particularly valuable in ensuring that they are placed in suitable employment. Special arrangements may also be made to help those graduating from universities or other colleges of higher education or training.⁷

207. It will be noted that it is mainly the developed countries which refer to special facilities for young people through the employment service, as has been apparent from the reports on the application of the Employment Service Convention, 1948: this Convention requires governments to make special arrangements for juveniles, but in those developing countries which are bound by the Convention but are having difficulty in creating the basic network of employment offices, little priority is given to such arrangements. Consequently, it may be found necessary in future to examine more carefully the situation of such countries, particularly those which have a high rate of unemployment among young persons, within the framework of the reports under article 22 of the Constitution on Convention No. 88, so as to promote gradual compliance with this requirement as an important element in the implementation of employment policy.

208. Some of the developed countries have reported that, notwithstanding measures taken along the lines described above, there remains a core of young people who have difficulty in obtaining or retaining employment, usually because they suffer from cultural or social disadvantages. In order to assist such young people, one country has adopted special youth employment programmes.⁸ One of these is designed to

¹ For example: Malta, United Kingdom.

² For example: Belgium, Canada, Portugal.

³ For example: Australia, Austria (Employment Market Promotion Act, 1968, section 5), Norway, Sweden (*Annual Report of the National Labour Market Board, 1960-70*, pp. 127-8), United Kingdom.

⁴ For example: Ireland, Norway, Sweden (*loc. cit.*), United Kingdom.

⁵ France (Decrees Nos. 70-238 and 70-239 of 19 March 1970).

⁶ For example: Norway.

⁷ For example: Canada, Sweden (*Annual Report of the National Labour Market Board, 1969-1970*, pp. 127-8).

⁸ United States (Neighbourhood Youth Corps, Job Corps, among others: *Manpower Report of the President, 1971*, *op. cit.*, pp. 45-49).

provide work experience in community projects to those between 14 and 21 who have failed to complete their education with the object of preparing them for further education or training or, if they are not suitable, for the best job for which they can be qualified. Emphasis is laid on remedial education, skill training and supportive services. A second programme is designed for disadvantaged young people between 16 and 21. It provides residential education, training, work experience and intensive counselling and seeks to prepare the young people concerned for further training or employment. Other countries have referred only to arrangements for the intensive counselling of such disadvantaged young people with a view to providing them with suitable training or employment.¹

209. Certain countries with a centrally-planned economy have adopted rather different measures to ensure that young persons are placed in employment. Thus, the local authorities responsible for employment questions are empowered to require employing enterprises in their area to reserve a given number of jobs for young persons between 15 and 18 leaving school and not continuing with their education and to employ the young persons referred to them by the employment authority.² In one of these cases³, the employing enterprises are required to provide the young workers concerned with suitable opportunities for vocational training, both on the job and through attendance at training courses. Another country⁴ has introduced compulsory vocational education for unemployed young persons between the ages of 15 and 18, under which young persons who have not completed the full primary course attend training schools which provide both general and vocational education, while others may receive their training at vocational schools, voluntary labour camps or through on-the-job training.

210. It is a rule in some countries⁵ that (subject to certain limited exceptions) young persons qualifying at institutions of higher and specialised secondary education should work for a specified period in a job to which they are assigned by the appropriate authority; no other enterprise may employ young persons subject to this obligation during the period in question. Young persons failing to take up the post to which they have been assigned may also in some countries be required to repay their tuition fees and the maintenance scholarship received during their period of study. One of the countries⁶ which have adopted this system states that it is intended to ensure that all young, newly-qualified persons will find suitable employment in their own field, and that it provides a guarantee of employment for them. The relationship between obligations of this sort and ILO standards was considered by the Committee in a previous survey in 1968.⁷

211. A number of developing countries⁸ with a serious problem of youth unemployment have supplied information on the creation of special youth training

¹ For example: Belgium, United Kingdom.

² For example: Bulgaria, Byelorussia, Ukraine, USSR (Article 19 report of 1968 on Convention No. 88).

³ Bulgaria (Resolution No. 174 of the Council of Ministers of 29 July 1960 (*LS* 1960—Bul. 3)).

⁴ Poland.

⁵ Bulgaria (Resolution No. 159 of the Council of Ministers of 24 September 1962 (*LS* 1962—Bul. 3)), Byelorussia, Ukraine, USSR). In Poland, such assignment affects only those who have not been able to find employment with a recognised undertaking (Act of 25 February 1964, respecting the employment of persons graduating from higher educational establishments, section 3).

⁶ USSR (Article 19 report of 1968 on Convention No. 88).

⁷ *RCE*, 1968, Part Three: Forced Labour, para. 138.

⁸ For example: Central African Republic (Plan, pp. 55-56), Kenya (Plan, p. 537), Malaysia (Plan, pp. 230, 241), Nigeria (Plan, p. 314), Senegal (Plan, p. 259), Uganda (Plan, p. 147).

and employment schemes designed to promote the employment and training of young persons in work of importance to national development. The role of schemes of this kind has been considered in detail by the International Labour Conference; in 1970 it adopted a Recommendation on the subject in which are laid down the general principles and conditions which should be respected in such schemes.¹ Such schemes may make a useful short-term contribution in assisting the integration of young people in the economy pending the expansion of the regular educational and training systems to a stage where they are able to meet the needs of all the young and to supply the qualified manpower needed for the country's development.

(b) *Older Workers*

212. The problems of older workers (mentioned specifically in Paragraph 16 of the Recommendation) have been receiving particular attention in several of the countries which have supplied reports. Some of these have referred to legislation laying down precise objectives and obligations in this field², details of which are given in the following paragraphs. As a general rule, it can be stated that efforts are concentrated on providing facilities particularly adapted to the needs and problems faced by older workers within the framework of the normal procedures for employment guidance, training and placement. Special measures to assist older workers are thus supplementary to the measures applicable to all workers in these fields, and are resorted to when it is not possible to obtain employment for them through the normal channels.

213. A variety of measures of a promotional nature have been taken with a view to encouraging the employment of older workers.³ These include a programme for special testing, counselling, selection and referral procedures for persons of 45 or more; the establishment of special committees to study the problems involved with a view to contributing to their solution, and to disseminate information on the question; and the publication of lists of jobs suitable for older workers, employers being encouraged to take on older workers for these jobs. One country⁴ has reported that its employment offices ignore age limits set by employers for such jobs. Another country⁵ has laid down more far-reaching directives for its employment offices: they are to refuse

¹ The Special Youth Schemes Recommendation, 1970 (No. 136) provides in particular that such schemes should have an interim character and should not be regarded as an alternative to other measures of economic policy or to regular educational or vocational training programmes (Paragraph 3 (2)). It also lays down as a general principle that participation should be voluntary; exceptions to this principle may only be made when there is full compliance with the existing international labour Conventions on forced labour and employment policy (Paragraph 7). The schemes in respect of which exceptions may be permitted include schemes of education and training involving obligatory enrolment of unemployed young people within a definite period after the age limit of regular school attendance and schemes for young people who have previously accepted an obligation to serve for a definite period as a condition of being enabled to acquire education or technical qualifications of special value to the community for development. See also International Labour Conference, 53rd Session, Report VIII (1), in particular pp. 5-21, Report VIII (2), 54th Session, Reports VI (1) and (2). Finally it should be noted that in its 1971 report, the Committee expressed the hope that all countries bound by either of the Forced Labour Conventions would supply full information on special youth schemes, with a view to examining the compatibility of these schemes with the provisions of the Conventions concerned (*RCE* 1971, Part I, para. 24-26).

² For example: Japan (Employment Security Law, 1947, Chapter II-2 and Manpower Organisation Law, 1966, Chapter VI); Spain (Decree 1293/1970 of 30 April 1970 on the employment of workers over 40 years of age).

³ For example: Norway, United States.

⁴ Japan (*Basic Employment Measures Plan*, op. cit., p. 42).

⁵ Spain (Decree 1293/1970 of 30 April 1970, s. 9).

vacancies which discriminate on account of age and to propose for notified vacancies in the first instance workers over 40 years of age if they are suitable for the work in question, refusals to employ the workers proposed being reported to the provincial directorate of labour. A further country ¹ has enacted legislation empowering the county labour boards to investigate the age structure of the labour force in individual undertakings and to issue directives aimed at the improvement of employment opportunities for older workers in the undertakings concerned. One country ² has referred to the adoption of legislation providing for a quota of older workers to be employed in the work force, and another ³ to legislation prohibiting discrimination in employment on grounds of age.

214. Measures designed to encourage the employment of older workers by providing incentives to employers include ⁴ the payment of a grant towards the wage bill for older workers or of a training grant to the employer during an initial period which may be required to permit the training and adaptation of the worker to his new job, assistance with their social security contributions and grants and loans towards the construction and equipment of workshops for less productive older workers. Some countries ⁵ give priority to older workers in the selection of unemployed persons to be employed on public relief works. Some countries have referred to requirements that workers over a specified age should be given progressively longer notice with advancing age. ⁶

215. Finally, for those above a certain age who, in spite of the various measures adopted for their benefit, are unable to find employment, provision may be made ⁷ for the payment of special benefits or for anticipated payment of a full pension, as is suggested in Paragraph 6 (3) of the Annex to the Recommendation.

(c) *Women Workers*

216. Certain countries have supplied information on specific measures concerning two aspects of women's employment. In the first place, they have mentioned that the range of employment traditionally open to women is unnecessarily limited and that efforts are made to expand this range. One step in this direction reported by a number of countries ⁸ lies in the provision of adequate occupational counselling and the improvement of the vocational training facilities available to women, providing in particular training for traditionally male occupations. There is at the same time a need for positive encouragement to employers to change their recruitment policy so as to open up jobs previously performed by men to women as well. The employment service can play a valuable role in this respect. ⁹ Measures of this kind are designed to promote the employment of girls and women at all stages of their working life.

¹ Sweden.

² Japan.

³ United States (Age Discrimination in Employment Act of 1967).

⁴ For example: Belgium, Federal Republic of Germany (Employment Promotion Act, 1969, ss. 97-98), Spain, Sweden (*Modern Swedish Labour Market Policy*, op. cit., p. 88), United Kingdom (in designated development areas).

⁵ For example: Norway, Spain.

⁶ For example: Norway, Sweden.

⁷ For example: Austria, New Zealand, United Kingdom (for former coalminers in each case), Norway, Spain.

⁸ For example: France (Plan, p. 41), Japan (*Basic Employment Measures Plan*, op. cit., pp. 44-45), Norway, Poland, Sweden.

⁹ For example: Portugal, Sweden (*Modern Swedish Labour Market Policy*, op. cit., p. 86).

217. In the second place, measures may be specifically aimed at women who have been out of the labour market because of family responsibilities. Countries with a labour shortage in particular seek to promote the return of married women to productive employment. For this purpose special retraining or further training courses may be offered, and there is growing recognition of the need for adequate day nursery facilities for the care of young children.¹ Views on the particular suitability of part-time work² or home work³ for married women have been expressed by some countries.

(d) *Disabled Workers*⁴

218. The principal aim of employment measures taken to assist disabled persons is usually to bring them into normal employment.⁵ Over-all responsibility in this regard may be entrusted to a specialised body⁶ or co-ordinated through a specialised section of the employment service which provides such facilities as aptitude testing, vocational guidance, assistance in obtaining training and placement services.⁷ As far as possible, vocational training is provided through the normal vocational training system, but for those whose disability is too severe, rehabilitation and training are provided in special centres or workshops.⁸ Financial allowances are paid for maintenance during training.

219. A variety of measures have been adopted in different countries⁹ with a view to facilitating the placement of disabled persons in ordinary employment. A training subsidy or adjustment allowance may be paid to employers during the period necessary for the integration of the disabled workers into the enterprise, to cover the cost to the employer of paying full wages to the workers concerned during the period in which they are not yet fully contributing to production. In addition, the employer may be entitled to a grant covering all or part of the cost of adapting the workplace to the particular needs of the disabled workers, and the cost of providing special equipment or clothing. As well as measures of this kind, aimed at encouraging employers to employ disabled persons through the provision of incentives, some countries have adopted legislative provisions requiring that they be employed in certain cases. These take the form either of a requirement that undertakings shall retain in their employment workers whose capacity is reduced¹⁰, or of the fixing of a quota of disabled

¹ For example: Australia, Norway, Poland. In this connection see also the Employment (Women with Family Responsibilities) Recommendation, 1965 (No. 123).

² For example: Norway, Romania, Sweden (*Modern Swedish Labour Market Policy*, op. cit., p. 87).

³ For example: Japan (*Basic Employment Measures Plan*, op. cit., pp. 12, 45), Romania.

⁴ In this regard, see also the Vocational Rehabilitation (Disabled) Recommendation, 1955 (No. 99).

⁵ For example: Netherlands, New Zealand, Norway, United States (Projects in Industry Program).

⁶ For example: Belgium (National Fund for the Social Resettlement of the Handicapped), USSR (specialised sections of the state Ministries of Social Welfare and local social welfare committees: Article 19 report of 1968 on Convention No. 88), United States (Rehabilitation Services Administration of the Department of Health, Education and Welfare).

⁷ For example: Australia, Austria, Belgium, Finland, Japan, Netherlands, Norway, Sweden (*Annual Report of the National Labour Market Board, 1969-70*, pp. 129-130), United Kingdom.

⁸ For example: Belgium, Colombia, Cyprus, Nigeria, Norway, Sweden (loc. cit.).

⁹ For example: Belgium, Netherlands, New Zealand, Norway, Sweden (loc. cit.).

¹⁰ For example: Hungary.

persons to be employed in the total work force of each undertaking.¹ As an alternative to wage- or salary-earning employment, provision is also made in some countries² for assistance to disabled persons in establishing themselves on a self-employed basis. Such assistance takes the form of a grant towards the cost of setting up an independent business.

220. Provision is made for those whose disability is too severe for them to obtain employment on the open market, even with the help of the measures described above, through employment in sheltered workshops which may be run by the government or local authorities or be privately run with a government subsidy.³ Such workshops, as well as providing long-term sheltered employment for those who need it, may also provide a transitional period of employment for the less-severely disabled, enabling them to adjust to working life and in due course to transfer to normal employment.⁴ In addition to sheltered workshops, one country⁵ provides employment for the disabled through special relief works designed to suit their capacities.

(e) *Other Categories*

221. Several of the developed countries have referred to the need for special assistance for certain workers who, usually because they suffer from social or cultural disadvantages but sometimes because of their personal circumstances (which prevent them for example from changing their place of residence) have particular difficulty in finding or retaining employment. These countries emphasise the importance of measures to assist such persons to find work, and in most cases efforts in this direction appear to be concentrated on the provision of employment on public works or in the service of a public or local authority.⁶ One country⁷, however, has referred to a series of broadly-based programmes to assist such persons. The most important of these are a Public Service Careers Program designed to provide permanent employment in public service agencies together with on-the-job training and upgrading training where appropriate; a Job Opportunities in the Business Sector Program designed to provide on-the-job training and stable employment in private industry, government financial assistance being provided to employers to cover the extra cost of hiring and training the disadvantaged; and a Work Incentive Program for welfare clients designed to help adults receiving welfare benefits to achieve economic self-sufficiency through job training and employment. Incentives are provided during the period of training in the form of an allowance higher than the welfare benefit previously being received together with necessary social services such as child-care facilities for one-parent families.

5. SOCIAL MEASURES RELATING TO EMPLOYMENT POLICY

222. The selective measures of employment policy advocated in the Recommendation are not however concerned solely with such economic problems as seasonal

¹ For example: Japan (Manpower Organisation Law, 1966, s. 19).

² For example: Spain (*Fondo de Protección al Trabajo*, 1971, *Normas Generales para su Aplicación* (Ministry of Labour, 1971), p. 18), Sweden (*Annual Report of the National Labour Market Board*, 1969-1970, p. 131).

³ For example: Belgium, Norway, Spain, Sweden (loc. cit.).

⁴ For example: Norway.

⁵ Sweden (*Modern Swedish Labour Market Policy*, op. cit., pp. 98-99).

⁶ For example: Belgium, Finland, Netherlands, New Zealand, Norway, Spain.

⁷ United States (*Manpower Report of the President*, 1971, pp. 41-68, 130-132).

fluctuations or structural changes. They also include (Paragraph 20) measures which might be taken, in relation with employment policy and as a consequence of technological progress, to increase leisure and intensify educational activities. The methods suggested include a reduction in the hours of work without a decrease in wages, longer paid holidays, later entry into the labour force combined with more advanced education and training, and (Paragraph 6 (3) of the Annex) a lower pensionable retirement age in certain cases.

223. Although measures of this kind which reduce the total working life of workers are doubly relevant in the present context—they not only lead to a sharing in the fruits of progress but open new employment opportunities—little has been said about them in governments' reports, or about the potential usefulness of deliberately co-ordinating such social measures with employment policy. However, one country¹ has stated that it seeks to maintain "an effective relationship between the actualities of the manpower position in industry and such policy matters as school-leaving age, age of retirement, etc.", and another country² refers to restrictions on the hours of work of young workers designed to enable them to continue with their education and training. Obviously the many measures being taken in other countries to promote education and vocational training (see Chapter IV above) normally entail either later entry into the labour force or some form of on-the-job training resulting in shorter working hours.

224. In developing countries the level of productivity is less likely to permit systematic efforts in association with employment measures as such, to shorten a worker's total productive life by providing for longer paid holidays or a lower pensionable retirement age. However, a deliberate link between hours of work—whether in the form of overtime or of statutory working hours—and new employment possibilities is more likely to be created and the government of one country, for example, has indicated specifically that the reduction in the hours of work of women and young persons in industry and the introduction of four compulsory rest days a month had generated additional employment opportunities.³

225. Many of the above cases may be considered to be not so much methods for extending the benefits of technological progress as measures having the joint objectives of improving social and working conditions and of reducing unemployment. Yet, all such measures which reduce in one way or another the total time spent by a worker in his place of work will—unless accompanied by the introduction of labour-saving techniques—normally mean the creation of new employment opportunities, and it would seem from government reports that a deliberate co-ordination of employment measures as such and of social measures affecting working hours, holidays, minimum age and/or retirement age could usefully be given more consideration in many countries.

226. A further element of employment policy which is essentially social in character is contained in Paragraph 7 of the Recommendation, which provides that States should, to the fullest extent permitted by their available resources and level of economic development, adopt measures to help unemployed and underemployed persons during all periods of unemployment to meet their basic needs and those of their dependants and to adapt themselves to opportunities for further useful employment. Measures of the latter type have already been described in previous sections of

¹ New Zealand.

² Netherlands.

³ Non-metropolitan territory: United Kingdom (Hong Kong).

this survey, covering in particular occupational guidance, and training. So far as the former are concerned, a number of countries have provided information on their systems of providing financial assistance to those in need as a result of unemployment.

227. A full examination of these systems, which are covered by other international labour standards ¹, would go beyond the scope of this survey. It is, however, worth noting that several countries ² have stressed in their reports that the provision of unemployment benefits or allowances should be kept in reserve as a last resort when all other means of providing employment have failed.

¹ See, in particular, the Unemployment Provision Convention, 1934 (No. 44); and the Social Security (Minimum Standards) Convention, 1952 (No. 102), Part IV.

² For example: Norway, Sweden (*Modern Swedish Labour Market Policy*, op. cit., p. 99).

CHAPTER VII

EMPLOYMENT PROBLEMS ASSOCIATED WITH ECONOMIC UNDERDEVELOPMENT

228. The preparatory work leading to the adoption of the employment policy instruments shows that they were conceived primarily in the light of the grave unemployment problems facing the developing countries.¹ The magnitude of these problems has been stressed in the reports of many of these countries.² They may take the form of underemployment rather than high levels of open unemployment³, and they have been stated by several countries to affect especially young people.⁴ Three particularly striking examples of the scope of the problems with which some developing countries are faced are provided first by a country⁵ which has estimated that during the period of its current plan it will be possible to provide employment only for six out of every ten new entrants to the labour force; secondly, by a country⁶ which has reported that, due to climatic conditions, seasonal rural unemployment affects 94 per cent of its population which is condemned to inactivity for three-fifths of the year; and thirdly, by a country⁷ which estimates that surplus manpower constitutes almost 30 per cent of the labour force.

229. It seems clear from the governments' reports and the plans examined that an attack on these problems—and their solution is generally recognised to be a long-term matter—requires simultaneous action on two fronts, namely, a programme for general economic expansion which is consciously employment-oriented, together with specific employment-creating measures.⁸ This is well illustrated by the following quotation from one plan: "Government's employment policies and programmes are designed to have an immediate impact on the unemployment problem during the life of the Plan. But the full solution, in terms of the complete elimination of unproductive underemployment, can only be found in a long-term sustained high rate of economic growth, generating employment opportunities at a significantly higher rate than the annual rate of increase of the working population".⁹

230. Another government¹⁰ has stated that, since the causes of unemployment and underemployment in a developing country are so complex and varied, and touch

¹ See, for example, *Record of Proceedings*, International Labour Conference, 45th Session, 1961, pp. 823-24.

² For example: Ceylon, Costa Rica (*Situación de los Recursos Humanos y Previsiones para 1969-1972*, op. cit., pp. 23-30), India, Kenya, Malaysia, Morocco (Plan, Volume I, section II, Chapter 4, Part 5), Nigeria, Tunisia, Zambia.

³ For example: Brazil, Costa Rica (loc. cit.), Mexico, Peru (*Informe Laboral*, op. cit., p. I-5).

⁴ For example: Ceylon, Kenya (Plan, p. 105), Madagascar, Nigeria, Uganda (Plan, p. 147).

⁵ Turkey.

⁶ Upper Volta.

⁷ Pakistan.

⁸ For example: Ceylon, India, Philippines, Tunisia.

⁹ Kenya (Plan, p. 106).

¹⁰ Colombia.

every aspect of the national economy, their eradication requires simultaneous and co-ordinated action on all socio-economic fronts. The present chapter is based on the premise that a successful employment policy cannot consist of an isolated series of measures in the various fields covered, but must constitute a co-ordinated strategy for the development of all the sectors of the economy in which all the measures taken are harmonised and geared to the achievement of the ultimate goal.

231. While many of the measures forming an essential part of employment policy in developing countries have already been dealt with in earlier chapters (see, for example, Chapter IV, section 1, dealing with education and training and Chapter V, section 1, dealing with general measures designed to promote economic growth and productive investment), an attack on the employment problems associated with economic underdevelopment requires—as was recognised by the Conference in drafting the Recommendation—measures in a number of fields of particular concern to developing countries. The provisions of Part IV of the Recommendation and Part II of the Annex, which are concerned with these problems, comprise virtually all aspects of a co-ordinated development strategy. In its examination of what is being done in regard to the matters covered by these provisions, the present survey focuses on those points which seem, from the reports, most directly relevant to the promotion of employment. This chapter accordingly deals first with certain matters of general scope, namely the promotion of domestic savings and the encouragement of foreign capital, the co-ordination of development efforts at the regional levels, income and wages policy and the development of the infrastructure; secondly, with the promotion of industrial employment; thirdly, with the promotion of rural employment; and finally, with population policies.

1. GENERAL ECONOMIC AND OTHER MEASURES

(a) *Expansion of Resources for Investment*

232. A first aspect of general economic measures which is particularly relevant to developing countries is the shortage of capital and the need for increased domestic savings and foreign capital. Thus Paragraph 23 (1) of the Recommendation provides that: "In countries where a lack of employment opportunities is associated with a shortage of capital, all appropriate measures should be taken to expand domestic savings and to encourage the inflow of financial resources from other countries and from international agencies, with a view to increasing productive investment without prejudicing the national sovereignty or the economic independence of the recipient countries"; Paragraph 8 of the Annex contains a number of detailed suggestions as to the types of measures which might be adopted.

233. The lack of capital has been referred to by several developing countries as a major difficulty in seeking to create productive employment.¹ In general, governments have not supplied information in their reports on measures to expand domestic savings. However, one report² and a number of plans³ sent with or referred to in the reports do deal with this question; and certain conclusions can be drawn from the material available.

¹ For example: Colombia (Plan, p. III. 7), Nigeria, Tunisia, Zambia.

² Colombia.

³ For example: Senegal (Plan, pp. 344-345), Turkey (Plan, pp. 112-115), Uganda (Plan, pp. 32-36).

234. In the first place, the possibilities of expanding domestic savings are often limited by the low general level of income. One country ¹ has also referred in this regard to the concentration of wealth in the hands of a small section of the community which is disinclined to use its capital for productive investment, and another ² has indicated that those with money to spare tend to use it for luxury consumption or save it in the form of gold or foreign currency. Another restricting factor may be the lack of an effective institutional system to promote savings and ensure that they are invested in productive fields. None the less, increased domestic savings are regarded as essential if the investment necessary for further development is to be achieved.

235. Measures referred to in the plans examined for expanding savings or encouraging their productive investment in the country concerned include the reduction of consumption ³ or the holding of increases in consumption to a lower level than the increase in production ⁴, the maintenance of price stability ⁵, and measures to prevent savings from being invested abroad. ⁶ Measures designed to encourage savings include variations in the interest rate ⁷, the establishment of financial institutions specifically aimed at mobilising rural savings ⁸, provident funds and unit trusts ⁹ credit unions ¹⁰ and the establishment of a stock exchange. ¹¹

236. In spite of efforts to increase domestic savings, many developing countries have to rely to a great extent on foreign capital in order to finance their development plans. A number of countries' reports or plans ¹² indicate that they rely, in financing the plan, on finance from foreign sources in the form of government loans, private investment or aid from foreign countries or international organisations. No information is, however, generally given as to measures to encourage the inflow of these foreign financial resources.

237. It should be noted that the measures taken in this field are generally directed towards the over-all development effort and are not directly related to employment policy. Their contribution towards a solution of employment problems will depend on whether the resulting capital is directed into productive investment designed to produce economic growth that is employment-oriented in the way discussed in Chapter V.

(b) *Regional Co-ordination*

238. Another aspect of employment policy emphasised in the Recommendation (Paragraph 23 (2)) in respect of developing countries is the desirability of these

¹ Colombia (Plan, p. 12, p. III. 5).

² Algeria (Plan, pp. 39-40).

³ For example: Colombia (through indirect taxation), Turkey (Plan, p. 113).

⁴ For example: Algeria (Plan, p. 26).

⁵ For example: Turkey (Plan, p. 113).

⁶ For example: Malta (Plan, p. 60), Uganda (Plan, p. 33).

⁷ For example: Colombia, Cyprus (Plan, p. 56).

⁸ For example: India (Plan, pp. 82-87, 298).

⁹ For example: India (loc. cit.), Malaysia.

¹⁰ For example: non-metropolitan territory: United Kingdom (British Honduras).

¹¹ For example: Cyprus (Plan, p. 55), Malta (Plan, p. 106), Tunisia (Plan, p. 145).

¹² For example: Colombia (Plan, Chapter X), El Salvador (which indicates that 37 per cent of its investment programme must be found from foreign sources), Guinea, Malaysia, Senegal (Plan p. 326, which indicates that some 65 per cent of the financing will come from foreign sources), Tunisia (Plan, Chapter X).

countries co-ordinating their investments and other development efforts with those of other countries, especially in the same region, in order to utilise the resources available to them rationally and to increase employment as far as possible.

239. An example of proposed action along these lines is provided by one country's plan, which states that "the Government aims to encourage the development of the East African countries as a single market area, so that industry can expand to a scale that would not be feasible if the [domestic] market were considered alone".¹

240. More generally, reference has been made in the reports for example to a sub-regional integration agreement, concluded on 26 May 1969 (the Andean Pact), between Bolivia, Chile, Colombia, Ecuador and Peru with a view to the balanced and harmonious development of the countries concerned; to the Caribbean Free Trade Association and the Caribbean Development Bank²; and to the co-ordination of employment policies between the States Members of the Organisation of Senegal Riparian States.³ While only the last of these measures is specifically directed at employment policy, it may be hoped that other regional agreements of the sort mentioned will be implemented in such a way as to favour the balanced promotion of employment in all the participating States.

(c) *Income and Wages Policy*

241. As regards income and wages policy, to which Part IV of the Recommendation refers in very general terms, some developing countries⁴ have supplied information pointing to the close relationship which they have found to exist between wages policy and employment, indicating that if wages and salaries are too high employers will tend to utilise techniques which reduce the need for labour. One country⁵ has described the cumulative effect of undue increases in wages on the over-all employment situation in some detail: higher labour costs encourage the introduction of labour-saving machinery with a resulting fall in paid employment; at the same time, they lead to an increase in retail prices to cover higher production costs. This in turn reduces the size of the domestic market as those who are unable to increase their income by raising their prices (for example, farmers producing for the export market in which prices are determined abroad) can no longer purchase at the higher prices.

242. The relationship between the level of wages and the number of workers that an individual employer can employ is recognised, for example, in a tripartite agreement, concluded in one country⁶ in May 1971 under which all employers including the government undertook to increase their labour by 10 per cent for a period of one year and the workers' organisations agreed to a wage standstill for the same period. The government indicates that 43,000 unemployed persons obtained work as a result of this agreement.

¹ Kenya (Plan, p. 305).

² Non-metropolitan territories: United Kingdom (British Honduras, St. Vincent).

³ At the International Labour Conference in 1971, the Secretary-General of the Organisation of Senegal Riparian States stated that a draft recommendation to States Members on the elaboration of a common employment policy had been examined by the Council of Ministers in January 1971 and sent to a meeting of national experts (*Record of Proceedings*, International Labour Conference, 56th Session, Geneva, 1971, p. 116).

⁴ For example: Kenya (Plan, p. 104), Malawi, Uganda (Plan, p. 148).

⁵ Malawi.

⁶ Kenya.

243. On the other hand, certain countries¹ indicate that increases in some wage rates, particularly the lowest, are an important factor in reducing income inequalities, although wage increases generally should be dependent on increases in productivity.²

244. The reduction of income inequalities through measures designed to produce a fairer distribution of incomes has itself been referred to by some countries³ as an important factor in expanding employment. These countries point out that the redistribution of incomes, with a resulting increase in the spending power of the poorer sections of the community, will increase the demand for simple consumer goods which can be produced by labour-intensive methods, with a resulting growth of employment in the sectors supplying these goods.

(d) Development of the Infrastructure

245. The Annex to the Recommendation contains a number of provisions relevant to the development of the infrastructure (Paragraphs 8 (a), 10 and 11), and it seems evident that part of a developing country's investment expenditure must be directed to improving the infrastructure that is necessary for the growth of the productive sectors of the economy. This is borne out by the fact that the plans examined invariably devote a section to this question, covering in particular the transport system (roads, railways, bridges, ports, airports), and communications system, the supply of energy and the irrigation system.

246. It seems evident that the large-scale public works necessary for the implementation of many of the programmes in these sectors could have a favourable impact on the employment situation, both on a short-term and a long-term basis. While one country⁴ refers to its national programme of public works designed to develop the infrastructure as an important source of employment absorbing a high ratio of manpower, information on the employment-creating effects of infrastructural works has in general been supplied only in relation to rural public works and local development projects which are more appropriately dealt with below in connection with the promotion of rural employment. No indications are available, for example, as to whether any countries, in implementing their plans for the development of the national infrastructure (as distinct from the special programmes of work in the rural areas examined in paragraphs 289-292 below) have taken account of the suggestion, made in Paragraph 8 (a) of the Annex, that measures to increase productive investment may include "measures, consistent with the provisions of the Forced Labour Convention, 1930, and the Abolition of Forced Labour Convention, 1957, and taken within the framework of a system of adequate minimum labour standards and in consultation with employers and workers and their organisations, to use available labour, with a minimum complement of scarce resources, to increase the rate of capital formation"; or of the suggestion in Paragraph 9 (c) that there should be "full exploration of the technical, economic and organisational possibilities of labour-intensive construction works, such as multi-purpose river valley development projects and the building of railways and highways".

¹ For example: Kenya (Plan, pp. 130-131), Uganda (Plan, p. 148).

² For example: Malawi, Uganda (Plan, p. 148).

³ For example: Colombia (Plan, p. I. 5 and p. III. 4), Mexico, Peru.

⁴ Uruguay.

2. PROMOTION OF INDUSTRIAL EMPLOYMENT

247. In the field of industrial employment, the Recommendation suggests that action should be taken along five distinct lines: the promotion of modern industrial development based on available raw materials and power (Paragraph 24); the promotion of the production of goods and services requiring much labour (Paragraph 25 (a)); the promotion of labour-intensive techniques (Paragraph 25 (b)); the promotion of the fuller use of existing industrial capacity (Paragraph 26 (a)); and the promotion of handicrafts and small-scale industries (Paragraph 26 (b)).

248. Many of the reports and practically all the plans examined reflect the governments' intention to expand industry, and in a number of cases emphasis is laid on the role that industrialisation can play in creating new employment.¹ One country's plan² points out that the employment created is not limited to the jobs created directly by manufacturing firms but includes a substantial increase in employment in the main supplying sectors of the economy, such as agriculture, transport, storage and communications, trade and other services, electricity and water.

249. This is especially true where—as is suggested in Paragraph 24 (1) of the Recommendation—efforts are concentrated on industries using available raw materials and power. While this particular point is only mentioned in Paragraph 24, it seems to be equally applicable to the other forms of industrial development mentioned in Paragraphs 25 and 26, and this is further confirmed by the fact that the countries which have indicated that the increased processing of local raw materials³, and more particularly of agricultural produce⁴, is a major objective of their industrialisation policy, have not limited it to modern industrial development of the type referred to in Paragraph 24.

250. In the following sections of this chapter, examples are given of the measures taken in regard to the five different aspects of the promotion of industrial employment mentioned above.

(a) *Modern Industrial Development*

251. Paragraph 24 is concerned with the establishment of industries which use modern techniques and appropriate research, in order to create additional employment opportunities on a long-term basis.

252. While some countries have stressed the importance of modern industry for their over-all development, only one of the plans⁵ examined has spelled out in detail the contribution that such industry can make to solving employment problems and the factors that must be weighed in deciding whether to concentrate on industrial investment using advanced technology. In the first place, the Government points out that such investment requires the use of large amounts of capital at the expense of the use of labour so that its effects upon employment in the short term are negative. Nonetheless, it considers that the short-term sacrifice of growth in employment is justified because the establishment of heavy industries using advanced technologies

¹ For example: Argentina (Plan, p. 35), Jamaica, Nigeria (Plan, p. 143), Peru, Philippines (Plan, p. 107), Singapore; non-metropolitan territory: United Kingdom (Hong Kong).

² Kenya (Plan, p. 313).

³ For example: Guinea, Philippines (Plan, pp. 109-110), Syrian Arab Republic, Uganda (Plan, p. 81).

⁴ For example: Mali, Nigeria (Plan, p. 144), Senegal (Plan, p. 69).

⁵ Algeria (Plan, pp. 16-17).

(for example, steel production and petrochemistry) will create growing quantities of capital than can be reinvested in sectors of industrial activity which will have a powerful impact on the level of employment. In the long term, therefore, such investment will, in the government's view, make a more lasting contribution to the solution of employment problems than would immediate concentration on labour-intensive industries.

253. Other countries which have mentioned the employment problems posed by the fact that modern industrial techniques are generally capital-intensive have indicated that it is their intention to limit large-scale capital-intensive investments to projects where technological considerations and economy of scale do not permit the adoption of labour-intensive techniques.¹

254. Whatever the approach adopted in this regard, it will have to be related to the differing national circumstances of the countries concerned. The extent to which modern industrial development can be used as an effective instrument for providing a long-term solution to the employment problem must depend on the size of the market, the natural resources available as a basis for such industries and the level of development already reached by the country concerned. It seems therefore that any decision in this regard needs to be made on the basis of a careful study of the current situation and future trends in order to assess whether the long-term results will justify the immobilisation of large amounts of scarce capital at a particular stage in a country's development.

(b) Production of Goods and Services Requiring Much Labour

255. Paragraph 25 (a) of the Recommendation provides that States should explore the possibility of expanding employment by producing, or promoting the production of, more goods and services requiring much labour.

256. In general, few of the reports or plans available refer to the fact that certain manufacturing industries are by their nature more labour-intensive than others and that concentration on industries of this type would have a beneficial effect on the employment situation. Plans usually indicate the number of jobs expected to be created as a result of the industrialisation programme without mentioning the employment potential itself as a factor in deciding on a particular form of industrial expansion. However, some countries² have referred to the parallel development, alongside modern capital-intensive industry, of lighter industries which use manpower intensively, while others³ have indicated that as a general principle priority will be given to sectors which have a high employment potential, and that in all sectors priority will be given to projects which offer many employment opportunities in relation to capital. One country⁴ has reported that, in order to encourage labour-intensive industries, it has abolished a payroll tax which was a disincentive to employment growth. Some countries also have given indications of the industries which are being encouraged because of their high employment potential. These include the textile and electronic industries⁵, electrical and mechanical engineering⁶ and build-

¹ For example: India (Plan, p. 430), Philippines (Plan, pp. 73-74), Uganda (Plan, p. 146).

² For example: Algeria (Plan, p. 67), Argentina.

³ For example: Turkey (Plan, p. 149).

⁴ Malaysia (Plan, p. 104).

⁵ For example: Singapore.

⁶ For example: Algeria (Plan, p. 67).

ing and construction, particularly housing construction.¹ Some countries² have also referred to the indirect employment-creating effects of the construction industry in other sectors of the economy.

257. Paragraph 25 (a) of the Recommendation also refers to the promotion of services requiring much labour. This is the only reference to the role of services in creating employment, and, with two exceptions, little information has been supplied in reports on the contribution of services to employment policy.

258. The first exception relates to tourism, which has been referred to by several countries as making a dual contribution, first as a creator of employment and secondly as an earner of the foreign exchange which is essential for further economic development and the long-term growth of employment. Their development programmes therefore make provision for the expansion of tourism. The plans and reports of the countries concerned³ confirm that tourism can make a particularly valuable contribution to the expansion of employment in that it is labour-intensive in itself and also leads to the growth of employment in other sectors, particularly building and construction, the development of the communications system, and handicrafts for which it provides a ready market. Measures to develop tourism include fiscal and financial incentives to encourage the construction of new hotels, the development of the infrastructure and of tourist attractions such as beaches, natural scenery, wildlife and historic sites, the extension of the tourist season, the provision of training facilities for hotel and catering staff, tourist guides, etc., and international publicity campaigns.

259. A second service sector referred to in one country's plan⁴ as capable of making a useful contribution to employment creation is road transport, which is stated to provide opportunities for the development of small, locally-owned and operated transport undertakings, as well as repair and maintenance workshops. The plan concludes that "road transport offers greater potential for involving more people in a wider variety of economic ventures than will any other form of transport investment".

(c) *Promotion of Labour-Intensive Techniques*

260. Paragraph 25 (b) of the Recommendation refers to the expansion of employment by the promotion of more labour-intensive techniques in circumstances where these will make for more efficient utilisation of available resources and Paragraph 9 of the Annex contains suggestions as to measures which may be adopted to this end. These include study and research and the dissemination of the results, tax concessions and other forms of preferential treatment; and full exploration of the possibilities of labour-intensive construction works.⁵

261. In regard to the first of these, certain countries⁶ have indicated that they are undertaking research into intermediate technologies and the modernisation of indigenous technologies. In regard to the second, the provisions governing invest-

¹ For example: Brazil, India (Plan, p. 430), Kenya (Plan, pp. 341, 505), Mexico, Uruguay.

² For example: Malta (Plan, p. 30), Mexico.

³ For example: Cyprus (Plan, pp. 205-216), India (Plan, p. 349), Jamaica, Kenya (Plan, pp. 427-436), Malta (Plan, pp. 40-43), Senegal (Plan, p. 144), Singapore; non-metropolitan territories: Australia (Norfolk Island), United Kingdom (Antigua, Bermuda, Seychelles, Virgin Islands).

⁴ Kenya (Plan, p. 384).

⁵ This last point has already been mentioned briefly in section 1 (d) of this chapter.

⁶ For example: India (Plan, p. 311), Indonesia, Nigeria (Plan, p. 150), Peru, Turkey (Plan, p. 149).

ments in several countries¹ provide that the creation of new employment opportunities is one of the conditions of eligibility for certain forms of preferential treatment which include tax concessions and tariff exemptions for the import of raw materials. It does not seem that these incentives are specifically directed towards the encouragement of labour-intensive production methods, but they may help to influence a decision between two possible methods if the more labour-intensive will qualify for more preferential treatment.

262. In general, however, little information has been provided on the promotion of labour-intensive techniques and where they are referred to, the information is confined to a general statement to the effect that—in the words of one plan—“when-ever there is a choice of production methods and the more capital-intensive method offers no advantage in lower costs or easier financing, the more labour-intensive method should be preferred”.²

263. On the other hand, some countries have referred to the difficulties and limitations involved in using labour-intensive techniques, such as the danger that in the long run they may turn out to be uneconomic and uncompetitive.³ Another difficulty mentioned arises from the fact that the only finance available may be external aid in the form of goods provided on credit terms so that a project might be financed more readily if it uses more machinery imported on credit and less labour.⁴ A further problem arises from fiscal systems of accelerated depreciation allowances which tend to discriminate against labour-intensive in favour of capital-intensive techniques.⁵

264. These examples, as well as those mentioned elsewhere in the survey in regard to rural employment and other fields, confirm the general impression that although there may be a growing awareness of the possible role of labour-intensive techniques in solving employment problems, there are a number of real difficulties to be overcome. It would therefore seem all the more necessary for many governments to make a systematic effort to study and determine the most appropriate techniques in the context of national conditions, to disseminate full information on the matter to all persons concerned, and to promote vigorously those projects which apply effective labour-intensive techniques.

(d) *Fuller Utilisation of Existing Industrial Capacity*

265. Paragraph 26 (a) of the Recommendation provides that measures should be taken to promote the fuller utilisation of existing industrial capacity. Only one country⁶ has supplied information on measures to this end. As a first step it is undertaking an exhaustive study of the extent to which existing capacity is used and the causes of its underutilisation, which include the lack of credit for working capital, failures in the supply of imported raw materials due to balance of payments difficulties and insufficient demand for certain products due to low income levels. The measures proposed to overcome the problems involved and promote the fuller utilisation of

¹ For example: Madagascar (Investment Code: Ordinance No. 62-024 of 19 September 1962), Senegal (Investment Code: Act No. 62-33 of 22 March 1962 as amended by Act No. 65-34 of 19 May 1965); non-metropolitan territory: United Kingdom (St. Vincent).

² Uganda (Plan, p. 146). See also Philippines (Plan, pp. 73-74).

³ For example: Malta (Plan, p. 58), Uganda (Plan, p. 146).

⁴ For example: Uganda (Plan, p. 146).

⁵ For example: Uganda.

⁶ Colombia (Plan, p. III. 6-7, p. VIII. 3).

existing capacity include the raising of the level of qualifications of the work force through appropriate training; the use of import, tax and credit policies as incentives to employers to increase production; an examination of labour legislation especially as regards the engagement and dismissal of workers and the cost of overtime and night work; and the promotion of the production of domestic inputs, the insufficiency of which restricts the level of output of undertakings which rely on them.

266. It seems evident that, if the difficulties which prevent existing industrial capacity from being fully utilised can be overcome, this would provide a ready means of expanding employment and increasing output without further capital outlay. It is a question which undoubtedly merits close study in all cases where industrial capacity is not being fully utilised. However the proposed measures should be specifically employment-oriented and aimed at reducing overtime and increasing the recourse to multiple shifts. Similarly, before promoting such measures the governments concerned might find it necessary to consider whether the fuller utilisation of existing modern industrial capacity may not unduly reduce employment opportunities in undertakings producing the same goods through more labour-intensive techniques.

(e) *Small-Scale Industries and Handicrafts*

267. Paragraph 26 (b) of the Recommendation deals with the creation of handicrafts and small-scale industries and measures to assist their development so that they will be able to provide increasing employment.

268. The contribution that small-scale industries and handicrafts can make to the growth of employment has been mentioned by several countries.¹ Their role in the promotion of employment in rural areas in particular has also been referred to², and some countries have adopted a policy of decentralisation of small-scale industries.³ Particular emphasis is laid in this regard on the establishment of industries for processing agricultural produce⁴ and for the manufacture and maintenance of agricultural and domestic implements⁵, as well as on handicrafts.⁶

269. With a view to the efficient promotion and organisation of small-scale industries, some countries⁷ have established special institutions with over-all responsibility in this field. Another country⁸ provides for the establishment of such a central body in its current plan.

270. Several countries⁹ have indicated that small-scale industry is planned so as to be complementary to large-scale industry, as is suggested at the end of paragraph 26 (b) of the Recommendation. Measures to this end include the encouraging

¹ For example: Malaysia, Nigeria (Plan, p. 313), Peru, Uganda (Plan, p. 84).

² For example: Nigeria (Plan, p. 313), Senegal (Plan, p. 133), Upper Volta.

³ For example: Argentina (Plan, p. 110), India (Plan, p. 291), Peru, Senegal (Plan, p. 124).

⁴ For example: Malaysia, Senegal (Plan, p. 69).

⁵ For example: India (Plan, p. 289), Kenya (Plan, p. 176), Mali, Upper Volta.

⁶ For example: Central African Republic (Plan, pp. 108-109), Senegal (Plan, p. 133), Turkey (Plan, pp. 149, 275), Upper Volta.

⁷ For example: India (Small-Scale Industries Development Organisation (Plan, p. 291)), Kenya (Industrial and Commercial Development Corporation (Plan, pp. 316-318)), Nigeria (Industrial Development Centres (Plan, pp. 145-146)), Philippines (National Cottage Industries Development Authority).

⁸ Uganda (Plan, p. 90).

⁹ For example: Peru (*Informe Laboral*, op. cit., Appendix 2 : "Plan de Acción para el Año 1970"), Uganda (Plan, p. 84).

of large industries to obtain parts and components to the maximum possible extent from small undertakings.¹

271. Other methods of assisting small-scale industrial development include² the reservation of the manufacture of certain products to small-scale industries, together with the use of fiscal and credit measures to accelerate the development of small industries manufacturing such products. Reservations of this nature are made in the case of industries, parts, components and processes in which the scale of operation or a high degree of mechanisation has no pronounced impact on costs. Other relevant measures include³ the setting up of industrial estates, an appropriate system for the provision of credit and the acquisition of premises and equipment on hire purchase terms, extension services, including in particular management training and technical and business advice and the organisation of marketing, one specific measure mentioned in this regard being the simplifying of export procedures.

272. Similar measures figure in several countries' reports and plans⁴ for the promotion of handicrafts, particularly in rural areas. In addition to the provision of credit, organisation of marketing and technical assistance in matters such as the supply of improved appliances and introduction of new designs, reference is also made to the training of craftsmen and the encouragement of handicrafts co-operatives.

3. PROMOTION OF RURAL EMPLOYMENT

273. The importance of rural development is widely recognised by reporting countries, and some plans place the primary emphasis of their development strategy upon the rural sector.⁵ A number of related reasons are given for this emphasis. In the first place, agriculture often plays a key role in the over-all development process as the most important source of domestic income, foreign exchange and employment⁶; secondly, in view of the smallness of the industrial and commercial sectors the contribution to employment creation made even by their rapid growth is inevitably limited, so that the bulk of new jobs has to be created in the rural sector⁷; and, thirdly, a high proportion of the population lives in the rural areas and depends mainly upon agriculture for its livelihood.⁸ For example, those engaged in agriculture, forestry, hunting and fishing form 81 per cent of the economically active population in Liberia, 56 per cent in Morocco, 65 per cent in Guatemala, 73 per cent in India, and 80 per cent in the Khmer Republic.⁹

274. A point to be borne in mind is that in the rural sector generally, and more particularly in agriculture, there is relatively little paid employment, most persons being engaged in subsistence agriculture on family farms. The goals of employment policy are thus to raise productivity and output on the farms to a point where they provide a satisfactory living and to stimulate other forms of rural activity where the

¹ For example: India (Plan, pp. 291-292), Malaysia.

² India (Plan, p. 288).

³ For example: Argentina (Plan, p. 110), Colombia, India (Plan, pp. 284-291), Kenya (Plan, pp. 316-319), Nigeria (Plan, pp. 146-148), Philippines, Senegal (Plan, p. 123), Uganda (Plan, p. 90).

⁴ For example: Central African Republic (Plan, p. 109), India (Plan, pp. 289, 294), Indonesia, Senegal (Plan, pp. 133-135), Upper Volta.

⁵ For example: the plans of Central African Republic, Kenya, Senegal.

⁶ For example: India (Plan, p. 35), Uganda (Plan, p. 55).

⁷ For example: Kenya (Plan, p. 6), Nigeria (Plan, p. 313).

⁸ For example: Kenya (Plan, p. 191), Senegal (Plan, p. 47).

⁹ ILO: *Year Book of Labour Statistics, 1971*, pp. 44ff. (Geneva).

opportunities will be largely for self-employment.¹ It is thus important, when considering the rural sector, not to equate employment with wage-paid jobs.

275. In the light of these general considerations, this section will consider first the role of a co-ordinated programme of rural development and secondly the measures which should form part of such a programme.

(a) *Co-ordinated Rural Development*

276. The methods that may be adopted to promote rural employment cover a wide range of sectors. As is indicated by the provisions of the Recommendation and Annex, they include the undertaking of labour-intensive public and local works which will at the same time build up the local infrastructure and contribute to rural development generally; land and land taxation reform; the development and diversification of agriculture; the diversification of rural activities through the promotion of sectors such as forestry, fishing, rural industries and handicrafts; and the promotion of rural social services such as education, housing and health services. It is for this reason that Paragraph 27 (1) of the Recommendation emphasises the need for co-ordinated measures in these various fields through "a broadly based programme to promote productive employment in the rural sector by a combination of measures, institutional and technical, relying as fully as possible on the efforts of the persons concerned".

277. A number of methods are mentioned for ensuring that rural development projects are planned and implemented as part of a co-ordinated scheme. In countries which have adopted plans, the fact that the various aspects of rural development are dealt with in the plan in itself ensures a degree of co-ordination, whether or not this is spelt out, and some plans do in fact devote a section to over-all rural development.

278. Certain countries have adopted, within the framework of their plan, special rural development programmes aiming at the integrated development of each area. One country's² community development programme, started in 1952, now covers the whole country and is aimed at achieving rural development through the people's participation and initiative with government assistance in the form of a budget grant and a team of extension workers under a chief responsible for co-ordinating all schemes of a development character within the community. Other countries³ have initiated such programmes with a series of pilot projects.

279. Several countries have supplied information on measures taken to ensure that rural development is co-ordinated within the different regions of the country. Some have established a country-wide development structure with over-all responsibility for ensuring that programmes for the various sectors are integrated at the regional and local levels.⁴ One plan⁵ provides, as the focal point of its rural development strategy, for the establishment of rural growth centres throughout the country, which will act "as foci of trade, social services and communications which service surrounding farm areas and which can significantly alter the pattern of migration and

¹ For example: Kenya (Plan, p. 106).

² India (Plan, pp. 227-229).

³ For example: Kenya (Plan, pp. 174-178), Peru (*Evaluación del Proyecto de Desarrollo y Integración de la Población Campesina* (National Community Development Office, Lima, 1970)).

⁴ For example: Central African Republic (Regional Development Offices (Plan, p. 56)), Kenya (District and Provincial Development Committees (Plan, p. 166-167)), Upper Volta (Regional Development Bodies).

⁵ Kenya (Plan, p. 168).

provide more even development of the nation as a whole". Another country¹ whose policy aims at developing the small and medium towns throughout the country stresses in addition the role that small and medium-scale industry can play in such centres.

280. In most cases it is not expressly stated that these rural development programmes are inspired by the need to promote employment, their principal goal being an increase in the productivity and output of the rural sector. However, since the major problem in the rural areas seems generally to be one of underemployment, measures directed to this goal should have a tangible impact on rural employment problems. As exclusive concentration on the raising of productivity may lead to the introduction of mechanisation resulting in the displacement of labour, the employment factor needs to be kept to the fore in implementing programmes of rural development, whatever their original objective. In this regard the Committee noted with interest that one country's plan² expressly stated that "the primary strategy of the rural development programme... is the creation of job opportunities in the rural areas, not only in agriculture but in every other major economic activity as well".

281. Reference has already been made to the inherent difficulties involved in research into underemployment in developing countries, and to the practical problems facing these countries in undertaking such research with insufficient funds and inadequate staff.³ In spite of these difficulties, some developing countries have provided information indicating that they are making efforts in this field, generally in the form of studies of the over-all employment situation rather than specifically of rural underemployment.⁴ One country⁵ whose longer experience in this field has helped to bring out the difficulties involved has recently established a Committee of Experts on Unemployment to assess the extent of unemployment in all its aspects and suggest suitable remedial measures.

282. In addition to general programmes of rural development, some countries have adopted special employment promotion programmes aimed primarily at the rural areas.⁶ These programmes appear to be inspired by an awareness of the magnitude of rural employment needs, and are generally being implemented within the framework of general rural development planning. They can thus be regarded as an application of the point made above, that rural development should be deliberately oriented towards employment creation if the maximum benefit is to be obtained from measures in this field.

283. Paragraph 27 (1) of the Recommendation stresses the need for programmes of rural development to be "founded on an adequate study of the nature, prevalence and regional distribution of rural underemployment". In the absence of information on the extent of unemployment and underemployment, it is not possible to assess whether the measures being taken are adequate, and the situation may in fact be

¹ Colombia.

² Kenya (Plan, p. 106).

³ See paras. 32 and 110.

⁴ For example: Ceylon (Employment Situation and Trends; Ministry of Planning and Employment, January 1971), Costa Rica (*Situación de los Recursos Humanos y Previsiones para 1969-72*, op. cit.), Indonesia, Tunisia (Plan, Appendix I).

⁵ India.

⁶ For example: Ceylon (Employment Programme, August 1970), India (Three-Year Scheme for Rural Employment Promotion), Senegal (Recommendations of the Working Group on the Promotion of Employment, now in course of implementation).

worsening. It therefore seems that there is a need for developing countries to devote more of their resources to adequate studies of unemployment and underemployment.

284. Another field for research is indicated by Paragraph 27 (2) of the Recommendation which states that "Means appropriate to local conditions should be determined, where possible, by adequate research and the instigation of multi-purpose pilot projects." In this regard, it seems that the employment promotion programmes referred to in paragraph 282 above were, in fact, based upon a study of the needs and possibilities, and that as indicated in paragraph 278 above, in two countries the rural development programmes are being initiated with pilot projects. It seems further from the plans examined that research is undertaken in several countries into agricultural methods, including the breeding and use of improved seeds, the use of fertilizers, the development of simple agricultural implements, etc.¹ In general, however, this research seems to be directed at raising productivity generally, and there is little indication that research is being undertaken, as suggested by Paragraph 27 (2), into means appropriate to local conditions for the fuller utilisation of local manpower in rural development.

285. Before proceeding to an examination of the various measures which may be taken to promote rural employment, it may be useful for purposes of illustration to describe the scope of a comprehensive rural programme² which includes many of the matters covered in the following section, namely research, evaluation and public information; training of officials and village leaders; administrative organisation of and legal advice to the communities; infrastructure and rural housing; agricultural and stock-raising extension and promotion, and soil conservation; agricultural credit; handicrafts and small-scale industries; promotion of co-operatives; agrarian reform operations; public health; and rural education.

(b) *Measures for the Promotion of Rural Employment*

286. Paragraph 27 of the Recommendation and paragraphs 10, 11 and 12 (2) of the Annex set out a wide variety of measures for the promotion of productive employment in the rural areas. In view of the very wide field covered by these provisions, and the great variety of methods which can be envisaged in the various areas, it is proposed merely to give examples of measures taken. It should be recalled, when considering these examples, first that measures in the various fields are often interdependent and will only achieve their maximum effect if they form part of an integrated programme; and secondly that the measures described are not necessarily directed specifically at employment promotion, so that their optimum effect on the growth of employment may depend on the manner in which they are carried through.

287. Certain countries³ have referred to the role that can be played by agrarian reform in providing employment opportunities in the countryside, and some⁴ have emphasised that it should be accompanied by measures to assist the farmers who benefit from it to work their land efficiently, in particular through extension services, the provision of credit and marketing facilities. While agrarian reform in the countries just referred to is essentially designed to redistribute land to the peasants who have

¹ For example: Colombia (Plan, pp. VIII. 16-17), Kenya (Plan, pp. 194-196, 223-228), Nigeria (Plan, p. 111).

² Peru (Project for the Development and Integration of the Rural Population).

³ For example: Colombia, Cuba, Nicaragua, Peru.

⁴ Colombia, Peru (see in particular Legislative Decree No. 17716 of 29 June 1969 on agrarian reform and the Plan of Action for 1970 (*Informe Laboral*, op. cit., Appendix 2)).

hitherto worked it whether under some form of contract or as landless labourers, some countries are also undertaking reforms in the existing systems of land tenure¹, and have emphasised the importance of security of tenure in stimulating farmers to make long-term improvements to their land and invest in inputs such as fertilizers and high-yielding varieties of grain, leading to an increased tempo of agricultural development and higher levels of employment. Measures may be taken to improve the situation of both tenants and owners in this regard, by granting protection against eviction to the former² and by introducing title deeds to land held under traditional customary practices for the latter.³

288. Although the Recommendation refers to reforms in methods of land taxation as a possible measure for the promotion of rural employment, only two countries⁴ have referred to measures of this kind, such as the introduction of tax measures against the owners of large tracts of unutilised land as an incentive to make use of such land.

289. The undertaking of local capital-construction projects can, as is suggested in paragraph 11 of the Annex, at the same time make for a fuller utilisation of local manpower and—if the projects are correctly chosen—lead to an increase in agricultural production by providing the infrastructure for further development. To this end, some countries⁵ have adopted national programmes of rural works. Such programmes are designed to provide work for the unemployed and underemployed which, for a minimum outlay of financial and technical investment, will contribute to the development of the country by building up the infrastructure and provide a basis for the further creation of employment. An example of the way in which such programmes may be organised is provided by one of these countries⁶ where over-all responsibility is vested in the Higher Planning and National Development Council; the policies, directives and programmes are prepared by a small team of advisers assisted by a technical committee on which the consumer services are represented. Popular participation and initiative in the planning of programmes occurs at the provincial level, where elected representatives of the population, together with local authority representatives and regional experts, sit on the provincial councils which are responsible for detailed programming at the provincial level. Finance is provided partly through a special national development account and partly from the normal budgets of the ministries and provinces. The works undertaken through these programmes include the construction of roads, low-cost housing, schools and dispensaries, soil conservation and restoration, irrigation works and reafforestation.

290. Another country⁷, instead of adopting a single national programme, has included in its plan a variety of labour-intensive projects in sectors such as road building, minor irrigation, flood control, soil conservation and rural electrification, combined with special rural works programmes for areas with particular problems such as drought and for the least privileged members of the population such as landless agricultural labourers.

¹ See also in this regard the Tenants' and Share-croppers' Recommendation, 1968 (No. 132).

² For example: India (Plan, p. 177), Philippines (Plan, p. 92).

³ For example: Kenya (Plan, p. 210), Turkey (Plan, p. 272).

⁴ Brazil; non-metropolitan territory: United Kingdom (British Honduras).

⁵ For example: Morocco: National Development Scheme; Tunisia: Worksites for Fighting Underdevelopment.

⁶ Morocco (Plan, Vol. 2, Ch. III, p. 1).

⁷ India (Plan, pp. 430-432).

291. One country¹ has referred to a "food for work programme" under which food is supplied to those working on local rural infrastructure works which, while they would normally be undertaken by the local population in any event, receive a stimulus from the provision of foodstuffs.

292. A further method of promoting labour-intensive capital-construction projects is the encouragement of community development programmes undertaken on local initiative and usually receiving financial and technical assistance from the regional or central government.² The works undertaken through such schemes are generally similar to those of the national programmes described above.

293. Reporting countries have referred to a number of problems and needs arising out of their experience with programmes of this type. One country³ has indicated that its community development projects, first started in 1952, have not become fully self-reliant and locally-rooted as hoped but have continued to depend on government administrative and financial support. Where the latter are forthcoming, however, they have made a significant contribution to the formulation and implementation of local development plans.

294. Another country⁴ has drawn attention to problems of co-ordination resulting from leaving too great an initiative for development to local communities. It is important that the various projects should be co-ordinated and that communities should not undertake projects which will involve a subsequent recurrent expenditure higher than they will be able to meet, by undertaking, for example, over-ambitious school or dispensary building projects. Social services of this kind need to be combined with projects for the development of the infrastructure which will result in an increase in the area's productive capacity and hence its capacity to pay for increased social services. In order to ensure that the necessary co-ordination is achieved, a system of registration of self-help groups has been instituted, and all projects must be approved by the district development committees which have been established throughout the country. Co-ordination at the national level, and financial and technical assistance, are provided through the Department of Community Development.

295. Reports show that one of the major needs in many rural areas is for the development of irrigation facilities and water supplies generally, and several countries⁵ are undertaking programmes in this field which do not appear to be linked to programmes for the utilisation of manpower of the type just described. In so far as this is feasible, the implementation of such programmes by labour-intensive methods would make a useful contribution to employment creation.

296. As well as works designed to improve the infrastructure of areas already under settlement, some countries⁶ are undertaking programmes of land development and settlement, including the development of techniques for dry land farming.⁷

¹ Indonesia.

² For example: Colombia (Community Action), Guyana (Self-Help Schemes), Peru (Social Mobilisation), Senegal (Local Development Projects (Plan, pp. 300-301)).

³ India (Plan, pp. 228-229).

⁴ Kenya (Plan, pp. 169-172, 523-525).

⁵ For example: Algeria (Plan, p. 52), Cuba, Nigeria (Plan, p. 110), Peru, Philippines (Plan, pp. 94-98, 175-178), Syrian Arab Republic, Uganda (Plan, p. 59).

⁶ For example: Algeria (Plan, p. 54), Brazil, Kenya (Plan, pp. 232-234), Malaysia, Senegal (Plan, p. 67), Upper Volta.

⁷ India (Plan, pp. 152-156).

In countries where the population is pressing heavily upon the land and which have areas of their territory which are so far unused, the development of these areas by eliminating obstacles to their productive use and developing the necessary infrastructure can provide a useful means of expanding the possibilities of employment, not only in agriculture but also in related sectors.

297. A major element in programmes for agricultural development is constituted by measures aimed at encouraging and helping farmers to improve their output and diversify production. Assistance to farmers is provided mainly through agricultural extension services¹, and covers such matters as the diversification of crops, livestock development, the supply and use of improved quality and high-yielding seeds, fertilizers, pesticides and insecticides, the introduction of suitable agricultural implements and business and management methods conducive to efficient farming. Some countries² have mentioned that close links exist between the extension services and programmes of agricultural research.

298. While no countries have referred—either within the context of agricultural extension services or otherwise—to the employment implications of the “Green Revolution”, the present survey of the employment implications of rural development requires some reference to the transformation resulting from the introduction and increasing application of new high-yielding varieties of crops. It may well be that there has not yet been sufficient time in many cases to integrate these new techniques into rural development plans and programmes. It seems all the more important therefore that not only the economic but also the social implications of the “Green Revolution” should be the subject of careful research and planning. In particular, all governments contemplating the introduction of the new techniques should consider how best to ensure that the benefits derived from them are extended to farmers with little or no capital resources.

299. Closely linked in aim with extension services is the provision of agricultural training (referred to in paragraph 12 (2) of the Annex to the Recommendation) which, to meet the various needs, is provided at several different levels. In the first place, there is a need for qualified agricultural experts to staff the research and extension services, and several plans³ provide for the expansion of their high and medium-level training facilities for this purpose. Secondly, some countries⁴ provide short training courses or on-the-job training programmes in modern techniques for existing farmers with a view to spreading the use of improved farming methods. Thirdly, several countries⁵ have introduced a system of post-primary agricultural education designed to train young people as farmers equipped with a knowledge of modern farming methods. It should finally be recalled that, as was indicated in Chapter IV, measures have been taken by a number of countries to adapt primary education in the rural areas so as to provide a vocationally-oriented introduction to a rural and primarily agricultural way of life.⁶

¹ For example: Central African Republic (Plan, p. 74), Kenya (Plan, p. 195), Liberia, Nigeria (Plan, pp. 108-112), Senegal (Plan, pp. 67-68), Uganda (Plan, p. 61), Upper Volta.

² For example: Kenya (Plan, p. 195), Nigeria (Plan, pp. 108-112).

³ For example: Argentina (Plan, p. 127), Kenya (Plan, pp. 220-222), Mali, Uganda (Plan, p. 62).

⁴ For example: India (Farmers' Training Scheme: Plan, p. 127), Iran, Kenya (Farmers' Training Centres: Plan, p. 222), Mali (rural animation centres), Uganda (Plan, p. 63).

⁵ For example: Morocco (rural centres in the form of model farms (Plan, Vol. I, section III, Ch. 2, p. 4)), Uganda (farm schools: Plan, p. 142), Upper Volta (rural education centres).

⁶ See para. 123 above.

300. It is recognised in the plans of several countries¹ that, if farmers are to adopt the modern agricultural methods taught through the agricultural training systems and extension services, it is essential that credit facilities should be available to enable them to purchase the necessary inputs. While the bulk of money available for agricultural credit generally comes from public sources, some of these countries have also referred to the role that can be played by commercial banks. A variety of systems have been adopted for the administration of agricultural credit, which may be carried on through the banks, special finance corporations, the regional development authority or co-operatives. Some countries² have stressed the importance of ensuring that adequate arrangements exist for making credit available to small-scale farmers for whom the general system of agricultural credit is not always well adapted. These countries have indicated that they are proposing to administer credit for small-scale farmers through the co-operative movement, which appears to be best suited to cater to their needs and so provide a solution to the problems involved in administering a large number of small loans.

301. The transition from subsistence to cash-crop farming and the introduction of modern methods producing a higher yield, are recognised by many countries as making it necessary to reorganise and expand the system of agricultural marketing. One country³ has also pointed out that a well-organised marketing system can itself stimulate agricultural production. Among the measures being taken to improve marketing facilities, mention has been made⁴ of the promotion of marketing co-operatives, the establishment of government marketing authorities, the expansion of public markets, the provision of adequate storage facilities and the introduction of quality and grading control, particularly for export produce.

302. Several of the plans examined lay considerable stress on the promotion of co-operatives.⁵ As has already been indicated, co-operatives play an important role in some countries in the organisation of credit facilities and marketing. Other sectors in which co-operative organisation is often encouraged are those of supply of farm inputs and agricultural production⁶, and some countries⁷ have indicated in particular that they are promoting co-operative forms of organisation among the farmers who have benefited from agrarian reform.

303. One country's plan⁸ draws attention to the difficulties involved in establishing a successful co-operative movement. These arise mainly out of poor management due to a lack of understanding of business principles by committee members and insufficient managerial knowledge of the staff. Occasionally, as the result of the small

¹ For example: Central African Republic (Plan, p. 72), India (Plan, pp. 140-142), Malaysia (Plan, pp. 138-139), Nigeria (Plan, pp. 110-113), Philippines (Plan, pp. 93-94), Uganda (Plan, pp. 60-61).

² For example: Kenya (Plan, pp. 216-218), Turkey (Plan, p. 340).

³ Senegal (Plan, p. 69).

⁴ For example: Argentina (Plan, p. 128), Central African Republic (Plan, p. 73), India (Plan, pp. 142-143), Kenya (Plan, p. 198), Malaysia (Plan, p. 128), Nigeria (Plan, pp. 108-109); non-metropolitan territories: United Kingdom (British Honduras, Hong Kong).

⁵ For detailed standards relating to the role of co-operatives in the economic and social development of developing countries, see the Co-operatives (Developing Countries) Recommendation, 1966 (No. 127).

⁶ For example: Central African Republic (Plan, p. 73), India (Plan, pp. 216, 226), Mali, Philippines (Plan, p. 93); non-metropolitan territory: United Kingdom (Gilbert and Ellice Islands) (Plan, p. 16).

⁷ For example: Colombia, Peru (Legislative Decree No. 17716 of 24 June 1969, s. 3 (d)), Philippines (Plan, p. 93).

⁸ Kenya (Plan, pp. 276-277).

size of business operations, the co-operatives are unable to hire experienced staff. Solutions to these difficulties are sought in two directions: the institution of a central body to assist in the establishment of co-operatives and supervise their functioning¹ and the provision of adequate training for co-operative staff.²

304. As regards other than agricultural activities in rural areas, several governments³ indicate that they are implementing programmes for the development of forestry. The methods adopted include the maintenance and improvement of existing plantations, new afforestation projects, the promotion of village forestry to make each village self-supporting in firewood and other timber, the adoption of fire prevention and fire-fighting systems and the development of forest industries such as the preservation and seasoning of wood, sawmills, fibreboard, pulp and paper manufacture. One country⁴ is investigating new uses for hitherto wasted timber products such as the residue from sawmills and the lop tops and branches of trees, with a view to creating more employment.

305. The development of fisheries is also mentioned by a number of countries.⁵ Measures to this end include the improvement of fishing methods through the introduction of better fishing boats and equipment, expert advice and assistance to fishermen, fishermen's training schemes and making available credit to enable fishermen to adopt improved methods; the encouragement of fishermen's co-operatives; the construction and equipment of fishing harbours; the development of marketing, storage and preservation facilities; the development of fish ponds and fish-farming; and the promotion of the domestic consumption and export of fish and fish products.

306. While most of the plans supplied show that the countries concerned have programmes for the promotion of rural social services such as education, housing and health services few reports refer to programmes in these fields, which could be used for the fuller utilisation of local manpower as suggested in paragraph 11 (*e*) of the Annex. Thus, for example, the construction of the premises required for such services if undertaken by labour-intensive methods can provide a good deal of employment, as is recognised by those countries which have undertaken such projects within the framework of their local capital-construction or community-development programmes. Further, the actual running of schools and health centres once completed absorbs a certain amount of local manpower, and from the longer-term perspective the contribution that appropriate education, adequate housing and health facilities can make to equipping the community, both intellectually and physically, to play an active part in development deserves to be emphasised.

¹ For example: Kenya (Department of Co-operative Development: Plan, pp. 277-278), Mali (Co-operative Service), Uganda (Co-operative Department: Plan, p. 62).

² For example: India (National Institute of Co-operative Management and co-operative training centres, run by the Committee for Co-operative Training of the National Co-operative Union: Plan, pp. 214-215), Kenya (the Co-operative College, the Kenya Institute of Administration and the farmers' training centres provide training at various levels: Plan, pp. 278-279), Morocco (an introduction to co-operative production organisation and modern management techniques is given to students at vocational training centres), Uganda (Plan, p. 62).

³ For example: Central African Republic (Plan, p. 54), India (Plan, pp. 205-209), Nigeria (Plan, pp. 123-124), Philippines (Plan, pp. 89-91), Senegal (Plan, pp. 106-110), Turkey (Plan, pp. 375-383, 439-445); non-metro politan territory: United Kingdom (Gilbert and Ellice Islands) (Plan, pp. 22-23).

⁴ Nigeria (Plan, p. 124).

⁵ For example: Algeria (Plan, p. 56), Cuba, India (Plan, pp. 200-205), Nigeria (Plan, pp. 124-126), Philippines (Plan, pp. 87-89), Senegal (Plan, pp. 92-100), Turkey (Plan, pp. 370-374), Uganda, (Plan p. 74); non-metropolitan territories: United Kingdom (Antigua, Gilbert and Ellice Islands (Plan, p. 23)).

307. The contribution that small-scale industries and handicrafts can make to rural employment has already been outlined in section 2 (e) of this chapter.

308. In conclusion, it should be recalled that the foregoing enumeration of measures is useful only as providing examples of what can be done in the rural sector: it is not suggested that measures in all the fields covered would be appropriate in all cases. The choice of measures to be taken in a particular country must depend on the circumstances of that country. It is, however, worth reiterating that the measures chosen should form a co-ordinated whole designed to improve the over-all level of development and employment. While it has been possible to give concrete examples of a wide variety of measures of the kind suggested in the Recommendation, it should be pointed out that in many cases the examples are taken from the plans of the countries concerned, without any corresponding information on the extent to which these plans have so far been implemented. It will also be seen that the examples come mainly from a rather limited number of countries, because the other countries have supplied little or no information as to measures taken or planned to promote rural employment.

4. POPULATION GROWTH

309. Special reference is made to population growth in Paragraph 28 of the Recommendation, which relates to the adoption of economic and social policies making for a better balance between the growth of employment opportunities and the growth of the labour force; it suggests that such policies may be needed in countries in which the population is increasing rapidly, and especially in those in which it already presses heavily on the economy.

310. Several developing countries¹ have stated that the rapid increase in their population is a major obstacle to efforts to reduce unemployment and underemployment.

311. The relevance of population policy to employment policy is well illustrated by the report of one country², which has stated that the population is increasing faster than the rate at which it is possible to create new employment opportunities and which has consequently adopted measures, in the form of a family planning programme, designed to bring the rate of demographic growth down, by voluntary means, to a rate at which the supply of manpower will no longer exceed the demand. Several other countries³ also have indicated that they regard a reduction in the rate of growth of the population as vital to the success of their development and employment policies and have referred to the adoption of family planning programmes to that end. Such programmes, as described in the reports, usually contain two principal elements: an educational programme designed to awaken the population to an awareness of the dangers of over-rapid population growth, and a programme of medical advice and assistance administered either through a network of special family planning centres⁴ or through health centres and clinics, with travelling teams visiting outlying rural areas.⁵

¹ For example: Colombia (Plan, p. III, 5-6), Mexico, Turkey.

² Turkey.

³ For example: Ceylon (*Employment Situation and Trends*, op. cit., p. 3), Costa Rica, Morocco (Plan, Volume I, section II, Ch. 4, Part 1), Philippines (Plan, pp. 66-68, 209), Tunisia (Plan, p. 42); non-metropolitan territory: United Kingdom (Gilbert and Ellice Islands : (Plan, pp. 71-72)).

⁴ For example: India (Plan, pp. 391-395).

⁵ For example: Turkey (Plan, p. 251).

312. It is, however, to be noted that only a few governments have referred in their reports to the bearing which the rapid increase in population inevitably has on programmes to remedy present and future unemployment. It is equally noteworthy that so few governments allude to the study, advocated in the Recommendation, of the economic, social and demographic factors affecting population growth, in the context of employment policies. One government ¹ does however refer to the establishment of a research institute in the field of family planning. Obviously such studies are not easily carried out in countries where urgent calls are being made on the limited resources available, but it would seem from the reports of governments that greater efforts may be necessary in this regard as a first step in any measures aimed at dealing with what may well be the most formidable obstacle to a successful employment policy.²

¹ India (Plan, p. 392).

² The Committee was informed in the course of its meeting that the ILO had just launched an important new project on population growth and employment. The aim of the project is to help political leaders and policy makers to find solutions to the gathering crisis of employment which is overtaking many of the developing countries. The project will be based on field studies and other research and will be carried out in collaboration with various national and international organisations.

CHAPTER VIII

ACTION BY EMPLOYERS AND WORKERS AND THEIR ORGANISATIONS

313. Paragraph 29 (1) of the Recommendation provides that “employers and workers in the public and private sectors, and their organisations, should take all practicable measures to promote the achievement and maintenance of full, productive and freely-chosen employment”; subparagraph (2) sets out a number of fields in which measures of a general nature should be taken, and subparagraph (3) refers to measures to be taken by undertakings. Clearly, this Paragraph is mainly concerned with measures which employers’ and workers’ organisations should take independently of their governments.

314. Most countries have however supplied little or no information on such independent action by these organisations, but have referred rather to the arrangements under which employers’ and workers’ organisations participate in, or are consulted in regard to, the formulation and implementation of employment policy (examined in Chapter III, section 2, above) as providing an adequate forum for employers and workers to take action in regard to most of the matters set out in Paragraph 29(2).¹

315. Even in the absence of an express statement this view seems also to be held in other countries where tripartite machinery exists in the fields of employment policy, wage and price policy, and other more specialised fields.

316. Although a distinction must be made between measures taken by governments to ensure consultation of employers’ and workers’ organisations concerning employment policies and the action actually taken by these organisations and by undertakings to promote full employment, suitable arrangements for associating representatives of employers and workers and their organisations in the formulation and implementation of employment policy can provide them with appropriate opportunities for taking action as regards some of the measures indicated in Paragraph 29 (2). Their participation, together with representatives of government departments and other public authorities, on committees or other bodies concerned with various aspects of employment policy enables them to state their views and put forward proposals for action; it should also provide them with the knowledge and information in the light of which they can take effective action to promote wider understanding of the economic background and changes affecting employment and to strive to create a climate which will encourage increased investment as is suggested in subparagraph 2 (*c*) and (*d*). Membership in some countries of the bodies responsible for running the employment service and in others of advisory committees attached to the employment service similarly should enable employers and workers to take action to work out mutually satisfactory adjustments to changes in the employment situation, in accordance with subparagraph (*a*).

¹ For example: Algeria, Austria, Bulgaria, Cyprus, Ireland, Japan, Luxembourg, New Zealand, Nigeria, Norway, Senegal, Sweden, Uganda.

317. It must however be pointed out that the role which can be played by employers and workers through tripartite machinery mainly depends on the efficient working of the machinery in question, and that in any case participation in such machinery should normally be supplemented by other action to promote employment policy measures.

318. A number of countries ¹ have referred to the contribution that can be made to a stable and favourable employment situation by a responsible and constructive system of collective bargaining; some of these have also stressed the value of management-worker co-operation at the level of the undertaking. Undoubtedly, collective bargaining provides a highly effective means of action, at least in certain countries, for promoting or achieving the various ends indicated in Paragraph 29 (2) and (3) of the Recommendation.

319. Certain countries have provided more specific information on measures taken by employers' and workers' organisations in regard to certain of the matters covered by Paragraph 29 (2). Reference has been made, for example, to studies of economic and employment trends and forecasts in these fields as suggested in subparagraph (2) (b). ² In this regard one report ³, in underlining the steadily increasing contribution that employers' and workers' organisations are making to the formulation and implementation of employment policy, states that "by producing figures to show that desires can be turned into realities, the unions have done much to facilitate the devising of an employment policy, whether short-, medium- or long-term". Some governments ⁴ have supplied with their reports copies of or extracts from documents submitted to them by employers' and workers' organisations containing studies and recommendations on action in the field of employment policy, or have indicated ⁵ that these organisations are active in expressing their views to the government. But as a rule it will only be possible for employers' and workers' organisations to undertake studies of this nature where they have adequate staff resources at their disposal.

320. As regards the role of employers and workers and their organisations in promoting or providing training and retraining facilities in accordance with Paragraph 29 (2) (e), reference has already been made in Chapter III, section 2 above, to their participation in the planning of vocational training and the management of public training institutions; and in Chapter IV, section 1, to the role played by undertakings in providing training facilities, both within industry and through training schools or centres established and run by them. In regard to the role played by workers' organisations in this field, reference has been made in some reports ⁶ to vocational training centres run by trade unions, to workers' education programmes, and to the provision of trade union scholarships and hostel facilities for those pursuing studies.

321. One clause of the Recommendation on which little information has been supplied is Paragraph 29 (2) (g) regarding action taken by employers and workers to respect the principle of equality of opportunity and treatment in employment and occupation. It may therefore be appropriate to stress the direct contribution which employers and workers can make to the promotion of this basic principle in the

¹ For example: Belgium, France, Federal Republic of Germany, Italy, Malta, Netherlands.

² For example: Belgium, Canada, Italy, United States.

³ Italy.

⁴ Canada, United Kingdom.

⁵ United States.

⁶ For example: Austria, Malaysia, Portugal, Upper Volta.

implementation of employment policy, by abstaining from discriminatory practices in engaging or training any person for employment, by ensuring that collective agreements contain no provisions of a discriminatory character, and by refraining from discrimination in respect of membership of their organisations.

322. Paragraph 29 (3) of the Recommendation provides that "in consultation and co-operation as appropriate with workers' organisations and/or representatives of workers at the level of the undertaking, and having regard to national economic and social conditions, measures should be taken by undertakings to counteract unemployment, to help workers find new jobs, to increase the number of jobs available and to minimise the consequences of unemployment".

323. Reference has been made in Chapter VI to government assistance and incentives to employers to adapt to structural change through measures such as the retraining of their labour force, transfers of personnel and advice and assistance in the adoption of new production techniques or the manufacture of new products. Several countries¹ have indicated that these matters, and the procedure to be followed in cases where redundancies become inevitable, are the subject of collective agreements as well as of consultations and joint action at the level of the undertaking. Information on this point is however limited, and it may well be that the comment in one government's report²—"technological change makes some redundancy inevitable and it is the role of government, with the co-operation of employers, to remedy this situation"—reflects a general attitude. This would seem to be confirmed by the fact that the information supplied largely relates, as just stated, to government assistance to employers in this regard. It will however be appreciated that—independently of government assistance—employers themselves can, by adopting a positive policy of adjustment within the undertaking to developments which affect the level of employment, make an important contribution to alleviating the hardship which may threaten members of their work force as indicated in Paragraph 29 (3) (a) to (c) of the Recommendation.

324. Some information has also been supplied in regard to the matters covered by Paragraph 29 (3) (d), namely, early notice of termination of employment and income protection for the workers affected.³ Firstly, several governments⁴ have indicated that under the provisions of legislation or agreements between employers, workers and the employment authorities, advance notification has to be given to the employment service of redundancies involving a considerable number of workers. One country⁵ where such advance warning is in fact often given states that it enables the employment service to see and assist workers before their employment ceases—in cases of large-scale redundancy a special employment office being set up within the undertaking itself—so that it is often possible to avoid any period of unemployment for the workers concerned. Secondly, some countries⁶ have referred to redundancy schemes designed to provide a degree of income security for workers whose employment has been terminated. Redundancy payments are financed out of a fund constituted by contributions from employers, or from employers and workers.

¹ For example: Canada, France, Federal Republic of Germany, Netherlands.

² United Kingdom.

³ The Committee draws attention in this regard to the fact that in 1974 its survey under article 19 of the Constitution will be devoted to reports received from governments on the Termination of Employment Recommendation, 1963 (No. 119).

⁴ For example: Canada, Japan, Italy, Norway, Sweden.

⁵ United Kingdom.

⁶ For example: Cyprus, Ireland, Netherlands.

325. The paucity of information on the action taken by employers and workers in regard to the measures enumerated in Paragraph 29 of the Recommendation may be a reflection of the actual situation: many of the measures suggested presuppose an advanced stage of organisation among employers and workers which has not as yet been reached in a number of developing countries. In addition, reporting governments are likely to be more familiar with the relevant legislation and the practice governing their own policies than with the day-to-day measures taken at all levels by employers and workers and their organisations. For certainly employers' and workers' organisations, which are increasingly concerned with employment policy and their own role in promoting its implementation, do often take action on the lines indicated in the Recommendation and, in view of the interest attached to other countries' experience in this field, it would have been useful if more employers' or workers' organisations¹ had taken advantage of the possibility of commenting on their governments' reports (article 23 (2) of the ILO Constitution) and sending supplementary information on their activities in regard to employment policy.

326. The Committee feels sure however that this failure to comment does not reflect a lack of interest on the part of employers and workers, or a lack of awareness of the role which they, particularly through their organisations, can play in the field of employment policy. The success of government measures must in large part be determined by the attitude of those most directly affected by them. While this requires in the first instance—as is indicated by Article 3 of the Convention—that the government should associate employers and workers in the formulation and implementation of employment policies through appropriate consultation procedures with a view to securing their full co-operation, it also requires a positive response from those consulted in the form of action in support of government policies. The Committee deems it essential therefore to draw the particular attention of employers and workers and their organisations to the provisions of Paragraph 29 of the Recommendation since it provides detailed guidance as to the measures which they might take in support of the national employment policy. In addition, however, it draws the attention of governments to the resolution concerning freedom of association for workers' and employers' organisations and their role in social and economic development² adopted by the Seventh Asian Regional Conference (Teheran, December 1971); it may be found that if they give full effect to its provisions regarding the participation of employers' and workers' organisations in development plans and programmes (including frequent meetings, thorough discussions, advance supply of relevant information to organisations, participation not only in elaborating but in implementing development plans), these organisations will in due course be in a position to take more vigorous action in regard to both development and employment policies, on the lines indicated in the Recommendation.

¹ One government report (Italy) contained comments by the Italian employers' and workers' organisations, referring in the present context to their contribution in the field of training and the results of collective bargaining.

² See para. 95 above.

CHAPTER IX

INTERNATIONAL ACTION TO PROMOTE EMPLOYMENT OBJECTIVES

327. Section VI of the Recommendation, which concerns international action to promote employment objectives, sets employment policy in the world context. Accordingly, in the present chapter, consideration will be given to trade liberalisation measures which can lead to employment expansion in other countries, to international technical co-operation as a means of developing active employment policies, to the role of migration for employment, and to other forms of international action which can help achieve employment objectives.

1. INTERNATIONAL TRADE AND EMPLOYMENT EXPANSION

328. In adopting the employment policy instruments in 1964 the International Labour Conference formally recognised the role which trade liberalisation can play in bringing about higher levels of living and employment. Paragraphs 30-32 of the Recommendation indicate the principles to be followed—particularly by developed countries—to ensure that national economic and trading policies should contribute as far as possible to improving the economic and employment situation in other countries. These three paragraphs of the Recommendation are unique among the ILO standards adopted by the Conference in that they advocate measures through which the governments wishing to give effect to the instrument can assist other countries, including developing countries. These provisions are all the more noteworthy since, although the trade liberalisation and other measures invoked should be beneficial in the long run to both exporting and importing countries, they may in the short run involve an element of sacrifice for some economic sectors of the country introducing the measures. For these reasons, as well as for the more important reason that employment-expanding trade liberalisation is essential if developing countries are to improve their economic and employment situations, a review of the measures taken by governments in this field would have been both useful and interesting.

329. However, little information has been supplied by governments in this respect. Certainly, the developing countries, vitally interested in the introduction of new policies and measures, frequently refer in their economic plans to the need to secure improvements in terms of trade. They indicate, for example, that it is essential for them to import the machinery, equipment and raw materials necessary to sustain their development effort but which cannot be produced domestically, and hence to earn, by their exports, the foreign exchange needed to pay for essential imports.¹ Any changes in the international terms of trade which result in lower prices for their exports are thus bound to affect their import capacity and restrict their efforts to

¹ For example: Algeria (Plan, pp. 32-33), Colombia (Plan, p. 14), Turkey (Plan, p. 47), Uganda (Plan, p. 28).

achieve the rate of investment and growth which is a necessary component of an active employment policy.¹ As is stated by one country, "it should not be difficult to achieve stable and high rates of growth and provide the necessary environment and impetus to employment creation if some of the problems connected with foreign trade and foreign exchange could be resolved".²

330. As for the developed countries, they rarely refer to measures designed to promote improved trading conditions for developing countries. Some of them³, however, indicate that through their membership of international bodies such as the International Monetary Fund, the World Bank, GATT and UNCTAD they are co-operating in efforts to promote world trade. One⁴ has also referred to its co-operation in international efforts to stabilise the price of certain primary commodities and to its granting of duty-free entry to many primary commodities; another⁵ has indicated that it grants tariff preferences to certain manufactured and semi-manufactured products nominated by developing countries as being of export interest to them, in addition to allowing duty-free entry to handicrafts from developing countries. On the other hand, one of these countries⁶ has recognised in its report that its import licensing system has to some extent restricted its volume of trade with the developing countries, as with other countries.

331. The fact that few developed countries have specifically referred to international action to secure more favourable trading terms for developing countries should not of course be taken to imply that they disapprove of the principles set out in Paragraph 32 of the Recommendation or that they are not endeavouring to introduce the practical measures required. It may, however, be an indication that the bearing of such action within the broader context of ILO objectives is not generally understood.

332. The main point to be recalled here is that, although the ILO has no responsibility for international action relating to trade, it has a special interest in trade expansion as a decisive factor in the field of employment promotion, for which the ILO is the focal point. The concern of the ILO with trading policies was given special emphasis at the 56th Session of the International Labour Conference: it was the subject-matter of an important address by the President of Senegal⁷, it was the subject of a resolution adopted unanimously by the Conference⁸ and it was a major item in the Conclusions⁹ of the Committee on the World Employment Programme. Since then, as the Committee has been informed, the Governing Body has adopted a first plan of action on the subject. For the above reasons and also because all United Nations Members adopted in 1970 the International Development Strategy for the Second Development Decade, which aims *inter alia* at securing improved terms of trade for developing countries, the present survey cannot ignore these new departures and their implications from the point of view of the ILO's standards on employment policy.

¹ Algeria (Plan, pp. 12, 17).

² Ceylon.

³ For example: Australia, Canada, New Zealand.

⁴ Canada.

⁵ Australia.

⁶ New Zealand.

⁷ *Record of Proceedings*, International Labour Conference, 56th Session, 1971, p. 186.

⁸ *Ibid.*, p. 675.

⁹ *Ibid.*, p. 658.

333. In these circumstances, governments—particularly those of developed countries—may wish to draw on the Employment Policy Recommendation in considering the employment situation not only in their own country but also in the many other countries with whom they entertain trade relations. In particular, as stated in the Recommendation, they should co-operate in international action to promote employment objectives and seek to avoid internal economic measures which may have a detrimental effect on the employment and economic situation in other countries (Paragraph 30); they should contribute to all efforts to expand international trade as a means of promoting economic growth and employment opportunities (Paragraph 31); and industrialised countries should take into account the need for increased employment in developing countries and should increase imports of manufactured as well as of primary products from developing countries (Paragraph 32).

2. TECHNICAL CO-OPERATION IN THE FIELD OF EMPLOYMENT POLICY

334. The Recommendation advocates, as part of the international action to promote employment objectives, that special attention should be paid in international co-operation to the need to develop active employment policies (Paragraph 34 (1)); the fields to be covered by such co-operation include advice in regard to employment policy and employment market organisation, training of qualified local personnel, provision of facilities for training within the country or region and the training of nationals of developing countries in industrialised countries (Paragraph 34 (2) and (3)).

335. The reporting governments, even those most directly concerned, have supplied little information on technical co-operation and its employment policy aspects. However, the ILO itself, as a focal point for channelling this type of assistance, is intimately involved in giving effect to this Paragraph of the Recommendation, at least at the multilateral level.

336. Firstly, a large part of the ILO's operational activities is directly concerned with projects which contribute to the development and implementation of employment policies, covering in particular manpower planning, employment service organisation, vocational training and vocational guidance, handicrafts and small-scale industries, co-operatives and co-operative training, management development (including rural employment and training), productivity and industrial development and labour-intensive methods.

337. Secondly, the International Centre for Advanced Technical and Vocational Training, established by the ILO in 1963, plays an active role in promoting various forms of training which are essential for economic development and an improved employment situation in developing countries: programmes for instructors, for craftsmen, for training officials and for managers.

338. Thirdly, the ILO's World Employment Programme, launched in 1969 and on which much of the ILO's operational activities are now concentrated, aims at promoting the adoption of national development policies which treat employment as one of their priority objectives and at ensuring that international co-operation reinforces such national employment-promoting policies. The numerous and growing activities of the Programme in Latin America and the Caribbean, in Asia and in Africa are all directly relevant to the implementation of the employment policy instruments. In particular, inter-agency teams organised by the ILO have visited Ceylon and Colombia and presented reports to the Governments concerned containing programmes of action for their future employment policy (for details of these

reports, see Appendix IV). Similar missions are under way in Iran and Kenya and others have been requested by several countries. Missions on a smaller scale have been conducted in Liberia and Madagascar. In addition, the regional team established under the World Employment Programme for Latin America and the Caribbean has, at the request of the Governments concerned, carried out in-depth studies of the employment situation and current employment policies in Chile, Costa Rica, Jamaica and Peru and has submitted its findings to the Governments. The regional team in Asia has undertaken case studies of the effects on employment of certain policies being followed in Asian countries, for example, in the fields of education and agriculture, and has provided consultative services to a number of governments on a wide range of specialised aspects of employment policy. It has also taken preparatory steps for exploratory missions in Indonesia and the Philippines.

339. In this respect the reporting procedures under article 22 of the Constitution might well be used more systematically as a means of assessing the follow-up of advice or assistance given through the WEP to countries having ratified the Employment Policy Convention; possibly through an appropriate question to be inserted in the form for reports on the Convention, approved by the Governing Body.

340. One country¹ has also referred to the World Food Programme as a possible source of support for its employment programme, through which the entire food component of the programme could be financed. In this Programme, set up jointly by the United Nations and the Food and Agriculture Organisation in 1962, the employment impact has been one of the main criteria in selecting development projects.² By providing the food component of the remuneration received by the participants in a variety of development schemes, the World Food Programme helps to finance measures designed to increase productive employment in beneficiary countries.

341. The Recommendation also provides that governments should facilitate the release of experts in the various fields of employment policy for work in developing countries (Paragraph 34 (4)), but no information has been provided on this point. In so far as multilateral aid within the framework of the United Nations Development Programme is concerned, the ILO as the executing agency for projects in the various fields of employment policy is responsible for prospecting for and selecting suitable experts. The Committee has been informed that a number of developed countries do in practice release senior personnel to take part in ILO employment policy missions to developing countries. In view of the serious scarcity of highly-qualified experts in this field, such action clearly represents a specially valuable form of technical co-operation.

342. Paragraph 34 (5) of the Recommendation refers to the participation in the preparation and implementation of technical co-operation programmes of employers' and workers' organisations in the countries concerned. While this question is not mentioned in the governments' reports, it has been receiving increasing attention within the ILO. Thus, the International Labour Conference in a resolution concerning the strengthening of tripartism in the over-all activities of the Organisation³ invited the Governing Body "to invite beneficiary countries under the World Employment Programme and under all technical co-operation programmes in general to make arrangements for the fullest consultation and association of employers' and workers'

¹ Ceylon (Employment Programme, August 1970, p. 20).

² FAO: *Food Aid and Employment : World Food Programme* (Rome, 1971).

³ *Record of Proceedings*, International Labour Conference, 56th Session, 1971, pp. 806-811.

organisations in the implementation of ILO projects in these countries". This question was also discussed by the Governing Body at its 184th Session in November 1971.

3. INTERNATIONAL MIGRATION FOR EMPLOYMENT

343. Paragraph 33 of the Recommendation provides that, "international migration of workers for employment which is consistent with the economic needs of the countries of emigration and immigration, including migration from developing countries to developed countries, should be facilitated..."

344. The migration of workers from countries with serious unemployment problems to countries with a manpower shortage can clearly make a useful contribution to the solution of the employment problems of both countries. One country's plan¹ has set out the benefits that a developing country can derive from the emigration of a part of its surplus manpower: "an increased flow of foreign currency which will partly finance home investments; employment of a proportion of our population which cannot be absorbed within our own land without increasing labour in the unproductive sectors; larger numbers of [nationals] acquiring professional qualifications abroad and an outlook favourable to the spirit of enterprise and economic development".

345. Another developing country² which relies on the emigration of part of its surplus labour force has referred in its plan to certain problems and needs which arise in this regard. A major weakness in the implementation of its policy—designed to promote the emigration of unskilled workers—has been the fact that the vast majority of emigrants have in fact been skilled workers whose qualifications could have been used at home. Reference is also made by some countries³ to the need for adequate arrangements for reintegrating returning migrants on their return home and for the productive investment by them of their savings.

346. Little information has been supplied on the arrangements made for facilitating the international migration of workers for employment. Three countries of emigration⁴ have referred to authorities responsible for organising emigration and assisting individual emigrants. One⁵ has referred to the role of its employment service in assisting its workers to find employment abroad. One "host" country has supplied information on the manner in which foreign labour is recruited⁶. This function is entrusted to the national employment market authority which can, on the basis of needs agreed between the employers' and workers' organisations, negotiate with foreign authorities about the transfer of groups of manpower. It may advance their travelling expenses and is responsible, together with local authorities and organisations, for assisting them to adjust to their new country. It also exchanges information about applicants and vacancies with countries which offer prospects of manpower exchange with a view to individual placement.

347. Another country⁷ has referred to an immigration programme the aim of which is to encourage permanent settlers rather than migrant workers. In order that

¹ Morocco (Plan, Vol. 1, section II, Chap. 4, p. 8).

² Turkey (Plan, pp. 156-158).

³ For example: Portugal, Turkey (loc. cit.).

⁴ Portugal (National Secretariat for Emigration), Spain (Spanish Emigration Institute), Turkey (Employers' and Labour Organisation (Plan, p. 157)).

⁵ Philippines.

⁶ Sweden (*Modern Swedish Labour Market Policy*, op. cit. pp. 54, 92-93).

⁷ Australia.

immigrants with appropriate skills should be encouraged, and should be directed on arrival to areas where employment opportunities are available and speedily placed in employment, there is close co-operation between the Department of Labour, the Department of Immigration and the Employment Service. Accommodation on arrival is provided at migrant hostels in which special employment offices are established and the Employment Service also organises the transport of migrants to their place of initial employment.

348. A special point in regard to the migration of workers is made by two countries¹ which have in the past relied and still rely to some extent on the emigration of part of their labour force: the goal of full employment which they have set for themselves is to reach a situation where all those who wish it can find work within the country and only those will emigrate who wish to do so in any case.

349. A completely different situation exists in other countries² which depend heavily on migrant workers for meeting their manpower requirements. In such cases, obviously, the relationship between employment policy and measures relating to migration for employment is particularly marked and an essential role can be played by the employment policy machinery or otherwise in ensuring that both the economic and human factors are fully taken into account.

350. A rather different aspect of the role played by foreign workers is reflected in the reports of some developing countries which refer to the large number of non-nationals occupying posts at the skilled and highly qualified levels. Some of these place considerable emphasis in their policy on the replacement of such foreign workers by nationals.³ While, as has already been indicated in Chapter IV, section 1 above, the training of sufficient numbers of citizens to fulfil a country's requirements in skilled manpower is an important element in an active employment policy, the limits of a policy of "nationalising" existing jobs should also be realised. They have been listed in one country's plan⁴ and can be summarised as follows: first, the number of jobs held by non-citizens is fairly small in relation to the number of citizens looking for jobs; secondly, in certain areas the country will be short of high-level manpower for many years to come, and the national education and training system can only progressively provide the necessary manpower to replace non-nationals; thirdly—and perhaps most important—"in many enterprises the jobs of hundreds of citizens may depend on the qualifications of a few non-citizens in key positions". The indiscriminate replacement of non-nationals may thus lead to a reduction, instead of an increase, of the jobs open to nationals.

351. While few countries have supplied information on measures to facilitate the international migration of workers for employment, the Committee recalls that reports are supplied regularly by the thirty countries having ratified the Migration for Employment Convention (Revised), 1949 (No. 97) which lays down standards in this regard, covering in particular the maintenance of an adequate and free service to assist migrants for employment, measures to facilitate their departure, journey and reception, non-discriminatory treatment and co-operation between countries of emigration and immigration.⁵ Information is also available through the reports of

¹ Ireland (*Report on Full Employment* : op. cit. p. 21), Italy.

² For example: Kuwait, Switzerland.

³ For example: Morocco, Nigeria (Plan, p. 311), Senegal (Plan, p. 317), Zambia.

⁴ Kenya (Plan, p. 9).

⁵ More detailed standards in this field are contained in the Migration for Employment Recommendation (Revised), 1949 (No. 86) and the Protection of Migrant Workers (Underdeveloped

the twenty-four countries which have ratified the Equality of Treatment (Social Security) Convention, 1962 (No. 118) and of the twenty-three countries bound by the Social Policy (Basic Aims and Standards) Convention, 1962 (No. 117) which provides for agreements regulating migration for employment. The implementation of programmes for migrants along the lines of these Conventions certainly contributes in a large measure towards the objectives of the Employment Policy Recommendation. Finally, it must be recalled that the International Labour Conference adopted in 1971 a resolution concerning ILO action on migrant workers¹ which refers, *inter alia*, to the Employment Policy Recommendation and to the increasing number of migrant workers in developed and developing countries alike. Initial steps with a view to implementing the plan of action called for in the resolution were taken by the Governing Body at its session in November 1971.

4. OTHER INTERNATIONAL ACTION

352. Further provisions of the Recommendation relate to the international exchange of technological processes, the staffing policies of foreign-owned undertakings and arrangements for the periodic discussion and exchange of experience of employment policies.

353. The "international exchange of technological processes with a view to increasing productivity and employment, by means such as licensing and other forms of industrial co-operation" as suggested in Paragraph 35 of the Recommendation, has not been specifically mentioned in the governments' reports. The Committee has therefore been unable to assess the extent to which such exchanges in fact take place and involve processes conducive to an increase in productivity and employment.

354. Paragraph 36 of the Recommendation provides that "foreign-owned undertakings should meet their staffing needs by employing and training local staff, including management and supervisory personnel". While no information has been supplied on voluntary measures taken by foreign-owned undertakings in accordance with the provisions of this Paragraph, several countries—as noted in the previous section of this chapter—have indicated that it is an important part of their policy to replace non-national by national workers. The implementation of a carefully planned policy of this kind will enable foreign-owned as well as locally-owned undertakings progressively to employ a larger proportion of local staff, and contribute also to some extent to the practical training of nationals.

355. Paragraph 37 of the Recommendation provides that "Arrangements should be made, where appropriate on a regional basis, for periodical discussion and exchange of experience of employment policies, particularly employment policies in developing countries, with the assistance as appropriate of the International Labour Office".

356. No information has been supplied on discussions and exchanges of this kind. It is clear however that ILO meetings have in recent years increasingly provided a forum for discussions and exchanges of views. In particular, the launching of the World Employment Programme has led to an intensification of activity of this kind. Thus the discussions of the World Employment Programme at the International Labour Conference in 1969 and 1971, and the examination by the American, African

Countries) Recommendation, 1955 (No. 100); the latter instrument deals only with the migration (internal and external) of workers from areas with a subsistence form of economy.

¹ *Record of Proceedings*, International Labour Conference, 56th Session, Geneva, 1971, pp. 809-811.

and Asian Regional Conferences at their recent sessions, have provided the occasion for exchanges of view at both the world and the regional levels. The implementation of the World Employment Programme through such measures as the periodic seminars being held in Africa for government officials concerned with the various aspects of employment policy provides a further opportunity for discussions of employment policies, as do the meetings between experts from various countries of the world to examine particular aspects of employment policy. Forums for discussion of employment policy are also afforded by other organisations with which the ILO collaborates closely; this was the case for example in relation with the adoption of the International Development Strategy for the Second Development Decade which, as already noted, has the promotion of employment as one of its objectives; it will also be true of the coming meeting of the Committee for Development Planning of the United Nations which is to deal more particularly with employment problems.

357. The Committee considers that this exchange of experience could also be facilitated through the preparation of practical studies in the various countries, reflecting their problems and accomplishments within a national or regional context. Studies of this kind, dealing with such subjects as rural development and the promotion of co-operatives, might be given due prominence and widely circulated by the International Labour Office.

358. Finally, the examination by the present Committee of the effect given to the employment policy instruments, and particularly the discussion of the present survey at the next session of the Conference, may also afford an opportunity for an exchange of experience of employment policies, as advocated in the Recommendation.

CHAPTER X

DIFFICULTIES, PROGRESS AND RATIFICATIONS

1. DIFFICULTIES IN GIVING EFFECT TO THE CONVENTION AND RECOMMENDATION

359. One significant finding should be stressed from the outset: that very few governments have referred to problems arising out of the terms of the Convention or Recommendation as presenting difficulties in giving effect to their provisions. As already indicated in Chapter II, there is wide acceptance of the principle that an active employment policy along the lines laid down in the Convention should be a major goal. The difficulties referred to in general relate to the problems involved in pursuing the goal of full, productive and freely-chosen employment which are inherent in the country's present stage and level of economic development rather than to difficulties preventing the adoption of such a goal as a major element of policy.

360. Thus, while several countries have referred to their present stage of economic development (sometimes combined with a rapid rate of population increase) as an obstacle which prevents them from undertaking to ensure work for all available for and seeking work, they have indicated at the same time that they fully accept the goal of full employment as a long-term objective.¹ As was pointed out by the Committee in its general survey of 1969,² difficulties of this kind should not be regarded as in themselves an obstacle to the ratification of the Convention, which does not require States to undertake to achieve full employment within a given time-limit but rather to pursue a policy designed to promote it.

361. General difficulties arising from a country's level of economic development are therefore not dwelt upon in this chapter, since they do not so much constitute obstacles to the ratification of the Convention as form part of a broader set of problems in whose solution the adoption and implementation of a policy complying with the Convention will play a decisive role. While the difficulties inherent in underdevelopment may thus delay the attainment of the ultimate goal of the Convention, they accentuate the need to pursue a policy designed to achieve that goal in the long run. Many difficulties of this kind have been referred to in the course of this survey, and examples have been given of measures which have been or might be taken with a view to overcoming them in accordance with the provisions of the employment policy instruments.

362. Other countries³ have referred to the inadequacy of their administrative structure as preventing them from formulating an active employment policy, co-ordinated with over-all economic and social policy based upon statistical research and analysis and appropriate studies, and one⁴ has stated more generally that it is impos-

¹ Ghana, Kenya, Nigeria, Pakistan, Turkey, Zambia.

² *RCE*, 1969, Part III, para. 159.

³ Madagascar, Upper Volta.

⁴ Iraq.

sible for it to formulate and apply a national employment policy without specialised international assistance. Clearly, the absence of government machinery capable of identifying the problems involved in seeking to overcome unemployment and under-employment and of working out methods of overcoming them constitutes a primary obstacle in the adoption of an active employment policy, and an essential first objective must be the strengthening of the administrative machinery responsible for questions affecting employment. The Committee has noted in this regard that two of the countries¹ referring to difficulties of this nature have also mentioned international technical co-operation received or requested to assist them in the formulation of their employment policy.

363. While most of the problems raised in the reports have been broadly along the lines mentioned above, certain countries have referred to questions arising out of the terms of the Convention itself. Thus, one country² has stated that the contents and degree of an active policy designed to promote full, productive and freely-chosen employment are not clear. Perhaps the indications given in this survey will prove of some help in this connection. It should also be borne in mind in this regard that Article 2 of the Convention provides that States shall decide on, review and apply the measures for attaining the objectives of full, productive and freely-chosen employment "by such methods and to such extent as may be appropriate under national conditions". While the goal is thus laid down in precise terms, a very wide measure of discretion is left to member States in deciding on the manner in which that goal is to be pursued.

364. The explanations given by certain countries³ as regards the difficulties which prevent them from adopting an active employment policy tend to indicate that the meaning of the term "employment" is not always fully understood. Clearly, employment within the sense of the Convention does not merely cover wage-paid jobs, but all forms of activity which provide a means of earning a livelihood. Especially in the developing countries, this means working on family farms as well as activity on a self-employed basis within the sectors of small-scale industry, handicrafts and services. The objective here must be to raise the level of productivity and output to a point where the activity involved provides an adequate living to all who depend on it for their livelihood.

365. An objection to ratification raised by one government⁴ arises out of the fact that in its country unemployment is non-existent, government policy being designed rather to limit the number of foreign workers. The government expresses the view that it would be meaningless in these circumstances to undertake to pursue an active policy designed to ensure full employment. It would not seem however that, because full employment has been achieved, there is no longer a need for an active policy to ensure that it is maintained and rendered more productive. Such an employment policy, as defined in the Convention and Recommendation, might include for example the planning of measures to deal with fluctuations in the economic situation or structural changes likely to influence the employment situation, measures to facilitate the movement of workers from less productive to more productive employment, measures facilitating and regulating migration, and also—in the widest sense—international action to promote employment objectives in other countries.

¹ Iraq, Madagascar.

² Japan.

³ Malawi, Zambia.

⁴ Switzerland.

366. One government¹ states that it finds it very difficult to ratify the Convention and approve the Recommendation because 75 per cent of its labour force is foreign so that employment policy is in continuous change and depends upon the migration movement in the country; in addition, the national labour force is increasing very slowly. It may be pointed out in this regard that the existence of a large foreign element in the labour force need not be considered an obstacle to the adoption of an employment policy complying with the instruments. On the contrary the employment policy in such cases must take account of the country's need for foreign workers and be planned accordingly. In addition, the Recommendation makes express provision in Paragraph 33 for the international migration of workers as an aspect of employment policy.

367. Several countries have referred to difficulties arising out of the requirement, in Article 3 of the Convention, that representatives of the persons affected by the measures to be taken, and in particular representatives of employers and workers, shall be consulted concerning employment policies. Thus, one country² has stated that it has not yet been possible to establish a statutory tripartite body on employment policy, although ad hoc tripartite committees on employment problems are set up whenever necessary, and another³ has stated that it is not clear whether the requirements of Article 3 are met if an outline of employment policy is submitted to an employment advisory council which in fact has among its members representatives of employers and workers although the Act establishing the council does not require that the members—who are appointed by the Prime Minister “from among those learned and experienced”—shall include such representatives.

368. It may be noted in this respect that the Convention does not lay down any requirements as to the form of consultations, and the relevant procedures need not be formally embodied in legislation. Consultations can, as has been indicated in Chapter III, section 2, above, take place through periodical tripartite conferences or meetings convened to examine employment problems and policies, which may be organised at the administrative level. What is required under the terms of the Convention is that representatives of the persons affected, and in particular of employers and workers, should in fact be consulted in a manner which permits their views and experience to be taken into account and which is conducive to securing their full co-operation in formulating and enlisting support for employment policies. Thus, while the establishment of formal procedures for consultation through legislation may be a particularly convenient way of guaranteeing that such consultations will take place on a continuing basis, it should be sufficient for the purposes of the Convention that such procedures do in fact exist and function satisfactorily.

369. Another country⁴ has stated that, while employers and workers are consulted on certain aspects of employment policy (for example through the committee which supervises the employment service and the youth advisory committee responsible for advising on youth training and employment) it is considered neither desirable nor advisable to consult these parties concerning all aspects of employment policies. It seems, none the less, that in the absence of procedures for the consultation of employers and workers on over-all employment policies, the purposes of such consultation as set out in Article 3 of the Convention would not be fully achieved. If

¹ Kuwait.

² Sierra Leone.

³ Japan.

⁴ Malta.

their experience and views are to be taken into account and their co-operation secured, it seems essential that they should be given an opportunity of contributing their views and experience through general consultation procedures covering the subject as a whole.

370. A further significant point deserving mention here is that although a number of the federal countries, where responsibility for employment policy lies partly with the central authorities and partly with the constituent States, have indicated in their reports the need for special arrangements for promoting co-ordinated action in the implementation of employment policy (see above, Chapter III), none have referred to difficulties in the way of implementing employment policy which were caused either by their constitutional system or by these special arrangements.

371. Finally, although these are not regarded by the governments concerned as difficulties in the sense considered above, reference must be made to the problems facing countries which have ratified the Convention. These are evidenced in the numerous comments addressed by the Committee at each of its sessions to the governments of ratifying countries on the basis of their reports on the Convention. These "direct requests" are intended to explore, discuss and deal with the difficulties experienced by developed and developing countries alike in pursuing an employment policy along the lines of the Convention and maintaining or endeavouring to achieve a situation of full employment. The Committee's comments and the governments' reaction to them thus form part of the ILO's long-range efforts to achieve the objectives set in these fundamental standards.

2. PROGRESS IN IMPLEMENTATION OF EMPLOYMENT POLICY

372. Continuous action and continuing progress are an inherent part of employment policy as defined in the Convention and as implemented by governments. By their very nature, these instruments constantly call for new economic and social measures, further planning, and additional well-considered initiatives on the part of any government concerned with achieving or maintaining full employment, regardless of whether the country in question is highly industrialised or is among those with a low level of economic development. This situation is reflected in most of the reports supplied by ratifying countries, so that instances of progress, at all levels and of all kinds, are reported regularly by the governments concerned: new procedures or machinery, new employment or economic growth targets, new supporting action in a wide variety of fields. Indeed a decision to prepare for ratification and the formal action resulting therefrom represent in themselves milestones towards the progressive implementation of an employment policy; they are examined below in the section concerning ratification prospects. However, reference must be made here to some cases of progress specifically mentioned by governments of both ratifying and non-ratifying countries.

373. Thus, the Government of Senegal, whose development plan for 1969-73 did no more than estimate the volume of wage-paid employment to be created by the plan, subsequently appointed, on the recommendation of an Interministerial Council on the Employment Structure, Employment Market and Employment Policy, a working party to examine and recommend methods for promoting non-wage-earning employment throughout the country; the working party's recommendations are now being implemented. The Government of Portugal states that proposals are under consideration to include full employment in its next development plan, now in

preparation, as one of the essential objectives of development, and that it is hoped by this means to formulate an employment policy designed to achieve full employment in a co-ordinated manner. It further refers to measures which have been taken in a number of fields in order to give effect by progressive stages to the provisions of the Convention and Recommendation.

374. In addition, several governments have described recent steps taken by them with a view to putting the formulation of employment policy on a firmer basis: in Austria, legislation has been adopted as a result of which the Government considers that its employment policy is in conformity with the Convention; in Iran, where developments in recent years are stated by the Government to call for the urgent adoption of an effective employment policy, the Ministry of Labour and Social Affairs has established a General Department for Employment and a General Department for Manpower Statistics to this end; the Government of Jamaica has established a National Commission on Unemployment to formulate a concerted effort on a national basis to eliminate unemployment within the shortest possible time; in the Lebanon a Committee appointed to study employment problems and their social, economic and educational implications has presented a report which has been submitted to the Ministry of Planning and as a further step in the new employment policy the Central Directorate of Statistics is undertaking a survey of the division of the economically-active population between the various sectors; in the Libyan Arab Republic a Supreme Planning Council and a Manpower Planning Committee directly responsible to the former have been set up and will be entrusted with the formulation of employment policy when it is adopted; in Nicaragua the necessary foundations for the formulation of a national employment policy are stated to have been laid.

375. Other cases of progress mentioned by governments relate to specific aspects of employment policy and, by their very variety, constitute in themselves an illustration of the vast scope of the employment policy instruments and of the type of measure needed to make this employment policy effective. Thus, for example, reference is made in the context of the present instruments to improvements in the functioning of the employment service (Ireland, Luxembourg, Sweden); new measures designed to establish a national training policy and programme (Cyprus); the introduction of improved guarantees for older workers (Sweden); and improved payments under redundancy or unemployment insurance schemes (Ireland, Israel).

376. Finally, the progress achieved through technical co-operation projects and, more particularly, through the World Employment Programme should not be overlooked. There can be no doubt that, for the employment policy instruments more than for any other Convention and Recommendation, the standard-setting and operational activities of the ILO are intimately connected and complementary. Some information on the operational activities contributing to the implementation of employment policy objectives has been given in Chapter IX above and, although this has not been spelled out in the reports of the governments concerned, much practical headway has been made through these activities, whether they concern such far-reaching studies and comprehensive programmes of action as are being established by inter-agency employment missions for countries faced with particularly grave employment problems, or whether they concern more limited projects relating to matters such as vocational training, manpower planning or a rural development scheme.

3. RATIFICATION PROSPECTS

377. The Employment Policy Convention—as already noted—has been ratified by 45 States, that is more than any other substantive instrument adopted since 1959. This figure is likely to increase soon as several governments have signified their intentions in regard to the Convention. Thus the Government of Ceylon states that there are no difficulties in the way of ratification and that it is committed to pursue an active employment policy. The Colombian Government also declares that it is pursuing an active employment policy and states that the Convention has been submitted to Congress for ratification.¹ The Government of El Salvador states that, since the next five-year development plan will have the raising of the level of employment as one of its priority objectives, the Convention is currently under examination with a view to its ratification. In Guatemala², the Convention is before Congress for ratification. The Government of India indicates that, in the light of the explanations given by the Committee in its survey of 1969, it is considering the ratification of the Convention. In Indonesia, there are stated to be no obstacles to ratification and the Government is contemplating ratification during the next session of Parliament. The Government of Iran has announced that it is taking steps with a view to ratification.³ The Government of Israel states that there are no difficulties in the way of ratification. The Government of Malaysia indicates that the over-all objectives and policy of its second plan are in harmony with the provisions of the Convention, and that it will continue to give every consideration to developing and carrying out as fully as possible the various measures stated in the Convention with a view to eventual ratification. The Government of Mali states that it is committed to pursue an active employment policy and that the Convention is under consideration with a view to its ratification. In Romania, ratification will be considered when the revision of the labour legislation is completed, and the Government indicates that its employment policy is in conformity with the Convention. The United States Government indicates that its employment policy is in conformity with the Convention; it also recalls that the Convention was transmitted to the Senate in June 1966 with a recommendation for ratification and that this was considered by the Foreign Relations Committee in May 1967 but that no action was taken.

378. In addition, the Committee noted in its survey of the ratification outlook in 1969⁴, that the Convention had been submitted for approval to the competent authorities in the Dominican Republic, Nicaragua and Venezuela; that the procedure for ratification was to be initiated in Morocco; and that ratification was contemplated in Czechoslovakia (in its present report the Czechoslovakian Government states that its employment policy is in conformity with the Convention) and was to be considered in Dahomey.

379. Finally, it should be noted that a number of governments, without referring specifically to the possible ratification of the Convention, indicated that their employment policy is in conformity with the Convention (Austria, Bulgaria, Iceland, Luxembourg and Singapore) or that they are committed to pursue an active employment policy (Guyana, Nigeria, Philippines).

¹ Letter of 18 November 1971 from the Minister of Labour and Social Security.

² Information on submission (International Labour Conference, 53rd Session (1969), Report III, Part 3, p. 8).

³ Statement to the Seventh Asian Regional Conference, Teheran, 1971, *Provisional Record*, No. 14, 12 Dec. 1971, p. 3.

⁴ *RCE*, 1969, Part III, para. 167.

380. To sum up, it seems from the above review that the ratification of the Convention is well advanced or is being examined in some twenty countries, and that the governments in eight other countries consider that they are committed to an employment policy on the lines specified in the Convention. Since forty-five countries are already bound by the Convention, it may be expected that half the member States of the ILO will have accepted formal obligations under the Convention within the foreseeable future.

CONCLUSION

381. Before attempting to sum up some of the findings which emerge from the survey, it may be useful to say a few words about the Committee's general approach in discharging the task entrusted to it as a result of the Governing Body's decision to call for article 19 reports on the Employment Policy Convention and Recommendation. Because of the character of these instruments and of the data available on their implementation, the Committee had to follow a somewhat different approach this year than on previous occasions.

382. As stressed from the outset and throughout the various chapters of the survey, the two instruments under consideration are among the most comprehensive and ambitious ever framed by the ILO. By its very nature, the subject of employment promotion cannot be encompassed within a set of precise legal formulations to which effect may be given over a prescribed period of time. Since the problems to be dealt with are both economic and social, since they involve many related spheres of public policy and since their solution depends on a series of concerted long-range measures, the standards had to aim primarily at defining the broad objectives and principles of an active employment policy and at sketching out the variety of measures involved in its gradual implementation. This essentially promotional purpose of the standards necessarily influenced the information supplied by governments and therefore also the shape of the present survey. Rather than try to assess how successful the reporting governments have been thus far in their efforts at employment promotion, the Committee deemed it more realistic and more constructive to use this review mainly as an opportunity to illustrate through concrete references and specific examples what action has been and might be taken in the light of the Convention and especially of the Recommendation.

383. It would in any case have been impossible, less than eight years after the adoption of these ambitious instruments, to give more than a preliminary and necessarily incomplete picture of the position as it emerges from the data currently available. Due to the scope of the problems involved, their differing implications in the light of national conditions, as well as their international dimensions, a study such as this must mainly attempt to provide explanations and suggestions to which governments may turn in their search for workable solutions. This practical approach may also facilitate the "exchange of experience of employment policies, particularly . . . in developing countries" to which reference is made in paragraph 37 of the Recommendation.

384. As will have been noted throughout the survey, attention has in so far as possible been focused on the special circumstances and needs of the less developed countries, without, however, ignoring the circumstances and measures relevant to employment policy in other countries. At the same time, the data available to the Committee are mainly drawn from the reports and other documents supplied by governments. And while the range of countries thus covered is very broad, much depends on the amount of detail provided from case to case. In addition, the information and statistical material may not always be equally up to date, especially in the case of national development plans. For all these reasons the situation of certain countries is referred to more frequently in the survey, whenever specific questions or

measures are cited. It will also have been noted that little or no pertinent information was received in respect of some provisions of the Recommendation and that this lack of illustrative data is occasionally underlined in the survey.

385. The Committee was however impressed by the governments' broad response to one important question in the form of report, i.e. the extent to which further effect is to be given to the employment policy instruments, including any steps towards ratification of the Convention. As spelled out in some detail in the preceding chapter, the Convention has not only been ratified by a very sizeable number of both developed and developing countries, but the prospects of further ratifications are such that within the foreseeable future a majority of ILO Members will have pledged itself formally to the aims, principles and measures laid down in this text. Such a legal commitment by a large segment of the world community will give added support to the ILO and to all the other organisations in their concerted efforts to help translate employment objectives into effective national action.

386. It is significant, in this connection, that several of the countries which in 1968 had mentioned doubts and difficulties preventing ratification now figure among the ratifying States. Perhaps the explanations and discussions at that time and throughout the intervening period have helped to clarify the bearing of the Convention in regard to such matters as deciding on methods "appropriate to national conditions and practices" (Article 1 of the Convention), the promotional and gradual character of employment policy (Articles 1 and 2) or the consultation of "representatives of the persons affected by the measures" (Article 3). It is also encouraging that this time very few countries have specifically referred in their reports to obstacles in the way of ratification.

387. It would thus seem that there exists by now a widespread realisation of the flexible and promotional nature of the Employment Policy Convention, so that the main accent can at this stage be placed on the declaration and content of an active employment policy. In a sense, a government's declared intention to pursue such a policy represents both the starting point and the keystone of all the measures which follow. Possibly the most significant fact to emerge from this survey is therefore the finding, in Chapter II above, that two out of three of the reporting countries have formally committed themselves to such a course, and have consequently signified to their people that they accept the promotion of fuller employment as one, perhaps as the chief, objective of their economic and related planning.

388. As recognised by many governments, this formal declaration of an active employment policy merely represents a starting point. The measures of implementation will require a series of decisions as to the machinery to be set up, as to the focal point in co-ordinating the programme agreed upon—frequently this is not the ministry responsible for labour matters—and as to the research to be undertaken. Despite the important part of employers and workers, as summed up below, the major responsibility for all these decisions necessarily lies with the governments, in view especially of the multitude of factors which have a bearing on employment measures.

389. Among these factors, the Committee has drawn due attention to the freely-chosen, the non-discriminatory and the productive character of the work to be made available. As regards the first two of these characteristics, the general surveys on forced labour and on job discrimination, in 1968 and 1971 respectively, dealt with these human rights aspects of social policy. The adoption by the Conference of the Special Youth Schemes Recommendation 1970, has helped to clarify further the principles involved. Even from a purely practical point of view, there seems to be a

growing recognition that compulsion does not provide an effective answer to the problem of employment promotion and that discrimination acts as a brake to efforts in this field.

390. The same combination of economic and social considerations underlies the general objective that the work provided be "as productive as possible". As pointed out in the Employment Policy Recommendation, more labour-intensive techniques may be appropriate in the developing countries wherever they will make for more efficient utilisation of available resources. In those countries where unemployment is already low or even non-existent, a higher level of productivity is the only way whereby national output can increase. Whatever the circumstances, a steady emphasis on productive employment will assist in moving towards that fundamental goal of economic growth, "raising levels of living".

391. The function of the Recommendation, in this two-pronged struggle for economic growth and better conditions of life, can be discerned throughout the present survey. At the national and international levels alike, this detailed and often technical instrument can serve as a convenient standard of reference for judging progress and for identifying obstacles to progress. Related ILO texts, such as those on employment service, on migrant workers, on vocational guidance and on vocational training, along with the human rights standards already mentioned, can similarly act as a basis and yardstick for national action. In particular, the role of training and retraining programmes hardly needs reiteration here, in view of their repeated mention above in dealing with various facets of employment policy.

392. The survey also had to refer in several connections to the part employers and workers and their organisations are called upon to take in the struggle against unemployment. Their key role is recognised in Article 3 of the Convention and spelled out more fully in the Recommendation. As those most directly concerned by employment policy, employers and workers are also able to make the greatest contribution to its success and their support is therefore essential in many different ways: consultation in devising lines of action; co-operation in carrying out the necessary measures; a share in analysing the results achieved. Unless the "persons affected by the measures to be taken" are convinced of the need for such measures, they will not be fully committed to their success. This co-operative approach accords fully with the ILO's basic tripartite principle. At the international level the effective working of this principle enables the ILO to draw on the information and advice received from employers' and workers' organisations as a valuable basis for future action. And because of this, the Committee would have been interested to receive more comments from the organisations concerned as regards their governments' reports on the employment policy instruments.

393. For it is precisely through its tripartite composition that the ILO can give an added dimension to the international action in support of employment objectives, as described in paragraphs 30-37 of the Recommendation. Significant new trends are to be observed at the world level since these paragraphs were formulated. As noted in the survey, the emphasis on high levels of employment which pervades the ILO's employment policy standards has also been increasingly accepted in recent years as a major goal of development and a global strategy for employment creation has become a recurring theme in international discussions. As a result, the International Development Strategy for the Second Development Decade, adopted by the UN General Assembly in 1970, endorses the main objectives of the ILO standards and contains suggestions which are in line with the Convention and Recommendation. This broader acceptance of the principles and measures put forward in the two

instruments should do much to promote their realisation, particularly in so far as this involves action at the international level.

394. Thus, the general guidelines on technical co-operation which the International Labour Conference had written into the Employment Policy Recommendation in 1964 are now being translated into a variety of projects and programmes involving a number of international agencies and an expanding circle of countries. Within the ILO itself, the major new initiative in this field is the World Employment Programme launched in 1969. Reference has been made in the survey to this ambitious undertaking and to the important part which other international organisations are called upon to play in it.¹ The various facets of a coherent employment strategy necessarily include such diverse areas as trade, monetary and fiscal measures, education, training, rural development, population policy, etc. And failure or success will often depend as much on the action in these areas as on employment measures in their more narrow sense. As recognised in the chapters above, the potential value of the ILO's standards must therefore be judged by reference to this very broad and varied context of application.

395. While a detailed discussion of the respective roles of standard-setting and of technical co-operation would go beyond the scope of the present review, the findings tend to confirm that in the sphere of employment policy—more than anywhere else perhaps—close co-ordination between these two principal types of action is indispensable to their success. In addition to the basic social mandate of the ILO, constant account needs to be taken of the two instruments and especially of the Recommendation. In a real sense, the implementation of this instrument has thus emerged as a specific objective of the missions, inquiries and other projects which together make up the World Employment Programme. This role of the employment policy standards might in fact be recognised more formally through the addition of an appropriate question in the form of report on the Convention, adopted by the Governing Body under article 22 of the Constitution.

396. Within the same long-term perspective, the present survey may be viewed as one of the phases in an on-going process of reporting and review. As stressed from the outset, though this initial study covers many countries and explores all the various facets of the two instruments under consideration, it cannot reasonably aim at precise and definitive conclusions. The promotional nature of these standards, their very broad range and their essentially economic context, all these are factors which point to the need for continuous follow-up at the national and international levels. In the case of countries which have ratified the Employment Policy Convention, this will be possible through the detailed reports under article 22 of the Constitution and steady progress in the ratification of the Employment Policy Convention will make such information regularly available from more and more countries. The Governing Body's recent decision to draw the attention of the reporting States to the terms of the supplementary Recommendation should, moreover, prove helpful to governments in supplying information on all major aspects of employment policy.

397. If in accordance with the Governing Body's practice to have recourse to article 19 of the Constitution in order to focus repeated attention on the most important

¹ In addition to the United Nations, the following other organisations are participating in the World Employment Programme: Food and Agriculture Organisation, General Agreement on Tariffs and Trade, International Bank for Reconstruction and Development, International Monetary Fund, Organisation for Economic Co-operation and Development, United Nations Conference on Trade and Development, United Nations Educational, Scientific and Cultural Organisation, United Nations Industrial Development Organisation, World Health Organisation.

instruments of the ILO, a decision were to be taken at some future date to initiate, on the basis of both articles 19 and 22, a second survey on the employment policy instruments, in order to contribute towards a continued general awareness of the role of these standards in formulating and attaining employment objectives, such a further review might enable the Committee to give a broader and more penetrating picture and to supplement the indications contained in the present survey.

398. As already noted, the International Labour Conference and the UN General Assembly have formally recognised how essential it is to maintain interest and support for employment policies and for development measures in general. In its 1971 Conclusions on the World Employment Programme, the Conference calls for a periodic examination of "progress and problems in the field of employment" through national, regional and international reviews. And the International Development Strategy for the Second Development Decade provides for regular appraisals of the progress made towards reaching its objectives. As spelled out above, the information available from governments under articles 19 and 22 of the Constitution should provide an authoritative element in this continuing process of review which forms such an essential part of the comprehensive and integrated approach to development, followed jointly by the ILO and the United Nations.

399. It thus seems possible, despite the comprehensive and ambitious character of the standards reviewed, to put forward one major conclusion. More than any other international instruments the Employment Policy Convention and Recommendation express in specific terms the action required in dealing with one of the foremost challenges of our time. They also bring out the special role of the ILO, in the light of its social mandate and its unique tripartite structure. By spelling out the task of governments, employers and workers in the planning and follow-up of employment measures and by giving these measures a truly world-wide perspective, the two instruments have given practical meaning to the economic and human objectives they set. The pages which precede will, it is hoped, contribute towards a broader understanding of these vital objectives and thereby perhaps also towards their long-term realisation.

APPENDIX I

TEXT OF THE SUBSTANTIVE PROVISIONS OF THE EMPLOYMENT POLICY INSTRUMENTS

Employment Policy Convention, 1964 (No. 122)

Article 1

1. With a view to stimulating economic growth and development, raising levels of living, meeting manpower requirements and overcoming unemployment and underemployment, each Member shall declare and pursue, as a major goal, an active policy designed to promote full, productive and freely chosen employment.

2. The said policy shall aim at ensuring that—

- (a) there is work for all who are available for and seeking work;
- (b) such work is as productive as possible;
- (c) there is freedom of choice of employment and the fullest possible opportunity for each worker to qualify for, and to use his skills and endowments in, a job for which he is well suited, irrespective of race, colour, sex, religion, political opinion, national extraction or social origin.

3. The said policy shall take due account of the stage and level of economic development and the mutual relationships between employment objectives and other economic and social objectives, and shall be pursued by methods that are appropriate to national conditions and practices.

Article 2

Each Member shall, by such methods and to such extent as may be appropriate under national conditions—

- (a) decide on and keep under review, within the framework of a co-ordinated economic and social policy, the measures to be adopted for attaining the objectives specified in Article 1;
- (b) take such steps as may be needed, including when appropriate the establishment of programmes, for the application of these measures.

Article 3

In the application of this Convention, representatives of the persons affected by the measures to be taken, and in particular representatives of employers and workers, shall be consulted concerning employment policies, with a view to taking fully into account their experience and views and securing their full co-operation in formulating and enlisting support for such policies.

Employment Policy Recommendation, 1964 (No. 122)

I. OBJECTIVES OF EMPLOYMENT POLICY

1. (1) With a view to stimulating economic growth and development, raising levels of living, meeting manpower requirements and overcoming unemployment and underemployment, each Member should declare and pursue, as a major goal, an active policy designed to promote full, productive and freely chosen employment.

- (2) The said policy should aim at ensuring that—
- (a) there is work for all who are available for and seeking work;
 - (b) such work is as productive as possible;
 - (c) there is freedom of choice of employment and the fullest possible opportunity for each worker to qualify for, and to use his skills and endowments in, a job for which he is well suited, irrespective of race, colour, sex, religion, political opinion, national extraction or social origin.
- (3) The said policy should take due account of the stage and level of economic development and the mutual relationships between employment objectives and other economic and social objectives, and should be pursued by methods that are appropriate to national conditions and practice.

II. GENERAL PRINCIPLES OF EMPLOYMENT POLICY

2. The aims of employment policy should be clearly and publicly defined, wherever possible in the form of quantitative targets for economic growth and employment.

3. Representatives of employers and workers and their organisations should be consulted in formulating policies for the development and use of human capacities, and their co-operation should be sought in the implementation of such policies, in the spirit of the Consultation (Industrial and National Levels) Recommendation, 1960.

4. (1) Employment policy should be based on analytical studies of the present and future size and distribution of the labour force, employment, unemployment and underemployment.

(2) Adequate resources should be devoted to the collection of statistical data, to the preparation of analytical studies and to the distribution of the results.

5. (1) Each Member should recognise the importance of building up the means of production and developing human capacities fully, for example through education, vocational guidance and training, health services and housing, and should seek and maintain an appropriate balance in expenditure for these different purposes.

(2) Each Member should take the necessary measures to assist workers, including young people and other new entrants to the labour force, in finding suitable and productive employment and in adapting themselves to the changing needs of the economy.

(3) In the application of this Paragraph particular account should be taken of the Vocational Guidance Recommendation, 1949, the Vocational Training Recommendation, 1962, and the Employment Service Convention and Recommendation, 1948.

6. (1) Employment policy should be co-ordinated with, and carried out within the framework of, over-all economic and social policy, including economic planning or programming in countries where these are used as instruments of policy.

(2) Each Member should, in consultation with and having regard to the autonomy and responsibility in certain of the areas concerned of employers and workers and their organisations, examine the relationship between measures of employment policy and other major decisions in the sphere of economic and social policy, with a view to making them mutually reinforcing.

7. (1) Where there are persons available for and seeking work for whom work is not expected to be available in a reasonably short time, the government should examine and explain in a public statement how their needs will be met.

(2) Each Member should, to the fullest extent permitted by its available resources and level of economic development, adopt measures taking account of international standards in the field of social security and of Paragraph 5 of this Recommendation to help unemployed and underemployed persons during all periods of unemployment to meet their basic needs and those of their dependants and to adapt themselves to opportunities for further useful employment.

III. GENERAL AND SELECTIVE MEASURES OF EMPLOYMENT POLICY

General Considerations

8. Employment problems attributable to fluctuations in economic activity, to structural changes and especially to an inadequate level of activity should be dealt with by means of—

- (a) general measures of economic policy; and
- (b) selective measures directly connected with the employment of individual workers or categories of workers.

9. The choice of appropriate measures and their timing should be based on careful study of the causes of unemployment with a view to distinguishing the different types.

General Measures : Long Term

10. General economic measures should be designed to promote a continuously expanding economy possessing a reasonable degree of stability, which provides the best environment for the success of selective measures of employment policy.

General Measures : Short Term

11. (1) Measures of a short-term character should be planned and taken to prevent the emergence of general unemployment or underemployment associated with an inadequate level of economic activity, as well as to counterbalance inflationary pressure associated with a lack of balance in the employment market. At times when these conditions are present or threaten to appear, action should be taken to increase or, where appropriate, to reduce private consumption, private investment and/or government current or investment expenditure.

(2) In view of the importance of the timing of counter-measures, whether against recession, inflation or other imbalances, governments should, in accordance with national constitutional law, be vested with powers permitting such measures to be introduced or varied at short notice.

Selective Measures

12. Measures should be planned and taken to even out seasonal fluctuations in employment. In particular, appropriate action should be taken to spread the demand for the products and services of workers in seasonal occupations more evenly throughout the year or to create complementary jobs for such workers.

13. (1) Measures should be planned and taken to prevent the emergence and growth of unemployment or underemployment resulting from structural changes, and to promote and facilitate the adaptation of production and employment to such changes.

(2) For the purpose of this Recommendation the term "structural change" means long-term and substantial change taking the form of shifts in demand, of the emergence of new sources of supply, national or foreign (including supplies of goods from countries with lower costs of production) or of new techniques of production, or of changes in the size of the labour force.

(3) The dual objective of measures of adaptation to structural changes should be—

- (a) to obtain the greatest benefit from economic and technical progress;
- (b) to protect from financial or other hardship groups and individuals whose employment is affected by structural changes.

14. (1) To this end, and to avoid the loss of production entailed by delays in filling vacancies, Members should establish and adequately finance programmes to help workers to find and fit themselves for new jobs.

(2) Such programmes should include—

- (a) the operation of an effective employment service, taking account of the provisions of the Employment Service Convention and Recommendation, 1948;

- (b) the provision or encouragement of training and retraining facilities designed to enable workers to acquire the qualifications needed for lasting employment in expanding occupations, taking account of the provisions of the Vocational Training Recommendation, 1962;
- (c) the co-ordination of housing policy with employment policy, by the provision of adequate housing and community facilities in places where there are job vacancies, and the provision of removal grants for workers and their dependants by the employer or out of public funds.

15. Special priority should be given to measures designed to remedy the serious, and in some countries growing, problem of unemployment among young people. In the arrangements for young persons envisaged in the Employment Service Convention and Recommendation, 1948, the Vocational Guidance Recommendation, 1949, and the Vocational Training Recommendation, 1962, full account should be taken of the trends of structural change, so as to ensure the development and the use of the capacities of young persons in relation to the changing needs of the economy.

16. Efforts should be made to meet the particular needs of categories of persons who encounter special difficulties as a result of structural change or for other reasons, such as older workers, disabled persons and other workers who may find it particularly difficult to change their places of residence or their occupations.

17. Special attention should be given to the employment and income needs of lagging regions and of areas where structural changes affect large numbers of workers, in order to bring about a better balance of economic activity throughout the country and thus to ensure a productive utilisation of all resources.

18. (1) When structural changes of exceptional magnitude occur, measures of the kinds provided for in Paragraphs 13 to 17 of this Recommendation may need to be accompanied by measures to avoid large-scale, sudden dislocation and to spread the impact of the change or changes over a reasonable period of time.

(2) In such cases governments, in consultation with all concerned, should give early consideration to the determination of the best means, of a temporary and exceptional nature, to facilitate the adaptation to the structural changes of the industries affected, and should take action accordingly.

19. Appropriate machinery to promote and facilitate the adaptation of production and employment to structural changes, with clearly defined responsibilities in regard to the matters dealt with in Paragraphs 13 to 18 of this Recommendation, should be established.

20. (1) Employment policy should take account of the common experience that, as a consequence of technological progress and improved productivity, possibilities arise for more leisure and intensified educational activities.

(2) Efforts should be made to take advantage of these possibilities by methods appropriate to national conditions and practice and to conditions in each industry; these methods may include—

- (a) reduction of hours of work without a decrease in wages, within the framework of the Reduction of Hours of Work Recommendation, 1962;
- (b) longer paid holidays;
- (c) later entry into the labour force, combined with more advanced education and training.

IV. EMPLOYMENT PROBLEMS ASSOCIATED WITH ECONOMIC UNDERDEVELOPMENT

Investment and Income Policy

21. In developing countries employment policy should be an essential element of a policy for promoting growth and fair sharing of national incomes.

22. With a view to achieving a rapid expansion of production, investment and employment, Members should seek the views and active participation of employers and workers,

and their organisations, in the elaboration and application of national economic development policy, and of the various aspects of social policy, in accordance with the Consultation (Industrial and National Levels) Recommendation, 1960.

23. (1) In countries where a lack of employment opportunities is associated with a shortage of capital, all appropriate measures should be taken to expand domestic savings and to encourage the inflow of financial resources from other countries and from international agencies, with a view to increasing productive investment without prejudicing the national sovereignty or the economic independence of the recipient countries.

(2) In order to utilise the resources available to these countries rationally and to increase employment therein as far as possible, it would be desirable for them to co-ordinate their investments and other development efforts with those of other countries, especially in the same region.

Promotion of Industrial Employment

24. (1) Members should have regard to the paramount need for the establishment of industries, public or private, which are based on available raw materials and power, which correspond to the changing pattern of demand in domestic and foreign markets and which use modern techniques and appropriate research, in order to create additional employment opportunities on a long-term basis.

(2) Members should make every effort to reach a stage of industrial development which ensures, within the framework of a balanced economy, the maximum economic production of finished products, utilising local manpower.

(3) Particular attention should be given to measures promoting efficient and low-cost production, diversification of the economy and balanced regional economic development.

25. Besides promoting modern industrial development, Members should, subject to technical requirements, explore the possibility of expanding employment by—

- (a) producing, or promoting the production of, more goods and services requiring much labour;
- (b) promoting more labour-intensive techniques, in circumstances where these will make for more efficient utilisation of available resources.

26. Measures should be taken—

- (a) to promote fuller utilisation of existing industrial capacity to the extent compatible with the requirements of domestic and export markets, for instance by more extensive introduction of multiple shifts, with due regard to the provision of amenities for workers on night shift and to the need for training a sufficient number of key personnel to permit efficient operation of multiple shifts;
- (b) to create handicrafts and small-scale industries and to assist them to adapt themselves to technological advances and changes in market conditions so that they will be able to provide increasing employment without becoming dependent on such protective measures or special privileges as would impede economic growth; to this end the development of co-operatives should be encouraged and efforts should be made to establish a complementary relationship between small-scale and large-scale industry and to develop new outlets for the products of industry.

Promotion of Rural Employment

27. (1) Within the framework of an integrated national policy, countries in which there is much rural underemployment should place special emphasis on a broadly based programme to promote productive employment in the rural sector by a combination of measures, institutional and technical, relying as fully as possible on the efforts of the persons concerned. Such a programme should be founded on adequate study of the nature, prevalence and regional distribution of rural underemployment.

(2) Major objectives should be to create incentives and social conditions favourable to fuller utilisation of local manpower in rural development, and to improve productivity

and quality of output. Means appropriate to local conditions should be determined, where possible, by adequate research and the instigation of multi-purpose pilot projects.

(3) Special attention should be devoted to the need for promoting opportunities for productive employment in agriculture and animal husbandry.

(4) Institutional measures for the promotion of productive employment in the rural section should include agrarian reforms adapted to the needs of the country, including land reform and improvement of land tenure; reform in methods of land taxation; extension of credit facilities; development of improved marketing facilities; and promotion of co-operative organisation in production and marketing.

Population Growth

28. Countries in which the population is increasing rapidly, and especially those in which it already presses heavily on the economy, should study the economic, social and demographic factors affecting population growth with a view to adopting economic and social policies that make for a better balance between the growth of employment opportunities and the growth of the labour force.

V. ACTION BY EMPLOYERS AND WORKERS AND THEIR ORGANISATIONS

29. (1) Employers and workers in the public and private sectors, and their organisations, should take all practicable measures to promote the achievement and maintenance of full, productive and freely chosen employment.

(2) In particular, they should—

- (a) consult one another, and as appropriate the competent public authorities, employment services or similar institutions, as far in advance as possible, with a view to working out mutually satisfactory adjustments to changes in the employment situation;
- (b) study trends in the economic and employment situation, and in technical progress, and propose as appropriate, and in good time, such action by governments and by public and private undertakings as may safeguard within the framework of the general interest the employment security and opportunities of the workers;
- (c) promote wider understanding of the economic background, of the reasons for changes in employment opportunities in specific occupations, industries or regions, and of the necessity of occupational and geographical mobility of manpower;
- (d) strive to create a climate which, without prejudicing national sovereignty, economic independence or freedom of association, will encourage increased investment from both domestic and foreign sources, with positive effects on the economic growth of the country;
- (e) provide or seek the provision of facilities such as training and retraining facilities, and related financial benefits;
- (f) promote wage, benefit and price policies that are in harmony with the objectives of full employment, economic growth, improved standards of living and monetary stability, without endangering the legitimate objectives pursued by employers and workers and their organisations; and
- (g) respect the principle of equality of opportunity and treatment in employment and occupation, taking account of the provisions of the Discrimination (Employment and Occupation) Convention and Recommendation, 1958.

(3) In consultation and co-operation as appropriate with workers' organisations and/or representatives of workers at the level of the undertaking, and having regard to national economic and social conditions, measures should be taken by undertakings to counteract unemployment, to help workers find new jobs, to increase the number of jobs available and to minimise the consequences of unemployment; such measures may include—

- (a) retraining for other jobs within the undertaking;
- (b) transfers within the undertaking;

- (c) careful examination of, and action to overcome, obstacles to increasing shift work;
- (d) the earliest possible notice to workers whose employment is to be terminated, appropriate notification to public authorities, and some form of income protection for workers whose employment has been terminated, taking account of the provisions of the Termination of Employment Recommendation, 1963.

VI. INTERNATIONAL ACTION TO PROMOTE EMPLOYMENT OBJECTIVES

30. Members, with the assistance as appropriate of intergovernmental and other international organisations, should co-operate in international action to promote employment objectives, and should, in their internal economic policy, seek to avoid measures which have a detrimental effect on the employment situation and the general economic stability in other countries, including the developing countries.

31. Members should contribute to all efforts to expand international trade as a means of promoting economic growth and expansion of employment opportunities. In particular, they should take all possible measures to diminish unfavourable repercussions on the level of employment of fluctuations in the international terms of trade and of balance-of-payments and liquidity problems.

32. (1) Industrialised countries should, in their economic policies, including policies for economic co-operation and for expanding demand, take into account the need for increased employment in other countries, in particular in the developing countries.

(2) They should, as rapidly as their circumstances permit, take measures to accommodate increased imports of products, manufactured, processed and semi-processed as well as primary, that can be economically produced in developing countries, thus promoting mutual trade and increased employment in the production of exports.

33. International migration of workers for employment which is consistent with the economic needs of the countries of emigration and immigration, including migration from developing countries to industrialised countries, should be facilitated, taking account of the provisions of the Migration for Employment Convention and Recommendation (Revised), 1949, and the Equality of Treatment (Social Security) Convention, 1962.

34. (1) In international technical co-operation through multilateral and bilateral channels special attention should be paid to the need to develop active employment policies.

(2) To this end, such co-operation should include—

- (a) advice in regard to employment policy and employment market organisation as essential elements in the field of general development planning and programming; and
- (b) co-operation in the training of qualified local personnel, including technical personnel and management staff.

(3) Technical co-operation programmes relating to training should aim at providing the developing countries with suitable facilities for training within the country or region. They should also include adequate provision for the supply of equipment. As a complementary measure, facilities should also be provided for the training of nationals of developing countries in industrialised countries.

(4) Members should make all efforts to facilitate the release for suitable periods, both from governmental and non-governmental employment, of highly qualified experts in the various fields of employment policy for work in developing countries. Such efforts should include arrangements to make such release attractive to the experts concerned.

(5) In the preparation and implementation of technical co-operation programmes, the active participation of employers' and workers' organisations in the countries concerned should be sought.

35. Members should encourage the international exchange of technological processes with a view to increasing productivity and employment, by means such as licensing and other forms of industrial co-operation.

36. Foreign-owned undertakings should meet their staffing needs by employing and training local staff, including management and supervisory personnel.

37. Arrangements should be made, where appropriate on a regional basis, for periodical discussion and exchange of experience of employment policies, particularly employment policies in developing countries, with the assistance as appropriate of the International Labour Office.

VII. SUGGESTIONS CONCERNING METHODS OF APPLICATION

38. In applying the provisions of this Recommendation, each Member of the International Labour Organisation and the employers' and workers' organisations concerned should be guided, to the extent possible and desirable, by the suggestions concerning methods of application set forth in the Annex.

ANNEX

SUGGESTIONS CONCERNING METHODS OF APPLICATION

I. GENERAL AND SELECTIVE MEASURES OF EMPLOYMENT POLICY

1. (1) Each Member should—

- (a) make continuing studies of the size and distribution of the labour force and the nature and extent of unemployment and underemployment and trends therein, including, where possible, analyses of—
 - (i) the distribution of the labour force by age, sex, occupational group, qualifications, regions and economic sectors; probable future trends in each of these; and the effects of demographic factors, particularly in developing countries with rapid population growth, and of technological change on such trends;
 - (ii) the volume of productive employment currently available and likely to be available at different dates in the future in different economic sectors, regions and occupational groups, account being taken of projected changes in demand and productivity;
- (b) make vigorous efforts, particularly through censuses and sample surveys, to improve the statistical data needed for such studies;
- (c) undertake and promote the collection and analysis of current indicators of economic activity, and the study of trends in the evolution of new techniques in the different sectors of industry both at home and abroad, particularly as regards automation, with a view, *inter alia*, to distinguishing short-term fluctuations from longer-term structural changes;
- (d) make short-term forecasts of employment, underemployment and unemployment sufficiently early and in sufficient detail to provide a basis for prompt action to prevent or remedy either unemployment or shortages of labour;
- (e) undertake and promote studies of the methods and results of employment policies in other countries.

(2) Members should make efforts to provide those responsible for collective bargaining with information on the results of studies of the employment situation undertaken in the International Labour Office and elsewhere, including studies of the impact of automation.

2. Attainment of the social objectives of employment policy requires co-ordination of employment policy with other measures of economic and social policy, in particular measures affecting—

- (a) investment, production and economic growth;
- (b) the growth and distribution of incomes;
- (c) social security;
- (d) fiscal and monetary policies, including anti-inflationary and foreign exchange policies; and
- (e) the promotion of freer movement of goods, capital and labour between countries.

3. With a view to promoting stability of production and employment, consideration should be given to the possibility of making more use of fiscal or quasi-fiscal measures designed to exert an automatic stabilising influence and to maintain a satisfactory level of consumer income and investment.

4. Measures designed to stabilise employment may further include—

- (a) fiscal measures in respect of tax rates and investment expenditure;

- (b) stimulation, or restraint, of economic activity by appropriate measures of monetary policy;
- (c) increased, or reduced, expenditure on public works or other public investment of a fundamental nature, for example roads, railways, harbours, schools, training centres and hospitals; Members should plan during periods of high employment to have a number of useful but postponable public works projects ready to be put into operation in times of recession;
- (d) measures of a more specific character, such as increased government orders to a particular branch of industry in which recession threatens to provoke a temporary decline in the level of activity.

5. Measures to even out seasonal fluctuations in employment may include—

- (a) the application of new techniques to make it possible for work to be carried out under conditions in which it would have been impracticable without these techniques;
- (b) the training of workers in seasonal occupations for complementary occupations;
- (c) planning to counteract seasonal unemployment or underemployment; special attention should be given to the co-ordination of the activities of the different public authorities and private enterprises concerned with building and construction operations, so as to ensure continuity of activity to meet the employment needs of workers.

6. (1) The nature of the special difficulties which may be encountered as a result of structural changes by the categories of persons referred to in Paragraph 16 of the Recommendation should be ascertained by the competent authority and appropriate action recommended.

(2) Special measures should be taken to provide suitable work for these groups and to alleviate hardship.

(3) In cases where older or disabled workers face great difficulty in adjusting to structural changes, adequate benefits for such workers should be provided within the framework of the social security system, including, where appropriate, retirement benefits at an age below that normally prescribed.

7. (1) When structural changes affect large numbers of workers concentrated in a particular area and especially if the competitive strength of the area as a whole is impaired, Members should provide, and should, by the provision of effective incentives and consultation with the representatives of employers and workers, encourage individual enterprises to provide, additional employment in the area, based on comprehensive policies of regional development.

(2) Measures taken to this end may include—

- (a) the diversification of existing undertakings or the promotion of new industries;
- (b) public works or other public investment including the expansion or the setting up of public undertakings;
- (c) information and advice to new industries as to conditions of establishment;
- (d) measures to make the area more attractive to new industries, for example through the redevelopment or improvement of the infrastructure, or through the provision of special loan facilities, temporary subsidies or temporary tax concessions or of physical facilities such as industrial estates;
- (e) preferential consideration in the allocation of government orders;
- (f) appropriate efforts to discourage excessive industrial concentration.

(3) Such measures should have regard to the type of employment which different areas, by reason of their resources, access to markets and other economic factors, are best suited to provide.

(4) The boundaries of areas which are given special treatment should be defined after careful study of the probable repercussions on other, particularly neighbouring, areas.

II. EMPLOYMENT PROBLEMS ASSOCIATED WITH ECONOMIC UNDERDEVELOPMENT

8. Measures to expand domestic saving and encourage the inflow of financial resources from other countries, with a view to increasing productive investment, may include—

- (a) measures, consistent with the provisions of the Forced Labour Convention, 1930, and the Abolition of Forced Labour Convention, 1957, and taken within the framework of a system of adequate minimum labour standards and in consultation with employers and workers and their organisations, to use available labour, with a minimum complement of scarce resources, to increase the rate of capital formation;
- (b) measures to guide savings and investment from unproductive uses to uses designed to promote economic development and employment;

- (c) measures to expand savings—
 - (i) through the curtailment of non-essential consumption, with due regard to the need for maintaining adequate incentives; and
 - (ii) through savings schemes, including contributory social security schemes and small savings schemes;
- (d) measures to develop local capital markets to facilitate the transformation of savings into productive investment;
- (e) measures to encourage the reinvestment in the country of a reasonable part of the profits from foreign investments, as well as to recover and to prevent the outflow of national capital with a view to directing it to productive investment.

9. (1) Measures to expand employment by the encouragement of labour-intensive products and techniques may include—

- (a) the promotion of labour-intensive methods of production by means of—
 - (i) work study to increase the efficiency of modern labour-intensive operations;
 - (ii) research and dissemination of information about labour-intensive techniques, particularly in public works and construction;
- (b) tax concessions and preferential treatment in regard to import or other quotas to undertakings concerned;
- (c) full exploration of the technical, economic and organisational possibilities of labour-intensive construction works, such as multi-purpose river valley development projects and the building of railways and highways.

(2) In determining whether a particular product or technique is labour-intensive, attention should be given to the proportions in which capital and labour are employed not merely in the final processes, but in all stages of production, including that of materials, power and other requirements; attention should be given also to the proportions in which increased availability of a product will generate increased demand for labour and capital respectively.

10. Institutional measures for the promotion of productive employment in the rural sector may, in addition to those provided for in Paragraph 27 of the Recommendation, include promotion of community development programmes, consistent with the provisions of the Forced Labour Convention, 1930, and the Abolition of Forced Labour Convention, 1957, to evoke the active participation of the persons concerned, and in particular of employers and workers and their organisations, in planning and carrying out local economic and social development projects, and to encourage the use in such projects of local manpower, materials and financial resources that might otherwise remain idle or unproductively used.

11. Means appropriate to local conditions for the fuller utilisation of local manpower in rural development may include—

- (a) local capital-construction projects, particularly projects conducive to a quick increase in agricultural production, such as small and medium irrigation and drainage works, the construction of storage facilities and feeder roads and the development of local transport;
- (b) land development and settlement;
- (c) more labour-intensive methods of cultivation, expansion of animal husbandry and the diversification of agricultural production;
- (d) the development of other productive activities, such as forestry and fishing;
- (e) the promotion of rural social services such as education, housing and health services;
- (f) the development of viable small-scale industries and handicrafts in rural areas, such as local processing of agricultural products and manufacture of simple consumers' and producers' goods needed in the area.

12. (1) In pursuance of Paragraph 5 of the Recommendation, and taking account of the provisions of the Vocational Training Recommendation, 1962, developing countries should endeavour to eradicate illiteracy and promote vocational training for workers in all sectors, as well as appropriate professional training for scientific, technical and managerial personnel.

(2) The necessity of training instructors and workers in order to carry out the improvement and modernisation of agriculture should be taken into account.

APPENDIX II

REPORTS RECEIVED ON THE EMPLOYMENT POLICY CONVENTION AND RECOMMENDATION, 1964 (No. 122)

(Article 19 of the Constitution)

Reports received: 136 ; Reports not received : 75; Total: 211.

State	Reports received on Convention No. 122	Reports received on Recommendation No. 122	State	Reports received on Convention No. 122	Reports received on Recommendation No. 122
Afghanistan	—	—	Hungary*	Rat.	×
Algeria*	Rat.	×	Iceland*	×	×
Argentina	×	×	India	×	×
Australia*	Rat.	×	Indonesia*	×	×
Austria	×	×	Iran*	×	—
Barbados	—	—	Iraq	×	×
Belgium	Rat.	×	Ireland	Rat.	×
Bolivia	—	—	Israel*	—	×
Brazil*	Rat.	×	Italy	×	×
Bulgaria	×	×	Ivory Coast	—	—
Burma	—	—	Jamaica	×	×
Burundi	—	—	Japan	×	×
Byelorussia*	Rat.	×	Jordan	Rat.	—
Cameroon	—	—	Kenya	×	×
Canada	Rat.	×	Khmer Republic	×	×
Central African Republic	×	×	Kuwait	×	×
Ceylon	×	×	Laos	—	—
Chad	—	—	Lebanon	×	×
Chile	Rat.	—	Lesotho	—	—
Colombia	×	×	Liberia*	×	×
Congo	—	—	Libyan Arab Republic	×	×
Costa Rica	Rat.	—	Luxembourg	×	×
Cuba	×	×	Madagascar	Rat.	×
Cyprus	Rat.	×	Malawi	×	×
Czechoslovakia	×	×	Malaysia*	×	×
Dahomey	—	—	Mali	×	×
Denmark*	×	×	Malta	×	×
Dominican Republic	—	—	Mauritania*	×	×
Ecuador	—	—	Mauritius	—	—
Egypt	—	—	Mexico	×	×
El Salvador*	×	×	Mongolia	—	—
Ethiopia	×	×	Morocco	×	×
Finland	Rat.	×	Nepal	—	—
France*	—	×	Netherlands	Rat.	×
Gabon	—	—	New Zealand	Rat.	×
Federal Republic of Germany	×	×	Nicaragua*	×	×
Ghana	×	×	Niger	—	—
Greece	×	×	Nigeria	×	×
Guatemala*	×	×	Norway	Rat.	×
Guinea*	Rat.	×	Pakistan*	×	×
Guyana	×	×	Panama	—	—
Haiti	—	—	Paraguay	Rat.	—
Honduras	—	—	Peru*	Rat.	×
			Philippines	×	×

See note and explication of symbols at the end of the table, p. 124.

State	Reports received on Convention No. 122	Reports received on Recommendation No. 122	State	Reports received on Convention No. 122	Reports received on Recommendation No. 122
Poland*	Rat.	×	Turkey	×	×
Portugal*	×	×	Uganda	Rat.	×
Romania	×	×	Ukraine*	Rat.	×
Rwanda	—	—	USSR	Rat.	×
Senegal	Rat.	×	United Kingdom	Rat.	×
Sierra Leone	×	×	United States*	×	×
Singapore	×	×	Upper Volta*	×	×
Somalia	—	—	Uruguay*	×	×
Spain	—	×	Venezuela	—	—
Sudan	×	×	Republic of Viet-Nam *	×	×
Sweden	Rat.	×	People's Democratic Republic of Yemen (Aden)	—	—
Switzerland	×	×	Yemen Arab Republic	—	—
Syrian Arab Republic	×	×	Yugoslavia	—	—
Tanzania	—	—	Zaire	—	—
Thailand	Rat.	—	Zambia	×	×
Togo	—	—			
Trinidad and Tobago	—	—			
Tunisia	Rat.	×			

Note—A total of 25 reports has also been received in respect of the following non-metropolitan territories: United Kingdom (Antigua, Bahamas, Bermuda, British Honduras, Brunei, Falkland Islands (Malvinas), Gilbert and Ellice Islands, Guernsey, Hong Kong, Isle of Man, Jersey, St. Vincent, Seychelles, Solomon Islands, Virgin Islands).

Rat. = Convention ratified.

× = Report received.

* = Report received too late to be summarised in Report III (Part 2).

APPENDIX III

DEVELOPMENT PLANS REFERRED TO IN THE SURVEY ¹

Algeria : Four-Year Plan, 1970-73 (summary in English published in the series "The Faces of Algeria" by the Ministry of Information and Culture).

Argentina : National Development and Security Plan, 1971-75.

Central African Republic : Economic and Social Development Plan, 1967-70.

Colombia : Economic and Social Development Plan, 1970-73.

Cyprus : Second Five-Year Plan, 1967-71.

France : Sixth Economic and Social Development Plan, approved by Act of 15 July 1971.

India : Fourth Five-Year Plan, 1969-74.

Kenya : Development Plan, 1970-74.

Malaysia : Second Malaysia Plan, 1971-75.

Malta : Third Development Plan for the Maltese Islands, 1969-74.

Morocco : Five-Year Plan, 1968-72.

Nigeria : Second National Development Plan, 1970-74.

Philippines : Four-Year Development Plan, 1971-74.

Senegal : Third Four-Year Economic and Social Development Plan, 1969-73.

Spain : Second Economic and Social Development Plan, approved by Act No. 1/1969 of 11 February 1969.

Tunisia : Economic and Social Development Plan, 1969-72 (Synthesis).

Turkey : Second Five-Year Development Plan, 1968-1972.

Uganda : "Work for Progress": Uganda's Second Five-Year Plan, 1966-71.

Non-Metropolitan Territory

United Kingdom :

Gilbert and Ellice Islands : Development Plan, 1970-72.

¹ These plans are referred to in the footnotes to the text as "Plan", followed by the page number.

APPENDIX IV

SELECTED STUDIES PUBLISHED BY THE ILO CONCERNING EMPLOYMENT POLICY

- Employment Problems and Policies* (Report VI, International Labour Conference, 45th Session, Geneva, 1961, 83 pp.).
- Employment Objectives in Economic Development : Report of a Meeting of Experts* (Studies and Reports, New Series, No. 62, 1961, 255 pp.).
- Unemployment and Structural Change* (Studies and Reports, New Series, No. 65, 1962, 206 pp.).
- Employment and Economic Growth* (Studies and Reports, New Series, No. 67, 1964, 217 pp.).
- Manpower Planning and Employment Policy in Economic Development* (Report II, Eighth Conference of American States Members of the International Labour Organisation (Ottawa, 1966), 1966, 211 pp.), (mimeographed).
- Human Resources for Industrial Development* (Studies and Reports, New Series, No. 71, 1967, 237 pp.).
- Human Resources Development : Objectives, Problems and Policies* (Report of the Director-General, Sixth Asian Regional Conference (Tokyo, 1968), 1968, 128 pp.).
- Proposals for the Formulation and Implementation of an Asian Manpower Plan* (Report IV, Sixth Asian Regional Conference, (Tokyo, 1968), 1968, 58 pp.) (mimeographed).
- The World Employment Programme* (Report of the Director-General (Part I), International Labour Conference, 53rd Session, Geneva, 1969, 151 pp.).
- Employment Policy in Africa : Part I: Problems and Policies; Part 2: Proposals for a Jobs and Skills Programme for Africa* (Report IV (1) and (2)), (Third African Regional Conference (Dec. 1969), 1969, 132 and 14 pp.).
- Rural Employment Problems in the United Arab Republic* (Employment Research Papers, 1969, 165 pp.).
- La croissance sectorielle de l'emploi* (Employment Research Papers, 1969, 46 pp.; French only).
- Employment Problems and Policies in the Philippines* (Employment Research Papers, 1969, 135 pp.).
- Review of Progress in the Implementation of the Ottawa Plan* (Report II, Ninth Conference of American States Members of the International Labour Organisation (Caracas, 1970), 1970, 54 pp.) (mimeographed).
- Problems of Employment Creation in Iran* (Employment Research Papers, 1970, 86 pp.).
- Towards Full Employment : A programme for Colombia prepared by an inter-agency team organised by the International Labour Office* (1970, 471 pp.).
- The World Employment Programme* (Report IV, International Labour Conference, 56th Session, Geneva, 1971, 86 pp.).
- Progress Made with the Asian Manpower Plan* (Report II, Seventh Asian Regional Conference (Teheran, 1971), 1971, 84 pp.) (mimeographed).
- Essays on Employment*, selected and introduced by Walter Galenson (1971, 191 pp.).
- Agrarian Reform and Employment* (1971, 186 pp.).
- Problems of Employment Promotion in Pakistan* (Employment Research Papers, 1971, 55 pp.).
- Concepts of Labour Force Underutilisation* (Employment Research Papers, 1971, 88 pp.).

- Maurice, Marc: *Le travail par équipes – Avantages économiques et coûts sociaux* (1971, 158 pp., French only).
- Participation by Employers' and Workers' Organisations in Economic and Social Planning*; a general introduction (1971, 247 pp.).
- Labour Force Projections, 1965-1985*: Parts I-V, first edition, 1971 (Part I: Asia, 145 pp.; Part II: Africa, 165 pp.; Part III: Latin America, 115 pp.; Part IV: Europe, North America, Oceania and USSR, 155 pp.; Part V: World Summary, 107 pp.).
- Matching Employment Opportunities and Expectations: A Programme of Action for Ceylon* (1971, 2 Vols.: Report, 251 pp., and Technical Papers, 251 pp.).

Recent Articles Published in the "International Labour Review"

- Tinbergen, J.: "Trade Policy and Employment Growth" (Vol. 101, No. 5, May 1970, pp. 435-440).
- Warriner, Doreen: "Problems of Rural-Urban Migration: Some Suggestions for Investigation" (ibid., pp. 441-451).
- Lewis, W. Arthur: "Summary: The Causes of Unemployment in Less Developed Countries and Some Research Topics" (ibid. pp. 547-554).
- Lobstein, P.: "Prerequisites for a Rural Employment Policy in French-Speaking Black Africa" (Vol. 102, No. 2, Aug. 1970, pp. 171-189).
- Odia, Solomon: "Rural Education and Training in Tanzania" (Vol. 103, No. 1, Jan. 1971, pp. 13-28).
- Prest, Alan R.: "The Role of Labour Taxes and Subsidies in Promoting Employment in Developing Countries" (Vol. 103, No. 4, Apr. 1971, pp. 315-332).
- Watanabe, Susumu: "Subcontracting, Industrialisation and Employment Creation" (Vol. 104, Nos. 1-2, July-Aug. 1971, pp. 51-76).
- Denti, Ettore: "Africa's Labour Force, 1960-1980" (Vol. 104, No. 3, Sep. 1971, pp. 181-203).
- Elkan, Walter: "Out-of-School Education and Training for Primary School Leavers in Rural Kenya: A Proposal" (ibid., pp. 205-216).
- Wilde, John C. de: "The Manpower and Employment Aspects of Selected Experiences of Agricultural Development in Tropical Africa" (Vol. 104, No. 5, Nov. 1971, pp. 367-385).
- Todaro, Michael P.: "Income Expectations, Rural-Urban Migration and Employment in Africa" (ibid., pp. 387-413).
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