

Employment & Economic Growth : An International Perspective

La croissance économique et l'emploi vus dans une perspective internationale

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Résumé de l'article

On a eu tendance, jusqu'à récemment, à considérer le chômage et le sous-emploi comme des symptômes de sous-développement, symptômes qui disparaîtraient avec une croissance économique soutenue. Or tel n'est pas le cas. C'est pourquoi on doit reconsidérer le concept d'aide au développement en ajoutant aux buts économiques traditionnellement recherchés par ces programmes, un grand nombre de buts proprement sociaux. C'est ce qu'a fait l'O.I.T. en mettant sur pied son Programme international d'emploi.

CHÔMAGE ET SOUS-EMPLOI DANS LES PAYS EN VOIE DE DÉVELOPPEMENT

Les problèmes de chômage des pays moins développés des années '60 et '70 sont entièrement différents de ceux des pays plus développés des années '30. Ils sont tellement différents que l'usage de termes semblables — chômage et emploi — peuvent porter à confusion. Les termes développés pour étudier les situations particulières des pays en voie de développement — tels sous-emploi et chômage déguisé — sont cependant aussi difficiles à définir et à mesurer que le concept « chômage ». Ajoutez à ce problème conceptuel les difficultés de recueillir des statistiques pertinentes dans ces pays en voie de développement et vous comprendrez facilement l'arbitraire des hypothèses formulées. Un des buts du Programme international d'emploi est de préciser cette question.

LES SOLUTIONS NÉCESSAIRES

Les solutions à ce problème vont nécessairement varier d'un pays à l'autre. Il y aura cependant plusieurs points communs. Tous les gouvernements devront néanmoins reconnaître la complexité du dilemme chômage — sous-emploi, dilemme à plusieurs facettes dont chacun présente des causes différentes et partant, des remèdes différents. Nous aimerions mentionner les éléments les plus importants.

En milieu rural, il y a chômage ou sous-emploi à cause d'une sous-utilisation de la terre, alors qu'en milieu urbain, on retrouve plusieurs sortes de chômage et de sous-emploi. Par exemple, certains sont en chômage à cause de l'exode rural, d'autres à cause du manque de scolarité. Après une étude complète de l'importance relative de chacune des causes du chômage, un gouvernement pourra plus adéquatement choisir les moyens les plus efficaces pour apporter la solution la plus complète possible à son problème particulier.

RELATION ENTRE EMPLOI ET CROISSANCE

Il est important de savoir s'il y a conflit entre la croissance du produit national d'un pays et la promotion de l'emploi. En cas d'existence de conflit, il faut se rappeler que l'emploi a d'autres buts que l'accroissement de la production et du revenu agrégatif. Il contribue à une plus grande égalité dans la distribution du revenu en faveur du plus pauvre, ce qui constitue en fait l'objectif ultime du développement économique.

DANS UNE PERSPECTIVE INTERNATIONALE

Ces problèmes de chômage et de sous-emploi ne peuvent pas être réglés par les seuls pays en voie de développement car ils manquent de capital, de marchés, d'administrateurs qualifiés et de connaissances techniques.

Nous aimerions ici mentionner quelques-uns des moyens et des étapes nécessaires au niveau international pour mieux solutionner ce grave problème, moyens et étapes qui font en fait partie du Programme d'emploi international de l'O.I.T.

- 1.—Les différents programmes internationaux sont-ils réellement aptes à solutionner le problème ? Ne devrait-on pas reconsidérer l'aide internationale en termes d'emploi ?
- 2.—Ne devrait-on pas réexaminer les différentes politiques de commerce international ?
- 3.—Ne devrait-on pas insister sur les missions à caractère d'assistance technique pour une meilleure formation des gens impliqués ?
- 4.—N'y aurait-il pas place pour une meilleure coordination des efforts entre pays plus riches et pays plus pauvres ?
- 5.—L'aspect formation et orientation professionnelle ne devrait-il pas être plus encouragé ?
- 6.—Une aide internationale pour des experts et des techniciens qualifiés ne favoriserait-elle pas le développement ?

Il est donc nécessaire de sensibiliser la communauté internationale et tout le système des Nations-Unies à l'urgence des problèmes de l'emploi.

CONCLUSION

Une des leçons des décennies d'après-guerre peut se résumer en disant que le progrès social et les niveaux toujours croissants d'emploi dont il dépend ne résultent pas nécessairement du progrès économique.

Employment and Economic Growth: An International Perspective

David A. Morse

In its anniversary year, the I.L.O. has launched a World Employment Programme. The author will examine the circumstances in which this Programme has been launched and what it must accomplish. After a brief discussion of the nature and extent of unemployment and underemployment in developing countries, the author will make some remarks on the kind of approach that these countries themselves may have to adopt in grappling with these problems. He will then present the relationship between employment and growth. Finally he will make some comments on the kind of international perspective and international programme that are needed. This papers was presented by the author at Columbia University, as part of the Gabriel Silver Memorial Lecture.

Introduction

My subject is one which is of rapidly increasing concern to the governments, employers and workers of the world, and particularly of the developing countries. There is anxiety on the part of governments when increasing numbers on young people, who have left school and are unable to find jobs, roam the streets in lawless bands ; anxiety on the part of trade unions about the weakness of their bargaining position in a situation of surplus labour ; anxiety on the part of employers

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about the narrowness of their markets when there are so many dependants and so few breadwinners ; anxiety, finally, on the part of the unemployed themselves, who see little hope of ever emerging from the vicious circle of lack of training and skills, unemployment, poverty and despair. These anxieties quite naturally find a focal point in the ILO, which has from its inception been closely concerned with employment questions.

Until recently, there has been a tendency to regard unemployment and underemployment in less developed countries as symptoms of underdevelopment which would disappear as development proceeds. If this were in fact so, it would be sufficient to concentrate on promoting rapid economic growth and development, and employment could be left to look after itself. But experience shows that this is not so. On the contrary, we have seen countries which are undergoing rapid economic growth and yet are faced with increasing unemployment and underemployment. And the present demographic situation in many of the developing countries makes it virtually certain that the scale of the problem will increase dramatically in the years ahead.

Where this is allowed to happen, it means that growth has failed to achieve its essential purpose ; very large numbers of the poor — precisely those whom economic growth is intended primarily to benefit — are left on one side. At least in the short run, which may extend over a whole generation, they gain little or nothing, and may in fact even lose, from the process of economic growth.

In this connection I found the report published a few days ago by the Commission on International Development headed by Lester Pearson extremely meaningful. It spoke of the climate of « disillusion and distrust » which has come to surround many foreign aid programmes. The report showed that hopes of satisfactory development progress were too frequently disappointed, and there were « signs of frustration and impatience »¹ in developing countries and « a sense of disillusion about the very nature of the aid relationship ». I would suggest that one reason for this dissatisfaction has been a widespread tendency to under-estimate the importance of social objectives in development assistance and the mistaken belief that economic growth will on its own generate employment. Likewise, it seems to me, Mr. Pearson's report is right that development is

1. *Partners in Development*, Report of the Commission on International Development, Lester B. Pearson, Chairman ; Praeger Publishers, New York, p. 4-5.

not a guarantee of political stability or an antidote to violence. I would go further than that and say that if development does not produce more jobs and a fuller role in society for the working man, it can have a definitely disruptive influence. As Robert McNamara showed last week in his address to the Board of Governors of the World Bank,² rapid economic growth in developing countries does not imply full employment. Venezuela, for example, which enjoyed a growth rate of 8% between 1950 and 1960, ended up with more unemployment at the end of the decade than it had at the beginning. That is why, I think, a new orientation towards the attainment of social as well as economic goals has to be given to the whole concept of development assistance. Once this is done, once job-creation and other social benefits have been accepted to be of equal importance with the growth of production, development will prove to be one of the strongest supports of order and stability in the developing world.

The problems of providing productive work for those who need it have to be solved primarily by the efforts of the governments and people of the developing countries themselves.

But these efforts encounter difficulties that cannot be overcome by these countries alone — certainly not in any acceptable period of time. It is necessary for the future of mankind as a whole that these difficulties be overcome. The contrasts between wealth and poverty in this small and shrinking world are already shockingly and dangerously wide. It is not tolerable that they should be permitted to grow wider year by year, as they surely will unless a sizeable international effort is made.

The people of the United States are aware of this. They are deeply and generously committed to playing a central role in international efforts to promote the economic development of the less developed countries. They have accordingly a direct and major interest in seeing these efforts achieve the fundamental goal of raising the living standards of the poor within a foreseeable future. To ensure that economic growth and development lead to this goal, there must be an international programme to provide help in dealing with employment problems to governments that request it, and to rivet the attention of all governments and international organisations on the urgent need to make the attack on unemployment and

2. Address to the Board of Governors by Robert S. McNamara, President, World Bank Group, Washington, D.C., September 29, 1969.

underemployment a central feature of all efforts to achieve economic and social development. And the ILO in its anniversary year has launched a programme — the World Employment Programme — which is designed to serve precisely this purpose. I would like to talk to you about the circumstances in which this Programme has been launched and what, as I see it, it must accomplish.

More specifically, I would like to treat this question in four parts. The first will be a very brief discussion of the nature and extent of unemployment and underemployment in developing countries. The second will be some remarks on the kind of approach that these countries themselves may have to adopt in grappling with these problems. The first two parts will lay the basis for some remarks, thirdly on the relationship between employment and growth and, finally, on the kind of international perspective and international programme that are needed.

Nature and Extent of Unemployment and Underemployment in Developing Countries.

Let me, then, start by commenting on the nature and extent of unemployment and underemployment in developing countries. In this connection I would like to point out that the employment problems of the less developed countries in the 1960s and 1970s are very different from those of developed countries in the 1930s. They are so different that the very use of the same terms — employment and unemployment — to describe these problems may be unhelpful and misleading.

In the first place, a person can be considered unemployed only if, in Western parlance, he is a member of the labour force. But in developing countries, particularly in rural areas, the labour force classifications used in industrial societies are not appropriate. Men, women and children all contribute to production. Women may divide their time between work in the fields and in their homes ; children between play and herding cattle. Who are or are not members of the labour force ? Nor is the situation much clearer in the towns. In countries where no unemployment compensation system exists, the only people who can refrain completely from work are those who are supported in some way by others. This group will include a high proportion of young people not enrolled in school and of educated unemployed who may be willing to

accept only certain kinds of jobs. The others must find something to do even if it brings in only a pittance. This leads to overcrowding of the low-productivity service sector by people who, in industrialised countries, would remain unemployed and draw unemployment compensation but who, in developing countries, have to be regarded either as selfemployed (though on many days they may have practically no work at all to do), or as dependants.

The inadequacy of the concept of unemployment to describe and measure involuntary idleness or, more broadly, underutilisation of labour in developing countries has, of course, been recognised, and the terms « underemployment » and « disguised unemployment » have been used to describe the situation of people who do some work but less than they could or would like to do. But these concepts are no easier than unemployment to define unambiguously or to measure in less developed countries.

When we add to these conceptual difficulties the problem of collecting adequate statistics in developing countries, it will be clear that any attempts to measure the extent of unemployment and underemployment in these countries has to proceed on the basis of very inadequate data and very arbitrary assumptions. Yet measurement is absolutely necessary if we are to define concrete and realistic employment objectives for economic development policies. Without some idea of the order of magnitude of the employment problems that countries have to contend with we could not determine what to do about it, on what scale, and whether the situation is getting better or worse and how policy measures are affecting it. One of the objectives of the World Employment Programme is to throw light on these questions. My purpose here is simply to point out the complexity and variety of the problem, a complexity and variety which no statistical series can fully portray and which, if we look only at the statistics, we may lose sight of.

Suffice it to say that there are a great many people in the developing countries whose labour potential is, by any standards, underutilised. Some have suggested that in these countries unemployment and underemployment represent *a waste of something like 25 to 30 per cent of their total labour potential* and that this percentage is increasing. This is a waste of at least the same order of magnitude as that experienced in the developed market economies in the worst years of the Great Depression. And this of course means not only vast economic waste, but also indigence — even destitution — acute hardship and suffering. It is likewise

a source of political and social friction which may lead to unrest and drive countries into policies that are more harmful than the direct economic cost of unemployment itself. It means, as I suggested earlier, that economic growth is failing to achieve its ultimate objective.

Necessary Approach to Be Adopted by the Developing Countries

I turn now to the question of the kinds of measures that developing countries will have to take if they are to come to grips with this problem. The answers will certainly not be the same in all countries, though there will be certain common elements. But all governments will have to recognise the complexity of the dilemma of unemployment and underemployment, which consists of many different elements each having different causes and different remedies. Without attempting anything like a comprehensive classification, I would like to mention some of the more important of these elements. Not all of them are found in all countries, but most are found in a good many.

Firstly, in rural areas, there is unemployment or underemployment due to landlessness or to the low intensiveness of land use. In urban areas, there is unemployment and underemployment of several different kinds. One group is made up of people who have recently moved to the towns from the country in search of jobs which they have not yet found. A second group consists of people who have completed, or perhaps dropped out of, a primary school course and entered the labour market. Secondary school and university graduates make up a third group. Some of these groups would, again in Western parlance, be considered «unemployed». But in addition to, and usually much more extensive than, overt unemployment in the urban areas, there is the massive underemployment of those who are precariously self-employed in handicrafts and services — as hawkers, peddlers, porters, people who offer to help you find a taxi, watch your car, or shine your shoes.

Once the various elements of the problem have been sorted out, once a government has taken a view as to their relative importance and as to the nature of the different causal factors at work, lines of attack begin to suggest themselves.

Unemployment in rural areas due to landlessness may have to be tackled by bringing about changes in land distribution and land tenure,

and if possible by opening up new land for cultivation. Employment in viable rural handicrafts and village industries, as well as in construction work, may also have to be developed. Underemployment in rural areas due to the low intensiveness of land use may have to be tackled by devoting more resources, and in a more imaginative way, to agricultural extension work, to improved irrigation, and to increasing the supplies of fertilizers and high-yielding seeds.

Overt unemployment in urban areas will have to be tackled in several different ways, depending upon the relative importance of the elements involved in each country. It is important to bear in mind the interdependence of rural and urban problems. In countries where rural living standards are very low and particularly where rapid population growth has caused subdivision of land into unreasonably small plots or has forced a number of people off the land altogether, even the prospect of a 50 per cent chance of getting an urban job may seem more attractive than staying on in rural areas with little or nothing to do. So a government that succeeds in providing more urban jobs but does nothing to improve rural living standards and employment opportunities may discover that employment and unemployment in urban areas will increase together — every new job may attract two or more newcomers from the countryside. One important conclusion which may be drawn from this *is that measures to improve rural living standards are at least as important as measures to create new urban jobs*, and may often be a most important way of coping with urban unemployment.

As to how to go about creating new urban jobs, public works no doubt have an important part to play, particularly improvements in housing and sanitation in the shanty towns. These are socially desirable in themselves, besides providing work, at least temporarily. Training is important if a surplus of unskilled labour coincides, as it usually does, with skill shortages. And fiscal measures can be adopted which give incentives to agriculture and industry to employ more labour and less capital.

On the subject of national measures for employment promotion I have said enough, I think, to bring out two points. The first is that the attack has to be many-pronged. The second is that employment promotion is not a matter that can be dealt with in isolation from a country's general economic and social development policies. On the contrary, *employment promotion is a matter of giving adequate weight to employment considerations throughout the entire range of economic and social policy making — in*

fiscal and monetary policy, in international trade policy and in policies for agricultural and industrial development and training.

Relationship between Employment and Growth

This leads me to the third part of this lecture — some remarks on the relationship between employment promotion and growth. This will be the most speculative part, since the subject has not yet received full and adequate study.

It is important to know whether there is any conflict between promoting the growth of a country's national product and promoting employment. If there is no conflict, we need have no qualms in urging high priority for employment objectives. *In circumstances where there is a conflict, it may still be found worthwhile to sacrifice some growth in order to achieve some additional employment — to choose a path of growth that provides many new jobs quickly and thus brings tangible benefits to poor people in the near future, even if it is not squarely in the path of the most rapid over-all economic growth.* For employment serves other goals besides those associated with greater production and a larger aggregate income. *It contribute to greater equality of income distribution in favour of the very poor, and thus to what I have suggested as the ultimate objective of economic development.* Most developing countries could not afford or administer extensive schemes to redistribute income; but they should be able to organise substantially broader opportunities for earning income from work. Employment also contributes to a sense of participation in the tasks and the benefits of economic development, and brings into the mainstream of development activities people who would otherwise be left on one side. Although there are limits to the extents to which more employment should be considered to compensate for slower growth of over-all output, since the absence of over-all economic growth means stagnation and the perpetuation of poverty, *this is basically a matter of finding the proper balance — and this of course involves a political value judgment.* Whether or not there may ultimately be some conflict between employment and growth, *there is clearly broad scope for promoting employment in such a way that economic growth, far from being hindered, will be enhanced.*

Relatively little work, analytical or empirical, has thus far been done on *the relationship between the growth of employment and that of output,*

though a useful start has been made³. The results of such quantitative work as has been done hitherto on the relationship between employment and growth are not conclusive. And there is, in any case, wide scope for altering the relationship by means of deliberate policy measures. Just as there are alternative paths of growth, some of which create more new jobs more quickly than others, so there are alternative ways of pursuing employment objectives, some of which are more conducive to rapid growth than others. To identify paths of growth which are optimal from this point of view, and to stimulate their acceptance in actual policy measures, is another objective of the World Employment Programme.

Accordingly, it may be of some interest to consider, even in a speculative way, the effects on growth of some of the measures which I suggested earlier might be taken by governments to deal with the different major elements in their employment dilemma. It should be borne in mind throughout that, in both the agricultural and the industrial sectors, the employment content of a given level of production depends upon two factors — the « product mix » and the « technological mix ». Some products and some techniques are inherently more labour-intensive than others.

Consider, first of all, changes in land tenure and land distribution. What is important for production and employment it not so much who owns the land, but who uses it, how efficiently and with what degree of labour intensity. Land taxation can often be used as an instrument to encourage landowners to cultivate their land more intensively. But it is certain that agrarian structures are found in a number of countries that are bad for both production and employment. One example of these structures occurs where excessive concentration of land ownership is combined on the one hand with a concentration of economic, social and

3. See S. Wellisz, « Dual Economies, Disguised Unemployment and the Unlimited Supply of Labour », *Economica*, (35 : 122), February 1968 ; L. Lefebvre, « Planning in a Surplus Labour Economy », *American Economic Review*, (58 : 343), June 1968 ; J.C.H. Fei and G. Ranis, *Development of the Labor Surplus Economy : Theory and Policy*, Richard D. Irwin, Inc., Homewood, Illinois, 1964. The United Nations secretariat has constructed a model to serve as a basis for projections in the 1970s (E/AC.54/L.29/Rev. 1). In this model, which is based on the recorded experience of certain countries between 1960 and 1962, more rapid growth of production is associated with slower growth of employment. The authors of the paper point out that projections based on the type of equation used are subject to a high margin of error ; it is not certain that more comprehensive or more recent data would have shown the same relationship.

political power which prevents the government from imposing or collecting adequate land taxes, and, on the other, with conditions of tenure that border on serfdom. In a number of countries very large estates, often situated in the best farming areas, are used in such a way that both production and employment are needlessly kept down. There is evidence that the division of such estates into family-size farms or into co-operatively owned holdings can lead to both increased production and fuller utilisation of labour ⁴.

There is a widespread belief that large farms are more efficient than small ones, and there is substantial authority for the proposition that economies of scale on farms are related primarily to labour-saving techniques ⁵. But in poor countries with surplus labour and a shortage of land, it is important to save land, not labour. Land-saving technologies such as improved seed varieties, fertilizers, insecticides and weeding techniques can often be applied as effectively on small farms as on large ones.

The question may be raised, however, whether the future of agriculture does not lie in the mechanisation of its processes as those of industry have been mechanised, and whether this will not lead to a reduction in agricultural employment. The answer to both parts of this question, in the long run, is probably yes. But even mechanisation, selectively applied, can make for greater, not less, use of manpower. For example, it may permit cultivation that would have been impossible with traditional techniques, or create opportunities for multiple cropping or improvements in water conservation. The fact that the available supplies of agricultural equipment of all sorts are severely limited in developing countries should lead planners, for a long time to come, to *favour types of mechanisation that create rather than destroy employment*.

It seems safe to conclude that, at least in many situations, appropriate changes in land tenure and land distribution can cause agricultural production and employment to expand together, provided that small landowners have access to necessary credit, supply and marketing facilities and the technical advice of agricultural extension services. In these circumstances there is no conflict between employment and growth objectives.

4. Dormer, Brown and Kanel: *Land Tenure and Reform: Issues in Land Development*.

5. *Ibid.*

Another way of giving land to the landless is to open up new land for cultivation. This approach may sometimes be useful to avoid the difficult political problems which may arise when conditions of tenure on the existing cultivable lands are to be altered. Unexploited possibilities exist for increasing both agricultural production and employment by giving settlers opportunities to open up new land for themselves with carefully conceived, inexpensive support from the government in the form of tools and equipment, building materials if necessary, seed corn and food stocks. Measures to promote more intensive use of land, in particular through improved agricultural extension work, seem likely also to promote a parallel and closely inter-related increase in production and employment.

In urban areas, employment policy has to focus mainly on the creation of additional wage-earning employment. On the basis of studies which have been undertaken in the ILO, ⁶, *we have come to the conclusion that there tends to be less labour employed in wage-earning sectors of developing countries than would be desirable from the point of view of production and growth alone, leaving aside entirely the employment considerations.* There are many reasons for this, of which I shall enumerate five.

In the first place, there may be a *preference in some developing countries for modern capital-intensive equipment*, products and techniques for reasons of prestige. As I shall discuss in further detail, *capital-intensive methods should be used only in situations where they are clearly cheaper and more efficient in real terms than more labour-intensive methods.* Secondly, there is a distortion in the arrangements for pricing of productive resources, with the result that capital and foreign exchange often appear cheaper than they really are because of fiscal methods or other forms of subsidy, whereas the employment of labour appears more costly than it really is if looked at from the point of view of the community as a whole. There are, for example, fiscal incentives for enterprises to reinvest profits: tax benefits result if new machines are purchased, but not if additional workers are hired. In the third place, *labour-saving ideas are often embodied in modern machines and capital equipment which are assiduously promoted by skilled professional salesmen. At the moment no-one has a corresponding interest in the « hard sell » of capital-saving, labour — intensive ideas — except the unemployed them-*

6. *Human Resources for Industrial Development*, NS. 71, ILO, Geneva (1967), pp. 189-190.

selves who are scarcely equipped to do so. This situation is aggravated when, under « tied aid » programmes, donor countries require that equipment be purchased from them, thus forcing recipient countries in many cases to import the most modern machinery available. *Fourthly*, there are difficulties in managing a large labour force, and in many developing countries there is little skill in the area of personnel management. *Fifthly*, little research has thus far been directed to solving the technological problems of countries in which labour is abundant and capital scarce.

These various factors taken together *mean that much capital-intensive equipment in developing countries is often used to do work that could be done by men and women at lower real costs to society as a whole;* the capital that could be saved if labour-intensive solutions were chosen would be available to develop those key sectors where capital-intensive methods are really indispensable, to create additional production and employment, or to raise the productivity of labour in some existing jobs in which it is very low. There is need for much more intensive study of ways in which fiscal policies or other measures could be used to counteract these biases.

Because of the many factors tending to restrict the employment of labour in less developed countries, we have concluded that there is great hope in these countries for measures of employment policy that will promote rather than impede immediate growth of output. In addition, there is a possible longer-term effect in which more widespread employment creates wider national markets, thus stimulating further investment and economic growth. But we should not neglect the danger that ill-chosen measures to promote employment may impede growth. This may happen, for example, if enterprises are required by law to maintain on their payrolls larger numbers of people than they can productively employ; or if, in an effort to spread a given amount of work over more people, the work week is shortened with no increase in hourly productivity and no reduction in weekly wages; or if people are heavily subsidised to produce expensively by hand in small workshops goods that could be produced more cheaply in real terms in factories.

Rather than resort to such artificial and damaging devices to create employment — devices which are likely to prove self-defeating in the long run — it would be better to give some thought to ways of ensuring an acceptable place and role in society for those who, even with the most vigorous policies for increasing productive employment, cannot be provided

with jobs. I think that if we are to be realistic we must take account of the fact that in modernising their productive systems the developing countries may employ a smaller portion of their active population than did today's industrialised countries when they went through their stage of modernisation. The reason is that know-how and technology are available today which require significantly less labour. Therefore we have to give more thought to those who will not be provided with employment. If the effective work is to be carried out but only a portion of the population, what is the rest of the potentially active population to do? I think these questions have to be raised, and some additional approaches to the employment problem have to be considered, so long as the employment problem is with us. Of course, this does not mean any relaxation in the vital effort to find productive solutions which will contribute, by increasing the total income available for distribution, to the alleviation of widespread poverty. To explore such additional approaches, and to promote appropriate action among the ILO's member States and its employer and worker constituents, is a further objective of the World Employment Programme.

An International Perspective

I come now to my fourth and final point, the need for seeing employment problems in *an international perspective*, and the kind of international programme that is needed to deal with them. I have already pointed out that these problems cannot be solved — certainly not within any acceptable period of time — by the efforts of the less developed countries alone. They lack capital. They lack markets. They lack managerial expertise. They lack technological knowledge. They lack vocational skills and the capacity to impart them. And their population of working age is growing at an explosive rate.

I would like to list some steps — by no means a complete list — which should be taken at the international level and which it is the objective of the World Employment Programme to weld into a concerted international programme.

First, international aid projects, whether financed and administered through multilateral or bilateral programmes, should be subjected to a sort of « employment test » : do they help or hinder, or can they be made to foster increasing productive employment ? For example, in pre-investment feasibility studies, careful consideration should be given to the

possibility of using more labour-intensive production methods. *Greater emphasis should be placed on employment criteria in the distribution of international aid.* More emphasis could be given to projects for rural and agricultural development and for the development of economically viable small-scale industries on a more labour-intensive basis. In the case of specific aid projects the granting by donor countries of more liberal terms on the question of « procurement tying » — which often requires the import of modern but unnecessarily capital-intensive equipment from the donor countries — could result in more employment being created by these projects. *Finally, the over-all level of international aid should be seen in relation to employment objectives.* Even with a pattern of development which is more « employment-oriented » than at present, the growth of productive employment in developing countries will still be closely related to the level of investment. In many of these countries the slow increase in productive employment is attributable, basically, to the insufficiency of capital investment. A substantial increase in the total flow of international capital aid may well be necessary to enable them to attain a satisfactory rate of employment growth.

Among the various forms of international aid, special mention may be made of one that costs the donor countries virtually nothing but that can be extremely useful in helping recipient countries to mobilise unemployed or underemployed labour for productive purposes. I refer to bilateral or multilateral food aid. *The distribution of food supplies that are surplus in the supplying countries, particularly the United States, has provided valuable support for the employment policies of countries in North Africa, Asia and elsewhere.* There is scope for further development of this form of aid, with appropriate safeguards to ensure that it does not lead recipient countries to neglect the need for expanding domestic agricultural production.

Second, international trade policies may have a major impact on the extent to which it will be possible for developing countries to increase their output of labour-intensive products for export. In the industrial field the developing countries are likely to continue for a long time to enjoy cost advantages in exporting certain labour-intensive products. By removing or substantially reducing trade barriers to the importation of such products, as well as of other manufactures and semi-manufactures from developing countries, the industrialised countries could make an important contribution towards helping developing countries to accelerate the transfer of labour from agricultural to industrial employment, apart from

enabling them to earn more foreign exchange. It would in many cases be in the interest of the industrialised countries to do so, since it would enable them to increase sales of the more sophisticated export products which the less developed countries cannot afford to buy unless they can sell their own products.

Third, emphasis needs to be placed, in the work of technical assistance missions concerned with management training or productivity improvement, on capital-saving as well as labour-saving techniques. To consider labour-saving devices as synonymous with efficiency in production is appropriate only in countries where labour is scarce and costly. In most less developed countries it is much more important to save capital.

Fourth, and related to this, since the overwhelming majority of all technological research and development work is done in industrialised countries and is aimed at meeting their own needs and solving their own problems, the most appropriate technology for countries with an abundance of labour and a shortage of capital may simply not yet be known. A good deal can be done at the national level in the industrialised countries to elaborate labour-intensive technologies applicable in the developing countries. But action at the international level is also required in order to assist in co-ordinating and focusing efforts undertaken in both the developing and the industrialised countries.

Fifth, it often happens that jobs cannot be provided for unskilled workers because of a shortage of supervisors, technicians or skilled workers without whom the work of the unskilled or semi-skilled cannot be effectively organised. Such shortages, for example, help to explain why multiple shift work, which is one obvious way of employing more people and producing more goods with the same amount of capital equipment, is not more widely utilised in industry in less developed countries. It follows therefore that increasing emphasis needs to be placed, in the work of technical assistance missions concerned with vocational training, on identifying and training categories of key personnel which are required in order to avoid bottlenecks impeding the expansion of production and employment of other categories of workers.

Sixth, in those developing countries that have launched family planning campaigns, international aid is needed to furnish both expertise and resources which may not be available locally.

This list is a reflection, at the international level, of the need for what I called earlier a many-pronged attack at the national level on the problem of employment promotion. It is also a reminder of the fact that planning for employment has to be integrated into general planning for economic and social development.

The scope of the international programme which is required obviously exceeds the capacity and the particular field of competence of any single international agency. The resources needed can come only from the industrialised countries, under bilateral or multilateral programmes. The advice and technical assistance needed will have to be provided by other agencies as well as the ILO. The ILO can ensure that employment considerations are given adequate weight in the advice and help which it furnishes to governments in regard, for example, to vocational and management training, wage policy, industrial relations, the organisation of labour ministries and other matters that are directly within the ILO's field of competence. But this would be of little use if employment considerations were to be neglected in the advice that other agencies, whether multilateral or bilateral, give to governments in regard, let us say, to public finance, education or agricultural or industrial development. *It is necessary, therefore, to try to ensure that the whole international community and the entire United Nations system are imbued with a sense of the urgency and importance of employment considerations.* Many of our sister organisations are already fully convinced of the importance of these considerations. A concerted international programme for the promotion of economic and social development during the decade of the 1970s is in course of preparation. The ILO's World Employment Programme will form an essential part of it, designed to ensure that economic growth serves its fundamental purpose.

Conclusion

One of the most significant and sobering lessons of the post Second World War development effort is the discovery that social progress and the rising levels of employment on which it depends do not automatically emerge from economic progress. Growth in gross national product, rising industrial and farm output, increase in exports, investments and exchange reserves have little meaning for the hundreds of millions who continue to live under conditions of bare subsistence or starvation, in squalor, disease and despair. Indeed, in such circumstances, the term

« development » would seem to be a serious misnomer, if not a cruel delusion.

It is too early for me to predict what the ILO's World Employment Programme will achieve. But I can assure you that we mean to apply to it a major portion of our imagination, our energy and our resources as we enter upon our second half century of service to the nations and working peoples of the world.

LA CROISSANCE ÉCONOMIQUE ET L'EMPLOI VUS DANS UNE PERSPECTIVE INTERNATIONALE

On a eu tendance, jusqu'à récemment, à considérer le chômage et le sous-emploi comme des symptômes de sous-développement, symptômes qui disparaîtraient avec une croissance économique soutenue. Or tel n'est pas le cas. C'est pourquoi on doit reconsidérer le concept d'aide au développement en ajoutant aux buts économiques traditionnellement recherchés par ces programmes, un grand nombre de buts proprement sociaux. C'est ce qu'a fait l'O.I.T. en mettant sur pied son Programme international d'emploi.

CHÔMAGE ET SOUS-EMPLOI DANS LES PAYS EN VOIE DE DÉVELOPPEMENT

Les problèmes de chômage des pays moins développés des années '60 et '70 sont entièrement différents de ceux des pays plus développés des années '30. Ils sont tellement différents que l'usage de termes semblables — chômage et emploi — peuvent porter à confusion. Les termes développés pour étudier les situations particulières des pays en voie de développement — tels sous-emploi et chômage déguisé — sont cependant aussi difficiles à définir et à mesurer que le concept « chômage ». Ajoutez à ce problème conceptuel les difficultés de recueillir des statistiques pertinentes dans ces pays en voie de développement et vous comprendrez facilement l'arbitraire des hypothèses formulées. Un des buts du Programme international d'emploi est de préciser cette question.

LES SOLUTIONS NÉCESSAIRES

Les solutions à ce problème vont nécessairement varier d'un pays à l'autre. Il y aura cependant plusieurs points communs. Tous les gouvernements devront néanmoins reconnaître la complexité du dilemme chômage — sous-emploi, dilemme à plusieurs facettes dont chacun présente des causes différentes et partant, des remèdes différents. Nous aimerions mentionner les éléments les plus importants.

En milieu rural, il y a chômage ou sous-emploi à cause d'une sous-utilisation de la terre, alors qu'en milieu urbain, on retrouve plusieurs sortes de chômage et de sous-emploi. Par exemple, certains sont en chômage à cause de l'exode rural,

d'autres à cause du manque de scolarité. Après une étude complète de l'importance relative de chacune des causes du chômage, un gouvernement pourra plus adéquatement choisir les moyens les plus efficaces pour apporter la solution la plus complète possible à son problème particulier.

RELATION ENTRE EMPLOI ET CROISSANCE

Il est important de savoir s'il y a conflit entre la croissance du produit national d'un pays et la promotion de l'emploi. En cas d'existence de conflit, il faut se rappeler que l'emploi a d'autres buts que l'accroissement de la production et du revenu agrégatif. Il contribue à une plus grande égalité dans la distribution du revenu en faveur du plus pauvre, ce qui constitue en fait l'objectif ultime du développement économique.

DANS UNE PERSPECTIVE INTERNATIONALE

Ces problèmes de chômage et de sous-emploi ne peuvent pas être réglés par les seuls pays en voie de développement car ils manquent de capital, de marchés, d'administrateurs qualifiés et de connaissances techniques.

Nous aimerions ici mentionner quelques-uns des moyens et des étapes nécessaires au niveau international pour mieux solutionner ce grave problème, moyens et étapes qui font en fait partie du Programme d'emploi international de l'O.I.T.

- 1.—Les différents programmes internationaux sont-ils réellement aptes à solutionner le problème ? Ne devrait-on pas reconsidérer l'aide internationale en termes d'emploi ?
- 2.—Ne devrait-on pas réexaminer les différentes politiques de commerce international ?
- 3.—Ne devrait-on pas insister sur les missions à caractère d'assistance technique pour une meilleure formation des gens impliqués ?
- 4.—N'y aurait-il pas place pour une meilleure coordination des efforts entre pays plus riches et pays plus pauvres ?
- 5.—L'aspect formation et orientation professionnelle ne devrait-il pas être plus encouragé ?
- 6.—Une aide internationale pour des experts et des techniciens qualifiés ne favoriserait-elle pas le développement ?

Il est donc nécessaire de sensibiliser la communauté internationale et tout le système des Nations-Unies à l'urgence des problèmes de l'emploi.

CONCLUSION

Une des leçons des décennies d'après-guerre peut se résumer en disant que le progrès social et les niveaux toujours croissants d'emploi dont il dépend ne résultent pas nécessairement du progrès économique.