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THE WORLD BANK

Washington, D.C.

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The World Bank

1818 H Street NW

Washington DC 20433

Telephone: 202-473-1000

Internet: www.worldbank.org

PUBLIC DISCLOSURE AUTHORIZED

INTERNATIONAL LABOR ORGANIZATION

RETURN TO
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WBG Archives

THIS FILE IS CLOSED AS OF

DEC. 31, 1972

FOR FURTHER CORRESPONDENCE PLEASE SEE

VOL. III

RECORDS MANAGEMENT SECTION



INTERNATIONAL LABOUR OFFICE

Adresse postale : CH 1211 GENÈVE 22
Télégrammes INTERLAB GENÈVE
Télex 22.271
Téléphone 31 24 00 & 32 62 00

Réf. n° P-12-12-1

Mr. E.K. Hawkins,
Economics Department,
International Bank for
Reconstruction and
Development,
1818 H Street, N.W.,
WASHINGTON DC 20433

(USA)

28 DEC. 1972

Dear Ted,

As a result of the Director-General's agreement to the secondment of Keith Marsden to the Bank, a vacancy arises for a senior economist in the Economic Branch, for a year in the first instance but with possibilities of extension, since even if Keith returns to his post after a year another post at the same level will be vacant by that time.

3
I attach in three copies a notice of vacancy and blank application forms, and would be grateful if you could bring these to the notice of suitable people who might be interested in being considered for this appointment. I am particularly anxious to get someone who could play a leading part in building up a new element in the work of the Branch, namely the use of economic analysis in ILO programme evaluation.

We are anxious to make an appointment as soon as possible.

Your help in filling this vacancy will be very much appreciated.

Best wishes.

Yours sincerely,

A handwritten signature in blue ink that reads 'N.N. Franklin'.

N.N. Franklin
Economic Adviser

1813 708-2 10 10: 10

RECEIVED



INTERNATIONAL LABOUR OFFICE

Mr. E.K. Hawkins,
Economic Department,
International Bank for
Reconstruction and
Development,
1818 H Street, N.W.,
WASHINGTON DC 20433

Adresse postale : CH 1211 GENÈVE 22
Télégrammes INTERLAB GENÈVE
Télex 22.271
Téléphone 31 24 00 & 32 62 00

Réf. n° P-12-12-1

(USA)

28 DEC 1973

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We are anxious to make an appointment as soon as possible.

Your help in filling this vacancy will be very much appreciated.

Best wishes.

Yours sincerely,

N.M. Franklin
Economic Adviser

1973 JUN -5 10:14

RECEIVED

ANNOUNCEMENT OF VACANCY

Closing date for applications:

Type of appointment: Fixed Term, one year renewable Duty station: GENEVA

Grade: P4 Organisational unit: Research and Planning Department
Economic Branch

Starting Date: as soon as possible

SALARY AND ALLOWANCES [normally exempt from income tax (see overleaf)]

Basic salary rising by annual increments minimum US\$ 13,578
maximum US\$ 17,568

Post adjustment (variable according to cost of living, basic salary level and dependency status) at present { from US\$ 2,376
to US\$ 4,464

Other allowances and benefits: see overleaf

Senior Economist

Description of Duties

To contribute with a minimum of supervision to the work of the Economic Branch.

In particular:

- To contribute to the research programme of the Economic Branch, which is concerned with the bearing of economic conditions and policies on ILO objectives such as high and stable employment and more equitable income distribution.
- To participate in maintaining liaison with, and contact with the economic work of, other international organisations.
- To assist the Economic Adviser at a responsible level in (a) the administrative duties of the Economic Branch, and (b) stimulating and co-ordinating an adequate programme of economic research for the Office as a whole in consultation with the organisational units concerned, and giving professional guidance to economic work in other organisational units of the Office. This would include:
 - (i) representing the Economic Adviser at departmental, interdepartmental and inter-agency meetings and working parties;
 - (ii) assistance in planning and co-ordinating the co-operation of national research bodies and of other international organisations in the ILO's Programme of Economic Research;
 - (iii) providing advice on economic aspects of ILO operational activities and activities concerned with programme evaluation.

Qualifications Required

- a firm grasp of the principles and techniques of economic analysis, acquired through specialised university training in economics (not confined to labour economics) to an advanced level;
- extensive experience in applying the methods of economic analysis to labour and social problems, including demonstrated ability to carry out independent research;
- the knowledge, maturity of judgement and qualities of leadership needed for participating effectively in planning the work of the Branch, serving as manager of a continuing work item which may involve supervision of the work of a small group of economists, representing the Economic Adviser at departmental, interdepartmental and inter-agency meetings and working parties, giving advice on his behalf to other departments in connection with manuscripts, research projects and technical co-operation activities, and assisting in the tasks of ensuring consistency and a high standard of work on economic problems throughout the Office;

Languages: A fully satisfactory knowledge of, including proven ability to draft well in English, French or Spanish; a good working knowledge of a second of these languages is highly desirable.

Family allowance (if eligible):

Spouse \$ 400.- p.a.
Each child \$ 300.- p.a.

Other benefits subject to specific terms of appointment:

- Pension and Staff Sickness Insurance schemes;
- Children's education grant of up to \$1,000 per year per child;
- 30 working days annual leave;
- Assignment allowance or reimbursement of removal expenses (according to type of contract);
- Installation allowance;
- Repatriation grant;
- Home-leave travel with eligible dependants every 2 years.

The initial salary of the person appointed will be fixed in accordance with his/her qualifications and experience. Increments are granted annually, subject to satisfactory service. Salaries and allowances are exempt from Swiss income tax; any other income taxes levied on I.L.O. emoluments will be reimbursed in accordance with established rules.

While the successful candidate will be initially working in Geneva, he/she may be assigned subsequently to any duty station designated by the Director-General of the I.L.O.

Applications

Applications should be made on an I.L.O. Application for Employment form, which is obtainable from:

The Personnel and Administrative
Services Department,
International Labour Office,
154 rue de Lausanne,
1211 GENEVA 22
(Switzerland)

IMPORTANT

1. Candidates are requested to read carefully the conditions to be fulfilled; persons who do not meet these requirements should abstain from applying.
2. The completed form should be returned before the closing date indicated overleaf together with:
 - (i) copies (not originals) of any diplomas or degrees and of any references from previous employers;
 - (ii) two self-addressed envelopes, not stamped, which will be used by the I.L.O.
 - to acknowledge receipt of the application
 - to inform the candidate in due course of the result of his application.
3. Please quote vacancy number shown in heading.

ROUTING SLIP		Date 1/4/73
NAME		ROOM NO.
Mr. Hawkins		
Mr. G. Francoer.		
	To Handle	Note and File
	Appropriate Disposition	Note and Return
	Approval	Prepare Reply
	Comment	Per Our Conversation
	Full Report	Recommendation
	Information	Signature
	Initial	Send On
<p>REMARKS</p> <p style="font-size: 1.2em; color: blue;">Please let us know whether you feel we should be represented at this meeting and, if so, whether you or one of your men can attend.</p> <p style="font-size: 1.2em; color: blue;">I do not think that we need attend</p> <p style="font-size: 1.5em; color: blue; margin-left: 100px;">Manoff</p> <p style="font-size: 1.5em; color: blue; margin-left: 100px;">E.H.F.</p>		
<p>From</p>		

MAIL ADDRESSED
TO THE
PRESIDENT

ROUTING SLIP

Date

JAN 3 1973

INCOMING MAIL

Mr. Adler	D630	Mr. Rayfield	N434
Mr. Aldewereld	A1226	Mr. de la Renaudiere	C302
Mr. Alter	A908	Sir Denis Rickett	A1230
Mr. Baum	D729	Mr. Rotberg	A1042
Mr. Bell	A1136	Mr. Stevenson	D532
Mr. Benjenk	A712	Mr. Thalwitz	A210
Mr. Blaxall	D628	Mr. Twining	N635
Mr. Broches	A813	Mr. van der Tak	D732
Mr. Cargill	A513	Mr. Votaw	C702
Mr. Chadenet	A201	Mr. Wapenhans	A707
Mr. V.C. Chang	H702	Mr. Weiner	A500
Mr. Chaufournier	A313	Mr. Wiese	A837
Mr. Chenery	A1221	Mr. Williams	B1210
Mr. Wm. Clark	D928	Mr. Wright	A307
Mr. Clark	D1029		
Mr. Cope	B1210		
Mr. Demuth	D1128		
Mr. D.A. de Silva	N635		
Mr. Diamond	A613	Rec'd. in DSD	
Mr. Fowler	A1219	1/4	
Mr. Gabriel	H700		
Mr. Goodman	C602		
Mr. Goreux	N235		
Mr. Graves	D1122	E. F. H	
Mr. Gutierrez	B906		
Mr. Hartwich	A413		
Mr. Hayes	D429		
Mr. Henderson	D529		
Mr. Hittmair	A1042		
Mr. Hoffman	D1123		
Mr. Husain	C1001		
Mr. Knapp	A1230		
Mr. Kirmani	A1143		
Mr. Knox	A911		
Mr. Lejeune	A1013		
Mr. McNamara	A1230		
Mr. Mendels	A1219		
Mr. Muller	N436		
Mr. Nurick	A802		
Mr. Paijmans	D1032		

From: Communications Section, Room C219, Extension 2023



INTERNATIONAL LABOUR OFFICE

Adresse postale : CH 1211 GENÈVE 22
Télégrammes INTERLAB GENÈVE
Télex 22.271
Téléphone 31 24 00 & 32 62 00

cc Alpha Jenks
The President,
International Bank for
Reconstruction and Development,
1818 H Street, N.W.,
WASHINGTON DC 20433

Réf. n° GB 189-115

(USA)

28 DEC. 1972

Sir,

I have the honour to convey to your organisation, on behalf of the Governing Body of the International Labour Office, a cordial invitation to be represented at the 189th Session of the Governing Body, which will be held at the International Labour Office, Geneva, from Tuesday, 27 February to Friday, 2 March 1973.

A copy of the agenda is enclosed for your information, together with the programme of meetings.

The documents relating to the various items on the agenda will be sent to you as they become available.

Should your organisation be able to accept this invitation, it would be much appreciated if you would communicate to me, at your earliest convenience, the name and address of the representative who will attend the session.

I have the honour to be,

Sir,

Your obedient Servant,

Wilfred Jenks
Wilfred Jenks,
Director-General.

1818 H ST - 3 PM 3:03

RECEIVED



INTERNATIONAL LABOUR OFFICE

Adresse postale : CH 1211 GENÈVE 22
Télégrammes INTERLAB GENÈVE
Télex 22.271
Téléphone 31 24 00 & 32 62 00

The President,
International Bank for
Reconstruction and Development,
1818 H Street, N.W.,
WASHINGTON DC 20433

(USA)

Réf. n° GB 189-112

28 DEC. 1975

Sir,

I have the honour to convey to your organisation, on behalf of the Governing Body of the International Labour Office, a cordial invitation to be represented at the 18th Session of the Governing Body, which will be held at the International Labour Office, Geneva, from Tuesday, 27 February to Friday, 2 March 1975.

A copy of the agenda is enclosed for your information, together with the programme of meetings.

The documents relating to the various items on the agenda will be sent to you as they become available.

Should your organisation be able to accept this invitation, it would be much appreciated if you would communicate to me, at your earliest convenience, the name and address of the representative who will attend the session.

I have the honour to be,

Sir,

Your obedient servant,

Wilfred Jenks
Wilfred Jenks,
Director-General.

1975 JUN -3 PM 3:03

RECEIVED

GOVERNING BODY
CONSEIL D'ADMINISTRATION
CONSEJO DE ADMINISTRACION

Geneva,
27 February-2 March 1973

AGENDA

1. Approval of the minutes of the 188th Session.
2. Report of the Meeting on the Relationship between Multinational Corporations and Social Policy (Geneva, 26 October-4 November 1972).*
3. Report on the Twenty-first Session of the Joint Maritime Commission (Geneva, 20 November-1 December 1972).
4. Trade, development co-operation, employment and labour.
5. Future ILO action on migrant workers.*
6. Report of the Meeting of Experts on Safety and Health in Shipbuilding and Ship Repairing (Gothenburg, 4-8 December 1972).
7. Fact-Finding and Conciliation Commission on Freedom of Association: case of Lesotho.
8. Report of the Working Party on the General Conditions of Work Programme.
9. Action on the resolutions adopted by the International Labour Conference at its 57th Session (June 1972).
10. Reports of the Committee on Freedom of Association.
11. Reports of the Financial and Administrative Committee.
12. Report of the Allocations Committee.
13. Report of the Committee on Standing Orders and the Application of Conventions and Recommendations.
14. Report of the International Organisations Committee.
15. Report of the Industrial Activities Committee.
16. Activities of the International Occupational Safety and Health Information Centre (CIS) in 1972.
17. Code of Practice on the Prevention of Accidents Due to Explosions Underground in Coal Mines.

* Postponed from the 188th Session.

18. Composition and agenda of committees and of various meetings.
 19. International Institute for Labour Studies.
 20. International Centre for Advanced Technical and Vocational Training.
 21. Report of the Director-General.
 22. Programme of meetings.
 23. Appointment of Governing Body representatives on various bodies.
-

GOVERNING BODY
CONSEIL D'ADMINISTRATION
CONSEJO DE ADMINISTRACION

Geneva,
12 February - 2 March 1973

PROGRAMME OF MEETINGS (Revised)

Thursday, 8 February
and
Friday, 9 February

10 a.m.	Working Party on the General Conditions of Work Programme
3 p.m.	Working Party on the General Conditions of Work Programme

Monday, 12 February

10 a.m.	Allocations Committee
3 p.m.	Financial and Administrative Committee

Tuesday, 13 February

10 a.m.	Allocations Committee
3 p.m.	Financial and Administrative Committee

Wednesday, 14 February

10 a.m.	Financial and Administrative Committee
3 p.m.	Financial and Administrative Committee

Thursday, 15 February

10 a.m.	Financial and Administrative Committee
3 p.m.	Financial and Administrative Committee

Friday, 16 February

10 a.m.	Financial and Administrative Committee
3 p.m.	Financial and Administrative Committee

NB: Provision has been made for the Board of the Institute to sit on the morning of 20 February.

Monday, 19 February

10 a.m.

Committee on Freedom of Association

3 p.m.

Committee on Freedom of Association
Allocations Committee

Tuesday, 20 February

3 p.m.

Allocations Committee

Wednesday, 21 February

10 a.m.

Financial and Administrative Committee

3 p.m.

Financial and Administrative Committee

Thursday, 22 February

10 a.m.

Financial and Administrative Committee

3 p.m.

Financial and Administrative Committee

Friday, 23 February

10 a.m.

International Organisations Committee
Committee on Standing Orders and the
Application of Conventions and
Recommendations

3 p.m.

International Organisations Committee

Monday, 26 February

Group meetings

9 a.m.

Employers' group

10 a.m.

Government group
Workers' group

3 p.m.

Employers' group
Workers' group

Tuesday, 27 February

to
Friday, 2 March

10 a.m.

Governing Body

3 p.m.

Governing Body

December 27, 1972

Mr. H. Lubell
WEP Research Branch
Employment Planning and
Promotion Department
International Labour Office
CH 1211 Geneva 22
Switzerland

Dear Harold:

I appreciated the opportunity to see you and get an early copy of your excellent study. I gave the extra copy to Ajit Bose as you requested. He did seem interested to come to Geneva for the sort of review meeting you have in mind.

Attached are the missing data which you asked me to get. As we work out our report we will probably have some comments worthy of your effort. If so, you can be sure I will pass them on.

Best regards,

Kenneth A. Bohr

Encls.

UNITED  NATIONS

DEVELOPMENT PROGRAMME

CABLE : UNDEVPRO MONROVIA
TELEPHONES: 21384 & 22767

P. O. BOX 274
MONROVIA
LIBERIA

RR/1262/72 - 3-2-7/1

21 December 1972

REF.

Dear Mr. Christoffersen,

Subject: Conference to Discuss the Findings and
Recommendations of the Human Resources
Development Mission to Liberia

Enclosed is a formal invitation of the Liberian Minister of Planning and Economic Affairs to participate in the above Conference. While I have been asked by the Minister to transmit the invitations to the UN Agencies and IBRD the Government has requested ILO to ensure the appropriate follow-up with the Agencies concerned.

Provision has been made for the drafting of the report of the Conference and I believe you can rely on its being ready for the IBRD Basic Economic Mission when, or shortly after, it arrives.

We shall look forward to IBRD's participation.

Yours sincerely,

Curtis Campaigne
Resident Representative

Mr. Leif Christoffersen,
Division Chief,
Western Africa Department
IBRD, Washington D.C. 20433,
U.S.A.

✓ cc: Mr. Blinkhorn, IBRD/Washington,
D.C. 20433

LI - 100

NATIONS



UNITED

DEVELOPMENT PROGRAMME

P. O. BOX 234
MONROVIA
LIBERIA
21 December 1972

CABLE : UNDEVPRO MONROVIA
TELEPHONE: 21384 & 22767

RR/MS272 - 3-2-71

REF.

Dear Mr. Christoffersen,

Subject: Conference to discuss the findings and
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Development Mission to Liberia

Enclosed is a formal invitation of the Liberian Minister
of Planning and Economic Affairs to participate in the above
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We shall look forward to IHRD's participation.

Yours sincerely,

Gertis Campaigne
Resident Representative

Mr. Leif Christoffersen,
Division Chief,
Western Africa Department
IHRD, Washington D.C. 20452,
U.S.A.

✓ Not: Mr. Binkhorn, IHRD Washington,
D.C. 20452

RECEIVED

OFFICE MEMORANDUM

ILO
cc Meetings, Miss
cc DEC/DAC

DATE: December 21, 1972

TO: Mr. Alexander Stevenson

FROM: E.K. Hawkins

SUBJECT: Back-to-Office Report - Visits to Geneva, Paris and London

Between the 29th of November and the 4th of December I attended a number of meetings in Europe, and this memorandum gives a brief account of their highlights. On the 1st and 2nd of December I represented the Bank at a meeting of a newly organized steering group on the income distribution and employment aspects of the research program of the World Employment Programme. (This research program has been organized by the ILO and is set out in a document previously made available to the Bank.)

The other members of the group were Professors Tinbergen, Thorbecke (currently on leave with the ILO), Morrisson, Ghai (Nairobi), Oshima and Mr. A. Pinto (ECLA). Professor Oshima and Mr. Pinto were not able to attend this meeting. The work of the steering group consisted of a detailed examination of 12 interrelated research projects which together constitute the proposed research program on income distribution and employment. (A copy of this document is available from the Population and Human Resources Division.) The intention is that the work will be carried out largely by the employment of academic consultants under the guidance of the ILO staff in Geneva. Much of the discussion covered the same points that have arisen in the Bank's own discussions of this topic, and there may well be plenty of opportunities for coordination of both research work and consideration of the results at a later stage in the programs of the two institutions.

Perhaps the most interesting parts of the meeting were concerned with a brief presentation of the results of Professor Tinbergen's work on income distribution which has been largely limited to European countries, particularly the Netherlands. Professor Tinbergen has been particularly interested in the emerging problem of graduate unemployment in Holland. His main conclusion is that part of the failure of the economy to absorb this educated manpower can be ascribed to the inflexibility of salary scales. If some means could be found for making salary structures more flexible, he is of the opinion that this aspect of unemployment could be alleviated at the same time that positive steps would be taken in the direction of a more equal distribution of incomes.

Following the meeting in Geneva I went to Paris to take part in a seminar which was organized by the Deutsche Stiftung on "Population Data and the Use of Computers in Population Research". This had begun in Germany on the 23rd of November and was being concluded in the Paris

December 21, 1972

office of the Bank from the 5th to the 7th of December. I gave a lecture on the Bank's work in the field of population on the afternoon of the 5th of December. The participants in the seminar were French speaking officials from West African countries, although the group included in addition a scattering of officials from European international agencies and East European countries. I based my remarks on the population sector working paper, a copy of which, in French, was given to each participant. It was clear that the operational aspects of population work were not central either to the objectives of the seminar or to the interests of most of the participants. Nevertheless, there was considerable interest in the Bank's activities and a noticeable absence of the generally critical attitude to population policy and family planning that has been fashionable in West African countries. Most of the discussion focused on strictly operational issues at either the level of country economic work or the content and nature of projects.

The most significant theme concerned the fears of several speakers about the possible nature of nutrition projects. There was a feeling that aid activities in the nutrition field in the past had been used as a channel to transmit to African countries quantities of surplus food stuffs which were neither welcome to the population in terms of their traditional tastes nor in some cases even medically suitable. I assured the seminar that the bank would seek to avoid this mistake and that, although the nature of nutrition projects was still being worked out, they were unlikely to be based on the wholesale distribution of foods in surplus supply.

X On the 6th and 7th of December I attended the meeting on employment organised by the Development Assistance Committee of the OECD. Mr. M. Yudelman also represented the Bank at this meeting. It had been planned to discuss employment and income distribution questions as they related to aid policies of the donor countries. Unfortunately, it was necessary at the last minute to reschedule the meeting and as a result various experts who had planned to represent their countries were not able to attend. Some of the countries were represented by staff members from the permanent delegations in Paris who were not particularly knowledgeable on the subject. The Secretariat had prepared a background paper which drew heavily on the Bank's employment policy paper and also on the work of the OECD Development Centre on employment questions. There were also submissions by Sweden and the United States. The course of the discussion covered the range of questions which have arisen and continue to arise in the Bank and the meeting was not notable for raising either new issues or providing new insights into older questions. In the event, very little time was spent on the more interesting questions involving the relationship between aid policies and employment and income distribution objectives. These substantive issues were addressed however by the United States delegation at some length and the Swedes. The ILO was also present and made a number of contributions in relation to its own World Employment Program.

The Chairman, Mr. Edward Martin, summed up the meeting in the following four conclusions:

1. He felt that the discussion had established the need and desire to establish in 1973 a working group to consider "retail lending" for those situations where it was necessary to promote investments in rural areas and other situations where small projects were likely to be the normal state of affairs.
2. It would also be useful to convene a meeting of aid donors to discuss the question of financing local costs and recurrent expenditures.
3. There would also be any expert group convened to study the whole question of training as it relates to employment and income distribution issues.
4. Another expert group would be called together to discuss in operational terms what can be done about reducing subsidies to capital which have been inhibiting employment creation. There was also some feeling that one or another of these expert groups might discuss the relationship of bidding procedures to employment and income distribution issues.

As usual in these meetings much of the interest rested in the relative positions taken by different delegations. Foremost in promoting the aim of employment creation and more equal distributions of income and wealth were the United States and Sweden, with many of the smaller countries such as Norway and Switzerland supporting them, but expressing more interest in particular operational issues rather than broader aims and objectives. The Netherlands took a more conservative position and were frankly critical about the possibilities for adjusting aid to employment needs. They felt that there was a danger of over-emphasising the employment and income distribution objectives in relation to other aims. The German delegation showed considerable interest in the analytical relationships between aid and employment and gave evidence that they were studying the issue in a serious and comprehensive fashion. The United Kingdom delegation also showed a similar depth of knowledge and it is perhaps significant that these two delegations were represented by specialists who had been able to come for the meeting. Most of the interventions made by the Bank representatives were really responses to questions raised or comments on the discussion where the Bank's position had not been dealt with in an adequate fashion. The OECD Development Centre also made substantial contributions to the debate by being able to quote the results of their whole series of studies on employment, many of which have appeared recently or are about to appear.

One of the more interesting themes was the support given to the proposition that more effort and resources should be applied to the task of increasing the data base so that the extent and nature of the employment problem could be more correctly estimated. I explained

December 21, 1972

the Bank's support for the idea of a revised form of employment and income survey and our hopes that such surveys might be promoted in a wide range of developing countries. If such surveys are to be carried out it will be necessary to seek financial support, at least in the establishment phase, and it seems likely that DAC might be a suitable mechanism through which to seek such financial support.

On Friday, the 8th of December, I attended the expert group meeting on population organised by the OECD Development Centre. This was the fifth such meeting organised by the Centre to which officials from agencies concerned with population, both official and unofficial, are invited in their personal capacities. This year the theme of the meeting was "Constraints on Population Activities and the Problem of Absorptive Ability". The meeting had been organised on a three day basis, but the first two days were reserved for representatives from countries who have family planning programs supported by aid flows. In these two days the countries discussed the problems they encountered from a recipient angle and then met on the third day with representatives from donor agencies to present an agreed point of view. The representation from recipient countries were quite widespread geographically and notably included, for the first time at such a meeting, representatives of the private family planning programs in Mexico and Brazil.

The disadvantage of this format became apparent almost immediately at the combined donor/recipient meeting. The recipient countries had prepared what was in fact a manifesto based on their view-points and experiences. It was not always correctly informed and as a result raised issues which might have been disposed of very quickly had a joint meeting been held for the whole three days. There was a sense of being put in the dock as a result of this procedure and I felt that the meeting was not a useful way to explore the very real problems that are expressed in the title. Unfortunately, I was not able to stay for the whole of the meeting, but I came away with the strong feeling that serious attention should be given to the question whether such meetings now fulfil any useful purpose on an annual basis. I raised this question after the 1971 meeting when it was still being maintained that a possible role for the Development Centre in this area was that of providing the neutral ground on which these issues could be discussed free of institutional and bureaucratic constraints. This may still be true, but certainly the format of this year's meeting prevented it from being a fruitful way of exploring the differing viewpoints on this important topic.

I extended my trip by one day in order to visit the London School on Economics on the 11th December for discussions with Professor Hlya Myint, Professor of Development Economics. I had been seeking for some time for an occasion to discuss some general questions with Professor Myint, but I was also particularly concerned to seek his view on the

Mr. Alexander Stevenson

- 5 -

December 21, 1972

Council for Asian Manpower Studies. In view of the Bank's interest in supporting the establishment of CAMS as an organisation through which research on employment and manpower questions could be generated in Asia, I had in mind to seek Professor Myint's advice and possible help in the future when addressing the key question of strengthening the actual machinery of CAMS for this purpose. Although Professor Myint, as a distinguished Asia economist, is very knowledgeable about research possibilities, he did not feel able to offer any assistance in the immediate future. I got the impression, however, that it would be worthwhile keeping his name in mind were we to need consultant advice, particularly on research plans or in reviewing the results of particular pieces of work.

EKHawkins:jmd

c.c. Messrs. E. Stern
K. Kanagaratnam
M. Yudelman
R. Demuth
F. Steuber/J. Strobl - Paris office.

ILO

December 14, 1972

Dr. Mark Leiserson
International Labor
Organization
Caisse Postale 500
CH 1211
Geneva 22 Switzerland

Dear Dr. Leiserson:

I was glad to have had a chance of meeting you when I visited the ILO last April.

I am now in the final stages of writing up a report on "The World Bank on Science and Technology". In an annex devoted to ongoing research on appropriate technology, I gave my understanding of the work at ILO. I would be very grateful if you would review my account for accuracy. Unfortunately, there is some urgency, as the report needs to go to the printer soon. I very much appreciate your help.

Sincerely yours,

Charles Weiss, Jr.
Science and Technology Adviser

CW:scs
Enclosure

Central Files

110

December 14, 1972

Mr. George Weaver
International Labor Office
666, 11th Street, N. W.,
Washington, D. C. 20001

Dear George:

Here are copies of our three (3) cooperative agreements.
As I said, the one with UNIDO is operating on an ad hoc basis
and will be finalized only sometime in 1974.

Sincerely,

Michael L. Hoffman
Associate Director

MLH/rmk

Enclosures



INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

ROUTING SLIP

Date Dec. 13, 1972

TO -	Name	Room No.
1	Mr. Michael L. Hoffman	D1123
2		
3		
4		

FOR -

Action	Initialing
Approval	Preparing Reply
Comment	Previous Papers
Filing	Noting and Returning
Full Report	Recommendation
Information	Signature

REMARKS

FROM -

A. Rinaldi

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

ROUTING SLIP

Date: 12/15/72

No.	Name
1	Mr. Michael J. Holleran
2	
3	
4	

FOR

Mr. Tolson
 Mr. DeLoach
 Mr. Mohr
 Mr. Bishop
 Mr. Casper
 Mr. Callahan
 Mr. Conrad
 Mr. Felt
 Mr. Gale
 Mr. Rosen
 Mr. Sullivan
 Mr. Tavel
 Mr. Trotter
 Tele. Room
 Miss Holmes
 Miss Gandy

1972 DEC 15 PM 3:49

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FROM

BUREAU INTERNATIONAL DU TRAVAIL



LI-ILO
OFICINA INTERNACIONAL DEL TRABAJO

INTERNATIONAL LABOUR OFFICE

Adresse postale: CH 1211 GENÈVE 22
Télégrammes INTERLAB GENÈVE
Télex 22.271
Téléphone 31 24 00 & 32 62 00

Réf. BIT n° ESC 1016-31-04

Voire réf. n°

Mr. Fritz Steuber,
International Bank for
Reconstruction and Development,
European Office,
66 Avenue d'Iena,
75116 PARIS.
(France)

7.12.72

Dear Mr. Steuber,

We understand through Mr. Michael Hoffman, who was recently in Geneva, that you will be representing the World Bank at the technical meeting being held at ILO headquarters on 14-15 December to discuss the papers prepared by the ILO concerning the ACC Functional Group on employment policy.

As the discussion papers were sent to Washington and may not be forwarded to you in time for the meeting, I am sending you with this letter a copy each of the note of 15 September and the additional note.

2

Looking forward to seeing you in Geneva.

Yours sincerely,

Louis Emmerij

Louis Emmerij,
Deputy Chief,
Employment Planning and
Promotion Department.

✓ ILO
cc Alpha - AMMAR, A.

December 12, 1972

Dear Mr. Ammar:

This is with reference to your letter of December 5, 1972, addressed to Mr. McNamara, concerning the forthcoming comprehensive employment strategy mission to the Philippines.

You are correct in your surmise that Mr. Ranis has already been in touch with the Bank concerning possible Bank staff participation in his mission. In response to your request for a "focal point" with whom further consultations concerning the Philippine mission may be carried out, I am happy to inform you that Mr. Ernest Stern, Senior Adviser, Office of the Vice President - Development Policy, will act in that capacity.

With best personal wishes,

Sincerely,

Michael L. Hoffman
Associate Director
Development Services Department

Mr. Abbas Ammar
Deputy Director-General
International Labour Office
CH 1211 Geneva 22
Switzerland



cc: Office of the President (2)
Messrs. Stern, Turnham, Weaver (ILO)

MLH/jk

110

OUTGOING WIRE

TO: INTERLAB
GENEVA
SWITZERLAND

DATE: DECEMBER 8, 1972

CLASS OF SERVICE: TELEX 22.271

LT
114

COUNTRY:

TEXT:
Cable No.:

AMMAR YOUR ESC 1016-31-04 JUST RECEIVED STOP AS OUR REPRESENTATIVE
INTERAGENCY TECHNICAL MEETING IS IN PARIS WOULD YOU PLEASE URGENTLY MAIL
COPIES ADDITIONAL NOTES TO FRITZ STEUBER 66 AVENUE D' IENA PARIS 16^e
REGARDS

~~MICHAEL~~ HOFFMAN
IBRD

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME Michael L. Hoffman

DEPT. Development Services

SIGNATURE _____
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE: MLH/jk

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ASSOCIATION

INTERNATIONAL BANK FOR
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INTERNATIONAL FINANCE
CORPORATION

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TO: INTERLAB

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SWITZERLAND

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DATE: DECEMBER 8, 1972

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AMMAR YOUR ESC 1016-31-04 JUST RECEIVED STOP AS OUR REPRESENTATIVE
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REGARDS

~~Michael J. Hoffmann~~
IBRD

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME

Handwritten signature
Michael J. Hoffmann

DEPT.

Development Services

SIGNATURE

(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE) *Handwritten signature*

REFERENCE

MLB/jk

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8 DEC. 1972

INTERNATIONAL LABOUR OFFICE

Adresse postale : CH 1211 GENÈVE 22
Télégrammes INTERLAB GENÈVE
Télex 22.271
Téléphone 31 24 00 & 32 62 00

Réf. n° WEP 86-3-71
WEP 86-4-02

Mr. R.S. McNamara,
President,
International Bank for
Reconstruction and
Development
1818 H Street, N.W.
WASHINGTON, D.C. 20433
(Etats-Unis)

Dear Mr. McNamara,

I wish to refer to the conversations Mr. Méndez, Chief of our Employment Planning and Promotion Department had in Washington last August with your colleagues Messrs. M. Hoffman, P.B. Henderson, D.J. Turnham and E.K. Hawkins. One of the objects of these conversations was to discuss the ILO project for sending to the Dominican Republic, at the Government's request, an inter-disciplinary and inter-agency mission on employment policy, and to consider with them the possible co-operation of the World Bank in this venture. This question was also reviewed more recently with Mr. P.P. Kuczinski of the IBRD by Mr. F. Pazos, Economic Adviser to the President of the Inter-American Development Bank, who will lead the mission and whom the IDB has kindly agreed to make available for that purpose.

I was very happy to hear from both Mr. Méndez and Mr. Pazos that your colleagues expressed a keen interest in this project and reacted favourably to the suggestion that the IBRD should participate in the mission.

The project has now been approved by the UNDP and we have just completed a first round of discussions with Mr. Pazos. I therefore feel that the moment has come to provide you with further information about the mission and about these recent developments.

The ILO mission, although comprehensive and inter-disciplinary in nature, will be smaller than those carried out in other countries, including Colombia. Its main objectives will, however, be similar. Specifically, it will analyse the

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8 DEC 1972

INTERNATIONAL LABOUR OFFICE

Handwritten notes and initials

Mr. R.S. McNamee,
President,
International Bank for
Reconstruction and
Development
1818 H Street, N.W.
WASHINGTON, D.C. 20433
(Estatu-Unia)

Adresse postale : CH 1211 GENEVE 22
Télégrammes INTERLAB GENEVE
Télex 22 271
Téléphone 31 24 00 & 32 82 00

Rét. n.°
WEP 86-3-71
WEP 86-4-02

Dear Mr. McNamee,

I wish to refer to the conversations Mr. Méndez, Chief of our Employment Planning and Promotion Department had in Washington last August with your colleagues Messrs. M. Hoffman, P.B. Henderson, D.J. Turman and E.K. Hawkins. One of the objects of these conversations was to discuss the ILO project for sending to the Dominican Republic, at the Government's request, an inter-disciplinary and inter-agency mission on employment policy, and to consider with them the possible co-operation of the World Bank in this venture. This question was also reviewed more recently with Mr. P.P. Kuczynski of the IBRD by Mr. F. Pazos, Economic Adviser to the President of the Inter-American Development Bank, who will lead the mission and whom the IDB has kindly agreed to make available for that purpose.

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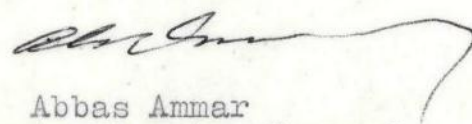
employment situation and the causes of the under-utilisation of human resources; sketch the main lines of a development strategy designed to promote the growth of employment; suggest policies and programmes that could reduce unemployment and underemployment in the short run in those sectors or regions particularly affected; define the basis for the establishment of an information system on employment, unemployment and underemployment; and identify programmes or projects through which international agencies could, by providing technical assistance or financial aid, help in the execution of plans and policies designed to further the growth of productive employment.

We have agreed with Mr. Pazos that the mission should comprise about 15 experts and that it should visit the Dominican Republic from 23 April to 19 May 1973. Mr. Pazos considered that it would be very important for the Mission to benefit from the Bank's expertise in the field of labour-intensive techniques in public works and construction, which is an area likely to loom large in any employment policy recommendations made to the Government. He will, together with Mr. Weaver, contact you directly in order to review what specific possibilities might exist in that regard.

As in the case of other employment missions, we are considering, in consultation with Mr. F. Pazos, what suitable arrangements could be made with a view to convening a preparatory inter-agency planning meeting which would offer an opportunity to the head of the mission and to the representatives of the various agencies concerned to review all the points that it might be useful to discuss at the project planning stage. We also intend to circulate the mission's draft report to all participating agencies for their information and comments, and to organise an inter-agency meeting at which this draft will be discussed before being finalised by the Chief of Mission. It is currently our plan to convene this meeting at the beginning of August and it will be my pleasure to invite you in due course to send a representative.

In conclusion I should like to say how much we in the ILO welcome the interest demonstrated by the IBRD in the employment problems of the developing countries of the world, and to express my satisfaction that this mission offers another opportunity for fruitful co-operation between our two Organisations.

Yours sincerely,



Abbas Ammar
Deputy Director-General

MAIL ADDRESSED
TO THE
PRESIDENT

ROUTING SLIP Date **DEC 8 1972**

INCOMING MAIL

Mr. Adler	D630	Mr. Rayfield	N434
Mr. Aldewereld	A1226	Mr. de la Renaudiere	C302
Mr. Alter	A908	Sir Denis Rickett	A1230
Mr. Baum	D729	Mr. Rotberg	A1042
Mr. Bell	A1136	Mr. Stevenson	D532
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Mr. Clark	D1029		
Mr. Cope	B1210		
Mr. Demuth	D1128	MLH	
Mr. D.A. de Silva	N635	To handle,	
Mr. Diamond	A613	pls.	
Mr. Fowler	A1219		
Mr. Gabriel	H700		
Mr. Goodman	C602		
Mr. Goreux	N235		
Mr. Graves	D1122		
Mr. Gutierrez	B906		
Mr. Hartwich	A413		
Mr. Hayes	D429		
Mr. Henderson	D529		
Mr. Hittmair	A1042		
Mr. Hoffman	D1123		
Mr. Husain	C1001		
Mr. Knapp	A1230		
Mr. Kirmani	A1143		
Mr. Knox	A911		
Mr. Lejeune	A1013		
Mr. McNamara	A1230		
Mr. Mendels	A1219		
Mr. Muller	N436		
Mr. Nurick	A802		
Mr. Pajmans	D1032		

From: Communications Section, Room C219, Extension 2023



INTERNATIONAL LABOUR OFFICE

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Télex 22.271
Téléphone 31 24 00 & 32 62 00

Réf. n° WEP 158-3-84-3
WEP 4-02-84

V ILO
C AMMAR, A-

Mr. Robert S. McNamara,
President,
International Bank for
Reconstruction and Development,
1818 H Street, N.W.,
WASHINGTON D.C. 20433.

(Etats-Unis)

5 DEC. 1972

Dear Mr. McNamara,

It is, as you know, the Director-General's policy to keep UN agencies and other major international or regional bodies informed about action which the ILO is taking, under the aegis of its World Employment Programme, to meet government requests for assistance in the field of comprehensive employment promotion.

The Director-General being currently absent from Geneva, I am writing on his behalf to inform you that, at the request of President Marcos, the ILO will next year send a Comprehensive Employment Strategy Mission to the Philippines. As laid down in its Terms of Reference, the objectives of the mission are:

- (i) To suggest for the Philippines a long-term developmental strategy for the attainment of high levels of productive employment on a sustained basis.
- (ii) To examine what steps would be necessary in the light of such employment-oriented strategies as may be proposed by the Mission to strengthen the existing machinery for even more effective implementation of social and economic plans and programmes.
- (iii) To study the resource situation for an employment-oriented developmental effort, indicate what policies may become necessary in the future and, in this context, suggest ways and means by which resource-flows from international agencies can be developed and effectively utilised.

- (iv) To propose further measures for, or changes in, the existing practices relating to the development of human resources in the light of the envisaged shift in the orientation of developmental planning and policy making.
- (v) To review the role of international trade and of international monetary flows in relation to the economy of the Philippines and, in particular, in relation to the employment situation.
- (vi) To assess specially the contribution that agriculture, small industries, handicrafts and such labour-intensive sectors can make to employment-generation, particularly in the rural areas, and to see what measures can be taken for the promotion, on the one hand, of self-employment and, on the other, the use of labour-intensive techniques on as wide a basis as possible.
- (vii) To examine the nature of data available for planning and policy making and the methods of data collection used and suggest whether and, if so, what changes are necessary, and
- (viii) To suggest ways and means by which research in the Philippines can be even more effectively directed towards the national goal of high-production employment levels.

In agreement with the Government of the Philippines, the Director-General of the ILO has appointed as Chief of Mission, Professor Gustav Ranis of the Economic Growth Center, Yale University.¹ The Government has designated the National Economic Development Authority (NEDA) to be responsible for co-ordinating the mission's work at the national level.

Professor Ranis paid a short visit to the Philippines during the second half of November for initial discussions with the Government, the UNDP Resident Representative, and local representatives of other agencies about the organisation of the mission. It has been agreed that Professor Ranis together with a few members of the mission would in principle visit the Philippines during the last two weeks of January 1973 to initiate a programme of preparatory work, while the mission proper would carry out its field work in the period 1 June - 15 July 1973.

¹ Address: Economic Growth Center, Box 1987 Yale Station,
Yale University, New Haven, Connecticut 06520

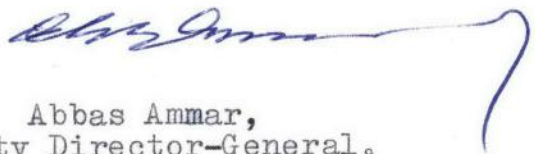
Tel: 436 84 12

It is clear that as part of its fact-finding the mission may have to consider the effects on employment of some problems or aspects of policy that come within the purview of your organisation. It would therefore be most useful if, during its stay in the Philippines, the mission could as necessary consult your representatives or experts in the country. I should also be grateful if you would contribute any data you may have on such activities of your organisation as are relevant to employment in the Philippines, including reports, studies or other publications which might be useful to the mission in planning its work.

I am convinced you will agree that our previous policy of associating other agencies with comprehensive employment strategy missions should also apply to the Philippines mission, and I would therefore suggest that, as was the case with previous missions, you designate a "focal point" within your agency with whom we would deal for all technical and administrative questions. In the ILO this person will be Mr. Louis Emmerij, Deputy Chief of the Employment Planning and Promotion Department. An early reply would be very much appreciated because Professor Ranis is keen to follow up this official letter very quickly with specific suggestions. He may already get informally in touch with certain officials in your Agency who are personally known to him. As soon as you communicate the name of your "focal point" to us, we shall not fail to channel all correspondence through her or him.

The Director-General continues to attach great importance to the principle of involving the major international and regional organisations fully in the planning and execution of comprehensive employment projects, and I thank you in advance for your co-operation in this new venture under the World Employment Programme.

Yours sincerely,
For the Director-General,



Abbas Ammar,
Deputy Director-General.

110-

December 5, 1972

Dear Mr. Jenks:

Further to my letter of August 28, 1972, I enclose a paper containing the World Bank's comments on the ILO employment mission as background for the meeting on March 7-9, 1973, that is to review those missions, which you invited the Bank to attend. I understand that our comments will be circulated to the other participants in the meeting.

Our present plan is that the Bank will be represented at the meeting by Mr. E. K. Hawkins and myself.

Sincerely,

Michael L. Hoffman
Associate Director

Mr. Wilfred Jenks
Director-General
International Labour Office
154, rue de Lausanne
Geneva, Switzerland

Enc. 

cc: (with attachments)
Messrs. Demuth
Hawkins/Turnham
George Weaver
Steuber

MLH/jk

IBRD Comments for the ILO Employment Missions
Review Meeting

Introduction

1. The World Bank has welcomed the decision of the ILO to organize an evaluation of the work of the employment policy missions carried out under its auspices. We are happy to participate in such an evaluation exercise and offer the following comments as a contribution to the proposed meeting for this purpose, to be held from March 7 to 9, 1973. The Bank has been closely associated with the four principal missions - to Colombia, Sri Lanka, Iran and Kenya; members of the staff have taken part in the preliminary discussions and planning sessions with the mission leaders, as well as being associated with the teams while in the field. Draft reports were reviewed and discussed within the Bank and comments transmitted to the ILO and the leaders. Representatives have been sent to all the subsequent interagency meetings which discussed the draft reports.
2. Such an evaluation will also assist the Bank in reviewing its own program of country economic analysis. The Bank has long been involved in the development process in the countries concerned. All four countries are important borrowers from the Bank and relationships with the country are both widespread in terms of topics and areas of interest and go back long periods in time. Bank-country relationships are, therefore, a part of the development process which the employment missions had to take into consideration. It follows that any comments that can now be made are to be taken as coming from an organization that has been an interested party in the events under review.
3. A second proviso must also be made concerning the art of evaluation itself. Although there has been increasing interest in assessing and measuring the effects of development processes and policies it is clear that this relatively new activity has not yet reached the stage where agreed and definitive techniques can be applied to obtain clear-cut answers. One reason for welcoming the initiative of the ILO in organizing this evaluation is the hope that it will contribute to this important task.
4. A related issue is the extent to which it is possible to assess the effects of mission activity of this kind on the policies and performance of the recipient governments. Even the earliest mission, to Colombia in 1970, is so recent that the implications of the proposals on policies and practices could scarcely have begun to become apparent. There are clearly relatively long time lags involved in the delivery of the recommendations to the government, their publication (with its impact upon public opinion), the formulation of proposals for implementation of some or all the changes, and the period required for such changes to take effect in the economy. As the recommendations of the reports are generally far reaching in their implications for established policies and practices, it would be surprising if a 10-year period would suffice for the full effect of changes to be adequately measured.

5. The possible influence of the missions falls into three broad areas. The first is the likely effect on thinking about employment and development problems. The second is the example provided by the techniques employed and the extent to which they might be followed in other cases. The third area would be the effects of the mission and its recommendations on the development prospects of the countries visited. In what follows, major attention is given to the first two areas while the third is dealt with in a more summary way for the reasons cited above. It is assumed here that the main interest would be in permanent influences on development policy and practice, rather than in transitory effects on events in the areas concerned. A fourth possible area is omitted from this document, although it is recognized that it may be of considerable importance to the ILO and should be a proper subject for an over-all evaluation meeting. This is the impact of the mission activities upon the ILO itself, including the extent to which the ILO's own participation contributed to the success or otherwise of the missions. It would be inappropriate for another international agency to comment on this aspect of the evaluation.

New Thinking on Employment and Development

6. New approaches and attitudes to development planning have been evolving over recent years and it is difficult to isolate the influence of one particular line of activity. It is clear, however, that the influence of the policy missions on such thinking has been considerable. The members of such missions would be the first to recognize, however, that they were often stating and applying ideas which were developing contemporaneously in universities and international organizations. Their main contribution was to apply this new thinking to the particular circumstances of the four countries concerned in essentially a series of detailed case studies. Although the ideas which form the basis of three of the four reports can be described as a new approach to policy, they consist in part of revival of earlier thinking or a reinterpretation of older ideas. Such restatements are important. Much of the authority attached to the three reports on Colombia, Sri Lanka and Kenya is based on the impressive way in which these ideas have been re-applied to modern situations.

7. The basic theme is a desire to restate the objectives of economic development in broader terms than that of the growth of the national income. The new emphasis stems from the present evidence and future expectation that relatively high rates of growth of GDP are not necessarily accompanied by parallel increases in employment opportunities. Employment opportunities are viewed not in the narrow sense of the hiring of labor for wages and salaries, but in a broader context embracing those parts of the economy where access to productive resources, particularly land, is the major way in which the well-being of the population can be advanced.

8. A second related strand of thought is a renewed interest in the way in which the benefits of growth are distributed. This leads to investigations of the distribution of income and wealth - investigations formerly central to questions of political economy but which are only now returning to that central position after several decades of neglect.

9. These basic themes led the employment missions to a re-examination of the structure and operation of the economies under review, which stressed certain aspects. One is the choice of techniques of production. The manner in which labor is combined with capital and natural resources was re-examined with emphasis on the fact that inappropriate techniques resulted in a structure of production which was often both wasteful of capital and unable to make use of abundant labor supplies.
10. The second area of concentration to which the missions were naturally led concerned the content and quality of education and training. Since the ability of labor to contribute to development depends on the education facilities available, in the broadest sense, it was natural to pay considerable attention to the way in which education systems responded to the needs of the economy. The missions were able to document the divergence that has developed between the aspirations and expectations of educated manpower, and the employment opportunities available to those emerging from the system. Although many observers were already becoming aware of the phenomenon of the educated unemployed, it has perhaps been most dramatically highlighted in the case of the mission report on Sri Lanka.
11. Another intellectual contribution of the missions has been the different emphasis given to the macro-economic aspects of country analysis. The missions' reports have not followed the traditional patterns of country economic reporting as currently practiced. Some would regard this as a weakness in the sense that mission conclusions would have been strengthened by a more thorough and systematic macro-economic basis. The procedure adopted, however, was to highlight certain key aspects of the macro-economic framework insofar as these were judged to be particularly relevant to the employment issue. The most significant example concerns the circular relationship between the growth and composition of the GDP, the pattern of final demands and the links with the composition of output. It was demonstrated that a recognition of the relationships between final demand patterns and the income distribution are essential to an understanding of the structure of production.
12. Another aspect of thought which is emphasized in the mission report on Kenya concerns the relationship between the modern and the traditional sectors of the economy. Although this dichotomy in developing countries is a basic part of nearly all development theory, the report puts a new emphasis on the distinction. The word "traditional" is replaced by "informal" to point up the role of this part of the economy in the development process. The aim is to highlight the dynamism which often occurs in the neglected twilight zone that lies between the agriculture sector and modern urban development. The word informal is used to indicate the unmeasured and often neglected aspect of this part of the economy. It is a part in which much enterprise flourishes in a fashion which is often neither encouraged nor much noticed by the authorities. Often these official attitudes are influenced by unsatisfactory social aspects in housing facilities, etc. The mission points to the role that economic activity in this sector can play in the economy. The informal sector, it is argued, will have to play a bigger role in the future in providing employment opportunities and, in so doing, ease the transition between older social and economic structures and those associated with the newer forms of productive activity in the modern sector.

13. Although the role of the missions has been outstanding in pioneering the rethinking of development policy and practice, it is also probably true that the more extravagant claims made for these missions' reports are exaggerated. For example, it has been stated that the approach embodied in three of the reports represents a revolutionary new approach to development planning which focuses entirely on employment objectives and thus relegates growth to a secondary position. There is no doubt that this was the intention of the missions' leaders, but it is a claim which can hardly be supported either from the evidence of the reports or by comparison with other exercises of a similar kind. A fairer conclusion would be that the rethinking demanded by the ILO missions had been under way during the period covered by the reports and is also reflected in the work of other agencies concerned with development questions.

14. Perhaps the more important influence of the employment missions has been in the way in which they have encouraged and stimulated governments and other agencies to re-examine traditional approaches. What they have not done is to persuade those agencies to abandon entirely the view of the process of economic development which centers around measurements of economic growth. It is now generally recognized that growth of the Gross Domestic Product is only one aspect of the development process. In practice, however, it has not been possible to change over completely to measures of development couched only in terms of employment creation, nor would it be desirable to do so.

15. In many respects it can be said that the machinery for development planning has not yet been modified to the extent that would make such a change of emphasis possible. This is why the actual recommendations of the employment missions turn out to be much less revolutionary than might be expected from the emphasis laid on new departures in the basic thinking behind the reports. The fault lies not with the missions or with the thinking, but rather with the fact that the mechanisms required to translate the implications of this new thinking into operational practice have not yet been developed.

16. Even when this can be done it will still remain true that the growth in GDP will remain a central subject of interest for planners. Although not a sufficient condition for providing productive opportunities for all who want them, economic growth remains a necessary condition for the structural changes associated with genuine economic development.

The Role of Employment Missions

17. The usefulness of employment missions depends a great deal upon the nature and limitations of the mechanism used, in this case, the relatively large, short-term mission of experts. The pattern followed for the four missions carried out so far was to organize a large team, well diversified in terms of expertise and background and under the leadership of a distinguished and internationally well known individual. The teams were set up for the particular mission and were not intended to be a permanent feature of the relationships between the ILO (or any other agency) and the country concerned. The closest parallel from the recent past is provided by the series of country reviews in depth organized by the World Bank in the 1950's. Those general survey missions undertook to examine the economic condition and prospects of

the country concerned, at the request of the country. The World Bank organized the missions, but they were largely made up of consultants. The essential feature of those earlier missions was the same as that of the ILO employment missions, that the report was prepared only at the request of the governments, who had identified a need for an independent review.

18. In the case of the employment missions the reports have been the final responsibility of the leader alone. They have not been interagency missions, in the sense that the agencies took any responsibility other than to offer assistance and make available staff as members. In a very real sense, therefore, the quality of the reports has been a function of the quality of the leadership. The coherence, unity and authority which lie behind the recommendations of the missions to Colombia, Sri Lanka and Kenya are related to the fact that the leadership and the key members of the team came from a single, independent academic based institution where many of the basic ideas on employment and poverty discussed above had been debated and developed. This feature, and the dynamic leadership provided by this institution, explains much of the success the missions have achieved. The role of leadership extended beyond the minimum unifying task required to ensure the production of a well edited report. The leaders undertook, in the case of three of the missions, to organize them, including the choice of staff and negotiations for their availability. ^{1/} This provided a direction to the mission that is reflected in the quality of the reports; it also permitted the leader to follow through, in some detail, the kinds of enquiries that he regarded as important through the choice of particular individuals and skills. It also relieved the ILO, as the sponsoring agency, from the task of mission organization, although administrative services were provided.

19. It follows from the above that one of the difficulties of evaluating the possible future use of employment policy missions as a permanent technique is that there is, as yet, insufficient evidence as to whether this mechanism would work as well under other leadership and with a different kind of core membership for the mission.

20. Certainly the size of the missions has been no necessary contribution to their success. The contributions of the various experts were available to the mission leader but the speed with which the reports were produced required him to operate with a small group in the drafting of the document. There is considerable value in the production of such reports within a short space of time. It is clear, however, that it was not always possible in these circumstances to take fully into account the work of the more peripheral experts and contributors.

21. This disadvantage arising from large size of missions can be related to the more general limitations of missions of this kind. The temporary nature

^{1/} In the case of the fourth mission the leader refused to take on this role and viewed his task in a more limited way.

of the activity, for example, is both an advantage and a disadvantage. It is an advantage because such a mission can enjoy influence and prestige, as a result of the specific invitation of the government concerned, which may be denied to other more permanent arrangements. It is a disadvantage simply because there are many aspects of the employment and poverty problem which will not yield easily to solutions derived from temporary exercises. It follows that the longer-term influence of these missions will depend on the extent to which they leave permanent marks on the governments concerned, and on the related activities of other agencies and institutions operating on a more permanent basis.

22. It should be added that some of the above disadvantages of mission activities may apply to similar exercises mounted and carried out by other international agencies. The World Bank experience over the years, arising from a considerable program of country mission work, has been that such work has limitations as a means of dealing with the less well-understood aspects of economic development. To some extent this can be mitigated by a continuing program of economic work, if it builds up experience and knowledge in the hands of both governments and the international agencies concerned. Special studies can be sponsored and attempts made to gather new and significant information. Such a continuing program of economic work has not been possible within the World Employment Programme of the ILO because the latter has not been organized in a way that would have permitted it to carry on such a program of work. One of the key questions that arises in the present evaluation of the efforts made so far is whether the advantages which stem from the independent authority of the missions have yielded sufficient benefits to outweigh the disadvantages arising from the fact that there is no certainty that many of the points raised in the reports will be followed up by the governments concerned.

23. It is clear that to some extent the thinking of the missions has been reflected in the ongoing work of other agencies in the international system. Certainly the style and methods of operation of the continuing country economic work of such agencies as the World Bank and the IMF have been influenced in such a way as to provide more permanent attention to these key issues. It is difficult to disentangle in practice, however, the extent to which this is so. Given the increasing recognition of the poverty and employment problems of developing countries, it is certain that economic work programs of these agencies would have been influenced and modified in this direction, even if no employment missions had been mounted. It is also clear that influence has also gone in the other direction. In the case of the report on Colombia, for example, a Bank mission was in the field at the same time as the ILO mission, and the very close interrelationships between their reports can be seen by a comparison of the published documents concerned. ^{1/} Similarly, the mission to Kenya was able to draw upon the report and findings of previous Bank missions as well as a close inter-change of ideas arising from Bank staff participation in the employment mission. The same is true of the missions to Iran and Sri Lanka.

^{1/} "Economic Growth of Colombia: Problems and Prospects", 1972, Johns Hopkins Press.

24. The nature of economic development planning, however implemented in practice, necessarily requires that attention be paid to certain key features of the economic system. It would be possible, therefore, to evaluate the influence of the employment missions by examining the policies and practices in economic planning of the countries who have received such missions. The essential elements are nearly always based on some form of macro-economic planning technique and methodology. Secondly, this must be backed up by appropriate sector planning and attention to intersectoral linkages. Almost certainly the treatment of the balance of payments must be a separate and distinct part of the planning exercise, since the management of the balance of payments and of exchange rate policy is central to any process of economic planning. This would naturally lead to attention being paid to such questions as the role of foreign investment, both private or public, including the contributions of overseas development assistance. Such a framework occurs in nearly all examples of country economic analysis which have been carried out by the international agencies. Certainly in the case of the World Bank the examination of a country's present condition and future development prospects will always cover the above aspects. It will increasingly go into much greater detail in areas judged to be of particular significance.

25. Much will depend on the immediate purposes for which the analysis is required. The employment reports carried out under the World Employment Programme, although similar to the economic reports prepared by the World Bank and the International Monetary Fund, are nevertheless sufficiently different in their coverage and objectives. Much of the basic macro-economic framework and the related balance of payments analysis is missing or is treated only in a summary fashion. In contrast, the reports are notable for the special attention paid to questions of manpower, labor and related social issues. The reports therefore complement those prepared by other agencies.

Impact of the Missions on Country Policy

26. In the meantime the reports of the employment missions have done much to demonstrate what can be accomplished within an ad hoc mission framework to open up new ideas and begin to apply them. What has not yet been demonstrated is whether such missions have had a significant and permanent effect upon the policies and practices of the countries visited. The evidence available to the World Bank on this point from its continuing relationships with the countries concerned gives at best, a sceptical answer. Few changes which can be linked directly to the influence of the reports have been observed and, in some cases, there has even been retrogression. ^{1/} All the signs, however, do not point in

^{1/} In the case of Colombia, for example, the unemployment surveys which the employment mission made use of have been abandoned and not yet replaced by officially sponsored surveys.

the same direction, and the interest in employment and income distribution questions has continued to grow and has been reflected in development policies. The case of Kenya may be particularly significant, in that the government has shown an interest in relating the findings of the mission to the forthcoming development plan, so that the basis for a systematic following through of the recommendations may be built up.

27. In areas where sensitive political issues are involved there must be a prior commitment to act and this will itself take time to establish. The principal reason for the apparent lack of impact on policy and practice is undoubtedly the absence of adequate follow-up procedures. Such procedures go well beyond the normal processes of policy formulation and implementation where new approaches are recommended. Apart from the problems raised by the novelty of radical departures from established ways of thought and practice it will often be necessary to develop new techniques and institutions. Expert technical assistance may be required for a variety of purposes before action can be taken. This is true even when the nature of the policies required is known and understood and the means are at hand with which to implement them. For many of the areas concerned with poverty, employment and income distribution, however, no clear understanding yet exists on which action can be securely based and follow-up procedures must include the necessary studies to establish such a sure basis. It is hardly surprising, therefore, if the present conclusion must be that there has not been, as yet, much real impact upon country policy and practice.

Conclusions

28. It would be wrong, however, to conclude this paper on a pessimistic note. It is clearly too soon and too close to the events concerned to be able to evaluate, or even detect, the full influence of the employment missions on the processes of economic development. In a world in which there are many reports prepared by a multitude of agencies, both national and international, these have attracted considerable attention. This attention and the respect paid to them in both academic and official circles is due to the total impression made by the reports, rather than to the originality of their recommendations. The latter are made up of proposals which have been made before and the contribution of these missions has been to apply them, in a balanced way, to a total country situation where the poverty and employment problem is emerging as a key development issue. No individual, or institution can look at development policy in future without taking account of these reports and they are likely therefore, to have a permanent influence upon thinking.

29. The ILO sponsored employment missions have also demonstrated certain values of the independent mission approach, as a supplement to the more institutionalized methods which have been built up within the international system, when the mission is properly prepared, organized, vigorously led, and provided with institutional support and follow up. The questions for the ILO would seem to be whether, and if so, on what scale and frequency, to continue sponsoring such independent missions; or whether to establish within ILO a unit that would have a planning and organizing capacity effectively to organize and staff from

within and outside the Office, and to carry out, country employment strategy studies - functions performed up to now, by, e.g. the University of Sussex.

30. If it were decided to follow the first pattern, it would be necessary to identify the make appropriate arrangements with universities or other institutions with the capacity and willingness to mount such missions. There do not appear to be very many institutions at present with either the capacity or willingness, and very few indeed with both. If this path were followed, it would be desirable to avoid attaching large numbers of part-time experts to the missions merely to give them an interagency or international facade. Experience to date clearly demonstrates that the inputs of such experts, whatever their technical value, are seldom reflected in any significant manner in the substantive recommendations of the mission reports, which are largely or entirely the work of the mission chief and a small core of full-time associates. While doubtless less dependent on structural changes within the ILO than the second alternative suggested, establishment of a regular program of, say, one or two employment strategy missions per year would nevertheless call for some development of a capacity not now present in ILO to plan, oversee and evaluate such missions and, in particular, to relate their operations to the ongoing work of the ILO, the Bank, the UNDP and the other specialized agencies in the countries in question.

31. A decision to provide the necessary institutional functions and continuity within the Office itself would have organizational and budgetary implications into which it would be inappropriate to attempt to go in this paper. Much would depend on the number of countries it was proposed to cover and at what rate, and on whether the ILO intended to assume institutional responsibility for the recommendations of employment strategy missions. If the ILO should decide to follow this path, the Bank's long experience in organization and carrying out country missions ranging from general reviews of development prospects and policy to detailed studies of economic and social sectors might be of some value, and if so, it would, of course, be made available to the Office.

December 1972



INTERNATIONAL LABOUR OFFICE

EXPRESSAdresse postale: CH 1211 GENÈVE 22
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Télex 22.271
Téléphone 31 24 00 & 32 62 00Mr. Robert McNamara,
President,
International Bank for
Reconstruction and Development,
1818 H Street, N.W.,
WASHINGTON D.C. 20433,
(USA)Réf. n° ESC 1016-31-04

Dear Mr. McNamara,

4 DEC. 1972

3

In the absence of the Director-General and further to his letter of 21 November inviting you to be represented at the inter-agency technical meeting to be held on 14-15 December 1972 to discuss the draft paper on the ACC Functional Group on Employment Policy, I am pleased to enclose three copies of an additional note prepared by the ILO.

This additional note is concerned with questions of specific objectives of the international community in the area of employment policy, as well as with follow-up mechanisms of inter-agency coordination. Needless to say, this note is a tentative one because of the relatively few reactions we have had from agencies to these questions. Those reactions that were received have been incorporated into the note.

2

The additional note is complementary to the paper circulated to agencies last September. After the discussion during the forthcoming technical meeting on 14-15 December, we shall integrate the two notes into one consolidated final paper, which will be circulated to you towards the end of January 1973. For completeness sake, we include again two copies of the September note, which will of course also be revised in the light of the forthcoming discussions.

The meeting will be held at the ILO headquarters building, 154 rue de Lausanne. The first session will commence at 10 a.m.

Yours sincerely,

Abbas Ammar,
Deputy Director-General.

RECEIVED



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International Bank for
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Yours sincerely,

Deputy Director-General
1972

RECEIVED

ACC Functional Group on Employment Policy

Additional Note by the Director-General
of the ILO - for discussion only.

1. Attached is an additional note submitted for discussion, together with the Note of 15 September 1972, at the Inter-Agency Meeting of 14 and 15 December 1972.

2. The Note of 15 September was not changed at this stage, not because it is considered perfect, but because it is clearly more efficient to do this after the present Meeting when certain points have been clarified in more detail orally.

3. The attached note goes into the two important areas not dealt with in the September document, namely: (i) objectives for inter-agency co-ordination and co-operation in key areas of employment policy and planning, and (ii) follow-up mechanisms of inter-agency co-ordination in the field of employment policy and planning. Relevant Agency comments have been taken into account in the attached draft.

4. The two notes will be integrated into one consolidated final paper after the Meeting.

1. Objectives for inter-agency co-ordination and co-operation in key areas of employment policy

There is a considerable amount of consensus that the key areas distinguished in the September note are indeed the important ones. These key areas are the following: (i) population, (ii) technology, (iii) income distribution, (iv) education and the labour market, (v) international trade, and (vi) institutional aspects, with special reference to the rural areas. But in the communications received from Agencies some uneasiness was also expressed as to the lack of specificity within each of these broad areas.

As a first step, it is important to establish the objectives to be attained by the international community in these areas, it being understood that in the end each country must make its own decisions. The President of the World Bank - in a speech to the 53rd Session of the UN Economic and Social Council - presented an approach to the problem of employment and poverty very much in line with the one presented in the September note. Five objectives were singled out which cut across the above major areas and are consistent with them and which can be considered as a useful starting point for concrete action. These five objectives are:

(i) Elaboration of specific targets, within the development plans of individual countries, for income growth among the poorest 40 per cent of the population. The goal should be to increase the income of the poorest sections of society significantly faster than the national average.

(ii) Introducing institutional reforms to redistribute economic power: land reform, corporate reform, tax reform, credit and banking reform, etc., because continuation of the existing land tenure patterns, tax laws and financial regulations would simply assure that the present distribution of assets and income will be perpetuated.

(iii) Bringing about shifts in the patterns of public expenditure. Too often these expenditures - on health, on transport, on water supply, on education - end by benefiting the already privileged far more than the mass of the disadvantaged.

(iv) Introduction of policies to eliminate distortions in the prices of land, labour, and capital which provide subsidies to the rich and penalties for the poor.

(v) Over and above structural reforms, job creation must become a direct objective in itself. It will be necessary to organise rural and urban public works: the building of market roads; construction of low cost simple housing; reforestation programmes; expansion of irrigation and drainage facilities; and similar low-skill, labour-intensive, and economically useful projects.

As a second step the question must be answered what the international community can and should do to assist Member countries in meeting these objectives.

With respect to the first - elaboration of specific targets for income growth among the poorest segment of the population - Agencies concerned with development and employment planning and policy should as a matter of course include in their policy advice suggestions concerning such targets. As an example, here is what the Kenya Employment Report had to say about this objective.

"Under the employment strategy presented in this report, we propose the adoption of the specific objective of bringing every section (and if possible every member) of the population of working age up to a standard of employment productive enough to generate a reasonable minimum income. If high priority is given to this objective, this automatically means that the resources made available by economic growth should benefit those now lacking income earnings opportunities more than those already in possession of a satisfactory and secure living. To the extent that this policy is successful and the number of people in minimum productive employment is increased, the distribution of income will, in fact, have become more equal.

We suggest that the necessary reduction in inequality be embodied in minimum real income targets for every household, to be attained through increases in employment. Suitable targets might be as follows (in shillings a month in 1971 prices): for rural households, 120 sh. by 1978 and 180 sh. by 1985, and for urban households 200 sh. and 250 sh. respectively.

Such income standards are not concrete enough in that they are only a short-hand expression for the real components of a minimum standard of living, namely nutrition, housing, clothing, public utilities, access to amenities, etc. We recognise this weakness, but feel that an aggregate target is justified by the advantages of having a specific over-all objective by which to measure and monitor progress. On the other hand, the real objectives must also be formulated. The regular collection of the data needed to determine the reasonable targets for real components of a minimum standard of living, to measure progress in attaining them and to identify and locate the deficiencies which must next be corrected - all this deserves high priority. High among these essential real components of an income objective must be the elimination of the malnutrition which is now estimated to affect a quarter of all children in Kenya. The formulation of minimum nutritional standards and the setting of targets for the reduction and abolition of malnutrition are strongly recommended. As an example, we would suggest the provision of free and sufficient milk for all children as one of the long-term targets.

Other targets include access to clean water at a reasonable distance (perhaps not more than 1 1/2 miles from any house). Access to basic health services and to basic education should also be developed as part of minimum income objectives, in such terms as distance from schools and clinics, teacher-pupil ratios, and the number of physicians and other health personnel per head of population.¹

Reports concerned with economic and social development policy, whether they originate from the UN, the World Bank, the ILO, UNIDO or another Agency, should pay special attention to this aspect of "redistribution from growth" and so should the

¹ Employment, Incomes and Equality - A Strategy for Increasing Productive Employment in Kenya, ILO, Geneva, 1972, pp. 109-110.

UNDP country programming exercises. It is interesting to note from the above quotation that the concrete working out of real income targets for specific population groups lead straight into concrete policy and programme questions implied by the other objectives mentioned above.

Thus, the second objective - introducing institutional reforms to redistribute economic power - is directly related to the first and touches on such sensitive issues as land reform, tax reform, etc.

The employment case for land reform was made in the following terms in the Ceylon Employment Report:

"Output per acre is known to be highest on small holdings of 1.5 to 2 acres in India, perhaps even smaller in Ceylon. Nor, in Ceylonese extension and credit conditions, has small scale impeded the spread of innovations like fertilisers or H4 rice. A reform that puts more land into smaller holdings will create work directly by providing more per acre. Indirectly, land reform cuts unemployment by saving more imports (or producing more exports) from higher output at lower import costs, releasing foreign exchange for raw materials to complement new jobs elsewhere. More small family farms will also enable more people gainfully to employ themselves instead of glutting markets for jobs."¹

This is an area which interests of course in the first place the FAO, but also the World Bank, the UN, the ILO, etc. Although this is par excellence the domain of the "politics of employment", there are huge organisational and training jobs to be done in such areas as the training of survey officers, establishing of "floors" and "ceilings", the planning of cadastral surveys and land title registration, etc. Moreover, there is the question of whether land reforms really go far enough with respect to their employment and income implications for the less favoured groups in the population.

¹ Matching Employment Opportunities and Expectations - a Programme of Action for Ceylon, ILO, Geneva, 1971, p. 93.

In the field of tax structures, the International Monetary Fund is doing some work on tax incentives for the promotion of employment and on tax policies for the utilisation of labour and capital. In its operational work, it should indeed become normal practice to give due weight to employment-oriented questions and to a tax structure which is effective and in line with a development strategy which puts emphasis on the interests of the poor.

The third objective is concerned with shifts in the patterns of public expenditure on, for example, health and education. This again is very much related to the first objective. It is here that Agencies like UNESCO, WHO, UNDP, ILO, FAO, World Bank, UNICEF, etc., have all an important role to play.

UNICEF should, and according to its study on Children and Adolescents : Goals and Priorities for the Second Development Decade does indeed, give growing attention to the health, nutrition and general development of young children and to the improvement of the total environment in which children are born and grow up in their early years. This should have a profound influence on future skills and productivity of rural and urban youth and on the ability to enlarge work opportunities at fair levels of earnings.

UNESCO and UNICEF should give increased priority to the development and improvement of education at the primary level with particular reference to under-privileged groups.

For those who have missed formal education, and for others as well, facilities for non-formal education are of special importance. The World Bank and UNICEF are supporting a study of non-formal education in the rural areas with a view to drawing up guidelines which may be of practical assistance to developing countries. It is hoped that, in collaboration with FAO, UNESCO, and ILO, this study may be followed by action programmes which give due attention to the employment problem.

It is by now a well known fact that the rate of unemployment among young is higher than among the older age groups. At the same time, so many services so desperately needed are not being performed. An example is the need for clean drinking water which is not provided to rural populations while a substantial proportion of young children suffer from malnutrition. Health services in some developing countries may reach not more than 10 per cent of the people. In all these fields, many basic services could be performed by young people. Approaches are needed to close the gap between idle young people and unperformed social services. This is, of course, also related to meeting the fifth objective about which more will be said below.

If the concept of programmes is to replace that of projects and given the quantitatively marginal role of multilateral assistance in total aid flows, it follows that the input of multilateral agencies must be pegged to the locus of its greatest impact. In the field of education it seems that the multilateral agency's contribution might be most meaningful if addressed to the phenomenon and the process of change of educational systems. To the extent a government is resolved to undertake a revision of both its educational policy objectives and the means to be made available for it, it starts on the road of a long process. In this process, it may wish to obtain assistance in anyone of the three phases: (i) preparation of the decisions which will initiate the process; (ii) translation of these decisions into plans, programmes, budgets and projects; and (iii) assessment, feed-back and correction of the orientation and depth of the process. In a complex field as education, the major contribution of the UN system can best be made where it can help in preparing decisions for, and in sharing risks inherent in, the process of innovation and regeneration of

education. In other words, the approach is in favour of large programmes which it can help frame and design and within which there is bound to be a specific and essential need for the contribution of various Agencies. Thus, there is already co-operation between UNESCO and ILO - but which needs to be consolidated and extended to include UNDP and the World Bank - on the basis of an agreed upon programme in the field of education, the labour market and employment.¹

There is growing awareness on the part of health policy makers to plan for health within the social and economic development of the nation. This might well imply, for example, the designing of employment-oriented health plans which, in practical terms, means increased use of labour-intensive technology. Thus, there is the problem of providing health facilities to larger segments of the population, dealt with above, and the problem of the health sector as an employment market. WHO together with FAO, ILO, World Bank and UNDP will have to undertake concerted action in these areas.

The fourth objective relates to the introduction of policies to eliminate distortions in the prices of land, labour and capital which is closely linked to the question of choice of techniques.

The Ceylon Employment Report, for example, mentioned the need to discourage waste of capital which means looking critically at the cost of borrowing money. It also looked at the effect of taxes on the private sector, which "is positively encouraged by the tax system to buy capital equipment". The Report continued to say:

"Also relevant from the point of view of an employment mission are measures which directly subsidise the use of equipment. Capital allowances include lump-sum depreciation

¹ See Scope, approach and content of research-oriented activities of the World Employment Programme, ILO, Geneva, 1972, Part IV.

at rates varying between 33.3 per cent and 80 per cent, depending on the type of asset and of project. In addition, development rebates apply to industry, agriculture and construction at the rate of 40 per cent for plant, machinery and fixtures in respect of approved projects and tourism, and 20 per cent in respect of other projects. Approved projects have also been allowed a customs duty rebate on the import of materials.

There are not merely subsidies on capital, but also special additions to labour costs, so that the hire of labour is doubly discouraged. Employers' liabilities under welfare legislation are in effect a tax on labour when they are directly related, as in Ceylon, to the wage bill. The discouragement to employment would be reduced if employers' contributions were related where possible to something other than the wage bill - for example to total sales."¹

In the case of the Colombia Employment Report, it was shown that labour legislation was also very significant.

"When a firm hires a worker, it takes on many legal obligations - which make it very difficult to dismiss him. Of course, workers need protection, but the total effect of labour laws in Colombia (and this applies throughout Latin America, though perhaps less so elsewhere) is to give great security to a small minority of the working class at the cost of great insecurity for the remainder."²

This again cuts across the interests of many Agencies, including UNIDO, IMF, World Bank, ILO, etc., and needs a consistent and forceful policy on the part of the United Nations family.

¹ Matching Employment Opportunities and Expectations, op. cit., pp. 72-73.

² Dudley Seers, "New approaches suggested by the Colombia Employment Programme", International Labour Review, October 1970, pp. 382-3.

The fifth objective focused on short term, and even emergency measures to create additional jobs through rural and urban public works, etc. Job creation as a direct objective, it was called above. Indeed, the governments of developing countries frequently need specially designed programmes which would result in almost immediate improvement of the employment problem, at least in some sectors or regions, or among particular types of labour force, such as school leavers, etc.

The idea of using public works programmes to mobilise the potential productive resources constituted by unemployment or underemployment labour is of course not new. One of the better ways of finding a partial but rapid solution to the problems of poverty and unemployment is to institute what might be called "a major programme of minor works" in rural areas. This suggestion was already made in the ILO's Employment Policy Recommendation, 1964 (No. 122). The main argument against such a policy is the inflationary effect of distributing wages to workers hitherto without employment or resources, who in all probability will soon become purchasers of consumer goods.

In the present state of knowledge, opinion is not in general very favourable towards such experiments. Those undertaken in Asia, for example, have been severely criticised by Gunnar Myrdal.¹ On the other hand, there are cases where it would seem that convincing results have been achieved, for example in Tunisia, Morocco and in East Pakistan (Bangla Desh).²

¹ "Every effort to mobilise and organise underutilised labour for investment purposes has been a failure or a near failure" (G. Myrdal, Asian Drama, Vol. II, p. 1959).

² J.W. Thomas, "The Pakistan Experience", in W.P. Falcon and G.F. Papanek, Development Policy, 1971, p. 219.

but see
Wolensky
paper

All this makes it obvious that evaluation, research and action must go hand in hand and that those who try to oppose "research" and "project action" are not exactly on the right track. Joint action required by UNDP, World Bank, FAO, UNICEF, UNESCO, ILO, etc., etc.

But when it is remembered that the underutilisation of labour in the developing countries is to a certain extent due to the paradoxical fact that the existing production facilities are not used to full capacity, another measure that would have immediate and positive effects on the employment situation is the removal of factors responsible for serious underutilisation of existing productive capacity. While this underutilisation of capacity is the result of many different factors, shortages of imported raw materials, intermediate goods, repair and maintenance parts and even wage goods often impose serious obstacles to multiple shift working or even to working to full capacity on a single shift. And this leads us to the problem of capital aid. By permitting a greater volume of such imports, instead of concentrating on new development projects, capital aid could contribute significantly to the immediate expansion of employment as well as output in developing countries. Aid given for the more effective utilisation of existing capital would nearly always be much more employment-intensive than aid given for the introduction of new capital. In fact, this kind of aid would represent the best kind of intermediate technology -- labour-intensive yet without arousing the antagonisms conjured up by the idea of a "different" technology. UNIDO and UNCTAD should take the initiative here.

On the topic of aid, the Secretary-General of UNCTAD has suggested the following target: 40 per cent of assistance to be provided in the form of non-project aid. A framework containing a large component of programme aid will make it

easier to increase the proportion of resources devoted to investment in rural development which will have to constitute the main pillar of employment policy in most developed countries at least for the next decade. Apart from agriculture, there is a clear need to extend capital aid to financing rural public works and the development of local labour-intensive agricultural processing industries. Since in both these activities the import content is relatively low and labour intensity relatively high, a given volume of aid could go a long way in creating employment in the rural sector.

Related to this last point, a programme aid framework would also facilitate channeling more aid to smaller projects which are both more likely to be employment-intensive and more likely to be found in rural or small town locations where they reduce migration to the cities and consequently urban unemployment.

What are the basic features of the above proposals, particularly if we put them in the wider framework provided by the September Note? A first feature is the importance of programmes of action and the futility, therefore, of trying to oppose action at the national and sectoral levels to "operational" action at the project level, or to oppose "action" and "research". Faced with the economic and social problem of the last third of this century such artificial dichotomies are particularly naive and dangerous. For this very reason, a second feature is the inter-disciplinary, and thus inter-agency, nature of the problem to be tackled.

2. Follow-up machinery of inter-agency co-operation in the field of employment policy

There is, of course, no question of maintaining the present ACC Functional Group on Employment Policy after the completion and the acceptance of the final paper. On the other hand, the

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ACC paper on employment policy is clearly only a beginning; its intention is to give general guidelines for re-orientation and co-ordination of programmes, to be deepened and consolidated in subsequent action and by other means. What could these means be? Tentatively, the following three mechanisms for further inter-agency co-operation in the field of employment policy are proposed.

(i) The first mechanism would constitute of "limited arrangements" between two, three or more Agencies who want to pull their resources in order to tackle specific problem areas within an employment-oriented development strategy, like those mentioned in Part 1 above. Obviously these arrangements exist already to a certain extent, but they are frequently of a more routine nature and sometimes the contacts established in this way peter out before any actual work has been started, let alone brought to a successful conclusion. The idea behind the present proposal is to systematise such "limited arrangements", to choose specific topics and cases to be tackled jointly, and to follow the progress of the work together from the beginning to the end. For example, in the area of education and labour market policies, such a "limited arrangement" should exist between UNESCO, ILO and the World Bank, with possible inclusion of other agencies such as FAO, UNICEF and UNIDO when specific topics touching on their field of interest are being discussed.

In the area of choice of techniques, and the related question of price distortions, a "limited arrangement" should exist between UNIDO, ILO, the UN through ACAST, the World Bank and UNDP.

The FAO should take the lead in establishing such an arrangement around the employment case for land reform.

Examples of such "limited arrangements" could be multiplied but enough has been said to clarify the concept.

(ii) In the course of the present ACC Functional Group exercise, "focal points" were appointed in those Agencies that are involved in fields having a direct bearing on employment policies. These focal points have contributed actively to what shall become the ACC paper on employment policy. In these circumstances, a second mechanism to be considered would consist of meetings at regular intervals, the frequency of which remains to be decided, of those focal points. This wider arrangement, as compared to the first, would allow all concerned to take note of the "limited arrangements" made on specific topics and of the actual work in progress under each of them. It should also be a forum where proposals could be made and discussed concerning additional topics to be tackled in the employment policy and planning field and further "limited arrangement" worked out. Moreover, important programme changes in the light of new evidence could be brought to the knowledge of the ACC via a third mechanism.

(iii) The Director-General of the ILO, who would be the convenor of the second mechanism, would report, again at regular intervals, to the ACC about the progress made under each of the two mechanisms discussed above and, if this proved to be desirable, very short progress reports could be submitted to the ACC on such occasions.

Thus a quite flexible but potentially very effective set of interrelated and interlocked mechanisms would be put in motion. One of the advantages of this network is that the various levels of decision-taking within the agencies are all involved and that information flows regularly and systematically from one level to the other.

In order to complete the picture, it must be added that under the arrangement of prior consultation on programmes and budgets agreed upon by the ACC in 1970 and endorsed by Economic

and Social Council Resolution 1549 (XLIX), the organisations concerned send each other their draft work programme with a request for comments and communicate these comments to the governing organs responsible for the approval of their respective work programmes. This process, which covers all fields of activities, is clearly relevant to the concertation of action in the field of employment, and may help progressively to ensure that the activities of the various organisations concerned are mutually complementary and mutually supporting in this particular field as in others. Without prejudice to the extension of the process of prior consultation to medium-term plans, now under consideration by ACC, which may lead to multilateral discussions on these plans, and to similar discussions by sectors in the relevant subsidiary bodies of ACC, the present process of prior consultation on annual/biennial work programmes might with advantage be consolidated and extended, so far as employment is concerned, through the three mechanisms presented above.



INTERNATIONAL LABOUR OFFICE

ACC Functional Group on Employment PolicyNote by the Director-General of the ILO

1. At its 56th Session (London, 10-11 April 1972), the Administrative Committee on Co-ordination confirmed its decision taken the previous October requesting the Director-General of the International Labour Office to act as convener of a functional group on employment policy.

2. The ACC further decided that the main initial task of the functional group would be to determine the issues which should be considered at ACC level, and that, for this purpose, the detailed views of the members of ACC on the initial paper submitted by the ILO (dated 15 March 1972) would be ascertained, and the paper revised in the light thereof.

3. The views of most members of ACC have now been received and the revised paper is attached. On the whole, these views agreed with the scope and approach as outlined in the initial paper. They were useful in defining with more precision the areas in an employment-oriented development strategy which call for concerted effort by a number of members of the United Nations family. However, not much reaction was obtained with respect to (i) the objectives to be attained by the international community in these areas, and (ii) how the effectiveness of the work in these areas can be increased through intensified co-operation and co-ordination among the members of the United Nations family concerned and where appropriate through reorientation of some of their activities. (See also paragraphs 52-54 of the attached paper.)

4. In order to expedite matters, it is proposed that agencies send their written comments on the attached revised paper before the end of October 1972. Moreover, it is proposed that an inter-agency meeting be held at the technical level in the second half of November 1972 to prepare a final draft.

5. The work of the functional group may be facilitated by the recent publication of an ILO document on "Scope, approach and content of research-oriented activities of the World Employment Programme". Copies of this document are being sent to all members of the ACC.

Geneva, 15 September 1972



INTERNATIONAL LABOUR OFFICE

1. The Employment Approach to
Development Policies and Planning

1. The basic assumption of an active employment policy is that the rate at which productive employment is created depends both on the rate of economic growth and on the pattern of development and specific policy measures. The choice is not so much whether to sacrifice growth for employment or vice versa, as one among a number of paths towards growth which combine in various ways products differing both in volume and in composition, with variable structural and temporal employment conditions. Until very recently, country planning efforts did not go beyond the estimation of the prospective increase in the labour force and the statement that the planned rate of economic growth is expected to absorb in gainful employment the new entrants to the labour force and perhaps make a dent in the existing unemployment and underemployment.

2. There are at least three distinct types of problems underlying concern with the employment situation: (i) educated unemployment or, in general, the frustration of job seekers unable to obtain work of the type or remuneration which they think is reasonable or, by their education, have been led to expect; (ii) the low, poverty level of incomes, obtained by many producers and their families as return from their work - on farms and in other types of self- or family employment as well as in wage employment; and (iii) the under-utilisation and low productivity of the labour force, both men and women, reflecting inefficiency in the way labour is trained, deployed or supported with other resources.

3. It would appear normal to put greatest emphasis on the second of these problems, the poverty level of returns from work, because ultimately this is the most pervading and basic problem. But the two others are also important. For young persons, whether educated or not, to enter the labour force with a frustrating round of job seeking or resentment at missing opportunities which they feel they deserve, is hardly a good way to acquire the experience and work attitudes for a productive life, nor does it augur well for social stability. As regards the third problem, to increase labour utilisation and productivity is an essential condition for a sustained increase in production leading to improved living standards, particularly among the poorest groups. Clearly, different groups are affected by different employment problems in different ways. The problems differ between men and women, between school leavers, other youth and older persons, between persons in semi-arid regions and in overpopulated parts of a country, etc.

4. Similarly, there is not one cause of the employment problem but many. Frequently most of these causes are, in one way or another, aspects of imbalances: (i) imbalance between the growth of the labour force, urban population and education and the over-all growth of the economy; (ii) imbalance



between people's aspirations and expectations for work and the structure of incomes and opportunities available. These imbalances from within are sometimes reinforced by outside causes: international aid and private foreign investment is not only limited in most cases, but its benefits are often undercut and in some respects outweighed by unhelpful influences accompanying them - biases in technology, limitation in export markets and worsening terms of trade, strings to aid, payments of transfers abroad.

5. If the problem is primarily lack of jobs, the solution must be the provision of more jobs. If the problem is primarily an imbalance in opportunities, the solution must be to put right the imbalances: simply to provide more jobs within the existing framework of imbalances may make the problems worse. More urban jobs for secondary school leavers at existing salaries are likely to stimulate more secondary school output and migration than the jobs created. An attack on such imbalances will frequently imply stressing equity in the face of gross inequality, in earnings, education, land holdings, etc. But for basically poor countries, equity is not a substitute for growth. Emphasis should remain on continued growth and expanded production in every sector. In the case of the ILO's Kenya employment mission report this has led to the proposal of a "strategy of redistribution from growth".

6. Another feature of the Kenya report is its stress on the "informal" sector. This sector is characterised by (i) ease of entry, (ii) reliance on indigenous resources, (iii) family ownership of enterprises, (iv) small-scale of operation, (v) labour-intensive and adapted technology, (vi) skills acquired outside of the formal school system, and (vii) unregulated and competitive markets. Unemployment is often analysed as simply the result of the difference between a rapidly growing labour force and a more slowly growing total of enumerated wage-earning jobs in the formal sector. This is, of course, a seriously misleading picture. It ignores the fact that the bulk of the population works on the land, and in any event not in wage-earning jobs. It depends crucially on the statistics of the growth of formal sector enumerated employment which ignores the large numbers in the informal sector. Third, it focusses too exclusively on jobs, instead of on opportunities for earning a reasonable income.

7. But apart from these weaknesses, such an explanation presents the situation exclusively in terms of over-all imbalances, giving no weight to imbalance between the structure of skills and aspirations of the labour force and the structure of incentives and incomes from work. It pays no attention to the variations in the incidence of employment problems - seasonally, regionally, by age or by sex.

8. There are also the marked contrasts between the relative security and income levels of those with wage-earning jobs in the bigger firms and those self-employed in the informal sector and on the land. These sharp inequalities inevitably create strong ambitions to migrate to the towns, to strive for higher education, to search for a job. As long as extreme imbalances persist, so will unemployment since large differentials will always attract a margin of job seekers to hover in the towns, near the chances of the good jobs in the hope of getting one. This is the reason why an analysis of inequality is important to the explanation of employment problems.

9. But even with perfect equality, unemployment could arise. Fast rates of population growth, or urbanisation and school expansion inevitably make it more difficult to absorb the growing labour force and gives less time for structural adjustments. Here another set of imbalances arise - dynamic imbalances relating to the structure of economic growth and its constraints. Rapid growth can in itself generate imbalances which will frustrate its continuation - most notably a shortage of foreign exchange, of domestic savings, of skills and entrepreneurship, of demand for its products or the political support needed to keep the system workable. One must therefore be concerned with economic growth on a pattern which can be sustained in the future, and which generates wider and more productive employment opportunities in the process.

10. In a recent policy paper, the World Bank emphasises that "fundamentally, a development strategy oriented towards employment is one that seeks to change the development path of an economy and thereby to change the way in which the benefits of development are distributed. Policy choices thus relate directly to basic questions of development strategy and involve social and political issues

extending well beyond conventional political economy." This paper also underlines that throughout it "the recurrent theme is the need for more analysis, more facts and a better understanding of the complex interrelationships involved".¹

11. It is, therefore, important to identify the key areas which call for special attention in the context of an employment oriented development strategy as outlined above. These key areas are the following: (i) population, (ii) technology, (iii) income distribution, (iv) education and labour market, (v) international trade, and (vi) institutional aspects.

2. Population and Employment

12. New population policies cannot reduce much the magnitude of employment problems in developing countries for the next fifteen years, as the rate of growth of the labour force is already virtually predetermined. But they can have a decisive influence in the longer run. For example, it was shown in the Ceylon employment report that if a family planning campaign policy had been implemented at the same time as the malaria eradication campaign in the 1940s and had reached the present target birth rate of 25 per thousand in 1955, existing and past output trends would have been sufficient to reach full employment - but only by the 1980s, a full generation after the family planning programme had come to full effect. If output trends and patterns could have been accelerated and changed at the same time, the employment objective could have been achieved sooner.

13. But governments in many developing countries are faced with urgent employment problems of great magnitude. It may be wondered, then, what contribution a reduction in population growth can make to the rapid solution of these problems. The answer is that a change in population growth may have immediate effects on the demand for labour, by changing the composition of expenditures from less to more labour-intensive products, or products requiring less foreign exchange, or by increasing the level of savings and investments, for example. Moreover, changes in population growth have important implications for education. They affect, firstly, the possibilities of providing education and, secondly, the types of education that may be afforded. Both of these affect, in turn, employment possibilities. In addition, more needs to be known about:

- (i) the determinants of labour force participation rates, in particular for women;
- (ii) the economics of fertility reduction, particularly in so far as changes in employment and unemployment affect fertility;
- (iii) the effects of changes in population growth on output and employment levels, growth and structures;
- (iv) the effects of changes in population growth on income distribution, and through income distribution, on employment.

3. Technology and Employment

14. Technology has a significant impact on the economic and social characteristics of a country. It determines within fairly narrow limits the levels of productivity and employment in each sector and the performance of the economy as a whole. Total resources being limited, technological decisions in one area, implying a high degree of utilisation of scarce factors of production, reduce the options open to other sectors and may result in pronounced imbalances in the distribution of incomes between different segments of the population.

15. What needs to be done in this area are three things. First, of course, to promote understanding of the importance for developing countries of the choice of appropriate technology, with special emphasis on the employment implications. But more important, and second, increased efforts must be made to

¹ International Bank for Reconstruction and Development, "The Employment Problem and Bank Operations" (21 April 1972, mimeographed).

identify the kinds of technology that are appropriate and adaptable to the labour-abundant factor endowment of developing countries. Third, and equally important, specific measures must be devised in such fields as fiscal, trade and aid policies, training policy, and employment policies in general that can help ensure that appropriate technology is chosen and used.

16. There has been some confusion and misunderstanding in the past regarding the concept of "appropriate" or "progressive" technologies. It has, for example, been confused with the perpetuation of economic and technical inefficiency. This however is not a true interpretation of the problem of locating technologies more suited to factor endowments, not of the developed countries where they generally originate, but to those of the less developed ones. The fact of the matter is that in order that the existing technologies qualify as "appropriate" for the developing countries, they must: (a) result in fuller utilisation of idle and underemployed manpower; (b) raise average productivity of the labour force by making more efficient use of scarce capital, land and other natural resources; and (c) provide improved tools and equipment to those members of the community whose progress has lagged behind the rest, supported by advice on policy measures which ensures that increases in productivity result in larger markets and higher incomes within these sectors.

17. Indeed, there are constraints - technological, economic and socio-political - to the choice of appropriate technologies in developing countries. The selection of right choices from among the alternatives is hampered by several factors. Firstly, the latest technologies, which may be most efficient in purely technical terms, have mostly been designed to meet the quite different circumstances prevailing in the advanced economies (differences in factor costs, market size, consumer preferences, infra-structural facilities, manpower skills, etc.). Secondly, these advanced technologies generally require a very much higher investment per worker than can be afforded in developing countries - at least on a social accounting basis. Thirdly, more and more investment decisions are being made or influenced by government planners who may lack the technical know-how and experience to make the best choices from a national point of view. Fourthly, they lack ready access to the full range of alternatives that could be made available, being confined largely to equipment included in the current catalogues of machinery manufacturers in the highly industrialised states who are preoccupied with the needs of their domestic markets. A fifth reason, and not the least important, has been underlined in both the Colombia and Ceylon Employment Reports. It was found that "techniques have been biased in a capital-intensive direction by many types of policy that make capital cheap compared with labour - interest rates, for example, so low as to be virtually subsidised, and (especially) overvalued exchange rates. Rates of wages are relatively high in the modern sectors - especially if 'fringe' benefits are taken into account, as they are by the employers."¹ Again, the Pearson Report, in discussing the overstimulation of capital-intensive and labour-saving technology by artificial distortion of factor prices, states quite clearly that there has been a tendency for aid-giving agencies and foreign contractors to transfer most modern technology without modification.²

18. All the key areas under review in this paper cut across economic sectors. This is particularly important in the case of technological choice. It will be self-evident, but nevertheless worth repeating, that no generalisations are possible. Specific sector situations in a given country will need to be examined in order to come up with concrete and viable policy suggestions. The choice of techniques is likely to be much more important, in terms of its implications for employment in agriculture and in services than in manufacturing industry. This also applies to construction where the choice is wider than in manufacturing. This is so because in the latter the need for tapping export markets places a high premium on quality, low costs of production and international competitiveness. In fact, for the developing countries to be competitive in the long run in the world market, they have to plan their industry by

¹ Dudley Seers, "New approaches suggested by the Colombia employment programme", International Labour Review, October 1970, p. 382.

² Partners in Development - Report of the Commission on International Development, Praeger Publishers, 1969, p. 59.

not only considering the immediate situation but also the future requirements. It is clearly not always desirable to use labour-intensive techniques in developing countries, even if they would be "optimal" in the short run. In specific circumstances, such a policy might be detrimental in the long run.

19. The problem of product mix and choice of techniques is maybe particularly important in agriculture. It will be difficult, if not impossible, to absorb the much larger numbers in agriculture on the present patterns and trends of production and labour intensity. In most countries, a smaller proportion of the production increase in future is likely to come from extension of the cultivated area, which generally has a proportionate effect on the expansion of employment. Alternative production patterns based on crop diversification, multi-cropping and more labour-intensive techniques, will therefore be necessary. The high-yielding cereal varieties have opened up considerable possibilities in this direction. Further agronomic, production economics and extension research are necessary to provide specific policy guidance regarding alternatives of product, combination of production factors and techniques which will generate more employment, with, if possible, the same or higher levels of productivity.

20. In this connection, a word of caution is needed concerning the traditional development objective of raising productivity per man. While some increase in average productivity per man is required to meet production targets even with the current expanding agricultural labour forces, any marked increase in labour productivity must inevitably be confined to only a small proportion of the total agricultural labour force, thus leaving the rest no better off or even worse off than before. It is necessary not only to expand agricultural employment opportunities, but also to ensure that the increases in employment, productivity and incomes that can be achieved are distributed over as much of the population as possible. This leads into questions of agrarian structure and institutional systems, linked to the problem of imbalances mentioned earlier.

21. It appears right to end this section with a most appropriate quotation: "The above considerations, tending to favour labour-saving technologies in what are likely to be labour-surplus areas, are not to be counteracted by a wholesale rejection of labour-saving equipment. The suggestion is rather that a more discriminating approach be made for the selection of technologies."¹

4. Income Distribution and Employment

22. It is generally accepted that the main way in which income distribution in developing countries affects the level of employment is through its effect on the pattern of consumption. This works in two ways: first through the different import content of the spending of the rich and the poor; secondly through the different direct labour content of their spending (i.e. the problem of product mix). In this connection, the Colombia employment report asserts that "the basic goods which are widely purchased by those on low incomes - essentially food and rather simple manufactures like clothing and footwear - are precisely the goods which are (or can be) produced with techniques considerably more labour-intensive than those used in the production of the goods demanded by the rich. To produce the latter usually requires high capital-intensity." The message is that the distribution of income not only reflects the existence of the employment problem, it also causes it to exist.

23. Thus, it is contended that income distribution lies at the heart of the employment problem and that policy on this must play a central role in any employment strategy. It is, therefore, disquieting that there are no comprehensive studies of the complex interaction between these two most important phenomena of the economic life in developing countries: income distribution and unemployment. It follows that the empirical basis of most policy recommendations in this area is very thin indeed.

24. It will have become clear from the discussion in section 1 above, that the relation between employment objectives and income distribution objectives, and the relation between each of them and that of economic growth, is indeed at

¹ Joseph E. Stepanek, New Perspectives: Industrial Development in the Third World, Vienna, 1972, p. 5.

the centre of formulation of an employment-oriented development strategy. More light needs to be shed on the area of interaction between employment and income distribution in two directions: the effect of income distribution on employment and at the same time how the level, type and structure of employment influences the shape of income distribution in the country. This two-way relationship works directly and also indirectly, e.g. via the impact on economic growth.

25. In the light of the assertions quoted above, it is of particular importance to assess the effects of income distribution on employment. There are several known (or perhaps one should say suspected) channels through which income distribution affects employment. The classical argument against more equal income distribution is the effect on savings due to the assumption of different propensities to save out of profits and out of wages, and the somewhat related observation concerning higher propensity to save out of higher incomes than out of lower incomes where dissaving is often the case. Recently there has been a shift in thinking on this issue, based on observation of capital formation by certain types of self-employed persons (primarily near-subsistence farmers), absence of savings by high income groups (conspicuous consumption) and some uncertainty about the savings-investment identity of different income groups. The role of private savings and investment is also not considered as important as before due to the high share of governments of developing countries in capital formation.

26. Next to the savings channel, there are the import and capital-intensity channels as referred to earlier in connection with the Colombia employment report. On the one hand, there is the presumption that consumption of higher income groups contains a greater import component than that of lower income groups. On the other, there is the assumption that higher income groups consume more capital-intensive goods than lower income groups.

27. On all this, more facts, more analysis and more empirical evidence are needed.

5. Education, the Labour Market and Employment

28. If population policy has, among others, a direct impact on the problem of over-all balance (i.e. the balance between the supply of and the demand for labour), education-manpower policies play an important role in connection with one aspect of structural balance - the one of matching employment opportunities and expectations. The attitudes, aspirations and expectations perpetuated and stimulated by traditional educational systems tend to create a growing discrepancy between the employment opportunities that do exist on the labour markets of a country, and the job expectations that exist in the minds of the school leavers and graduates.

29. When looking at the relationship between education, the labour market and employment, the role and responsibility of education and training in the employment problem must be defined carefully. A kind of mythology is indeed springing up in this respect and one can hear statements going all the way from "education is causing unemployment" to "education increases the over-all level of employment". It would seem obvious that changes in educational policy cannot do very much to remedy over-all imbalances. According to a UNESCO memorandum, there are three obvious links between traditional educational systems and employment problems. Firstly, education is a means through which non-apparent rural underemployment converts itself into visible and often audible urban unemployment. Secondly, educational systems, in most developing countries, only aggravate the disfunctions between levels and types of education on the one hand, and working-age population and labour absorption capacity on the other. In fact, neither the type of education provided, nor the spirit prevailing within the existing educational systems, can offer youth the means to find their way through the societies awaiting them after completion of their studies. The situation is still more critical for those who have not completed school - who have abandoned or have been rejected by the system either due to repetitions, or quite simply because the system was unable to offer them the opportunity to continue their studies begun in rural areas. It can be said that there is now in the "pipeline" of education a number of men and women who will later remain unemployed because the type of education received corresponds in no way to the societal tasks and economic roles they will be called upon to play.

30. Thirdly, what characterises this type of education is that it provides a source of future workers who will be under-utilised with regard to the qualifications they have received. In other words, many secondary education students and even a large number of higher education students, assuming they find a job, will only be able to discharge functions or to play a role in the economic life of the country at a level considerably inferior to what they could expect, considering their qualifications or academic general educational achievements.

31. To a great extent, therefore, the failure of many school systems is a failure to adapt to the consequences of expansion. For example, the kind of secondary education which was appropriate at a time when all the products of secondary schools could be absorbed into middle-class occupations becomes glaringly inappropriate when some 30 to 40 per cent of each age group receive ten years or more of education, and the majority of them have no alternative but to become farmers and manual workers.

32. Any search for solutions must make a distinction between short-term and long-term policies and measures. For the short term, one should think in terms of flexible, well-adapted, cheap and quick methods which fit easily into the existing production process so as to prepare the 80 per cent of the active out-of-school population to cope with the permanent structural changes that they will have to face.

33. Long-term policy proposals must pay special attention to the timing, content and structure of education, with particular reference to bringing attitudes and aspirations into closer harmony with the opportunities offered by the economic and social environment. To what extent certain basic characteristics are acquired during the education process, and then lost, and at what rate, depends a great deal on the length of time a person is exposed to various forms of education, the sequence of educational events, the age at which the exposure occurs, and the motivation of the individual which is not unrelated to the relevance of the content of education as perceived by him at the time of exposure.

34. It is known that skills and knowledge not used deteriorate, that they are liable to obsolescence, that motivation to acquire them may increase with age and experience, and finally that the quality of the education obtained may improve with time. This would suggest that it is desirable to take a fresh look at on- and off-the-job training and "life-long" education and their inter-relationship.

35. Moreover, in countries where the economy is, and will be for many years ahead, essentially focused on rural activity, it is inconceivable to set up educational objectives concentrated only on future wage-earning employment demands in the formal sector.

36. There is thus a growing disenchantment with respect to the results of the expansion of higher and secondary education in developing countries. In the context of employment problems the biggest disappointment has been the high unemployment rates of many school leavers and university graduates. Two broad hypotheses are usually put forward to explain this phenomenon: (i) that it is evidence that the content of education does not take sufficient account of the needs of the society in which it is situated, and (ii) that there are rigidities in the labour market which prevent it from adjusting sufficiently quickly to the available supply of school leavers and graduates.

37. The first hypothesis was discussed above. Turning briefly to the second broad hypothesis, it is not clear what the long-term consequences of these rigidities are. We know that graduate unemployment in developing countries is presently concentrated in the young school leavers, that is, it is a temporary phenomenon for the individual concentrated in the early years of his working life. Can we expect labour market rigidities in the future to have as a consequence a phenomenon of this type, or are they likely to result in prolonged unemployment periods for graduates of any age? In other words, are the presently observed high rates of unemployment in the younger age groups symptoms of growing unemployment which will be observed in time for the older age groups as well? This is a critical question for the developing world, and depending on the answer will require very different remedies. Clearly, the more serious alternative implies great misallocation of educational resources among levels of education and training. In order to answer the question even tentatively, a great deal more information needs to be collected on the working of the labour market for graduates and school leavers.

6. International Trade and Employment

38. A very important obstacle to the choice of the best industries for developing countries at the moment lies in the restrictive trade policies pursued by the industrialised countries. This results in a situation where industries that it would be quite natural for the developing countries to have, and that would create considerable employment, are blocked for lack of opportunities to export their products. This applies of course with equal force to agricultural products. Trade liberalisation measures in favour of the agricultural exports of developing countries (and in particular the removal of measures discriminating against processed and semi-processed products) would result in a transfer of employment opportunities from developed to developing countries. Generally, the amount of employment created in the developing countries would be much greater than the associated reduction in the developed countries, where labour-saving technologies are almost universal.

39. But obviously, this is another case of avoiding to fall into the trap of looking too mechanically into the statistical relationship between employment and another variable - in this case, trade. The goods with the greatest employment content are indeed often agricultural products which grow very slowly in the world market, and even with complete liberalisation will not achieve the same growth rates as other goods with less employment content. If, as is often the case, an important aim is to achieve a high rate of growth of export earnings, it may be a better policy to choose goods for which a rapid growth in exports can be obtained even if these goods have less employment content in the short run.

40. It is well known that a lot of attention has already been focused by United Nations specialised agencies on efforts to bring about an expansion of developing countries' exports, as a result of which progress has been made in removing quotas and revenue duties and in reducing tariffs against these exports.

41. But precisely because of some of the points made above, it is desirable to have a further and systematic look at this problem area from an employment point of view. The questions to be studied could aim at (i) identifying the main internationally traded goods, liberalisation of imports of which would have the greatest impact on the employment situation in developing countries; (ii) assessing the order of magnitude of the employment effects of such liberalisation in both developing and developed countries; and (iii) identifying appropriate policies for coping with the adjustment problems. In this connection it must be noted that on the question of determining the impact of liberalisation of imports by developed countries on the employment situation in developing countries, the Generalised System of Preferences, when implemented, will have an important impact.

42. If access to markets of the industrialised countries is of crucial importance to mitigate the employment problems of the less-developed countries, there are quite a few important measures that the latter countries can and should take to meet their own problems in the field of international trade. These might include, in any given case, action in the field of exchange rates, fiscal policy, import policy, including protective measures, and monetary policy including, in particular, effective interest rates. Some of these measures were already mentioned in section 3 above in connection with the technology and employment issue.

43. And then, there is the whole problem of foreign aid, economic growth and employment, a controversial and not very well explored area. Some three years ago, the Pearson Commission declared that "the climate surrounding foreign aid programs is heavy with disillusion and distrust", and that "we have reached a point of crisis."¹ There can be little doubt that the Commission was right - also illustrated by its own failure to make a significant impact on the aid crisis. Many point to the widespread defectiveness of aid programmes and their disappointing results in terms of development performance. It is this "performance" aspect of foreign economic aid which needs to be evaluated.

¹ Partners in development: Report of the Commission on International Development, op. cit., p. 4.

7. Institutional Aspects with Special Reference to the Rural Sector

44. The key areas and problems of an employment-oriented development strategy discussed in the preceding sections arise in all branches of economic activity, and in both an urban and rural context, and call, therefore, for a global or comprehensive approach. However, special importance attaches to both agriculture and rural areas, since they support the overwhelming majority of the population of the developing world.

45. It has already been emphasised that the pressure of population in the rural areas of developing countries generally, will be so great that new entrants to the labour force cannot all be absorbed by the agricultural sector. Equally, as is evidenced by the growing numbers of urban unemployed, they have even less chance of being absorbed in other sectors, apart perhaps in certain branches of services. It will, therefore, be necessary to find employment for them somehow, particularly in off-farm occupations in rural areas.

46. Thus one is faced with the need for creating greater opportunities of employment and income generation in the rural areas as part of an over-all national strategy for employment promotion. This would need to include not only agriculture as such, and appropriately-tailored rural works programmes, but also such components as agro-based industries (for inputs and processing), and conscious policies for locating industries in rural areas. This in turn needs to be accompanied by the building up of the required physical and social infrastructure in rural areas. In other words, there has to be a comprehensive improvement in levels of income, employment and living conditions and amenities in rural areas to make it possible for them to continue to retain the bulk of the population until alternative productive employment in increasing volume is available elsewhere. An important means of effecting such improved rural development would be through the planned establishment of decentralised rural towns which would add new dynamism to rural life and relieve congestion in already overcrowded capital cities.

47. Employment-oriented development plans and policies are directed at specific groups, in specific regions, in specific countries. The key areas discussed in this paper need in addition the vehicle through which all of them are brought into play in any particular country. This area could be called the institutional-structural organisation and employment. For example, in the agricultural sector there is the land tenure structure, the production structure, the organisations of rural people, the institutional framework of economic services and facilities, and the organisational and administrative structure of government, from the local to national levels.

48. The adverse and retarding effects of unfavourable land tenure systems are already well known, and until changes are made educational and technological improvements cannot possibly achieve their objectives. Associated problems concern outmoded organisations of rural people, often weighed down by traditional law and custom. Shortcomings in distribution and marketing facilities, unfavourable price policies, lack of incentives, and few possibilities for savings and capital formation, seriously affect both production and employment possibilities. The situation is often aggravated by the fact that many of the existing services are confined to the larger farmers.

49. Organisational shortcomings and weaknesses in administrative capacity have resulted in many past failures in rural development. Organisational structure needs to be considered in two dimensions: first, the horizontal structure for bringing together all of the sectors involved - agriculture, health, education, transport, communications, etc.; secondly, the vertical structure for each of these sectors. Co-ordination and integration of policies, programmes, services and activities become both more difficult and more important if such broad objectives are to be attained.

50. As in the case of technology, there is a lack of adequate knowledge and experience of the employment capacity and potential of alternative land tenure structures, production structure and supporting services organisation in relation to different technology possibilities in agriculture. Such knowledge is essential for estimating labour demand and employment implications as a basis for agricultural employment planning, as well as for international assistance in this field.

51. The foregoing will be sufficient to illustrate the need to include this institutional/organisational aspect in the deliberations of employment issues. It calls for many important policy decisions at the national level, all of which should be taken with the employment objective fully in view. It also calls for concerted action among the United Nations agencies, as again it cuts across several sectors and spheres of competence.

8. Questions raised in the Initial Paper

52. The initial paper submitted by the ILO to the ACC Functional Group on Employment Policy (dated 15 March 1972), carried in its final paragraph three substantive questions. They were:

- (i) are the key areas identified in that paper indeed those calling for special consideration, and should further areas be added;
- (ii) what national action is desirable in each of these areas to promote a high level of productive employment and what international action is desirable to assist countries in the implementation of policies designed to this end;
- (iii) what can each member of the United Nations family contribute in each of these areas and how much more common action is feasible to this end?

53. The essence of most of the reactions received has been incorporated in the present text. However, on the final point as to how much more common action is feasible among the United Nations agencies, only the FAO reacted explicitly. For this reason it may be worth while to quote this reaction in full:

"We would base our comment on what we feel to be a fundamental principle, namely, that "the employment objective", like most other objectives of development, is primarily something to be achieved by having it pervade all policy, planning, programme and project decisions. In other words, it brings a new dimension into development planning and implementation, rather than always calling for special projects bearing the employment label.

To this end we would suggest that one possible area for common action might be to consider some steps along the following lines, pending more definitive common policy decisions;

- (a) in assessing all new project proposals, one of the criteria should be "employment effect", (including its distribution) and where applicable, a specific statement should be included as to whether this effect is considered to be positive, negative or neutral;
- (b) where a feasible choice of technology or system exists and is applicable, that having the higher level of labour intensity or labour absorption potential, should be given first consideration and preference; particular attention should be given in this connection to the foreign exchange component of projects involving the supply of equipment;
- (c) consideration should be given to the possibility of including or adding an "employment component" to existing development projects, where this could be done without disrupting the objectives and timetable of the existing project, but where it would enhance the value and impact of the project as a whole;
- (d) regional (i.e. sub-national) development planning projects should be undertaken under which the main focus is the provision of increased employment opportunities."

54. It is suggested that comments and reactions on the present draft concentrate on questions (ii) and - quite particularly - (iii) above.

ILD

Mr. Syed Salar Kirmani

December 4, 1972

Michael L. Lejeune

ETHIOPIA: ILO Exploratory Mission on Employment Policy

I attach copies of correspondence with ILO. You may wish to inform some of the people in your department.

Attachments

cc: Messrs. Bell, Chenery, Please, Hansen, Tolley,
Central Projects staff, Finsaas, Brakel

MLejeune:tj

✓ILO
cc Alpha - AMAR, A -

Ref. WEP 159-3-78
WEP 4-02-78

December 4, 1972

Mr. Abbas Amar
Deputy Director-General
International Labour Office
Ch 1211 Geneve 22
Switzerland

Dear Mr. Ammar:

Thank you very much for your letter to Mr. McNamara of November 16, about the small exploratory mission on Employment Policy you will be sending to Ethiopia.

In accordance with your request, I have informed Mr. Finsaas, Resident Representative in Ethiopia, of your mission and have asked him to be as helpful as he can.

We have no one other than Mr. Finsaas resident in Ethiopia and because of his very general function, he may not have the specialized information Professor Blaug's mission may require. I should mention that our Permanent Mission in Eastern Africa, located in Nairobi, whose function is to help countries in the area prepare projects, has a number of experts in education, transportation and agriculture, some of whom know Ethiopia quite well. Your mission may wish to explore with Mr. Finsaas whether it would be worthwhile for one of its members to stop in Nairobi to consult with our Mission.

As you may know, those concerned with following closely the economy of Ethiopia are here at headquarters. If there is any information Professor Blaug's mission wishes which we can supply, please let me know.

Yours sincerely,

Michael L. Lejeune, Director
Country Programs Department
Eastern Africa Regional Office

MLLejeune:tj

cc: Messrs. Cacho/Jalil
Bell, Chenery, Please, Hansen, Tolley, Brakel, Finsaas,
Central Projects Staff

140

OUTGOING WIRE

TO: FINSAAS
INTBAFRAD
ADDIS ABABA

DATE: DECEMBER 1, 1972

CLASS OF
SERVICE: TELEX

Handwritten signature

COUNTRY: ETHIOPIA

TEXT:
Cable No.: 370

ABBAS AMMAR, DEPUTY DIRECTOR GENERAL OF ILO HAS INFORMED BANK IT IS
SENDING TO ETHIOPIA SMALL EXPLORATORY MISSION ON EMPLOYMENT POLICY.
FROM HIS LETTER ASSUME MISSION ALREADY ARRIVED ADDIS AND WILL REMAIN
FOR ABOUT FOUR WEEKS. AMMAR REQUEST OUR "REPRESENTATIVES OR EXPERTS"
IN ETHIOPIA PROVIDE MISSION WITH INFORMED VIEWS AND SUCH DATA AS READILY
AT HAND. ASSUME PROFESSOR MARK BLAUG, HEAD OF MISSION, WILL CALL ON YOU.
YOU WILL KNOW HOW BEST TO ASSIST. THANKS

LEJEUNE

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME Michael L. Lejeune, Director
DEPT. Country Programs I, E.A. Regional Office
SIGNATURE *[Handwritten Signature]*
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)
REFERENCE: MLejeune:tj

CLEARANCES AND COPY DISTRIBUTION:

cc: Mr. Jalil

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ORIGINAL (File Copy)
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Checked for Dispatch: *[Handwritten Signature]*

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

OUTGOING WIRE

TO: PINSAS
INTABRAD
ADDIS ABABA

DATE: DECEMBER 1, 1972

CLASS OF
SERVICE: TELEX

COUNTRY: ETHIOPIA

TEXT:
Cable No.: 370

YOU WILL KNOW HOW BEST TO ASSIST. THANKS
AT HAND. ASSUME PROFESSOR MARK BLAUG, HEAD OF MISSION, WILL CALL ON YOU.
IN ETHIOPIA PROVIDE MISSION WITH INFORMED VIEWS AND SUCH DATA AS READILY
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SENDING TO ETHIOPIA SMALL EXPLORATORY MISSION ON EMPLOYMENT POLICY.
ABBA AMMAR, DEPUTY DIRECTOR GENERAL OF ILO HAS INFORMED BANK IT IS

LEJURNE

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME: Michael L. Lejune, Director

DEPT: Country Programs I, E.A. Regional Office

SIGNATURE:

REFERENCE: MLejune:fj

DEC 1 10 15 PM 1972

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120

November 29, 1972

Dear Mr. Jenks,

Mr. McNamara has asked me to reply to your letter of November 21, 1972 informing us that you intend to hold an Inter-Agency Technical meeting, to consider a proposal for an ACC functional group on employment policy on December 14 and 15 in Geneva.

I am pleased to inform you that the Bank will be represented at this meeting by either Mr. Fritz Steuber or Mr. Sven Julia of the Bank's European Office. I would appreciate it if any further papers relating to this meeting be sent directly to Mr. Steuber -

International Bank for Reconstruction
and Development
European Office
66 Avenue d'Iena
75116 Paris, France

with copies to this office.

Sincerely,

Michael L. Hoffman
Associate Director
Development Services Department

Mr. Wilfred Jenks
Director-General
International Labour Office
154, rue de Lausanne
Geneva, Switzerland

MLH

MLH:pa

cc: Mr. Hawkins
Mr. Weaver - ILO, Washington

140

24 November 1972

Dr. Abbas Ammar
Deputy Director-General
International Labour Office
CH 1211 Geneva 22
Switzerland

Dear Dr. Ammas,

Thankyou for your letter of the 17th of November referring to the proposal that the Bank and ILO staffs might meet on a more regular basis, about twice a year. We certainly wish to inaugurate this type of meeting and I agree that it would be suitable to arrange for a first such meeting to take place in March, when many of the people concerned will be in Geneva for your evaluation meeting. This letter is to confirm that your proposal for such a meeting on Saturday the 10th of March is agreeable to us.

We would certainly welcome your suggestions for items to be included in the agenda for this meeting. We do agree that one important item will be the proposal recently sent to us by Mr. Zoetewij. Mr. Stern will be responding to his letter on this subject. We will also consider this question and let you have our proposals for the agenda in good time for the meeting.

Sincerely,

Signed Hollis B. Chenery

Hollis B. Chenery
Vice-President - Development Policy

gah
EKHawkins:gah

cc: Messrs. Demuth
Stevenson
Hawkins
Turnham
George Weaver - ILO Washington

140

24 November 1972

Mr. H. Zoetewij
Chief of the Research and
Planning Department
International Labour Office
CH 1211 Geneva 22
Switzerland

Dear Mr. Zoetewij,

Thank you for your letter of November the 10th transmitting the ILO's proposal for the improvement of Labour Utilisation Statistics.

We would welcome an opportunity to discuss your proposal with members of your staff and can foresee no problem with your suggestion of a meeting immediately following the inter-agency evaluation of activities under the World Employment Programme planned for March next. While very much in agreement with the objectives you have outlined for a data program in this area, we are not yet in a position to comment on the budgetary and staffing side of the proposal, nor possible financial support for the program from the Bank. A first step will be to determine the appropriate organisation of such an effort, and particularly the involvement of other agencies with interests in this field. We understand, for example, that the OAS is currently preparing a proposal for the Latin America region involving the creation of a staff unit to carry out very similar activities to those you are proposing.

Yours sincerely,

Ernest Stern
Senior Adviser - Development Policy

cc: Messrs. Demuth
Hawkins
Turnham



ILO

November 24, 1972

Mr. N. Franklin
Chief, Economic Branch
International Labor Office
CH 1211 Geneva 22
Switzerland

Dear Mr. Franklin:

I am pleased to inform you that we have made progress in our plans for the employment mission to the Ivory Coast in the spring of 1973 and I would now like to make a formal request to you to make available for this mission the services of Messrs Mouly and Lubell. I understand that their participation in the employment mission would be on the usual terms for participation of ILO staff members mentioned in Mr. Leiserson's letter to me of September 22, 1972 (your ref. no. WEP2-19). These are that the Bank would reimburse travel and subsistence expenses while ILO continues paying salary costs for the period spent in the field or in Washington working on the report.

To explain the purpose of the participation of Messrs Mouly and Lubell in more detail, I enclose herewith the draft terms of reference for the Special Employment Mission to the Ivory Coast which, as earlier discussed, is scheduled to begin its field work on March 15, 1973. Apart from the ILO staff members, whose participation is heartily welcomed by all of us, the mission will comprise Mr. Orville F. Grimes, Jr., an economist of the Population and Human Resources Division, and a mission chief who, we hope, will be designated very soon.

You will note that the mission is now styled as a special mission with its own mission chief, and not as part of our general economic mission to the Ivory Coast. However, our economic mission under Mr. de Wit will be in the field at the same time and we expect that there will be close cooperation between the two missions.

I realize that the terms of reference, and more particularly, the attached work program, describe a large field of enquiry and that it may be difficult for the proposed four-man mission to cover the entire field in great depth. In order to arrive at a feasible interpretation of the mission's task, a great deal of discussion will be necessary between mission members and between the mission and several parts of the Bank concerned with work on the Ivory Coast--the West Africa Regional Office, the Population and

November 24, 1972

Human Resources Division and the Development Research Center. We therefore attach much importance to a preparation period in Washington before the mission's departure for the Ivory Coast and have scheduled Messrs Mouly and Lubell to spend about ten days at the Bank before the mission. For the same reason, it will also be desirable for the mission chief and Mr. Grimes to spend a few days in Geneva before the mission for discussions with you and your associates and with other branches of ILO.

I hope that these proposals will seem acceptable to you and to Messrs Mouly and Lubell, and I would appreciate receiving your comments.

With best regards.

Yours sincerely,

Cornelis J. Jansen
Senior Economist
Country Programs Department
Western Africa Regional Office

Enclosures

Cleared with & cc: Mr. Hawkins (Economics)

cc: Mr. G. Weaver
Special Representative of ILO
Washington, DC, USA

cc: Messrs Chenery, Haq, Stevenson, Hayes/Tims, Goreux/Vaurs, Grimes
Desautel
de Vries, de la Renaudière
Gué, Schott, Glaeser o/r
de Wit

CJJansen:hlm





Central Files
ILO

INTERNATIONAL LABOUR OFFICE

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Télégrammes INTERLAB GENÈVE
Télex 22.271
Téléphone 31 24 00 & 32 62 00

Réf. BIT n° WEP 2-23

Voire réf. n°

Mr. E.K. Hawkins,
International Bank for
Reconstruction and Development,
1818 H Street, N.W.,
WASHINGTON, D.C. 20433.
(USA)

23 NOV. 1972

Dear Ted,

I am very glad to learn from the letter by Mr. Chenery to Dr. Ammar that you are going to represent the Bank at the meeting of the Steering Group on the Research Programme on Income Distribution and Employment, and I am using this opportunity to give you some information additional to that already contained in the official invitation.

The Steering Group which is meeting for the first time comprises, apart from yourself, Professors Tinbergen, Thorbecke, Morrisson (Paris), Oshima and Ghai (Nairobi) and Mr. Anibal Pinto from ECLA. However, Oshima and Pinto will probably not be able to attend this meeting.

On the first day of the meeting we shall be concerned primarily with the discussion of each of the twelve projects which together constitute the Research Programme on Income Distribution and Employment. I know that you have already read this outline (which is also included in our "yellow book" on the scope of research in the World Employment Programme), but in order to be sure I am sending you a copy under separate cover. On Saturday we shall discuss work done on income distribution in the members' institutions and we will solicit ideas about institutes and individuals who might help us in implementing the research programme.

The meeting will start on Friday, 1 December at 10 a.m. in Room C of the ILO main building. The Saturday session will probably end by lunch-time. I presume that you are making your own arrangements about accommodation, but of course we are ready to provide any assistance.

I would also like to use this occasion to congratulate you on your recent promotion.

Looking forward to seeing you on 1 December.

Yours sincerely,

Felix

Felix Paukert,
WEP Research Branch,
Employment Planning and
Promotion Department.

RECEIVED

RECEIVED

I would also like to use this occasion to congratulate you on your recent promotion.

Looking forward to seeing you on 1 December.

Yours sincerely,

Felix

Felix Parker,
WEP Research Branch,
Employment Planning and
Promotion Department.

1972 NOV 27 AM 10:42

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✓ ILO
cc OECD/DAC
cc Empl/Unemployment
cc Population

Mr. E.K. Hawkins

November 22, 1972

Ravi Gulhati ~~Ravi Gulhati~~

Visit to Europe

On or about November 29, 1972, you should plan to visit Geneva and Paris for the following purposes. In Geneva you will visit the ILO for the purpose of taking part in the expert group being organized to consider research in the area of income distribution. You may also take this opportunity for routine discussions with the ILO on the question of mutual interests in the employment field. You should then proceed to Paris in order to take part in the DAC meeting on employment scheduled for the 4th and 5th of December. However, your participation in that meeting will be limited in order that you may address the seminar organized by the Deutsche-Stiftung on "Population Data and the Use of Computers for Population Research", which is to conclude its meeting in Paris at the office of the Bank on the 5th of December. You will address the seminar on the Bank's approach to population policies on the afternoon of December the 5th.

Finally, you will attend the meeting organized by the OECD Development Centre on "Constraints on Population Activities and the Problem of Absorptive Capacity", for which you have already received a personal invitation.

On your return to the Bank you should make an appropriate back-to-office report.

EKHawkins:gah *[Signature]*

cc: Messrs. Demuth
Kanagaratnam
Steuber - Paris Office

ILO



Log Dec. 29. 1972

INTERNATIONAL LABOUR OFFICE

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Télégrammes INTERLAB GENÈVE
Télex 22.271
Téléphone 31 24 00 & 32 62 00

Mr. Cornelis J. Jansen,
Western Africa Region,
I.B.R.D.,
1818 H Street, N.W.,
WASHINGTON D.C. 20433

Réf. n° IB 16-2-103

(USA)

Dear Mr. Jansen,

21 DEC. 1972

Thank you for your letter of 24 November 1972 formally requesting the participation of Messrs. Mouly and Lubell in the Bank mission to the Ivory Coast in March 1973. I am pleased to report that the necessary approvals in the ILO have been obtained.

In general, the terms of reference and tentative work programme for the mission seem to provide an excellent foundation for the mission's activities. There are, however, a few points which cause us some concern but which, I hope, do not represent any substantial difficulties.

First, item (iii) in the terms of reference which states that the mission is "to undertake analysis for a comprehensive employment strategy and recommend appropriate government policies", conflicts with the original conception of the mission as preparatory to the "basic" economic mission planned for 1974. To develop a "comprehensive employment strategy" would seem to be a much more ambitious task and require quite different staffing, or indeed, a wholly different approach such as the ILO missions organised under the World Employment Programme. Under the circumstances, I would suggest that item (iii) be dropped from the terms of reference.

Secondly, the rationale for separating the employment mission from the general economic mission is not clear. This may be just a matter of form. On the other hand, in our previous discussions of staffing the mission, it was understood that the economists on the economic mission would also be addressing themselves to the employment aspects of development policy. It would, I think, be unfortunate if the formal separation of the

RECORDED



1975 Dec 24

INTERNATIONAL LABOUR OFFICE

Mr. Cornelis J. Jansen,
Western Africa Region,
I.B.R.D.,
1818 H Street, N.W.,
WASHINGTON D.C. 20433

Adresse postale: CH 1211 GENÈVE 22
Télégrammes INTERLAB GENÈVE
Télex 22.271
Téléphone 31 24 00 & 32 62 00

(USA)

Réf. n° IB 16-2-103

24 DEC 1975

Dear Mr. Jansen,

Thank you for your letter of 24 November 1975 formally requesting the participation of Messrs. Mouty and Hubel in the Bank mission to the Ivory Coast in March 1975. I am pleased to report that the necessary approvals in the ILO have been obtained.

In general, the terms of reference and tentative work programme for the mission seem to provide an excellent foundation for the mission's activities. There are, however, a few points which cause us some concern but which, I hope, do not represent any substantial difficulties.

First, item (iii) in the terms of reference which states that the mission is "to undertake analysis for a comprehensive employment strategy and recommend appropriate government policies", conflicts with the original conception of the mission as preparatory to the "basic" economic mission planned for 1974. To develop a comprehensive employment strategy" would seem to be a much more ambitious task and require quite different staffing, or indeed, a wholly different approach such as the ILO missions organised under the World Employment Programme. Under the circumstances, I would suggest that item (iii) be dropped from the terms of reference.

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1975 DEC 24 4:06

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mission reflected a separation of analysis and emphasis as well. For this reason, the original plan of a single economic mission with special emphasis on employment would still seem to be the preferable arrangement and more consistent with objectives of the mission as stated in the terms of reference and the tentative work programme.

Finally, in this context, the separation of the missions may raise questions about the adequacy of the mission staffing for its designated tasks, which, I believe, require close attention to the broader framework of development problems and policies. A great part of the burden of maintaining this perspective will necessarily fall on the mission chief. I hope, therefore, that a chief can be named shortly, or at least sufficiently soon so that Messrs. Mouly and Lubell will have a chance to correspond with him prior to their pre-mission visit to Washington.

Despite the questions which I have raised, I am confident that the ILO/IBRD collaboration on Ivorian employment problems will be fruitful and, I hope, augment the basis for even greater co-operation in the future.

Yours sincerely,

NN Franklin

N.N. Franklin
Economic Adviser

→ Franklin:

we have 2 candidates.



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ILO
21 NOV. 1972

INTERNATIONAL LABOUR OFFICE

Adresse postale: CH 1211 GENÈVE 22
Télégrammes INTERLAB GENÈVE
Télex 22.271
Téléphone 31 24 00 & 32 62 00

Mr. E.K. Hawkins,
International Bank for
Reconstruction and Development,
1818 H Street, N.W.,
WASHINGTON D.C., 20433,

Réf. n° TAP 3-06

(U.S.A.)

Dealt with in
Geneva. EKH

Dear Ted,

I have just received a copy of the undated blue covered roneoed paper entitled "World Bank Group Research Program". Some of the items are of close interest to the ILO. When Mark gets back from Bangladesh I will ask him to be in touch with you over some of these.

In the meantime I wonder if you could be good enough to send me any papers that may be available in connection with three of the projects. The first is a project on "Village Water Supply" described on page 57 being carried out by the Public Utilities Project Department. I have been asked to lead a small WFP team to Lesotho in January to evaluate a self-help public works project, one of the purposes of which is the provision of village water supplies, and because of the ILO's interest in getting some insight into how some projects of this kind work it has been agreed that I should do so. The Bank project description says that it includes a review of previous work in the field of establishing criteria for evaluating village water supply schemes. This sounds as though it might prove most helpful in evaluating Lesotho experience. The description also says that the first part of the project has been completed.

Secondly, on page 62 the paper also says that a final report on the findings of the project on "Economic Models of Internal Migration" being carried out in the Economics Department was expected in the fall of 1972.

Thirdly, page 36 refers to an Economics Department seminar on problems of adjustment in developed countries to changing patterns of comparative advantage in manufacturing, scheduled for 5 and 6 October 1972, and says that papers were being prepared for it. These likewise would interest us very much.

Finally, could you be good enough to send me a second copy of the blue-covered paper itself? I would like to be able to keep one and circulate one.

Many thanks in advance for anything you may be able to send us.

Best wishes,

Yours sincerely,

NN Franklin

N.N. Franklin,
Economic Adviser.

RECEIVED

RECEIVED

Finally, could you be good enough to send me a second copy of the blue-covered paper itself? I would like to be able to keep one and circulate one.

Many thanks in advance for anything you may be able to send us.

Best wishes,

Yours sincerely,

W. N. Franklin

W. N. Franklin,
Economic Adviser.

1972 NOV 24 PM 1:14

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*✓ ILO
cc Alpha Jenks*

INTERNATIONAL LABOUR OFFICE



BUREAU INTERNATIONAL DU TRAVAIL

GENEVA

21 NOV. 1972

Dear Mr. McNamara,

I refer to the decision taken by the Administrative Committee on Co-ordination (ACC) in October 1971 and confirmed in April 1972 requesting me to act as convenor of a functional group on employment policy. You will recall that on 8 May 1972 I sent to all the executive heads concerned a draft paper outlining the questions the group might consider.

On receipt of the reactions of the agencies to these proposals, a revised draft was addressed on 25 September by Mr. Emmerij to the officials designated by the executive heads to handle this question at the technical level. The revision sought to incorporate the substantive suggestions made by the agencies, but raised - in paragraphs 52-54 - the question as to what kind of international action would be desirable to assist countries in the implementation of national policies to raise levels of productive employment, what each member of the United Nations family could contribute in each of the areas identified for international action, and how much more common action would be feasible to this end. Our letter of 25 September indicated that agency reactions on these questions were not very explicit in the first round of consultations, and that it was desirable to get a much broader picture of views on this particular question before putting a final draft to the executive heads for their consideration.

We agreed at the last session of the ACC that we should be in a position to discuss the substance of the matter at the 1973 spring session.

Mr. R.S. McNamara,
President,
International Bank for Reconstruction
and Development,
1818 H Street N.W.,
WASHINGTON D.C. 20433.

Original to: *Mr. McNamara*
Date: *11/25/72* Communications Section

With this in view, I propose that the inter-agency technical meeting referred to in Mr. Emmerij's letter of 25 September be held at ILO headquarters on 14-15 December, and have pleasure in formally inviting you to designate one or more representatives to attend this meeting. I will be circulating at least two weeks before the meeting a third draft, which will take account of reactions to the second draft in so far as they reach us in time, and set out my proposals for dealing with the specific questions posed in paragraphs 52-54 of the second draft. On the basis of this meeting a final revision would be circulated to ACO executive heads by early January 1973, for consideration at the spring 1973 session.

I very much hope that you will accept this invitation, and look forward to receiving the name(s) of your representative(s).

Yours sincerely,



Wilfred Jenks,
Director-General.

*ILO
cc Alpha Jenks*



INTERNATIONAL LABOUR OFFICE

BUREAU INTERNATIONAL DU TRAVAIL

GENÈVE

THE DIRECTOR GENERAL

LE DIRECTEUR GÉNÉRAL

20 NOV. 1972

Dear Mr. McNamara,

I was interested to learn from my colleague, Dr. Abbas Ammar, that Mr. Basak of your organisation had passed through Geneva recently to discuss with us the employment and social implications of the Bank's proposed project for the rehabilitation of the Egyptian cotton ginning industry. This is still another concrete example of our converging preoccupations and I would like you to know that you can also count on our full co-operation in the examination of the employment and social implications of any of your projects.

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'Wilfred Jenks'.

Wilfred Jenks,
Director-General.

Mr. Robert S. McNamara,
President,
International Bank for Reconstruction
and Development,
1818 H Street, N.W.,
WASHINGTON, D.C. 20433

Original to: Mr. McNamara
Date: 11/24/72
Communications
Section

FILE
cc Alpha Boerma

November 20, 1972

Dear Mr. Boerma:

On behalf of Mr. McNamara, I wish to acknowledge receipt of your letter of November 9, 1972 (Ref: G/X/ESC-829) inviting the International Bank for Reconstruction and Development to be represented at the Sixth Session of the Intergovernmental Group on Jute, Kenaf and Allied Fibres to be held in Rome from February 21 to 23, 1973.

I am pleased to inform you that Mr. Enzo Grilli of the Commodity and Export Projections Division in the Economic Analysis and Projections Department, has been nominated to be the Bank's representative at this session. It would be appreciated if documentation issued in advance of the session could be sent to the attention of Mr. Grilli, at this address.

Sincerely yours,



Ernesto Franco-Holguin
Special Representative for
United Nations Organizations

Mr. A.H. Boerma
Director-General
Food and Agriculture Organization
of the United Nations
Via delle Terme di Caracalla
00100 Rome, Italy

Cleared in substance & cc: Messrs. Tims/Price
cc: Mr. Grilli

Central Files with incoming letter

:mmcd

Mr. Edward K. Hawkins

November 20, 1972

Dragoslav Avramovic

ILO Employment Missions

In response to Mr. Chenery's request on the above, I am pleased to send you attached a note prepared by Mr. Hyde who just returned from a mission to Colombia. I agree with his comments. With respect to the status of the agrarian reform in Colombia, on which the ILO Team made major policy recommendations, you may consult Chapter II of the draft report The Development of Colombian Agriculture, November 9, 1972.

Attachment.

cc: Mr. Chenery
Mr. Hyde

DAvramovic/cnm



INTERNATIONAL LABOUR OFFICE

17 NOV. 1972

1. ~~Mr. Chenery~~
2. Mr. Hawkins

Adresse postale: CH 1211 GENÈVE 22
Télégrammes INTERLAB GENÈVE
Télex 22.271
Téléphone 31 24 00 & 32 62 00

Dr. Hollis Chenery,
Economic Adviser to the President,
IBRD,
1818 H Street, N.W.,
WASHINGTON D.C. 20433,

Réf. n° TAP 3-06

(U.S.A.)

Dear Dr. Chenery,

You will recall that during the meeting we had the pleasure of having with you after the inter-agency examination of the draft report of the Kenya employment mission, it was decided that similar technical meetings between members of the Bank and ILO staffs would be held about twice a year. I understand there have been suggestions in correspondence between the Bank and the ILO that the next such meeting might take place immediately after the meeting for the evaluation of the work and results of the comprehensive employment missions, scheduled for 7 to 9 March 1973, to which you have been invited. I would now like to put forward, as a definite proposal for your consideration, the suggestion that the meeting should be held in Geneva on Saturday, 10 March.

One subject for discussion would be the proposal recently sent by Mr. Zoetewij to Mr. Stern for possible Bank/ILO co-operation on a project to help developing countries improve their manpower statistics. If you agree to hold the meeting in March we will send you in good time our suggestions for the agenda as a whole. I should be glad also to receive your suggestions.

Yours sincerely,

Abbas Ammar,
Deputy Director-General.

24 Nov. 14
Our letter naming
Hawkins must have
crossed this in the
mail.

J.
Nov. 22

1815H04 51 6W 5:35

RECEIVED



INTERNATIONAL LABOUR OFFICE

17 NOV 1973

Mr. Chenery
Mr. Henderson

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Yours sincerely,

Abbas Ammar,
Deputy Director-General.

Our letter concerning Henderson's meeting has crossed this in the mail.

1973 NOV 21 PM 2:32

RECEIVED

MAIL ADDRESSED
TO THE
PRESIDENT

INTERNATIONAL DEVELOPMENT ASSOCIATION

ROUTING SLIP

Date **NOV 20 1972**

INCOMING MAIL

Mr. Adler	D630	Mr. Paijmans	D1032
Mr. Aldewereld	A1226	Mr. Rayfield	N434
Mr. Alter	A837	Sir Denis Rickett	A1230
Mr. Baum	C303	Mr. Ripman	C303
Mr. Benjenk	A712	Mr. Rotberg	A1042
Mr. Blaxall	D628	Mr. Stevenson	D532
Mr. Broches	A813	Mr. Twining	N635
Mr. Cargill	A613	Mr. Votaw	A613
Mr. Chadenet	C303	Mr. Wiese	A837
Mr. V.C. Chang	H702	Mr. Williams	B1210
Mr. Chaufournier	C702	Mr. Wright	A1136
Mr. Cheek	C702		
Mr. Chenery	A1221		
Mr. Wm. Clark	D928		
Mr. Clarke	D1029		
Mr. Cope	B1210		
Mr. DeLuca	D1128		
Mr. D.A. de Silva	N635		
Mr. Diamond	D829		
Mr. El Emary	A1143		
Mr. Fontein	C602		
Mr. Fowler	A1219		
Mr. Gabriel	H700		
Mr. Goodman	C602		
Mr. Goreux	N235		
Mr. Graves	D1122		
Mr. Gutierrez	A1136		
Mr. Hartwich	A712		
Mr. Hayes	D429		
Mr. Henderson	D529		
Mr. Hittmair	A1042		
Mr. Hoffman	D1123		
Mr. Husain	A1013		
Mr. Knapp	A1230		
Mr. Lejeune	A1013		
Mr. Lerdaу	D432		
Mr. McNamara	A1230		
Mr. Mendels	A1219		
Mr. Muller	N436		
Mr. Nurick	A802		

To handle, please

Recd
11/27/72
~~Mr. Cacho~~
Salud

~~Mr. Galtty,~~

Please handle

MU
11/22

also please see
copy of TLO memo
attached to be sent
to Mr. Finsoas
Noume

NOV 24 1972 ILO NOV 21 1972

BUREAU INTERNATIONAL DU TRAVAIL



OFICINA INTERNACIONAL DEL TRABAJO

611

cc Alpha-AMAR, A.

INTERNATIONAL LABOUR OFFICE

Adresse postale : CH 1211 GENÈVE 22
Télégrammes INTERLAB GENÈVE
Télex 22.271
Téléphone 31 24 00 & 32 62 00

Réf. n° WEP 159-3-78
WEP 4-02-78

Mr. Robert S. McNamara,
President,
International Bank for
Reconstruction and
Development,
1818 H Street, N.W.,
WASHINGTON, D.C. 20433
(USA)

16 NOV. 1972

Dear Mr. McNamara,

I wish to inform you that, at the request of the Government of Ethiopia, the ILO will shortly send to that country a small Exploratory Mission on Employment Policy. As laid down in the Project Document, the objectives of the mission are to review and appraise the studies and work already done by various government agencies in respect of policy or institutional measures leading to full employment; on that basis to recommend how adequate employment objectives should be injected into the guidelines now being formulated with a view to the preparation of the Fourth Five-Year Plan, and to suggest a basic framework for immediate action in the field of employment; and to reach conclusions as to possible further collaboration from the ILO with a view to formulating and spelling out a comprehensive employment policy.

It is at present our intention to field the mission towards the end of this month for a period of about four weeks. It will be headed by Professor Mark Blaug of the London School of Economics and comprise four experts in all.

WASHINGTON EN 02

RECEIVED



INTERNATIONAL LABOUR OFFICE

Mr. Robert S. McNamara, President, International Bank for Reconstruction and Development, 1818 H Street, N.W., WASHINGTON, D.C. 20433 (USA)

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Télégrammes INTERLAB GENÈVE
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WEP 159-3-78
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Réf. n°

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1972 NOV 20 PM 4: 05

RECEIVED

NOV 21 1972

Alpha MARK, A.


111

It is clear that as part of its fact-finding the mission may have to consider the effects on employment of some problems or aspects of policy that come within the purview of your organisation. It would therefore be most useful if, during its stay in Ethiopia, the mission could as necessary consult your representatives or experts in the country. I should be most grateful if you could inform them and request them to give such assistance, to the extent compatible with their other duties, it being understood that this should not normally go beyond the provision of informed views and of data that your experts would have readily at hand.

I shall of course be happy to send you in due course for your information a copy of the mission's report.

I thank you in advance for your assistance in this matter.

Yours sincerely,



Abbas Ammar,
Deputy Director-General.

cc: Messrs. Bell, Chenery, Please, Hansen, Tolley, Brakel, Finsaas

12/4

same letter sent to executive heads of:

African Development Bank

FAO

UNESCO

UNIDO

UNCTAD

WHO



INTERNATIONAL LABOUR OFFICE

Mr Bohr v/r

Adresse postale: CH 1211 GENÈVE 22
Télégrammes INTERLAB GENEVE
Télex 22.271
Téléphone 31 24 00 & 32 62 00

Mr. Harold Dunkerley,
Special Advisor,
Special Projects Department,
International Bank for
Reconstruction and Development,
1818 H Street, N.W.,
WASHINGTON, D.C. 20433.

(USA)

Réf. n° WEP 2-19

Dear Harold,

14 NOV

I am despatching under separate cover a copy of an interim draft of my paper on "Urban development and employment: the prospects for Calcutta".

This version represents a very first cut at an analysis of Calcutta's employment problem and will undergo major revision. It is therefore not to be considered as a draft final report. The last chapter in particular is a tentative statement intended as a basis for further discussion.

I would greatly appreciate any critical comments you have the time to formulate and send me.

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'H. Lubell'.

H. Lubell,
WEP Research Branch,
Employment Planning and
Promotion Department.

✓ ILO
cc Alpha AHMAR

14 November 1972

Dear Dr. Ammar,

Mr. McNamara has asked me to reply to your letter of the 30th of October inviting the Bank to send a staff member to join the expert group which will discuss your research program in the field of income distribution.

We are aware of the role that income distribution plays in the research plans for the World Employment Programme, and we are happy to respond to your suggestion. I propose that Mr. E.K. Hawkins attend on our behalf and suggest that you might wish to direct any further information on the nature of the meeting, including documentation, directly to him. He will be able to inform the meeting of the development of our own thinking on this subject, since we are currently developing our own work programs in this area.

We look forward to this, and further opportunities for cooperation.

Sincerely,

Signed Hollis B. Chenery

Hollis B. Chenery
Vice-President - Development Policy

Dr. Abbas Ammar
Deputy Director-General
International Labour Office
CH 1211 Geneva 22
Switzerland

cc: Mr. McNamara
Mr. Stevenson
Mr. Cauas
Mr. Hawkins
Mr. Ahluwalia - o/r
Mr. Weaver - ILO Washington
Mr. Stern

EKH
EKHawkins:gah

Mr. Hollis B. Chenery

16
November 14, 1972

M. Benjenk *MB*

ILO Employment Missions

1. I refer to your memorandum of October 24 and to Mr. Jenk's letter to Mr. McNamara of August 15 on the above subject. As you know, Iran was chosen in 1971 for an ILO sponsored Employment Strategy Mission. The purpose of the mission was first to prepare in collaboration with the Iranian authorities a long-term strategy for achieving a high level of productive employment in Iran. Second, the mission was to recommend measures to advise the Iranians on policies and programs consistent with this strategy which could be incorporated in the Fifth Plan, and to identify ways in which the international community could lend support to Iran in implementing such a strategy.

2. Mr. Abdel Meguid (senior economist for Iran) joined the mission during its first two weeks in Tehran (Nov./Dec. 1971) and attended three review meetings in Geneva, including an inter-agency meeting last May. Prior to that meeting the draft report was circulated to the relevant departments in the Bank for comments to be discussed in the meeting. The responses of the departments were basically critical of the report. Mr. Meguid's overall evaluation was that the mission was not a success and that its report should be regarded by the ILO and other UN cooperating agencies as an interim report. The inter-agency meeting agreed to this proposal and the ILO is therefore not pursuing it any further. We understand that the chief of the mission is continuing a dialogue on the subject matter of the mission with the Iranian authorities in his personal capacity.

3. We also understand that ILO's administration of the mission--from organizing, staffing and supervising to report evaluation and transmittal to the government--has been inadequate. Over 20 foreign experts specialized in various disciplines descended on Iran during a period of six to eight weeks on different dates without coordination or an operational framework, and without the chief of the mission for most of the time. Few, if any, had prior knowledge of the country or had been briefed sufficiently. The experts undertook their research work in an ad hoc fashion and their reports, by and large, were not taken into account in the preparation of the main report which was being prepared simultaneously and independently. Most UN agencies were represented by staff members or hired consultants with very little back-stopping from the agencies' substantive units. The official role of the agencies, in any case, was not clearly defined. The sole responsibility for the report was assigned by the ILO to the mission chief, Mr. Etienne Hirsch, former French Planning High Commissioner and former President of EURATOM.

Communications with the government, other than the transmittal of the final report, were entirely left to the mission chief; discussions of preliminary findings and recommendations were undertaken with the relevant government departments prior to the inter-agency review.

4. These characteristics have evolved as a result of a number of factors which affect the form and content of meaningful employment strategy analyses. Reports on employment/social development strategies in Iran, in particular, tend to be viewed in a political context. The ILO therefore appears to have been extremely reluctant to face the government with a realistic assessment of the state of unemployment, uneven income distribution and their implications. Other UN agencies have not pressed for a more clearly defined institutional role and responsibility in this direction. In the final analysis, the report reflects largely the personal conclusions of the mission chief. We were even told that, during an inter-agency meeting, ILO Assistant Director General Mr. Ammar made this point very clear.

5. From a substantive viewpoint, the mission's report did not amount to much and its recommendations were not rigorously documented. To a large extent this may be due to the fact that the conceptual framework and the analytical tools for an effective approach to the employment/distribution problems, in general, were seriously inadequate. It is also, I believe, essentially due to the organizational weaknesses of the mission and to the ILO's attitude regarding this venture. The report's recommendations list the proposals of Mr. Hirsch, mainly geared to develop the rural sector, to reform industrial policies, to launch extensive low-cost housing program, to promote teachers and vocational training, to start an unemployment scheme and extend present social insurance facilities, to give great emphasis to family planning. Mr. Hirsch is determined to make a case in favor of these recommendations to the Shah himself, who, Mr. Hirsch told Mr. de Lusignan in Paris, has invited him to come to Tehran for this purpose. We have then to watch closely the reactions of the Iranian authorities to Mr. Hirsch's proposals which, for instance in the field of agriculture, may have some repercussions with the Agricultural Task Force. It is indeed unfortunate that these proposals are not substantiated in the ILO Report which, like many employment strategy reports, is an ad hoc collection of pieces on demographic projections, civil servants' salaries, trade union practices, labor intensive techniques, public works programs and the often-repeated credit-fertilizers-seeds prescription for the rural sector.

6. In the March discussions, the Bank could express the wish that the conceptual framework for future employment strategy missions would emerge more clearly. We should recognize ILO's pioneering efforts as the first organized attempt to change the emphasis which development economists (and institutions) have in the past put on the supremacy of maximizing

economic growth as the means to achieve national development. However, while in the past few years family planning, education, rural development, nutrition, employment and income distribution have become major objectives of those concerned with economic development, neither the ILO (nor other institutions) have succeeded in reflecting these new concerns in the way basic development issues should be posed. The shift in emphasis, in other words, has not been accompanied by the emergence of a conceptual framework whereby the implied new development strategies can be tested in a meaningful way, e.g. in project appraisal.

7. If the Bank wishes to continue its participation in inter-agency employment missions, I suggest that, in the course of the discussions in the meeting next March, an improvement in the existing arrangements should be worked out taking into consideration, to the extent possible, the thoughts outlined above.

Cleared with and cc: Mr. Thompson

AMeguid/GdeLus/epsh:bjp

bjp

[Handwritten signature]

Mr. Guy de Lusignan

110
November 13, 1972

Abdel Meguid *Amg*

ILO Employment Missions

1. I refer to Mr. Chenery's memorandum to the Regional Vice Presidents and to Mr. Jenk's letter to Mr. McNamara on the same subject. As you know, within the EMENA Region, Iran had been chosen for an ILO sponsored Employment Strategy Mission. The purpose of the mission was to prepare in collaboration with the Iranian authorities a long-term strategy for achieving a high level of productive employment in Iran, to recommend measures to advise the Iranians on policies and programs consistent with this strategy which could be incorporated in the Fifth Plan and to identify ways in which the international community could lend support to Iran in implementing such a strategy.
2. I joined the mission during its first two weeks in Tehran (Nov./Dec. 1971) and attended three review meetings in Geneva, including an inter-agency meeting last May. Prior to that meeting Mr. Votaw circulated the draft report to the relevant departments in the Bank for comments to be discussed in the meeting. The responses of the departments were basically critical of the report. My overall evaluation, as stated in Meguid/Votaw--April 17, was that the mission is not a success and that its report should be regarded by the ILO and other UN cooperating agencies as an interim report. The inter-agency meeting agreed to this proposal and the ILO is therefore not pursuing it any further. We understand that the chief of the mission is continuing a dialogue on the subject matter of the mission with the Iranian authorities in his personal capacity.
3. In a number of memorandums, I have attributed the lack of success of the mission to two main factors; the first is organizational and the second is of a substantive nature. ILO's administration of the mission--from organizing, staffing and supervising to report evaluation and transmittal to the government--has been, to say the least, very inadequate. Over 20 foreign experts specialized in various disciplines descended on Iran during a period of six to eight weeks on different dates without coordination or an operational framework, and without the chief of the mission for most of the time. Few, if any, had prior knowledge of the country or had been briefed sufficiently. The experts undertook their research work in an ad hoc fashion and their reports, by and large, were not taken into account in the preparation of the main report which was being prepared simultaneously and independently. Most UN agencies were represented by staff members or hired consultants with very little back-stopping from the agencies' substantive units. The official role of the agencies, in any case, was not clearly defined.

The sole responsibility for the report was assigned by the ILO to the mission chief. Communications with the government, other than the transmittal of the final report, were entirely left to the mission chief; discussions of preliminary findings and recommendations were undertaken with the relevant government departments prior to the inter-agency review.

4. These characteristics have evolved as a result of a number of factors which affect the form and content of meaningful employment strategy analyses. Reports on employment/social development strategies in Iran, in particular, tend to be viewed in a political context. The ILO is understandably reluctant to face the government with a realistic assessment of the state of unemployment, uneven income distribution and their implications. Other UN agencies have not pressed for a more clearly defined institutional role and responsibility in this direction. In the final analysis, the report reflects largely the ideology of the mission chief, and cannot be regarded as a definitive international contribution to the problem in Iran.

5. From a substantive viewpoint, the mission's report did not amount to much and its recommendations were not rigorously documented. To a large extent this may be due to the fact that the conceptual framework and the analytical tools for an effective approach to the employment/distribution problems, in general, are seriously inadequate. The art of manipulating government and foreign exchange budgets, savings-investments and trade gaps has been developed sufficiently to enable the formulation of specific policy recommendations pertaining to economic growth. However, little has been accomplished in the way of integrating, in an analytical sense, manpower budgets or the employment gap in a manner capable of producing meaningful diagnoses let alone policy recommendations for employment--growth strategies. As a result, employment strategy reports tend to become an ad hoc collection of pieces on demographic projections, civil servants' salaries, trade union practices, labor intensive techniques, public works programs and the often-repeated credit-fertilizers--seeds prescription for the rural sector.

6. Moreover, in Iran as well as in other developing countries, the planning process has rarely linked effectively the economic growth targets with the quantum of gainful employment which such growth can or should generate. Very few plans, apart from paying lip service to the problems, attempt to balance the employment effect of programmed projects with the new entrants to the labor force in the same way as they seek to equate the total capital costs of these projects with the available capital resources. The employment targets that are set are generally pious objectives, but the plans themselves are not concretely aimed at their achievement. In consequence, they are commonly not achieved. The vacuum in which employment strategy reports are prepared can only be filled through a long-term process of orienting the planning process towards a concrete definition of employment objectives.

7. In the March discussions, I hope that the conceptual framework for future employment strategy missions will emerge more clearly. We should recognize ILO's pioneering efforts as the first organized attempt to change the emphasis which development economists (and institutions) have in the past put on the supremacy of maximizing economic growth as the means to achieve national development. However, while in the past few years family planning, education, rural development, nutrition, employment and income distribution have become major objectives of those concerned with economic development, neither the ILO (nor other institutions) have succeeded in reflecting these new concerns in the way basic development issues should be posed. The shift in emphasis, in other words, has not been accompanied by the emergence of a conceptual framework whereby the implied new development strategies can be tested in a meaningful way, e.g. in project appraisal.

8. In essence, what has been achieved is that we have reached a stage where we question the compatibility of the desirable new objectives with the traditional ones. Thus, it is now commonplace for development choices to be posed between economic growth on the one hand, and employment, income distribution and social justice on the other (re October 3 meeting of the Board of Directors on the Iran California IFC loan). Until otherwise proved, these are viewed as incompatible alternatives which can be attained only at the cost of economic growth. We need to reach the stage where it would be possible to rigorously demonstrate that these goals are not necessarily alternatives, but that they are, in an interdependent way, necessary concomitants to a viable and sustainable development process. We need, therefore, to delineate some identities and distinctions present in the growth/development concepts and to consider the interrelations among economic growth, employment, welfare and justice concepts and objectives. By examining ways in which these objectives may be mutually reinforcing or incompatible, it will become possible to identify how they may simultaneously be pursued and the real cost of alternative options.

9. I have grave doubts that the required efforts in these directions can be organized along the ad hoc lines of the Iran employment strategy mission. If the Bank wishes to continue its participation in inter-agency employment missions, I suggest that, in the course of the discussions in the meeting next March, an improvement in the existing arrangements should be worked out taking into consideration, to the extent possible, the thoughts outlined above.



INTERNATIONAL LABOUR OFFICE

Adresse postale : CH 1211 GENÈVE 22
Télégrammes INTERLAB GENÈVE
Télex 22.271
Téléphone 31 24 00 & 32 62 00

Réf. BIT n°

Votre réf. n°

Mr. E. Stern,
Office of the Economic Adviser
to the President,
International Bank for
Reconstruction and Development,
1818 H Street,
WASHINGTON D.C. 20433

(USA)

10 NOV. 1972

Dear Mr. Stern,

As you know, we have been studying for some time, in particular in the light of Mr. McNamara's comments dated May 18, 1972 on the ILO's draft on long-term programme of work, means by which it would be possible to improve the quality and quantity of data on the size, characteristics and utilisation of manpower in developing countries, in order to attempt to fill at least in part the large gap existing in these countries between available data and the statistical information needed for sound economic and social planning, especially as concerns its manpower and employment aspects. Mr. Hawkins has been regularly kept informed of our projects in this respect.

We have now prepared a proposal for a rather ambitious project on Labour Utilisation Statistics which I am enclosing for your consideration and comment. I hope you will feel that this paper, amended in the light of any comments you may be able to let me have in the interval, could usefully be discussed at a meeting of ILO/IBRD economic and research staff which might perhaps take place in Geneva immediately after the inter-agency evaluation of comprehensive employment missions scheduled for March 1973. As you will know, it was agreed with Mr. Hollis Chenery when he visited us in Geneva that such meetings would be held about twice a year. It would be our hope that from such a discussion a project might emerge for which the Bank would be able to provide financial support and on which Bank and ILO research staff might work closely with national statistical services in selected countries.

I am also attaching for your consideration some comments of our Statistical Branch on Appendix I to your paper on The Employment Problem and Bank Operations.

Yours sincerely,

H. Zoetewij

H. Zoetewij,
Chief of the Research and
Planning Department.

Les lettres doivent être adressées au Directeur général et rappeler la référence ci-dessus.

Letters should be addressed to the Director-General quoting the above reference.

Las cartas deben ser dirigidas al Director General citando la referencia arriba mencionada.

Original to: *Mr Stern*
Date: *11-13-72* Communications Section

ORGANISATION DES NATIONS UNIES POUR
L'ALIMENTATION ET L'AGRICULTURE



ILCO
cc Alpha Bolina
ORGANIZACION DE LAS NACIONES UNIDAS
PARA LA AGRICULTURA Y LA ALIMENTACION

FOOD AND AGRICULTURE ORGANIZATION
OF THE UNITED NATIONS

Via delle Terme di Caracalla, 00100 - ROME

Cables: FOODAGRI ROME

Telex: 61181 FOODAGRI

Telephone: 5797

Ref. G/X/ESC-829

9 November 1972

COMMITTEE ON COMMODITY PROBLEMS

Invitation to the Sixth Session of the Intergovernmental Group
on Jute, Kenaf and Allied Fibres
Rome, 21-23 February 1973
Reply requested by 31 December 1972

The Director-General of the Food and Agriculture Organization of the United Nations has the honour to invite attendance at the Sixth Session of the Intergovernmental Group on Jute, Kenaf and Allied Fibres which will be held at FAO Headquarters in Rome from 21 to 23 February 1973.

The session is being convened under the Regular Programme of the Organization as approved by the FAO Conference. It is open to FAO Member Nations interested in jute, kenaf and allied fibres. The session will be conducted in English, French and Spanish. The Provisional Agenda and Notes are enclosed. Further documentation will be forwarded as soon as available.

The Director-General would appreciate receiving by 31 December 1972 the names, official titles and addresses of the representatives designated to attend.

A.S.

The President
International Bank for Reconstruction
and Development (IBRD)
WASHINGTON

NOV 12 1972

RECEIVED



FOOD AND AGRICULTURE ORGANIZATION
OF THE UNITED NATIONS

Via Aelia Terme di Caesalis, 50100 - ROME Casella Postale 50100 - ROME Tel. 5171 - TELECOM Telephone 5171

9 November 1973

Ref G/X/ESC-829

COMMITTEE ON COMMODITY PROBLEMS

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on Jute, Kenaf and Allied Fibres
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Reply requested by 31 December 1973

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ojo

The President
International Bank for Reconstruction
and Development (IBRD)
WASHINGTON

COMMITTEE

1973 NOV 13 AM 9:30

RECEIVED



FOOD AND AGRICULTURE ORGANIZATION
OF THE UNITED NATIONS

ORGANISATION DES NATIONS UNIES POUR
L'ALIMENTATION ET L'AGRICULTURE

ORGANIZACION DE LAS NACIONES UNIDAS
PARA LA AGRICULTURA Y LA ALIMENTACION

CCP:JU 73/1

November 1972

INTERGOVERNMENTAL GROUP ON JUTE, KENAF AND ALLIED FIBRES

Sixth Session

Rome, 21-23 February 1973

PROVISIONAL AGENDA

- I. Election of Chairman and Vice-Chairman
- II. Adoption of Provisional Agenda
- III. Review of the 1972/73 Season to date and Recommendations for Remainder of the Season
- IV. Prospective Requirements and Crop Plans for 1973/4
- V. Conclusions and Recommendations for 1973/74
 - (a) Indicative price range for Bangladesh jute
 - (b) Indicative price range for Thai kenaf
 - (c) Related policy recommendations
- VI. Impact of Synthetics
- VII. Role of the Western European Jute Industry
- VIII. Stabilization Reserves
- IX. International Centre for Jute and Kenaf
- X. Research and Promotion Activities
 - (a) Agronomic research and production programmes
 - (b) End-use research
 - (c) Commercial publicity
- XI. Terms of Reference and Rules of Procedure of the Intergovernmental Group
- XII. Date and Place of the Seventh Session
- XIII. Any other Business
- XIV. Report of the Session

AGENDA NOTES

The Sixth Session of the Intergovernmental Group will open at FAO Headquarters in Rome on 21 February 1973 at 10.00 hours. It is expected to end in the late afternoon of 23 February 1973.

Item I. Election of Chairman and Vice-Chairman

At each Session the Group elects a Chairman and a Vice-Chairman. The Chairman elected at the Fifth Session of the Intergovernmental Group held in Rome in October 1972 was Mr. D.M.J. Gwinnell (United Kingdom) and the Vice-Chairman was Mr. S.N. Chakravartee (India).

Item II. Adoption of Provisional Agenda

Item III. Review of the 1972/73 Season to date and Recommendations for the Remainder of the Season

As in the past, delegates are invited to present country statements on the current situation and outlook for the remainder of the present season. The Group may wish to review price developments since the start of the season in the light of its recommended indicative price ranges of £109 ± £6 per long ton for BWD/BTD f.o.b. Bangladesh ports, and of £69 ± £5 per long ton for Thai grade 'A' f.o.b. Bangkok, it being noted that at the Fifth Session of the Group, the Thai delegation requested that the Group consider raising its indicative price recommendation for Thai kenaf to £80 per long ton f.o.b. Bangkok. In addition, the Secretariat will table a summary of the statistical situation (document CCP:JU 73/2) based on the replies to questionnaires circulated to Member countries, and other available information. Following the Group's review of the current situation, such further recommendations for the orderly development of the market in 1972/73, as may appear necessary, could be considered.

Item IV. Prospective Requirements and Crop Plans for 1973/74

Estimates of fibre requirements and crop plans for the 1973/74 season, drawn from governments' replies to the Group's questionnaire, will be submitted to the Group. On the basis of these data, and further country statements on the outlook for 1973/74, the Group may wish to make a first estimate of the outlook for supply and demand of jute and kenaf in 1973/74.

Item V. Conclusions and Recommendations for 1973/74

Under its terms of reference, the Group is required to recommend "planting, production and related policies" at the present Session. It may in particular wish to make recommendations on the size of the crops to be aimed at in 1973/74, the appropriate level of export prices, and related policies aimed at the orderly development of the world jute and kenaf market.

Item VI. Impact of Synthetics

The Ninth Session of the Consultative Committee decided that the impact of synthetics should become a standing item on future agendas so that the competitive position of jute could be reviewed at each session. Delegations are therefore asked to prepare statements on the situation with regard to synthetic competition in their countries.

Item VII. Role of the Western European Jute Industry

At its Fifth Session, the Group discussed a brief paper (CCP:JU/CC 72/4) outlining the past causes of the diminution of the western European jute industry, and the possible consequences for the world jute economy of any rapid acceleration in this process. The Group agreed to keep this matter on its agenda. The representative of the European Communities and the delegations of the Asian producing countries indicated that they would keep the Group informed, when the time came, of the results of their negotiations.

Item VIII. Stabilization Reserves

It has been decided to retain this item on the Group's agenda, so that governments may raise the matter again when further progress appears possible.

Item IX. International Centre for Jute and Kenaf

In view of the wide nature of the activities proposed for the International Centre by the UNDP mission report, and its potential importance, the Fifth Session of the Group decided that this subject should henceforward constitute a separate agenda item. A report on the present status of the UNDP report will be provided. The Group may wish to discuss the recommendations of the team and the action programme proposed.

Item X. Research and Promotion Activities

The Group has considered that the exchange of information on the subjects of agronomic and end-use research, production programmes and commercial publicity is of much value as a means of keeping governments informed of latest developments in these fields. Delegations are requested to prepare statements on these subjects for discussion by the Group.

Item XI. Terms of Reference and Rules of Procedure of the Intergovernmental Group

At its Ninth Session, the Consultative Committee requested the CCP to consider merging its terms of reference with those of its parent body, the Study Group on Jute, Kenaf and Allied Fibres (now the Intergovernmental Group), and the Fifth Session of the Group approved a text for the CCP's consideration. The Group will be informed of the CCP's decision on this matter, and on the precise text of the terms of reference which the CCP has decided to give to the Group. The Group's rules of procedure remain those of the former Study Group, mutatis mutandis.

Item XII. Date and place of the Seventh Session

The Seventh Session of the Group is due to be held early in the 1973/74 season. The past session of the Consultative Committee and the Intergovernmental Group at this stage of the season were all held in the months of September or October. Some delegations at the Sixth Session reiterated the view that the Group might normally need to meet only once a year, although they recognized that the current circumstances did not permit such a practice to be begun yet. It was agreed to discuss the matter further at a future session.

ILO

Mr. D. S. Ballantine

November 7, 1972

O. H. Calika *sl*

ILO Papers on Rural Education and Development

When I was in Geneva recently, Mr. J. Fauchon, Chief of ILO's Rural Group, gave me copies of the following lectures he gave this year:

Planning the Development of a Rural Community

Education and Development in a Rural Environment.

I attach these texts to this memorandum for your information and circulation in the Education Department.

cc Mr. Yudelman (with copies)

ILO

Mr. Hollis B. Chenery

November 6, 1972

Jean Baneth

ILO Employment Missions

1. I participated in the Geneva preparatory meeting of the ILO employment mission to Ceylon, headed by Professor Dudley Seers; I helped to arrange for the Bank's contribution to it, and I reviewed its findings and report. I also participated in preliminary discussions concerning the ILO employment mission to Iran headed by Mr. Etienne Hirsch. In both cases I was impressed by the ILO's lack of understanding of the implications and needs of such missions, and its inability to contribute effectively to their preparation and organization.

2. Professor Dudley Seers, being an extremely able organizer himself, went a long way towards overcoming this handicap. He himself contacted numerous international organizations and persuaded them to contribute to his mission. However, many if not most of the 25 people contributed by international organizations were taken essentially in order to give the proper international balance and nationality composition to the mission. Their actual contribution to the final report was minimal. However, Seers had also secured a UNDP grant, which financed most of those who did the actual work. This active core consisted essentially of British university economists coming, with one exception, from Seers' own Institute of Development Studies. The work of this active core rendered possible the publication of a good and useful report, though one whose contribution is by no means proportional to the size of the mission.

3. In tone, findings and general tenor of its recommendations, the report is not totally dissimilar from a major Bank report. Its fundamental finding and recommendation are that in order to generate enough employment for the future, Ceylon must cut down on present consumption. There is an analysis of the specific amounts needed and the means whereby they are to be raised, but it is not the report's strongest point. Similarly, in the discussion of specific sectoral policies and technical proposals concerning, say, land reform or agricultural mechanization, the report is rather less well argued than in its macro-economic part. I understand that at some points there was disagreement within the mission itself (notably between Michael Lipton, whose point on mechanization was finally adopted, and K. N. Raj). Parts of the report also reflected the pressure of time on its authors, and the fact that the ILO apparently did not provide the careful

editorial supervision such things require.^{1/} Overall, the Seers report provides an interesting appraisal of Ceylon's problems, but one whose contribution to even the understanding of these problems was not commensurate to the size and cost of the mission which prepared it, and whose actual impact on development strategy is likely to be minimal.

4. Dudley Seers had never intended to make much use of most members of his huge mission; for different reasons Etienne Hirsch also got little benefit from many of his people. He had explicitly told the ILO that he was not prepared to concern himself with organizing a mission, but only to provide overall guidance and part-time leadership to one organized by the ILO. This the ILO showed itself quite incapable of doing. The mission which it finally put together was supposed to rely heavily on U.N. experts stationed in Iran, whose competence lay in a few extremely narrow fields, not all of which were particularly relevant to the definition of employment strategies. The experts recruited from outside often proved quite unsatisfactory, including notably the key agricultural expert. There was no central group capable of guiding or coordinating all these experts. As Hirsch himself did not participate

^{1/} This is illustrated by the following exchange of communication, concerning the key tables on the breakdown of unemployment by education and age groups. Incidentally, to my knowledge, no erratum has subsequently been issued.

"FOR PROFESSOR DUDLEY SEERS
AT LAST SUCCEEDED OBTAINING FINAL REPORT STOP HAVE READ EXCELLENT
SUMMARY AND REACHED PAGE 28 TABLE 8 HOW COME UNEMPLOYMENT PAST 'A' LEVEL
TOTAL 27 PERCENT WHILE MALES 40 FEMALES 88 QUERY SUSPECT THIS IS TYPO
IF SO GRATEFUL FOR TRUE FIGURE REGARDS BANETH" (January 4, 1972)

"Thank you for your cable and for drawing attention to the inconsistency in Table 8. We have checked the figures against the working papers and discovered that instead of 27% the figure for unemployment for both sexes among those aged 20-24 who had passed "A" level ought to be 67%. The figure for those in the rural sector for the same age group and educational category should be 83% instead of 17 %.

"There are one or two other problems about this table, and we are having another look at it; for example in some cases the dash means that there is no unemployment, in other cases the same symbol means that the sample size for this cell was zero (for a number of cells in fact, the sample size is so small that the figures are subject to very wide error margins). (Signed by Mr. Dudley Seers, January 7, 1972.)

full time in the mission, he needed a strong deputy. In fact, he had two deputies, but neither was suitable in training or experience.^{1/} Much of the macro-economic work had to be performed by the Bank staff member attached to the mission, Mr. Abdel Meguid. With his help, Hirsch, who is himself an extremely capable person, eventually wrote a reasonable main report, though a highly general one. The technical annexes to the report were not much used by Hirsch in preparing his summary, and as of now it is not clear at all whether any use will be found for them and indeed whether they will even be stencilled.


5. Of course, even well-organized and well-conceived missions would have suffered from the very inadequate state of general knowledge about the determinants of employment and of the demand for labor. Further efforts should be made, both in the ILO and elsewhere, to study the inter-relationship between rates and types of growth, and employment. Until such studies mature, it will clearly not be possible to describe optimal employment-generating development paths. Short of the optimum, however, a great deal can already be said and done for specific countries. The ILO could contribute by studying limited important problems falling clearly within its resort. However, the Employment Missions' terms of reference gave them a much broader scope: to define strategies that would lead to full employment within fifteen years. This mandate could be fulfilled only as part of the definition of an overall development program. In this broad field, the ILO lacks knowledge, talent and experience, and was therefore unable to contribute to the organization of effective study teams. The mission leaders therefore had to devote most of their time to questions of basic development strategy, and to treat them at a fairly high level of generality. They had little time to devote to more specific employment-oriented questions, concerning choice of techniques, labor legislation, wage policy, etc.; and paradoxically, these are the matters on which the reports are perhaps the least satisfactory.

6. There may nevertheless be some advantage in continuing to allow the ILO a leading role in organizing broad-based employment missions. In any case, for reasons of inter-agency harmony, the Bank may not wish to assert its primacy in this field. If the ILO were to continue to play an active role, it must adapt its own organization accordingly. This should at the very least involve the creation of a special unit staffed by full-time broad-based

^{1/}Five days before the organization meeting, Hirsch had asked us to provide the deputy mission head; we refused, because we did not want to take responsibility for what already looked like an ill-organized venture. At the first recess of the meeting in Geneva, we were told that a deputy mission leader had been found. During the second recess, somewhat mysteriously, a second deputy leader also appeared.

development economists of the highest caliber. These should make a first assessment of the problems of the country to be tackled, draw up, in the light of that assessment, a priority list of fields to be covered, and organize a competent mission in the light of these needs. In addition, the ILO should also recruit or develop a small core of experts in the specific fields within its resort, particularly manpower studies, training needs and techniques, and possibly matters bearing on capital-labor substitution in specific tasks.

7. Only if such a full-time planning and organization unit is created will the ILO be able to effectively organize employment strategy studies. Only if such a core of experts is organized will it be able to directly support employment missions, whether they be organized by itself or by others, in the specific fields most closely within its own resort.


JBaneth:jms/ylc

FLD

Mr. J.P. Hayes

November 3, 1972

H. Pilvin

ILO Employment Missions

1. Mr. Chenery's memo of October 24 solicited comments on the ILO draft issues agenda for the March 1973 evaluation meeting on the four inter-agency employment missions.

2. I have one suggestion: The draft agenda does not appear to provide for a systematic appraisal of the effects on country employment policies to date of the four missions in question. The obvious questions are:

- 1) Which major and minor recommendations have been adopted and what has been their impact thus far?
- ii) Which have not been adopted and why?

cc: Messrs. Tims, Hawkins.

Kenya Liaison
Vcc # 20

Mr. Lyle M. Hansen

November 3, 1972

Pieter Bottelier

The ILO Report on "Employment, Economics and Equality" in Kenya

1. You asked me to read and prepare comments on the above report. Obviously John Burrows, having been involved in the preparation of the report both in Kenya and in Geneva would have been the best man for this job but in his absence I am happy to oblige. (I have not had an opportunity to discuss the report with John.)

2. The Kenya ILO mission report is a most impressive report by any standard and one of the finest examples of applied economics I have come across. I wholeheartedly agree with the mission's approach to its task, their analysis of the employment problem in Kenya and the thrust of their recommendations. Many of these recommendations are of great relevance to other developing countries in East Africa and presumably also elsewhere. In my opinion this report deserves and requires our (the World Bank's) full attention as well as our endorsement. It makes several innovative contributions towards a redefinition of the unemployment problem by including the "working poor" in urban and rural areas as well as the growing imbalance between the expectations of school leavers and their opportunities. It clearly relates these problems to a broad spectrum of economic and social phenomena and places the analysis in the perspective of Kenya's colonial (and post colonial) history. The report is extremely well written; its style is compassionate. It combines broad sweeping analysis with concern for detail. The diagnosis of the problem and the recommendations reveal a rare depth of perception, vast practical experience and sound economic thinking. Most of the recommendations, if not all, appear to be very much in line with current economic thinking in the Bank.

3. The recommendations concern a broad range of policy issues on macro as well as a specific sector and industry level. They are too numerous to enumerate. Together they form a consistent package that could form the basic strategy for Kenya's next Five-Year Plan. Some recommendations stand on their own but most are interrelated and mutually reinforcing. It would be impossible, I think, and probably futile anyway, to try to work out the implications of the policy package in quantitative macro-economic terms. The important thing in my opinion is, that the recommendations point in the right direction. The long-term impact on production, employment, income distribution, savings, investment, imports and exports could be enormous depending on the Government's reaction to them. Most recommendations require no additional investment and their implementation is entirely dependent on the attitude of the Government. Incidentally, it is interesting to note that there appears to be a considerable overlap between some of the policies recommended for Kenya, (e.g. concerning wage and salary structure, income distribution, health, education, land tenure, rural development) and what neighboring Tanzania is already doing.

Mr. Lyle M. Hansen

- 2 -

November 3, 1972

4. The main question is what response will the ILO report get from the key civil servants and politicians in Kenya. Can the policy package be implemented within the existing political structure of the country? Does the Government share the ILO mission's perception of the problem and does Kenya have the quality of political leadership required to change course as recommended? These are the gutsy issues. I understand that the Government is preparing a White Paper on the ILO mission report. John Burrows will probably know the story when he comes back. My own feeling is that the World Bank should not hesitate to join forces with the Kenya ILO mission in telling the Kenya Government that this is the direction to go. I must emphasize, however, that adoption of those policies is more than a technical choice between alternative courses of action. It will require a change of heart, or a change of ideology if you prefer, on the part of many senior politicians and civil servants alike. A leadership code of the type Tanzania has would seem to be called for. Grave and self-perpetuating inequality (of income, wealth, access to services and opportunity) is identified by the ILO mission as being at the root of many aspects of Kenya's employment problem. The mission is not the first group (as they state in their report) to see certain parallels between Kenya and Latin America where inequality became so deeply locked into the structure of the economy that only the most drastic remedies can change the situation.

cc: Mr. Please *PB*

PBottelier:cnm

ILO

November 2, 1972

Mr. F. J. Pidgeon
International Labor Office
CH 1211
Geneve 22, Switzerland

Dear Joe:

Having now returned to the Bank from my trip to Geneva, Paris and Rome, I hasten to convey to you and your colleagues my appreciation and thanks for the most useful and pleasant discussions centered on two points: participation of ILO staff members in the Bank education/training missions, and the secondment of an ILO technical educator/vocational training specialist to fill the vacancy in our Latin-America Education Division.

On the first point, I am glad to confirm our continuing interest in ILO specialists' participating in our missions and we fully appreciate the need to give you as much prior notice as possible in each case. In this connection, we would welcome, if you so desire, your sending us quite informally the names and summary cv's of potential candidates for participation in our missions, so that our Division Chiefs would be in a better position to formulate their manpower requests from ILO, with a resultant saving in time.

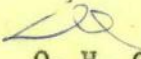
As to the filling of the position in our Latin-America Division, we are anxious to hear from you about the prospects of having an ILO specialist at the Bank by January 1973. As we discussed during our meeting in Geneva, the candidates should be able to operate as a technical educator/vocational training specialist and should have English and, at least, some Spanish. If you have already selected any candidates, we would like to have their names and cv's as soon as possible.

Let me thank you again for your help and hospitality. With best regards to you and Mrs. Pidgeon,

Yours sincerely,

OHC:jsc

cc: Mr. G. Weaver (ILO Wash. D.C.)
Messrs. Demuth
Ballantine
Roan
Educ. Division Chiefs
Cleared with Mr. Ballantine


O. H. Calika
Senior Adviser
Education Department

ILO

Mr. D. S. Ballantine

November 2, 1972

O. H. Calika

ILO

As per your suggestion, I met Mr. G. Weaver today to brief him about my recent visit to Geneva. I took the occasion to give him a copy of my today's letter to Pidgeon. He also agreed to carry the original to Geneva where he will be attending consultations with ILO starting next Monday until November 21.

I mentioned to Mr. Weaver that we are anxious to fill the technical educator/training specialist position in our Latin-America Division and his pursuing the matter would be greatly appreciated. He promised to inform us by cable.

Mr. Weaver felt that there should be closer cooperation between our two agencies and we would expect that some ILO officials may visit the Bank around March 1973. for that purpose.



Mr. Hollis B. Chenery (through Mr. Chauffournier)

November 1, 1972

Barend A. de Vries

BW

ILO Employment Missions

Our reactions to recent ILO activities on employment, requested in your memo of October 24, might best be based on: (a) our own objectives in this field, and (b) the experience in the region.

The work on employment is clearly an integral part of our assessment of development strategy and its implementation in successive stages of the Bank's work. For this reason, it is difficult to separate studies of employment problems and policies from the main stream of our economic work and it is essential to keep them in close touch with other aspects of our economic work program. This does not mean that the Bank needs to "control" activities on employment, but it does imply that if another institution takes initiative in this field and the Bank wants to give it the central place it deserves, we need to maintain substantive liaison in all phases with the other institution.

Our objectives vary from case to case, but would normally include: (a) definition of the scope and nature of unemployment in various sectors and of employment policy issues; (b) formulation of an employment strategy (as part of an overall assessment) as an input into the country's own planning effort; (c) formulation of specific employment considerations relevant to our project work; (d) identification of data problems and possible steps to resolve them; and (e) identification of research topics and follow-up. Such objectives require a program of work stretching over a number of years. A stock-taking effort on an initial employment mission may often be desirable; the mission's size and scope should be geared to individual circumstances, but subsequent follow-up seems as important as the initial start.

In the Western Africa Region it is worthwhile mentioning at least four countries:

- (i) In the basic mission to Ghana (1970) we assigned a member of our staff to focus on the employment implications of Ghanaian policies and sector plans. This initial effort was carried out parallel with a UNESCO education project identification mission and received sympathetic reaction from the Government. It also helped to set up a framework for subsequent project appraisal work. It will require further follow-up by more intensive attention to regional and income distribution problems, research on demographic data as well as discussions on Government policies.
- (ii) The basic mission to Nigeria (1971) included an expert on employment seconded by ILO. Our experience suggests that initial identification of issues and meaningful follow-up with the Government is severely handicapped by a poor data

Mr. Hollis B. Chenery
(through Mr. Chsufournier)

November 1, 1972

base. A longer-term program should include improvement of the data base, as well as follow-up in particular sectors.

- (iii) In response to a request of the Government of Liberia, an ILO Human Resources Development Mission visited the country in the fall of 1971. Its report "Total Involvement: A Strategy for Development" has a broad coverage, including human resources, education, rural development, agriculture, health and industry. The mission received extensive support from other specialized agencies and kept in informal touch with the Bank. We expect that the report will be discussed with the Government in early 1973 and that we will participate.
- (iv) In Ivory Coast we have planned a special employment mission in early 1973 on which two of the four members will be from ILO. The mission will assess Government policies and available information. Its report should provide an input into the new development plan, in which the Government intends to focus more sharply on employment. The mission is a crucial element in our economic work program.

In the light of this experience, it would seem that a longer-term work program is essential; it might usefully include a moderately sized special employment mission with follow-up on planning, data collection and project work. One employment expert on a much larger mission may be useful in drawing attention to employment issues across the board, but it clearly is only an initial effort. A large-scale employment mission does not obviate follow-up, while at the same time it enhances duplication of effort with other institutions. The latter consideration is especially important in the smaller countries of our Region which have limited capacity of absorbing comprehensive missions.

BAdeVries/gsg

Cleared with and cc: Messrs. Jansen, McGibbon, Lim, Sukker

cc: Messrs. Demuth, Hawkins, de la Rensudière, P. Wright, Thalwitz



30 OCT. 1972

INTERNATIONAL LABOUR OFFICE

Adresse postale: CH 1211 GENÈVE 22
 Telegrammes INTERLAB GENÈVE
 Tèlex 22.271
 Téléphone 31 24 00 & 32 62 00

Mr. Robert McNamara,
 President,
 International Bank for Reconstruction
 and Development,
 1818 H Street, N.W.,
 WASHINGTON D.C. 20433.

Ref. n° WEP 2-23

(USA)

Dear Mr. McNamara,

The International Labour Office has received a financial grant from the Swedish International Development Authority (SIDA) for research under the World Employment Programme. A part of this grant will be devoted to research on income distribution and employment. I am sending you under separate cover an outline of the objectives, scope and content of the Research and Action Programme concerning Income Distribution and Employment.

Responsibility for the execution of this programme rests with the Employment Planning and Promotion Department of the ILO - the department which is responsible for the World Employment Programme, of which the project is an integral part.

We have no illusions about the magnitude and the difficulties in the implementation of an ambitious project. We are also aware that work on the problems of income distribution and employment is under way in at least some of the research institutions. We therefore feel that we can greatly benefit from the advice and help from these outside sources in designing the detailed research projects and in implementing them. It is for this reason that we are writing to you.

As a first step, we are inviting a group of some six to eight experts experienced in the field of income distribution in order to discuss with us, on an informal basis, those areas of research which deserve a high priority. The purpose of this group discussion is to sharpen our focus, establish priorities and concentrate our efforts in such a way that duplication with work already done or being undertaken by others can be avoided.

Les lettres doivent être adressées au Directeur Général et rappeler la référence ci-dessus.

Letters should be addressed to the Director-General and quote the above reference.

Las cartas deben ser dirigidas al Director General citando la referencia arriba mencionada.

Original to: *Mr. Dennis*
 Date: *11-3-72*
 Communications
 Section

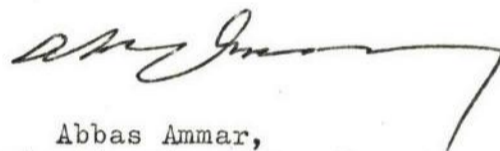
Indeed, we would also like to explore the possibility of having regular association with such an expert group of consultants to advise us from time to time on the programme and, wherever appropriate, to work with us on some of the specific research projects.

I am fully aware of the great importance that you yourself attach to the problem of distribution and maldistribution of income within developing countries. It is an issue which you discussed on a number of occasions, and the growing public awareness of this problem is, to a not small extent, due to your warnings and to your appeals.

Your concern with the severe distortion of income distribution in developing countries is also reflected in the work which your organisation is doing and planning to do in this area. It is for this reason that I would welcome the participation of a member of your staff who is particularly concerned with work on income distribution.

The discussions of the Expert Group will take place on Friday and Saturday, 1 and 2 December 1972. I have great pleasure in inviting your representative to take part in these discussions.

Yours sincerely,



Abbas Ammar,
Deputy Director-General.



*West Coast Liaison
VCC ILO*

INTERNATIONAL LABOUR OFFICE

Adresse postale: CH 1211 GENÈVE 22
Télégrammes: INTERLAB GENÈVE
Télex 22271
Téléphone 31 24 00 & 32 62 00

Réf. B.T. n° IB 16-2-103

Votre réf. n°

Mr. C.J.A. Jansen,
Western Africa Region Office,
International Bank for
Reconstruction and Development,
1818 H Street N.W.,
WASHINGTON, D.C. 20433,
(U.S.A.)

Dear Mr. Jansen,

Thank you for your cable of 13 October regarding Harold Lubell's participation in the Ivory Coast economic mission.

The Employment Planning and Promotion Department (EPPD) has agreed that Lubell will be available for the period you have indicated. However, because of the length of time involved, Louis Emmerij, the chief of the WEP/Research branch, is understandably concerned that the period for Washington briefing and report writing be no longer than absolutely necessary. I have assured him that from my experience on previous Bank missions, the period allocated is intended to be a maximum and that every effort is made to complete the assignment as quickly as possible.

There are one or two formalities to be followed with respect to both Mouly's and Lubell's assignments, which I am sure Ted Hawkins will be in touch with you about. To process the mission authorisation forms through the ILO we will need a formal request from the Bank for Mouly and Lubell to serve as ILO consultants on the Ivory Coast mission. This usually is handled by a letter from Ted. In addition, a letter is sent from the Bank personnel department to the ILO Budget and Control branch confirming the time period of the assignment and the financial arrangements - i.e. Bank payment of travel costs and expenses but not salary or benefits. Ted also can inform you about this.

RECEIVED 21 10 72

RECEIVED

Les lettres doivent être adressées au Directeur
Général et rappeler la référence ci-dessus.

Letters should be addressed to the Director-
General quoting the above reference.

Las cartas deben ser dirigidas al Director
General citando la referencia arriba men-
cionada.

Original to: *Mrs Jansen*
Date: *10/25/72*
Communications Section

Once these formalities are out of the way the rest of the arrangements are handled between the mission chief and the ILO staff members since, by agreement, they are to serve in their individual professional capacities rather than as representatives of the ILC. You should, therefore, communicate directly with Mouly and Lubell as necessary, although both Ted and I would appreciate being kept informed about developments.

In particular, to avoid complications, it has been simplest for the Bank to provide air tickets, travel advances, and reimbursement of expenses directly to the ILO participant rather than obtaining them through the ILO with subsequent billing to the Bank. This is most easily handled at the appropriate time, by a cable authorisation for Geneva-Washington tickets from the Bank to the DANZAS S.A. travel agency (which has a branch office in the ILO). The remaining travel arrangements and tickets can then be handled in Washington during the period of briefing.

I will be leaving Geneva next week on a 4-6 week mission to Bangladesh for the Bank, so I hope that no snags arise. However, if any should, please get in touch with Jean Mouly.

With best regards,

Yours sincerely,



Mark W. Leiserson.

I 10

ESC 1016-31-04

October 13, 1972

Mr. Louis Emmerij
Deputy Chief
Employment Planning and
Promotion Department
International Labour Office
CH1211 Geneva 22, Switzerland

Dear Mr. Emmerij:

This is in response to your letter of September 25, 1972, and the attached Note on the proposed ACC Functional Group on Employment Policy.

The Note seems to us to be a good summary of present thinking on employment and income distribution. We agree that the problems identified in the Note are the right problems for the international community to address at this stage. Indeed, the Bank is already developing projects in several countries to deal with aspects of education, employment, public works, rural development, and, of course, population programs that are identified in the Note. Furthermore, we already engage in a large measure of joint action with other specialized agencies in most of these areas, and we would not expect any difficulty about expanding joint action under existing procedures as and when specific needs for such action are identified.

It seems to us that if a Functional Group on Employment were to be of any value to the ACC, it would have to be able to bring before the Committee alternative lines of possible action defined in some detail and supported by adequate background documentation. The present Note, despite its merits as a general review of problem areas, does not do this. Indeed, it may be that the amount of staff work required to produce documentation of the kind required would be all together excessive in terms of the degree of common action, additional to that already under way throughout the system, that might reasonably be expected to be initiated by the ACC as a result of the exercise. In short, we do have some "uncertainties," not as to the usefulness, or indeed the essentiality, of common action, but as to the usefulness of a Functional Group of the ACC, given the probably heavy load of staff work that would be required to make its deliberations meaningful. We do not believe that repeated discussions at the level of generality maintained in your interesting and well written Note would be productive.

Sincerely,



Michael L. Hoffman
Associate Director
Development Services Department

MLHoffman/pnn

Cleared with and cc: Mr. Hawkins

Specimens temporarily retained in DSO

✓ ILO
cc Alpha Jenks

October 5, 1972

Dear Mr. Jenks:

On behalf of Mr. McNamara, I acknowledge with thanks receipt of your letter of September 13, 1972 (Ref: GB 188-115) inviting the International Bank for Reconstruction and Development to be represented at the 188th session of the Governing Body of ILO to be held in Geneva from November 14 to 17, 1972.

I regret to have to inform you that we find it will not be possible to send a representative to the session. However, we would be grateful if a copy of the report of the Working Party on the Long Term Plan (item 11 of the agenda) could be sent to the attention of Mr. Michael L. Hoffman, Associate Director, Development Services Department, at this address.

Yours sincerely,

L. Peter Chatenay
Deputy Special Representative
for
United Nations Organizations

Mr. Wilfred Jenks
Director-General
International Labour Office
CH-1211 Geneva 22
Switzerland

cc: Mr. Hawkins

Central Files with incoming letter

LPC:mmcd



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Réf. n° ESC 1016-31-04

Mr. Richard Demuth,
 Director,
 Development Services Department,
 International Bank for Recon-
 struction and Development,
 1818 H Street, N.W.,
 WASHINGTON D.C. 20433.

(USA)

Dear Mr. Demuth,

25 SEP. 1972

In response to the Director-General's letter of 8 May 1972 to the executive heads of ACC, your agency was kind enough to send its comments on the draft paper concerning the establishment of an ACC Functional Group on Employment Policy.

The Director-General indicated that in the light of the agencies' contributions, a revised draft would be prepared and circulated to the agencies in mid-September.

I am now pleased to send you a few copies of the revised paper. Further copies could be supplied if you need them.

We have made every effort to take account of the substantive suggestions made by the various agencies, and I hope that you will find the revision satisfactory from this point of view. But as indicated in paragraphs 52-54, agency reactions on the question of how much more common action on employment policy is feasible among the United Nations agencies were in general not very explicit, and we would hope to get a much broader picture of views on this particular question before putting a final draft to the executive heads for their consideration. After all, the main purpose of establishing an ACC Functional Group on Employment Policy should be to better equip the UN family to take common action in this field. If reticence on this point signifies uncertainty as to the usefulness of undertaking common action or of establishing such a group, it would be important to know this at the present stage rather than later, because such an opinion, if general, would influence very considerably the recommendations which the ILO Director-General would ultimately make to ACC members.

I very much hope that you will be able to let me have your comments on the revised text by 15 October or, at the very latest, by the end of October. Although the Director-General had envisaged, in his letter of 8 May, that progress would, as necessary, be reviewed on the occasion of the Autumn 1972 Session of the ACC, he has now concluded that it would be premature to discuss the matter on that occasion.

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INTERNATIONAL LABOUR OFFICE

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Mr. Richard Demuth,
Director,
Development Services Department,
International Bank for Recon-
struction and Development,
1818 H Street, N.W.,
WASHINGTON D.C. 20433.
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Réf. n° ESC 1016-31-04

22 SEP. 1972

Dear Mr. Demuth,

In response to the Director-General's letter of 8 May 1972 to the executive heads of ACG, your agency was kind enough to send its comments on the draft paper concerning the establishment of an ACG Functional Group on Employment Policy.

The Director-General indicated that in the light of the agencies' contributions, a revised draft would be prepared and circulated to the agencies in mid-September.

I am now pleased to send you a few copies of the revised paper. Further copies could be supplied if you need them.

We have made every effort to take account of the substantive suggestions made by the various agencies, and I hope that you will find the revision satisfactory from this point of view. But as indicated in paragraphs 22-24, agency reactions on the question of how much more common action on employment policy is feasible among the United Nations agencies were in general not very explicit, and we would hope to get a much broader picture of views on this particular question before putting a final draft to the executive heads for their consideration. After all, the main purpose of establishing an ACG Functional Group on Employment Policy should be to better equip the UN family to take common action in this field. If reliance on this point signifies uncertainty as to the usefulness of undertaking common action or of establishing such a group, it would be important to know this at the present stage rather than later, because such an opinion, if general, would influence very considerably the recommendations which the ILO Director-General would ultimately make to ACG members.

I very much hope that you will be able to let me have your comments on the revised text by 15 October, at the very latest, by the end of October. Although the Director-General had envisaged in his letter of 8 May, that progress would, as necessary, be reviewed on the occasion of the next session of the ACG, he has now concluded that it would be preferable to discuss the matter on that occasion.

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We therefore see as the next step an inter-agency meeting at the technical level, to be held at ILO headquarters during the second half of November 1972. We would circulate prior to that meeting a further revision based on your reactions to the present draft. Our objective would be to circulate a final draft to members of ACC by the end of 1972.

I do not think that more than one working day would be necessary for this purpose, and very much hope that you will be able to attend in person. As we have not yet fixed a precise date for the meeting, may I suggest that you let me know any dates during the second half of November when you, or an alternative representative of your agency, would not be able to attend? I would then propose a firm date in the light of the replies received.

I would like to mention, before closing this letter, that the ILO has recently completed the formulation of a medium-term research programme in the employment field, to be carried out in conjunction with other research institutes and agencies. I thought that you might be interested to receive copies of this consolidated programme as recently published in the document "Scope, approach and content of research-oriented activities of the World Employment Programme". Two copies are being sent to you under separate cover; a limited number of additional copies could be sent to you if you so wish.

I would like to draw your attention particularly to the general introduction, which underlines the essentially practical nature of this research programme and summarises the main substantive areas in which research will be carried out. Work has in fact been put in hand in each of the seven research fields, and contacts have been initiated at the operating level with the major international organisations concerned.

This is the first time however that the World Employment Programme research component has been comprehensively described in one document, and it may well be that your agency will have suggestions to make as to gaps in the programme or fields where joint action could be developed. Any suggestions would be most welcome.

Yours sincerely,



Louis Emmerij,
Deputy Chief,
Employment Planning
and Promotion Department.



INTERNATIONAL LABOUR OFFICE

ACC Functional Group on Employment PolicyNote by the Director-General of the ILO

1. At its 56th Session (London, 10-11 April 1972), the Administrative Committee on Co-ordination confirmed its decision taken the previous October requesting the Director-General of the International Labour Office to act as convener of a functional group on employment policy.

2. The ACC further decided that the main initial task of the functional group would be to determine the issues which should be considered at ACC level, and that, for this purpose, the detailed views of the members of ACC on the initial paper submitted by the ILO (dated 15 March 1972) would be ascertained, and the paper revised in the light thereof.

3. The views of most members of ACC have now been received and the revised paper is attached. On the whole, these views agreed with the scope and approach as outlined in the initial paper. They were useful in defining with more precision the areas in an employment-oriented development strategy which call for concerted effort by a number of members of the United Nations family. However, not much reaction was obtained with respect to (i) the objectives to be attained by the international community in these areas, and (ii) how the effectiveness of the work in these areas can be increased through intensified co-operation and co-ordination among the members of the United Nations family concerned and where appropriate through reorientation of some of their activities. (See also paragraphs 52-54 of the attached paper.)

4. In order to expedite matters, it is proposed that agencies send their written comments on the attached revised paper before the end of October 1972. Moreover, it is proposed that an inter-agency meeting be held at the technical level in the second half of November 1972 to prepare a final draft.

5. The work of the functional group may be facilitated by the recent publication of an ILO document on "Scope, approach and content of research-oriented activities of the World Employment Programme". Copies of this document are being sent to all members of the ACC.

Geneva, 15 September 1972



INTERNATIONAL LABOUR OFFICE

1. The Employment Approach to
Development Policies and Planning

1. The basic assumption of an active employment policy is that the rate at which productive employment is created depends both on the rate of economic growth and on the pattern of development and specific policy measures. The choice is not so much whether to sacrifice growth for employment or vice versa, as one among a number of paths towards growth which combine in various ways products differing both in volume and in composition, with variable structural and temporal employment conditions. Until very recently, country planning efforts did not go beyond the estimation of the prospective increase in the labour force and the statement that the planned rate of economic growth is expected to absorb in gainful employment the new entrants to the labour force and perhaps make a dent in the existing unemployment and underemployment.

2. There are at least three distinct types of problems underlying concern with the employment situation: (i) educated unemployment or, in general, the frustration of job seekers unable to obtain work of the type or remuneration which they think is reasonable or, by their education, have been led to expect; (ii) the low, poverty level of incomes, obtained by many producers and their families as return from their work - on farms and in other types of self- or family employment as well as in wage employment; and (iii) the under-utilisation and low productivity of the labour force, both men and women, reflecting inefficiency in the way labour is trained, deployed or supported with other resources.

3. It would appear normal to put greatest emphasis on the second of these problems, the poverty level of returns from work, because ultimately this is the most pervading and basic problem. But the two others are also important. For young persons, whether educated or not, to enter the labour force with a frustrating round of job seeking or resentment at missing opportunities which they feel they deserve, is hardly a good way to acquire the experience and work attitudes for a productive life, nor does it augur well for social stability. As regards the third problem, to increase labour utilisation and productivity is an essential condition for a sustained increase in production leading to improved living standards, particularly among the poorest groups. Clearly, different groups are affected by different employment problems in different ways. The problems differ between men and women, between school leavers, other youth and older persons, between persons in semi-arid regions and in overpopulated parts of a country, etc.

4. Similarly, there is not one cause of the employment problem but many. Frequently most of these causes are, in one way or another, aspects of imbalances: (i) imbalance between the growth of the labour force, urban population and education and the over-all growth of the economy; (ii) imbalance

between people's aspirations and expectations for work and the structure of incomes and opportunities available. These imbalances from within are sometimes reinforced by outside causes: international aid and private foreign investment is not only limited in most cases, but its benefits are often undercut and in some respects outweighed by unhelpful influences accompanying them - biases in technology, limitation in export markets and worsening terms of trade, strings to aid, payments of transfers abroad.

5. If the problem is primarily lack of jobs, the solution must be the provision of more jobs. If the problem is primarily an imbalance in opportunities, the solution must be to put right the imbalances: simply to provide more jobs within the existing framework of imbalances may make the problems worse. More urban jobs for secondary school leavers at existing salaries are likely to stimulate more secondary school output and migration than the jobs created. An attack on such imbalances will frequently imply stressing equity in the face of gross inequality, in earnings, education, land holdings, etc. But for basically poor countries, equity is not a substitute for growth. Emphasis should remain on continued growth and expanded production in every sector. In the case of the ILO's Kenya employment mission report this has led to the proposal of a "strategy of redistribution from growth".

6. Another feature of the Kenya report is its stress on the "informal" sector. This sector is characterised by (i) ease of entry, (ii) reliance on indigenous resources, (iii) family ownership of enterprises, (iv) small-scale of operation, (v) labour-intensive and adapted technology, (vi) skills acquired outside of the formal school system, and (vii) unregulated and competitive markets. Unemployment is often analysed as simply the result of the difference between a rapidly growing labour force and a more slowly growing total of enumerated wage-earning jobs in the formal sector. This is, of course, a seriously misleading picture. It ignores the fact that the bulk of the population works on the land, and in any event not in wage-earning jobs. It depends crucially on the statistics of the growth of formal sector enumerated employment which ignores the large numbers in the informal sector. Third, it focusses too exclusively on jobs, instead of on opportunities for earning a reasonable income.

7. But apart from these weaknesses, such an explanation presents the situation exclusively in terms of over-all imbalances, giving no weight to imbalance between the structure of skills and aspirations of the labour force and the structure of incentives and incomes from work. It pays no attention to the variations in the incidence of employment problems - seasonally, regionally, by age or by sex.

8. There are also the marked contrasts between the relative security and income levels of those with wage-earning jobs in the bigger firms and those self-employed in the informal sector and on the land. These sharp inequalities inevitably create strong ambitions to migrate to the towns, to strive for higher education, to search for a job. As long as extreme imbalances persist, so will unemployment since large differentials will always attract a margin of job seekers to hover in the towns, near the chances of the good jobs in the hope of getting one. This is the reason why an analysis of inequality is important to the explanation of employment problems.

9. But even with perfect equality, unemployment could arise. Fast rates of population growth, or urbanisation and school expansion inevitably make it more difficult to absorb the growing labour force and gives less time for structural adjustments. Here another set of imbalances arise - dynamic imbalances relating to the structure of economic growth and its constraints. Rapid growth can in itself generate imbalances which will frustrate its continuation - most notably a shortage of foreign exchange, of domestic savings, of skills and entrepreneurship, of demand for its products or the political support needed to keep the system workable. One must therefore be concerned with economic growth on a pattern which can be sustained in the future, and which generates wider and more productive employment opportunities in the process.

10. In a recent policy paper, the World Bank emphasises that "fundamentally, a development strategy oriented towards employment is one that seeks to change the development path of an economy and thereby to change the way in which the benefits of development are distributed. Policy choices thus relate directly to basic questions of development strategy and involve social and political issues

extending well beyond conventional political economy." This paper also underlines that throughout it "the recurrent theme is the need for more analysis, more facts and a better understanding of the complex interrelationships involved".¹

11. It is, therefore, important to identify the key areas which call for special attention in the context of an employment oriented development strategy as outlined above. These key areas are the following: (i) population, (ii) technology, (iii) income distribution, (iv) education and labour market, (v) international trade, and (vi) institutional aspects.

2. Population and Employment

12. New population policies cannot reduce much the magnitude of employment problems in developing countries for the next fifteen years, as the rate of growth of the labour force is already virtually predetermined. But they can have a decisive influence in the longer run. For example, it was shown in the Ceylon employment report that if a family planning campaign policy had been implemented at the same time as the malaria eradication campaign in the 1940s and had reached the present target birth rate of 25 per thousand in 1955, existing and past output trends would have been sufficient to reach full employment - but only by the 1980s, a full generation after the family planning programme had come to full effect. If output trends and patterns could have been accelerated and changed at the same time, the employment objective could have been achieved sooner.

13. But governments in many developing countries are faced with urgent employment problems of great magnitude. It may be wondered, then, what contribution a reduction in population growth can make to the rapid solution of these problems. The answer is that a change in population growth may have immediate effects on the demand for labour, by changing the composition of expenditures from less to more labour-intensive products, or products requiring less foreign exchange, or by increasing the level of savings and investments, for example. Moreover, changes in population growth have important implications for education. They affect, firstly, the possibilities of providing education and, secondly, the types of education that may be afforded. Both of these affect, in turn, employment possibilities. In addition, more needs to be known about:

- (i) the determinants of labour force participation rates, in particular for women;
- (ii) the economics of fertility reduction, particularly in so far as changes in employment and unemployment affect fertility;
- (iii) the effects of changes in population growth on output and employment levels, growth and structures;
- (iv) the effects of changes in population growth on income distribution, and through income distribution, on employment.

3. Technology and Employment

14. Technology has a significant impact on the economic and social characteristics of a country. It determines within fairly narrow limits the levels of productivity and employment in each sector and the performance of the economy as a whole. Total resources being limited, technological decisions in one area, implying a high degree of utilisation of scarce factors of production, reduce the options open to other sectors and may result in pronounced imbalances in the distribution of incomes between different segments of the population.

15. What needs to be done in this area are three things. First, of course, to promote understanding of the importance for developing countries of the choice of appropriate technology, with special emphasis on the employment implications. But more important, and second, increased efforts must be made to

¹ International Bank for Reconstruction and Development, "The Employment Problem and Bank Operations" (21 April 1972, mimeographed).

identify the kinds of technology that are appropriate and adaptable to the labour-abundant factor endowment of developing countries. Third, and equally important, specific measures must be devised in such fields as fiscal, trade and aid policies, training policy, and employment policies in general that can help ensure that appropriate technology is chosen and used.

16. There has been some confusion and misunderstanding in the past regarding the concept of "appropriate" or "progressive" technologies. It has, for example, been confused with the perpetuation of economic and technical inefficiency. This however is not a true interpretation of the problem of locating technologies more suited to factor endowments, not of the developed countries where they generally originate, but to those of the less developed ones. The fact of the matter is that in order that the existing technologies qualify as "appropriate" for the developing countries, they must: (a) result in fuller utilisation of idle and underemployed manpower; (b) raise average productivity of the labour force by making more efficient use of scarce capital, land and other natural resources; and (c) provide improved tools and equipment to those members of the community whose progress has lagged behind the rest, supported by advice on policy measures which ensures that increases in productivity result in larger markets and higher incomes within these sectors.

17. Indeed, there are constraints - technological, economic and socio-political - to the choice of appropriate technologies in developing countries. The selection of right choices from among the alternatives is hampered by several factors. Firstly, the latest technologies, which may be most efficient in purely technical terms, have mostly been designed to meet the quite different circumstances prevailing in the advanced economies (differences in factor costs, market size, consumer preferences, infra-structural facilities, manpower skills, etc.). Secondly, these advanced technologies generally require a very much higher investment per worker than can be afforded in developing countries - at least on a social accounting basis. Thirdly, more and more investment decisions are being made or influenced by government planners who may lack the technical know-how and experience to make the best choices from a national point of view. Fourthly, they lack ready access to the full range of alternatives that could be made available, being confined largely to equipment included in the current catalogues of machinery manufacturers in the highly industrialised states who are preoccupied with the needs of their domestic markets. A fifth reason, and not the least important, has been underlined in both the Colombia and Ceylon Employment Reports. It was found that "techniques have been biased in a capital-intensive direction by many types of policy that make capital cheap compared with labour - interest rates, for example, so low as to be virtually subsidised, and (especially) overvalued exchange rates. Rates of wages are relatively high in the modern sectors - especially if 'fringe' benefits are taken into account, as they are by the employers."¹ Again, the Pearson Report, in discussing the overstimulation of capital-intensive and labour-saving technology by artificial distortion of factor prices, states quite clearly that there has been a tendency for aid-giving agencies and foreign contractors to transfer most modern technology without modification.²

18. All the key areas under review in this paper cut across economic sectors. This is particularly important in the case of technological choice. It will be self-evident, but nevertheless worth repeating, that no generalisations are possible. Specific sector situations in a given country will need to be examined in order to come up with concrete and viable policy suggestions. The choice of techniques is likely to be much more important, in terms of its implications for employment in agriculture and in services than in manufacturing industry. This also applies to construction where the choice is wider than in manufacturing. This is so because in the latter the need for tapping export markets places a high premium on quality, low costs of production and international competitiveness. In fact, for the developing countries to be competitive in the long run in the world market, they have to plan their industry by

¹ Dudley Seers, "New approaches suggested by the Colombia employment programme", International Labour Review, October 1970, p. 382.

² Partners in Development - Report of the Commission on International Development, Praeger Publishers, 1969, p. 59.

not only considering the immediate situation but also the future requirements. It is clearly not always desirable to use labour-intensive techniques in developing countries, even if they would be "optimal" in the short run. In specific circumstances, such a policy might be detrimental in the long run.

19. The problem of product mix and choice of techniques is maybe particularly important in agriculture. It will be difficult, if not impossible, to absorb the much larger numbers in agriculture on the present patterns and trends of production and labour intensity. In most countries, a smaller proportion of the production increase in future is likely to come from extension of the cultivated area, which generally has a proportionate effect on the expansion of employment. Alternative production patterns based on crop diversification, multi-cropping and more labour-intensive techniques, will therefore be necessary. The high-yielding cereal varieties have opened up considerable possibilities in this direction. Further agronomic, production economics and extension research are necessary to provide specific policy guidance regarding alternatives of product, combination of production factors and techniques which will generate more employment, with, if possible, the same or higher levels of productivity.

20. In this connection, a word of caution is needed concerning the traditional development objective of raising productivity per man. While some increase in average productivity per man is required to meet production targets even with the current expanding agricultural labour forces, any marked increase in labour productivity must inevitably be confined to only a small proportion of the total agricultural labour force, thus leaving the rest no better off or even worse off than before. It is necessary not only to expand agricultural employment opportunities, but also to ensure that the increases in employment, productivity and incomes that can be achieved are distributed over as much of the population as possible. This leads into questions of agrarian structure and institutional systems, linked to the problem of imbalances mentioned earlier.

21. It appears right to end this section with a most appropriate quotation: "The above considerations, tending to favour labour-saving technologies in what are likely to be labour-surplus areas, are not to be counteracted by a wholesale rejection of labour-saving equipment. The suggestion is rather that a more discriminating approach be made for the selection of technologies."¹

4. Income Distribution and Employment

22. It is generally accepted that the main way in which income distribution in developing countries affects the level of employment is through its effect on the pattern of consumption. This works in two ways: first through the different import content of the spending of the rich and the poor; secondly through the different direct labour content of their spending (i.e. the problem of product mix). In this connection, the Colombia employment report asserts that "the basic goods which are widely purchased by those on low incomes - essentially food and rather simple manufactures like clothing and footwear - are precisely the goods which are (or can be) produced with techniques considerably more labour-intensive than those used in the production of the goods demanded by the rich. To produce the latter usually requires high capital-intensity." The message is that the distribution of income not only reflects the existence of the employment problem, it also causes it to exist.

23. Thus, it is contended that income distribution lies at the heart of the employment problem and that policy on this must play a central role in any employment strategy. It is, therefore, disquieting that there are no comprehensive studies of the complex interaction between these two most important phenomena of the economic life in developing countries: income distribution and unemployment. It follows that the empirical basis of most policy recommendations in this area is very thin indeed.

24. It will have become clear from the discussion in section 1 above, that the relation between employment objectives and income distribution objectives, and the relation between each of them and that of economic growth, is indeed at

¹ Joseph E. Stepanek, New Perspectives: Industrial Development in the Third World, Vienna, 1972, p. 5.

the centre of formulation of an employment-oriented development strategy. More light needs to be shed on the area of interaction between employment and income distribution in two directions: the effect of income distribution on employment and at the same time how the level, type and structure of employment influences the shape of income distribution in the country. This two-way relationship works directly and also indirectly, e.g. via the impact on economic growth.

25. In the light of the assertions quoted above, it is of particular importance to assess the effects of income distribution on employment. There are several known (or perhaps one should say suspected) channels through which income distribution affects employment. The classical argument against more equal income distribution is the effect on savings due to the assumption of different propensities to save out of profits and out of wages, and the somewhat related observation concerning higher propensity to save out of higher incomes than out of lower incomes where dissaving is often the case. Recently there has been a shift in thinking on this issue, based on observation of capital formation by certain types of self-employed persons (primarily near-subsistence farmers), absence of savings by high income groups (conspicuous consumption) and some uncertainty about the savings-investment identity of different income groups. The role of private savings and investment is also not considered as important as before due to the high share of governments of developing countries in capital formation.

26. Next to the savings channel, there are the import and capital-intensity channels as referred to earlier in connection with the Colombia employment report. On the one hand, there is the presumption that consumption of higher income groups contains a greater import component than that of lower income groups. On the other, there is the assumption that higher income groups consume more capital-intensive goods than lower income groups.

27. On all this, more facts, more analysis and more empirical evidence are needed.

5. Education, the Labour Market and Employment

28. If population policy has, among others, a direct impact on the problem of over-all balance (i.e. the balance between the supply of and the demand for labour), education-manpower policies play an important role in connection with one aspect of structural balance - the one of matching employment opportunities and expectations. The attitudes, aspirations and expectations perpetuated and stimulated by traditional educational systems tend to create a growing discrepancy between the employment opportunities that do exist on the labour markets of a country, and the job expectations that exist in the minds of the school leavers and graduates.

29. When looking at the relationship between education, the labour market and employment, the role and responsibility of education and training in the employment problem must be defined carefully. A kind of mythology is indeed springing up in this respect and one can hear statements going all the way from "education is causing unemployment" to "education increases the over-all level of employment". It would seem obvious that changes in educational policy cannot do very much to remedy over-all imbalances. According to a UNESCO memorandum, there are three obvious links between traditional educational systems and employment problems. Firstly, education is a means through which non-apparent rural underemployment converts itself into visible and often audible urban unemployment. Secondly, educational systems, in most developing countries, only aggravate the disfunctions between levels and types of education on the one hand, and working-age population and labour absorption capacity on the other. In fact, neither the type of education provided, nor the spirit prevailing within the existing educational systems, can offer youth the means to find their way through the societies awaiting them after completion of their studies. The situation is still more critical for those who have not completed school - who have abandoned or have been rejected by the system either due to repetitions, or quite simply because the system was unable to offer them the opportunity to continue their studies begun in rural areas. It can be said that there is now in the "pipeline" of education a number of men and women who will later remain unemployed because the type of education received corresponds in no way to the societal tasks and economic roles they will be called upon to play.

30. Thirdly, what characterises this type of education is that it provides a source of future workers who will be under-utilised with regard to the qualifications they have received. In other words, many secondary education students and even a large number of higher education students, assuming they find a job, will only be able to discharge functions or to play a role in the economic life of the country at a level considerably inferior to what they could expect, considering their qualifications or academic general educational achievements.

31. To a great extent, therefore, the failure of many school systems is a failure to adapt to the consequences of expansion. For example, the kind of secondary education which was appropriate at a time when all the products of secondary schools could be absorbed into middle-class occupations becomes glaringly inappropriate when some 30 to 40 per cent of each age group receive ten years or more of education, and the majority of them have no alternative but to become farmers and manual workers.

32. Any search for solutions must make a distinction between short-term and long-term policies and measures. For the short term, one should think in terms of flexible, well-adapted, cheap and quick methods which fit easily into the existing production process so as to prepare the 80 per cent of the active out-of-school population to cope with the permanent structural changes that they will have to face.

33. Long-term policy proposals must pay special attention to the timing, content and structure of education, with particular reference to bringing attitudes and aspirations into closer harmony with the opportunities offered by the economic and social environment. To what extent certain basic characteristics are acquired during the education process, and then lost, and at what rate, depends a great deal on the length of time a person is exposed to various forms of education, the sequence of educational events, the age at which the exposure occurs, and the motivation of the individual which is not unrelated to the relevance of the content of education as perceived by him at the time of exposure.

34. It is known that skills and knowledge not used deteriorate, that they are liable to obsolescence, that motivation to acquire them may increase with age and experience, and finally that the quality of the education obtained may improve with time. This would suggest that it is desirable to take a fresh look at on- and off-the-job training and "life-long" education and their inter-relationship.

35. Moreover, in countries where the economy is, and will be for many years ahead, essentially focused on rural activity, it is inconceivable to set up educational objectives concentrated only on future wage-earning employment demands in the formal sector.

36. There is thus a growing disenchantment with respect to the results of the expansion of higher and secondary education in developing countries. In the context of employment problems the biggest disappointment has been the high unemployment rates of many school leavers and university graduates. Two broad hypotheses are usually put forward to explain this phenomenon: (i) that it is evidence that the content of education does not take sufficient account of the needs of the society in which it is situated, and (ii) that there are rigidities in the labour market which prevent it from adjusting sufficiently quickly to the available supply of school leavers and graduates.

37. The first hypothesis was discussed above. Turning briefly to the second broad hypothesis, it is not clear what the long-term consequences of these rigidities are. We know that graduate unemployment in developing countries is presently concentrated in the young school leavers, that is, it is a temporary phenomenon for the individual concentrated in the early years of his working life. Can we expect labour market rigidities in the future to have as a consequence a phenomenon of this type, or are they likely to result in prolonged unemployment periods for graduates of any age? In other words, are the presently observed high rates of unemployment in the younger age groups symptoms of growing unemployment which will be observed in time for the older age groups as well? This is a critical question for the developing world, and depending on the answer will require very different remedies. Clearly, the more serious alternative implies great misallocation of educational resources among levels of education and training. In order to answer the question even tentatively, a great deal more information needs to be collected on the working of the labour market for graduates and school leavers.

6. International Trade and Employment

38. A very important obstacle to the choice of the best industries for developing countries at the moment lies in the restrictive trade policies pursued by the industrialised countries. This results in a situation where industries that it would be quite natural for the developing countries to have, and that would create considerable employment, are blocked for lack of opportunities to export their products. This applies of course with equal force to agricultural products. Trade liberalisation measures in favour of the agricultural exports of developing countries (and in particular the removal of measures discriminating against processed and semi-processed products) would result in a transfer of employment opportunities from developed to developing countries. Generally, the amount of employment created in the developing countries would be much greater than the associated reduction in the developed countries, where labour-saving technologies are almost universal.

39. But obviously, this is another case of avoiding to fall into the trap of looking too mechanically into the statistical relationship between employment and another variable - in this case, trade. The goods with the greatest employment content are indeed often agricultural products which grow very slowly in the world market, and even with complete liberalisation will not achieve the same growth rates as other goods with less employment content. If, as is often the case, an important aim is to achieve a high rate of growth of export earnings, it may be a better policy to choose goods for which a rapid growth in exports can be obtained even if these goods have less employment content in the short run.

40. It is well known that a lot of attention has already been focused by United Nations specialised agencies on efforts to bring about an expansion of developing countries' exports, as a result of which progress has been made in removing quotas and revenue duties and in reducing tariffs against these exports.

41. But precisely because of some of the points made above, it is desirable to have a further and systematic look at this problem area from an employment point of view. The questions to be studied could aim at (i) identifying the main internationally traded goods, liberalisation of imports of which would have the greatest impact on the employment situation in developing countries; (ii) assessing the order of magnitude of the employment effects of such liberalisation in both developing and developed countries; and (iii) identifying appropriate policies for coping with the adjustment problems. In this connection it must be noted that on the question of determining the impact of liberalisation of imports by developed countries on the employment situation in developing countries, the Generalised System of Preferences, when implemented, will have an important impact.

42. If access to markets of the industrialised countries is of crucial importance to mitigate the employment problems of the less-developed countries, there are quite a few important measures that the latter countries can and should take to meet their own problems in the field of international trade. These might include, in any given case, action in the field of exchange rates, fiscal policy, import policy, including protective measures, and monetary policy including, in particular, effective interest rates. Some of these measures were already mentioned in section 3 above in connection with the technology and employment issue.

43. And then, there is the whole problem of foreign aid, economic growth and employment, a controversial and not very well explored area. Some three years ago, the Pearson Commission declared that "the climate surrounding foreign aid programs is heavy, with disillusion and distrust", and that "we have reached a point of crisis."¹ There can be little doubt that the Commission was right - also illustrated by its own failure to make a significant impact on the aid crisis. Many point to the widespread defectiveness of aid programmes and their disappointing results in terms of development performance. It is this "performance" aspect of foreign economic aid which needs to be evaluated.

¹ Partners in development: Report of the Commission on International Development, op. cit., p. 4.

7. Institutional Aspects with Special Reference to the Rural Sector

44. The key areas and problems of an employment-oriented development strategy discussed in the preceding sections arise in all branches of economic activity, and in both an urban and rural context, and call, therefore, for a global or comprehensive approach. However, special importance attaches to both agriculture and rural areas, since they support the overwhelming majority of the population of the developing world.

45. It has already been emphasised that the pressure of population in the rural areas of developing countries generally, will be so great that new entrants to the labour force cannot all be absorbed by the agricultural sector. Equally, as is evidenced by the growing numbers of urban unemployed, they have even less chance of being absorbed in other sectors, apart perhaps in certain branches of services. It will, therefore, be necessary to find employment for them somehow, particularly in off-farm occupations in rural areas.

46. Thus one is faced with the need for creating greater opportunities of employment and income generation in the rural areas as part of an over-all national strategy for employment promotion. This would need to include not only agriculture as such, and appropriately-tailored rural works programmes, but also such components as agro-based industries (for inputs and processing), and conscious policies for locating industries in rural areas. This in turn needs to be accompanied by the building up of the required physical and social infrastructure in rural areas. In other words, there has to be a comprehensive improvement in levels of income, employment and living conditions and amenities in rural areas to make it possible for them to continue to retain the bulk of the population until alternative productive employment in increasing volume is available elsewhere. An important means of effecting such improved rural development would be through the planned establishment of decentralised rural towns which would add new dynamism to rural life and relieve congestion in already overcrowded capital cities.

47. Employment-oriented development plans and policies are directed at specific groups, in specific regions, in specific countries. The key areas discussed in this paper need in addition the vehicle through which all of them are brought into play in any particular country. This area could be called the institutional-structural organisation and employment. For example, in the agricultural sector there is the land tenure structure, the production structure, the organisations of rural people, the institutional framework of economic services and facilities, and the organisational and administrative structure of government, from the local to national levels.

48. The adverse and retarding effects of unfavourable land tenure systems are already well known, and until changes are made educational and technological improvements cannot possibly achieve their objectives. Associated problems concern outmoded organisations of rural people, often weighed down by traditional law and custom. Shortcomings in distribution and marketing facilities, unfavourable price policies, lack of incentives, and few possibilities for savings and capital formation, seriously affect both production and employment possibilities. The situation is often aggravated by the fact that many of the existing services are confined to the larger farmers.

49. Organisational shortcomings and weaknesses in administrative capacity have resulted in many past failures in rural development. Organisational structure needs to be considered in two dimensions: first, the horizontal structure for bringing together all of the sectors involved - agriculture, health, education, transport, communications, etc.; secondly, the vertical structure for each of these sectors. Co-ordination and integration of policies, programmes, services and activities become both more difficult and more important if such broad objectives are to be attained.

50. As in the case of technology, there is a lack of adequate knowledge and experience of the employment capacity and potential of alternative land tenure structures, production structure and supporting services organisation in relation to different technology possibilities in agriculture. Such knowledge is essential for estimating labour demand and employment implications as a basis for agricultural employment planning, as well as for international assistance in this field.

51. The foregoing will be sufficient to illustrate the need to include this institutional/organisational aspect in the deliberations of employment issues. It calls for many important policy decisions at the national level, all of which should be taken with the employment objective fully in view. It also calls for concerted action among the United Nations agencies, as again it cuts across several sectors and spheres of competence.

8. Questions raised in the Initial Paper

52. The initial paper submitted by the ILO to the ACC Functional Group on Employment Policy (dated 15 March 1972), carried in its final paragraph three substantive questions. They were:

- (i) are the key areas identified in that paper indeed those calling for special consideration, and should further areas be added;
- (ii) what national action is desirable in each of these areas to promote a high level of productive employment and what international action is desirable to assist countries in the implementation of policies designed to this end;
- (iii) what can each member of the United Nations family contribute in each of these areas and how much more common action is feasible to this end?

53. The essence of most of the reactions received has been incorporated in the present text. However, on the final point as to how much more common action is feasible among the United Nations agencies, only the FAO reacted explicitly. For this reason it may be worth while to quote this reaction in full:

"We would base our comment on what we feel to be a fundamental principle, namely, that "the employment objective", like most other objectives of development, is primarily something to be achieved by having it pervade all policy, planning, programme and project decisions. In other words, it brings a new dimension into development planning and implementation, rather than always calling for special projects bearing the employment label.

To this end we would suggest that one possible area for common action might be to consider some steps along the following lines, pending more definitive common policy decisions;

- (a) in assessing all new project proposals, one of the criteria should be "employment effect", (including its distribution) and where applicable, a specific statement should be included as to whether this effect is considered to be positive, negative or neutral;
- (b) where a feasible choice of technology or system exists and is applicable, that having the higher level of labour intensity or labour absorption potential, should be given first consideration and preference; particular attention should be given in this connection to the foreign exchange component of projects involving the supply of equipment;
- (c) consideration should be given to the possibility of including or adding an "employment component" to existing development projects, where this could be done without disrupting the objectives and timetable of the existing project, but where it would enhance the value and impact of the project as a whole;
- (d) regional (i.e. sub-national) development planning projects should be undertaken under which the main focus is the provision of increased employment opportunities."

54. It is suggested that comments and reactions on the present draft concentrate on questions (ii) and - quite particularly - (iii) above.

FILED
cc Alpha Ammar


September 22, 1972

Dear Mr. Ammar:

On behalf of Mr. McNamara, I acknowledge receipt of your letter of September 5, 1972 (Ref: ADC 160-3-100) inviting the International Bank for Reconstruction and Development to be represented at the Third Session of the Inter-American Advisory Committee which will take place in San Jose, Costa Rica, from October 17 to 23, 1972.

I am pleased to inform you that Mr. Pedro-Pablo Kuczynski, Senior Economist, Program Department I, Latin America and the Caribbean Region, is nominated to be the Bank's representative at this Session. It would be appreciated if documents issued ahead of the session could be sent to Mr. Kuczynski, at this address.

Yours sincerely,

L. Peter Chatenay 
Deputy Special Representative
for
United Nations Organizations

Mr. Abbas Ammar
Deputy Director-General
International Labour Office
CH-1211 Geneva 22
Switzerland

Cleared in substance & cc: Mr. Avramovic
cc: Mr. Gutierrez/Mr. Kuczynski
cc: Mr. Hawkins

Central Files with incoming letter

LPC:mmcd

24 5 1972

✓ 10
cc: Mr. Abbas

September 22, 1972

Dear Mr. Abbas:

On behalf of Mr. Kuczyński, I acknowledge receipt of your letter of September 5, 1972 (Ref: AIC 100-3-100) inviting the International Bank for Reconstruction and Development to be represented at the Third Session of the Inter-American Advisory Committee which will take place in San José, Costa Rica, from October 17 to 23, 1972.

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Yours sincerely,

J. Peter Gatenay
Deputy Special Representative
for
United Nations Organizations

Mr. Abbas Ammar
Deputy Director-General
International Labour Office
CH-1211 Geneva 22
Switzerland

Cleared in substance & cc: Mr. Avramovic
cc: Mr. Gutierrez/Mr. Kuczyński
cc: Mr. Hawkins

Central Files with incoming letter

IPC:mmd

SEP 27 2 04 PM 1972



ILO

INTERNATIONAL LABOUR OFFICE

Adresse postale : CH 1211 GENÈVE 22
Télégrammes INTERLAF GENÈVE
Télex 22.271
Téléphone 31 24 00 & 32 62 00

Ref. n° WEP 2-19

Mr. C.J.A. Jansen,
Western Africa Department,
International Bank for
Reconstruction and Development,
1818 H Street, N.W.,
WASHINGTON, D.C. 20433,
(U.S.A.).

Dear Mr. Jansen,

22 SEP. 1972

Participation in the Bank mission to Indonesia, home leave and a sojourn in Yugoslavia occasioned by an IBRD/OECD sponsored meeting of directors of development institutes have kept me away from Geneva virtually all of the time since early last May. On my return to the Office last week, however, I was pleased to learn that it is being planned to include the Ivory Coast as one of the "case studies" in the WEP research project on urban unemployment under the direction of Harold Lubell. You will recall that, in your meeting with Jorge Méndez during your last visit to Geneva, the possibility was discussed of tying in this ILO research project with the prospective Bank mission to whatever extent might prove feasible or desirable.

Preliminary research on the urban employment problem is already underway. Mrs. Heather Joshi from the Oxford Institute of Statistics has just returned from a brief stay in Abidjan as you may have been informed by Gerrit de Wit.

Harold Lubell has indicated his willingness and desire to make sure that the ILO's efforts be as useful as possible to the prospective Bank mission. In particular, he himself would contemplate participating along with Mouly as a member of that Mission, assuming such participation would make sense from your point of view and on the understanding that relevant (and non-confidential) material developed in the course of the Mission could be utilised in the ILO's research project. If such an arrangement were undertaken it would be on the now reconstituted original terms for participation of ILO staff under which the Bank would reimburse travel and subsistence expenses but the ILO would continue to pay salary costs for the period spent in the field or in Washington working on the report.

RECEIVED

.../...

Les lettres doivent être adressées au Directeur général et rappeler la référence ci-dessus.

Letters should be addressed to the Director-General and quote the above reference.

Las cartas deben ser dirigidas al Director General citando la referencia arriba mencionada.

Original to:
Date: 9-27-72

Mr Jansen
Communications
Section

Since I do not know whether or how this would fit with your present plans for staffing of the Mission I would appreciate your early reaction, so that Lubell can proceed with his own plans. A brief description of the urban employment research project as well as Lubell's CV are being sent under separate cover. If you would like further information Lubell would be glad to supply it. If his participation as a member of the Mission is not feasible other arrangements might be worked out to enhance the possibilities for mutually beneficial exchanges.

We shall look forward to hearing from you soon. Any chance of seeing you in Geneva again?

With best regards,



Mark W. Leiserson



ILO

September 20, 1972

Mr. George Weaver
Special Assistant to the
Director-General
International Labor Office
666 11th Street
Washington D.C. 20001

Dear Mr. Weaver:

SUBJECT: ILO Vocational Training Specialists

The Education Division of Western Africa Regional Office has asked if Mr. Motel might be available to participate in a Bank appraisal mission to Mali for approximately two weeks at the end of November, beginning of December. The Division Chief, Mr. Lethem, has indicated that Mr. Motel would probably be able to write the bulk of his report while in the field but that it would be very useful if he could visit Washington early in January 1973 for about one week to finalize his contribution to the report.

I would appreciate it if you could ascertain by cable from Geneva whether Mr. Motel might be available for such assignment. The administrative arrangements would be the same as those for his assignment to the Cameroon mission last year.


Yours sincerely,



O. H. Calika
Deputy-Director
Education Projects Department

RHSFennell/er

cc Mr. Tsantis



cc. Mr. Van Gent



FLO

ASIAN REGIONAL PROJECT FOR EMPLOYMENT PROMOTION (ARTEP)

Postal address: P. O. Box 2-146
Cables ARTEP BANGKOK
Tel. 217121, 217122, 217123

Department of Labour Bldg (5th floor)
Ministry of Interior
Fuangnakorn Road
Bangkok 2, Thailand

Ref.

19 SEP 1972

*Personal
miscell.*

Dear Gordon,

Thank you for your letter of July 12. Being away on home leave, I did not receive this letter until my return here on 11 September.

I completed the Lebanese study in the end of March before leaving UNESOB. I have only my personal copy of this report with me here. Therefore I have written to Mr. De Clercq, Associate Expert, who was working with me on this study in UNESOB to send this report to you. I hope you will receive soon this report. In case of delay please remind UNESOB about it.

I greatly appreciate your congratulation on my promotion and am thankful to other members of the mission for their kind consideration. Again I would like you to know that extremely enjoyed being a member of the mission.

During my stay about a month here before leaving for home leave I had to prepare hurriedly a paper on Employment Situation, its Problems and Prospects for the VII International Forum "One World Only" of the Friedrich-Ebert-Stiftung. I shall send you a copy of this paper later.

With best personal regards,

Sincerely yours,

N.S. Randhawa

N.S. Randhawa
Agricultural Planning Economist
Asian Regional Team
for
Employment Promotion

Mr. G.C. Billington
IBRD
1818 H. Street N.W.
Washington, D.C. 20433
U.S.A.

18552652 BH 5:33

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cc Mr Laporte



ASIAN REGIONAL PROJECT FOR EMPLOYMENT PROMOTION (ARPEP)

Department of Labour Bldg (5th floor)
Ministry of Interior
Phuangnakorn Road
Bangkok 2, Thailand

Postal address: P. O. Box 2-146
Copies ARPEP BANGKOK
Tel. 217121, 217122, 217123

Ref.

1 9 SEP 1972

Handwritten signature

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With best personal regards,

Sincerely yours,

Handwritten signature: N. S. Randhawa

N. S. Randhawa
Agricultural Planning Economist
Asian Regional Team
for
Employment Promotion

1972 SEP 25 PM 2:33

Mr. G.C. Billington
IBRD
1818 H. Street N.W.
Washington, D.C. 20433
U.S.A.

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COMMUNICATIONS
SECTION

Distribution

Mr. Tolley
Messrs. LeJeune/Husain

SEPTEMBER 15, 1972

213 FOR TOLLEY. ADVISED BY REGIONAL ILO OFFICE THEY EXPECT FIVE-MAN MISSION ARRIVING END SEPTEMBER FOR TWO MONTHS STUDY EMPLOYMENT PROBLEMS AND PROSPECTS IN ETHIOPIA. THEY HAVE REQUESTED COPY OF 1970 ECONOMIC REPORT AND 1971 UPDATING REPORT. SUPPLY THIS OFFICE IS EXHAUSTED, KINDLY THEREFORE AIRFREIGHT THREE COPIES OF EACH REPORT. REGARDS FINSAAS

ILO

September 14, 1972

Mr. Mark Leiserson
International Labor Office
CH 1211 Geneva 22
Switzerland

Dear Mark:

Attached are three copies of your draft and a first draft of the main volume, incomplete because the financial sector is still being worked on. I'd appreciate your comments, particularly on Section D of Chapter II which is an attempt to incorporate into the main discussion your findings on employment.

Do you think you could also look over your paper again in the light of what's said on other issues and let me have one of the copies back with any amendments you want to make. I'd like you also to consider ways in which it could now be shortened - I am still aiming at a maximum of 25 pages for each annex.

The aim is to circulate the draft report internally early in October and to take it to Indonesia later that month for discussion. It would help to have your reply by the end of the month, as there is still a good deal to do. I don't know the exact arrangements for the follow-up mission to Indonesia yet - we are trying to fit in with staff changes including the change of leadership of the Resident Staff, but I shall keep you informed. Most likely, the October-November mission will consist only of people involved in the aid assessment for 1973/74 and we shall leave further work on other main issues, including employment, to next year.

With my regards,

Sincerely yours,

GT

Graeme Thompson
East Asia & Pacific Dept.

Enclosures: a/s

✓ ILO
cc alpha
Jenks
① [Signature]
② Gen. file

313

INTERNATIONAL LABOUR OFFICE



BUREAU INTERNATIONAL DU TRAVAIL

GENEVA

14 SEP. 1972

Sir,

I wish to thank you for the observations submitted by the International Bank of Reconstruction and Development on the ILO's Draft Long-Term Plan 1974-79 which were transmitted to us in your letter of 18 May 1972.

The Draft Long-Term Plan together with the observations of the IBRD and my comments on it will be considered by the ad hoc working party of the Governing Body at the November 1972 Session and a copy of the relevant document will be transmitted to you at that time.

I have the honour to be,

Sir,

Your obedient Servant,

Wilfred Jenks
Wilfred Jenks,
Director-General.

Mr. Robert S. McNamara,
President,
International Bank of
Reconstruction and Development,
1818 H. Street, N.W.,
WASHINGTON D.C. 20433

1972 SEP 19 AM 10:03



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Faint, mostly illegible text in the middle section of the document, possibly a letter or report body.

Faint text at the bottom left, possibly a signature or reference code.

Handwritten scribbles or initials in the lower middle section.

Faint text at the bottom right, possibly a date or reference number.

1972 SEP 19 AM 10:03

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ILO
Yellow

September 14, 1972

Mr. Mark Leiserson
International Labor Office
CH 1211 Geneva 22
Switzerland

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With my regards,

Sincerely yours,

Cecilia Thompson
East Asia & Pacific Dept.

Enclosures: 3/3

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11/11/72

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SEP 14 4 25 PM 1972

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✓ ILO
cc Alpha Jenks
13 SEP. 1972

INTERNATIONAL LABOUR OFFICE

Adresse postale : CH 1211 GENÈVE 22
Télégrammes INTERLAB GENÈVE
Télex 22.271
Téléphone 31 24 00 & 32 62 00

The President,
International Bank for
Reconstruction and Development,
1818 H Street, N.W.,
WASHINGTON DC 20433

Réf. n° GB 188-115

(USA)

Sir,

I have the honour to convey to your organisation, on behalf of the Governing Body of the International Labour Office, a cordial invitation to be represented at the 188th Session of the Governing Body, which will be held at the International Labour Office, Geneva, from Tuesday, 14 to Friday, 17 November 1972.

A copy of the agenda is enclosed for your information, together with the programme of meetings.

The documents relating to the various items on the agenda will be sent to you as they become available.

Should your organisation be able to accept this invitation, it would be much appreciated if you would communicate to me, at your earliest convenience, the name and title of the representative who will attend the session.

I have the honour to be,

Sir,

Your obedient Servant,

A handwritten signature in blue ink, which appears to read 'Wilfred Jenks'.

Wilfred Jenks,
Director-General.

1885266 13 0010:03

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13 SEP. 1972

INTERNATIONAL LABOUR OFFICE

The President,
International Bank for
Reconstruction and Development,
1818 H Street, N.W.,
WASHINGTON DC 20433

(USA)

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I have the honour to be,

Sir,

Your obedient servant,

Wilfred Jenks,
Director-General.

1972 SEP 19 AM 10:03

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GOVERNING BODY
CONSEIL D'ADMINISTRATION
CONSEJO DE ADMINISTRACION

GB.188
188th Session

Geneva,
14-17 November 1972

AGENDA

1. Approval of the Minutes of the 186th and 187th Sessions.
2. Date, place and agenda of the 59th (1974) Session of the International Labour Conference.
3. Action on the resolutions adopted by the International Labour Conference at its 57th Session (June 1972).
4. Trade, development co-operation, employment and labour. ✓
5. Future ILO action on migrant workers.
6. Report on the Fifth Session of the African Advisory Committee (Addis Ababa, 26 September - 2 October 1972). ✓
7. Report on the Third Session of the Inter-American Advisory Committee (San José, Costa Rica, 17-23 October 1972).
8. Report of the Meeting on the Relationship between Multinational Corporations and Social Policy (Geneva, 26 October - 4 November 1972).
9. Report of the Ad Hoc Committee on the Occupational Safety and Health Programme (Geneva, 8-12 May 1972).*
10. Fact-Finding and Conciliation Commission on Freedom of Association: case of Lesotho.
11. Report of the Working Party on the Long-Term Plan. ✓
12. Reports of the Committee on Freedom of Association.
13. Reports of the Financial and Administrative Committee.
14. Report of the Allocations Committee.
15. Report of the Committee on Standing Orders and the Application of Conventions and Recommendations.
16. Report of the International Organisations Committee.

* Postponed from the 186th Session.

17. Report of the Industrial Activities Committee.
 18. Report of the Committee on Operational Programmes.
 19. Report of the Committee on Discrimination.
 20. Activities of the International Safety and Health Information Centre (CIS) in 1971.*
 21. Composition and agenda of committees and of various meetings.
 22. International Institute for Labour Studies.
 23. International Centre for Advanced Technical and Vocational Training.
 24. Report of the Director-General.
 25. Programme of Meetings.
 26. Appointment of Governing Body representatives on various bodies.
-

* Postponed from the 186th Session.

GOVERNING BODY
CONSEIL D'ADMINISTRATION
CONSEJO DE ADMINISTRACION

Geneva,
1-17 November 1972

PROGRAMME OF MEETINGS^{1, 2}

Wednesday, 1 November

10 a.m. Working Party on the Long-Term Plan ✓
3 p.m. Working Party on the Long-Term Plan

Thursday, 2 November

10 a.m. Working Party on the Long-Term Plan
3 p.m. Working Party on the Long-Term Plan

Friday, 3 November

10 a.m. Working Party on the Long-Term Plan
3 p.m. Working Party on the Long-Term Plan

Monday, 6 November

10 a.m. Committee on Freedom of Association
Building Subcommittee
11 a.m. Industrial Activities Committee ✓
3 p.m. Industrial Activities Committee
Committee on Freedom of Association
Allocations Committee

¹ Programme approved by the Governing Body at its 187th Session on the understanding that its Officers might make such adjustments as they might think necessary to enable the Financial and Administrative Committee to complete its work satisfactorily.

² The Board of the Turin Centre will meet in Geneva on Tuesday, 31 October, and the Centre's Advisory Programme Committee in Turin on Friday, 27, and Saturday, 28 October. The Board of the International Institute for Labour Studies will meet in Geneva on Saturday, 4 November.

Tuesday, 7 November

10 a.m. Industrial Activities Committee
3 p.m. International Organisations Committee
Allocations Committee

Wednesday, 8 November

10 a.m. Financial and Administrative Committee
3 p.m. Financial and Administrative Committee

Thursday, 9 November

10 a.m. Committee on Operational Programmes
Committee on Standing Orders and the
Application of Conventions and
Recommendations
3 p.m. Committee on Operational Programmes
Allocations Committee

Friday, 10 November

10 a.m. Committee on Operational Programmes
Committee on Discrimination
3 p.m. Committee on Operational Programmes
Committee on Discrimination

Saturday, 11 November

Monday, 13 November

9 a.m. Employers' group
10 a.m. Government group
Workers' group
3 p.m. Employers' group
Workers' group
Allocations Committee

Tuesday, 14 November

to

Friday, 17 November

10 a.m. Governing Body
3 p.m. Governing Body

September 12, 1972

Mr. F. J. Pidgeon
International Labor Office
CH 1211
Geneva 22
Switzerland

Dear Joe:

I am writing with further reference to my letter of August 1 in which I asked ILO's assistance to expand the Bank's basic equipment lists, to include technical education at the post-secondary level and training in industrial centers. I also asked for any suggestions about possible experts who could assist us in drafting such lists.

As the expansion of the Bank's basic equipment lists is somewhat of an urgent matter, I would very much appreciate hearing from you as soon as possible.

Sincerely yours,



Mats Hultin
Education Adviser
Education Projects Department

MH/mas

ROUTING SLIP

Date

SEP 18 1972

INCOMING MAIL

	Agric. Projects		Mr. Reamy	H618
	Mr. Bart	A700	Mr. Renger	D811
	Mr. Christoffersen	C708	Mr. D. Richardson	A708
	Controller's		Mr. Roulet	A620
	Mr. Dahlberg	D1023	Mr. Sandberg	C608
	Mr. Davar	C802	Secretary's	
	Mr. Dean	B1007	Mr. Skillings	C805
	Mr. de Lusignan	B708	Special Projects	
	Development Serv.		Mr. Springuel	A718
	Director, Projects		Staff Relations	
	Mr. Dixon	D848	Statistics Div.	
	Mr. Dosik	C816	Mr. Steckhan	C719
	Mr. Dunn	C614	Mr. Takaramura	D819
	E.D.I.		Mr. Tolbert	C624
	educ. Projects	D729	Mr. Tolley	B1002
	Mr. Eschenberg	B603	Tourism Projects	D623
	Mr. Franco-Holguin	D1117	Trans. Projects	A418
	Mr. Gibbs	C616	Travel Office	C210
	Mr. Gue	C714	Treasurer's	
	Mr. Halbe	B1012	Mr. Upper	B704
	Mr. Hornstein	A1000	Mr. van der Heijden	A849
	Mr. Horsley	B714	Mr. Wiehen	B608
	Mr. Huber	A735	Mr. Wyss	A1122
	Mr. Humphrey	C611	Mr. Zinman	C813
	Industrial Proj.	A201	Mr. B...	
	Inf. & Pub. Affairs			C1123
	Internal Auditor	H303		
	Mr. Kapur	C809	Copied:	
	Mr. Kraske	A600	EL	
	Mr. Lari	A1148	DD	
	Mr. J. Malone	A1019	DB	
	Mr. Michaels	D1022	EC	
	Mr. Mirza	C711	ERC	
	Mr. Nelson	A1117	B. Blazie	
	Off. Support Serv.			CENTRAL FILES
	Personnel Dept.	D1002		(2)
	Mr. Pollan	D841		(.)
	Population Proj.	D901		
	Mr. Powell	D803		
	Pub. Util. Proj.			

120

ORGANIZACION INTERNACIONAL
DEL TRABAJO



PROGRAMA MUNDIAL DEL EMPLEO

PROGRAMA REGIONAL DEL EMPLEO PARA AMERICA LATINA Y EL CARIBE
(P. R. E. A. L. C.)

DIRECCION POSTAL: CASILLA 618
TELEFONO: 250147

CABLES: INTERLAB
TELEX: 3520123 OITSTGO.

REF.: 0-R/1.2
0-P/1.4.8

SANTIAGO (CHILE),

11 SET. 1972

RD 372

Dear Euric:

This letter is the answer to your cable which we announced in our cable of 7 September. As we informed you in Managua, our timetable at PREALC is less tight than yours at the Bank. Our report is due in Managua towards the end of the year. To be sure, our own first drafts of that report will be discussed internally in mid-October. But even that date may be too far off to be of any use to you. As a result we are sending you that "raw" and "cooked" data that we feel will be of most use to you, and some of the very tentative conclusions we have come up with. We will send interpretative material off to you as we write it, in case it arrives in time to be of use to you. In view of the preliminary character of our study, we must ask you (should you cite our data) to indicate that the data are still not definitive; in any case, we do not wish our preliminary interpretations to be cited as ours (since, they are based on partial analyses and we've not even discussed them internally at any length); if you wish to make these interpretations your own, however, feel free to do so.

Enclosed then you will find:

(1) CELADE's estimates of censal underreporting (Anexos 7 and 8). The estimates are made for those municipalities where they believe censal errors to have been committed. Hence, the overall census figures are underreported by 126,945 persons (85,709 + 41,236).

(2) The agricultural labor force by province and sex according to the census. In our view this is terribly underestimated for it implies unheard of (unusually low) rural labor force participation rates. The census figures are probably a measure of the rough agricultural labor force demand (because the census was conducted after the harvest and the way the questions were formulated).

Mr. Euric Bobb
International Bank for Reconstruction
and Development
1818 H Street
Washington, D.C.

1972 SEP 18 AM 3:42

RECEIVED

//



PROGRAMA REGIONAL DEL EMPLEO PARA AMERICA LATINA Y EL CARIBE

(P. R. E. A. L. C.)

DIRECCION POSTAL: CASILLA 818
TELEFONO: 250147

CABLES: INTERLAB
TELEX: 3520123 OITSTGO

SANTIAGO (CHILE)

REF: 0-R/1.3
0-P/1.4.8

11 SET. 1972

372

Dear Eutric:

This letter is the answer to your cable which we announced in our cable of 7 September. As we informed you in Managua, our timetable at PREALC is less tight than yours at the Bank. Our report is due in Managua towards the end of the year. To be sure, our own first drafts of that report will be discussed internally in mid-October. But even that date may be too far off to be of any use to you. As a result we are sending you that "raw" and "cooked" data that we feel will be of most use to you, and some of the very tentative conclusions we have come up with. We will send interpretative material off to you as we write it, in case it arrives in time to be of use to you. In view of the preliminary character of our study, we must ask you (should you cite our data) to indicate that the data are still not definitive; in any case, we do not wish our preliminary interpretations to be cited as ours (since they are based on partial analyses and we've not even discussed them internally at any length); if you wish to make these interpretations your own, however, feel free to do so.

Enclosed then you will find:

(1) CEIAD's estimates of census underreporting (Anexos 7 and 8). The estimates are made for those municipalities where they believe census errors to have been committed. Hence, the overall census figures are underreported by 126,945 persons (82,709 + 41,236).

(2) The agricultural labor force by province and sex according to the census. In our view this is terribly underestimated for it implies unheard of (unusually low) rural labor force participation rates. The census figures are probably a measure of the rough agricultural labor force demand (because the census was conducted after the harvest and the way the questions were formulated).

1972 SEP 18 AM 9:45

Mr. Eutric Bobb
International Bank for Reconstruction
and Development
1818 H Street
Washington, D.C.

RECEIVED

(3) PREALC's estimate of the real labor force supply, at least during the harvest peak.

(4) PREALC's estimate of the average annual demand for labor in agriculture in 1962/63 and 1969/70, and by product. As you can see average labor force availability is well in excess of average labor force demand (we estimate 15%-20%).

(5) PREALC's estimate of monthly labor force demand in agriculture at present. The tremendous differences between peak and trough demand highlights the problem of seasonality in agricultural underemployment.

(6) Some of the principal results of our unemployment survey in the marginal sectors of Managua. We consider our sample fully representative of 25% of the urban population in Managua and probably not very different from another 25% of the urban population there; and it probably is representative of even a greater proportion of the urban population outside Managua. The results speak for themselves.

As of this moment we very tentatively believe:

(1) that agricultural underemployment is of the order of 15-20%; that is, the degree of underutilized labor in agriculture;

(2) that overall urban underutilization - in the form of open unemployment - is of the order of 15%;

(3) that urban incomes in the jobs most accesible to migrants, that is to say, incomes of workers in marginal sectors taking into account periods of unemployment or underemployment, are of the order of 50% above rural incomes;

(4) that over time, despite the actual serious waste of human resources, the degree of underutilization of labor in the economy has declined; that is to say, the degree of underemployment and/or unemployment in the economy was significantly worse 10 years back;

(5) that rural labor income has risen between 2-3% a year as a result of the expansion and increased complementarity of demand of agricultural products. The demand for labor in cotton and coffee is to some extent complementary in time to that of agricultural products intended for domestic consumption (corn, beans,);

(6) that urban labor incomes, even of unqualified labor, have also risen between 2 and 3% per year;

(7) that relative urban-rural income differentials seem to have maintained themselves over time - thus assuring continuing urbanization at presently rapid rates;

(8) that migrants from rural areas are attracted to local provincial cities in agricultural areas not only by income differentials but also by the opportunity such cities provide of working the harvest peaks in agriculture and having more and better paid employment alternatives in the city in non-harvest times than in the countryside. Urbanization is thus a form of coping with seasonality and in this way we may have reasonable urbanization even without industrialization;

(9) that despite the increases in agricultural and urban incomes, we suspect that labor's participation in national income may have declined over the decade (notwithstanding the national income statistics on this score).

(10) that despite improvement over the decade, the government's investment policies are still destabilizing rather than stabilizing; in particular, its construction expenditures are still too tied to the fluctuations in export markets. No recognition is given to the fact that the opportunity costs of construction (both in terms of labor and import costs) is negligible in times of declining export revenues;

(11) that investment in construction is well below international standards even for developing countries and obviously is well below needs in Nicaragua;

(12) that there is a large degree of plant underutilization in industry, implying excessive capital expenditures per unit of labor. We think that, as a general rule, new investments ought not to be financed if there is not a market, sufficiently large to absorb the output of two shifts; *(including the MCCA)*

(13) that about half of the increase in labor productivity (about 3% per year) in agriculture in the decade is attributable to mechanization; the other half to better production techniques;

(14) that mechanization in agriculture over the decade replaced labor at a rate on the order of 1.5-2% per year;

(15) that improved production techniques, on the other hand, increased the demand for labor in agriculture, at a rate of about 40% of the rate of increase in output;


(16) that very significant labor productivity gains are still to be found in organizational improvements and changes in techniques that involve few capital costs, especially in agriculture;

(17) that the diffusion of improved techniques at a more rapid rate is severely hampered by the high rate of illiteracy (nearly 50%), especially in agriculture and in the cultivation of crops for internal use, where small scale farms are most prevalent;

(18) that the private and social rates of return to education at all levels, but especially at the primary and secondary level are quite high, and that an expansion in these areas could be an especially promising investment in the forthcoming future as well.

That's about it. Now how about you all sending us a copy of your report at its present stage of completion. This would be of great use to us especially in providing us with the macroeconomic framework in which to interpret the employment problem. Please then send it off as soon as possible. The rest of our material will be sent to you as we write it.

Sincerely yours,


Sergio Maturana
Chief of the ILO-PREALC
Mission to Nicaragua

Enclosures:

- (1) CELADE's estimate of censal underreporting, Anexos 7 and 8.
- (2) Nicaragua: Fuerza de trabajo agrícola según datos censales, por sexo y departamentos, 1971.
- (3) Nicaragua: Estimación de la disponibilidad local de mano de obra agrícola a nivel de departamentos, por sexo, 1971.
- (4) Nicaragua: Requerimientos de fuerza de trabajo del sector agropecuario (1963-1970).
- (5) Nicaragua: Requerimientos mensuales de mano de obra en el sector agropecuario (1969-1970).
- (6) Algunos resultados de la Encuesta Experimental de Ocupación realizada en los Barrios Marginales de Managua por PREALC y el Ministerio del Trabajo de Nicaragua.

ANEXO 7

NICARAGUA: MUNICIPIOS DE "PRIMERA PRIORIDAD". POBLACION CENSADA,
POBLACION ESTIMADA HIPOTETICAMENTE Y DIFERENCIAS
ABSOLUTAS Y RELATIVAS, 1971

Municipio	Pobla ción cen- sada	Pobla ción esti- mada	Diferen cias ab solutas	Diferen cias por centua- les
	(1)	(2)	(2)-(1)	(3)/(2)x 100
08-01 Juigalpa	17 930	22 957	5 027	22
08-02 Acoyapa	6 612	9 595	2 983	31
08-03 Comalapa	5 045	9 201	4 156	45
08-05 San Pedro de Lóvago	4 956	8 726	3 770	43
08-06 Santo Domingo	6 826	14 794	7 968	54
09-01 Boaco	17 925	25 439	7 514	30
09-02 Camoapa	15 687	20 802	5 115	25
09-03 San José	4 606	5 945	1 339	23
09-06 Teustepe	11 886	17 366	5 480	32
10-02 Ciudad Darío	21 718	28 601	6 883	24
10-03 Esquipulas	7 094	9 789	2 695	28
10-07 San Dionisio	3 193	4 401	1 208	27
10-09 San Ramón	14 497	26 374	11 877	45
10-10 Terrabona	8 330	10 343	2 013	19
02-04 Larreynaga *	14 222	22 634	8 412	37
02-10 Santa Rosa	4 536	6 944	2 408	35
03-04 San Francisco	4 792	6 770	1 978	29
04-09 Tisma	2 835	4 785	1 950	41
07-02 Altagracia	7 365	10 298	2 933	28
TOTAL	180 055	265 764	85 709	32

* En este municipio se encontraron a último momento boletas correspondientes a varios segmentos de enumeración. Sin embargo no se dispone de los datos que permitan rehacer los cálculos con las nuevas cifras.

Fuente: CELADE, Evaluación de las primeras cifras obtenidos en el censo de población de 1971 (Nicaragua), 12 de agosto de 1971

ANEXO 8

NICARAGUA: MUNICIPIOS DE "SEGUNDA PRIORIDAD". POBLACION CENSADA,
POBLACION ESTIMADA HIPOTETICAMENTE Y DIFERENCIAS
ABSOLUTAS Y RELATIVAS, 1971

Municipio	Pobla- ción cen- sada	Pobla- ción esti- mada	Diferen- cias ab- solutas	Diferen- cias por- centua- les
	(1)	(2)	(2)-(1)	(3)/(2)x 100
01-06 Pocoltega	7 313	9 141	1 828	20
01-08 San Francisco	4 916	6 381	1 465	23
02-05 Nagarote	12 714	15 157	2 443	16
02-09 San Nicolás	3 419	5 020	1 601	32
02-11 Telica	8 867	12 858	3 991	31
05-02 Diriá	3 190	3 991	801	20
06-03 Diriamba	25 573	30 228	4 655	15
10-04 Matiguás	29 850	35 109	5 259	15
10-05 Muy Muy	5 590	6 826	1 236	18
11-04 San Sebastián de Yalí	9 390	11 096	1 706	15
12-04 San Juan de Limay	8 639	11 666	3 027	26
13-06 San Juan-Río Coco- Telpaneca	11 230	16 369	5 139	31
13-08 Totogalpa	4 390	6 231	1 841	30
13-09 Yalagüina	3 456	4 379	923	21
14-02 Ciudad Antigua	1 353	1 920	567	30
14-03 Dipilto	1 829	2 809	980	35
14-11 Santa María	3 082	3 640	558	15
16-07 Cabo Gracias a Dios	3 853	7 069	3 216	45
TOTAL	148 654	189 890	41 236	22

Fuente: CE LADE, Evaluación de las primeras cifras obtenidas en el censo de población de 1971 (Nicaragua), 12 de agosto de 1971

ENCLOSURE 2

NICARAGUA: FUERZA DE TRABAJO AGRICOLA SEGUN DATOS
 CENSALES, POR SEXO Y DEPARTAMENTOS, 1971
 (miles de personas)

Departamentos	Total ambos sexos 1=9+17	Hombres							
		25-54 años 2	12-24 años 3	55 y más años 4	Fuerza de trab. rural 5=2+3+4	Activos rur.no agríc. 6	Fuerza de trab. ag.annr. 7= 5-6	Activos urbanos agríc. 8	Fuerza de trab. agr.total 9= 7+8
<u>Total del país</u>	<u>227.3</u>	119.0	89.0	24.3	232.3	36.6	195.7	24.2	<u>219.9</u>
<u>Zona del Pacífico</u>	<u>87.4</u>	47.8	32.6	9.9	90.3	22.1	68.2	15.6	<u>83.8</u>
Chinandega	19.3	10.7	7.3	2.0	20.0	4.6	15.4	3.0	18.4
León	20.2	9.1	7.7	1.9	18.7	3.1	15.6	3.3	18.9
Managua	15.6	11.0	6.6	2.3	19.9	7.7	12.2	2.8	15.0
Masaya	9.7	4.6	2.7	1.0	8.3	1.6	6.7	2.6	9.3
Granada	5.0	2.8	1.9	0.6	5.3	1.3	4.0	1.0	5.0
Carazo	7.8	4.3	2.5	1.1	7.9	1.7	6.2	1.4	7.6
Rivas	9.8	5.3	3.9	1.0	10.2	2.1	8.1	1.5	9.6
<u>Zona Central y Norte</u>	<u>109.1</u>	54.8	45.1	11.2	111.1	10.9	100.2	6.6	<u>106.8</u>
Chantales	12.5	6.1	5.4	1.3	12.8	1.4	11.4	0.9	12.3
Boaco	12.0	6.1	5.0	1.3	12.4	1.3	11.1	0.7	11.8
Matagalpa	30.7	16.0	13.0	3.2	32.2	3.5	28.7	1.3	30.0
Jinotega	19.7	9.7	8.4	2.1	20.2	1.4	18.8	0.4	19.2
Estelí	10.9	5.3	4.3	1.2	10.3	1.3	9.5	1.3	10.8
Madriz	10.2	5.1	3.8	1.0	9.9	0.6	9.3	0.8	10.1
Nueva Segovia	13.1	6.5	5.2	1.1	12.8	1.4	11.4	1.2	12.6
<u>Zona del Atlántico</u>	<u>30.8</u>	16.4	11.3	3.2	30.9	3.6	27.3	2.0	<u>29.3</u>
Río San Juan	4.6	1.9	1.3	0.4	3.6	0.3	3.3	1.3	4.6
Zelaya	26.2	14.5	10.0	2.8	27.3	3.3	24.0	0.7	24.7

Fuente: ^{PREALC en bases} Censo de Población de 1971 (Muestra del 10%), tabulaciones especiales.

... no significativo
 - cero

Conclusión cuadro NICARAGUA: FUERZA DE TRABAJO

Departamentos	Mujeres							
	20-54 años	12-19 años	55 y más años	Fuerza de trab. rural	Activos rur.no agríc.	Fuerza de trab. ag.ar.rur	Activos urbanos agríc.	Fuerza de trab. agr.total
	10	11	12	13-10+11+12	14	15-13-14	16	17-15+16
<u>Total del país</u>	15.4	7.1	1.8	24.3	17.9	6.4	1.0	7.4
<u>Zona del Pacífico</u>	7.7	3.2	0.9	11.8	8.9	2.9	0.7	3.6
Chinandega	1.4	0.6	0.2	2.2	1.5	0.7	0.2	0.9
León	1.4	0.9	0.2	2.5	1.4	1.1	0.2	1.3
Managua	2.3	0.6	0.2	3.1	2.7	0.4	0.2	0.6
Masaya	1.0	0.4	0.1	1.5	1.2	0.3	0.1	0.4
Granada	0.5	0.1	...	0.6	0.6
Carazo	0.5	0.2	0.1	0.8	0.6	0.2	...	0.2
Rivas	0.6	0.4	0.1	1.1	0.9	0.2	...	0.2
<u>Zona Central y Norte</u>	5.8	3.1	0.7	9.6	7.6	2.0	0.3	2.3
Chantales	0.5	0.4	...	0.9	0.7	0.2	...	0.2
Boaco	1.2	0.5	0.2	1.9	1.7	0.2	...	0.2
Matagalpa	1.7	0.9	0.1	2.7	2.1	0.6	0.1	0.7
Jinotega	0.8	0.4	0.1	1.3	0.8	0.5	-	0.5
Estelí	0.5	0.2	0.1	0.8	0.7	0.1	...	0.1
Madriz	0.4	0.2	0.1	0.7	0.6	0.1	-	0.1
Nueva Segovia	0.7	0.5	0.1	1.3	1.0	0.3	0.2	0.5
<u>Zona del Atlántico</u>	1.9	0.8	0.2	2.9	1.4	1.5	...	1.5
Río San Juan	0.1	0.1	...	0.7	0.2	-
Zelaya	1.8	0.7	0.2	2.7	1.2	1.5	...	1.5

ENCLOSURE 3

NICARAGUA: ESTIMACION DE LA DISPONIBILIDAD LOCAL DE
MANO DE OBRA AGRICOLA A NIVEL DE DEPARTA
MENTOS, POR SEXO, 1971

(miles de personas)

Departamento	Total ambos sexos 1 = 9+17	Hombres							
		25-54 años 2	12-24 años 3	55 y más años 4	Disp. áreas rural. 5=2+3+4	Activ. rur.no agríc. 6	Disp.a- gríc.en ar.rur. 7= 5-6	Activos urbanos agríc. 8	Disp.a- gríc. total 9= 7+8
<u>Total del país</u>	<u>335.3</u>	126.3	100.6	24.3	251.2	36.6	214.6	24.2	<u>236.8</u>
<u>Zona del Pacífico</u>	<u>130.8</u>	52.9	38.3	9.9	101.1	22.1	79.0	15.6	<u>94.6</u>
Chinandega	27.6	11.7	7.9	2.0	21.6	4.6	17.0	3.0	20.0
León	30.3	10.3	9.1	1.9	21.3	3.1	18.2	3.3	21.5
Managua	23.7	12.1	7.8	2.3	22.2	7.7	14.5	2.8	17.3
Masaya	13.9	5.1	3.4	1.0	9.5	1.6	7.9	2.6	10.5
Granada	8.4	3.3	2.6	0.6	6.5	1.3	5.2	1.0	6.2
Carazo	12.3	4.8	3.2	1.1	9.1	1.7	7.4	1.4	8.8
Rivas	14.6	5.6	4.3	1.0	10.9	2.1	8.8	1.5	10.3
<u>Zona Central y Norte</u>	<u>161.1</u>	57.1	50.1	11.2	118.4	10.9	107.5	6.6	<u>114.1</u>
Chantales	17.6	6.1	5.6	1.3	13.0	1.4	11.6	0.9	12.5
Boaco	17.9	6.5	5.6	1.3	13.4	1.3	12.1	0.7	12.8
Matagalpa	46.1	16.8	14.4	3.2	34.4	3.5	30.9	1.3	32.2
Jinotega	28.2	10.0	9.0	2.1	21.1	1.4	19.7	0.4	20.1
Estelí	17.1	5.7	5.1	1.2	12.0	1.3	10.7	1.3	12.0
Madriz	15.3	5.3	4.4	1.0	10.7	0.6	10.1	0.8	10.9
Nueva Segovia	18.9	6.7	6.0	1.1	13.8	1.4	12.4	1.2	13.6
<u>Zona del Atlántico</u>	<u>43.4</u>	16.3	12.2	3.2	31.7	3.6	28.1	2.0	<u>30.1</u>
Río San Juan	5.8	1.9	1.3	0.4	3.6	0.3	3.3	1.3	4.6
Zelaya	37.6	14.4	10.9	2.8	25.1	3.3	24.8	0.7	25.5

Fuente: PREALC en base a tabulaciones especiales del Censo de Población de 1971 (Muestra del 10%)

... no significativo

- cero

Conclusión cuadro NICARAGUA: ESTIMACION DE LA DISPONIBILIDAD

Departamento	Mujeres							
	20-54 años	12-19 años	55 y más años	Disp. áreas rural.	Activ. rur. no agric. agric.	Disp.a- agric. ar. rur.	Activos en urbanos agric.	Disp.a- gric. total
	10	11	12	13=10+11+12	14	15=13-14	16	17=15+16
<u>Total del país</u>	65.4	46.2	1.8	113.4	17.9	95.5	1.0	<u>96.5</u>
<u>Zona del Pacífico</u>	26.5	17.0	0.9	44.4	8.9	35.5	0.7	<u>36.2</u>
Chinandega	5.1	3.6	0.2	8.9	1.5	7.4	0.2	<u>7.6</u>
León	5.5	4.3	0.2	10.0	1.4	8.6	0.2	8.8
Managua	5.6	3.1	0.2	8.9	2.7	6.2	0.2	6.4
Masaya	2.8	1.6	0.1	4.5	1.2	3.3	0.1	3.4
Granada	1.7	1.1	...	2.8	0.6	2.2	...	2.2
Carazo	2.6	1.4	0.1	4.1	0.6	3.5	...	3.5
Rivas	3.2	1.9	0.1	5.2	0.9	4.3	...	4.3
<u>Zona Central y Norte</u>	30.7	22.9	0.7	54.3	7.6	46.7	0.3	<u>47.0</u>
Chantales	3.2	2.6	...	5.8	0.7	5.1	...	<u>5.1</u>
Boaco	3.9	2.7	0.2	6.8	1.7	5.1	...	5.1
Matagalpa	8.9	6.9	0.1	15.9	2.1	13.8	0.1	13.9
Jinotega	5.0	3.8	0.1	8.9	0.8	8.1	-	<u>8.1</u>
Estelí	3.3	2.4	0.1	5.8	0.7	5.1	...	5.1
Madriz	3.0	1.9	0.1	5.0	0.6	4.4	-	4.4
Nueva Segovia	3.4	2.6	0.1	6.1	1.0	5.1	0.2	5.3
<u>Zona del Atlántico</u>	8.2	6.3	0.2	14.7	1.4	13.3	...	<u>13.3</u>
Río San Juan	0.8	0.6	...	1.4	0.2	1.2	...	<u>1.2</u>
Zelaya	7.4	5.7	0.2	13.3	1.2	12.1	...	12.1

Enclosure 4

NICARAGUA: REQUERIMIENTOS DE FUERZA DE TRABAJO
DEL SECTOR AGROPECUARIO (1963-1970)

Actividades	Requerimientos absolutos (millones de <i>hombres</i>)		Distribución relativa %	
	1962/63	1969/70	1962/63	1969/70
A. <u>Cultivos</u>	<u>40.8</u>	<u>44.2</u>	<u>64.0</u>	<u>61.5</u>
1. <u>Orientados al consumo interno</u>	<u>15.6</u>	<u>19.9</u>	<u>24.5</u>	<u>27.7</u>
Arroz	1.5	0.8	2.4	1.1
Frijol	2.2	2.9	3.5	4.0
Maíz	9.6	13.2	15.0	18.4
Sorgo	2.3	3.0	3.6	4.2
2. <u>Orientados a la exportación</u>	<u>21.0</u>	<u>19.5</u>	<u>32.9</u>	<u>27.1</u>
Ajonjolí	0.4	0.6	0.6	0.8
Algodón	9.9	7.0	15.5	9.8
Café	9.0	9.8	14.1	13.6
Caña	1.7	2.1	2.7	2.9
3. <u>Otros cultivos</u>	<u>4.2</u>	<u>4.8</u>	<u>6.6</u>	<u>6.7</u>
B. <u>Pastos sembrados</u>	<u>1.8</u>	<u>2.0</u>	<u>2.8</u>	<u>2.8</u>
C. <u>Pecuarios</u>	<u>12.1</u>	<u>15.6</u>	<u>19.0</u>	<u>21.7</u>
D. <u>Desmontes</u>	<u>2.7</u>	<u>2.9</u>	<u>4.2</u>	<u>4.0</u>
E. <u>Generales y administrativas</u>	<u>6.4</u>	<u>7.2</u>	<u>10.0</u>	<u>10.0</u>
<u>Total</u>	<u>63.8</u>	<u>71.9</u>	<u>100.0</u>	<u>100.0</u>
<u>Total (años/hombres)^{a/}</u>	<u>228 000</u>	<u>257 000</u>	-	-

Fuente: PREALC en base a cifras oficiales

a/ Años/hombres equivalentes, suponiendo que cada hombre trabaja 280 días en el año.

NICARAGUA : REQUERIMIENTOS MENSUALES DE MANO DE OBRA EN EL SECTOR AGROPECUARIO
(1969 / 70)

(miles de hombres)

M e s	Total	Cultivos orientados a la exportación	Cultivos para consumo interno	Otros cultivos, pecuarios y administración	Desmontes
Enero	261	116	40	105	-
Febrero	206	52	-	113	41
Marzo	199	45	-	113	41
Abril	231	28	90	113	-
Mayo	251	61	81	109	-
Junio	274	68	102	104	-
Julio	289	69	118	100	-
Agosto	316	70	148	98	-
Septiembre	285	77	110	98	-
Octubre	205	21	30	113	41
Noviembre	228	59	60	109	-
Diciembre	292	151	43	98	-
Promedio	257	70	71	106	10

Nota: a) Los requerimientos para cultivos, pastos y pecuarios expresados en días-hombres fueron reducidos a equivalentes meses-hombres suponiendo que la oferta media de trabajo expresada en días trabajados por mes por cada trabajador - es un poco mayor en los meses de mayor demanda y vice versa:

Enero	23.3 días al mes por trabajador	Julio	24.5 días al mes por trabajador
Febrero	21 " " "	Agosto	25.7 " " "
Marzo	21 " " "	Septiembre	25.7 " " "
Abril	22.2 " " "	Octubre	21 " " "
Mayo	23.3 " " "	Noviembre	22.2 " " "
Junio	24.5 " " "	Diciembre	25.7 " " "

b) Los requerimientos para trabajos generales, administración y desmontes fueron convertidos a meses-hombres suponiendo una disponibilidad por hombre-mes de 23.3 días

Enclosure 6

Algunos resultados de la Encuesta Experimental de Ocupación
Realizada en los Barrios Marginales de Managua por PREALC y
el Ministerio del Trabajo de Nicaragua

Julio 1972

I. Tasa de Desocupación

	<u>Edad</u>			Todos
	15 - 24	25 - 54	55 y más	
Todos	46.9	24.8	27.5	30.5
Hombres Jefes	30.0	16.2	36.8	19.2

II. Tasa de Desocupación

	<u>Edad Educación</u>				Todos
	0 - 3	4 - 6	7 - 9	10 y más	
Todos	32.9	29.9	3.5	21.4	30.5
Hombres Jefes 25-54	25.7	11.1	9.8	0.0	19.2

III. Tasa de Cesantía

<u>Tamaño de Empresa</u>			
<u>menos de 10 pers.</u>	<u>entre 10 y 100</u>	<u>más de 100</u>	<u>Total</u>
21.5%	21.8%	16.3%	21.0%

IV. Duración de la Desocupación (semanas)

<u>1-4</u>	<u>4,1-12</u>	<u>12,1-25</u>	<u>25 y más</u>
22.9%	30.5%	20.0%	26.6%

V. a) Ingreso mínimo buscado por los desocupados:

107 córdobas por semana

b) Ingreso personal en la última ocupación por los desocupados a sueldo fijo:

95 córdobas por semana.

c) Ingreso personal en la última ocupación de los desocupados que tenían un ingreso fluctuante:

120 córdobas por semana.

VI. Tasa de Participación

	Edad			Total
	15 - 24	25 - 54	55 y más	
Hombres	77.5	96.5	65.2	86.4
Hombres Jefes	100.0	97.1	70.4	92.9
Mujeres	63.2	48.0	14.3	50.7

VII. Tasa de Participación

	Años de Educación				Todos
	0 - 3	4 - 6	7 - 9	10 y más	
Hombres	88.8	90.7	76.7	89.5	86.4
Hombres Jefes 25 - 54	94.6	100.0	100.0	100.0	97.1
Mujeres	41.9	56.8	51.5	95.7	50.7

VIII Precariedad del Empleo

	Años de Educación				Total
	0 - 3	4 - 6	7 - 9	10 y más	
Ocupados Sueldo Fijo	43.6%	59.6%	78.0%	92.9%	59.9%
Ocupados ingreso fluctuante	56.4%	40.4%	22.0%	7.1%	40.1%

IX Proporción de inactivos con deseos de trabajar, por sexo.

Hombres	Mujeres	Total
20.0%	14.4%	15.6%

X. Porcentaje de la fuerza de trabajo que trabajó en las cosechas:

10.4%

XI. Niveles de ingreso

- a) Ocupados a sueldo fijo: 133 Córdobas por semana
- b) Ocupados con ingreso fluctuante: 114 córdobas por semana
- c) Variabilidad del ingreso de los ocupados a ingreso fluctuante: ~~más o menos~~ ±40%
- d) Ingreso familiar medio: 243 córdobas por semana



INTERNATIONAL LABOUR OFFICE

Adresse postale: CH 1211 GENÈVE 22
 Télégrammes INTERLAB GENÈVE
 Télex 22.271
 Téléphone 31 24 00 & 32 62 00

Réf. n° ADC 160-3-100

The President,
 International Bank for
 Reconstruction and Development,
 1818 H Street, N.W.,
WASHINGTON DC 20433
 (USA)

5 SEP. 1972

Sir,

I have the honour to convey to your organisation a cordial invitation to be represented at the Third Session of the Inter-American Advisory Committee, which will be held in San José, Costa Rica, from Tuesday 17 to Monday, 23 October 1972.

The agenda of the session, as decided by the Governing Body of the International Labour Office at its 183rd Session (May-June 1971), consists of the following item:

- Review and evaluation of the ILO's activities in the Americas.

A report on this subject is being sent to you under separate cover.

I should be much obliged if you would be good enough to communicate to me at your earliest convenience the name of the representative of your organisation who will attend the session.

A further communication giving all necessary particulars regarding material and other arrangements for the session, including the exact place of meeting, will be addressed to you in due course.

I have the honour to be,

Sir,

Your obedient Servant,
 For the Director-General:

RECEIVED

Abbas Ammar,
 Deputy Director-General.

*When Hankin send
 documents back send
 them directly to Drag Arachovic*



INTERNATIONAL LABOUR OFFICE

The President,
International Bank for
Reconstruction and Development,
1818 H Street, N.W.,
WASHINGTON DC 20433
(USA)

Adresse postale : CH 1211 GENÈVE 22
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I have the honour to be,

Sir,

Your obedient servant,
For the Director-General:

RECEIVED
Deputy Director-General,
Abbas Ammar,

1972 SEP -8 PM 3:55

Handwritten notes and stamps including "COMMITTEES SECTION" and "1972 SEP 11 PM 10:12".

✓ ILO
cc Alpha - JENKS, W
YELLOW

August 28, 1972

Dear Mr. Jenks:

I have been asked to acknowledge and thank you for your invitation to the Bank to be represented at the meeting to be held next March for the purpose of evaluating the work of the Inter-Agency employment missions.

The Bank will certainly be represented at that meeting and we will inform you of the names of our representatives in due course. Meanwhile, we have begun formulating our views on the subjects listed in the annex to your letter and hope to be able to communicate them to you by the end of November as you requested.

Sincerely,

Michael L. Hoffman
Associate Director
Development Services Department

Mr. Wilfred Jenks
Director-General
International Labour Office
154, rue de Lausanne
Geneva, Switzerland

cc: Messrs. Hawkins and Elmendorf
Central Files with incoming letter

MLH:mmcd

✓ILO
cc - Alpha - JENKS, W -

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Sincerely,

Michael L. Hoffman
Associate Director
Development Services Department

Mr. Wilfred Jenks
Director-General
International Labour Office
154, rue de Lausanne
Geneva, Switzerland

MLH

cc: Messrs. Hawkins and Elmendorf
Central Files with incoming letter

MLH:mmcd

110

OUTGOING WIRE

TO: ERIK THORBECKE
INTERLAB
GENEVA

DATE: AUGUST 18, 1972

CLASS OF
SERVICE: TELEX 22.271

COUNTRY: SWITZERLAND

WV

TEXT: LESS THAN FIFTY FIFTY CHANCE I CAN ATTEND TORONTO MEETING ECONOMETRIC
Cable No.: SOCIETY THEREFORE REGRET UNABLE ACCEPT INVITATION TO CHAIR SESSION
DECEMBER 28 stop LAU ADVISED

CHENERY

SECTION
COMMUNICATIONS
AUG 19 3 27 PM '72
DISPATCHED

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME P. D. Henderson
Director, Economics Department
DEPT. Officer in Charge of CES

SIGNATURE P.D. Henderson
(SIGNATURE OF INDIVIDUAL AUTHORIZED TO APPROVE)

REFERENCE: HBChenery (by phone): di. di.

CLEARANCES AND COPY DISTRIBUTION:

cc: Prof. Lawrence Lau
Dept. of Economics
Stanford University
Stanford, California 94305

For Use By Communications Section

ORIGINAL (File Copy)

(IMPORTANT: See Secretaries Guide for preparing form)

Checked for Dispatch: WV

INTERNATIONAL DEVELOPMENT
ASSOCIATION

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

INTERNATIONAL FINANCE
CORPORATION

OUTGOING WIRE

TO: ERIK THORBECKE
INTERLAB
GENEVA

DATE: AUGUST 18, 1972

CLASS OF SERVICE: TELEX 22.271

COUNTRY: SWITZERLAND

W

TEXT: LESS THAN FIFTY FIFTY CHANCE I CAN ATTEND TORONTO MEETING ECONOMETRIC
Cable No.: SOCIETY THEREFORE REGRET UNABLE ACCEPT INVITATION TO CHAIR SESSION
DECEMBER 28 stop LAU ADVISED

CHEMERY

DISPATCHED

AUG 18 3 51 PM 1972
COMMUNICATIONS
SECTION

NOT TO BE TRANSMITTED

AUTHORIZED BY:

NAME

P. D. Henderson
Director, Economics Department
Office in Charge of CES

DEPT.

SIGNATURE

P. D. Henderson
Signature of individual authorized to approve
RCHENERY (by phone) 8/18/72

REFERENCE

ORIGINAL FILE COPY

IMPORTANT: See Societies Guide for preparing form

CLEARANCES AND COPY DISTRIBUTION:

CC: Prof. Lawrence Lau
Dept. of Economics
Stanford University
Stanford, California 94305

For Use By Communications Section

Checked for Dispatch

140
OFFICE MEMORANDUM

TO: Files

DATE: August 18, 1972

FROM: E.K. Hawkins *EKH*SUBJECT: Discussions with Mr. J. Mendez - ILO

Mr. Jorge Mendez, Director, Employment, Promotion and Planning Department, ILO, visited the Bank today accompanied by Mr. George Weaver, Special Representative of the ILO in Washington. He met with Messrs. Henderson, Hoffman, Hawkins, Turnham and Kuczynski. This was essentially an informal visit to the Bank on the occasion of his presence in Washington for other purposes. However, the following items concerned with Bank-ILO cooperation were discussed.

The proposed meeting to evaluate the comprehensive employment missions organized by the ILO has now been set for February, 1973. The Bank may shortly expect to receive an official invitation to attend this meeting together with a request for its views on the missions organized so far to Colombia, Ceylon, Iran and Kenya. The evaluation is being organized by the Research and Planning Department of the ILO in order that the responsible department - EPPD - need not be involved in an assessment of one of their own programs. Representatives of the countries which have received such missions will also take part. Mr. Mendez was informed that the Bank will give careful attention to questions addressed to it concerning these missions and will ensure that the area departments concerned will also have a chance to contribute their views.

The plans for the proposed comprehensive mission to the Philippines have now reached the point where a mission chief acceptable to the government has been chosen and an announcement will be made shortly so that the planning of the mission can get underway. At that stage the Bank will be requested to provide assistance and information, and Mr. Mendez was urged to inform the Bank as soon as possible of the likely arrangements for the mission.

The plans for the mission to the Dominican Republic are more advanced and that mission is now set for March, 1973, to be led by Mr. Felipe Pazos. An announcement to this effect will be made once arrangements have been made with the Inter-American Development Bank for Mr. Pazos' release for this purpose. Mr. Kuczynski explained the status of current Bank economic work on the Dominican Republic and offered to make available a Bank economist to participate in this mission.

There was a brief discussion as to the best way of implementing the conclusion reached at the recent meeting in Geneva between Messrs. Chenery and Hawkins and Dr. Abbas Ammar, Deputy Director-General of the ILO, to set up regular six monthly meetings between the ILO and the Bank at which matters of common interests can be reviewed in a more formal way. It was agreed that the timing of the evaluation meeting in February 1973 might present the first convenient opportunity for such a meeting. It was agreed to recommend that it be

Files

- 2 -

August 18, 1972

held immediately following the evaluation meeting in Geneva and that discussions would take place before then as to a suitable agenda. The second meeting in the series might then take place in Washington in October, 1973, following the Bank-Fund Annual General Meeting.

EKHawkins:gah

cc: Messrs. Chenery
Demuth/Hoffman
Gutierrez
Goodman
Henderson
Turnham
Kuczynski
Elmendorf

① Mr. Heston SH

to inform individuals
involved

② files

Mr. Plearn
Mr. Berrow
files

copy given
to Plearn &
Berrow
8/30/72

MAIL ADDRESSED
TO THE
PRESIDENT

INTERNATIONAL DEVELOPMENT ASSOCIATION

ROUTING SLIP				Date
				AUG 21 1972
INCOMING MAIL				
Mr. Adler	D630		Mr. Paijmans	D1032
Mr. Aldewereld	A1226		Mr. Rayfield	N434
Mr. Alter	A837		Sir Denis Rickett	A1230
Mr. Baum	C303		Mr. Ripman	C303
Mr. Benjenk	A712		Mr. Rotberg	A1042
Mr. Blaxall	D628		Mr. Stevenson	D532
Mr. Broches	A813		Mr. Twining	N635
Mr. Cargill	A613		Mr. Votaw	A613
Mr. Chadenet	C303		Mr. Wiese	A837
Mr. V.C. Chang	H702		Mr. Williams	B1210
Mr. Chaufournier	C702		Mr. Wright	A1136
Mr. Cheek	C702			
Mr. Chenery	A1221			
Mr. Wm. Clark	D928		<u>cc Office of the President</u>	
Mr. Clarke	D1029			
Mr. Cope	B1210			
Mr. Demuth	D1128			
Mr. D.A. de Silva	N635			
Mr. Diamond	D829			
Mr. El Emary	A1143			
Mr. Fontein	C602			
Mr. Fowler	A1219			
Mr. Gabriel	H700			
Mr. Goodman	C602			
Mr. Goreux	N235			
Mr. Graves	D1122			
Mr. Gutierrez	A1136			
Mr. Hartwich	A712			
Mr. Hayes	D429			
Mr. Henderson	D529			
Mr. Hittmair	A1042			
Mr. Hoffman	D1123			
Mr. Husain	A1013			
Mr. Knapp	A1230			
Mr. Lejeune	A1013			
Mr. Lerdau	D432			
Mr. McNamara	A1230			
Mr. Mendels	A1219			
Mr. Muller	N436			
Mr. Nurick	A802			

177

V L L O
CC JENKS W.
alpha
AUG 29 1972

INTERNATIONAL LABOUR OFFICE



BUREAU INTERNATIONAL DU TRAVAIL

17 AOUT 1972

GENEVA

Dear Mr. McNamara,

On 9 August I transmitted to His Excellency President Jomo Kenyatta an advance copy of the report Employment, Incomes and Equality: A Strategy for Increasing Productive Employment in Kenya, as submitted to me recently by the Chief and Joint Chief of Mission, Dr. Hans Singer and Mr. Richard Jolly.

ENVOI FAIT
SOUS PLI SEPARÉ
SENT UNDER
SEPARATE COVER
REMITIDO APARTE

You will find enclosed a copy of my letter of transmittal to President Kenyatta. I am sending you under separate cover a copy of the report itself. The text as it now stands will be subject to technical editing by our publications department prior to being published in printed form when the consent of the Kenya Government has been obtained. Advance copies should therefore be treated as confidential until the report is made available to the general public.

In preparing the final text of their report, Dr. Singer and Mr. Jolly sought to take as full account as possible of the many valuable and constructive suggestions made by the representatives of the various participating agencies when they met at ILO headquarters on 5-6 July in order to discuss the first draft of the mission report. May I take this opportunity of thanking you for having ensured such capable representation of your agency at this meeting.

Mr. Robert McNamara,
President,
International Bank for
Reconstruction and Development,
1818 H Street, N.W.,
WASHINGTON D.C. 20433

no reply
murray
MSA

Internal Security - Communist



Department of Justice

TO : SAC, NEW YORK

FROM : SAC, PHOENIX

RE: [Illegible]

SECTION
COMMUNICATIONS
1977 AUG 21 PM 1:28

RECEIVED

The extensive advice and direct assistance which the ILO received from the many international and regional organisations which participated in this venture have once more demonstrated the capacity of the United Nations family of organisations to work together towards common objectives which are of fundamental concern to our member States. I am indeed indebted to you personally and through you to all those in your organisation who have given their unstinting support to Dr. Singer, Mr. Jolly and their team in this challenging task.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Wilfred Jenks', with a stylized flourish at the end.

Wilfred Jenks,
Director-General.

Dear Mr. President

I have the honour to transmit to you an advance copy of the report Employment, Incomes and Equality as submitted to me recently by the Chief and Joint Chief of the Comprehensive Employment Strategy Mission to Kenya, Dr. Hans Singer and Dr. Richard Jolly, and which is attached.

The report is based on the work of an inter-agency mission financed by the UNDP and organised by the ILO, and is put forward on the responsibility of the Chief and Joint Chief of Mission.

The immediate objective of the report is to offer policy advice to those responsible for drawing up the next National Development Plan of Kenya. The report also seeks to identify action of a longer-term nature which might now be initiated by the Kenyan authorities.

In preparing the report, the mission benefited from the advice and extensive information given by members of the Government, numerous senior government officials, representatives of the workers' and employers' organisations, university staff and other public figures in Kenya.

As with other country studies carried out under the World Employment Programme, this report does not seek to give final answers to problems, but rather to serve as the basis for further national discussion of the questions raised. May I therefore venture to express the hope that you will continue to associate

H.E. Mr. Jomo Kenyatta,
President of the Republic
of Kenya,
NAIROBI

ENVOI FAIT
SOUS PLI SEPARÉ
SENT UNDER
SEPARATE COVER
REMITIDO APARTE

the Kenyan workers' and employers' organisations and others directly concerned with the many Kenyans not in wage employment, with the examination of the policy recommendations put forward in the report, so as to achieve a broad measure of agreement on highly important and sensitive issues of national policy. The ILO and other participating agencies stand ready to assist the Government in the implementation of the report if so desired.

May I thank you personally for inviting the ILO to organise this mission and express my gratitude to all the Ministers and other authorities and personalities who contributed greatly to the success of its work.

Yours sincerely,

Wilfred Jenks,
Director-General.

(178)

✓ ILO
C Alpha - JENKS, W



INTERNATIONAL LABOUR OFFICE

BUREAU INTERNATIONAL DU TRAVAIL

GENÈVE

THE DIRECTOR GENERAL

LE DIRECTEUR GÉNÉRAL

15 August 1972

Dear Mr. McNamara,

Inter-agency multi-disciplinary missions under the auspices of the ILO and concerned with employment policy have now visited Colombia, Ceylon, Iran and Kenya, and have produced reports, transmitted in each case to the government concerned on the responsibility of the chief of mission. The valuable support of the International Bank for Reconstruction and Development for the work of these missions has been greatly appreciated.

It has from the beginning been the intention of the ILO that after the first three or four missions had completed their work a careful evaluation would be made of what had been accomplished by them or as a result of their work. The ILO hopes that organisations which participated in the work of the missions will also participate fully in the evaluation of this work.

The most important questions to which answers will be sought in the process of this evaluation are perhaps the questions how successfully did the missions contribute to:

- (i) greater knowledge and understanding of the strategy of promoting an optimum combination of employment and output growth in developing countries; and

Mr. R.S. McNamara,
President,
International Bank for
Reconstruction and Development,
1818 H Street, N.W.,
WASHINGTON, D.C. 20433.

(copy sent to
Mr. Hawkins
for info. 8/22)

- (ii) effective action in the countries concerned?

More specifically, a list of issues on which it is suggested that evaluation of the missions should focus is attached to this letter.

The ILO proposes to convene a meeting in Geneva from 7 to 9 March 1973 (three working days) to consider these questions. I have pleasure in inviting you:

- (i) to be represented at this meeting; and
- (ii) to communicate to the ILO (to reach us by 30 November) your views on the issues listed in the annex to this letter and on any other matters which you may consider pertinent to the general purposes of the evaluation as described above.

It is proposed to invite the participation and comments not only of the international organisations most closely concerned but of the chiefs of the missions, representatives of the governments concerned and perhaps a few scholars and representatives of bilateral aid agencies.

All views communicated to the ILO will be communicated in full to the meeting. In addition the ILO will endeavour to prepare and submit to the meeting a comprehensive analysis of views received.

Yours sincerely,



Wilfred Jenks,
Director-General

ANNEX

Issues on which Evaluation of Inter-Agency
Employment Missions should Focus

1. The objectives of the missions:
 - (a) clearer identification of problems of, and of experience with, national employment policies;
 - (b) experimental design of national employment-oriented development strategies;
 - (c) discovering new approaches to the employment problem;
 - (d) strengthening existing national employment policies;
 - (e) changing national policies by reorienting them towards employment;
 - (f) providing a basis for country programming of international development assistance.
2. The process of design and implementation of the four missions that have taken place so far, including the involvement of the various agencies at different stages of this process. The rationale of the inter-disciplinary approach.
3. The extent to which the objectives of these missions were achieved.
4. The extent to which the original objectives remain valid, and possible need for redefinition of objectives.
5.
 - (a) Inter-Agency missions compared with alternative methods of helping countries to improve their national employment policy-making; conditions in which one or other of these alternative approaches is likely to be optimal; for instance, the present type of missions compared with smaller and longer advisory missions; regional employment teams; multi-disciplinary inter-country missions of the UN; World Bank economic missions; country examinations of the kind organised by OECD and CIAP.

- (b) Relationships, complementary or competitive, between different approaches.

6. Conditions in the host countries that should affect timing and type of international action (e.g. degree of acceptance, at various political levels, of employment as a policy objective; attitudes towards international advice; availability of data and of counterpart personnel; political and administrative ability to recast economic and social policy).

7.

- (a) What can be done to ensure better understanding by governments and UN agencies of what is meant by and required for the implementation of policies designed to promote employment on a large scale?
- (b) What can be done to improve methods of ensuring effective follow-up of diagnostic and advisory missions on employment policy by the host country, UNDP, the other participating international organisations, bilateral programmes of international development assistance?

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(b) Relationships, complementary or competitive, between different approaches.

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(a) What can be done to ensure better understanding by governments and UN agencies of what is meant by and required for the implementation of policies designed to promote employment on a large scale?

(b) What can be done to improve methods of ensuring effective follow-up of diagnostic and advisory missions on employment policy by the host country, UNDP, the other participating international organizations, bilateral programmes of international development assistance?

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COMMUNICATIONS SECTION

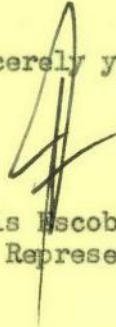
August 11, 1972

Dear Mr. Caballero-Tamayo:

I am writing in regard to Mr. Chatenay's letter to you of July 7, 1972, concerning the Tenth Meeting of the Technical Committee of the Inter-American Vocational Training Research and Documentation Centre (CINTERFOR) to be held in Kingston, Jamaica on August 17 and 18, 1972, in which he indicated that the Bank might be in a position to send a representative to this meeting.

Unfortunately, I must now inform you that the Bank will not have anyone available to attend this meeting. We would, however, be interested in receiving the report of the meeting when it is issued.

Sincerely yours,



Luis Escobar
Special Representative

Mr. X. Caballero-Tamayo
Assistant Director-General
International Labour Office
CH-1211 Geneva 22
Switzerland

Cleared in substance with Mr. J. King
Central Files with incoming letter

:mmcd

*Kenya-Hansen
Vcc 110*

August 8, 1972

Mr. Benjamin B. King
Canadian International
Development Association
122 Bank Street
Ottawa, Canada K1A0G1

Dear Ben:

Although three different people in the Bank had copies of the ILO study of Kenya, it now develops that none of them can place the study. What a way to run the railroad! I understand the study is still in draft and has not been formally issued. However, you might wish to get a copy from ILO. The formal title is "Employment, Incomes and Equality: A Strategy for Increasing Productive Employment in Kenya," ILO Geneva 1972. On the other hand, I can endeavor to get you a copy when and if we ever find our copies around here when people return from leave. Just let me know your preference.

With best regards,

Sincerely yours,

Lyle M. Hansen

LMH
LMHansen:ck



INTERNATIONAL LABOUR OFFICE

500

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 Télex 22.271
 Téléphone 31 24 00 & 32 62 00

Réf. n°

Professor Hollis B. Chenery,
 International Bank for
 Reconstruction and Development,
 1818 H Street, N.W.,
WASHINGTON, D.C. 20433
 (USA)

7 August 1972

Dear Hollis,

I would like to invite you to act as Chairman of the session on "Economic Development Issues" of the Econometric Society in Toronto (December 28 at 8.30 a.m.).

I am enclosing a copy of the programme of the session. (Please note that the names of the discussants are tentative at this stage.) Since the programme has to be sent to the printer by 25 August I would appreciate hearing from you within the next few days. (Please note my new address in Geneva.)

Yours sincerely,

Erik Thorbecke
 WEP Research Branch,
 Employment Planning and
 Promotion Department

P.S. Would you please send a carbon copy of your reply to Professor Lawrence Lau, Department of Economics, Stanford University, Stanford, California 94305.

1835 HRC 12 WHIO: 35

RECEIVED

Les lettres doivent être adressées au Directeur
 général et rappeler la référence ci-dessus.

Letters should be addressed to the Director
 General and quote the above reference.

Las cartas deben ser dirigidas al Director
 General.

Original to: Mr. Chenery
 Date: 8-15-72
 Communications
 Section

UNDP
cc ILO

Mr. G. Abdi

August 3, 1972

H.J. Goris

SOUTH PACIFIC: Terms of Reference Joint UNDP/ILO Mission
in Hotel Training RAS/72/004

1. I have one comment in which Messrs. Wang and Simmons concur. In view of the smallness of the countries involved, a regional approach should be recommended in order to keep overhead costs down. This objective should be reflected in the mission's terms of reference. The Bank already commented positively on a proposed regional training center in your letter to Mr. Coomaraswamy dated February 3, 1972, paragraph 3 (Inter country cooperation is also advocated for instance in the March 1972 report "Western Samoa, Development in the visitor industry 1972-1976" by Mr. E.C. Dommen, economist of the United Nations Development Advisory Team for the Pacific).
2. This Division would recommend that the Bank expresses a "special interest" in the project since a tourism project in Fiji is planned for FY 1974.

HJGoris/dve

ILO

August 3, 1972

Mr. George L-P Weaver
Special Assistant to the Director-General
International Labour Office
666 - 11th Street, N.W.
Washington, D.C. 20001

Dear Mr. Weaver:

You may remember that it was agreed at the meeting between Mr. McNamara and Mr. Jenks in May that we would let you have our comments on the need for better data on employment and labor in developing countries.

I enclose a brief paper prepared by the Population and Human Resources Division of the Economics Department which underlines the main point of substance which we feel should be addressed in any proposals for the collection of new data. Would you please forward this to the appropriate authorities in the ILO.

I understand that the ILO are preparing suggestions for new kinds of labor and employment surveys in developing countries. We would welcome the opportunity to discuss such proposals, both with respect to the questions of content and coverage and also in terms of the needs for technical resources and finance required to develop a program in this field.

Yours sincerely,

Ernest Stern
Adviser

Enclosure

cc: Mr. B. Zoetewij)
Mr. M. Leiserson) - ILO Geneva
Mr. R. Demuth
Mr. P.D. Henderson
Messrs. Hawkins/Turnham

EKHawkins:gah

Employment and Income Surveys

The attached copy of Appendix 1 of the policy paper The Employment Problem and Bank Operations sets out the reasons why the techniques most widely used for the measurement of the labor force and employment are not suitable for quantifying the extent of the "employment problem" in many countries. This is not surprising when it is recognized that the techniques in question were devised to deal with a very different set of problems, in economies with totally different social and political backgrounds and at more advanced stages of economic development.

The conventional unemployment survey method evolved from the then dominant policy issue in the USA - business cycle stabilization and aggregate expansion of demand. Thus, frequent sample surveys for timely evidence of changes in employment were critically important; some detail of the structure of employment and unemployment could be sacrificed for this end. Systematic underemployment hardly competed as a policy issue. In short, "how many"? seemed to be a far more important question to ask than "who?" or "why?". The major policy instruments which were relied upon are instructive also. The chief ones were fiscal and monetary policies affecting the level of aggregate output and incomes, questions of the distribution of income being largely neglected. Specific intervention in the labor market was largely restricted to employment creating public works which were viewed as emergency measures to be phased out as quickly as possible.

Furthermore, it made eminent sense to focus on participation in economic activity of individuals in a labor force. The predominant form of economic organization involved entities engaged in the production of goods and services for sale (whether in the public domain or under private ownership and control) or employment in government services. Such participation is usually clearcut in physical terms; with fixed hours of work, and the employed are either "at work", or "not at work" by reason of sickness, voluntary abstinence or unemployment. The institutional arrangements of an advanced economy encourage, therefore, the measurement of the labor force and its participation in economic activity in physical terms, in the first instance.

For the purposes of economic analysis and policy this is basically unsatisfactory, however, because all other key economic magnitudes are measured in monetary units, rather than physical units. What is important is the value of labor's contribution to output, reflected in both the earnings of labor and its productivity. Thus the physical measures - hours worked, man-days, etc., have to be supplemented with statistics of wages, salaries and earnings, on the one hand, and with data on productivity on the other. It should perhaps also be mentioned that one of the powerful reasons behind the interest in physical measures of the ways in which people use their time arose from the concerns of both public and private investigators in the treatment of particular groups of workers. This was especially true, for example, in the case of child and female labor. These social interests were linked to, but largely independent of the economic purposes which the collection of labor and employment figures were supposed to serve.

The developing countries face very different policy issues from those of the developed countries in the 1930's. Growth is constrained on the input side, and not by a lack of aggregate demand. In most countries, for the foreseeable future, feasible rates of growth will leave an enormous employment problem. Directly employment creating projects can alleviate only a small part of the problem. Thus, constructive criticism and modifications of the conventional approach must appreciate the policy issues and instruments, as well as the empirical situation, in a developing economy, and must recognize the contrasts from the context which produced this approach. The integration of policy, conceptualization, and measurement is important; for example, the investigator can usefully ask, "Why do we want to know these data?"

The second major difference to be noted is the extent to which the institutional, social and economic backgrounds diverge from those of the developed countries. It is customary to summarize these distinctions under the heading of "dualism", indicating the differences between the "developed", or "modernized" or the "formal" sectors of the economy and the "less developed", "informal", or "subsistence" sectors. The distinction cannot be exact, but the essence of it, from the point of view of labor and employment statistics, is that production in the modernized sector tends to be organized in enterprises such that it again makes sense to talk of labor participation as a distinct use of time. Outside that sector, however, the organization of production is less clearcut. There is a good deal of self-employment; the family may well be an important unit of production; and seasonal elements in productive activity may also be important. It may still be possible, in principle, to divide the use of time between work and not working, but it may be an unimportant, possibly misleading distinction for economic purposes. There are additional complications where there is a substantial overlap between the modernized sector and the rest of the economy. It is common, for example, to find that people have economic interests and involvements in both parts of the economy. There may be participation in the modernized sectors of the economy by individual members of a family group while the family is still involved in the "informal sector". In fact, the ability to participate in the modernized sector may be closely related to the contribution of the informal sector to real incomes. There are many examples of these interrelationships, ranging from the investment of money earnings from the modernized sector in activities in the traditional sector, to the reverse support of participation in the modernized sector (especially in education) through family activities.

Thus both the policy interests and the social and institutional background illustrate the fact that physical measures of the use of time are less significant for the developing countries as measures of employment and participation in economic activity. What is required instead is good data on the real and money incomes of individuals and families, on the sources and variations in those incomes and their size distribution. Such data will be required to illuminate the policy issues of increasing importance in developing countries: how is economic development to be promoted in such a way as to involve all parts of the population who wish to be involved, while also ensuring that the benefits of such development are widely spread throughout the population?

Appropriate Measurement of Employment Situations
in Less Developed Countries

1. The conventional labor force survey, based on a sampling of households, which is now applied persistently, and often regularly, in about twenty less developed countries, uses the approach developed in the USA during the nineteen thirties and late forties. It defines the active population as those at work or seeking work, and the unemployed as those seeking work but unable to find it. The typical survey collects data which describes the age, sex, occupation, industry group, status, and education of the labor force (with sub-classifications for employed and unemployed as appropriate), and cross classifies this information in various degrees of detail. Various specific questions regarding previous work experience, type of work sought, length of period unemployed, etc., may be included for the unemployed, and questions about hours worked are commonly asked of the employed population.
2. Critics of these procedures point first to the very great differences between labor market conditions in developed and developing countries, differences which operate both on the demand and on the supply side. In particular, the great importance of family and self employment and the partly consequential weaker tendencies toward uniformity in work relationships and payments implies great differentiation and a reduced role for market forces as such. Perhaps more important, the absence of social security or of a cushion of past savings, tends to mean, unless family help can be relied upon, that job seeking is a non-viable situation for any but very short periods: some income has to be squeezed out - by odd jobs, street corner selling operations or whatever. Perhaps in most or many cases, some support from friends or relatives is obtained, often on condition or associated with some work around the house or in the family business - but since this sort of labor is virtually a free good to the supporting household, it would not be surprising if the value of the work done were often close to zero.
3. Finally, in situations where jobs are always hard to come by, people may be discouraged from seeking work, or opt for activities and adjust to a life style which take them outside the usual definitions of active population, and in these cases unemployment rates can give a very misleading impression of the true situation. It is widely suggested that the categorizations involved in the labor force survey approach - in/out of the labor force, in/out of employment, involve the setting of boundaries across wide grey zones, where boundaries tend to be arbitrary and hard to invest with practical meaning in data gathering and harder still to interpret.
4. The importance of these arguments can be gauged from observations on measured rates of unemployment in a number of countries. (Appendix Table 2.) Even in urban areas, which contain much of what can be described as a labor market in the conventional sense of the term in most less developed countries, and where therefore the conventional approach is displayed to best

advantage, variations in rates of measured unemployment are enormous and remain almost totally unexplained. The question as to why rates are so much higher in Ceylon than in urban India, in Korea than in the Philippines or Thailand, or in Guyana as compared with Trinidad or Venezuela, has yet to be properly addressed.

5. Despite the cogency and plausibility of the objections, the only discernible practical impact seems so far to have been to discourage in some countries any systematic enquiry about labor market conditions. On the other hand, the by now very extensive experience with the conventional approach in some countries seems to have done little to dissuade them that the method is not a useful one: in South Korea for example, the authorities have now drawn more than fifty samples. Second, while many of the critical arguments are plausible and persuasive, it follows from this first comment that they are virtually untested. In important respects tests of them are needed before the considerable experience built up with the conventional approach merits discarding.

6. The position of some critics of these surveys is that nothing but behavioral studies, founded on observation by experts, can yield meaningful results in the circumstances of less developed countries. But while such studies are urgently needed, particularly in regard to rural areas, the proposal would seem to rule out on cost grounds large-scale investigation and is perhaps overly negative. Certainly existing procedures are not sufficiently problem and policy oriented. Too often such enquiries are conducted in isolation from policy considerations, and in consequence have been largely ignored in the formulation of policy.

7. What may be a more promising approach is to focus not on the categories typical for household statistical surveys, like those dealing with labor force and employment, income and consumption patterns, or those relating to conditions in respect of health, nutrition, housing, and so on, (which provide a mass of general but unrelated information), but instead to concentrate on the identification of problem groups and the characteristics which are relevant to effective policies. Within this framework, the aspect of employment which is particularly deserving of attention relates to employment as the major source of income for most people among these problem groups. Investigations into employment should be associated with simultaneous investigation of the income that work affords. There are likely to be important difficulties associated with these proposals. However, efforts in this direction should be encouraged in terms of the extraordinarily rich pay-off in terms of analysis and understanding of the employment problem which the addition of income measurements to elements of the conventional labor force would permit.

8. A few issues of current concern for which an income dimension is or may be an essential clue are as follows:-

- (a) The magnitude of the earnings gap between occupations, and more particularly, the structure of earnings in the so-called traditional sector.

- (b) Relationships between family employment and income both within the traditional sector and more generally. How do total hours worked, income and number of family workers interact? Can we derive some notion of a viable economic family size in such activities?
- (c) Measurable unemployment: how does this vary by family income strata? Is such unemployment a 'bourgeois problem' as is sometimes argued? What difference does a family business or other institutional circumstance of this kind make to the propensity of young people to become unemployed?
- (d) Income and education: beside the possibility of some useful rate of return analysis, the relationship between age of leaving school, and of starting to look for work, to family income would be particularly interesting.
- (e) Participation and income: the contribution of women to family income, and more specifically, the relationship between female participation and other family income (and source of income). Female participation together with length of schooling are usually the most difficult factors to predict for projection work - the cross-section studies proposed here could provide very useful insights into what might be expected under secular income growth.

9. This approach would also throw considerable light on the empirically difficult notion of underemployment. This is often measured by reference to hours worked. The approach however may be quite misleading for two reasons. First a substantial element of genuine part-time workers may be included, and second, the evidence that many of those working very long hours do so precisely because the income afforded and productivity per hour worked is extremely low. A survey carried out in the Lima-Callao area of Peru throws some light on the importance of the relevant distinctions in these matters. Using 35 hours of work as the standard, the underemployed, by an hours worked criterion, is the sum of entries (2), (3), (4) and (6), totalling 11.6 percent of the labor force. In contrast, an income criterion, would yield the very much larger percentage of 25.6 percent, by encompassing the long hours-low income workers.

Table 4: ECONOMICALLY ACTIVE POPULATION IN THE
LIMA-CALLAO METROPOLITAN AREA, 1967

Group	Characteristics of Group	Percent of Economically Active Population
1	Income above 1,200 soles/month, works more than 35 hours/week	64.7
2	Income above 1,200 soles/month, works less than 35 hours/week, does not want more work	3.3
3	Income below 1,200 soles/month, works less than 35 hours/week, does not want more work	<u>2.2</u>
	Total adequately employed	70.2
4	Income above 1,200 soles/month, works less than 35 hours/week, wants more work	3.6
5	Income below 1,200 soles/month, works more than 35 hours/week	19.5
6	Income below 1,200 soles/month, works less than 35 hours/week, wants more work	2.5
	Total underemployed	25.6
	Unemployed	<u>4.2</u>
	Total	100

Note: 1,200 soles/month was the statutory minimum wage of the time - considerably below the average wage for industrial workers.

Source: "La Sub-Ocupacion en el Area Metropolitana" (Plan de Desarrollo Metropolitano), Oficina Nacional de Planeamiento y Urbanismo, Lima 1968 (working document).

10. More work along these lines is now proceeding. The OECD Development Centre is soon to publish the results of a large-scale investigation of the Tanzanian labor market situation which incorporates many features of the proposed approach. Similarly, the recently formed Committee for Asian Manpower Studies, supported by the Asian Foundation (among others), is entering into a number of cooperative arrangements with National Statistical Agencies for work along these lines. A research proposal involving a more complete investigation of the utility of existing procedures, and possible new departures, and a separate study proposal for Northeast Brazil using local research capability, are both under active consideration in the Bank.

ILO Yellow

Files

August 2, 1972.

A.E. Elmendorf

cc: Mr R. Demuth
Mr E. Stern
Mr E.K. Hawkins

ILO World Employment Programme

In the general debate at the recently concluded session of the U.N. Economic and Social Council, the Director-General of the ILO spoke at length about the ILO World Employment Programme. He stated that it had already achieved: (1) widespread commitment to the objective of dramatic increases in employment at a much higher level of policy than before and on a wholly new scale; (2) the development of a method of co-operation with governments - employment missions organized by the ILO - for use in translating the policy objective of fuller employment into specific programmes to be given a central place in national development plans; and (3) a stimulus to an attempt to concentrate research on employment problems on practical solutions. He quoted conclusions of the ILO missions to Colombia, Ceylon, Iran and Kenya, discussed exploratory missions to Liberia, Madagascar and Sudan, mentioned an exploratory mission to Ethiopia, and observed that missions to the Dominican Republic, the Philippines, Morocco and Zaïre were being planned.

3 58 61135

W. J. ...
I 0 2

August 2, 1972

cc: Mr. R. Demuth
Mr. E. Stern
Mr. E.K. Hawkins

Files

A.E. Kinnear

ILO World Employment Program

In the general debate at the recently concluded session of the U.N. Economic and Social Council, the Director-General of the ILO spoke at length about the ILO World Employment Programme. He stated that it had already achieved: (1) widespread commitment to the objective of dramatic increases in employment at a much higher level of policy than before and on a wholly new scale; (2) the development of a method of co-operation with governments - employment missions organized by the ILO - for use in translating the policy objective of fuller employment into specific programmes to be given a central place in national development plans; and (3) a stimulus to an attempt to concentrate research on employment problems on practical solutions. He quoted conclusions of the ILO missions to Colombia, Guyana, Iran and Kenya, discussed exploratory missions to Liberia, Madagascar and Sudan, mentioned an exploratory mission to Ethiopia, and observed that missions to the Dominican Republic, the Philippines, Morocco and Laos were being planned.

AUG 4 3 29 PM 1972

✓ ILO
cc education

August 1, 1972

Mr. F. J. Pidgeon
International Labor Office
CH 1211
Geneva 22
Switzerland

Dear Joe:

As you know, the Bank has developed basic learning equipment lists in several subject areas at the senior secondary education level. The purpose of those basic lists is to assist the borrower in drafting equipment lists for the schools to be financed through the Bank projects. They should furthermore assist our own staff in appraising the need for equipment as well as the equipment proposed for procurement. Among the subject areas covered by the basic equipment lists is Industrial Arts and Technical Education (secondary and pre-vocational level). We have thus so far not covered technical education at the post-secondary level or training in industrial centers. It has been decided, however, to expand the lists in above areas to be covered. As far as we know, ILO has developed good lists in industrial training and we would appreciate receiving a set of copies of those lists. We don't know if you have equipment lists in other technical education areas but we would like to know if you have any suggestions about possible experts who could assist us in drafting such lists. We would also like to get in touch with those responsible for the training center lists.

I want to emphasize that our lists would not be considered as mandatory lists for the Bank borrower. They should be considered as guidelines for the borrower and of a help for him to draft his own master lists. We, furthermore, realize that those lists can never cover each country and each need. They will always have to be adjusted to the social, economic and educational development of the

Mr. F. J. Pidgeon

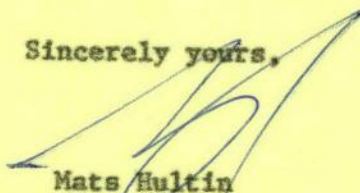
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August 1, 1972

user and to the local situation. This is spelled out in the covering memo to our first set of basic equipment lists which were published in 1971. We attach to this letter our current lists in above subject areas as well as the above mentioned memo.

We very much look forward to your response to this letter.
Kind regards.

Sincerely yours,



Mats Hultin
Education Adviser
Education Projects Department

Attachment

MH/mms

REC'D 11 13 1972

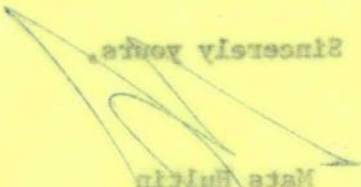
August 1, 1972

-3-

Mr. F. J. Pidgeon

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We very much look forward to your response to this letter.
Kind regards.

Sincerely yours,

M. A. Sullivan
Education Advisor
Education Projects Department

Attachment

MM/ma

Aug 2 11 57 AM 1972



INTERNATIONAL LABOUR OFFICE

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 Téléphone 31 24 00 & 32 62 00

Réf. n° ESC 95-1-2-303-1-1

Mr. E. Franco-Holguin,
 Special Representative for United
 Nations Organizations,
 International Bank for
 Reconstruction and Development,
 1818 H Street, N.W.,
 WASHINGTON, D.C. 20433

(Etats-Unis)

51 AOUT 1972

Dear Mr. Franco-Holguin,

The UN Centre for Economic and Social Information (CESI) has requested the ILO to arrange a study trip to East Africa for a small group of trade unionists in September/October 1972. The draft programme is enclosed.

The Director-General would be most grateful for any assistance you may be able to give in connection with the briefing sessions (11 to 19 September 1972). These will be held in Geneva at ILO Headquarters, and if it should not be possible for your organisation to be represented, it will be appreciated if you will send a small selection of suitable publications (12 copies in English) for distribution to the participants.

With many thanks for your co-operation.

Yours sincerely,

For the Director-General:

Jacques Lemoine

Jacques Lemoine,
 Chief of the
 International Organisations Branch,
 Relations and Conference Department.

1835002 - 0 54 1:30

RECEIVED

Les lettres doivent être adressées au Directeur
 général et rappeler la référence ci-dessus.

Letters should be addressed to the Director-
 General and quote the above reference.

Las cartas deben ser dirigidas al Director
 General citando la referencia arriba men-
 cionada.

Original to: Mr. Franco-Holguin
 Date: 8/4/72 Communications
 Section

ILO

OFFICE MEMORANDUM

TO: Files

DATE: July 25, 1972

FROM: E.K. Hawkins SUBJECT: Meeting at the ILO on Friday, July 7

At the request of the ILO a meeting was held in Geneva on Friday, July 7, between Mr. H.B. Chenery, accompanied by E.K. Hawkins, and a group of ILO staff members led by Dr. Abbas Ammar, Deputy Director-General. The group included Mr. B. Zoetewij, Director, Research and Planning Department (RPD); Mr. J. Mendez, Director, Employment, Promotion and Planning Department (EPPD); Mr. L. Emmerij, Deputy Director, EPPD; Mr. M. Leiserson, Senior Research Economist and Madame Beguin, Chief, Comprehensive Employment Planning Branch. The ILO had requested that the following five items be the subject matter of the meeting:

1. The general topic of Bank/ILO collaboration, with particular reference to country missions.
2. The proposed Functional Group on Employment, established by the ACC Committee at the May, 1972 meeting.
3. The proposed evaluation of the comprehensive employment missions to be organized by the ILO.
4. Proposals for work on employment and income surveys.
5. Coordination of research activities.

Item 1 was not discussed in a specific form although it was touched on from time to time under the other headings.

The Functional Group on Employment. It was reported that following the establishment of the Functional Group by the ACC, the ILO were working on the following timetable. A paper was being prepared which would be ready by September 15 and would then be sent to the other agencies for their comments. This paper would take into account the views of the agencies which have already been expressed to the ILO, including those of the Bank. Comments were to be requested by October 15. The objective was to produce a document which could be submitted in final form to the Spring, 1973 meeting of the ACC. It was indicated that comments would be particularly appreciated on the approach followed in the proposed paper and its structure, on the one hand, and matters concerning the particular areas of competence of agencies on the other.

The discussion that followed centered round the question of what might be the desired outcome of such a Functional Group. It appears that the ILO's view of this focuses on possible suggestions for new machinery within the UN system to handle employment questions. (A parallel was drawn with the ACC sub-committees which now handle such questions as population and statistics.)

In answer to a question it became apparent that the ILO did not see any necessary link between the work of the Functional Group and the proposed evaluation exercise, which was the next major question taken up at the meeting.

Evaluation of Comprehensive Employment Missions. The Bank has shown considerable interest in this proposal both at earlier meetings and by providing suggestions, at the request of the ILO. (These suggestions were conveyed in a letter to Mrs. Hoinkes, ILO, Washington, from Mr. E. Elmendorf dated June 21, 1972.) It was explained that the work of the comprehensive employment missions ^{1/} would be reviewed with the idea of answering such questions as: Have the objectives been achieved? Are the objectives originally chosen valid? Was the framework employed in the mission activity relevant and suitable? Are there alternative methods which could and should be employed to achieve these and possibly other objectives in the future?

It appeared that one element in the ILO had originally viewed this exercise mainly as a means of guiding the Organization's internal responses and activities in the employment field. There is now more recognition of the potential importance of this evaluation to the international system, a point which has always been emphasized by the Bank. It is anticipated that there will be inputs for the meeting from the other agencies, the beneficiary countries, resident UN representatives in such countries, and either the chiefs of the four missions concerned or, as an alternative, a combined input from the Institute of Development Studies, University of Sussex, who have provided most of the leadership. In the fairly lengthy discussion that ensued, it emerged that the question of follow-up activity was also uppermost in the minds of the ILO, who suggested that it be considered in terms of the linkages with the UNDP country programming and possibly also with the country work and programming of the Bank.

In response to a question from Mr. Chenery it was stated that it was no longer the intention to invite independent reviewers to take part in the exercise. Mr. Chenery suggested that this would be a mistake, since the virtues of such a review depend heavily on the reviewers themselves not having been involved in the exercise under consideration. It became apparent that what lay at the heart of the issues here were a number of different possible objectives, not all of which would be facilitated by thinking solely of an independent review panel. It was strongly urged, for example, that there was a need for the international agencies themselves, including the UNDP, to review the objectives and machinery for this kind of activity. It was reported by

^{1/} The words "high level" have now been dropped in describing these missions.

Dr. Ammar that the new administrator of UNDP had expressed doubts in public statements as to the utility of mission activity of this kind, distinguishing between their role in diagnosis and the need, as he saw it, for action programs. Since the UNDP have been financing these missions there appeared to be some nervousness on the part of the ILO that these statements would lead to a new UNDP position on the missions.

The discussion then moved from the proposed machinery for evaluation to the substantive issue as to whether these missions have been successful and as to exactly what they have achieved. Dr. Ammar stressed the original need to use these comprehensive missions to create a political awareness of the nature of the problem in the countries concerned. He pointed particularly to their value as being independent of the international agencies and deliberately designed on a comprehensive interdisciplinary basis. There was general agreement that these aspects of the missions were valuable and would continue to be so. However, by their very nature they could only be applied on a selective basis and this still left open the major question as to how continuing work on employment questions was to be institutionalized, so that policy action could be implemented in the countries concerned.

One of the key issues appeared to be summed up in the questions when should one use a full comprehensive employment mission and how should one choose the countries to which they should be sent? At this point the ILO indicated that they were putting up some resistance to requests now being received for more such missions, although it was explained that steps were being taken to mount one mission to the Philippines and a second to the Dominican Republic.

The ILO proposes that for some countries the initial response will be to send an exploratory mission or to mount what are described as "country teams" (who might be accompanied by short-term consultants). This activity is as a partial response to the requests for comprehensive missions. This work would also be linked, where appropriate, with that of the ILO regional teams; particular reference was made to the regional team in Latin America and its links with the growing employment work of ECLA and ILPES. While this kind of response might be all that the ILO would do in the case of some countries (as in the example of the recent "low level" mission to Liberia), it was apparent that there was a general presumption that such activity would be preparatory to the mounting of a full-scale comprehensive mission, when the time was judged to be ripe for it, and if the country reiterated its request for such a mission.

The discussion came back again, therefore, to the basic question as to how a continuing series of such missions could be fitted in with the country economic activity of such organizations as the Bank. On this point there appeared to be no development of thinking within the ILO from their earlier position. It was agreed, however, that the past missions had benefited from Bank involvement and collaboration, particularly through the provision of Bank knowledge and reports on the countries concerned. The ILO requested

that, if possible, the mechanics of this collaboration be improved and it was decided that the best way to maintain the necessary flow of communication would be through the continued role of Mr. Hawkins as an initial contact point in the Bank; he would then undertake to inform the appropriate area departments and put them in touch with the EPPD in Geneva. In all cases the Washington ILO Office will be kept informed.

Employment and Income Surveys. This topic had been taken up at the previous meeting between Messrs. Hawkins, Leiserson and Zoetewij, who reported to the group on the proposals for following up the agreement between Messrs. McNamara and Jenks reached in May, 1972. Mr. Hawkins stated that he hoped to complete a statement on the Bank position for transmission to the ILO by the end of July. He emphasized, however, that it would center round Appendix 1 of the Employment Policy Paper already available to the ILO, and requested that the ILO staff concerned might focus on the points made in that Appendix. Apart from the need for a dialogue on the substantive issue of the methodology and nature of the surveys required, it would also be desirable to put together a possible plan of action for initiating and carrying out such surveys. Obviously this could only be done initially on a trial basis in one or two interested countries, but the essence of the suggestion was that the existing ILO relationships and mechanisms for technical assistance in this field be used for this purpose.

It was felt that such discussions might form part of an agenda for a future meeting between the Bank and the ILO. It was agreed that it would be desirable to plan such meetings on a regular basis, possibly alternating between Geneva and Washington for the purpose. No date was suggested for such a meeting but it was agreed that the subject should be pursued and a date set by correspondence.

Research. The coverage of this topic was limited to an explanation by Mr. Emmerij of the document that he proposed to issue covering all the research proposals of his department in the seven areas which are the concern of the World Employment Programme. These are: (i) Population; (ii) Appropriate technology; (iii) Urban unemployment; (iv) Income Distribution; (v) International trade and employment; (vi) Emergency measures for relief; and (vii) Education.

Postscript

It will shortly be necessary to set in train the preparation of a Bank contribution for the proposed evaluation meeting referred to above. It may be useful in this connection to summarize the present reactions within the Bank to the series of missions which have taken place so far.

All four took place at the request of the governments concerned in countries in which the Bank has undertaken substantial mission activity. The requests for comprehensive missions, therefore, appear to have been based on a political need (in the broadest sense) which could not have been met by a Bank economic report. The reports have been most successful as a

means of drawing attention to a range of topics that could be addressed differently and perhaps more frankly than can be done in a Bank report. This was accomplished best in the three missions led by staff from the Institute of Development Studies, of the University of Sussex.

Furthermore, the most successful parts of the reports tend to be the treatment of broad policy issues and the identification of particular problem areas often, of wider significance than for the individual country itself. By comparison Bank reports tend to be stronger in their treatment of public finance, the balance of payments and the more traditional macro-economic topics; they are also more likely to spell out the links and requirements between policies, local institutions and implementation, all matters on which the comprehensive missions have been weak.

There will continue to be a role for this kind of broad approach to development trends and policies, where missions under independent, but authoritative leadership can point to key issues relating to employment and development. One of the key questions that will need to be raised at the proposed evaluation is the extent to which such missions can be conducted on an ad hoc basis indefinitely, as a way of maintaining the key feature of independence, or whether it will be necessary to institutionalize them. To some extent this is already happening, as the World Employment Programme moves forward with other kinds of missions (essentially ILO staffed missions), country teams and plans for further technical assistance. Further moves in the latter direction ^{will} need to be integrated in more fully with the country programming of the other international agencies.

EKHawkins:gah

cc: Messrs. Chenery, Demuth, Henderson, Hayes, Stern,
Duloy, Haq, Elmendorf - o/r

✓ W. H. Hanson
cc/ILO

Mr. Leif Christoffersen

July 20, 1972

Diego Hidalgo

Report of the ILO. Sponsored Development Mission to Liberia.
Comments on Chapter on Industrial Development

1. In your memorandum of June 23 you asked Mr. Dixon, who is now on mission, to comment on the parts of the above report dealing with industrial development. I read a draft of the report two months ago and was disappointed by the report's chapter on industry, in which I found nothing new, no analysis and some unsupported conclusions. In my view the report adds very little to our knowledge of the industrial sector. I have prepared a list of specific comments in Annex 1.

2. The best sources of information on Liberia's industrial sector (structure, problems and prospects) aside from industrial production statistics are the two following documents which I attach:

a) "A survey on manufacturing possibilities in Liberia (an Industrial Establishment Survey)" by Mr. Stanko Tezak. This work is mentioned several times by the ILO report.

b) List of projects to which investment incentives have been granted (from LDC's 1971 annual report).

DH
DHidalgo/icc

Attachments: a/s

cc: Messrs. Dixon (o/r)
Blinkhorn/Nissenbaum
Sukkar
Finzi
Carnignani

Economics of Industrialization Div. in Economics Dept.

ILLO
cc Alpha Aboughanem

July 19, 1972

Mr. A. Aboughanem
Deputy Chief
Personnel & Administrative
Services Department
International Labour Office
CH1211
Geneve 22
Switzerland

Dear Mr. Aboughanem:

Thank you for your letter of July 12 forwarding the curriculum vitae of Messrs. R. Ford, I. Grant, V. Mayer and H. Pootjes.

I have asked some of my senior colleagues to review these c.v.'s and we will be writing to you again in the near future.

Yours sincerely,

D. S. Ballantine
Director
Education Projects Department.

RHSFennell/jf



UNDP
VCC ILO

UNITED NATIONS
DEVELOPMENT PROGRAMME



PROGRAMME DES NATIONS UNIES
POUR LE DEVELOPPEMENT

UNITED NATIONS
NEW YORK

TELEPHONE: 754-1234

CABLE ADDRESS: UNDEVPRO * NEW YORK

REFERENCE: DP/RAS/72/004

18 July 1972

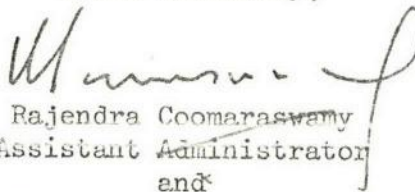
Dear Mr. Demuth,

Subject: South Pacific - Hotel and Catering Training, RAS/72/004

A joint UNDP/ILO consultant mission is being organized for the above-mentioned proposed project to be fielded as from the first week of September 1972.

..... Enclosed herewith for your information is a copy of a draft terms of reference suggested by ILO. Your suggestions on the terms of reference, which need revision, would be appreciated in the light of both IBRD's operations in the South Pacific and its execution of the Tourism project in Fiji, FIJ/70/505.

Yours sincerely,


Rajendra Coomaraswamy
Assistant Administrator
and

Director, Bureau for Asia and the Far East

Mr. Richard H. Demuth
Director
Development Services Department
International Bank for Reconstruction
and Development
1818 H Street, N.W.
Washington, D.C. 20433

cc: Messrs. Simmons
Wang
Gould
Miss Goris
DSD

JUL 31 1972

INTER-COUNTRY PROGRAMME FOR

ASIA AND FAR EAST

SOUTH PACIFIC

Hotel and Catering Training

Terms of Reference for

JOINT UNDP/ASEAN

Fact-finding Mission

(September-October 1972-
6 weeks)

1. Within the framework of a multi-disciplinary fact-finding mission for tourism development, assist the Governments of the South Pacific region (Fiji, Tonga, Western Samoa, Gilbert and Ellice Islands Colony, Cook Islands and British Solomon Islands Protectorate) by assessing the potentialities for the expansion of hotel and tourism industry training.
2. In particular the fact-finding mission will:
 - (a) make a qualitative assessment of existing training facilities and programmes in the countries concerned and report upon their effectiveness in meeting present and future needs for trained hotel and tourism personnel and the related manpower implications;
 - (b) examine any recommendations which have been submitted so far and report upon their prospective feasibility and adequacy for the countries' needs;
 - (c) If necessary, formulate a large-scale technical co-operation project in accordance with the Instruction for the Processing of UNDP-assisted projects (Document DP/OM/316 of 3 January 1972);
 - (d) establish a complete schedule of operations (Work Plan) for the project, including the definition and timing of activities to be undertaken by the project;
 - (e) where relevant, show how the timing of each activity is to be co-ordinated with other related projects or government programmes;
 - (f) on the basis of the above, discuss and finalize with the governments concerned, the details of its counterpart contribution for the project;
 - (g) participate in consultations and discussions with bilateral aid sources who have expressed interest in assisting the governments concerned in the development of hotel and tourism training;
 - (h) give all technical advice in relation to the purpose of the mission.

Liberia-Liaison
cc ILO

Mr. A. Sani El Darwish

July 17, 1972

Toshikazu Nasu

LIBERIA - Comments by the Industrial Projects Department on the ILO report "Total Involvement: A strategy for Development"

Background

1. Manufacturing industry in Liberia consists of some consumer goods industries, mostly food processing, and some intermediate goods industries such as cement, bricks and sawmills, and the production accounts for only 5% of the country's GDP. Iron ore mining and rubber plantations have been developed by foreign investments promoted through open door policy, and the two sectors play a crucial role in the economy with 35% of the GDP. This industrial structure is reflected in employment. According to the report's estimate, the rubber industry employed 42,000 workers and mining 13,000, while employment in manufacturing was only 6,000 out of the total 125,000 permanent wage employment in 1970. There seems to be some potential for export oriented wood based industries (logging, plywood, pulp and paper) and some import substitution in consumer and intermediate goods.

Employment and Industrial Development

2. The report indicates that prospects for creation of employment through the expansion of manufacturing industry are limited; the report projects a total increase in jobs in manufacturing of 550 to 750 in the period of 1970-75. The factors explaining this limited growth are not, however, clearly spelled out.

3. The Government seems inclined to revise the open door policy to secure greatest possible benefits to the economy. In supporting the Government's view, the report argues that the rubber plantation and iron ore mining sectors have created enclaves within the economy and do nothing much in economic integration and employment associated activity. However, the report does not show any factual evidence or analysis on this problem and solutions based on it would be required.

Contributions to our sectoral knowledge

4. So far as the industry and industrial policy is concerned, there is nothing much to add to our knowledge.

Further sectoral work and Bank's assistance

5. Strengthening of industrial promotion and administration/planning seems to be crucial. The report recommends to obtain UNIDO assistance to build the necessary organization and expertise. This type of technical assistance whether by UNIDO or other consultants seems to be justified and the Bank, as now envisaged, could cooperate in setting up such assistance. In addition to institutional improvements, further studies of industrial policies and potential could greatly assist the Liberians to develop their industry and generate employment. The areas to be covered by the studies are: (i) overall industrial policy and strategy; (ii) foreign investment policy - the open door policy for foreign investments and progressive modifications, (iii) identification and promotion of sub-sectors with comparative advantages to the country (probably limited to iron ore, rubber and wood products industries).

Project ideas in the report worth pursuing

6. Three iron ore projects are in preparation, one is in pre-investment stage and others are less advanced. The financial status is not spelled out in the report. It is encouraging to set up an industrial estate near Monrovia. This could possibly be a bankable project, but the report does not provide substantial information on the project. The establishment of a pulp, paper and paperboard industry seems to have been found feasible. These latter cases could well be worth pursuing.

TNasu:jk

cc: Messrs. Christoffersen, Sukkar, Finzi, Carmignani

*✓ Kenya - Dawson
Vcc ILO*

Mr. M.L. Lejeune and Mr. P.D. Henderson

July 13, 1972

John R. Burrows and E.K. Hawkins

ILO/UNDP Inter-Agency Meeting on Kenya

On July 5 and 6, 1972, the ILO sponsored an inter-agency meeting held in Geneva to discuss the draft report "Employment, Incomes and Equality: A Strategy for Increasing Productive Employment in Kenya". The report, which had been prepared by a recent ILO/UNDP mission under the leadership of Professor Hans Singer, represents the fourth of the comprehensive employment missions mounted under the ILO World Employment Programme. The draft report had been sent to international agencies, a few weeks in advance of the inter-agency meeting, for comment. The meeting was attended by representatives of IBRD, IMF, FAO, UN, UNDP, UNCTAD, UNESCO, WHO, UNIDO and the ILO, together with individual mission members, and was jointly chaired by Professor Singer and Dr. Richard Jolly. The Bank Group was represented at the meeting by Mr. Chenery (for part of the period), Mr. Hawkins and Mr. Burrows.

Many written and verbal comments were submitted by agency representatives on both the general strategy of the report and on specific sections of the analysis and recommendations. The general consensus of opinion expressed by the agencies was that the mission had done an excellent job in diagnosing the problems and in outlining a bold and imaginative strategy for tackling the problems. There were relatively few criticisms of the report in either of these respects. The most serious reservations the Bank representatives had about the report were: (a) the inadequate macro-economic framework of the overall strategy; (b) the inadequate quantification of either the major employment benefits of the strategy or the costs of implementing it; (c) the lack of specificity in many of the policy prescriptions; and (d) the absence of any detailed proposals for implementation.

These criticisms were echoed by many of the representatives of the other agencies, who feared that the strategy might not be implemented as a result. However, Professor Singer informed the meeting about two developments which should significantly enhance the prospects for implementation. First, it was apparent that the report had been very well received in Kenya and had been widely studied and discussed. The authors had received a large volume of detailed comments from several ministries and other institutions, and it was understood that the Government intended to issue a sessional paper (Government policy statement) at the same time as the ILO report was published later this year, which would be debated in Parliament. This exposure would ensure that some action would have to be initiated. Second, the Government had invited both Singer and Jolly to return to Kenya for several months to assist in incorporating the recommendations of the report into the next national development plan, due to be published at the end of 1973.

Messrs. Lejeune and Henderson

- 2 -

July 13, 1972

On July 7, Messrs. Chenery and Hawkins met with ILO staff for discussions on Bank/ILO cooperation on employment matters. A separate memorandum will report on the outcome of that meeting.

JRDurrows/EKHawkins:gah

Cleared with and cc: Mr. Hornstein

cc: Messrs. Chenery
Demuth/Hoffman
Hayes
Kanagaratnam
Stevenson
Hansen
Erder

ILO

OCT 2 - 1972 ✓

University of Warwick

Coventry Warwickshire CV4 7AL

Telephone Coventry (0203) 24011

From F. G. Pyatt,
Professor of Mathematical Economics

10th July, 1972.

Handwritten:
Please acknowledge - keep copy. HZ

Professor H. Chenery,
International Bank of Re-construction & Development,
1818 H. Street, N.W.
WASHINGTON, D.C.
U.S.A.

Dear Professor Chenery,

May I first introduce myself since we have not met, as having been the Convener of the Macroeconomic Groups for the recent International Labour Office sponsored World Employment Programme Missions in Ceylon and Iran.

My reason for writing is that Dr. Lal Jalwardena stayed over night with me on his return to Ceylon from Washington recently. I discussed with him the developments which had taken place in Iran and subsequently of earlier work in Ceylon and he felt that you would be very interested in receiving a copy of a paper I have written in collaboration with others. Accordingly, you will find the paper with this letter and I can only apologise at this juncture for it's length.

The paper is formerly a contribution to the I.L.O. Mission to Iran and I am anxiously waiting to learn in which form, if any, it might be published as part of the Report of that Mission. Meanwhile, it follows that the paper is confidential from the point of view of citation etc.

It occurs to me that you may already know of this work since Abdul Meguid was very nearly a co-author and has a copy. In any event, any comments the Bank might have unofficially can be extremely useful to me since I shall be on Sabbatical leave from my post in the University of Warwick from now until April and plan on writing something based on this draft for general publication. Unfortunately, this work cannot proceed until I know just what will be published in the Iran Report since some of the data I have used was provided in privileged circumstances. Eventually something should emerge, however, since both Jalwardena and I hope I can return to Ceylon in the not too distant future to apply these recent developments to the problems of that country.

Yours sincerely,

Handwritten signature: Graham Pyatt

c.c. Dr. Abdul Meguid

✓ ILO
cc Alpha Caballero-Tamayo


July 7, 1972

Dear Sir:

On behalf of Mr. McNamara, I acknowledge receipt of your letter of June 29, 1972 (Ref: CINT 1000-10) concerning the Tenth Meeting of the Technical Committee of the Inter-American Vocational Training Research and Documentation Centre (CINTERFOR) to be held in Kingston, Jamaica on August 17 and 18, 1972.

We thank you for the invitation to the International Bank for Reconstruction and Development to send an observer to the Meeting. I am afraid we must delay until early August giving you a definite reply. We will not know before then whether anyone in the field of vocational training in the Bank will be available to travel to Kingston on those dates. We will therefore be back in touch with you most probably in the first days of August.

Yours sincerely,

L. Peter Chatenay 
Deputy Special Representative
for
United Nations Organizations

Mr. X. Caballero-Tamayo
Assistant Director-General
International Labour Office
CH-1211 Geneva 22
Switzerland

cc: Mr. Morra

Incoming letter retained in DSD

LPC:mmcd

P.P ILO

ORGANISATION INTERNATIONALE DU TRAVAIL
BUREAU REGIONAL POUR L'ASIE



INTERNATIONAL LABOUR ORGANISATION
REGIONAL OFFICE FOR ASIA

Tel. 35924, 35925, 35926
Cables INTERLAB BANGKOK

Postal address: P.O. BOX 1759
Street address: Bangkok Insurance Bldg.,
302 Silom Road
Bangkok

Ref. UNDP/POP-5 003821

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N/A*

- 5 JUL 1972

C

Dear Mr. Chatenay,

Asian Symposium on Labour and Population Policies,
Kuala Lumpur, 24 July - 3 August 1972

I wish to acknowledge receipt of your letter of 23 June 1972 in which you have informed us to the effect that Mr. Hans H. Thias of the Bank's Economics Department will be on mission in the region in late July 1972 and that, provided his duties allow him, he would attend some of the meetings of the Symposium. We have noted that Mr. Thias will contact the Secretariat of the Symposium as soon as he knows whether he can take part.

We hope that he will find time to attend the meetings.

Yours sincerely,

S.K. Jain
S.K. Jain
Regional Director

Mr. L. Peter Chatenay
Deputy Special Representative for
United Nations Organisations
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5 JUL 1972

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Kuala Lumpur, 24 July - 3 August 1972

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We hope that he will find time to attend the meetings.

Yours sincerely,

S.K. Jain
Regional Director

Mr. L. Peter Chatsany
Deputy Special Representative for
United Nations Organizations
International Bank for Reconstruction and Development
1818 H Street, N.W.
WASHINGTON D.C. 20433
(U.S.A.)

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Planning
Vcc 260

July 3, 1972

Dear Mr. Thompson:

As you will remember, we agreed when we met in your office that we would let you have extra information on the development plans we receive. I am attaching herewith the new plans we have received or heard about since the publication last year of our Third Edition of the "List of National Development Plans."

I hope this information will be of help to you and we would like to receive from you any details of plans which you find which are not known to us.

Yours sincerely,


C. J. Martin
Chief

Planning Organization Advisory Division
Development Services Department

Mr. G. K. Thompson
Chief of the Central Library
and Documentation Branch
Research and Planning Department
International Labour Office
CH 1211 Geneva 22
Switzerland

Attachment

CJM:rlu