# A STUDY OF THE EMPLOYMENT PROGRAMME OF THE INTERNATIONAL LABOUR ORGANISATION WITH SPECIAL REFERENCE TO INDIA

# IN THE PARTIAL FULFILMENT OF THE DEGREE OF MASTER OF PHILOSOPHY.

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SUBMITTED BY JAYA BISWAS.

INTERNATIONAL ORGANISATION DIVISION. CENTRE OF INTERNATIONAL POLITICS, ORGANISATION AND DISARMAMENT. SCHOOL OF INTERNATIONAL STUDIES JAWAHARLAL NEHRU UNIVERSITY, NEW DELHI-110067 (INDIA)



# जवाहरलाल नेहरु विश्वविद्यालय JAWAHARLAL NEHRU UNIVERSITY

NEW DELHI - 110067

Centre of International Politics Organisation and Disarmament School of International Studies

Date : 6/12/90

#### CERTIFICATE

Certified that the dissertation entitled "A Study of the Employment Programme of the International Labour Organisation with special reference to India" submitted by Jaya Biswas is in partial fulfilment of nine credits out of a Total requirement of twenty four credits for the award of the Master of Philosophy of this university. This dissertation has not been submitted for M.Phil Degree of this university or any other university. This is her own work.

I recommend that this dissertation be placed before the examiner for evaluation.

Sumi m Chinh Prof (Mrs.) Sumitra Chishti (Supervisor)

Prof.(Mrs.) Sumitra Chishti (Chairperson)

Curinin chin

GRAM : JAYENU TEL. : 667676, 667557 TELEX : 031-73167 JNU IN

## PREFACE

Unemployment in developing countries has been one of the major problems that they have to tackle. Despite substantial economic growth a number of developing countries have not been able to find adequate solutions to this problem. India is one of the developing countries which has high unemployment not with standing its rate of economic growth.

The International Labour organisation has recognised this aspect and has directed its attention to enable its members developing countries to over come this human problem. It has initiated a number of programmes which are meant to help its member developing countries. It is of great interest to study these programmes and assess how India has been benefited by this which has been the objective of this dissertation.

In preparing: this dissertation I have been helped by large number of teachers and friends. So I express my sincere indebtedness to Prof. (Mrs) Sumitra Chishti, Chairperson, CIPOD, School of International Studies, Jawaharlal Nehru University for providing constant supervision, indispensable guidance and valuable comment right from conceptualisation of the subject to final execution of the study.

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#### INTRODUCTION

The Twentieth Century witnessed the beginning of a serious human endeavour to remove the scourge of war from humanity. In this effort, the most important place has been given to the role of international organisation whose primary task has been to find ways and means to settle disputes which could become the cause of the war. However, it was realised very early that by creating international organisation with a view to resolve conflicts is not sufficient to ensure peace. Therefore, it is necessary to remove the basic cause of war.

The theory of functionalism sought to provide a justification to build various international organisations which enable nation states to co-operate internationally in matters which are of vital importance to the survival of mankind on the one hand and help to remove the cause of war on the war, thus building necessary foundation for achieving peace. Therefore since early twentieth century, efforts are being made to build various international organisations to look after specific problems of the world.

In the treaty of versailles (11th April 1919), it was recognised that labour problems deserve utmost attention. Hence, along with the League of Nations, it was also agreed that the ILO had also to be created to enable the member states to find solution to various problems of labour.

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Unemployment has been one of the foremost concerns of This is because, it has been recognised that the states. unemployment is not God created, but a man made problem. Therefore, man has to find solutions to unemployment problems. In this respect it was found necessary to promote international effort. It was also further recognized that this effort should be done neither only by the individuals, groups and voluntary associations, nor wait for the market forces to create conditions for full employment. The state had a vital role in alleviating the human beings from the hardships of unemployment as well as providing conditions for generating full employment. The massive unemployment experienced during the Great Depression with tremendous human costs further reinforced the need for such an effort from the state. Thus, the inter war period as well as post war period saw that achieving full employment becoming one of the major objectives of state policy.

Decolonization in the post war period led to the emergence of developing countries with underdeveloped economies and with distinct economic problems of their own. The developing countries have varying degrees and different types of unemployment. To enable these newly independent developing countries to tackle their problem of development in general and problem of unemployment in particular became a major concern of international co-operation in which the international organisations had been expected to play a pivotal role. The ILO was expected to take over this task as well.

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The objective of this dissertation is to study the role that the ILO has played in performing this task. It is necessary to briefly study the nature and objectives of International Labour Organisation as an organization before examining its role in tackling the problem of unemployment in general and unemployment problem of developing countries in particular with special reference to India.

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It is important to study the role of the ILO in tackling the problem of unemployment in developing countries before examining its role in assisting India in promoting employment opportunities. Hence, an attempt has been made to examine the ILO's approach to unemployment problem in general with special emphasis to the ILO and unemployment in developing countries which will be followed by the study of the ILO's role in promoting employment opportunities in India.

<u>CHAPTER - I</u>

# THE INTERNATIONAL LABOUR ORGANISATION - ORGANISATIONAL STRUCTURE AND OBJECTIVES

The structure of the ILO is tripartite in composition which is unique in nature. In this organisation at every level, the Government is associated with its social partners, viz., the workers and employers. All the three groups are equal in status and represented in almost all the deliberative organs of the ILO and share responsibility in conducting its work. The three principle organs of the ILO are:

i) The International Labour Conference

ii) The Governing Body

iii) The International Labour Office

The Conference is the Supreme policy making and legislative organ; the Governing Body is the Executive Council and the Office is the Secretariat, the operational headquarters and information centre. The work of the Conference and the Governing body is supplemented by Regional Conference, and committees and analogous Bodies, committee of experts, panels of consultants and other special conferences held from time to time<sup>1</sup>.

1. ILO, <u>India and ILO, Decades of partnership</u> (Geneva: ILO 1989) PP. 2. <u>The International Labour Conference</u> has continued since its first Session in 1919 and meet at least once in a year.

The International Labour Conference composes four delegates from each member state, two are government representative and one representative each from the employers and workers. The Conference is attended by about two thousand delegates, advisers and observers<sup>2</sup>.

The arrangement in favour of 2+1+1 System of representation was fully discussed in 1919 in the Commission on International Labour Legislation of the Peace Conference and again in 1946 after World War II in the Committee on Constitutional Questions of the International Labour Conference. In 1919 as well as in 1946 delegates were in favour of 2+1+1 system because it was considered that the government should have a voice at least equal to that of the employers and workers combined. Otherwise, it was considered that it may happen that the convention adopted by a 2/3rd majority at the Conference would be rejected by the legislatures of various states and the influence and prestige of the Conference would be quickly destroyed<sup>3</sup>.

In General principle of voting is one man one vote. If a Government sends only one delegate, he has only one vote, but a Government sends only an employer's delegate and no workers delegate or vice versa, then the delegate has

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<sup>2.</sup> Europa year Book (Europa 1988, Vol. I A World Survey, PP. 69-70).

<sup>3.</sup> G.A. Johnston, The <u>International Labour Organisation</u>, its work for Social and Economic Progress, (Europ**a**: 1970), PP.25-26.

no vote. A simple majority is sufficient on ordinary matters but on special matters like budget or amendment of the constitution, a 2/3rd majority is required.

Majority Functions of International Labour Conference -Firstly, it works out and adopts international labour standards in the form of Conventions and Recommendations; Secondly, in every two year, the Conference approves its work programme and the budget for the organisation. Thirdly, the Conference is also a forum where labour problems which are important to the entire world are discussed and an overall report is presented each year by the ILO's Director General. Fourthly, the Conference also passes resolutions which provide guidelines to the ILO's general policy and future activities4 Fifthly, the Conference elects a President and three Vice-Presidents - one each representing the Government, Employers The President of the Conference is and worker's Groups. usually a Government delegate except on a few occasions, as in 1969 a worker delegate from Switzerland or in 1971 an employer delegate from France was elected president of the Conference<sup>5</sup>. Lastly, the Confernce elects the Governing Body<sup>6</sup>.

The Conference is assisted in its work by a number of Committees set up at the beginning of each Session, the more important of them are: the Selection Committees; the Credentials Committee; The Resolutions Committee; The Finance

 ILO, <u>The ILO & the World of Work</u> (Geneva: ILO, 1984), PP. 10.
 ILO, n.1, PP. 5.
 Ibid, PP. 4.

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Committee, the Committee on the Application of Conventions and recommendations.

The International Labour Conference is a permanent body, meeting in separate Session, but continuing its essential activities from Session to Session. When a Session of the Conference is over, it adjourns sine-die, but it is only this Session that is closed and not the Conference as such.

<u>The Governing Body</u> is the executive council of ILO and is elected every three years at the Conference and the Governing Body meets three times a year.

The total membership changes from time to time, but the proportion of 2 : 1 : 1 has always been maintained. The initial strength of the Governing Body was 24 in 1919, rose to 32 in 1934, 40 in 1953, 48 in 1962, 56 in 1972 (effective in 1974)<sup>7</sup>. But 72nd Session in 1987 adopted an Instrument of amendment whereby, the strength of the Governing Body has been increased to 112 (56 Government, 28 employer and 28 workers) and the institution of 10 non-elective seats has been abolished. But these amendments are yet to come into force<sup>8</sup>.

Now, the Governing Body consists of 56 members, out of which 28 members are Government delegates, 14 are employer delegates and 14 are worker delegates. Within the 28 members

7. Ibid PP. 5

8. Ibid PP.5

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of Government delegates, 10 are non-elective<sup>9</sup> representative from the states of chief industrial importance. Remaining members are elected by the international Labour Conference by an electoral college consisting of government delegates, excluding the government delegates of the States of Chief Industrial Importance, attending that particular Session. Similarly, the employers and worker members of the Governing Body are also elected once in three years by the employers and worker delegates attending the Conference. The Governing Body also includes 18 Deputy Government members, 14 Deputy Employers and 14 Deputy worker's members<sup>10</sup>. These Deputy members have the right to attend and can speak with the permission of the Chairman but do not have the right to vote<sup>11</sup>.

The function of the Governing Body as an Executive wing of the Organisation: It appoints the Director-General. It draws up the agenda of each Session of the Conference and decides the specific action to be taken on the resolutions adopted. It examines the application by member states of the conventions and recommendations adopted by the Conference. It also settles the dates, duration, agenda and composition of all subsidiary meetings and takes follow up action on their proposals or conclusions. It considers the programme and budget proposals submitted by the Director-General and recommends them to the Conference for approval.

9. State of Chief Industrial importance are Brazil, China, France, Federal Republic of Germany, India, Italy, Japan, USSR, UK and USA.

10. ILO n.4 PP. 10.

11. ILO n.1 PP. 5.

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With the increase in the work of the Governing Body, it soon became impossible for all questions on its agenda to be debated in full Session. So, certain items of agenda were referred to the committees set up by the Governing Body. Some of the Committees assist in their work by Standing Tripetite are: Financial and Administrative Committee, Allocation, Application of Conventions and Recommendations Committee, Industrial Committee, International Organisation, Operational Programmes, Freedom of Association, Discremination, Multinational Enterprises and Employment Committees<sup>12</sup>.

It examines the application by member states of the Conventions and Recommendations adopted by the Conference. It also co-ordinates the activities of the ILO with those of other members of the UN and of other organisations, regional and international<sup>13</sup>.

The Governing Body normally meets three times a year. It elects one of its Government member as its chairman every year immediately after the Conference is over. The majority of the Session of the Governing Body was held in Geneva. But it also met in Berlin, Brussels, Genoa, Interlaken; London, Madrid, Montreal, Mysore, New York, Paris, Phildelphia, Prague, Quebec, Rome, San Francisco, Warsaw and Washington<sup>14</sup>.

<u>International Labour Office</u> is the Secretariat of the ILO. The permanent headquarter of the office is at Geneva<sup>15</sup>.

12. Johnston n.3 PP. 49.

13. ILO n.1 PP. 5.

- 14. Ibid PP. 5.
- 15. Ibid PP. 5.

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Under the constitutional provision, the executive head of the office was the Director of the ILO. But latter in 1946, the post was redesignated to Director-General and is appointed by the Governing Body and is responsible for the efficient management of the office, acts as the Secretary General of the International Labour Conference and represent the Organisation at the General Assembly of the United Nations and with the other inter-governmental organisations. He also represents the ILO at meetings of the executive heads of the UN and specialised agencies including the Administrative Committee on Co-ordination (ACC) and inter-agency consultation Board<sup>16</sup>.

The International Labour Office had Directors or Director-Generals, belonging to different nationalities yet having devotion to the ideas of the ILO. Since 1919, eight men had led the ILO. They are Albert Thomas (France 1919-32), Harold B. Butler (UK 1932-38), John G. Winant (USA1938-41), Edward J. Phelan (Ireland 1941-48), David A. Morse (USA1948-70), Wilfred Jenks (UK 1970-73), Francis Blanchard (France 1974-89) and eighth Director General was Michel Hansenne of Belgium from 27th Feb. 1989. He succeeded Mr. Blanchard by a secret ballot with 38 votes in favour, 17 blank and one void ballot paper<sup>17</sup>.

16. Ibid PP. 6.

17. UN Newsletter (Vol. 40, No. 94th, March 1989) PP. 2.

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The International Labour Office has about 1900 staff from 110 countries, working at different regional and branch offices decentralised in nearly 40 countries<sup>18</sup>. The staff consists of two categories - the Professionals and the Generals, each classified in several grades and salary which are determined by the General Assembly of UN<sup>19</sup>.

The main functions of the International Labour Office may be summarised as to organise, compile, report and provide secretariat service for the International Labour Conference, the Governing Body and other Conferences, meetings and Committees and it prepares the first drafts of International Labour Standards and promote their effective application. 162 Conventions and 172 Recommendations have so far been adopted, ranging over a wide field of social and Labour matters, including the basic rights such as freedom of Association, abolition of forced labour and elimination of discremination in employment. By July 1987, over 5,200 ratification of the convention have been registered by member states<sup>20</sup>, to assemble and disseminate information and to undertake research, enquiries and to publish the results, to implement operational programmes and carry out technical cooperation projects.

Regular publications which brought out by the office are International Labour Review (bi-monthly)Office Bulletin

- 18. Europa Year Book n.2 PF. 69-70.
- 19. Johnston n.3 PP. 58-59.
- 20. Europa Y B n.2 PP. 69-70.

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(quarterly), Legislative series (quarterly), Bulletin of Labour Statistics (quarterly), Year Book of Labour Statistics (annually), the Social and Labour Bulletin (quarterly), <sup>21</sup> "Women at Work" (thrice a year).

The International Labour Office is assisted by Regional Offices set up for Africa in Addis Ababa, Ethopia, for America in Lima, Peru, for Arab in Geneva, Switzerland, and for Asia and pacific in Bangkok<sup>22</sup>. Within the International Labour Organisation, the technical and regional committees played important role to maintain permanent contact with the different areas of the world and with its economic and social developments. The first regional Conference held as early as 1936 in Santigo, Chile, the first Asian Regional Conference was held in 1947 in New Delhi, the first European Regional Conference was held in 1955 in Geneva and the first African Regional Conference in 1960 in Lagos<sup>23</sup>. The Regional Conference held approximately in three years intervals and all are tripartite in composition. The decision of the Regional Conferences taken in the form of Resolutions, addressed to the Governing Body which is responsible for taking decision and follow them up.

The Industrial Committees set up in 1945 to deal with some of the important international industries, was one of the important innovation in the structure and work of the ILO.

- 21. ILO n.1 PP. 6.
- 22. Europa Y B n.2 FF. 69-70.
- 23. Johnston n.3 PP. 65.

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The Industrial Committees have so far been set up by the ILO are

- 1) Coal Mines Committee (1945);
- 2) Inland Transport Committee (1945);
- 3) Iron and Steel (1945);
- 4) Metal Trades Committee (1945);
- 5) Building, Civil Engineering and public Works Committee (1945);
- 6) Chemical Industries Committee (1945);
- 7) Petroleum Committee (1945);
- 8) Advisory Committee on Salaried Employees and Professional Workers (1947);
- 9) Committee on Work on Plantation (1948);
- 10) Hotel, Catering and Tourism Committee (1980);
- 11) Forestry and Wood Industries Committee (1980);

12) Food and Drink Industries Committee (1980)<sup>24</sup>.

These Committees are tripartite in character, each representing country is entitled to appoint six representative two each from Governments, workers and employers together with advisors. The Governing Body exercises full control over the Committees allocating budget, credits, fixing the agenda, receiving reports and resolutions taken over by them. From time to time, the Governing Body has also undertaken a general assessment of the value of the work of the Committee.

24. ILO n.1 PP. 7.

Besides industrial Committee, there are other analogous committee like Joint Maritime Commission, which is bipartite i.e. no Government members; the Joint Committee in the Public Service; the Joint Committee on Postal and Telecommunication Service; the permanent Agricultural Committee which was reconstituted in 1969 into the Advisory Committee on Rural Development; Committee on Social Security Experts and experts to deal with the technical aspects of safety and health at work<sup>25</sup>.

The inter-organisational Committees are also formed with other international institutions. These are the FAO/UNESCO/ ILO, Joint Advisory Committee on Agricultural Education, Service and Training; The Joint ILO/WHO Committee on Occupational Health; the Joint ILO/UNESCO Committee on Application of the Recommendation on the states of teachers and the joint International Maritime Organisation/ILO Committee of Training<sup>26</sup>.

The Governing Body set up the International Institute for Labour Studies in Geneva in 1960 and International Centre for Advanced Technical and Vocational Training, Turin in 1965. The Director General of the ILO is the chairman of the Boards of these two institutions, with twelve more members, six of whom are members of Governing Body<sup>27</sup>. The function of the

25. ILO n.4 PP. 13-14.

26. Ibid PP. 14.

27. Johnston n.3 PP. 70-71.

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Board are to prepare the programme for the institute, to present an annual report in its work to the Governing Body and prepares annual budget for approval by the Governing Body.

The Institute of Advanced Educational and Research deals with social and labour policy and bring together international experts representing employers, managers, workers and government. Their activities include standard setting, technical cooperation and meetings and information. The function of the Institute with academic and research Committees provide a 'fourth window' for the ILO and keep special attention to the developing countries to the need of employers and Trade Unions<sup>28</sup>. The institute is financed by grants and endownments fund to which governments and other bodies contributes.

The International Centre for Advanced Technical and Vocational Training at Turin, Italy set up in 1963, started operational activities in 1965, played a keyrole within the ILO Programme of technical co-operation for the development of human resources. The activities of the centre include training programmes at the centre on a wide variety of subjects includes Management training, workers education, Labour Relations and working conditions, Co-operatives, Educational Technology, Computer application. etc. It also helps to organise training programmes or to lend assistance to institutions wishing to set up teaching or technical training

28. ILO n.1 PP. 6.

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laboratories and as advisory missions in the area of project preparation and design; consultancy services, etc. are undertaken by the centre's faculty in conjunction with programmes organised by the ILO. The Centre also carries out documentation publication and support services<sup>29</sup>.

The ILO activities on Technical Co-operation spent US \$ 106.2 million in 1986, out of which UNDP spended \$ 47.2 m for employment, social institution and the improvement of living and working conditions; \$ 41.9 m was spent by bilateral aid agencies in trust fund arrangements; \$ 6.6 m by the UN for population Activities and ILO spent \$ 10.5 m by budget contributions<sup>30</sup>.

## The relationship between the ILO and the UN

The ILO was an autonomous body both in League and the UN. But during the League of Nations, the ILO was an outcome of Labour section in Treaty of Versallies, so the membership of League and Organisation was overlapping. It depended on League funds and the League Councils were authorised to decide the State of Chief Industrial State to occupy the place on the Governing Body of ILO<sup>31</sup>.

However, after the IInd World War, the charter of the UN which was adopted in 1945 did not define the place of the ILO in the system. The International Labour Conference amended its Constitution, deleting the provision concerning the relationship with the League of Nations in respect to membership and finance

29. ILO n.1 PP. 10.

30. Europa Y B n.2, PP. 69-70.

31. Sunder Raman, <u>ILO role of a Pace-Setter</u> (Khosla Publishing House; Delhi, 1980) PP. 26.

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and under Art 63 of the charter<sup>32</sup> there was an agreement arrived between the UN and the ILO approved by the International Labour Conference and the UN General Assembly in 1946, whereby the UN recognised the ILO as a specialised agency responsible for taking action as might be appropriate under the basic instrument further accomplishment of the purposes set up therein.

The UN, charter calls for saving succeeding generation from the scourge of war and reaffirming faith in fundamental rights and promoting social progress and better standard of life, while the objective of the ILO, as in the Declaration of Philadelphia, integral part of the ILO's Constitution calls for the attainment of the conditions in which

"all human being irrespective of race, creed or sex have the right to pursue both their material well-being and their spiritual development in conditions of freedom and dignity of economic security and equal opportunity"<sup>32A</sup>.

Further, ILO's programme concerned for economic and social human rights ranging from freedom of labour, freedom of Association and Employment, right to work, conditions of work, incomes, social security, health safety, welfare, employment problem of women, children and young persons, i.e. full range of civil liberties and economic and social and cultural rights which is set forth in the Universal Declaration of Human Rights and the UN covenants.

32. Acc. to art 63 "The economic and social council may enter into agreements with any of the agency, defining the terms on which the agency concerned shall be brought into relationship with the UN. Such agreements shall be subject to approval by the General Assembly.

32A. C.N. Jenks <u>The ILO in the Family</u> (New York : UN Institute of Research and Training 1974) PP. 24.

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The ILO's major contribution was in the field of racial equality. In fact, in the Declaratiion of Philadelphia, the first solemn international organisation which recognised the equality principle, anticipating the Universal Declaratiion of Human Rights on Aparthied<sup>33</sup>.

The ILO has also been designated as the executing agency of UNDP projects in many countries. These are responsible for an important contribution to the development of the practical skills of the industrialisation<sup>34</sup>. UNDP spent US\$47.2 m for ILO activities for the promotion of employment, development of human resources and social institution and the improvement of living and working conditions<sup>35</sup> in 1986.

The role of Economic and Social Council is to maintain a link between the UN and the ILO and other specialised agencies in the Economic and Social field. It is specially provided in the UN charter and agreed by the UN and the specialised agencies<sup>36</sup>. The ECOSOC though has no direct authority in administrative and budgetary matters, but in respect to the UN family as a whole helps to safeguard budgeting, proper controls of expenditure and proper standards of administration<sup>37</sup>.

33. Ibid PP. 15.
34. Ibid PP. 16.
35. Europa Y B n.2 PP. 69-70.
36. Jenk n.32 PP. 38.
37. Ibid PP. 42.

## The Objectives of the ILO

The objectives are given in the preamble of the Constitution for making improvements in the conditions of work. There was a provision in the preamble of the Constitution of the regulation of the labour supply, the prevention of unemployment, the protection of the worker against sickness, disease and injury arising out of employment<sup>38</sup>. The Preamble to Part XIII of the Constitution of International labour Organisation lays down certain guidelines: - firstly, the regulation of hours Secondly, the prevention of unemployment; thirdly, of work. the provision of an adequate living wages, Fourthly, protection of the workers against sickness, disease injury arising out of his employment. Fifthly; the protection of children, young person, women and old age; Sixthly, protection of the interests of workers when employed in countries other than their own. Seventhly, recognition of the principle of equal remuneration for work of equal value, eighthly, recognition of the freedom of association, and ninethly, organisation of vocational and technical education<sup>39</sup>.

Even during the Second World War, various policies and programmes pursued at Montreal to combat the problem of unemployment as stated in its 26th Session in Philadelphia, on 10th May 1944, the aims and purposes declared by the International Labour Organisation and latter annexed to the

38. Antony Alcock, <u>History of the International Labour</u> Organisation (London : MacMillan 1971) PP. 62-64.
39. Raman, n.31 PP.

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Constitution of the ILO. The objectives of employment

precisely deal under Article III which enunciates:

The Conference recognises the solemn obligation of the ILO to further among the nation of the world programmes which will achieve:

- a)"Full employment and the raising of standards of living.
- b) The employment of workers in the occupations in which they can have the satisfaction of giving the fullest measure of their skill and attainments and make their greatest contribution to the common well-being.
- c) Policies in regard to wages and earnings, hours and other condition of work calculated to ensure a just share of the fruits of progress to all and a minimum living wage to all employed and in need of such protection"<sup>40</sup>.

Besides there were also other objectives of the ILO related to employment, such as recognition of the right of collective bargaining; the cooperation of management and Labour in the improvement of productive efficiency, social security measures and protection of health and life of workers in all the occupatiion; provisions for child welfare and maternity protection; adequate nutrition, housing and facilities for recreation and culture; equality to educational and vocational opportunities.

The important efforts are also being made in securing the adoption and supervising the execution of convention and recommendations. These constitute Internatiional code and cover all aspects of employment, wages, general working conditions, holidays, employment of children, young, women,

<sup>40.</sup> The Declaration of Philadelphia latter annexed to the ILO Constitutiion.

aged and handicapped, maternity protection, night work, migration, maritime labour and the right to organise.

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The ILO to fulfil the objective of employment, analyse various shortcomings and offer technical assistance and aids to governments through elaboration and implementation of national employment policies and programmes and pilot mission specially to developing countries to work out employment oriented development policies. Besides, the ILO also sends team of experts to demonstrate methods of work, set up training courses, grant fellowships and conduct seminars, etc.

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# <u>CHAPTER - II</u>

# <u>UNEMPLOYMENT AND ILO - BRIEF SURVEY</u> OF EVOLUTION OF ILO'S APPROACH TO UNEMPLOYMENT PROBLEM

The ILO played an important role to fight against unemployment and poverty. As early in 1919 "The prevention of unemployment" was an essential part of the programme and providing the "full employment" was the major responsibility of the ILO.

The Paris peace Conference as an autonomous body associated with the League of Nations appointed a Commission on internatiional labour legislation composed of two representatives from each from the five great powers and five representatives elected by other powers<sup>1</sup>. The Commission enquired into the conditions of employment from the international angle, considered the international means necessary to combat unemployment and suggested the common action on matters affecting the conditions of work. It recommended a permanent agency to continue such an enquiry<sup>2</sup>.

Since, 1919 unemployment had already become a serious problem, the Washington Conference held in 1919 adopted

1. The representatives of five great powers, i.e. Britain, France, Japan, Italy, USA and the elected representatives are Belgium, Cuba, Poland and Czechoslovakia.

2. G.A. Johnston. <u>The International Labour Organisation:</u> <u>Its work for social and economic Progress</u> (London: Europa 1970) PP. 12. a Convention and Recommendation on the subject. In the Convention, it was urged that all member states should endeavour (i) to communicate to the ILO all available statistics and information on unemployment and (ii) to establish a system of free public employment agencies under the control of a central authority. The Recommendation further urged that each member state should (i) establish an effective system of unemployment insurance and (ii) coordinate the execution of all works undertaken under public authority, with a view to reserving such work as far as practicable for periods of unemployment and for districts most affected by it<sup>3</sup>.

The International Labour Office had undertaken an enquiry into the national and international aspects of unemployment crisis in 1921. In accordance with this resolution the first World Economic Conference was held in Genoa in 1922 and it was able to draw attention of Governments to the need to ratify the hours and unemployment convention<sup>4</sup>.

The economic commission of the Conference set up a sub-committee of experts in 1922, in its Final Text of Articles dealt especially with the problem of combating unemployment. A list of measures were set out. The third Annual Conference authorised the International Labour Office for collecting and publishing the

3. G.A. Johnston, <u>The ILO its work for Social and Economic</u> <u>Progress</u> (London: Europa 1970) PP. 115.

4. Antony Alcock <u>History of ILO</u> (London : MacMillan 1975) PP. 65.

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information gained from different countries in dealing with employment, on the other hand member states were asked to co-operate in the enquiry on unemployment<sup>5</sup>.

<u>Pre-war Unemployment Problem:</u> Inspite of ILO's various measures LO combat unemployment, the problem still persisted In 1930's, the period of Great Depression, the situation became very acute. The ILO office had calculated that excluding Latin America, at the end of 1931, there existed some 20 to 25 million people unemployed<sup>6</sup>.

In January 1931, the Governing Body's, unemployment Committee had met to consider the unemployment problem and the ILO urged member Governments to take four steps, (i) to organise the labour market through public employment exchange services, which should draw up schemes for the re-employment or readaptation of the unemployed; (ii) to develop existing system of relief and insurance against unemployment and short time creation of insurance system which did not exist; (iii) to undertake extensive public works to create employment. The International Labour Organisation attempted to mobilise public works activity after the Great Depression through its organs such as the Unemployment Committee of the Governing Body<sup>7</sup>, (iv) to organise migration internationally in order to develop unexploited region and increase markets<sup>8</sup>.

5. Ibid PP. 64.

6. Ibid PP. 99.

7. E. Jay Howenstine "<u>Compensatory Employment Programme:</u> <u>An Inernational Comparison of their role in Economic</u> <u>stabilisation and growth</u> (Paris : OECD 1968) PP. 36.

8. Alcock n.2 PP. 100.

In the pre-war period, there were four means to alleviate Unemployment in ILO's programme. The first means was unemployment insurance. There were various Benefit schemes since 1919 varied from compulsory schemes, voluntary schemes and assistance. The question was discussed on the agenda of the Conference XVII (1933) and XVIII (1934), a Convention was adopted which ratified by Member states to maintain a scheme of ensuring the unemployed persons either benefits (payments related to contributions) or allowances (renumeration for employment on relief work)<sup>9</sup>.

The second means was to reduce the hours of work<sup>10</sup>. The subject was first put on the agenda of the XVIII Annual Conference in 1934. But the ILO's effort was least successful since there was sharp difference of opinion. The workers wanted a single convention for all forms of industrial and commercial activity. On the other hand, the employers were opposed to the 48 hours of work in a week and governments were inclined to support a series of Conventions relating to a particular industry.

The third method advocated to alleviate unemployment was migration. The Great Depression restricted the flow of migrant workers and also caused difficulties to those migrated earlier. This raised the issue of equal treatment to the migrant workers with nationals regarding wages and working conditions.

#### 9. Ibid PP. 108.

10. The Washington Conference held its first session in 1919 put in its agenda adoption of the principle of 8 hours a day and 48 hours a week.

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Since the growing desire by states to deal with migration, the office provided the XXV Annual Conference (1939) with one draft convention to repress misleading propaganda and maintain an adequate information service for migrant and two draft recommendations, one on recruitment, placement and conditions and the other on state Co-operation<sup>11</sup>. The Conference adopted the draft convention unanimously, the Recommendation on Recruitment and the Recommendation on state co-operation-unanimously.

The fourth means of alleviating unemployment was public works. Even during the period of transition after the first World War, there was a growing interest in public works policy as a means of combating unemployment. One of the initial acts of the ILO after its creation in 1919 was the adoption of the following policy in its Recommendation No. 1 concerning unemployment.

"Each member should co-ordinate the execution of all work undertaken under public authority, with a view to reserving such work as far as practicable for periods of unemployment and from district most affected by it"<sup>13</sup>.

Also in its XXIII Annual Conference (1937) provided two draft Recommendations on Public Works relating to international co-operation and national planning. The first Recommendation called on Members to supply the Committee<sup>14</sup> with statistical and other information on public works.

11. Alcock n.2 PP. 113.

12. Ibid PP. 115.

13. Howenstive n.5 PP. 3-4.

14. The Governing Body set up Permanent Public Work Committee by member states in 1937, held a Preparatory meeting in June 1938, 25 countries and the League were represented. The next meeting was scheduled for early 1940's but not held due to the Second World War.

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In 1941 the ILO again resumed its usual activities. The International Labour Organisation considered that the chief social problem to be faced in the post-war period would be unemployment. There was as many as 100 million people who were affected by demobilisation and changes in industry, agriculture and Government Services. There was also serious skill manpower shortage occuring in the different occupations, industries and regions.

<u>Unemployment problems after 1942</u>: In 1942, the International Labour office advocated three ways of dealing with the unemployment problem:

- a) Facilities for Training and retraining young workers would have to be developed, recognised and co-ordinated and vocational guidance services provided.
- b) Government should carry out national and international public works.
- <sup>c)</sup> Dealing with migration and problem of refugees, the office was authorised to study in consultation with the reconstruction agencies of the countries concerned<sup>15</sup>.

Then in XXVI Annual Conference held at Philadelphia from 20th April to 12th May, 1944, a declaration was made which was popularly known as Philadelphia Declaration. The

15. Alcock n.2 PP. 173.

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Declaration consists of five parts, out of which the third part of the Declaration dealt with employment. The Conference recognised the solemn obligation of the International Labour Organisation to further among the nations of the world programmes which would achieve full employment and the raising of standards of living.<sup>16</sup>.

Unemployment problems in Post-war period : In 1945, in the San Francisco Conference, in the Charter of the United Nations gave a mandate to promote full employment.

Besides Declaration, the Conference adopted twenty-three other Resolutions and seven Recommendations urging each Government to recognise its duty to maintain a high level of employment. Point 3 of the Resolution No. 1 listed objectives of international and national social policy, including opportunity for useful and regular employment to all who want to work at fair wages and under reasonable conditions, with provision for protection of health and against injury; standard of living to provide adequate nutrition, housing, medical care and education; effective recognition of the right of freedom of association and of collective bargaining and provision of facilities for training and transfer of labour<sup>17</sup>. Also Resolution 6, provides economic policies relating to international policy to

16. Declaration of Philadelphia, annnexed to the ILO's Constitution. Also details in first Chapter.

17. Alcock n.2 PP. 185.

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establish international machinery for promotion of full employment and higher living standards. Second part was related to employment through Public Works and in XXI (1944) Annual Conference adopted a Public Works (National Planning) Recommendation No. 73. In 1946, the International Development works deals with compensatory Public Works Policy.

During the 1950's, the ILO carried out a number of activities to diminish unemployment and in this regard, International Labour Conference at its 32nd Session in 1949 adopted (i) the improvement of employment service; (ii) the development of vocational guidance and vocational training both for young persons and aduts; (iii) the implementation of migration and countries of immigration; and (iv) the improvement of social security services.

The ILO embarked on a world-wide programme for technical assistance, techniques for assisting member states. The first technique was that the Organisation assembled a Group of Experts to study and apply the principles that had been agreed at the international level.

18. Howenstine n.5 PP. 41.

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In the field of employment service, first meeting was held at London in December 1948, and in the realm of vocational trainng European Experts held a meeting at Geneva in March 1945 and a technical Conference of Asiatic experts was held at Singapore in  $1949^{19}$ . The second technique was to send advisory mission for technical assistance and the third was, the International Labour Organisation assisted Governments, employers and workers organisation in making arrangements for the movement of trainees from one country to another<sup>20</sup>.

The Conference adopted a recommendation on the vocational guidance in 1949 for young persons including those in school and adults. The Conference adopted in 1955 a recommendation on vocational rehabilitation of the disabled, in war and industry and those born with handicaps<sup>21</sup>.

The implementation of migration programme was also expected to help to reduce unemployment. In 1949, the Conference adopted revised convention and recommendations to deal with recruitment, placing, condition of labour for migrants. The International Migration Committee of the International Labour Organisation formulated international standards to assist in migration for land settlement and played important

19. ILO "Action against unemployment" International Labour Office (Geneva : ILO 1950) PP. 189.

20. Ibid PP. 189-190.

21. Johnston n.1 PP. 141.

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role in the economic and social development of a number of countries. For the international mobility of labour, the ILO assembled and furnished periodically to Member Governments information on the types and quantities of labour required by countries of immigration as well as information on the skill and numbers of workers available for migration in countries with a surplus labour supply<sup>22</sup>. In 1955, a comprehensive recommendation was adopted on the protection of migrant workers in under-developed countries and territories.

The ILO also considered the problem of trade barriers, loans and grants, etc. The proposal has been endorsed by the ILO and so in 1949 the Conference requested the Governing Body to take measures particularly the expansion of trade, the development of basic industries to raise the level of employment<sup>23</sup>.

Actually, at the 1961 Session of the Conference, the special attention was devoted to employment problems and policies. The Conference examined two main problems, the first was the problem of creating employment opportunities including

ILO n. 17 PP. 192.
 Ibid PP. 199-200.

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measures to overcome underemployment in economically less developed countries. The second related to employment problems in the more advanced countries with reference to technological changes, shifts in pattern of world trade and the co-ordination of employment policies and anti-inflationary measures<sup>24</sup>.

So, the Annual Conference proceedings of 1961 (XLV) unanimously passed a Resolution calling upon all Governments to adopt, as a major goal of social and economic policy, the objective of full, productive and freely chosen employment<sup>25</sup>.

Following up, the Conference adopted in 1964 the Employment Policy Convention(No. 122) and Recommendation (No. 122). The Convention requires ratifying states to declare and pursue as a major goal an active policy design to promote full, productive and freely chosen employment, as according to Article 1 of Convention.

"With a view of stimulating economic growth and development raising level of living, meeting manpower requirement and overcoming unemployment and underemployment active policy designed to promote full, productive and freely chosen employment".

and also includes "There is freedom of choice of Employment and the fullest possible opportunity for each worker to qualify for and to use his skill and endownments in a job for which he is well suited irrespective of race, colour, sex, religion, political opinion, national attraction of social origin<sup>26</sup>.

- 24. Johnston n.1 PP. 139.
- 25. Alcock n.2 PP. 351.
- 26. Johnston n.1 PP. 139.

There was increasing concern of member states about the problem of unemployment, underemployment and manpower planning. This also reflected in various meeting of ILO's regional advisory committees and regional conferences which includes proposals and plans adopted at the Regional Conferences of American States in 1966 at Ottawa known as the Ottawa Plan of Human Resources Development and in 1968 the Asian Regional Conference provides the Asian Manpower Plan and in 1967 African Advisory Committee asked the office to put before African Regional Conference a draft "Jobs and Skills Programme" for Africa<sup>27</sup>.

So, at the 1968 Session of International Labour Conference a proposal was made for the preparation of worldwide programme on international co-operation for economic and social development.

Hence, in 1969 on the occasion of its fiftieth anniversary, the International Labour Organisation launched the World Employment Programme, which since then has been focal point of ILO employment activity. It's basic principle is the employment creation and economic and social development go hand in hand and this approach quickly won the backing of United Nation's General Assembly, ECOSOC and other policy making organs of the United Nation system. The World Employment Programme was offered as the ILO's contribution to

27. Ibid, PP. 269.

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The International Development Strategy for the Second United Nation Development Decade which emphasised on generating employment in developing countries which will be discussed in Chapter IV<sup>28</sup>.

Inspite of various efforts, the employment problem is still a serious problem and there was need to take corrective measures at the national and international levels. So, the 59th Session of the International Labour Conference held in Geneva in June 1974<sup>29</sup> adopted unanimously a resolution concerning the convocation by the ILO of a Tripartite World Conference on Employment, Income distribution and Social Progress and the International Division of Labour.

World Employment Conference held in Geneva from 4th to 17th June 1976<sup>30</sup>. The Governing Body of the ILO decided to put the following agenda for the Conference.

28. Robert Plant, "<u>A Short guide to the ILO World</u> Employment Programme" (Geneva : ILO 1983) PP. 2-3.

29. ILO, <u>ILO meeting Basic need Strategies for eradicating</u> mass poverty and employment (Geneva : ILO 1976) PP. 2-3.

30. It was attended by Tripartite delegation of governments, employers and workers representatives from 121 member states. Government delegates include 70 ministers representing not only ministries of labour but also other ministries such as Planning, employment, trade, foreign affairs and development assistance. In addition 22 officials International Organisation and 58 non-governmental international organisation and 3 deliberation movements were represented.

- National employment strategies and policies with particular reference to developing countries.
- 2) International manpower movement and employment.
- Technologies for productive employment creation in developing countries.
- 4) The role of multi-national enterprises in employment creation in the developing countries.
- Active manpower policies and adjustment assistance in developed countries<sup>31</sup>.

The Conference adopted the Declaration of Principles and the Programmes of Action. The Conference endorsed the basic need as an approach to development and given priority objectives, explicitly to the promotion of employment and the satisfaction of the basic needs of each country's population. The Programme of action gave importance to agrarian societies in developing countries and special section for women in improving their working and living conditions and by providing more resources for investment in favour of women in rural areas. On the International manpower movement, it pointed out the need for intensive capital movements and transfer of technical knowledge<sup>32</sup>.

The Programme of Action put forward a set of principles governing migration policies and incorporated bilateral and

31. ILO Tripartite World Conference on Employment, Income
distribution and social Progress and the International
Division of Labour, International Labour Office, Background
Paper Vol. III International strategies for employment
(Geneva : ILO 1976) PP. 1.

32. ILO meeting n.30 PP. 12-13.

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multilateral agreement among the sending and receiving countries. The programme of Action also gave importance to Education and Vocational Training and avoid elitist bias and gave priority to adult and primary education, <sup>33</sup>. especially in rural areas for the promotion of employment.

Employment remain a central objective of the development strategy by the United Nations for the Third Development Decade (1980-90). The efforts were made for the promotion of employment, guided by international labour standards and often with the practical aid of the Organisation. In 1982, ILO adopted a Convention and Recommendation on the Termination of Employment seeks to protect workers against termination of employment without just cause<sup>34</sup>.

So, the major theme of International Labour Organisation in regard of Promoting employment can be mentioned as to integrate economic planning, employment planning with demographic variables; in rural areas creating short-term productive employment creation through Special Public Works Programme and medium and long term action of increasing output, productivity and employment; in the urban areas to promote employment in formal and informal sectors. and finally development of Science and Technology and appropriate technology for the developing countries<sup>35</sup>.

33. Ibid PP. 14-25.

34. ILO <u>"The ILO and the World of Work"</u> (Geneva : ILO 1984)
PP. 31-31.
35 ILO <u>"ILO and India, Decade of Friendship"</u> (Geneva : ILO 1989)
PP. 31-32.

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### <u>CHAPTER - III</u>

## ANALYSIS OF THE UNEMPLOYMENT PROBLEMS

### IN DEVELOPING COUNTRIES

The study of International Labour Organisations Employment Programmes for developing countries with special reference to India cannot be undertaken without a brief discussion of the nature and the scope of unemployment problem. In the present Chapter, an attempt has been made to briefly describe various aspects of unemployment problem in developing countries. There are series of overlapping problem of unemployment as faced by the developing countries. Mark Blaug classified unemployment into: open unemployment, and under employment among School-leavers, youth, women, etc.<sup>1</sup>.

Open Unemployment: The major problem of unemployment is the open unemployment. The open unemployment is commonly defined as the people who are not at work but are seeking work or available for work. The different countries use different standards for measuring unemployment. For example, in India, unemployed are those who are seeking at least one day's work in a reference of week at given wage rate. That means those who are working for two days in a week are employed. But if some country defines unemployment as "working at least 20 hours a week". This shows those who are working only for two days are even not considered as employed. This definition will increase the number of unemployed in comparison to first one. So, by changing the standards,

1. Mark Blaug, <u>Education and the Unemployment problem in</u> <u>Developing Countries</u> (Geneva : ILO 1973) PP. 7-8. any country can manipulate the number of unemployed<sup>2</sup>.

The open unemployment is very high in some areas and between some distinctive age groups. It is much higher in the urban areas than in rural areas & is concentrated among the youth, particularly to the first time job seekers, to the women and to the relatively better educated persons<sup>3</sup>.

<u>Under Employment:</u> The other dimension of employment problem can be under employment. The unemployment can be defined in two senses. The underemployed are those who are working and would, in fact, like to work longer hours and in another sense, those who are working whether full time or part-time, are not efficiently utilised. This means that they can produce more if the job in which they are employed is differently organised, that is, in the sense of productivity the people are underutilised<sup>4</sup>. Underutilisation has three components: (i) numbers at work, (ii) duration of work and (iii) the intensity of work.

The underemployment is more critical among the selfemployed and in rural areas, especially in agricultural sector. Since among self employed they have income but innsufficient of their living and become working poor. In agricultural sector, employment usually gets generated

2. Ibid PP. 4.

3. ILO, "Employment, Growth & Basic Need : A One-World Problem" Tripartite World Conference on Employment, Income Distribution and Social Progress and the International Division of Labour (Geneva : ILO 1976), PP. 11.

4. Blaug, n.1, PP. 4-5.

within their family farms. Since the land is limited and with the increase in family members, they could not fully exploit the working hands. This generates low income and low productivity<sup>5</sup>.

<u>Seasonal Unemployment:</u> This is an oldest concept of unemployment. The seasonal unemployment mainly confined to the agricultural sector of the economy, since at the time of cultivation, the workers may be fully employed. However, after the harvest the workers may remain in the farm without actually being needed. The seasonal unemployment can also be seen in some of the industries or occupations such as ice-cream factories. Those employed in such industries have to search for new jobs in the slack season<sup>6</sup>.

<u>Cyclical Unemployment:</u> It is generated because of cyclic fluctuation in business activity and there is a very common feature of unemployment in the developed as well as developing countries. The cyclicalunemployment is caused by two factors. <u>Firstly</u> from within the economy a decline in effective demand for labour leads to unemployment and <u>secondly</u> international factors give rise to unemployment that is fall in immernational demand for exports of developing countries<sup>7</sup>.

<u>Structural Unemployment</u>: This type of unemployment has its origin in the factor proportions of the economy

J. Mouly and E. Costa, <u>Employment Policies in Developing</u> <u>Countries</u> (London : Allen and Union 1974) PP. 31.
Ramesh C. Bhardwaj, "<u>Enemployment in Under-Developed</u> <u>Countries : Definition and Conceptual Issues</u>" in V.K.R.V. Rao ed., (New Delhi: Allied Publishers Pvt. Ltd. 1968) PP.14.
D.S. Thakur, "<u>Rural Unemployment : A Survey of Concept</u>" (Man Power Journal, Vol. 19, No. 1, 1985) PP. 60.

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that is, due to the lack of complimentarity in the developing countries, the workers are not provided the required implements with which to participate effectively in production<sup>8</sup>.

The structural unemployment can be sub-divided into Open structural unemployment and structural underemployment. Open structural unemployment is due to the shortage of capital, a part of labour force has to remain completely unemployed and the structural underemployment is due to over-population since there has been a rise in labour force compared to the capital formation.

<u>Disguided Unemployment:</u> The term 'Disguised Unemployment is first coined by Mrs. Joan Robinson in an article in Economic Journal to describe a situation of cyclic 'transfer of persons from the productive work to less productive work during the Depression in 1930's. It is argued by some that this may not be applicable to the developing countries because <u>firstly</u>, the workers usually have no normal job to go back. <u>Secondly</u>, in developing countries the most basic problem is that of lack of having any occupation rather than to shift to inferior occupation and <u>thirdly</u>, the unemployment problem is not due to lack of effective demand but often due to lack of supply<sup>10</sup>.

8. Ibid. PP. 60-61.

9. Bhardwaj, n.6, PP. 17-19.

10. B.N. Ghosh, "<u>Disguised Unemployment in Underdeveloped</u> <u>Countries with Special Reference to India</u> (New Delhi: Heritage Publishers, 1977) PP. 8. It is, however, considered important form of unemployment in developing countries. The word 'Disguised' means not visible that is nominal employment with little contribution to productivity. The UNO Committee (1951) defines the concept disguised unemployment as

Those persons who work on their account and who are so numerous, relatively to the resources with which they work that if a number of them were withdrawn for work in other sectors of the economy, the total output of the sector from which they were withdrawn would not be diminished, even though, no significant substitution of capital<sup>11</sup>.

The disguised unemployment is applied to persons who are not normally engaged in wage employment. The disguised unemployment is also defined by a Ragnar Nurkse as he writes

Underdeveloped countries suffer from larger scale disguised unemployment in the sense that, even with unchanged techniques of agriculture a large part of the population engaged in agriculture could be removed without reducing agricultural output<sup>12</sup>.

So, the workers seem not idling away, but the contribution of such labourer to the total output is either zero or near zero.

<u>Frictional Unemployment:</u> This type of unemployment is due to contracting and dying out of old industries and emergence of new industries. Due to these structural changes, there is also change in product mix, resources and

11. Thakur, n.7, PP. 57.

12. Ghosh, n.10, PP. 9-10.

technologies used in production. The workers move from the old industries which are decaying to the new ones. But, there is a time lag between leaving the old and joining the new for there could be waiting period as well as need to acquire knowledge of new techniques, etc. and this period in which the labourer is unemployed is known as frictional unemployment<sup>13</sup>.

<u>Technological Unemployment:</u> The invention of new technologies which are normally improved technologies result in increased output, without creating additional jobs. At times they reduce actual intake of labour<sup>14</sup>.

Educated Unemployment: The United Nations Second Development decade also recognised the educated unemployment. As it defines, educated unemployment is the frustrated job seekers unable to obtain work of the type or remuneration which they think reasonable or by their education they have been led to be expected<sup>15</sup>.

Mark Blaug analysis of higher level of education can result in unemployment situation in three ways. <u>firstly</u>, the more education appears to improve the chance of employment. <u>Secondly</u>, more education appears to make people less employable. <u>Thirdly</u>, the rate of unemployment is more in secondary schools than the primary school leavers and it again declines for university graduates<sup>16</sup>.

13. Thakur, n.7 PP. 61.

14. Bhardwaj, n.6, PP. 14.

15. ILO, <u>Employment Policy in the Second Development Decade:</u> <u>A UN family Approach</u> (ILO : Geneva 1973) PP. 7.

16. Blaug, n.1, PP. 7.

As part of the World Employment Programme of ILO pilot country missions were envisaged to study the causes of unemployment and to bring out the efforts to be done nationally and internationally. These various pilot missions in the developing countries report differently on the nature and scope of unemployment in developing countries. According to Colombia report the unemployment is more acute among the illetrates whereas the pilot missions of Sri Lanka and Iran reported that the unemployment rate is more in secondary school leavers than in the primary school leavers, while registering a decline in university graduates. This is also observed in many developing countries such as India, Argentina, Malaysia, Syria and Venezula.

The Colombia pilot study further stressed that besides the traditional problems of open unemployment and underemployment, the main problem is to provide full employment. It also emphasised the need to realise that real crux of employment problem in the developing countries lies in a high proportion of the labour force which earns inadequate income. So, the ultimate problem is not just to provide enough income to sustain the reasonable standard of living in the sense of basic needs to be fulfilled that is food, shelter and clothing but to provide higher income to enhance the standard of life.

The unemployment problem in the developing countries has one more dimension that is the problem of discrimination against women, aged, and handicapped. Since the women in

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the developing countries constitute the group on the bottom of the ladder, it faces the problem of discrimination in employment, education, training and status, etc. So, there is a need to provide productive employment and the abolition of every kind of discrimination in regard to right to work and equal pay for work. Besides, there is a need for special protection of women and child labour in the field of Night work and health.

It is of great significance to have a quantitative magnitude of unemployment problem in developing countries. It has been estimated that in early 80's there was 800 million and more labour force in developing countries, of which only 5 percent is unemployed and 36 percent is underemployed. The proportion of underemployed to unemployed is the highest in rural areas where 80 percent is underemployed.

Concerted programme of action is called for at the national and international level to tackle the problem. It is in this context the efforts of the International Labour Organisation in providing international support programme to tackle unemployment problem has to be examined.

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### Unemployment in India

India has a growing unemployment problem. In fact, the growth of the economy over the last three decades has not witnessed any rapid growth of employment opportunities in India. As the Advisory Council of the Prime Minister, in its report on Towards Evolving an Employment oriented strategy\_ for Development in the 1990's has observed "the employment elasticity with respect to aggregate output has been declining. As a result, even with a Gross Domestic Product growth rate exceeding five percent annum, employment growth has not kept pace with the growth in labour force which is estimated at around two and a half percent per annum"<sup>17</sup>.

The reasons for this phenomenon are as follows. Firstly, there has been a tremendous growth of population which has already been noted. Secondly, the agricultural sector has not been able to provide the needed increased opportunities for employment because of its limited capacity to absorb the increased population. Thirdly, various nonfarm activities including village industries have also failed to generate adequate employment opportunities.Fourthly the industrial sector, small and large, have not created enough capacity for absorbing increased unemployment partly because of high capital intensity of the industry. Since

17. M.L. Dantwala, "Search for an Employment Oriented growth strategy, Economic and Political Weekly, May 26, 1990 PP.1147.

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efficiency has been sought as a primary objective providing employment has become secondary<sup>18</sup>. Fifthly, the massive migration of labour to cities has created problem of urban poor and unemployed.

India has all types of unemployment which have been discussed above. There have been efforts to eradicate various types of unemployment through appropriate economic policies and measures by the Government of India. The main objective of the Eighth Plan has been to reorient plan strategy to achieve the objective of generating adequate employment opportunities<sup>19</sup>.

18. V.M. Dandekar, Search for an Employment oriented growth strategy, Economic and Political Weekly, May 26, 1990, PP. 1150.

19. J.C. Sardesara, Search for an Employment Oriented growth strategy, Economic and Political Weekly, May 26, 1990 PP.1161.

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# <u>CHAPTER - IV</u>

## THE APPROACH TO THE PROBLEM OF UNEMPLOYMENT IN THE DEVELOPING COUNTRIES BY THE ILO.

In the post war period, the ILO steadily increased its attention to help developing countries to tackle their unemployment problem. In the decade of fifties and the sixties, the UN became preoccupied with the problem of enhancing the economic growth of developing countries. Solving unemployment was considered as one of the important ways by which the standard of life of large number of developing countries can be achieved. This redirection of attention to the problem of developing countries was also caused by the post war term in a large number of developed countries which relegated unemployment problem to a secondary position<sup>1</sup>.

The International Labour Office reported to the XLV Annual Conference of 1961 about the developing countries.

To large masses of people, having any job at all is now a great privilage and finding work one of their principle aspirations. Little emphasis is commonly placed on employment objectives in programmes for economic development. To a large extent, this is due to the fact that the economic consequences of trying to provide many new jobs quickly are more complicated that might have been expected<sup>2</sup>.

The next step to promote employment objectives in the developing countries taken by the ILO was the adoption of

1. ILO <u>Employment</u>, <u>Growth and Basic needs: A one-world</u> problem, (Geneva : ILO 1976) PP.1.

2. Antony Alcock <u>History of ILO</u> (London: MacMillan, 1975) PP. 351.

Convention No. 122 and Recommendation No. 122 on Employment Policy by the XLVIII Annual Conference in 1964 for the Promotion and Planning of employment. Article 1 of the Convention provides:

With a view to stimulating economic growth and development, raising levels of living, meeting manpower requirements and overcoming unemployment and underemployment active policy designed to promote full, productive and freely chosen employment<sup>3</sup>.

and Article 2 aims to ensure work for all who are available for and seeking work and as productive as possible and fullest possible opportunities to qualify to use his skills and endownments in a job for which he is well suited, irrespective of race, colour, sex, religion, political opinion, national extraction or social origin<sup>4</sup> whereas the Recommendation set out objectives, general principles, general and selective measures of employment policy, the way of dealing economic underdevelopment that is, the investment and income policy, promotion of industrial and rural employment, the population growth and action by workers and employers organisation and international action<sup>4</sup>.

#### World Employment Programme

The ILO launched its famous World Employment Programme in 1969 on the occasion of its fiftieth anniversary in the fiftythird session of the International Labour Conference

3. Robert Plant "<u>A short guide to the ILO World Employ-</u> ment Programme (Geneva ILO 1983) PP. 4.

4. The Convention was adopted by 206-54-37.

as has already been mentioned. Actually, discussions were already started in the Regional level on unemployment problems. The regional employment Programme envisaged in the Ottawa Plan of Human Resources Development was adopted by the Eighth Conference of American States member of the ILO (Ottawa, September 1966). The objectives of the Ottawa Plan, submitted by the ILO to the Conference were (a) to give resources development an importance in the national and regional policies and plans, (b) to provide human resources criteria to assist in selecting investment projects and carrying them out, (c) to ensure that human resources policies and plans were implemented, and (d) to develop an integrated regional approach to these plans<sup>5</sup>.

The ILO's Asian **A**dvisory Committee held its 13th Session in Singapore at the end of 1966 and the resolution on Asian Manpower Plan was adopted by the 6th asian Region Conference held in Tokyo in 1968. The Manpower Plan consists of data gathering, research and assessment, target setting, in employment and vocational, technical and management training and proposing policies and measures for attaining these targets including assessing the volume, nature and timing of external aid required to attain them, establishing new institutes in the manpower and training fields, etc.<sup>6</sup>. The

5. Alcock n.2 - PP. 355.

6. Ibid PP. 355-357.

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proposal of the African Advisory Committee (Dakar 1967) for chalking out the African Regional Conference held in Accra in Dec. 1969.

So, the World Employment Programme is the outcome of these regional employment programmes. International Labour Conference first mentioned the World Employment Programme in its LI Annual Conference in 1967. The Director-General in its report stated:

Employment is still expanding at a very slow rate, much slower in most developing countries that the rate of population increase and this represents an extremely dangerous situation for our member states and for the world at large.

So, the goal of the Programme was to enable the people of developing countries to participate in the development by working for it and thereby to share in its fruits and thus to put an end to the situation in which large and growing section of the population was being by passed in the process of development.

The World Employment Programme was based on the Ottawa Plan and this approach got the full backing on the United Nation General Assembly, Economic and Social Council and other policy making organs of the UN System<sup>8</sup>. The World Employment Programme Phase I consists of determining the practical action required through three types of world manpower projection (upto 1980), i.e. to inquire into the

7. ILO, 21 Annual Conference - Proceedings 1967 PF. 412-413.

8. Alcock n.2 PP. 361.

problem of unemployment, training and target setting and in all these activities special consideration would be given to the manpower problems of rural development<sup>8</sup>. The major problem of underemployment in the developing countries came from rural areas. Firstly, there was need for the increase in agriculture and rural production, and the rural development would reduce the gap between urban and rural incomes and check the rural to urban migration. Secondly, the problem of industrial development, i.e. to create the labour intensive Public Works Programmes such as River Valley Projects, transport and communications and low cost housing and the question of youth i.e, the problem of educated youth or first time job seekers<sup>9</sup>.

In the Phase II, the ILO would see that the action was taken according to the guideline of Phase I, making recommendations to Government and training policy and planning and implementing technical assistance activities with a view to attaining the goals of regional, sub-regional and national manpower.

So, its objectives can be classified into two folds, firstly, fact-finding and analysing the gravity of crisis and secondly to provide aid and advice to the governmental through elaboration and implementation of national employment policies and programmes<sup>10</sup>.

- 8. Alcock n.2 PP. 361.
- 9. Ibid PP. 363-364.
- 10. ILO 'ILO and the World of Work' (Geneva : ILO 1984), PP. 40-41.

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The World Employment Programme also emphasised to provide advice, to the governments as the ILO work out Pilot Missions in seven developing countries for the comprehensive employment strategy mission and various regional teams were formed to follow these missions. These teams are Regional Employment Programme for Latin America and the Caribbean (PREALC), the Asian Regional Team for Employment Promotion (ARIEP) and the Jobs and Skills Programme for Africa (JASPA)<sup>11</sup>.

Besides the pilot mission, the World Employment Programme also contributed to the International development Strategy for the Second United Nation Development Decade and the key areas whichcall for special attention in the key context of an employment oriented development strategy outline as following (i) Population, (ii) technology, (iii) income distribution, (iv) education and labour market, (v) international trade, and (vi) institutional aspects<sup>12</sup>.

The ILO held a World Conference on Employment, Income Distribution and Social Progress and the International Division of Labour in June 1976 attended by workers, employers and Government representatives from 121 Nations and the Conference adopted the Declaration of principles and Programmes of Action in the field of:

11. ILO n.1 PP. 3.

12. ILO, <u>UN Second Development Decade: A UN family</u> approach, (Geneva : ILO 1973), PP. 1-2.

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i) A "basic need" approach to development.

ii) International manpower movement.

- iii) Technologies for productive employment creation.
- iv) active manpower policies and adjustment assistance in developed countries.

The Declaration of principles and Programmes of Action was endorsed by the ILO **G**overning Body in November 1976 and a discussion on follow-up to the World Employment Conference took place at the International Labour Conference in June 1979<sup>13</sup>.

It was recognised that the major problem faced by most of the developing countries to provide constructive employment opportunities for their rapidly growing population which demanded integration of the employment planning and economic planning with the demographic variables. Due to rapid population growth the possibilities of providing education to all sections of labour force especially to women may not be fully achieved because other technical factors limit the work which can be productively per-formed. The effects of changes in population growth caused unbalanced income distribution. Since it is being regarded as an essential dimension of national welfare and development and the income distribution depends on (1) the distribution of income-earning assets-job, land and capital, (2) the provision and

13. Robert Plant <u>A short guide to the ILO World</u> Employment Programme (Geneva : ILO 1983) PP. 6.

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distribution of public goods - education, health service housing, etc. (3) the direction and size of transfer payments and (4) the tax-system. The tax system is a potential means for modifying inequalities in the distribution of income<sup>14</sup>.

The World Employment Conference recognised in its Programme of Action the need to promote employment for the satisfaction of basic needs of countries population. The Basic needs include two elements, firstly, minimum requirement for family consumption such as adequate food, shelter, clothing and certain household equipment and furniture and secondly, the essential services provided by and for the community such as drinking water, sanitation, public transport, health and education facilities that is the fulfilment of basic human rights<sup>15</sup>.

There was need for the rural development, since the majority of the population was in rural areas. There was requirement for national development strategies to modernise the agriculture and the agro-based industries and to generate employment. The need of wide-spread and intensive agricultural education programmes and vocational training were more in rural communities. Services including schools and hospitals, transportation, the provision of water in houses, local processing plants, extension of agriculture credit facilities, effective agriculture research and land reform were the other

14. Edward O. Edgar, <u>Employment in Developing Countries</u> ed. in Edgar (New York and London : Columbia University Press, 1974) PP. 8.

15. ILO, <u>Employment</u>, <u>Growth and Basic needs: A One World</u> <u>Problem</u> (Geneva : ILO 1976) PP. 32-33.

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needs<sup>16</sup>.

The Kenya Pilot mission Report proposed the following employment and income strategies for the agricultural sectors : Firstly, the intensification of land use for both crops and livestock production. Secondly, the redistribution of land towards more labour intensive farm units. Thirdly, the settlement of unused and under-utilised land<sup>17</sup>. Special emphasis was given on the opportunities for the Kenya's women for training in agriculture and rural crafts, in co-operative organisation, community development and other rural skills<sup>18</sup>. The promotion of Public Works suggested to absorb utilised and underutilised manpower in rural areas in the developing countries.

The urban areas of the developing countries also has the evils of unemployment, inequalities and poverty. The excess supply and limited demand paradigm dominate in the urban growth. The United Nation population Division estimated that the urban population in developing countries has increased and will increase from about 20.6% in 1950 to 31% in 1975 and 45.8% by AD 2000<sup>19</sup>.

The modern formal sector in developing countries provides only limited employment. It requires the capital intensive

16. J. Monly & E: Costa, <u>Employment Policies in Developing</u> <u>Countries</u> (London : Allen and Unwin 1974), PP. 250.

17. ILO, <u>A Strategy for increase Productive employment in Kenya. Employment, income and inequality</u> (Geneva : ILO 1977) PP.16.

18. Ibid. PP. 27.

19. Subbiah Kannappan, <u>Urban Employment and the Labour</u> <u>Market in Developing Countries. Economic Development &</u> <u>Cultural changes</u>, Vol. 33, No. 4, July 85, PP. 701.

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technologies, and larger capital investment<sup>20</sup>. But the informal sector played an important role for providing employment in urban areas. It characterised by the easy entry, reliance on indigeneous resources, family ownership, labour intensive technology, etc. So, the employment can generate in the urban areas by the informal sectors which can be relevant for the developing countries in regard to capital and technology, etc.<sup>21</sup>.

In the developing countries, there is a need for the construction and Public Works activities, like schools, hospitals, administrative buildings, drainage, etc. and it generates employment. As R. Nurkse asserted:

adding that surplus or under-employed manpower could be mobilised in community development programmes, diminishing the numbers of dependent on agriculture without curtailing the volume of food production <sup>22</sup>.

The choice of technology is difficult for the creation of productive employment in developing countries. The extensive use of labour techniques will neither solve the problem of developing countries nor the dependence on developed countries. Likewise the exclusive capital intensive techniques needs capital and the problem of under-utilisation of manpower can further be graven. So, there was need to choose appropriate technology for the developing countries<sup>23</sup>.

20. ILO, <u>Human resources for industrial Development</u> (Geneva : ILO 1967) PP. 198.

21. Alec Coirncross & Mohinder Puri, <u>Employment, Income</u> <u>Distribution & development strategy</u> ed. in Louis Emerij and <u>Pharam Ghai (London : MacMillan 1976)</u> PP. 62.

22. Fdgar. n.14, PP. 108.

23. Hans Singer, <u>Technologies for Basic Needs</u> (Geneva : ILO 1977) PP. 2-4.

The United Nation Second development Decade defined appropriate technology as : firstly, it must result in full utilisation of idle and underemployed manpower. Secondly, raise average productivity of the labour force by making more efficient use of scarce resources, capital, etc. and thirdly, provide improved tools and equipments to those members of the community whose progress has lagged behind the rest<sup>24</sup>.

The International Rice Research Institute (IRRI) and the International Maize and Wheat Improvement Centre (CIMMYT) are the international institutes which demonstrate to improve the agricultural production and provides technologies suited for the developing countries. However, the problem of appropriate technology still exist in industrial and other complex agricultural situation<sup>25</sup>.

The training and education are also part of the choice of technology. The ILO in its comprehensive employment strategy mission pointed out that often the education system in developing countries differ from real life and it is often exclusively elitist.

So, there was need for such educational system which suited the need for the informal sector and rural workers and also need for vocational training especially for rural area.

24.ILO n.31, PP. 9-10. 25. Edgar n.14, PP. 26.

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Besides, the barriers to trade, migration and flow of capital and information represent the most serious international constraint on the generation of employment opportunities in the developing countries.

The barriers to trade by the developed countries, the developing countries becomes unable to comprete in the world market. The export price instability and deteriation in the terms trade affected employment situation in developing countries.

More over, the International Labour market function in selective and discreminatory manner, i.e., the flow of skilled work from developing to developed countries or the 'brain drain' adversely affected the developing countries<sup>26</sup>.

There was also need for structural adjustment by the developed countries including the expansion of trade with developing countries, contribution to the struggle against inflation and measures should be taken to ensure close collaboration concerning the migratory movement of workers between country of origin and reception and improved international economic order<sup>27</sup>.

The multinational corporation can play important role to generate employment in developing countries. It can introduce such technologies which suit for economic growth and employment of the host countries and contributes to finance the training

26. Coirncross & Puri, n.21, PP. 67.

27. ILO, <u>meeting</u>, <u>Basic Need</u> : <u>Strageties for eradicating</u> mass poverty and unemployment (Geneva : ILO 1976) PP. 39-40. of managers and technicians for the better utilisation of technology. It may supply resources and direct technical assistance to national and regional technological research and spread the technological knowhow and help to grow the national producers particularly to the smaller one<sup>28</sup>.

The special emphasis is given to the women, youth and handicapped on social policies of employment. The ILO gave priorities to promoting status, education, development and employment of women. There was need for the abolition of discremination regarding the rights of work, pay, employment, vocational training and in the working condition<sup>29</sup>.

The ILO recently working for South africa to reduce discremination and disadvantages in employment suffered by the Blacks. There were two pilot vocational training centres opened by the ILO - one for Namibians in Angola and the other one by the **Af**rican National Congress (ANC) of South Africa in in the United Republic of Tanzania. Training activities and advisory services in employment planning and creation had been undertaken by the South african Team for Employment Promotion (SATEP) based on Lusaka<sup>30</sup>.

The ILO send comprehensive employment strategy mission of World Employment Programmes to seven different<sup>31</sup> countries in order to work out employment oriented development policies.

30. United Nation Newsletter, Vol. 3°, No. 52, 24th Dec. 1988, PP. 2.

31. Seven countries are Colombia, Ceylon (sri Lanka), Iran, Philippines, Sudan, Domineca Republic and Kenya.

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<sup>28.</sup> ILO N.17, PP. 45-46.

<sup>29.</sup> Ibid. PP. 26.

As it is very difficult to go through the detail studies on each seven countries, two countries are selected for the case study. Colombia is selected because the ILO send this type of mission for the first time while Srilankan got priority over others since this is only South Asian country where pilot mission worked.

### Colombia - A case-study of World Employment Programme.

Colombia becomes the first country to be covered by the Pilot mission under the World Employment Programme on the invitation of President of colombia Lieras Restreopo to the Director General David Morse. So, the International Labour Organisation organised and sent an inter-agency team of international experts to Colombia. On the basis of the available data, the team made and implemented the policies and programmes designed to bring out all integrated employment policies of the country. The mission was also sponsored by twelve Organisations<sup>32</sup>.

The mission distinguished three distinct type of employment problem. Firstly, Many people are frustrated by lack of employment opportunities, they include both those who were without work and those who had jobs but wanted to work longer hours or more intensively. Secondly, A large fraction of labour force, both urban and rural, did not had adequate source of income to fulfil the basic needs of themselves and their

32. ILO, <u>Towards full employment</u>. <u>A Programme for</u> <u>Colombia prepared by an inter-agency team</u> (Geneva : ILO 1973) PP. 3.

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dependence. Thirdly, A considerable volume of unutilised or underutilised labour may formed a potential productive resources if they brought into use<sup>33</sup>.

The report distinguished the Urban unemployed into two groups: (a) people suffering from the shortage of opportunities that was those who were without any work, (b) those in work but working for shorter hours. The serious hinderance was the unavailability of basic data for the policy making. There were problems of land ownership, crop marketing and communication, which led to temporary migration from one area to another. There was need to solve the unemployment problem in the rural economy and specifically in the agricultural sector, to narrow the rural-urban gap and help to check the migration to the cities.

Besides the growth of rural sector, it was considered that there was need for rapid growth in the industrial sector without which the Colombian Government could not be able to solve the employment problem. So, its industry played a decisive role in an employment strategy. There was need for the growth of both modern and handicraft industries and for the growth of some industries which were labour intensive like the metal processing and machinery workshops<sup>34</sup>.

It was also necessary to grow small scale industries as it had various advantages like small investment and size and highly labour intensive. Priority was also given to

33. Ibid. PP. 15.
 34. Ibid PP. 117.

construction industries since the demand for factories, warehouses, offices, roads and dams is a necessity for the rural and sectoral economic expansion<sup>35</sup>.

There was also need for the distribution of income to provide the poorest groups of the population with the opportunity to obtain a larger share of the national income and to eliminate the extreme poverty.

The report also emphasised the need for the development of educational training and health services since education played a significant role in preparing the human resource. Colombia report catagorised the role of education as : (1) education determines the access to jobs, permanence in employment, social mobility between jobs and occupations. (2) Education is a dominent factor in the supply of skills to the labour forces. It helps to acquire new skills quickly through training and experience and make flexible to adapt new situations. (3) Education can influence personal attitudes to work and commitment to national development. (4) The education system is itself a large and direct source of employment. (5) Education has a major influence on fertility and the rate of population growth. (6) Education exerts an important influence on migration to the town $^{36}$ .

The Colombia report stresses the importance of vocational training and it played crucial role in the rural development

35. Ibid. PP. 129.

36. Ibid. PP. 215-216.

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through the expansion of craft and small scale manufacturing. Finally, it provides importance to the general welfare and health because the ill-health affect the production. Sickness due to lack of sanitation, i.e. safe drinking water, sewerage, adequate means of excreta disposal often leads to communicable diseases like malaria, yellow fever, small pox, tuberculosis, etc. The malnutrition is another major cause of ill-health.

Finally, it recommended the need for the Government action programmes and the international co-operation required to help Colombia to tackle the unemployment problem.

The long term employment oriented strategy of the Government were : (1) Transformation in the structure of land tenure; (2) a much higher technical level for small farmers with a network of credit, extension and training centres and co-operatives; (3) a proper system of regional planning, which would pay special attention to the country side and the small towns and a much higher technical level in small-scale and handicraft industry; (4) improvement in housing conditions especially in small towns; (5) reduction in monopolistic power; (6) a comprehensive and more equitable tax system; (7) more appropriate production techniques especially in services and constructions; (8) a more homogeneous labour market, with a narrower gap between the wages in the modern sector and incomes at the lower end of the scale, not only of those unemployed but also of all who are in job and badly paid; (9) labour legislation which would be less of a discouragement to the recruitment of labour; (10) change in the educational structure especially in rural areas, with universal primary education and technical training; (11) proper health service and (12) a much higher level of exports<sup>37</sup>.

In short-run planning, a four year Plan (1971-75) was made which includes: (1) the acceleration of land reform in the agricultural sector; (2) elimi**nate** the excessive protection for local manufacturers by Tariff rediction; (3) stricter use of anti -monopoly powers; (4) search for appropriate techniques and (5) setting up of the high level commission on labour law which would help to raise employment<sup>38</sup>.

Helps were also needed from other countries and international agencies to reduce unemployment in Colombia. Measures in this aspect were: firstly, the change in the trade policies of industrial countries, i.e., to increase the exports of developing countries by opening the developed countries markets. The establishment of the Special Committee on Latin American Co-ordination (CECLA) for evoking out a common Latin American strategy in international economic policy. UNCTAD and GATT also played an important role in this field. Colombia has acted as a leader among developing countries, in their efforts to get at least three principles accepted by the international community (a) that international prices of primary products be maintained at reasonable and stable levels, which need special commodity agreements to

37. Ibid PP. 285-286.

38. Ibid PP. 287-289.

## (Sri Lanka) : A Case Study

Sri Lanka was another country which covered in the pilot mission under the World Employment Programme. The Report of Sri Lanka recognised that unemployment had been severe among the youth. The majority of those without jobs were within the age group of 15 to 24 and the rate of unemployment was more than fourty percent. The emergence of large scale unemployment was due to the fast growth of population which had been more than two percent.

Sri Lanka labour market reveals two types of imbalances, firstly, an overall imbalance between the total supply and demand for labour and secondly, a structural imbalance in which the types of work which people had been seeking did not match the pattern of opportunities available.

Sri Lanka about seventy percent of the population were farmers. Though there was inadequate demand of labour in the agricultural sector, it was mismatching in the sense that people were not prepared to undertake work in this sector also. So, there was not only the need to encourage farmers to choose the right methods and crops but also to gear incentives, training and institutions to shift the preference of workers<sup>40</sup>.

The Report emphasised the distribution of work and income opportunities. So, there was need for a new rural development strategy like changes in production process, priority to be given in changing the structure of output which requires an

40. ILO, <u>Matching employment opportunities and Expectation</u> <u>A Programme of Action for Sri Lanka</u> (Geneva : ILO 1972) PP. 235-236. integrted system of credit, extension of marketing system based on co-operatives.

The industrial sector in Sri Lanka was relatively small, much of its output consists of traditional consumer goods which required low level of technology and labour skills. But for the long-term employment strategy there was need for the growth of basic and core industries needing skilled workers, technical, managerial and administrative personnel and large investment. And other large scale domestic industries run by the private sector and small scale manufacturers could also provide immediate employment needs. Construction industries had special attractiveness for labour absorbtion<sup>41</sup>.

The report provides the shape of educational system in which the primary level should be made a terminal certificates which the vast majority of candidate can pass and only a handful selected for the Pre-university courses by achievement and aptitude test and all other should leave the school for work and vocational or technical training courses<sup>42</sup>.

There was need for reorientation of the administrative structure which would be designed for the development and planned evolution. The implementation of planning was the most acute problems at the local level. Firstly, the problems of co-ordinating the activities of officials, who were working at various government departments. Secondly, the gap between the individual level officers and the elected village council

42. Ibid. PP. 131-145.

<sup>41.</sup> Ibid. PP. 238.

bodies to be bridged. So, there was need for the administrative reforms and the ILO made a few recommendations like to develop sectoral Planning Committee comprises of representatives of the interests involve both inside and outside Government; also try to build Planning staff at the district level so as to strengthen regional planning as a base for national plan; to expand and improve the quality of statistical information by strengthening and upgrading the statistical services and also reorient the gathering of statistical information so as to concentrate specifically on data needed for an employment policy; to improve the speed of delivery of statistical information so that it provides early signals of difficulties; to involve university teachers more closely in research and planning; to establish an independent social and economic research institute and to concentrate on building administrative centres at the local level which would be centres of technical as well as administrative services; to strengthen village council by expanding their source of revenue and their power of autonomy and lastly, to enable local authorities to control civil administration at their level<sup>43</sup>.

There was need for the adjustment of the structure of wages. The Report suggested that those firstly entering government services would start on a scale lower than the existing one and this would expand faster employment and reduce the attractiveness of government jobs. On the other hand, this would help in the establishment of new institutional machinery.

43. Ibid PP. 149-165.

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Like other developing countries the choice of technology in Sri Lanka also was a great problem. Since often businessmen chose techniques of production which were less labour oriented, and on the other hand in some sector, labour were artificially expensive, as in the case of South Indian labour hired for the agricultural field<sup>44</sup>.

So, some of the ILO's recommendations were the removal of subsides on new equipments, the development of a national programme of building repair and maintenance, the labour intensification in agriculture through hand weeding of paddy, double cropping, more irrigation works and better water control, the better synchronisation of construction work with seasonal activity in agriculture, and encouraging the selection of such projects which save foreign exchange and increase employment.

The rest of the world can help Sri Lanka to the improvement of employment situation in four areas namely it can provide short term debt, by giving development capital, by lessening the restrictions of trade by developed countries and the technical assistance<sup>45</sup>.

44.	Ibid	PP. 73-82.
45.	Ibid	PP. 247.

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# <u>CHAPTER – V</u>

#### INDIA AND THE ILO WITH SPECIAL REFERENCE TO EMPLOYMENT

India has been a member of the ILO since its inception in 1919. Although India was not independent yet it was a member of the League of Nations and the ILO. India was one of those countries which sent a Tripartite delegation to the First Washington Labour Conference which held in 1919 to discuss the draft Conventions and Recommendations dealing with labour. The first Indian delegation in the ILO consisted of Sri Atul Chatterjee and Sir Louis Kershaw as two Government representatives, Sir Alexander Murray as employer representative and Shri M.N. Joshi as Workers representative<sup>1</sup>.

In 1922, India became a permanent member of the Governing Body and thus made a state of 'Chief industrial importance. The branch office of the ILO in India was established in Nov.1928 in Delhi with Dr. Pillai as its first Director to provide information of India and its neighbouring countries to Geneva.

Till 1946, European countries dominated in the ILO. India and other Asian countries, mostly under colonial rule were in a minority and had little voice in the ILO's decision making and the developmental programmes. India was the member of the ILO to encourage the interest and Prestige

<sup>1.</sup> Preeta Joshi, <u>ILO</u> and its impact on India, (New Delhi: B.R. Publishing Corporation 1985, PP.41.

of Britishers. But after India's independence in 1947, it changed its attitude towards the ILO. India not only represented its own interest but also worked for the promotion of world peace based on the Principle of economic and social justice.

The ILO also has an important influence of labour movement of India and helped in establishing the All India Trade Union Congress on 31st Oct.1920<sup>2</sup>.

India like other developing countries also faced the acute problem of unemployment. This is due to the high rate of population growth, unbalanced economic growth which leads to unequal distribution of income and wealth, poverty, etc. As already earlier that the ILO provides assistance in various forms of technical assistance, financial aids, pilot missions to tackle unemployment problem. It may also be noted, the bulk of the ILO's support has been in enhancing education, identification of specific projects for intensive support by the member governments, dissemination of information, etc.

# World Employment Programme Vis-a-Vis India

The Director General of the ILO, David Morse, in the World employment Programme discussed that the major cause of unemployment problem in the developing countries are the rapid expansion of population, urban and rural disparity, lack of technological knowhow, etc. The

. 2. Ibid PP.51.

Director General also suggested various means to combat the unemployment problem in the developing countries.

India, like other developing countries also faced these problems and the efforts were made by the national government to take appropriate policies to combat with the unemployment problem. India faced the major problem of rapid expansion of population. The population increases at the rate of 2.1 percent which resulted in increase in the labour force especially among the younger age-group. The Director-General of the ILO mentioned the problem of child labour, youth and women, which is very much exist in India. In this regard India in the national policies provide free and compulsory education upto the age of 14 years, but the target of education to all yet to achieve since the percentage of withdrawal of children from school by poor and needy parents for the economic reason is very high. So, the provision was made for the part time education particularly in Bihar, Madhya Pradesh, Orissa, Rajasthan and Uttar Pradesh where the problem calls for a special attention.

India Government also introduces various vocational and technical courses to generate employment especially for the youth in the Industrial training institutes, polytechnics, school for nursing and agriculture, etc. Finally for women, the Central Social Welfare Board and

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various voluntary organisations have been set up to organise women of different social strata by imparting suitable skills and providing opportunities for employment. The ILO provides practical assistance which will be discussed in the operational activity.<sup>3</sup>

The Director General of the ILO in the World Employment Programme also discussed various rural and urban unemployment problem. To provide improved condition of work and well being of rural communities the Director General stresses the need for the ceiling of land and land reform, to develop agro-based industries, to start special Public Works Programme and to modernise the agricultural sector. India adopted and implemented some of the measure suggested by the Director General for the improvementof the Socio-economic conditions of rural communities.

In the urban sector, the Director General of the ILO expressed the need of the industrial growth with the rural development in the developing countries. In India for the growth of employment in the urban areas, there was rapid expansion of public sector especially in infrastructural industries like minerals, transport and communication, power, etc. side by side the growth of small scaleand traditional industries. The national government provides various loans for financing various small scale industries like coir, handicrafts, tanning

3. V. Anjaneyulu, ILO's World Employment Programme Vis-a-Vis Indian experience, <u>Manpower Journal</u> Vol. XXIII, No.3, Oct-Dec 1987, PP.56-57.

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and flaying, leather goods, hand-pounding of paddy and cereals, oil-crushing etc. Also other assistance includes in the form of technical improvements, training facilities, accommodation in industrial estates, etc.

India in the national Five Years Plans emphasised both on higher rate of growth and promotion of employment. The Second Five Year Plan observed that for economic development need for the utilisation of available resources to maximise the rate of growth of output. The Third Five Year Plan stated that the employment had been a major objective of Indian Planning. The Fourth Five Year Plan has re-emphasised the promotion of employment in the rural and urban sector is a major objective of the plan. In the rural areas employment generation will be through labour intensive schemes such as minor irrigation, soil conservation, special area development and private house building. The employment generation in the urban areas done by the growth of Public Sector, in the industries, etc.<sup>4</sup>

Finally, the Director General has emphasised that the world Employment Programme should have a practical, operational focus. In this regard the ILO should play an important role. The effectiveness of the ILO's role will largely depend on the collaboration of other International agencies and the effect of the national

4. Ibid PP.65.

authorities to implement the policies. The ILO assists its member states in matter like manpower assessment and planning; training and the effective management of labour; various projects and youth employment schemes, studies and research in the problem of unemployment. The ILO's Regional Team also visited individual countries to acquaint themselves with their plan and suggested employment programmes. The Technical co-operation is provided from the ILO's regular budget and the UNDP and agencies involved in development assistance.

The ILO also provides various practical assistance to India. The Asian/Pacific Regional Team for Employment Promotion (ARTEP) helped both in research and other activities. ARTEP's in India, located in New Delhi, working on the Human Resources Development Planning Network and clearing House of Information on Cottage Industry Technology.

The ILO's activities can be broadly devided into (1) Standard setting and (2) Operational activities.

#### Standard Setting

The standard-setting has been prime function of the ILO. The approach of India has always been positive in this regard. There is a Tripartite Committee on Conventions in India to carry out a continuous review of the position relating to the implementation of the International Labour

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Standards. There is also a Tripartite consultative machinery set up in India to consider various labour problems<sup>5</sup>. India ratified only two convention - one was latter denounced among the seven conventions on employment<sup>6</sup>.

Though this function continues to be its core activity the ILO faced the difficulties of ratifying conventions in the developing countries including India on the following grounds :

- a) The ILO standards are becoming increasingly unrealistic in relation to the conditions prevail in the developing countries.
- b) The supervisory body which monitors the ILO convention has often adopted an unduly legalistic and rigid approach<sup>7</sup>.

# Operational activities

The leaders of Indian delegation to the Conference voiced its concern that the ILO to meet the new challenges through programmes of practical action rather than the elaborate enunication of norms and standards. In this regard India in the Second Conference of Asian Labour Minister, which met in New Delhi in January 1969 expressed

5. N.Vaidyanathan, <u>ILC convention and India</u>, (Calcutta: Minerva Association Pvt. Ltd. 1975) PP. 85-86.

6. First Convention on employment No. 2 Unemployment Convention 1919 (later denounced) Second ConventionNo.111. Discrimination (Employment & Occupation) Convention 1958.

7. Government of India, <u>International Labour Standards</u> (New Delhi, Ministry of Labour and Rehabilitiation, Department of Labour 1984) PP.5. the hope for the re-orientation of the work of the ILO to provide direct benefit to the developing countries of the

Asian region. India actively participated in the World employment Programme and suggested to send regional teams to African, Asia and Latin American developing countries. India also attend the World Employment Conferences held in January 1976 and in June 1979. The operational activities of the ILO in India can be discussed as :

#### Assistance to Rural Sector

More than 70% of India's population is living in rural areas andmajority of rural people depends on the agriculture. Moreover, the rural farmers are unorganised and do not have any union. So, there is a need for making national policy on rural development. The initiative was taken by Mr. Kanti Mehta, former General Secretary of India National Trade Union Congress (INTUC) and workers members of the ILO governing Body to bring together selected voluntary agencies which has been working with rural poor engaged in organising rural workers which lead to a series of consultation at the National level at Wardha in 1983, Ahmedabad in 1984, Narendrapur, Calcutta in 1985 and Gandhigram, Madurai, Tamil Nadu 1987. The fourth All India Consultation on Rural Development held in Gandhigram was attended by Francis Blanchard former Director-General

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of the International Labour Office. The purpose of the consultation were three fold : (1) to bring together the trade unions working for rural development and the Non-Governmental organisations closer. (2) to provide an institutional framework to the activities hitherto carried out by individuals and multiple agencies at the grass-root level and (3) to devise a mechanism by which the government agencies and the rural poor could be brought closer.<sup>8</sup>

A Rural Workers Trust was established by the ILO in 1986 at Ahmedabad to mobilise resources for rural development. The aims of the Trust were : (1) to develop human resources, (2) to assist in the proper utilisation of government funds meant for the rural people and (3) to co-ordinate different activities in the field of rural development including dissmination of information<sup>9</sup>.

# Public Works Programme in Rural Areas

Due to the rainfed mono-cropping system in agriculture and limited attentions in allied activities, there is a huge increase in the unemployed and underemployed labour force in rural India. As suggested by World Employment Programme, a short as well as long term labour oriented public works programme is needed to solve the problem, land based infrastructure development namely irrigation, land reclamation, soil conservation, afforestation, etc.

8. ILO, <u>ILO</u> and <u>India</u>, <u>Decades of Partnership</u> (Geneva : ILO 1989) PP. 35.

9. Ibid. PP.35.

coupled with skill training in local crafts for village type industries can be helpful in solving unemployment problem.

In India the ILO and Danish International Development Agency (DANIDA) collaborated in the pilot mission for West Bengal Government special programme for Public Works in Purulia District. The programme started in 1981 and completed its first part of the programme in 1985 and now in its second phase. DANIDA funded about \$ 1 million for this programme. One of the main reasons of this programme's success was Peoples participation.

The ILO is trying to organise another pilot project in Thally Block of District Dharampuri of Tamil Nadu for the promotion of income and employment opportunity for the rural areas. The project expected to cost \$ 50,000 and will be funded by DANIDA<sup>10</sup>.

#### Assistance to urban employment

The disparity between the rural and urban also exists in India which resulted migration from rural to urban is increasing continuously resulting in tremendous growth of unemployment in urban areas. The ILO published in its recent that

A notable feature of the asian labour seen is the role of the informal sector as the provider of many more jobs than the formal industrial sector. In India, twice as many jobs have been created in the unorganised manufacturing sector as in the organised part of the sector voer the past two decades<sup>11</sup>.

10. Ibid PP.37.

11. UN Newsletter Vol.41, No.2 (New Delhi 13th Jan. 1990) PP.2.

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The Government of India requested the ILO to send a team of experts for studying and recommending the growth of productivity in industrial sectors. The first and second mission on this regard arrived in India in December 1952 and September 1954 respectively. The mission demonstrated the application of modern management and industrial engineering methods better use can be made of the resource available in Industry without large scale capital investment of the expenditure of foreign exchange.<sup>12</sup>

The ILO is assisting to modernise nine hotel and catering institutes. The project is funded by UNDP, the project started in September 1989 and it schedule completion by August 1991<sup>13</sup>

#### Technical Co-operation Programmes

The ILO is providing technical assistance in India under the UN Programmes. India is getting assistance in the field of statistics, International Labour standards, manpower planning and organisations, vocational training, social security, workers education, co-operatives, etc. in the form of experts, fellowship and equipments.<sup>14</sup> The ILO also organises various courses and seminars, publishes manuals and other literature and even procedures of worker's education.

On the initiative of the Indian Government in 1955, the ILO's expert on vocational training come in India to 12. S.C. Pant, Indian Labour Problems (Allahabad : Chaitanya Publishing House 1965), PP.441-442.

13. ILO, <u>Apris Report, India and Bhutan</u> (New Delhi: ILO Area Office April 1990) PP.5.

14. Preeta Joshi, <u>ILO and its impact on India</u>, (New Delhi : B.R. Publishing Corporation 1985) PP.53.

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reorganise the central Institute of instructor at Koni and prepare a detail scheme for training of supervisory personnel. The assignment end in 1959.

In 1955 on the suggestion of the ILO, India opened the employment exchanges to collect and maintain the information of the employment market.

The ILO assisted to set up five central training institutes for instructors at Ludhiana, Kanpur, Hyderabad, Calcutta, and Madras to provide skilled workers, as there is increase in demand for the skilled workers with the growth of the industries in formal and informal sectors. These institutes provide (1) Theoretical and practical instruction in the respective trades and train the instructors in the art of teaching. (2) the regular refresher courses for Instructors to give latest information about the industrial production and training.<sup>15</sup>

Besides the Central Mining Research Station, Dhanbad was set up in 1955, the Regional Institute for Labour studies were set up at Kanpur, Madras and calcutta, the National Institute for training in industrial Engineering was set up in Bombay were all with the assistance of the ILO. IN June 1967 a project for India was appointed by the UN with the ILO as a result various organisation came into existence. These are (1) National apprenticeship scheme. (2) Advance Vocational Training Institute, Calcutta (3) Tool Room Centre, Hyderabad.<sup>16</sup>

15. ILO n.1 PP.24

16. Joshi n.8 PP.55.

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The ILO recognises the need for the co-operatives in the developing countries and it also believes that the success of the co-operatives depends largely on wellmotivated and well-trained members and officials of the co-operatives. So, a comprehensive training package -Materials and Techniques for co-operatives Management Training (MATCOM) has been developed by the ILO for this purpose.<sup>17</sup>

#### Assistance to Women Workers

The ILO played an important role for Indians rural women in the informal sector. A regional ILO/Netherlands project "Employment Opportunity for Rural Women through Organisation" was initiated in India in 1981. The project is being implementated by the centre for women development studies which has initiated activities in West Bengal, Punjab and Rajasthan. In West Bengal, about 1200 women from Schedule tribe Community over 27 villages have been assisted to organise their staff in the samities to develop a wide variety of collective employment activities, most of which are based on traditional skill and local material include collection and sale of minor forest product, improved live stock and poultry rearing and use of improved technologies for rope making and production of leaf plates. In Punjab women have making and production of leaf plates. In Punjab women have been organisation for improved leather work production which they produce and market on their own and are organising a dairy co-operatives<sup>18</sup>.

17. JLO n.l PP.38 18. Jbid. PP.33-35. Besides practical assistance, India and other developing countries also felt that the ILO should deals with the problems regarding (1) International\_ trade barriers imposed by the developed countries(2) the International migration of skilled workers from developing to developed countries and (3) the role of the multinational corporations. These problems are recognised by the ILO and various meetings were held in this regard India actively participated in these meeting.

India played an important role in the working of the ILO on multinational Corporation. Mr. N.P. Dube, Additional Secretary of Ministry of Labour, Government of India was the chairman of the meeting in the relationship between multinational corporation and social policy which met in Geneva in 1972. Again in April 1977 Mr. T.S. Sankaran, Additional Secretary in the Ministry of Labour, Government of India who chaired the meeting of Multinational Corporation and prepared a draft text which was approved by the ILO<sup>19</sup>. In this meeting, the principles are set out in the field of employment, training, conditions of work and life and industrial relations which governments, employers and workers organisation in relation to multinational corporation.

The activities of the Multinational enterprises were regularly disucssed in the Multinational Enterprises and Employment Committee of the Governing Body. India regularly attended the meeting and submit its report on the working of multinational enterprise.

19. ILO, <u>ILO and India</u>, <u>decades of Partnership</u> (Geneva : ILO 1989) PP.44.

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The ILO in its report in 1989 - "Multinational enterprise and employment" felt that though multinational enterprise command the resources, the latest technologies and the expertise to produce and market sophisticated goods world wide, but the role of multinational enterprise in the creation of new job is only marginal and the percentage share of those employed by these enterprises in the world's total labour force diminishes<sup>20</sup>.

In the field of international trade, a high level meeting on employment and structural adjustment held in Geneva from 23rd Nov. 1987 to 25th Nov.1987 to discuss the expansion of trade, capital flow and aid from developed countries to the developing countries. India also attended the meeting. The meeting suggested the need for the promotion of necessary structural adjustment of the developed countries in the form of :

- Easy technological change, shift in the international division of labour, encourage investment and generate new employment.
- b) To make further and better use of their labour force through policies of education, training and retraining, the encouragement of mobility of labour.
- c) To maintain and enhance the open multilateral trading system, to facilitate international investment and finance and to allow greater access to their domestic

20. Times of India, Job creation by Multinational enterprise (New Delhi : 20th April 1989.

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markets for the products of developing countries.<sup>21</sup>

The ILO in its effort of promoting full, productive and freely chosen employment if has in recent years been engaged in a number of activities which impinge on the promotion of self-employment. In the 77th Session in 1990, a meeting was held for the promotion of self-employment in the informal sector. India participated in the discussion and effort was made to generate employment by the selfemployed to reduce the pressure of providing employment by the formal sector. The ILO provides research, advisory missions and national projects on employment Planning and policies<sup>22</sup>. The ILO in its meeting only discuss the need no concrete decision taken in this regard.

21. ILO, Conclusion of the Hi-level meeting on employment and structural adjustment (Geneva : ILO 1987) PP.2

22. ILO, The Promotion of self-employment Report VII (Geneva: ILO, 1990) PP.89-90.

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# APPENDIX

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# The Operational Projects in India by the ILO

S.No.	Project Title	Objectives Funding Agency/ Amount
i.	"Promotion of Employment and income opportunities in Purulia District, West Bengal".	Increase short DANIDA and long term income US \$ opportunities and 1,037,443 living conditions for the depressed tribal communities in Bundwan.ILO/ DANIDA Project.
2.	Promotion of Income and Employment Opportunities for the Rural poor, Tamil Nadu State(Pilot Project)	The long-term DANIDA obective is to assist US \$ the Governmentto 1,497,295 improve the design and implementation of programmes intended to strengthen the position of the poorest groups. Also utilisation of skills and infras- tructures so that the target group enjoys and increase in its living standard and will achieve a level of income.
3.	Delhi slums: A pilot project on Employment and incomes in the informal sector	Alleviation of urban RBTC poverty through US \$ creation of employment 30,076 and increased product- ivity and incomes of the working poor in the slums.
4.	"Self-Employment schemes for female-headed households"	Improved income and FINLAND employment of poor and US \$ women who are sole or 1,277,775 primary bread-earner for their families.This is done by generation of self-employment schemes as well as through efforts to improve the conditions and income of those involved in home based piece rate work.
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S.No.	Project Title	Objectives	Funding Agency/ Amount
5.	"Strengthening employ- ment opportunities of Home-based Food prepares in India".	Enhancing employ- ment opportun- ities of women in the unorganised sector	Multi- bilateral Funding Pipeline project budget not yet prepared

Source : Apris Report I India and Bhutan, ILO Area Office April 1990.

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# CHAPTER - VI

ASSESSMENT OF THE ILO'S ROLE IN INDIA'S EMPLOYMENT PROGRAMME

The rate of unemployment and underemployment is very high in India and it is increasing like other developing countries. So, employment will continue to pose the greatest challenge to the ILO, As already discussed, the ILO has been active to promote employment generation. In its endeavour to combat unemployment problem the ILO had launched various projects in the areas of technology, education and training, trade expansion and income distribution<sup>1</sup>.

The unemployment problem in India as has already been seen arisen because of certain imbalances in the evolution of national development plans, the imbalances between the growth of labour force and the growth of population, the expansion of educational facilities and above all, the imbalances between people's aspiration and expectations and the structure of incomes and opportunities available.

India faced the problem of unemployment in both rural and urban areas. The detail study of various type of unemployment is already discussed in Chapter III.

As discussed earlier to combat with the unemployment problem, the ILO's stresses the need for : (a) organising

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l. Naval H. Tata, Role of ILO Bridging Urban-rural labour gap Economic Times, New Delhi, 22nd Aug.1987.

economic planning, employment planning and demographic planning (b) rural employment policies focussing both long-term action on various aspects of rural policy and the short term productive employment created through special public works programmes, with special attention to the rural women, (c) promoting growth of formal andinformal sectors in the urban areas (d) the choice of appropriate technology which will be suited for the state concern.

Most of the developing countries faced the lower level of employment and crippled by enormous debt and wide-spread unemployment and poverty. Unfortunately the ILO is inadequate in terms of financial assistance to make it more effecient and effective. So, the ILO has no other alternate, but to provide only its view to its member-states to combat the unemployment problem that would at least minimise the mounting poverty in the developing countries. India like other developing countries is suffering from serious demographic pressure which was also discussed earlier. So, the ILO has wider its horizon by including on the agenda subject like efforts of family planning.

## Urban Sector

The urban employment in India mostly depends on the formal industrial sector. But mere growth of industries need not necessarily leads to growth of jobs for blue-collared workers. Yet, the trade unions and the working classes have concentrated

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their interest on industry as the main source of employment. This means continuous discouragement of fresh recruitment of blue-collared workers in the formal sector. On the other hand, the trade union leaders have concentrated almost their entire attention to refinement of living standards and quality of life of workers only in the organised industrial sectors. The ILO in the form of Conventions and Recommendations have confined its interest by largely for the organised industrial workers which leads to ignoring the claims of millions of workers of unorganised sectors. In India out of 230 million workers, about 30 millionwork in organised sector who enjoy social security and social of there facilities justice and while rest of them are deprived of there facilities

#### Rural Sector

The ILO gave priority in its strategy to promote rural employment in India since the bulk of the labour force comprises of rural labour, Hence, there was need for improvement in the agricultural field. The ILO suggested various polcies and programmes like widespread and intensive agricultural education programmes rural community services, land reforms, etc. (They have already discussed in detail in Chapter IV). These programmes also initiated in India, but there was problem of implementation leading to limited success. India also faced the problem of centre migration of rural population to urban centre due to the system of formal education under which the educated unemployed

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move toothe urban areas for better chance.

The ILO now stresses the need for the self employment to generate employment particularly in the developing countries which faced the serious problem of demographic pressures. India intitiated the promotion of self-employment, but this also got limited success. Since India has inherited the legacy from the colonial rule, the legacy of formal university education exist in India which is unworkable under the present demographic pressures. The million of students who would not get admission become unemployed or underemployed. So, there was need for the radical changes in the approach to the education policy and create opportunities for vocational training. to encourage the self-employment.

The ILO in its World Employment Programme stresses the need for the national plan for the employment policies. In this regard India initiated various five year plans for the employment oriented policies. But inspite of these plans and policies, the unemployment problem remains unabated, each five year plan left massive backlog of Qnemployment. So, in India there was need for the dynamic economic policies which create job opportunities.

India in the context of Asian Manpower plan and the World Employment Programme of the ILO emphasized that its programme must be action - oriented and adopts bold and new lines of actions such as the regulation of international trade, free flow of raw materials among the member states instead of purely on standard-setting. The high level meetings

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held in the ILO in this field. India attended the meetings but till now very limited success is possible because of the negative attitute on the part of the developed countries.

India has also played an important role in the work of the ILO on Multinational Enterprises which is an extremely complex and controversial aspects of the ILO's work. The ILO provides various code of conduct for the operation of multinational enterprises. But the Multinational Corporation often create unfavourable condition by creating international division of labour, start controlling the raw materials, competing with local firms and showing lack of respect to sover**e**ign rights of the state and trade unions which lead to the adverse effect of the employment strategy.

The International Labour market also functions in a discreminatory manner. The industrial countries restricted the immigration of unskilled workers whereas there was massive reverse transfer of technology or brain drain from the developing countries to the industrialised countries leads to the shortage of skilled workers in the developing countries. In the economic Declaration adopted at the seventh Non-alignment movement summit held in New Delhi in March 1983 highlighted the effect of continuing 'brain drain' as a factor with an increasing adverse impact on developing countries. India like other developing countries faced the serious problem of 'brain drain'. In fact, the ILO also recognised the problem, but unable to tackle this problem in any meanincful manner.

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Inspite of limited success in various field, the ILO worked actively in help the member-states in the struggle for achieving the full employment, ranging from the International Labour Standards to the practical assistance and the aid. As discussed earlier the ILO provide various aids and assistance to India also for the generation of employment.

#### CONCLUSION

The ILO is giving importance to the unemployment problem since its inception because both developed anddeveloping countries faced the problem of unemployment. But most of the developing countries faced the acute problem of unemployment. Since almost all the developing countries got independence till 1960, specially from 1960 onward, the employment promotion has become one of the central programmes of the ILO. All the branches of ILO's activities such as standard-setting , technical co-operation and advisory service co-operating with the developing countries in their efforts to create productive employment for a growing labour force. The ILO also launched the famous World Employment Programme in 1969 andthe World Employment Conference in 1976. The discussion in the International Labour Conference indicates the continuing concern by the ILO in respect of Employment Policy.

India was one of the founder members of the ILO. Unlike many developing countries, India also felt the need for the ILO's efforts for tackling the problem of unemployment through generation of employment at the appropriate levels using the appropriate technology and above all involving the people in this effort. India actively participated in its programmes and the ILO provides practical assistance for improving employment opportunities in rural areas, it provides consultancy services for the human resources developing in the effort

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to upgrade the network of industrial training institutes. advanced vocational training systems and women's vocational training centres. These are discussed in detail in Chapter V.

The major activities of the ILO is International Labour Standards in ensuring better standards of living and conditions for work for them. These standards have greatly influenced labour and social legislation in India. The ILO convention even when not ratified provide very useful guidelines for member states. Apart from the standard setting activities, the ILO has been rendering useful services to the developing countries in the field of technical co-operation. A number of projects are under way in India. The ILO also reoriented its activities towards finding meaningful solutions to the pressing problems being faced by the developing countries and focussing greater attention on the unorganised work force.

But still the working world is in a constant state of flux, each day brings new problems which call for urgent solution. Though the ILO's activities benefit developing countries so as India but unemployment problem still exist. This will widen the gap between the poor and wealth. Further, social inequalities will become grimmer and the danger to peace will be more menancing. So, every country should try and co-operate in solving theproblem of employment because "Poverty anywhere constitutes a danger to prosperity everywhere".

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