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LABOUR PRODUCTIVITY, MANPOWER, PRICES AND WAGES

Statement submitted by the International Confederation of Free
Trade Unions, a non-governmental organization in category A
consultative status

The Secretary-General has received the following statement, which is
circulated in accordance with paragraphs 22 and 23 of Council resolution
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This document contains the main theses of the EUROPEAN REGIONAL ORGANIZATION
of the International Confederation of Free Trade Unions on labour productivity,
manpower, prices and wages.

LABOUR PRODUCTIVITY

1. Increased labour productivity is not only a means of reaching the defense target quicker, it also contributes greatly to protecting the workers against a drop in their standard of living during the defence period. The three methods for achieving this purpose are:

- (a) Alleviation of work through better machines resulting in increased production per hour.
- (b) Better organization of work in industrial concerns.
- (c) Increased industrial output by creation of incentives.

Each of these three methods is only acceptable to trade unions subject to reserve: there must be no exploitation of labour. In this connection two points should be stressed: Firstly, the trade unions must have decisive influence on all measures taken by employers in this direction. Secondly, a corresponding effort must also be made by employers themselves especially as regards making the necessary capital available. The trade unions energetically reject any attempt to place the burden of increased output on the workers alone.

2. Payment by results. Piecework, bonus and incentive schemes which can lead to higher production are only acceptable under conditions laid down by the trade unions. The terms of reference on which they are based must as far as possible be included in tariff agreements. Similarly, time and motion study and other techniques of "scientific management" are only acceptable on the condition that employers do not attempt to use them to undermine collective bargaining.

No hard and fast rules can be laid down about the conditions on which trade unionists can accept such schemes but the following points should be borne in mind:

- (a) There must in any case be a basic guaranteed wage at a reasonable level of remuneration.
- (b) Pieceworkers should be guaranteed this basic wage plus a certain percentage. (e.g. 25 per cent)
- (c) The circumstances in which piecework rates are to be set should be agreed with trade union representatives.
- (d) Trade unions should have the right to check all times and rates; for this, if appropriate they should train their own technicians. Furthermore, there should be no alteration in the rates or bonuses without the consent of the workers concerned.

/(c) Excessive

(c) Excessive strain of workers and excessive overtime should be prohibited either by agreement with the employer or by trade union rules.

3. Trade union consultation. Where joint consultation has not yet been introduced, trade unions should press for participation in all matters affecting the well-being of workers and the efficient running of industry. Works' managements shall be bound to supply the workers' representatives with full and detailed information regularly concerning the development of the firm and the works' organisation. This is of great importance for increasing the production. Consultation should take place not only at national level but also at the level of the individual works through such bodies as works' councils.

4. Other measures. Other measures for the better utilisation of labour are dealt with in the following section.

MANPOWER

5. Many of the measures outlined elsewhere in this document are designed to reduce unemployment. Structural unemployment, however, is a long-term problem and will be dealt with in our further series of long-term recommendations.

6. In a country with full employment the following general considerations must be borne in mind. First, the fact that there are particular or general shortages of labour must not be used as an excuse by governments to interfere with the freedom of trade unions and collective bargaining. Second, the short-term need for increasing production, in particular essential industries, must not be allowed to obscure the long-term needs of the economy; existing labour must be used efficiently before additional workers are brought into these industries. Third, an adequate public employment service is essential for many of the proposals made below.

7. Migration of workers. An inter-state scheme for the migration of workers within Western Europe is of very great importance, not only for increasing the total output but also for stimulating the defence effort. One only has to think of those millions of persons in Western Europe who are unemployed even today and who have scarcely any hope of finding a job in their own country. Despair is no good foundation on which to base the defence effort. Existing agreements for regulating migration must be put into practice. Account should be taken both of the native workers and of the foreign manpower. Equality in respect of wages and social

security must be guaranteed.

8. Retraining and apprenticeship. Apprenticeship should be facilitated by means of agreement with the trade union concerned. This applies both to subsidies, to public training centres and also, where expedient, to the appropriate undertakings. When necessary, the government should provide supplementary allowances for trainees. It would be a good thing if the mother-countries of the emigrants would also increase their efforts for the technical training of prospective emigrants.

9. Employment of women workers. The employment of women workers can be considerably increased. As far as possible, the wages and other working conditions should be equal for equivalent work whether carried out by men or women. Governments should also be urged to make proper provision for the establishment of crèches and kindergartens, etc. to facilitate this employment of women.

10. Part-time working. The adequate organisation of half-day shifts in factories could lead to the contribution to higher production by great numbers of untrained and trained workers from hitherto unused labour reserves.

11. Employment for elderly workers. The unusually high percentage of persons in older age groups who are unemployed is a problem calling for immediate solution. Consideration should be given to compelling larger firms to employ a certain proportion of elderly people. In countries where there is a shortage of manpower, ~~greater use can be made of a reserve of manpower which has been neglected so far.~~ We refer to these elderly people who are unemployed but who would like to work providing suitable jobs could be given them. In view of the increasing number of older people in Western European countries, this reserve manpower should play a large part in the future.

12. The shift system, in view of the particular form of production in many fields, (mining, iron and steel, glass, heavy chemical industry and sugar) has always been the general practice. It should not, however, be allowed to become the rule. It is only acceptable in special cases and then subject to agreement being reached with the trade unions concerned on enhanced rates of pay and on protection of health. Such exceptional cases could, for instance, arise from the impossibility of obtaining the necessary capital for setting up a new factory. Furthermore, the introduction of a second shift enables capital expenditure to be avoided so that the workers are not faced with additional restrictive consumption for this investment.

13. Extension of hours of work. From the trade union point of view, an extension of normal hours of work should only be accepted as an emergency measure. The introduction of overtime is too readily advocated by some employers: it should only be introduced, subject to an agreement with the trade union concerned, when all other practicable means have been exhausted. As in the case of shift working, rates for overtime working should be considerably higher than those for normal time work, and particular attention should be paid to the danger of overstrain. Overtime is fundamentally inadmissible where there is considerable unemployment.
14. Mobility of labour. It should be a principle that the possibility of creating employment for the worker in his own trade and in the region in which he lives should have been fully exploited before any worker is advised to change his job or move his home. In some cases, however, where the distance between home and job becomes a problem and where transport facilities cannot be satisfactorily improved, the worker may have no other choice than to move. Where these transport facilities can be improved to such an extent that it is possible for the worker to make the journey without over-strain, a special travelling allowance should be paid either by the government or by the employer. The main problem in increasing mobility of labour remains nonetheless that of housing, and consideration should be given to special allocation by the government of housing in areas where essential industries are under-manned. Where workers and their families are willing to move their homes in the national interest, the government should pay transfer allowances.

PRICES AND WAGES

15. The most practical means for combating inflation is a price control for checking upward tendencies of prices. The trade unions should take the lead in a campaign against high prices, and many of the suggestions made elsewhere in this document will contribute to this end. For such a campaign to be completely successful, attention should be drawn to the inefficiently organised distribution, which is an important factor as regards excessive prices. Mention has already been made of the considerable waste of capital and manpower with the present system of distribution. Although the political situation and the present rearmament drive do not give rise to much hope of improving this situation within the next few years, the trade unions must concentrate on this problem in the near future.

Proposals to this effect should be put forward when examining long-term measures of the economic policy of this Committee.

This section, however, deals mainly with measures which can be put into operation fairly quickly, that is, in order to prevent rising prices, or if that is not completely successful, to provide for adequate wage adjustments.

16. Protective clause in respect of real wages. Where it is impossible to check rising prices, consideration has been given in many countries to the adoption of a sliding scale by which wages move automatically with the cost of living. When drawing up such an agreement between the trade unions and employers it must be seen that such a protective clause does not bring about a freezing of wages and of the wage structure. Such agreements should clearly provide that wages may also be increased for other reasons, such as a rise in productivity. Furthermore, the trade unions stress once more their demand for the creation of an appropriate sliding-scale based on the costs of living according to official statistics.

17. Subsidies. Government subsidies to keep prices of essential foods and consumer goods down, help to protect the weaker sections of the community. Such subsidies are not necessarily inflationary. In some circumstances, they can, by preventing or reducing claims for higher incomes, help to combat inflation.

18. Rationing. Where consumer goods are scarce, rationing (combined with price controls) is the only fair way that people on small incomes do not suffer unduly. Rationing, however, can lead to black market activities; trade unions have a special responsibility to guard against this by inducing the governments to take the necessary counter-measures.

PRICE CONTROL - OFFICIAL

19. It is impossible to describe in this document all the techniques in use for controlling prices, but details are available from the ERO Secretariat. In any form of price control machinery it is essential to have strong central and local price regulation committees, on which the trade union movement is represented. These committees may be given the power to fix prices, or they may advise the responsible Government department. For this it is necessary for them to have access to the books and accounts in order to have a check on the statements of firms regarding their costs. It is particularly important to watch the level at which standard prices are fixed; if these are set too high they keep inefficient

firms in existence, and will yield excessively high profits to the efficient firms. For price controls, the stipulation of maximum prices is the safest procedure, being by far preferable for supervising prices to the system of calculating percentage additions to cost.

PRICE CONTROL - UNOFFICIAL

20. Trade unions should take the lead in watching and, where necessary, denouncing traders who charge excessively high prices. Some of the ways in which this is done is by the publication of "black lists" of traders who demand exaggerated prices, and by recommending shops where prices are reasonable. In some countries "price mirrors" are issued officially which set out prices considered reasonable by the price committees, the trade unions and the government. This encourages the public to criticise prices. The broadcasting at regular intervals of the lowest market prices of foods over the radio is also aimed at similar results.
