

UNITED NATIONS

NATIONS UNIES

UNRESTRICTED

ECONOMIC
AND
SOCIAL COUNCIL

CONSEIL
ECONOMIQUE
ET SOCIAL

E/1381
7 July 1949

ORIGINAL : ENGLISH

Dual Distribution

Ninth Session

Item 9

ECONOMIC DEVELOPMENT OF UNDER-DEVELOPED COUNTRIES

Communication from the International Labour Organization

The Secretary-General has received the following communication from the Director-General of the International Labour Organization, enclosing the Report on Technical Assistance for Economic Development adopted by the International Labour Conference on 1st July 1949:

"Sir,

I have the honour to inform you that the International Labour Conference at its 32nd Session, held at Geneva from 8 June to 2 July 1949, had before it a report on "Technical Assistance for Economic Development: Plan for an expanded co-operative programme through the United Nations and the specialised agencies", which was prepared by the Secretary-General in consultation with the executive heads of the interested specialised agencies through the Administrative Committee on Co-ordination pursuant to Resolution 180 (VIII) of the Economic and Social Council. The Conference also had before it proposals on this subject by the Governing Body of the International Labour Office. After detailed consideration of the matter on the basis of the report and the proposals mentioned, the Conference adopted a report including a Resolution on Technical Assistance for Economic Development, copies of which are enclosed herewith.

I have the honour to request you to communicate this report and Resolution to the Economic and Social Council at its 9th Session.

DD

You will note that under the terms of the Resolution adopted by the International Labour Conference, the Governing Body is authorised in the event of its being possible to initiate an expanded programme of technical assistance for economic development before the 33rd Session of the Conference and pending the submission of more detailed proposals to the Conference at that session, to make, in consultation with States Members and with the United Nations, and particularly with the Economic and Social Council, and with other specialised agencies, such interim arrangements as may be appropriate to permit the I.L.O. to initiate such an expanded programme as part of the co-operative programme contemplated by the Economic and Social Council, and to obtain and to expend the necessary funds therefor.

The Governing Body has accordingly established a tripartite Committee on Technical Assistance for Economic Development, and has authorised this Committee to act on behalf of the International Labour Organisation during the contemplated discussions with the United Nations and the specialised agencies on this question. This Committee is composed of five Government representatives, five Employers' representatives and five Workers' representatives. It is empowered to associate with its work by agreement between the three groups, as required, representatives of any particular Governments desirous of participating in the work. These representatives will have the right to participate in the work of the Committee, but not to vote. The Chairman of the Committee is Sir Guildhaume Myrddin-Evans of the United Kingdom.

I have the honour to be,

Sir,

Your obedient Servant,

(Sgd.) David A. Morse
Director-General.

International Labour Conference

THIRTY-SECOND SESSION, GENEVA

Extract from the Provisional Record, No. 35, 1 July 1949

Report on Technical Assistance for Economic Development, adopted by the Conference at its Twenty-first Sitting, 1 July 1949

TECHNICAL ASSISTANCE FOR ECONOMIC DEVELOPMENT

The Selection Committee has considered the proposals concerning technical assistance for economic development submitted to the Conference by the Governing Body of the International Labour Office (*Provisional Record* No. 5, p. VII), together with the report on *Technical Assistance for Economic Development: Plan for an Expanded Co-operative Programme through the United Nations and the Specialised Agencies* prepared by the Secretary-General of the United Nations in consultation with the executive heads of the interested specialised agencies through the Administrative Committee on Co-ordination pursuant to Resolution 180 (VIII) of the Economic and Social Council.

The Committee submits to the Conference for its approval the following report, together with the proposed Resolution which figures at the end of the report.

Technical Assistance for Economic Development: Plan for an Expanded Co-operative Programme through the United Nations and the Specialised Agencies

1. While noting that the proposed expanded programme for technical assistance is still in an early stage of development, and that, as no Government has yet accepted any firm commitment, only decisions of a preliminary character concerning it can be taken at the present stage, the International Labour Conference recognises the great potential value of the programme as a means of contributing to the improvement of production and of living standards in the underdeveloped countries and in the world as a whole. For this reason, and

because of the importance of the contribution which the International Labour Organisation can make to the achievement of these objectives, the Conference considers that arrangements should be made to enable the Organisation to participate fully in the programme from the outset.

2. The general principles which the Conference considers should be followed in the organisation of an expanded co-operative programme of technical assistance are set out in the present report, together with some indications of the preferences and priorities which should be observed in developing the I.L.O. contribution to the programme and of the administrative and financial methods which would seem best calculated to ensure the success of the programme.

General Principles

3. The programme should be essentially a co-operative undertaking in which the International Labour Organisation would work in the closest collaboration with the United Nations and with other specialised agencies.

4. The primary purpose of the programme should be to contribute to that increase in production and in opportunities for employment in the less developed countries of the world which is essential to the raising of living standards in those countries and which will help at the same time to raise standards of living in the world as a whole.

5. It is vital to the success of the programme that such increased production should be used to raise steadily and progressively the level of consumption in the countries concerned. The wealth that will result from the development of natural resources through the mobilisation of human intelligence and experience

must be used to lift the conditions of life and labour of the masses of the people.

6. As an organisation representative of the parties in industry as well as of Governments, the International Labour Organisation will have a special opportunity and responsibility both to direct its technical assistance activities toward the achievement of these ends and to promote a wider understanding of the need for increased production.

7. An important part of the co-operative programme of technical assistance will relate to the establishment of new industries and the introduction of new processes both in agriculture and in industry. While the major responsibility for assistance of this kind will rest with other international organisations, the International Labour Organisation will be closely concerned with the success of this work and should keep in close touch with it.

8. Economic development will necessarily bring with it a wide range of labour problems. Adequate provision for dealing with these problems must therefore be an essential part of any broad programme of technical assistance. Such provision, if it is to be effective, must be planned, organised and implemented with the fullest co-operation of employers and workers. It will be the responsibility of the International Labour Organisation through its tripartite machinery to take all possible measures to ensure that this basic condition for the success of technical assistance in the labour field is fully met.

9. The technical assistance to be provided in this field should be of a standard worthy of the traditions of the International Labour Organisation; it should be of the highest quality, both in terms of the accuracy and completeness of the technical knowledge on which it is based and in terms of the impartiality with which advice is given.

10. Technical assistance would be furnished only at the request of the countries concerned, with which will rest the responsibility for its utilisation and for the development of the continuing arrangements and facilities which will be necessary in order to make it fully effective.

11. The assistance given should correspond to the needs and resources of the countries concerned and should not be of such a character as to result in developments which these countries would not be in a position to maintain when the assistance comes to an end.

The I.L.O. Contribution : Scope and Priorities

12. Of the various kinds of technical assistance which fall within the competence of the International Labour Organisation, some will be of special import-

ance from the outset of the programme. These include in particular assistance in the field of employment, training and migration. The shortage of skilled labour and of trained manpower of all kinds, the lack of reliable information on labour and skill requirements and the absence or inadequacy of machinery for bringing persons and jobs together are major impediments to the economic development of underdeveloped areas. A high priority should therefore be given to assistance in this field.

13. The improvement of labour standards, including the enforcement of labour legislation and the framing and application of suitable wage policies designed to assure improved levels of consumption, is essential and will require attention from the early stages of the programme.

14. Because of the predominantly rural character of the economies of the less developed countries, technical assistance concerned with the development of co-operation and of handicrafts and with employment, wages and conditions of work in agriculture will also rank high in the list of priorities. The work to be done in these fields should be carried out in close co-operation with other international organisations concerned and in particular with the Food and Agriculture Organisation, and the Governing Body should give special consideration to the question of whether any further development in the existing arrangements for such co-operation is desirable for this purpose.

15. Closely related to the assistance to be given in the various fields referred to above will be the assistance the International Labour Organisation should render in the development of labour statistics. Such statistics are indispensable in guiding and in measuring the progress and results of economic development. Here again, as was recognised in the proposals put forward by the Director-General of the International Labour Office, the work should be done in close collaboration with the United Nations and the other international organisations which are concerned with related fields of statistics, and consideration should be given to the most appropriate arrangements for this purpose.

16. In the case of certain other types of technical assistance, including those concerned with industrial relations, industrial safety, occupational health and social security, differences of view exist concerning the stage at which an expanded programme of technical assistance is likely to be required. In some quarters the view is held that there will be relatively little need for assistance of these types in the early stages of industrial development and that the main expansion in the activity of the International Labour Organisation in these fields will be called

for at a later stage. In other quarters it is held that such assistance will be needed from the outset and no less urgently than assistance in such fields as manpower and labour standards. There is, however, general agreement that in the case of all these matters, which fall clearly within the field of responsibility of the International Labour Organisation, the Organisation should be in a position to continue its present activities and if necessary to develop these activities on a greater scale than its present resources permit, if such action is called for as the result of requests received from Governments. It will be for the Governing Body to consider further in the light of such requests the best timing for the future development of the technical assistance work of the International Labour Organisation in these fields and the provision which should be made to enable such assistance to be given.

17. In connection with all phases of the programme constant attention should be given to the relation of economic development policies to labour income and employment. It is basic to the success of the technical assistance programme as a whole that the general economic policies followed in promoting economic development should be such as to assure steady employment and rising income to the mass of the people. Studies of the policies best calculated to promote these objectives will therefore be called for in connection with many of the operational activities to be undertaken in such fields as manpower, labour standards, co-operation and handicrafts, agricultural employment, and industrial relations. In addition to concerning itself with these matters in all phases of its own technical assistance work, the International Labour Organisation should, in view of the social objectives which it exists to promote, draw the special attention of the Economic and Social Council to the importance of directing the technical assistance programme as a whole toward the achievement of these objectives.

18. The provision to be made for technical assistance of the various types referred to above should be such as to enable assistance to be given not only on a general basis but also, where circumstances so require, in relation to the needs of particular industries and also to the needs of particular groups of workers, including women and young persons. Separate budgetary provision for work in connection with particular industries and groups of workers will accordingly not be required.

19. Nor does it appear to be necessary at this stage to make any special provision for dealing with maritime problems as part of the expanded programme of technical assistance. The same observa-

tion applies to the labour and social problems of the indigenous populations of Latin America. These topics should continue to be dealt with as part of the ordinary activities of the Organisation.

20. The Conference relies upon the Governing Body to follow up the general indications given in the foregoing paragraphs with a detailed review of the Director-General's proposals concerning the scope and nature of the contribution which the International Labour Organisation should make to the technical assistance programme and concerning the administrative and financial arrangements connected therewith. Such detailed scrutiny by the Governing Body will be an essential step in the process of developing a programme of technical assistance in the labour field which will command the full support of Governments, employers and workers.

*Means of Ascertaining the Nature and
Extent of the Technical Assistance
Desired by States Members*

21. The technical assistance programme must be so designed as to provide the kinds of assistance which the under-developed countries actually require. The collection of information concerning the nature of these requirements will therefore be an important stage in the preparation of the programme and as a necessary preliminary to each step in its execution. The Conference has accordingly given consideration to the relative advantages and disadvantages of different methods which might be adopted for the collection of such information. A joint approach to Governments by the Secretary-General of the United Nations and the executive heads of the specialised agencies might, it is suggested, facilitate the task of the Governments and enable them to fix their own priorities; moreover it might result in better co-ordination of requests for assistance. On the other hand, direct approaches by the several organisations through the national departments responsible for relations with these organisations might elicit fuller information; and in the case of the I.L.O. this direct approach would be more effective in ensuring the full consultation with employers and workers which is essential to the success of technical assistance in the labour field. It was generally agreed that the Director-General should consult with the Secretary-General of the United Nations and the executive heads of the other specialised agencies concerning the most effective means of ascertaining the nature and extent of the technical assistance desired by States Members, and that the Governing Body should consider the matter further in the light of the outcome of these consultations.

Finance and Administration

22. The Conference has given careful consideration to the administrative and financial arrangements proposed in Chapter 5 of the report of the Secretary-General of the United Nations on *Technical Assistance for Economic Development*, and notes that the method of financing which is proposed represents an intermediate solution agreed upon unanimously by the Secretary-General and the executive heads of the specialised agencies after full consideration of the relative advantages and disadvantages of other possible methods.

23. In the course of the consideration of the matter by the Conference, different views have been expressed concerning the extent to which the administrative and financial arrangements contemplated in these proposals provide for adequate co-ordination of the technical assistance programme as a whole.

24. A system of financing the technical assistance activities of all the international organisations through a single central fund would, it is suggested in certain quarters, make possible a more strict and effective central control over all such activities and would simplify the collection of contributions from Governments. In support of this view it was argued that central collection would help to keep expenditure within the limits of income.

25. On the other hand, it is pointed out, there would be serious disadvantages in divorcing the responsibility for the collection of contributions from the operational responsibility for technical assistance activities which must necessarily rest with the several organisations concerned. Moreover, any system which provided for central control over the activities of the several organisations, as distinct from co-ordination by consultation and agreement, would be open to serious objection on account of the differences in the membership of the organisations.

It is widely felt also that the system of separate budgets proposed by the Secretary-General of the United Nations and the executive heads of the specialised agencies offers important advantages which heavily outweigh the merits claimed for centralised financing. Both the financial and the technical control of the technical assistance activities of the several international organisations are likely, it is considered, to be easier and more efficient if each organisation is responsible for its own budget and its own activities. In the case of the I.L.O., such control, which would be exercised through the Governing Body, would enable the expanded technical assistance programme to be planned and administered in accordance with methods and

principles which have been perfected through long experience.

26. There is general agreement, however, that there should be some central point at which the total size of the expanded co-operative programme of technical assistance to be undertaken by the various international organisations could be fixed and at which the size of the sums to be spent by the several organisations could be compared and adjusted. In this connection, one suggestion was that this process of comparison and adjustment could be achieved by a series of meetings of authorised representatives of the various specialised agencies concerned. It might be convenient to hold such meetings at the same time as the General Assembly of the United Nations.

27. Whatever method of financing may be adopted, the budgetary provision made for the expanded programme of technical assistance should be kept separate from the ordinary budget of the Organisation. Measures should be taken to ensure that the expanded activities do not outrun the funds available to finance them.

28. The Conference attaches special importance to the proposals which have been made by the Secretary-General and the executive heads of the specialised agencies for the purpose of ensuring full and effective co-ordination of the technical assistance activities of the several international organisations. Such co-ordination is essential both in order to ensure that the fullest measure of service is rendered to the underdeveloped countries, and as a means of avoiding waste of effort and resources by the international organisations engaged in the programme. The arrangements devised to ensure this co-ordination should be of such a character as not to impair the responsibility of the executive heads of the several organisations to their respective governing bodies. In the judgment of the Conference, the administrative arrangements contemplated in the proposals referred to above are such as to satisfy this requirement, and they would seem to afford a basis for the development of an effective and closely co-ordinated programme. The Conference also recognises that general responsibility for the co-ordination of the expanded technical assistance programme as a whole will rest with the Economic and Social Council.

29. The success of the technical assistance programme will depend in large measure on the calibre of the expert staff which will be entrusted with its execution. Because of the shortage of fully qualified experts, it is essential that the expert staff required for the technical assistance activities of the I.L.O.

should be drawn not only from national administrations but from all circles in which fully qualified experts may be available; in particular, advantage should be taken of the special knowledge and experience to be found among the ranks of employers and workers. Since the technical experts required must be drawn from the countries where they happen to be available, it will be impracticable to apply any strict principle of geographical distribution in the process of recruitment. Because of the special qualifications that will be called for and the limited periods for which experts will need to be engaged, special arrangements will have to be made for the recruitment and terms of service of the staff required for the technical assistance programme. Consideration should therefore be given by the Governing Body to the arrangements which will be required for this purpose.

30. The effective utilisation of the technical assistance provided under the programme will call for a major effort on the part of the countries receiving technical assistance as well as on the part of the international organisations which are to provide it. The view was expressed that this should ordinarily involve the payment of a proportion of the cost of such assistance by the recipient country, possibly in its own currency. The expenditures for local staff and for the continuing development and social services which will have to be undertaken by these countries if the technical assistance programme is to be fully effective may be expected ultimately to exceed by many times the value of the investment made from international funds for the purpose of initiating the necessary policies and administrative action. As the programme progresses, therefore, it would be valuable to calculate the general magnitude of national expenditures of this type arising directly out of the technical assistance programme, as well as the total sums made available by the contributing countries for the purpose of setting in their proper relationship the different contributions made to the common effort.

31. The Conference notes that the provisional financial estimates for the technical assistance programme which have been prepared by the Director-General will require more detailed examination than could appropriately be given to them at the present stage of development of

the technical assistance programme. The conclusions which the Conference has stated in the present report may involve substantial reductions in these estimates, and it will be for the Governing Body to examine the estimates in detail in the light of further information as it becomes available. The Conference recognises that the sums which will be required for the technical assistance activities of the I.L.O. will depend in part on the timing of the technical assistance programmes as a whole, and in part on the stages in the development of the programme at which the countries concerned will require the various types of assistance which it will be for the I.L.O. to provide. While authorising the Governing Body in the Resolution appended to the present report to make the necessary arrangements for the full participation of the I.L.O. from the outset in the proposed expanded co-operative programme of technical assistance, the Conference will accordingly expect the Governing Body to submit to it at its next session revised estimates, taking account of the various factors referred to above, to the extent to which fuller information concerning them may be available at that time, and taking account also of the importance of ensuring that the programme is administered in an efficient and economical manner.

PROPOSED RESOLUTION CONCERNING THE ARRANGEMENTS TO BE MADE FOR I.L.O. PARTICIPATION IN THE EXPANDED CO-OPERATIVE PROGRAMME OF TECHNICAL ASSISTANCE FOR ECONOMIC DEVELOPMENT

The Conference authorises the Governing Body, in the event of its being possible to initiate an expanded programme of technical assistance for economic development before the 33rd Session of the Conference and pending the submission of more detailed proposals to the Conference at that session, to make, in consultation with States Members and with the United Nations, and particularly with the Economic and Social Council, and with other specialised agencies, such interim arrangements as may be appropriate to permit the I.L.O. to initiate such an expanded programme as part of the co-operative programme contemplated by the Economic and Social Council, and to obtain and to expend the necessary funds therefor.