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Non-Capital Project Paper (PROP)

LABOR MINISTRY DEVELOPMENT

OFFICE:	Office of Labor Affairs
SUBMISSION DATE:	<u>December 20, 1969</u>
PROJECT TITLE:	Labor Ministry Development
OBLIGATIONS SPAN:	FY-1970 - FY-1974
FISCAL OBLIGATION SPAN:	FY-1970 - FY-1975
GROSS LIFE OF PROJECT FINANCE REQUIREMENTS	\$2,700,000
LOCAL CURRENCY (PL-480)	
COOPERATING COUNTRY OR INTERNATIONAL ORGANIZATION CONTRIBUTIONS:	
TOTAL	<u>4,000,000</u> \$6,700,000

A. SUMMARY

It is becoming increasingly evident that the labor ministry development sector of A.I.D.'s labor affairs program is not receiving adequate attention because of the lack of specialized labor personnel in A.I.D. field missions, among other reasons. The purpose of this project is to remedy this situation and provide a program implementing the President's inaugural address as it relates to international governmental cooperation in the labor/manpower sector.

This supports specific interregional and regional activities in labor ministry development, the development of ministry-to-ministry projects and initial funding for other initiatives to encourage A.I.D. field mission cooperation in A.I.D.'s labor ministry manpower development program and to encourage other donor agencies, such as the UNDP and IDB to develop projects in this sector.

This project is designed to focus A.I.D. attention on labor ministry development problem areas identified by labor ministries in less developed countries. Over a period of years these ministries have been meeting to exchange information and experiences about their development problems. In these meetings they have recognized that many of their problems are in common. As a consequence, they have endeavored to develop programs for mutual exchange of information and experiences and have made recommendations for technical cooperation to aid donor countries and international agencies. Because of the peculiar structure of its technical services organization, A.I.D. has not taken advantage of this situation to develop a unified approach to labor ministry development. In

lieu of the lack of labor/manpower specialists in A.I.D. missions and regional bureaus and the need to be highly selective in the application of A.I.D. resources it is imperative that a new and innovative program be structured for the development of labor ministries.

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B. ~~SETTING ON~~ ENVIRONMENT

All less developed nations and their leaders face the problem of finding viable solutions to achieve maximum social and economic progress. In the labor affairs sector, this involves developing solutions to the problem of organization of labor markets to provide optimum economic utilization of their labor force and to the problem of providing an equitable share of economic growth and jobs for their growing working population as well as solutions to the related problems of migration of people from urban and rural areas seeking employment.

To deal with these problems and those involving the interaction of capital and labor in the industrialization and modernization process, governments need to have reliable information on the workforce, on the supply and demand for skills, on wages and working conditions, as well as to have facilities for matching men and jobs in various private and public industrial and commercial activities. They also need to promote the development of the means for training workers in the necessary skills to meet the current and future needs for social and economic improvement and growth and to find viable solutions to the problems of industrial relations of labor and management, working conditions, wages, industrial safety and health and related problems.

There is general agreement that investment in human resources and development of ways and means for improving the living and working conditions of people in less developed countries should have top priority in international cooperation. Similarly it is agreed that there can be little effective economic and social progress unless the legitimate rights of workers are recognized and their aspirations are expressed in concrete achievements such as social security, education, health, housing, and improved working conditions. In all of these tasks, the ministries of labor in less developed countries have a vital role to play. They are the public agencies that can mobilize and prepare the indispensable human resources for participation in economic and social development. They are also the mechanisms through which the participation of the workers and employers in development efforts and in the sharing of the benefits of progress may be assured.

Labor ministries in various interregional and regional meetings have felt the need for exchanges of information and experience in handling the very difficult labor and social problems involved in development. Over a period of years, they have developed methods of cooperation among themselves and recommendations on technical assistance from donor countries and international agencies. In their meetings, they have emphasized that the labor ministry area of development has not received adequate attention in view of the seriousness of the problems involved. This concern has led to a growing trend toward the development of a coordinated attack on labor and manpower problems.

For example, the Asian labor ministers in a series of meetings dating back to 1966, have developed a common Asian labor/manpower plan to serve as a framework for national, regional and international action concerning employment and manpower policies and programs and to provide a means of stimulation and coordination of the flow of cooperation in this field. These recommendations call for pooling available expertise and facilities in order to make optimum use of available resources and avoid duplication of expensive facilities. African, Latin American and Arab Labor Ministers have developed similar cooperative development programs.

In all of these conferences, there has been an expressed desire for technical assistance from donor countries and agencies for the purpose of strengthening labor ministries in specialized areas of occupational analysis, employment services, labor statistics, labor standards, industrial relations, industrial health and safety, wage determination, productivity, migration of workers, factory inspection, and skills training. It was recognized that the level of assistance and technical cooperation in the labor/manpower area received from donor groups - bilateral and multilateral - are not commensurate with the growing needs. Progress is dependent upon an increase in these resources.

C. STRATEGY

The objective of this project is to respond affirmatively to recommendations of Labor Ministers Conferences for technical cooperation supporting an active role of labor ministries and democratic labor and employer organizations in less developed countries at national and international levels to work together to achieve more rapidly and effectively common objectives of equitable economic and social

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development. It also aims to strengthen labor ministries technically and financially through joint programs with other donor countries and international external assistance agencies to implement the labor programs developed in their conferences and, where appropriate, by the development of bilateral ministry-to-ministry technical cooperation in implementing these agreed principles and programs.

D. PLANNED TARGETS, RESULTS AND OUTPUT

Since the primary aim of this project is to strengthen the role of the ministries of labor in the formulation and implementation of economic and social development plans and programs, the planned targets of this project will be the fields which groups of labor ministries and individual ministries have defined as the areas in which they believe that international technical cooperation and exchange of technical information and experiences will be most productive.

Another aim of the project is to provide information about skills training systems, methods and techniques to enable those responsible for planning, organizing and evaluating national training systems in LDC governments to design appropriate systems for manpower planning and national coordinated manpower training programs through A.I.D. and U. S. Department of Labor manpower planning programs including studies on skill acquisition and symposiums on manpower aspects of democratic institutions (Title IX).

E. COURSE OF ACTION

1. Cooperative Interregional and Regional Labor Ministry Development Projects

In the area of strengthening labor ministry services through

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multilateral development assistance, recommendations of labor ministers' conferences will be reviewed and, as one of the aid donor agencies, a selection will be made of those recommendations on which it is believed the United States can make an effective contribution. Most of these conferences are followed by more frequent meetings of coordinating commissions of these labor ministry groups. Thus work will be scheduled with these commissions on followup action to implement these recommendations. In some cases, these recommendations involve five to ten year labor ministry development programs. In some areas, interagency coordinating committees on external assistance in the labor field have been organized to coordinate the activities of donor governments and external assistance agencies in reacting to programs developed and requested by LDC labor ministers. When requests are received for specific projects or programs, they are informally discussed and actions by cooperating aid donor countries and international external assistance agencies are coordinated to prevent any unnecessary duplication of activities.

Some of the specific areas involved in such technical cooperation for strengthening labor ministry services include: labor statistics, particularly as they relate to levels of living and employment; worker skill improvement; industrial health and safety, employment services; migration, manpower and employment planning programs; labor standards, special problems of working women and children, wage and policy administration, and general human resource development. To implement cooperatively developed projects in these specific areas, A.I.D. and the U.S. Department of Labor will join with other donor agencies in providing technicians, in cooperating with seminars and training programs overseas,

in making available technical studies and information in publications and audio/visual form, with appropriate translations, in making available training facilities of the Department of Labor under the existing PASA agreement in the United States or of state industrial commissions or other appropriate facilities under contract and in providing grants or scholarships for overseas and U.S. technical cooperation programs in the above fields.

(a) Basic Labor Statistics on Levels of Living and of Employment

For example, one of the pressing needs in the labor sector, is the development of current systematic basic data on the trends of real wages and levels of employment. This is a function of the ministry of labor, which is basic to evaluating host country and foreign assistance efforts to improve levels of employment, income distribution and levels of living. Unfortunately, however, it has received little attention in country assistance programs. The absence of such data was deplored by the Moss Committee in its recent report to Congress as making impossible an evaluation of the effect of the A.I.D. program on income distribution. As this lack of information has become more and more apparent, there has been more inclination for ministries of labor in their interregional and regional conferences to focus on this problem. Resolutions have requested assistance from donor agencies to develop a practical system of prompt reporting on real wages and employment data.

Under this project, a plan will be designed for jointly implementing action with the participating countries and other donor agencies. When in operation it should be of value in providing information necessary to the development process and particularly to foreign investment, to common market activities and in evaluating the impact of A.I.D. and other assistance programs on employment and levels of living.

(b) Labor Ministry Master Trainers for On-Job Training

Another illustration of a project frequently requested, is a training program for Master Trainers to train other trainers in the development and application of on-job and apprenticeship training. Such a program provided jointly for a number of participating countries by A.I.D. and the Department of Labor in cooperation with other donor groups would speed up the training process and cut costs materially.

(c) Labor Ministry Coordinators of Skill Training and Resources

Another example is an innovative program specifically designed to help ministries of labor assume more effectively their functional role for coordination of human resources with workforce requirements. This program will train manpower coordinators to assist employers in determining realistic training requirements and plan on-the-job training activities to meet his needs; they will also be trained to assess local training facilities and coordinate their output with industry work performance requirements. The program

is designed to supplement skill training projects by providing a practical link with developing requirements of new industry. It will be supported by a variety of donor agencies and participating countries.

In each activity, the Office of Labor Affairs will participate in labor ministry project development coordinating committees and workshops, and will participate with other donor governments and agencies in the implementation of these projects. Each individual activity will include copies of the cooperative project to which donor agency contributions are made and an evaluation of these sub-activities when they are completed.

2. Bilateral Ministry-to-Ministry Programs

In the area of ministry-to-ministry cooperation, key officials of IDC countries in which A.I.D. has a priority interest will be invited to the United States where they will have an opportunity to see at first hand the types of programs that are in operation in the United States and available for programs of technical cooperation with other countries and will make possible followup action with short-term consultants and technicians, training and technical cooperation of cooperating labor ministries with facilities available in the U.S. Department of Labor in the United States.

In this part of the program, we would take a page out of the experiences of the Israelis and Sweden as well as the approach recommended by the Rockefeller Mission. Governor Rockefeller remarked recently that one of our basic problems in our development assistance programs is that we are telling countries what we think is good for them

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rather than listening to them on what they believe their specific needs are. In structuring the ministry-to-ministry program, we will listen to their needs rather than pre-packaging programs as has been done frequently in country and regional programs.

For example, we would invite Labor Ministers from key countries to visit the United States and view for themselves the kind of technical cooperation we are able to offer. When they indicate a desire to exchange experiences and for technical cooperation in strengthening their ministries in specific fields, we react to their specific requests after consultation with the Regional Bureaus and Missions.

For example, if we are requested to assist a ministry in the revision of its cost of living index, which is often a function of a ministry of labor, we would help them by inviting key staff members of the statistical office of the ministry of labor to come to the United States for seminars designed to fit their specific need and by assigning, when requested, short-term PASA Department of Labor technicians as consultants to work with them on their particular problems.

Since these projects are relatively inexpensive, we plan to finance such initial exchanges from this project because of its flexibility in reacting to this kind of problem.

In FY-1969/70, A.I.D. will develop a PIOT with the Department of Labor providing for the invitation of one labor minister or key ministry of labor official from each regional area for consultation in Washington with top officials of the Department of Labor. During this visit a special program will be arranged covering the ongoing programs of the Department and U.S. government efforts to deal with the poverty problem in the labor/manpower field. The PIOT will provide for initial funding

of counterpart visits of Department of Labor consultants to permit the quick response of A.I.D. to specific requests falling within the general recommendations of the appropriate labor ministers conferences and to provide resources where missions are unable to provide initial funding but are willing to provide for missions' support in future program budget submissions. These invitations and the following responses will be coordinated with the appropriate regional bureaus and A.I.D. missions.

An example of this type of activity is provided by a recent case where a labor minister visited the United States and requested technical cooperation in the area of employment services and occupational standards. The A.I.D. mission concurred with this request but was unable to provide funding this fiscal year but indicated its intention to include such support in its next country submission. In this type of case, this project would provide initial seed funding of this project.

This cycle will be repeated in FY-1971, 1972, 1973, and 1974 with a total of four ministries in each geographical area participating in this program.

3. Manpower and Employment Planning, Development and Institution Building

Five activities are planned under this caption: (a) Review of M.O. 1612.40.4, Manpower and Employment Development; (b) Support to private sector associations in the manpower and employment security sector; (c) (c) Experimental No-Cost Participant Training program on Health-Education-Agricultural Manpower Development; (d) Symposium on Popular Participation in Manpower and Employment Development; (e) Selected Grants to LDC Officials for Training at International Manpower Institute.

(a) Review of M.O. 1612.40.4, Labor Ministry Manpower and Employment and Trade Union Development

This activity is based on a growing recognition that A.I.D. has recognized the Labor Ministry, trade union, manpower and employment factors in the development process. For example, A.I.D. has financed numerous research projects in the field of manpower and employment, in unemployment and underemployment including support of the OECD Development Center's studies in this area, a number of manpower and employment seminars proposed or underway. Our economists agree that employment should not necessarily be considered merely a by-product of economic growth. Moreover, there are such developments as the World Employment Program, the Asian Manpower Plan, the Ottawa Plan for Human Resources Development; the increased OAS interest, Mr. McNomara's speech and Myrdal's "Asian Drama"

O/LAB plans staff action for A.I.D. to call upon outstanding experts in the public and private sector to review and offer suggestions for improving M.O. 1612.40.4, "Manpower and Employment Development", and Attachment A to M.O. 1612.40.1, "Planning Guide: Manpower/ Employment and Labor Ministry Development." It is anticipated that a by-product of this exercise will be the production of basic material for a revision of A.I.D.'s handbook, "Manpower Programs and Planning in Economic Development", published in 1961 and which now is out of date.

This will involve (1) two or three panels of experts for three days each, (2) printing and publishing, and (3) support expenses connected with the review and with complete revision of the handbook.

(b) Support to Professional Associations in Employment Training and Manpower Development

There are several professional associations including the International Association of Personnel in Employment Security, The American Society for Training Development, International Association of Governmental Labor Officials and the International Association of Industrial Accident Boards and Commissions for promoting the involvement and development of professional standards for persons engaged in such activities.

The programs and efforts of these professional associations are geared toward assistance to their members through exchange of experiences, educational advancement, communications and development of leadership potential.

In letters to A.I.D. and the Department of Labor some of these associations have proposed cooperative projects and the purpose of this phase of O/LAB activity is to respond to viable plans for cooperation with this segment of the private sector.

(c) Experimental No-Cost Participant Training Program in Health-Education-Agriculture Manpower Development

This activity will permit the Manpower Administration of the Department of Labor to develop and A.I.D. to offer to the regions on a no-cost basis a training program for 15 participants from selected developing countries specifically geared to manpower development and utilization in the three high priority A.I.D. sectors of population-family planning, agricultural and rural development, and education and training. The program will place

heavy emphasis on the role of the private sector and will stress methods and techniques to enhance popular participation.

The Manpower Administration includes the Bureau of Apprenticeship and Training, the Job Corps, the United States Training and Employment Service and the Office of Policy, Evaluation and Research. The specialized training program would cut across bureau and office lines in the sense it would be functionally concentrated on programs, procedures, methods, techniques and institutional machinery; to provide a public delivery service to the priority sectors, e.g., a farm placement service; training of paramedical personnel; manpower-supply-demand analyses for family planning occupations; job analysis techniques for agro-business establishments; provision of youth employment opportunity information to educational authorities; improving the skills of health personnel; neighborhood youth corps for disadvantaged in-school youth or recent dropouts; restructuring of professional jobs and creation of new support-professional opportunities in health and education fields; and providing additional information on what the Department of Labor is doing domestically in population-family planning. This activity is in direct support of CA-5859, October 20, 1969, "United States Policy Regarding Population Matters".

(d) Symposium on Popular Participation in Manpower and Employment Development (Title IX).

This activity will permit the International Manpower Institute of the U.S. Department of Labor to conduct a short symposium (probably three days) during FY-70 to help carry out our responsibilities for Title IX. The subject will be "Popular Participation in Manpower and Employment Development". The symposium will be planned in consultation with the appropriate offices of A.I.D./W and printed Proceedings will be given wide distribution.

(e) Selected Grants to LDC Manpower Officials for Training at International Manpower Institute.

This activity will provide a method of financing a small number of grants to attend the International Manpower Seminars for selected high-level manpower officials from LDCs where A.I.D. does not have regular participant training programs. Many of these less developed countries have never been able to arrange financing to participate.

This will afford on a selective basis opportunities for such nations as Trinidad, Barbados, Jamaica, Singapore, Malaysia, Ceylon, Iran, Cyprus, Zambia, and Malawi, to participate in the semi-annual international manpower seminars sponsored by the Office of Labor Affairs and conducted by the International Manpower Institute of the U.S. Department of Labor.

Up to the present time the only systematic method by which less developed nations not having regular A.I.D. participant

training programs have been able to take part in these A.I.D. manpower seminars has been occasional grants from the ILO or the Ford Foundation. However, there is a precedent whereby the Africa Bureau has released funds to ECA to finance participants from non-A.I.D. countries in Africa to attend the seminars. These grants would be used to build on this precedent by enlisting similar cooperative arrangements with other multilateral and international institutions, as ECAFE, CENTO, ILO, OAS and the regional development banks. This activity will permit three such selected grants to be made for each seminar.

4. Administrative Steps to Implement the Program

In FY 1970 the A.I.D. input into mutually agreed cooperative inter-regional and regional labor ministries and manpower development projects, as outlined in paragraphs 1, 2, and 3, will be \$150,000 in FY 1970 and \$400,000 in FY 1971. Depending on the development of activity needs, the annual input will amount to \$700-750 thousand for the rest of the project. This input will be accomplished through varied means including PIOTs on the existing AID General Agreement with the Department of Labor for Technical Services, contracts with professional associations and other appropriate labor and manpower institutions, contracts with individual consultants and inputs by the professional staff of O/IAB where appropriate. Provision will also be made for supplying requested technical publications and studies translated into appropriate languages as well as technical audio visual material for use in these technical cooperation programs.

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