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REPORT

of the

LABOR AFFAIRS TASK FORCE

to

**THE ASSISTANT ADMINISTRATOR FOR
PRIVATE AND DEVELOPMENT COOPERATION**

January 1979

ACKNOWLEDGEMENTS

First and foremost, the work of the Task Force and the completion of this report was largely made possible because of the outstanding secretarial and administrative support provided by Ms. Frances Whipkey, Office of Labor Affairs, and Ms. Nancy McKay, Office of Program and Management Support, both of the Bureau for Private and Development Cooperation. Additionally, the contribution made by Mr. Allan Broehl, Department of Labor Economist presently working on an A.I.D. RSSA in PDC/OLAB, cannot be overstated. Mr. Broehl provided invaluable services to the Task Force in the budget analysis which produced the labor and employment project inventory and in preparing a number of the Task Force working papers and components of the final report.

Members of the Task Force included:

Mr. Leo R. Werts, Chairman
Ms. Charlotte Jones, LAC/DR*
Mr. Peter Thormann, PPC/PBPR
Mr. Michael Farbman, DSB/UD
Mr. William Gelabert, NE/TECH
Mr. Thomas O'Connor, ASIA/DP
Mr. Robert Bostick, OPT/PDE
Mr. Aubrey Mills, AG/PPP
Mr. Frank Moore, AFR/DR
Mr. Ain Kivimae, PPC/PB
Mr. Richard Blue, OPT/DSP**
Mr. Gerald G. Graf, PDC/PMS, Executive Director

All of the Task Force members except the Chairman and the Executive Director participated in this activity while carrying on their regular A.I.D. duties in their respective bureaus and offices.

* Although Ms. Jones left A.I.D. to join the World Bank before the Task Force's work was completed, her participation, even after leaving A.I.D., was most valuable and appreciated by her colleagues on the Task Force.

** Mr. Blue had to withdraw from the Task Force due to other assignments; his participation was most useful.

C O N T E N T S

	Page Number
PART I -- Executive Summary	1
PART II -- Introduction and Background	5
PART III -- Discussion of Issues and Task Force Recommendations	8
PART IV -- Organizational Options	15
PART V -- Appendices	
A. Informational Document on Labor- Employment Programs	
1. General Introduction	A-1
2. Description of Labor and Employment Programs	A-3
3. The Relationship and Contribu- tions of Labor and Employment Programs to A.I.D.'s Develop- ment Objectives	A-11
4. Labor-Employment Programs in the A.I.D. Mission Project Setting	A-17
5. An Inventory of Labor and Employment Projects in A.I.D.	A-22
6. Labor and Employment Programs in International Agencies	A-38
B. Report to the Labor Affairs Task Force by Dr. James Weaver	B-1
C. List of Supplemental Documents Available in PDC/PMS	C-1

PART I -- EXECUTIVE SUMMARY

The Labor Affairs Task Force (LATF) was proposed by the Assistant Administrator for Private and Development Cooperation (AA/PDC) and authorized by the Administrator in July, 1978. The Task Force formally convened on August 1, 1978.

The LATF was comprised of representatives of the four regional bureaus, the central bureaus (PPC, PDC and DSB), the Office of Personnel and Training and the Office of the Auditor General. All of the members except the Chairman (an intermittently employed expert) and the Executive Director (assigned to a temporary position for the duration of the Task Force's activities) served on a part-time basis, carrying out their normal bureau and office responsibilities and assignments in addition to their Task Force activities.

The Task Force was initially mandated with the task of determining how OLAB programs and operations could more effectively support A.I.D.'s development objectives. Early in the study the Task Force shifted its focus from questioning what OLAB can do to contribute more effectively to A.I.D.'s development assistance objectives to the more basic question: "What needs to be done in the labor and employment field to support A.I.D.'s development assistance objectives?"

At the request of the Bureau for Latin America and the Caribbean, the Task Force was instructed to exclude the trade union development programs funded by A.I.D. through the regional labor institutes (AIFLD, AALC and AAFLI) from the scope of the study. It made no recommendations pertaining to or affecting the institute programs, although it did consider them in terms of their relationship to other labor and employment activities.

The Task Force approached its assignment with the goal of: 1) defining the role of labor-employment programs in the overall A.I.D. effort; 2) determining what must be done to initiate the required programs; and 3) considering what institutional capacity would be required to accomplish the needed actions and to insure the desired contributions.

The Task Force initially set out to define the scope and types of activities being considered under the broad term, "labor affairs." The result was the development of "A Description of Labor-Employment Programs" (included in Appendix A of the LATF Report), which categorized those activities which the Task Force felt fit within its area of responsibility. Calling on the academic and professional development communities for guidance, the Task Force then set about to identify the role and potential contributions of the activities included within the "Description" to the development process, and particularly to A.I.D.'s specific development assistance objectives.

The Information Document (Appendix A) which relates labor and employment programs to development assistance objectives is considered by the Task Force to be its most significant achievement. Appendix A of this report was, in fact, designed to stand on its own as a guide to A.I.D. project and program officers which would contribute to the achievement of A.I.D.'s "basic human needs" objectives through creation and enhancement of employment opportunities for the poorest segment of the labor forces in the LDCs.

Of the report's recommendations, the Task Force considers the second to be the most significant in terms of A.I.D. development assistance strategy and objectives. The Task Force placed primary emphasis on those labor activities relating to employment and employment creation.

The Task Force feels that primary emphasis should be placed on: I. Labor Statistics and Research; II. Employment Policy and Planning (Macro); III. Labor Market Analysis (Micro); and IV. Employment/Income Related Programs. It does not mean to imply that the activities falling under "Description" categories V through VII are unimportant; it simply wants to emphasize the prima facie importance of employment before focusing on the follow-on activities relating to: V. Employment Standards; VI. Worker Security Programs; VII. Labor Management Relations.

The recommendations offered by the Task Force relate to the following issues or problem areas:

1. Improving Understanding of Labor Employment Programs
2. Labor and Employment Program Emphasis
3. Clarification of Policy
4. Improving Policy Development and Coordination
5. Implementing Policies and Programs

The specific recommendations relating to the above are:

RECOMMENDATION NO. 1

It is recommended that the Task Force report and the attached informational document on labor and employment programs be circulated to all A.I.D. bureaus and field missions and that the transmittal program call attention to the relationship and contribution of such programs to A.I.D.'s development objectives.

RECOMMENDATION NO. 2

The Task Force recommends that A.I.D. give increased emphasis to policies and programs with an employment orientation in development planning; to integrated programs which are designed to improve the employment and income situations of the poorer segments of LDC labor forces; and to those activities which enhance and promote the participation of the poor target groups in the planning, implementation and benefits of development projects.

RECOMMENDATION NO. 3

The Bureau for Program and Policy Coordination, in cooperation with other concerned Bureaus and Offices should undertake an updating of existing A.I.D. policy statements relating to labor and employment so as to more clearly reflect the employment, income and participatory emphases indicated in Recommendation No. 2. Existing A.I.D. policy statements to be included in this updating, and possibly consolidated, include Policy Determination Nos. 48 and 52, the May 12, 1978, Labor Policy Statement, and other A.I.D. policy papers with references to labor and employment.

RECOMMENDATION NO. 4

It is recommended that the AA/PDC sign and transmit to AA/PPC a memorandum urging the latter to: 1) place greater emphasis within his Bureau on the development and/or clarification of A.I.D. policies pertaining to Labor and Employment; 2) identify a point of contact and responsibility within PDC for the coordination of and leadership in development of Labor and Employment policy; and 3) establish an intra-agency mechanism for the coordination of Labor and Employment policies and programs.

RECOMMENDATION NO. 5A

(1) The LATF, believing that greater leadership is required within A.I.D. to promote, coordinate and implement labor and employment programs, recommends that some immediate organizational changes be initiated. A unit or units should be developed or strengthened to provide leadership and technical support for the Agency in the labor and employment area. Section 4 of this report describes several organizational options to be considered by AA/PDC in determining the locus of such unit or units. The organizational unit assigned responsibility for labor and employment programs should be headed by an A.I.D. professional with administrative and program management experience, an understanding of labor and development economics and field experience in development assistance.

(2) Whatever the division of organizational responsibility among bureaus and units within them, the technical support, research and information gathering and evaluation functions in the "Description of Labor and Employment Programs" should be covered.

RECOMMENDATION NO. 5B

It is further recommended that the Administrator and other executive level A.I.D. officials draw on the services and resources of the Special Assistant and Coordinator of International Labor Affairs, Department of State, to:

(1) Maintain liaison with the U.S. Labor Movement and the AFL-CIO international labor institutes;

(2) Maintain liaison with and represent A.I.D.'s interests in international labor organizations with which the U.S. government may associate itself; and

(3) Provide liaison between the State Department and its labor attache corps and A.I.D.

Recommendation No. 1 is vital in order to transfer the sense of awareness of the importance of No. 3 to A.I.D. project and program officers. As previously stated, Appendix A of this report was developed specifically to assist A.I.D. personnel in better understanding the importance of labor and employment programs in achieving the Agency's basic human needs objectives. It is important that this information be widely disseminated.

The other recommendations are aimed mainly at making the A.I.D. policy and program machinery run more smoothly and more effectively. They are important but only in that they are supportive of Recommendations 1 and 2.

The Task Force believes that, while it has pursued its assignment to the fullest extent possible, the job is far from over. The development and improvement of labor and employment programs which will support and make significant contributions to the achievement of A.I.D.'s development assistance objectives must be carried out within the existing Agency organizational structure. The A.I.D. bureaus and field missions will jointly determine whether the Task Force's efforts are to have an impact.

The Task Force has presented in Section 4 several organizational options for improving the effectiveness of labor and employment program implementation.

PART II -- INTRODUCTION AND BACKGROUND

The establishment of the Labor Affairs Task Force was proposed by the Assistant Administrator for Private and Development Cooperation in an Action Memorandum approved by the Administrator of A.I.D. on July 24, 1978. The group held its first official meeting on August 1, 1978, and met more than 15 times in the subsequent five months.

The Task Force included representatives of the four Regional A.I.D. Bureaus, the Bureau of Private and Development Cooperation (PDC), the Bureau for Program and Policy Coordination (PPC), the Bureau for Development Support (DSB), the Auditor General (AG), and the Office of Personnel and Training (OPT). All of the members except the Executive Director served on the Task Force while at the same time performing their regular duties in their respective offices and bureaus. In addition, the Task Force drew heavily on the services of Mr. Allan Broehl, Department of Labor economist serving under a Resources Services Support Agreement in A.I.D.'s Office of Labor Affairs, Dr. James Weaver, American University development economist, and Ms. Nancy McKay of PDC's Office of Program and Management Support.

The Action Memorandum which the Administrator approved to establish the Task Force described the purpose of the effort: "To determine how OLAB operations and programs can more effectively support A.I.D.'s economic development objectives." It suggested that the Task Force's efforts include:

1. Examination of A.I.D.'s legislative mandate and the current general program guidelines to determine the nature of and extent to which labor affairs programs can relate to the Agency's development objectives;
2. Analysis of a representative group of Country Development Strategy Statements to see how labor programs could become a more integral part of country programs;
3. Examination of existing and proposed labor programs and their relationship to current A.I.D. development objectives;
4. Identification of programs and policies which should be emphasized in future efforts to relate our efforts in the labor affairs field to development. This will require the task force to (a) develop an operational definition of the scope of labor affairs programs; and (b) identify those program areas in which the U.S. has the most significant contribution to make;
5. Identification of both the A.I.D. organizational characteristics and the direct hire skills needed to implement the policies and programs indicated above; and,
6. Description of the types and sources of technical services required to achieve these objectives and the organizational linkages required to match technical services with developmental requirements.

The Task Force addressed all of the above to some degree. However, the examination of Country Development Strategy Statements was not pursued because most of the A.I.D. field missions have not yet submitted them and those which have been received are still undergoing revisions.

It should be noted, also, that the Action Memorandum for the Administrator, at the request of the Bureau for Latin America and the Caribbean, included a stipulation that the "trade union development programs funded by A.I.D. through the regional labor institutes are not the subject of the study, per se; there will be no recommendations affecting these programs." The Task Force complied with this stipulation; however, in considering the broad range of labor and employment programs, it obviously had to include trade union development programs as falling within that broad definition.

The Description of Labor and Employment Programs which is included in Appendix A of this report was developed by the Task Force in order to clearly define terms, activities and programs. It is not (as some have mistakenly assumed) a recommended labor and employment program for A.I.D. The "Description" is simply a listing of various types of labor and employment activities in categories established by the Task Force, along with a brief description of the nature of those activities. It includes activities which are currently being implemented by A.I.D., others which have been but are no longer being supported, and still others which the Task Force feels should be undertaken.

In order to determine the relevance of the various components of the Description of Labor and Employment Programs to A.I.D.'s broad development objectives, the Task Force engaged the services of Dr. Weaver, who, in addition to being a respected development economist in the academic community, has been closely associated with A.I.D.'s Development Studies Program and has done or is doing consultative work for A.I.D., the State Department, the Department of Labor, The Senate Foreign Relations Committee, the Library of Congress and other agencies involved in the development economics field.

In developing his report to the Task Force, Dr. Weaver, in turn, called on a number of his colleagues in both the academic and the international development communities for advice and reactions. The contribution of Dr. Weaver and those with whom he consulted was most useful to the Task Force in reaching its conclusions about program priorities as they relate to A.I.D. objectives. However, it should be made clear that those conclusions and the recommendations included in this report are those of the Task Force.

The Task Force attempted to keep its primary focus on A.I.D. development objectives as described in the "Bilateral Development Assistance Strategy Statement" and whether/how labor and employment programs could contribute to the achievement of those objectives. It was fully aware from the outset of the fact that merely improving the effectiveness of programs might not contribute to the achievement of development objectives if the programs did not have a direct and significant relationship to the objectives.

The Task Force feels that the appendices to this report, particularly Appendix A, will be most useful to A.I.D. bureaus and missions in relating labor and employment programs to the achievement of A.I.D. development assistance objectives. It is hoped that this document will be given wide circulation within the Agency, not only to policy-makers and senior staff but also to those responsible for project development, analysis, implementation and evaluation.

The recommendations which follow, therefore, are oriented toward A.I.D.'s development strategy and objectives -- not merely toward improving the effectiveness of existing programs.

PART II: -- DISCUSSION OF ISSUES AND TASK FORCE RECOMMENDATIONS

A. Introduction

The recommendations presented in this report were formulated by the Task Force after nearly five months of study and deliberations which were participated in not only by members of the Task Force but also by authorities in development economics and the labor and employment fields from outside A.I.D.

The focus of the recommendations is on more effectively relating A.I.D.'s activities in the labor and employment arena with A.I.D.'s overall development strategy and objectives. In developing these recommendations, the Task Force considered both the explicit objectives (reflected in the Bilateral Development Assistance Strategy Statement) and implicit ones (reflected in the types of projects submitted by A.I.D. field missions and their LDC counterpart governments).

The recommendations relate solely to policies and programs and the description of functions necessary to implement them. While there was a strong inclination by the Task Force to make a recommendation on organizational issues, it was finally agreed to prepare an organizational options paper for consideration by AA/PDC.

Some of the recommendations which follow require action, elaborative or implementing documents.

B. Issues and Recommendations

1. Improving Understanding of Labor and Employment Programs

The Task Force has found that there is a general lack of understanding about the nature of labor and employment programs and the relationship of such programs to A.I.D.'s development objectives. Additionally, there are many misconceptions about the delegation of functional responsibility for such activities, sources of technical support services and the types of services and activities which can contribute to A.I.D. objectives.

To overcome such misconceptions and improve understanding of labor and employment programs, the Task Force decided to prepare an informational document (Attachment A of this report) which could be distributed to A.I.D. bureaus and missions. This document, which can stand on its own or be disseminated as part of this report, includes a description of the types of programs and activities which fall under the rubric of labor and employment programs, commentaries on the relationship and contribution which such programs can make in achieving A.I.D. development objectives, examples of how labor and employment programs are currently being utilized by A.I.D. missions and bureaus and an inventory of current or proposed projects falling under the Description of Labor and Employment Programs.

The Task Force feels that this informational document is the most significant contribution of its efforts. It provides A.I.D. policy makers, project and program officers with a more definitive statement of the nature and relationship of labor and employment programs to A.I.D. development objectives than has been available heretofore.

RECOMMENDATION NO. 1

It is recommended that the Task Force report and the attached informational document on labor and employment programs be circulated to all A.I.D. bureaus and field missions and that the transmittal airgram call attention to the relationship and contribution of such programs to A.I.D.'s development objectives.

* * *

2. Labor and Employment Program Emphasis

The Labor Affairs Task Force and those with whom it consulted recognized the need to be aware of A.I.D.'s development objectives. It was not only appropriate but was imperative if the Task Force was to determine if and how labor and employment programs can or do contribute to those objectives.

It was further recognized that in order to help the target groups meet their basic human needs through increased productivity and income levels, much more emphasis would have to be placed on employment activities.

Not only the socio-economic situation of the poor target groups but also the level of development of their specific country must be considered in determining the appropriateness of a labor and employment program category. Additionally, it was recognized that the conditions of the target group and the country development level would influence not only the prioritization of labor and employment program needs, but also the specific design of a given type of activity. Although these may seem to be fundamental development principles, the Task Force felt it important to keep itself constantly aware of their significance.

Employment objectives have been stressed in various A.I.D. policy statements, including the Bilateral Development Assistance Strategy Statement and various sectoral strategy papers. However, the Task Force felt that policy has not been adequately translated into programs which impact on the employment needs of A.I.D.'s target constituency. Moreover, the efforts which have been undertaken have been somewhat disjointed and there has been little evaluative work done to determine program effectiveness and benefit/cost efficiency. The existing literature on job creation and employment has not been adequately surveyed and appraised.

The Task Force examined the Agency's FY 1980 Annual Budget Submissions to determine how A.I.D. missions and bureaus regard labor and employment programs in terms of their development objectives. Measured in terms of eight categories applied in the "Description of Labor and Employment Programs," the Task Force found that the A.I.D. missions and bureaus, where they include labor and employment programs, are placing primary emphasis on the following categories:

- I. Labor Statistics and Research
- II. Employment Policy and Planning (Macro)
- III. Labor Market Analysis (Micro)
- IV. Employment/Income Related Programs

Category VIII, "Programs Promoting Worker Participation" also showed a substantial level of A.I.D. involvement because of the existence of the three "Free Labor Development" projects (the AFL-CIO institutes) funded by the A.I.D. regional bureaus. Those labor and employment activities which have been generally regarded as "traditional" labor activities (i.e., placement services, employment standards, social security programs, labor-management relations, etc.) were found to be receiving little or no programmatic emphasis. The Task Force felt that in this respect A.I.D. program direction is consistent with its development objectives and strategy statements.

An analysis of the Task Force's inventory of labor and employment project proposals would suggest that there is an increasing awareness of the importance of the employment orientation in meeting A.I.D. development objectives. However, the Task Force is concerned with the limits on A.I.D.'s ability to translate this awareness into cost effective programs and the lack of adequate coordination and evaluation of such activities.

The Task Force concludes that a focus on employment and job creation is vital to the achievement of A.I.D.'s development objectives. It is a key linkage between the growth and the equity aspects of those objectives and a major element in a rational basic human needs approach to development.

RECOMMENDATION NO. 2

The Task Force recommends that A.I.D. give increased emphasis to policies and programs with an employment orientation in development planning; to integrated programs which are designed to improve the employment and income situations of the poorer segments of LDC labor forces; and to those activities which enhance and promote the participation of the poor target groups in the planning, implementation and benefits of development projects.

* * *

3. Clarification of Policy

In his report to the Task Force (Appendix B), Dr. Weaver pointed out that A.I.D. has not issued a comprehensive policy statement in the field of labor and employment since the "New Directions" legislation. He pointed out that research is being done on a scattered basis throughout the Agency and the project inventory reveals that the same situation exists in program development.

The Task Force feels that while the Bilateral Development Assistance Strategy Statement places implicit importance on labor, employment, income distribution and participation, existing policy statements do not adequately elaborate this emphasis.

RECOMMENDATION NO. 3

The Bureau for Program and Policy Coordination, in cooperation with other concerned Bureaus and Offices should undertake an updating of existing A.I.D. policy statements relating to labor and employment so as to more clearly reflect the employment, income and participatory emphases indicated in Recommendation No. 2. Existing A.I.D. policy statements to be included in this updating, and possibly consolidated, include Policy Determination Nos. 48 and 52, the May 12, 1978, Labor Policy Statement, and other A.I.D. policy papers with references to labor and employment.

* * *

4. Improving Policy Development and Coordination

Development and implementation of programs focusing on labor and employment are functions which cannot be delegated to a single organizational entity. They are, in a sense, multi-sectoral concerns which extend to the urban sector, rural development, agriculture, health, nutrition, population and other areas. As indicated in Recommendation No. 5, a labor and employment unit can only provide coordination and technical assistance to the A.I.D. bureaus and missions.

Development and execution of policy in the labor and employment field is not as clearly delegated as is program support responsibility. While PPC has primary responsibility for policy development and implementation, it does so with the cooperation and participation of other A.I.D. offices and bureaus. The Task Force feels that while labor and employment have a significant relationship to A.I.D.'s development objectives, there has not been an adequate degree of coordinated effort in the development of labor and employment policy and program guidance within the Agency.

The Task Force feels that, given the importance of labor and employment concerns to A.I.D. development objectives, PPC should undertake to clarify and/or develop such policies as soon as possible. It should also be made clear where such policy responsibility is vested in PPC.

Additionally, since the development and implementation of policy requires intra-agency participation, it is important that the various concerned offices and bureaus be involved in the process. The Task Force does not suggest the establishment of a formal labor and employment policy development committee, but it suggests that PPC take the initiative in bringing together representatives of concerned A.I.D. organizations on a regular but informal basis to consider policy issues relative to labor and employment.

RECOMMENDATION NO. 4

It is recommended that the AA/PDC sign and transmit to AA/PPC a memorandum urging the latter to: 1) place greater emphasis within his Bureau on the development and/or clarification of A.I.D. policies pertaining to Labor and Employment; 2) identify a point of contact and responsibility within PPC for the coordination of and leadership in development of Labor and Employment policy; and 3) establish an intra-agency mechanism for the coordination of Labor and Employment policies and programs.

* * *

5. Implementing Policies and Programs

The Task Force examined labor and employment policy and program requirements for the Agency as a whole. It was concluded that there were several substantive areas such as labor statistics, employment oriented development planning and policy analysis, local labor market information, labor force development, labor migration programs, and rural labor market organization in which the Agency should be more active. The Task Force also felt that there were other areas of activity such as placement services, labor management relations and labor standards that did not require increased emphasis.

In recommending the change in program emphases, the Task Force recognized new professional staff qualifications and training programs may be required. A paper on personnel requirements is attached following Recommendation No. 5.

A list of functions that need to be carried out in the Agency in the labor and employment area was prepared by the LATF and is also attached following Recommendation No. 5. In defining the functions of the responsible implementing/coordinating unit(s), the Task Force felt that particular emphases should be placed on the following:

1. Providing technical support services to A.I.D. bureaus and missions in the identification and development of appropriate labor and employment projects;
2. Conducting research and gathering information on labor and employment activities aimed at improving employment, productivity and income situations of the poor target groups; and
3. Performing evaluative services to improve the design of such projects and assist missions and bureaus in developing country-specific strategies for labor and employment development.

The majority of the Task Force decided not to recommend a specific organizational division of these functions or substantive areas. Instead an options paper that outlined organizational alternatives was prepared for consideration by management. It appears as Part IV of this report.

The Task Force agreed that (1) leadership on labor and employment problems was needed in the Agency; and (2) a unit or units should be created or strengthened to meet the leadership role, including the word "employment" in the title, e.g., "Labor and Employment Office" or "Employment Policy and Planning Office".

Inclusion of the word "employment" in the title was considered to be especially important in the event that labor and employment program functions were carried out in PDC by building on to the existing Office of Labor Affairs. The term "Labor Affairs" as used at present within A.I.D. connotes a much narrower and different range of activities than those emphasized by the Task Force.

The LATF believes that the staff positions now in PDC/OLAB should be used in whatever unit or units assigned to carry out the activities emphasized in the "Description." The Task Force believes that the Director of the strengthened or new organizational unit responsible for A.I.D.'s labor and employment functions should be a full-time professional with experience in A.I.D. administrative and program management, a solid background in labor and development economics, as well as field experience in development assistance.

While the Special Assistant and Coordinator of International Labor Affairs (S/IL) of the Department of State is charged with advising A.I.D. on matters of interest to U.S. and international labor in the field of international relations, he also serves as the coordination point for the U.S. Government on labor matters affecting

U.S. foreign policy interests. It seems unreasonable to expect that in addition he would be able to perform the full range of developmental and support functions recommended for the strengthened or new organization by this Task Force. S/IL should, however, continue to perform those advisory and liaison functions now performed for the A.I.D. Administrator as well as for State. These are mainly liaison functions with the U.S. labor movement, the AFL-CIO labor institutes, international labor organizations and the State Department's labor attache corps.

RECOMMENDATION NO. 5A

(1) *The LATF, believing that greater leadership is required within A.I.D. to promote, coordinate and implement labor and employment programs, recommends that some immediate organizational changes be initiated. A unit or units should be developed or strengthened to provide leadership and technical support for the Agency in the labor and employment area. Section 4 of this report describes several organizational options to be considered by AA/PDC in determining the locus of such unit or units. The organizational unit assigned responsibility for labor and employment programs should be headed by an A.I.D. professional with administrative and program management experience, an understanding of labor and development economics and field experience in development assistance.*

(2) *Whatever the division of organizational responsibility among bureaus and units within them, the technical support, research and information gathering and evaluation functions in the "Description of Labor and Employment Programs" should be covered.*

RECOMMENDATION NO. 5B

It is further recommended that the Administrator and other executive level A.I.D. officials draw on the services and resources of the Special Assistant and Coordinator of International Labor Affairs, Department of State, to:

(1) *Maintain liaison with the U.S. Labor Movement and the AFL-CIO international labor institutes;*

(2) *Maintain liaison with and represent A.I.D.'s interests in international labor organizations with which the U.S. government may associate itself; and*

(3) *Provide liaison between the State Department and its labor attache corps and A.I.D.*

SKILL REQUIREMENTS FOR A.I.D.'S LABOR AND EMPLOYMENT
PROGRAM MANAGERS AND TECHNICIANS*

To implement the functional statement for a labor and employment office, it is desirable that responsible officers possess skills and qualifications in A.I.D.'s project planning and implementation methodologies and procedures. This staff must be able to examine problems and requirements, evaluate analytical planning resources available, design additional needs, prepare precise and manageable scopes of work and monitor the performance of consultants against contract and other specifications.

The staff must have a high degree of technical competence in development economics, labor economics, statistics, and considerable familiarity, if not actual experience with, developing organizations and institutional coordination.

The natural overlap between labor and employment with other sectors and sub-sectors will require inter- and intra-bureau/office coordination between the responsible unit and Agency/Mission staff. Responsible officers will need to be selected who have experience and success in developing these types of liaison arrangements.

Under the Foreign Assistance Act of 1978 the Agency is required to design and implement programs where women are included as part of a project's target population. These programs will require a portion of the attention of all labor and employment unit staff rather than designating an officer to monitor and/or liaison with all Regional Bureaus/Missions.

Training of labor and employment staff could take the form of specific academic courses or adding a unit to the DSP on Labor and Employment in Developing Countries. This latter suggestion could conceivably become the means through which personnel on rotation serve in the labor and employment unit following training in DSP.

*Refer to Appendix C for detailed discussion of skill and training requirements developed by the Labor Affairs Task Force.

PROPOSED FUNCTIONS RELATED TO LABOR-EMPLOYMENT PROGRAMS

Participates with other AID/W bureaus and offices in formulating and reviewing general policies and guidelines for technical and economic assistance in the labor and employment field and in recommending changes in those policies.

Surveys findings, trends, potentialities, and achievements of research on labor and employment considerations in relation to technical and economic assistance.

Collects and analyzes information and research on labor and employment programs of other U.S. Government agencies, as well as university and other organizations in this field, studies these for any implications for A.I.D., and makes recommendations accordingly.

Advises and assists geographic bureaus in locating expertise for country and regional labor and employment development and utilization programs and projects, and is responsible for maintaining a system that makes such expertise available.

Provides coordination for technical matters with the Department of State, the Department of Labor, and with other agencies and private sector groups in the labor and employment fields.

Participates with the Office of Contract Management and the Office of International Training in negotiating, backstopping and interpreting A.I.D. general and budget agreements on labor and employment activities with DOL and other government agencies exercising a time-limited clearance on Participating Agency Service Agreements with DOL.

Assures that, as appropriate, contractors under A.I.D.-financed contracts are aware of current A.I.D. labor and employment objectives and policies.

Serves as coordination point for liaison with the U.S. labor movement and other non-government organizations in the labor and workforce fields. Maintains liaison with the AFL-CIO labor institutes and the international free trade union organizations.

Serves as an information center on Institute programs and in upgrading and design and evaluation of those projects; reviews Institute contracts and other agreements for conformity to A.I.D. policies.

Chairs the Committee for A.I.D. operations with the Labor Institute, and in other ways serves in a coordinating role with the Geographic Bureaus to ensure that the Institute programs as well as A.I.D.'s programs achieve policy objectives.

Advises on the relation of A.I.D. labor and employment programs to similar programs of other-donor countries, non-government organizations (domestic and foreign), and international organizations (ILO, UN, etc.), including those involving technical assistance through multilateral arrangements.

Draws on the professional and technical resources available elsewhere in A.I.D. as well as those available in other Federal agencies. Maintains close contact and seeks to draw on expertise on labor and employment issues in universities and other non-governmental organizations.

Plans, implements, and evaluates centrally-funded labor and employment projects, and assures that those project activities are fully coordinated with geographic bureaus and other A.I.D. units having an interest in them; coordinates centrally funded labor participant training activities with DS/IT and with similar ones carried out by other parts of the government and by the AFL-CIO Labor Institutes.

Procures, develops, and distributes publications and materials for use in the labor and employment fields.

PART IV -- ORGANIZATIONAL OPTIONS FOR CARRYING OUT LABOR AND EMPLOYMENT FUNCTIONS

A. Introduction

The LATF has defined and refined the scope of labor affairs programs. The results of this work are contained in the "Description of Labor-Employment Programs" (Appendix A. 2 and 3). The purpose of this section of the report is to present organizational options for carrying out work in the areas described in the scope.

While the Task Force did not lay out the categories of the "Description" in order of priority, it found that those activities falling under headings I through IV have greater relevance to A.I.D.'s target groups (i.e., the lower income groups in the LDCs). These activities include: I. Statistic and Research; II. Employment Policy and Planning (Macro); III. Labor Market Analysis (Micro); and IV. Employment/Income Related Programs. The Task Force also indicated by an asterisk those program areas on which there was a consensus that the program benefits may accrue in large measure to persons other than those in the lowest income groups.

An inventory of present activities, using the headings of the "Description," indicated that many of the activities are already being carried out. Labor Affairs programs, as defined by the LATF, are being implemented in PDC, DSB, PPC and the geographic bureaus. The following paragraphs summarize the activities currently being carried out by these units. They do not represent an in-depth organizational analysis.

The present functional statement of the Office of Labor Affairs provides authority to carry out work in all areas listed in the LATF "Description". In addition, this includes authority to develop policy guidance, contract for research and technical backstop projects for the geographic bureaus and missions. At present two of OLAB's four professionals are involved in activities falling under Item VIII. A, "Workers' Mutual Assistance Organizations," of the LATF "Description"; one person, a Department of Labor RSSA, is engaged primarily on Item III, Labor Market Analysis (Micro) and Item IV, Employment/Income Related Programs.

PPC/PDPR has authority to prepare policy guidance, contract for research and advise in all the areas listed in the "Description". Technical support and backstopping of geographic bureaus and missions projects is a function that PPC/PDPR may undertake on an ad hoc basis.

PPC has at least three economists with a general interest in employment problems related to science and technology programs, employment planning, urban development, housing and general problems of economic development. PPC is active primarily in Item I, "Statistics and Research," Item II, "Employment Policy and Planning," and to some extent Item III, "Labor Market Analysis (Micro)."

DS has authority to work in all areas of the LATF "Description". Research and technical support for program and project development including technical support and backstopping for geographic bureaus and missions are the main type of function carried out by DS.

At present different aspects of Items III, "Labor Market Analysis (Micro)" and IV, "Employment/Income Related Programs," are covered by various DS offices. For example, research and technical backstopping of "off-farm employment" projects are carried out by at least four DS offices -- Science and Technology, Urban Development, Rural Development and Agriculture; skills training projects by Human Resources Development; and employment-oriented small scale enterprise projects by Urban Development. Analysis of employment effects of housing construction is carried out by the Urban Development Office and Housing Office.

The authority of geographic bureaus and missions covers all areas of the "Description". In practice, they tend to cover primarily Item IV, "Employment/Income Related Programs," although they are active of necessity in most of the areas.

B. Organizational Options

The Task Force believes the Agency requires leadership in the Labor and Employment field. It also feels there are a number of substantive areas such as labor statistics, employment oriented development planning and policy analysis, local labor market information, labor force development, labor migration programs, and rural labor market organization in which the Agency should be more active.

1. Option 1 - Centralization and Strengthening of Functions in a Single Office

An Office of Labor and Employment would assume responsibility for Agency leadership, coordination, technical backstopping and research in all areas listed in the "Description." It would be located in either PDC or DSB.

Variant a. Office of Labor and Employment in PDC

(1) The name of the Office of Labor Affairs would be changed to the Office of Labor and Employment;

(2) The Office of Labor and Employment would be delegated responsibilities as reflected in the Statement of Functions (see Attachment 2 to Recommendation No. 5).

(3) Professional staff assigned to the Office of Labor and Employment would be required to possess the qualifications and undergo in-service training as outlined in the Statement of Qualifications and Training Requirements (see Attachment No. 1 to Recommendation No. 5).

Advantages

1. Builds on existing strength in labor-management relations, trade union and Department of Labor connections.
2. Authority exists to undertake all functions without internal A.I.D. organizational changes.

Disadvantages

1. In substantive areas emphasized for increased attention, PDC has only one Department of Labor RSSA at present.
2. Overlaps in a number of areas with DSB and PPC. Close inter-bureau coordination will be required.

Variant b. Labor and Employment Functions Situated in DSB

There are two possible locations/organizational forms which suggest themselves for a DSB-based alternative:

- (1) Establish an office or unit to deal with Employment Policy and Development Planning as a central independent focus for the labor and employment support function in DSB and the Agency.
- (2) Establish a small Employment Policy and Development Planning division within a larger office. One possible location for such a division would be within one of the offices with existing interest in this area or possibly as a division within a reorganized "super-office" which might also include those functions now carried out by the Office of Rural and Development Administration and the Office of Urban Development, the two DSB offices that currently are the principal loci for DSB support of Agency labor and employment projects.

Advantages

1. Both the Urban and Rural Development Offices already have projects and provide technical support in some areas covered by the "Description".

2. The new office or unit would be able to coordinate more easily with other DS offices, ST, HRD, AG, that have responsibilities in substantive areas covered by the "Description." Almost all technical support could be covered from one bureau.

3. Addition of a small 3 or 4 man Employment Policy and Development Planning Division would provide a locus of leadership now absent in the Agency for promotion of employment oriented development strategy, policies and programs in developing countries.

Disadvantages

1. Establishment of a new office combining other offices as Divisions will require organizational changes that may be difficult to achieve and take as long as a year or two to complete.

2. Focal point for trade union interests may be weakened.

2. Option 2 - Formalized Separation of Activities and Strengthening of Functions

Variant a. PDC/OLAB and DS/Office of Employment, Rural and Urban Development

PDC/OLAB or other unit in PDC would act as A.I.D.'s point of contact with the trade union movement. DS would assume primary responsibility for other aspects of the "Description" as described in Option 1. Variant b.

Advantages

1. An unambiguous focal point for trade union concerns and programs would be established in A.I.D.

2. Functions carried out by PDC and DS would be consistent with primary missions of the two bureaus (i.e., PDC has responsibility for programs that directly involve the private sector and DS provides technical program and project support for the Agency).

Disadvantages

1. Establishment of a new office or division within an office will require organizational changes that may take as long as a year or two to complete.

Variant b. Employment and Policy and Planning Division

Small divisions or units would be established in DS, PPC or PDC to assume the leadership role for the Agency on different aspects of labor and employment problems and different functions. For example, a unit in DS would emphasize provision of technical support for program and project level problems and experimental studies in the labor and employment field. PPC would focus on macro level policy and planning problems and stimulation of labor and employment programs in the Agency through policy and program guidance, advisory services and research. PDC/OLAB in addition to an expanded role at the project level, would be A.I.D.'s contact point with the trade union movement.

Advantages

1. Functional and leadership responsibility would be relatively clear.
2. Builds to an extent on existing strengths.

Disadvantages

1. Will require additional personnel for labor and employment programs.
2. Will require an organizational change.

3. Option 3. Strengthening Labor and Employment Capabilities Under Organizational Status Quo

Variant a. Coordinated-Overlap

Responsibility would be divided among all bureaus to provide greater emphasis on labor and employment programs. This approach takes the status quo as a starting point and proposes strengthening Agency capability by coordinated overlap and minor reallocation of personnel.

All bureaus would place greater emphasis on labor and employment programs by designating person(s) to be concerned with program areas outlined in the "Description." PDC, PPC, and DS in coordination with each other would build up complementary capacity to cover areas in the "Description."

PDC would change name of OLAB to Office of Labor and Employment and fill out office slots with persons having skills in selected areas emphasized in the "Description." PPC would designate a

person to coordinate efforts with PDC and PPC on labor and employment programs and to provide leadership in DSB on labor and employment programs. Geographic bureaus would designate persons to provide internal leadership and coordinate with central bureaus.

Advantages

1. No significant changes in existing organizational structure.
2. Minor personnel reallocation.
3. If functions are carefully divided, the strengths of existing offices can be most fully utilized.

Disadvantages

1. Diffusion and overlap of responsibility for substantive areas and functions can lead to duplication of effort.
2. To be successful, approach requires commitment of all Bureaus. Failure of any one Bureau to follow through may lead to only very slight improvement over status quo.
3. Probably requires creation of yet another coordination committee.

Variant b. Strengthening Capabilities with Coordinated Overlap

This variant is essentially the same as Option 3, Variant a, except that a greater effort is made to build up Agency capacity in areas in which it is not presently active. This would involve additional staff for labor and employment programs in all three central bureaus. In addition to strengthening PDC/OLAB; additional staff would be added in PPC and DS to cover, for example, aspects of Item II, "Employment Policy and Planning (Macro)," and Item IV, "Employment/Income Related Programs (Micro)," respectively.

Advantage

Significantly increased level of Agency activity in areas of "Description" where work has been inadequate.

Disadvantage

Requires creation of new positions and possibly a division or unit.

A N I N F O R M A T I O N P A P E R

INFORMATION ABOUT LABOR-EMPLOYMENT PROGRAMS
AND THEIR CONTRIBUTION TO ACHIEVING
THE GOALS AND OBJECTIVES OF BASIC HUMAN NEEDS OF
THE PEOPLE OF DEVELOPING COUNTRIES

Labor Affairs Task Force
Agency for International Development

January 1979

TABLE OF CONTENTS

	Page
1. General Introduction.	A-1
2. Description of Labor and Employment Programs	A-3
3. The Relationship and Contributions of Labor and Employment Programs to A.I.D.'s Development Objectives.	A-11
4. Labor-Employment Programs in the A.I.D. Mission Project Setting	A-17
5. An Inventory of Labor and Employment Projects in A.I.D.	A-22
6. Labor and Employment Programs in International Agencies.	A-38

INFORMATION ABOUT LABOR-EMPLOYMENT PROGRAMS

General Introduction

The purpose of this statement is to provide information about labor-employment programs for those who have responsibility for designing and executing country social and economic development assistance programs. The objective is to assist A.I.D. development planners to use labor-employment programs more effectively, and as appropriate, in achieving the development goals of host countries and of A.I.D.

It is assumed that as the contribution Labor-Employment programs make to social and economic development is better understood that they will be considered as needed and integral parts of country development programs.

This is not a policy statement although what is presented is consistent with established and published A.I.D. policy.

The section on the description of labor-employment programs provides information about what labor-employment programs are. The information presented will clarify misconceptions and misunderstandings that may have developed concerning labor programs.

The section on the contribution of labor programs to achieving social and economic development goals in developing countries, is based upon the considered judgements and understandings of recognized development economists.^{1/} An understanding of the contribution of labor-employment programs, properly modified and adapted, should facilitate their proper and selective use to contribute to achieving development goals in a variety of circumstances and conditions that exist in different developing countries.

The section entitled "Labor-Employment Programs in the A.I.D. Mission Setting" provides information about (a) those program areas which are receiving major A.I.D. attention, and (b) the kinds of activities being developed in each of these areas.

The section on an Inventory of Current A.I.D. Labor-Employment programs provides examples of such programs operating in a variety of countries.

Although there is no section of this information paper that specifically presents information about responsibility for labor-employment programs, it is a significant fact that country missions, geographic bureaus, PPC, DSB, and PDC all perform some activities that are a part of labor-employment programs. Therefore it is fair to state that responsibility for labor-employment programs is widely shared among A.I.D. units.

^{1/} Dr. James Weaver, etc.

The last section presents information about what International Economic Development agencies (The World Bank, OAS, ILO and others) are doing in the labor-employment program areas.

This information paper was prepared by a variety of people. However, all sections were reviewed, in some cases revised, and approved by the Task Force.

Section 2, "Description of Labor-Employment Programs," was prepared by a working group chaired by Gerald G. Graf and composed of Allan Broehl, Charlotte Jones and Peter Thormann.

Section 3, "The Relationship and Contribution of Labor-Employment Programs to A.I.D.'s Development Objectives," was prepared by Mr. Broehl based to some extent on the materials of Weaver and Associates.

Section 4, "Labor-Employment Programs in the A.I.D. Mission Project Setting," was also prepared by Mr. Broehl.

Section 5, "An Inventory of Labor-Employment Projects in A.I.D.," was prepared by Mr. Broehl and Robert Bostick.

Section 6, "Labor-Employment Programs in International Agencies," was prepared by Charlotte Jones.

The Labor Affairs Task Force was composed of the following:

- Mr. Leo R. Werts, Chairman
- Ms. Charlotte Jones, LAC/DR*
- Mr. Peter Thormann, PPC/PDPR
- Mr. Michael Farbman, DSB/UD
- Mr. William Gelabert, NE/TECH
- Mr. Thomas O'Connor, ASIA/DP
- Mr. Robert Bostick, OPT/PDE
- Mr. Aubrey Mills, AG/PPP
- Mr. Frank Moore, AFR/DR
- Mr. Ain Kivimae, PPC/PB
- Mr. Richard Blue, OPT/DSP**
- Mr. Gerald G. Graf, PDC/PMS, Executive Director

*Left Agency December 1978.

**Withdrew from Task Force November 1978.

A DESCRIPTION OF LABOR-EMPLOYMENT PROGRAMS

Introduction

This statement describes programs that are often considered to be labor-employment programs by international labor organizations, such as the ILO, and by many national labor ministries. Different groups may consider a different group of programs as labor-employment programs. However, the programs described here would be in most compilations.

A distinction must be made between labor programs for dealing with U.S. labor problems and labor programs for dealing with developing country labor problems. Labor programs as designed and administered by U.S. labor agencies to meet U.S. problems will not necessarily meet the needs of developing countries. In most cases U.S. programs must be modified and adapted to meet the conditions and circumstances prevalent in developing countries.

The criteria for using a labor program should be that the particular program makes a needed contribution to achieving development goals and objectives and is modified and adapted to the conditions and circumstances that exist in the developing country.

Technicians for service in developing countries need not be selected only from U.S. labor agencies. Qualified and properly trained and oriented technicians should be secured from wherever they are available, particularly if U.S. labor agencies are inflexible or unwilling to respond to stated requirements of A.I.D.

The Labor Affairs Task Force (LATF) has applied a broad definition to the scope of activities falling within the general category of "labor and employment programs." It did so in recognition of the fact that the problems and characteristics of the labor forces in developing countries are quite different from those of the developed countries such as the United States. Problems of LDCs require diverse and unique programs. The mere transplant of domestic programs and institutions into LDC settings will not produce the same effects as in developed countries.

The Task Force has also adopted a much looser definition of the term, "labor force," than is generally applied. In the developing world it seems more realistic to regard the labor force as being much broader than just those individuals who work for pay or profit, or are actively seeking work for pay or profit. Millions of people in LDCs are unemployed but are not seeking work because they understand the realities of under-development. Millions are quantitatively or qualitatively underemployed. Millions are working but are unpaid because they are part of a family unit that is engaged in subsistence production activities.

Since the programs described here go beyond those normally associated with labor programs in the developed world context, the LATF has agreed that the term "Labor/Employment programs" should be assigned as more descriptive.

The LATF gave careful consideration to how the question of integration of women in the labor forces and other women in development considerations should be treated in this description. It was agreed that labor force integration and promotion of women's activities should be treated as integral components of all employment and labor activities rather than as discrete activities to be identified under separate headings. The Task Force has not, therefore, inserted repetitious references to its awareness and concern; rather, it intends that all of the activities in the description focus equally on the special concerns of women and minorities.

Additionally, the Task Force did not identify labor program management and administration in the host countries as a specific labor program activity. The Task Force generally felt that efforts to strengthen institutional capacities to plan, initiate and evaluate labor activities in LDCs should be integral and supportive components of the various activities (i.e., project outputs) rather than specific objective-related initiatives (i.e., project purpose-oriented).

A DESCRIPTION OF LABOR-EMPLOYMENT PROGRAMS
(An Annotated Outline)

I. Statistics and Research

A. Labor Force and Employment

The definition, collection and analysis of information on characteristics and employment status of the working age population to better analyze their situation with respect to improving their employment opportunities and incomes.

B. Wage and Family Income Data

The definition, collection and analysis of information to measure present levels and change in relative economic well-being of individuals and family groups within the labor force. Such information is separated by source of income, origin by family member, and other characteristics useful in analyzing the adequacy of current income and in suggesting how income levels may be improved.

C. Occupational Studies

The methodology, collection and analysis of information on specific occupations for developing training programs, vocational guidance materials, aptitude and proficiency tests, candidate selection requirements and occupational classifications.

D. Prices

The collection and analysis of information on relative price levels to permit an evaluation of real wage and income levels over time.

E. Special Programs

1. Labor Migration

The definition, collection and analysis of the geographic, economic and social characteristics of workers who change their location of employment or job search. Attention is given to both the "Push" and "Pull" factors as well as to the economic and social implications of such relocations. Labor migration studies include both international and within country (rural-urban, urban-urban, rural-rural) migratory activities.

2. Measures of Poverty

The definition and measurement of the basic needs of individuals and family groups within a specific economic setting. These absolute measures are used both to evaluate the well-being of people as well as to identify what kinds of goods and services are required to bring people up to acceptable levels of income.

F. Definitional and Methodological Problems

The formulation and development of useful definitions and methodologies which facilitate the description and analysis of the economic and social structures and problems of individual LDCs. These definitions and methodologies should promote the analysis leading to the design and implementation of programs for improving income and employment conditions.

II. Employment Policy and Planning (Macro)

A. Macro and Sectoral Policy and Planning

The development and adoption of development strategies by LDC governments which focus on the generation of employment and income for the poor. Programs of assistance designed to introduce employment and income considerations into long-term planning and decisions on trade, taxes, prices and income, sectoral investments, etc., can provide an overall framework more conducive, and in some cases essential, to success of local labor market programs and projects.

B. Employment Policy Analysis Assistance

A program of assistance to analyze the effects of government programs and policies on employment, product and incomes. The program of analysis may cover, for example, consistency with employment oriented development strategies of import substitution programs or increases in minimum wages; feasibility and impact on growth, employment and incomes of credit and marketing programs for small businesses, decisions to increase public expenditures on construction, shifts in education programs, etc. The programs and policies to be analyzed are those essential for the sustained success of local level projects designed to improve the employment, productivity and incomes of the poor.

III. Labor Market Analysis (Micro)

A. Local Labor Market Information

The collection of information on the activities, conditions and needs of local labor markets. This includes data on both existing and

forecasted demand and supply of labor and those characteristics of both labor demand and supply which are necessary for program development.

B. Analysis of Local Labor Market Information

The analysis of information concerning the local labor market from both local and national sources. These studies combine the employment planning information with data on what is happening in the local area for the development of and feedback into employment and income related projects. Special emphasis is given to studies which measure the demand for skills training.

C. Formulation of Employment/Income Related Strategies for Local Labor Markets

Development of labor market employment/income strategies which include diverse but complementary programs which are mutually reinforcing and that focus on improving the employment and income conditions of low income workers. The problems faced by these workers are numerous, complex and highly interrelated. Programs to make improvements, therefore, must simultaneously seek to resolve their problems in a variety of areas (e.g., training, access to credit, availability of raw materials, access to markets, etc.).

IV. Employment/Income Related Programs

A. Labor Force Development

The development, implementation and evaluation of non-formal, occupation specific skill training programs. These may be programs to upgrade the skills of existing workers either on the job or in training centers, to improve the skills and productivity of the self employed or unpaid family workers, and to train new labor force entrants or the unemployed for employment opportunities. In any case, the focus is on providing the most rapid and least cost training techniques for transferring job specific skills to individual workers or target groups.

B. Employment Services

1. Placement/Labor Exchange Services*

The establishment or improvement of labor exchanges for matching job vacancies with available, qualified employment candidates. This activity is complemented by programs of vocational guidance

*Benefits from programs in this area may accrue in large measure to persons other than those in the lowest income groups.

and testing, referral to training, labor market information and specialized services for groups who have special employment difficulties (e.g., youth, minority groups, handicapped workers).

2. Job Information and Employment Development Activities

The establishment or improvement of agencies which provide information and employment related assistance for low income workers and job seekers who have little chance of qualifying for an unfilled job vacancy. This includes referral to training and public works programs, information on how to improve self-employment incomes or how to initiate a self-employment activity, or assistance in complementing present seasonal activities with alternative sources of income during slack periods.

C. Rural Labor Market Organization

The establishment or improvement of services designed to reduce the periods of unemployment of seasonal laborers or migrant farm workers. This is done by both reducing the time lost between jobs during the periods of seasonal activity as well as enabling them to participate in off-farm activities during slack periods in agriculture.

D. Labor Migration Programs

The establishment or improvement of services designed to direct and facilitate the movement of workers between labor markets. These services may be directed to rural workers going to other rural areas or urban centers as well as poor urban workers who move to other urban areas as they seek to improve their wellbeing. Such services as migrant centers, travel payments, job information, training and employment assistance may be offered through labor migration programs.

E. Community Support Services

The development or improvements of activities which enable potential workers to enter the labor force or that assist in overcoming non-employment related problems faced by current workers and job seekers (activities which focus on labor supply rather than labor demand). Examples of such activities are programs designed to alter family responsibilities, to obtain work and health certificates, to overcome the lack of basic literacy, to provide information on how to seek a job (e.g., day care centers, health clinics, adult educational programs). These activities are mentioned within the scope of labor affairs programs because their existence is often crucial for the improvement of the employment and income situations of specific target groups. Agencies which ultimately provide these services, however, may not be those typically associated with the area of labor affairs.

V. Employment Standards

A. Occupational Safety and Health*

The development, improvement and enforcement of legislation and codes for protecting the safety and health of workers on the job. Such protection, necessary to protect the continuing economic wellbeing of workers and their families, is more easily extended to workers in formal sector activities. Programs for self-employed workers and migrant laborers can, however, include safety and health features through training, equipment design, raw materials specifications, etc.

B. Equal Employment Opportunities

The establishment or strengthening of legislation and programs which eliminate discriminatory employment practices and in other ways enhance the employment opportunities of workers who have been discriminated against in the labor market. Many of the poorest workers in developing countries are members of groups who, because of sex, racial, religious or political characteristics, are prejudicially treated with respect to employment. Eliminating discriminatory practices, therefore, is necessary for improving their employment and income conditions.

VI. Worker Security Programs*

The design, improvement and enforcement of programs to protect workers' rights to jobs or to their sustenance during periods of unemployment, illness, childbearing or old age. Again, these programs are most easily applied in the formal labor market where appropriate mechanisms can be developed and where productivity is sufficiently high to permit the diversion of wage payments for these benefits.

VII. Labor Management Relations*

A. The Government's Role in Promoting Labor Management Stability

The development, improvement and enforcement of programs to encourage labor and management to work together in the pursuit of national development goals. Economic and social development will occur most rapidly in an atmosphere of stability and collaboration.

B. Government Mechanisms for Resolving Labor-Management Disputes

The establishment, improvement and enforcement of mechanisms for the rapid and just settlement of labor-management disputes when they do arise.

*Benefits from programs in this area may accrue in large measures to persons other than those in the lowest income groups.

VIII. Programs Promoting Worker Participation

A. Workers' Mutual Assistance Organizations

These programs support the concept that the workers in developing countries have a legitimate right to form and join in organizations for the protection and promotion of their specific employment-related interests, as well as their right to freely choose the kind and place of employment they prefer. They also support the promotion of worker organization participation in national decision-making processes.

While the major portion of A.I.D.'s program assistance to LDCs in these activities relate to the development of free labor unions through the efforts of the AFL-CIO regional labor institutes, there are other A.I.D. activities falling under this category. Support for the development of farmers' associations, craft guilds, producer supply and marketing cooperatives, for example, are forms of worker mutual assistance organizations.

B. Other Workers' Organizations

The principle of free association of workers can apply to organizations other than trade unions. It may refer to cooperatives, consumer unions, credit unions and worker housing groups. Also, worker owned and/or managed enterprises are increasingly being considered as vehicles for promoting the participation of the poor in development.

THE RELATIONSHIP AND CONTRIBUTIONS OF LABOR
AND EMPLOYMENT PROGRAMS TO A.I.D.'S DEVELOPMENT OBJECTIVES

I. Introduction

A "Description of Labor-Employment Programs" was prepared by the Labor Affairs Task Force as a first step in beginning its exploration of labor and employment related activities within A.I.D. The purpose of the "Description" was to obtain a consensus among Task Force members of a working definition of the term "Labor Affairs" (later changed to "Labor and Employment") Programs. By listing and describing all of the component categories relevant to the general heading, Task Force members were able to "carve out" an area for exploration.

With the "Description of Labor-Employment Programs" completed, the Task Force began to evaluate the relationship and contributions (if there are any) of each component category to achieving A.I.D.'s development objectives. To assist them in this evaluation, Task Force members met with representatives from the A.I.D. Regional Bureaus, the U.S. Department of Labor and other International Donor Agencies. In addition, Dr. James H. Weaver of American University prepared a special report for the Task Force summarizing his views and the views of other leading labor and development economists on the relationship and contribution of labor and employment programs to A.I.D.'s development objectives.

The conclusions of members of the Task Force as a result of the evaluation process, are presented in this section.

II. A.I.D.'s Development Objectives

Before reporting the Task Force's conclusions on the relationship and contribution of Labor and Employment Programs to A.I.D.'s development objectives, it will be useful to summarize the development objectives that were used in the evaluation.

A.I.D.'s current development objectives have been set forth in various Congressional documents since the "New Directions" Legislation of 1973. A very concise statement of these objectives, however, is contained in the "Bilateral Development Assistance Strategy Statement", a portion of which follows:

The basic objective of the strategy is to enable the poor, including women, in developing countries to meet their basic human needs on a sustainable basis. Major elements of the strategy include: (1) assisting the poor to increase their incomes -- through raising their productivity and access to productive employment--; and (2) increasing the availability of and access to goods and services required to meet basic human needs. The strategy also involves effective popular

participation by the poor (again, including women) in decision-making so that their needs, desires, capacities and indigenous institutions are recognized, understood, and given major weight.

The Task Force concentrated on the employment aspects of the above statement of objectives. Although the production of the goods and services necessary to meet the basic needs of poor people is recognized as a fundamental A.I.D. development objective, the scope of work of the Task Force was limited to the employment and distribution aspects of the development process.

The Task Force understood the "poor" to mean the lower income population strata within A.I.D. recipient countries. There is, however, no discussion of the contributions of labor and employment programs at alternative levels of development. Because A.I.D. provides development assistance to the "not so poor" countries, a discussion of the relationship and contributions of labor and employment programs to countries at alternative levels of economic and social development may be of interest at some later date.

III. The Relationship and Contributions of Labor and Employment Programs to A.I.D.'s Development Objectives

The Task Force has determined that certain of the activities covered in the "Description of Labor-Employment Programs" are vital to A.I.D. for achieving its development objectives and should be given more emphasis in current A.I.D. programming. The relevant programs are those under the headings of:

- I. Statistics and Research
 - A. Labor Force and Employment
 - B. Wage and Family Income Data
 - E. Special Programs
 1. Labor Migration
 2. Measures of Poverty
 - F. Definitional and Methodological Problems
- II. Employment Policy and Planning (Macro)
 - A. Macro and Sectorial Policy and Planning
 - B. Employment Policy Analysis Assistance
- III. Labor Market Analysis (Micro)
 - A. Local Labor Market Information
 - B. Analysis of Local Labor Market Information
 - C. Formulation of Employment/Income Related Strategies for Local Labor Markets

IV. Employment/Income Related Programs

- A. Labor Force Development (Non-Formal Training)
- C. Rural Labor Market Organization
- D. Labor Migration Programs
- E. Community Support Services

VIII. Programs Promoting Worker Participation

- A. Workers' Mutual Assistance Organizations
- B. Other Workers' Organizations

The above Labor-Employment programs, when directed to the poor in the LDCs, relate directly to the A.I.D. objective of improving the employment and income conditions of these target groups. Program emphasis in these areas should be expanded and a discussion will follow of the specific contributions of each program to provide guidelines for program expansion.

The Task Force has observed that some Labor-Employment programs have only marginal impact on improving the employment and income conditions of the poor. These programs are under the following headings:

IV. Employment/Income Related Programs

- B. Employment Services
 - 1. Placement/Labor Exchange Services

V. Employment Standards

- A. Occupational Safety and Health

VI. Worker Security Programs

VII. Labor Management Relations

For the most part, the focus of the above programs is on wage and salary workers employed in the more modern, organized sectors of the economy. The Task Force realizes that exceptions exist, however, to this general rule. Employment standards related to the size of boxes used by agricultural piece-rate workers or related to the application of harmful chemicals do have relevance to poor workers. These are the exceptions and, therefore, do not justify a major program thrust even though they clearly must be considered in specific circumstances.

In some cases, the above labor employment programs may adversely affect the employment and income conditions of poor workers. To the extent that minimum wages, protection from being discharged from the job, safety regulations and other worker protection plans make it

costly to create new employment opportunities (especially in small firms), the employment opportunities for poor workers are being limited. Requirements that workers must have permits, minimum levels of education, health certificates and some form of bonding also work against the poor.

The labor-employment programs which the Task Force has found to have little current impact on the poor may, as the conditions of poor workers improve and they have more access to the more formal and modern sectors, be of future importance to A.I.D. In addition, to the extent that A.I.D. maintains programs in the "not so poor" LDCs, these labor-employment programs may have current relevance.

A brief description will follow of the contributions that each of the identified program areas can make to the attainment of A.I.D.'s development objectives. The Task Force, however, recommends that research and program evaluations are urgently needed in these areas to more fully document current activities and explore new program possibilities in each area.

A. Employment Policy and Planning (Macro)

This area is of great importance to A.I.D. in meeting its objective of improving the employment and income conditions of the poor. First, A.I.D. Country Development Strategy Statements and Project Papers should make specific references to the overall employment needs of the host country and evaluate the direct and indirect employment and income effects of the A.I.D. program in meeting those needs. Second, where LDC Governments are politically committed to a development process for meeting the basic needs or the employment requirements of its entire population, A.I.D. should provide support to these efforts. Traditional development planning has had little impact on improving the conditions of the very poor because the economic and social impediments to their participation have been so diverse and widespread. It is only at the macro-planning and policy area that simultaneous and complementary modifications can be made in such programs as international trade, taxes, sectorial distributions of investment, selection of technologies, and institutional development which will truly permit the improvement in the conditions the poor to become a viable development goal.

B. Labor Market Analysis (Micro)

Where host country governments are not committed to the overall fulfillment of basic needs or full employment or where program funding does not permit a macro-orientation, the formulation of employment/income related strategies for specific labor markets will be of critical importance. Because the poor within an identifiable labor market (defined geographically, industrially, occupationally or by personal characteristics) will have numerous and complex needs

so as to improve their employment and income conditions, a strategy must be developed to simultaneously deliver a number of services. This will require gathering and analysing information on the needs of the target group, designing and implementing a comprehensive program for meeting those needs and, finally, evaluating the program to see that the conditions of the target group were improved as a direct result of the program. Together with providing these services, however, care should be taken to modify any legal or bureaucratic impediments at the labor market level which limit the employment/income potential of the poor.

C. Employment/Income Related Programs

For poor people's income and employment situations to be improved, some specific labor/employment programs will be necessary. Skill training, literacy programs and adult education are almost always an important factor in elevating productivity and incomes, even at the lowest economic levels. Improving the organization of local labor markets, especially in rural areas, is a fundamental component of an integrated development program if the employment and income conditions of the poor are to be maximized. Improved community support services are necessary to permit the poor to enter employment or to increase the time and attention they may give to employment and productive activities. Assistance to poor workers who migrate to improve their employment and income conditions may save them lengthy and costly periods of unemployment. Care should be taken, however, when planning these employment/income related programs that: (1) services are delivered in the form and in the proper combination that will result in improving the employment and income conditions of the target group, and (2) there is demand for the final products of these services (e.g. skill training, artisan activities, small business support).

D. Programs Promoting Worker Participation

Activities to improve the employment and income conditions of poor workers are unlikely to be effective or sustainable unless the workers themselves participate in the design and implementation of such activities. The Task Force has determined, therefore, that A.I.D. should broaden its efforts to stimulate the participation of poor workers in the economic and social development process. In addition to current efforts to stimulate trade union activities for poor workers, more emphasis should be placed on production cooperatives, worker managed enterprises as well as small businesses and self employment. These activities not only permit greater worker participation but also represent channels for generating new employment opportunities.

E. Statistics and Research

There was general agreement among Task Force members that research and statistics programs dealing with the specific labor and employment programs described above should be widely expanded. Too little is currently known about: (1) the characteristics, location, economic potential and needs of the very poor in the poorest countries (supply aspects), and (2) programs to effectively improve the employment and income conditions of these target groups (demand aspects).

Traditional concepts and data gathering programs have been very ineffective in treating the very poor. They typically remain in such uninformative categories as "self-employed", "unpaid family workers", and "outside the labor force". Serious attention must be given to better identify their current and potential income and employment activities as well as the existing impediments to maximizing their income. This includes more information on defining "Basic Needs", "poverty and subsistence levels" and other concepts used to characterize the poor.

Very little conclusive information is available to development economists on how to improve the conditions of the poor. There is a current proliferation of articles and books on the merits of appropriate technology, labor intensive public workers, improvements in subsistence agriculture and non-farm rural employment, and in the creation of small businesses. Additional documentation is needed, however, on successful applications of these programs and suggestions on how they may be replicated.

LABOR-EMPLOYMENT PROGRAMS IN THE A.I.D.
MISSION PROJECT SETTING

I. Introduction

A.I.D. is currently designing and implementing a number of projects in the Labor-Employment area. These are identified in the "Inventory of A.I.D. Labor Affairs Projects, Fiscal Years 1978, 1979 and 1980". The Task Force proposes, in this paper, to: (1) identify those areas within the Description of Labor-Employment Programs which are receiving major A.I.D. attention, (2) summarize the kinds of activities being developed in each of these areas, and (3) suggest some weaknesses which are limiting the development and implementation of A.I.D. Labor/Employment programs.

II. Major Areas of Attention in the Labor/Employment Field

The problems related to improving the employment and income conditions of poor families in developing countries seem to be the thread that unites the projects and activities that we have defined as "Labor-Employment" programs. Obviously employment and income conditions are affected by all of the sectorial activities related to social and economic development. Agriculture, rural development, housing, education, health, family planning, appropriate technology, and other sectorial programs have a direct impact on the employment and income conditions of poor families. It is, however, this emphasis on the generation of employment and the distribution of income through the above sectors but directed to specific target groups that is giving substance and definition to the Labor/Employment program within A.I.D.

Labor/Employment activities in A.I.D. are concentrated in four specific areas. The first relates to the Macro-Employment Policy and Planning area where the objective is to orient social and economic planning in such a way as to improve the quality of life of the entire population, with emphasis, of course, on those persons at the lower income levels. The second area deals with an integrated planning and services program to improve the employment and income conditions of specific low income target groups (e.g., those living in specific low income rural or urban areas). The third area is improving the capacity and performance of specific institutions which enhance the employment and income potential of poor people (e.g., non-formal skill training, literacy programs, credit and technical assistance for small enterprises, assistance for organizing cooperatives). The final area is a research and data development base for supporting the above activities.

These observations are based on the "Inventory of A.I.D. Labor Affairs Projects, Fiscal Years 1978, 1979 and 1980." Most of the project entries in the inventory are concentrated in the following categories:

- I. Statistics and Research
 - A. Labor Force and Employment
 - B. Wage and Family Income Data
 - F. Definitional and Methodological Problems
- II. Employment Policy and Planning (Macro)
 - A. Macro and Sectorial Policy and Planning
 - B. Employment Policy Analysis Assistance
- III. Labor Market Analysis (Micro)
 - B. Analysis of Local Labor Market Information
 - C. Formulation of Employment/Income Related Strategies for Local Labor Markets
- IV. Employment/Income Related Programs
 - A. Labor Force Development
 - C. Rural Labor Market Organization
- VIII. Workers' Mutual Assistance Organizations
 - A. Free Labor Development
 - B. Other Workers' Organizations

The traditional Labor/Employment activities oriented to urban wage and salary workers (e.g., placement services and job information programs, employment standards, social security programs, and labor management relations) are receiving very little emphasis at the present time. Labor institute activities are not part of the scope of work of the Task Force.

The specific nature of A.I.D. project activities for each of the four Labor/Employment areas outlined above will be discussed separately.

- III. Specific Activities in the Four Major Labor-Employment Areas
 - A. Employment Policy and Planning (Macro)

In most developing countries, problems related to poverty, employment and income distribution are both great in magnitude and diverse in nature. Discrete projects aimed at specific target groups are usually "drops in the bucket" and do little to modify structural factors which separate poor, marginal groups from the mainstream of economic and social activities.

In most cases, a sustainable improvement in the employment and income conditions of poor families can only come about through a reorientation

of the entire planning and development process. Rather than the traditional growth oriented "trickle down" approach, the planning and development process is oriented toward improving the conditions of certain poor target groups. This orientation may focus on producing and delivering the wide range of "Basic Needs" required by the poor, on facilitating the "Trickle Down" distribution process or on reaching a level of full employment at satisfactory levels of income. A fundamental aspect of this macro-orientation is that groups of beneficiaries are identified, their needs are determined in some form or other, and care is taken to formulate policies and programs for delivering specified goods and services to the target groups.

A.I.D. support of efforts to expand employment policy and planning at the macro-level has taken two forms. First, assistance is being provided directly to Ministries of Planning in developing countries to strengthen the information base and the capacity for employment oriented macro-planning. Second, reviews and inventories are being undertaken of existing experiences in developing countries to: (1) identify useful models and alternatives, (2) summarize existing experiences for orienting A.I.D. activities, and (3) locate existing resources and sources of assistance to support employment oriented planning activities.

B. Formulation of Employment/Income Related Strategies for Specific Labor Markets

When the employment and income conditions of a specific group of workers or a "Labor Market" is the objective of an A.I.D. activity, projects are designed to include a package of simultaneously delivered services which will permit the target group to increase its productivity or to improve their employment status. The "Labor Market" may be limited geographically (e.g., urban slums), occupationally (e.g., subsistence level farmers), industrially (e.g., small manufacturing establishments), or by some combination of the three.

The typical components of these projects include: (1) an investigation of the characteristics and the needs of the "Labor Market", (2) an institutional strategy for delivering a package of services to improve the employment/income potential of the target group, (3) a program to improve the institutional capacity to provide necessary services, to deliver the services to the target group and to coordinate the actions of the various institutions, and (4) an evaluation program to certify that the employment/income conditions of the target group improved as a result of the project.

C. Specific Program Approach to Improving Employment/Income Conditions

When the program emphasis is on improving the employment and income conditions of poor families, certain characteristics of the members of these families immediately present themselves as explaining their low

income levels. These include the absence of any marketable skills, their low levels of literacy and education, their lack of access to credit and technical assistance to improve their productivity and the lack of information they have on opportunities within the labor market. A large number of A.I.D. projects have been developed in the skill training, adult education, small establishment development and cooperatives program areas, therefore, to improve the employment/income potential of the poor target groups.

These programs basically are oriented to introducing more relevant and efficient techniques for meeting the needs of the poor, to improving the delivery systems to the poor, and to evaluate project activities in terms of how they benefited the target group. For the most part, A.I.D. projects of this nature concentrate on one institution and, consequently, on a specific kind of service.

The major specific program area is that of non-formal training. Skill training activities covering a wide range of occupations but focusing mostly on rural areas are being developed in all of the A.I.D. Regional Bureaus. The emphasis is on making training programs as occupation specific as possible thereby reducing training time, as geographically flexible as possible thereby reducing building and equipment costs and as free from basic education requirements as possible thereby expanding the target populations that can be served.

Other specific program areas receiving attention are rural non-farm employment generation, small business development and the formation of cooperatives.

D. Statistics and Research

The statistics and research area is divided into three types of programs. The first relates to research on understanding the causes of the employment and income conditions of the poor. With this information, a second area of research attempts to determine how these conditions may be improved. The third is related to defining and measuring target groups with employment and income problems, obtaining information on their characteristics and establishing data benchmarks for measuring improvements in their employment/income conditions. The statistical programs that are receiving current attention include those related to the definition and measurement of poverty, the definition and measurement of underemployment, the levels and sources of family income and the manpower and support requirements of small establishments. For the most part, the emphasis is on rural areas.

IV. Factors Limiting the Development and Implementation of Labor/ Employment Programs in A.I.D.

The lack of policy orientation toward labor and employment problems is not responsible for the limited A.I.D. program attention to the field. USAID Mission technicians and economic planners from the developing

countries, for the most part, consider the employment problem as their number one concern. There is, however, very little convincing evidence on how to achieve the goal of improving the employment and income conditions of poor families. Because the problems of the poor in the developing countries, especially those in rural areas, are so different from the more developed countries and the resources of the poorer countries are so limited, the transferability of experiences and technology is also very limited. Finally, integrated development projects designed to assist poor workers very often overlook the need for mobilizing, distributing and maximizing the participation of the labor force in some explicit, rational manner. These three factors are believed to limit the wider development of labor/employment related programs within A.I.D.

The first limitation relates to the difficulty in obtaining information on how to develop and implement programs which will improve the employment and income conditions of the poor. While many international donor agencies have been active in this field (the ILO being the leader), there is not a comprehensive documentation system which permits access to the full range of experiences which have taken place. There is, therefore, a clear need for a compendium of programs and of supporting evidence on how to achieve the goal of improving the employment and income conditions of poor families.

Also, a better mechanism must be developed to identify and support the technical resources needed for program design and implementation. The U.S. Department of Labor for many years was the primary source of expertise in the labor and employment area. Current A.I.D. emphasis, however, on the needs of the very poor in the developing countries (with a primary focus on rural labor markets) means that U.S. experiences are less relevant and that new sources of technical support must be established. In many cases, this means establishing a specific U.S. capacity for working with the employment and labor problems peculiar to the developing countries.

Finally, the integrated development program concept widely applied to rural development has overlooked many of the factors necessary to maximize the participation of workers and potential workers in the development process. While attention is often given to appropriate technology, labor intensive public works and skill training, there is typically no explicit reference to studies or institutions which will rationally mobilize local manpower so their employment and income conditions are improved in an optimum manner. These programs can include labor market information, job information services, assistance to persons outside the labor force to obtain employment and assistance to those who may need to migrate.

INVENTORY OF AID LABOR AFFAIRS PROJECTS, FISCAL YEARS 1978, 1979 AND 1980

Project Number and Title	Funding (\$000)				Type of Project - Comments	Bureau
	FY 78	FY 79	FY 80	All Years		
I. <u>Statistics and Research</u>						
A. <u>Labor Force and Employment</u>						
932-0622 - 1980 Round of Censuses, AID/W	1,050	1,430	1,500	5,980	Assistance to LDCs for collecting, processing and disseminating census information	DSB/Office of Population
----- - Demographic Data for Development, AID/W	-	-	-	9,200	Improving data analysis, processing and dissemination in LDCs	DSB/Office of Population
----- - Diagnostic Survey of Female Participation, Guatemala	-	-	90			Latin America/Caribbean
B. <u>Wage and Family Income Data</u>						
391-0440 - Development Impact Measurement, Pakistan	-	-	3,500		Improve the capacity of the National Statistical Agency to measure income distribution, wealth, employment and access to services	Asia
492-0295 - Economic and Social Impact Analysis/ Women in Development, Philippines	1,000	1,000	-		Measurements of improvements in economic and social status	Asia
930-0534 - Distribution of Gains, Wealth and Income from Development, AID/W	70	-	-			PPC
C. <u>Occupational Studies</u>						

INVENTORY OF AID LABOR AFFAIRS PROJECTS, FISCAL YEARS 1978, 1979 AND 1980

Project Number and Title	Funding (\$000)				Type of Project - Comments	Bureau
	FY 78	FY 79	FY 80	All Years		
D. <u>Prices</u>						
E. <u>Special Programs</u>						
1. <u>Labor Migration</u>						
2. <u>Measures of Poverty</u>						
----- - Policy Relevant to Basic Human Needs Research by LDC Institutes, AID/W	265	240	250			PPC
F. <u>Definitional and Methodo- logical Problems</u>						
930-0062 - Development Data, AID/W	100	100	100		Improve LDC's capabilities for data gathering	PPC
936-1136 - Methodologies for Rural Development Analysis, AID/W	136	-	-	1,918	Improve data collection and analysis of information necessary for planning	DSB/Rural Development
II. <u>Employment Policy and Planning (Macro)</u>						
A. <u>Macro and Sectoral Policy and Planning</u>						
517-0121 - National Employ- ment Policy, Dominican Republic	-	494	-		Establish employment planning capacity in Office of Planning, improve employment data necessary for planning	Latin America, Caribbean

INVENTORY OF AID LABOR AFFAIRS PROJECTS, FISCAL YEARS 1978, 1979 AND 1980

Project Number and Title	Funding (\$000)				Type of Project - Comments	Bureau
	FY 78	FY 79	FY 80	All Years		
----- - Employment Investment Promotion, Caribbean Regional	8,300	1,000	887		Stimulate industrial growth with focus on employment generation	Latin America, Caribbean
497-0246 - Northern Sumatra Regional Planning, Indonesia	400	800	-		Establish regional planning program with employment creation emphasis	Asia
263-0104 - Rural Employment Generation, Egypt	-	-	-	25,000		Near East
----- - Employment Planning, AID/W	100	300	-		Establish employment planning capacity in some LDCs, study results	PPC
936-1141 - Off Farm Employment, AID/W	324	240	645	1,209	Design and implement off-farm employment generation projects	DSB/Rural Development
B. <u>Employment Policy Analysis Assistance</u>						
682-0211 - Rural Assessment/ Manpower Survey, Mauritania	2,000	1,500	505		Comprehensive rural sector assessment, analysis of employment problems, formulation of long-term strategy for integrated rural development	Africa
493-0306 - Off-Farm Small Scale Industry Development, Thailand	-	500	-		Pre-feasibility study to examine potential for generating off-farm employment through small scale industries	Asia

INVENTORY OF AID LABOR AFFAIRS PROJECTS, FISCAL YEARS 1978, 1979 AND 1980

Project Number and Title	Funding (\$000)				Type of Project - Comments	Bureau
	FY 78	FY 79	FY 80	All Years		
936-1132 - Social Analysis for Rural Development, AID/W	1,000	-	-	1,900	State of the arts studies, applied research, consultants in developing countries to evaluate employment generation and rural development	DSB/Rural Development
----- - Central Support for Employment Project Implementation in Urban Areas, AID/W	-	-	50		Assist Missions and Regional Bureaus in analyzing and incorporating off-farm employment programs in development assistance activities	DSB/Urban Development
930-0643 - Income Distribution and Public Policy, AID/W	500	300	100			PPC
----- - Council for Asian Manpower Studies, AID/W	80	25	-		Foster interest and develop capacity to do research on employment related problems	PPC
III. Labor Market Analysis (Micro)						
A. Labor Market Information						
B. Analysis of Local Labor Market Information						
----1047 - Agricultural Labor Market Analysis, AID/W	-	-	570	843		DSB-Agriculture
525-0164 - Program Development Support, Panama	125	200	-		Workforce assessment	Latin America/Caribbean

INVENTORY OF AID LABOR AFFAIRS PROJECTS, FISCAL YEARS 1978, 1979 AND 1980

Project Number and Title	Funding (\$000)				Type of Project - Comments	Bureau
	FY 78	FY 79	FY 80	All Years		
C. <u>Formulation of Employment/Income Related Strategies for Local Labor Markets</u>						
631-0030 - Pilot Interministerial Urban Services, Cameroon	-	-	249	-	Improving delivery of urban services to enhance employment and income situation of urban poor	Africa
677-0004 - Chad Comprehensive Human Resources Development, Chad	1,000	776	1,268		Planning system for delivering services, forecasting manpower needs, develop training programs	Africa
515-0141 - Secondary Cities Development, Costa Rica	-	-	5,000		Improve income and employment conditions in smaller urban areas by transferral of government services	Latin America/ Caribbean
532-0047 - Manpower Planning, Training and Employment; Jamaica	80	450	420	950	Comprehensive systems approach to manpower planning, training and employment	Latin America/ Caribbean
525-0214 - Workforce Development, Panama	-	-	5,000		Integrated manpower planning, training and utilization project	Latin America/ Caribbean
----- - Employment Opportunities for the Urban Poor, Bolivia (OLAB financed project)	160	-	-		Services to urban poor to improve employment/income conditions	PDC/OLAB

INVENTORY OF AID LABOR AFFAIRS PROJECTS, FISCAL YEARS 1978, 1979 AND 1980

Project Number and Title	Funding (\$000)				Type of Project - Comments	Bureau
	FY 78	FY 79	FY 80	All Years		
931-1090 - Small Enterprise Approaches to Employment, AID/W	650	500	100	1,350	Develop, test and evaluate low-cost outreach techniques for productivity, income and employment enhancement through small enterprises	DSB/Urban Development
907-11- 490-005 - Technical Support for Labor Force Planning, Development and Utilization Activities, AID/W	-	-	240	370	Assistance to AID Missions and Regional Bureaus for developing employment related projects	PDC/OLAB
IV. <u>Employment/Income Related Programs</u>						
A. <u>Labor Force Development</u>						
608-0139 - Non-Formal Education for Women, Morocco	2,291	-	1,022		Support for training centers; labor market	Near East
608-0147 - Industrial and Commercial Job Training for Women, Morocco	2,400	-	426		Assistance to training centers in industrial and commercial skill areas	Near East
263-0062 - Vocational Education, Egypt	-	5,800	1,000		Assistance to non-formal skills training programs, labor market information	Near East
278-0238 - Vocational Training, Jordan	-	850	-	850	Non-formal skills training programs; identification of training needs	Near East
698-0388 - African Women in Development, Regional	470	350	350		Skill training for women; cooperatives, day care centers, socio-economic studies	Africa

INVENTORY OF AID LABOR AFFAIRS PROJECTS, FISCAL YEARS 1978, 1979 AND 1980

Project Number and Title	Funding (\$000)				Type of Project - Comments	Bureau
	FY 78	FY 79	FY 80	All Years		
698-0006 - Human Resources Development and Services, Africa Regional	-	-	-		Improve rural non-formal training/education network	Africa
633-0211 - Income Skills Training for Women, Botswana	953	-	-		Determine skill needs, provide skill training, focus on self employment	Africa
631-0017 - National Planning for Community Development, Cameroon	-	475	225		Teach basic skills, promote village level leadership, promote local development institutions and self-help projects	Africa
698-0388 - Training for Farmer Women in Increased Agricultural Production, Chad	232	92	46		Skills training in agricultural activities, nutrition, sewing, hygiene and basic education	Africa
677-0032 - Chad Road Maintenance, Chad	3,500	1,878	740		Road construction, training of road maintenance personnel	Africa
603-0002 - Skills Training, Djibouti	500	-	-		Skill training for the unemployed	Africa
663-0189 - Non-formal Education, Ethiopia	275	300	350		Adult education and skill training programs	Africa
663-0224 - Human Resources Training, Ethiopia	-	-	250		Rural non-formal skill training	Africa
669-0131 - Vocational Training, Liberia	800	1,900	1,500		Restructuring skill training programs, job placement and follow-up studies or graduates	Africa

INVENTORY OF AID LABOR AFFAIRS PROJECTS, FISCAL YEARS 1978, 1979 AND 1980

Project Number and Title	Funding (\$000)				Type of Project - Comments	Bureau
	FY 78	FY 79	FY 80	All Years		
685-0222 - Youth Job Development (YMCA), Senegal	350	325	500		Skill training for unemployed youth, followup studies and job placement	Africa
650-0021 - Southern Manpower Development, Sudan	1,000	1,400	1,000		Improve skill training in agriculture	Africa
650-0031 - Southern Rural Infrastructure, Sudan	-	3,000	1,000		Construction of infrastructure projects, training courses to upgrade skills	Africa
686-0226 - Non-formal Education/Women in Sahel, Upper Volta	500	-	700		Train women in subsistence gardening, livestock raising, dairy production, handicrafts	Africa
686-0221 - Agricultural Human Resources Development, Upper Volta	2,000	2,000	2,300		Expansion of training centers for teaching agricultural skills	Africa
686-0235 - Forestry Education and Development, Upper Volta	-	700	3,000		Expansion of training centers giving non-formal skill training	Africa
515-0151 - Urban Poor Job Training, Costa Rica	-	-	420		Non-formal skill training for urban poor	Latin America, Caribbean
515-0150 - WID - Increased Employment Opportunities, Costa Rica	-	-	300		Non-formal skill training and other employment assistance for poor women	Latin America, Caribbean

INVENTORY OF AID LABOR AFFAIRS PROJECTS, FISCAL YEARS 1978, 1979 AND 1980

Project Number and Title	Funding (\$000)				Type of Project - Comments	Bureau
	FY 78	FY 79	FY 80	All Years		
527-0165 - Rural Job Skills Training for the Poor (SENATI), Peru	-	-	685		Non-formal skill training for rural workers	Latin America, Caribbean
532-0066 - Manpower Training, Jamaica	-	-	2,500		Strengthen and expand non-formal industrial training centers	Latin America, Caribbean
532-0067 - Urban Development, Jamaica	-	-	5,000		Skill training and other employment support activities for urban poor	Latin America, Caribbean
526-0508 - Basic Rural Non-formal Education, Paraguay	-	-	3,131		Non-formal labor market related skill training in rural areas	Latin America, Caribbean
519-0172 - Basic and Occupational Skills Training, El Salvador	-	500	3,350	3,850	Occupational skills training for poor, out-of-school youth and adults, job market analysis, counselling, followup on graduates	Latin America, Caribbean
504-0068 - Rural Roads, Guyana	-	-	-	10,537	Construction of rural roads, training of road maintenance workers	Latin America, Caribbean
520-0264 - Non-formal Education, Guatemala	-	-	1,200	1,200	Non-formal basic education and skills training	Latin America, Caribbean
520-0228 - Basic Rural Education, Guatemala	-	-	-	1,300	Rural education which includes skill training	Latin America, Caribbean
391-0438 - Technical Training Institutes (OPG), Pakistan	-	1,250	425		Establishment and improvement of technical training institutes for manufacturing and service sector skills	Asia

INVENTORY OF AID LABOR AFFAIRS PROJECTS, FISCAL YEARS 1978, 1979 AND 1980

Project Number and Title	Funding (\$000)				Type of Project - Comments	Bureau
	FY 78	FY 79	FY 80	All Years		
493-0295 - Non-formal Vocational Education, Thailand	-	500	-		Non-formal skill training in agricultural and non-farm activities	Asia
931-1031 - LDC Institutional Involvement in Non-formal Education, AID/W	111	200	150	640	Promote LDC capacity to plan, implement and evaluate non-formal education programs	DSB/Education
931-1054 - Structuring Non-formal Education Resources, AID/W	660	870	1,000	5,500	Develop and test approaches for providing non-formal education activities	DSB/Education
936-5800 - Non-formal Education Programmed Teaching, AID/W	-	-	200	500	Develop and demonstrate use of programmed teaching materials in non-formal education activities	DSB/Education
936-5801 - Non-formal Education Assessment and Analysis, AID/W	-	-	240	240	Develop non-formal education assessment and analysis methodologies	DSB/Education
936-5802 - Non-formal Education Motivation and Benefits, AID/W	-	-	80	500	Determine what motivates rural people to participate in non-formal education programs, estimates of benefits	DSB/Education
931-1241 - Non-formal Education and Out-of-School Youth, AID/W	-	-	500	1,500	Effects of non-formal education in delivering basic education, employable skills and participation in community activities	DSB/Education

INVENTORY OF AID LABOR AFFAIRS PROJECTS, FISCAL YEARS 1978, 1979 AND 1980

Project Number and Title	Funding (\$000)				Type of Project - Comments	Bureau
	FY 78	FY 79	FY 80	All Years		
B. <u>Employment Services</u>						
1. <u>Placement/Labor Exchange Services</u>						
2. <u>Job Information and Employment Development Activities</u>						
C. <u>Rural Labor Market Organization</u>						
683-0226 - Rural Sector Human Resources Development, Niger	-	2,000	2,000		Rural manpower planning system, cooperative training center, adult literacy program	Africa
686-0201 - ORD Integrated Rural Development, Upper Volta	500	-	1,000		Development agency for rural areas, credit facilities, non-formal skill training, farm level studies	Africa
----- - Organization of Rural Labor Market Pilot Study, AID/W	-	200	-		Experimental project to test techniques for organizing rural labor markets	PDC/OLAB
907-11-490-006 - Rural Labor Force Development and Utilization	-	-	110	250	State of the art studies, identification and evaluation of successful activities in LDCs	PDC/OLAB
D. <u>Labor Migration Programs</u>						

INVENTORY OF AID LABOR AFFAIRS PROJECTS, FISCAL YEARS 1978, 1979 AND 1980

Project Number and Title	Funding (\$000)				Type of Project - Comments	Bureau
	FY 78	FY 79	FY 80	All Years		
<u>E. Community Support Services</u> <u>V. Employment Standards</u> <u>A. Occupational Safety and Health</u> <u>B. Equal Employment Opportunities</u> 907-11-490-003 - Labor Force Integration, AID/W	310	310	480		Assist AID offices, multi-lateral development assistance agencies and LDC governments in programs for integrating women in the labor force.	PDC/OLAB
<u>VI. Worker Security Programs.</u> <u>VII. Labor Management Relations</u> <u>A. The Government's Role in Pro-</u> <u> moting Labor Management</u> <u> Stability</u> <u>B. Government Mechanisms for</u> <u> Resolving Labor Management</u> <u> Disputes</u> <u>VIII. Workers' Mutual Assistance</u> <u> Organizations</u> <u>A. Free Labor Development</u>						

INVENTORY OF AID LABOR AFFAIRS PROJECTS, FISCAL YEARS 1978, 1979 AND 1980

Project Number and Title	Funding (\$000)				Type of Project - Comments	Bureau
	FY 78	FY 79	FY 80	All Years		
698-0306 - Africa Labor Development, AID/W	2,200	2,500	2,600		African-American Labor Institute	Africa
598-0101 - Free Labor Development, AID/W	6,900	7,500	7,900		American Institute for Free Labor Development	Latin America/ Caribbean
498-0017 - Asian American Free Labor Union Development, AID/W	3,700	3,700	3,700		Asian-American Free Labor Institute	Asia
907-11-490-002 - Government/Labor Organizations Relations	430	430	550		Train trade union leaders from LDCs on how their organizations can be more beneficial to poor workers	PDC/OLAB
B. <u>Other Workers Organizations</u>						
598-0599 - Agrarian Union Development, LAC Regional	-	-	1,000	1,000	Agricultural credit cooperatives (AIFLD)	Latin America/ Caribbean
497-0313 - Cooperatives Development I, Indonesia	-	-	3,300		Strengthen the supply and marketing services provided to farmers by cooperatives	Asia
492-0300 - Cooperative Marketing, Philippines	1,600	4,400	-		Establish marketing and credit cooperatives, cooperative information and extension system	Asia

INVENTORY OF AID LABOR AFFAIRS PROJECTS, FISCAL YEARS 1978, 1979 AND 1980

Project Number and Title	Funding (\$000)				Type of Project - Comments	Bureau
	FY 78	FY 79	FY 80	All Years		
<u>Projects for Funding Participant Training in Labor Affairs Related Areas</u>						
608-0149 - Development Training and Management Improvement, Morocco				4,503	Participant training	Near East
306-0157 - Development Support Training, Afghanistan				3,402	Participant training	Near East
279-0040 - Development Training II, Yemen				15,587	Participant training	Near East
278-0146 - Development Administration Training, Jordan				3,868	Participant training	Near East
659-0001 - Development Training for Portuguese Speaking Africa, Africa Regional	1,490	1,600	1,320		Participant training	Africa
698-0384 - Africa Manpower Development Project, Africa Regional	4,335	4,850	2,550		Participant training	Africa
----- - Training, Burundi	-	100	135		Participant training	Africa
615-0178 - Human Resources Development Project, Kenya	-	7,740	-		Participant training	Africa

INVENTORY OF AID LABOR AFFAIRS PROJECTS, FISCAL YEARS 1978, 1979 AND 1980

Project Number and Title	Funding (\$000)				Type of Project - Comments	Bureau
	FY 78	FY 79	FY 80	All Years		
632-0069 - Southern Africa Manpower Development, Lesotho	1,843	1,907	2,969		Training for government officials (manpower planner specifically mentioned)	Africa
612-0206 - Malawi Manpower Development Project, Malawi					Participant training	Africa
693-0216 - Togo Manpower Development, Togo	-	400	500		Graduate level training (Human resources development specifically mentioned)	Africa
----- - Caribbean Regional Participant Training, Caribbean Regional	450	442	400		Participant training (employment analysis specified)	Latin America/Caribbean
527-0173 - Selected Development Training, Peru				497	Participant training in planning	Latin America/Caribbean
532-0000 - Program Development and Support, Jamaica	74				Participant training	Latin America/Caribbean
525-0164 - Training for Development, Panama				3,394	Participant training	Latin America/Caribbean
511-0512 - Human Resources Training, Bolivia	-	1,500	5,000		Participant training	Latin America/Caribbean
518-0017 - Training for Development, Ecuador				1,900	Participant training	Latin America/Caribbean

INVENTORY OF AID LABOR AFFAIRS PROJECTS, FISCAL YEARS 1978, 1979 AND 1980

Project Number and Title	Funding (\$000)				Type of Project - Comments	Bureau
	FY 78	FY 79	FY 80	All Years		
520-0000 - Program Development and Support, Guatemala	-	117	200		Participant training	Latin America/ Caribbean
497-0287 - Professional Resources Development, III, Indonesia	-	5,000	-		Training for government personnel including those in Ministry of Manpower and Transmigration	Asia
497-0301 - Professional Resources Development, IV, Indonesia	-	-	7,000		Training for government personnel including those in the Ministry of Social Welfare	Asia
391-0426 - Development Training, Pakistan	-	1,250	425		Participant training	Asia

LABOR AND EMPLOYMENT PROGRAMS IN INTERNATIONAL AGENCIES

The purpose of this Section is to provide some perspective for the above discussion of labor and employment programs by examining some of the international donor community^{1/} activities in these areas. We find a fairly unanimous concern among lenders for the gathering and analysis of data on labor force and employment in various regions. A similar concern can be detected for measuring the impact of donor projects on employment and in the case of the World Bank, issuance of policy statements directing projects away from capital-intensity, and toward employment generation. Only the International Labor Organization (ILO) has systematic relations with trade unions and other forms of organized labor, as well as the government sector.

The World Bank has organized considerable research^{2/} on the topics of labor markets and project impact on employment. In the areas of industry, public works, rural and urban development and most recently small enterprise, special attention is devoted to the employment impact of alternative technologies. In some sector policy papers, suggestions are made to broaden or make more flexible certain Bank mechanisms to facilitate labor-intensive/employment generating technologies. In the Small Enterprise policy paper for instance, increased availability of working capital, lower "capital cost per job" and linkages with larger enterprises are recommended changes in Bank lending policy.^{3/}

An entire division of the World Bank is devoted to Employment and Rural Development.^{4/} This division's activities seem to stay at policy level, i.e., no systematic review of projects is undertaken to determine potential employment impact. Most of the division's influence is during country economic analysis preparation. Implicitly, the interchange between country economists and LDC planners could lead to greater analysis of LDC policies that have unduly negative effects on labor.

Little attention appears to be paid to encouraging organized labor or worker self-help institutions. Skills training projects, however, receive Bank funding in a number of countries.

The Interamerican Development Bank has produced a few studies^{5/} gathering descriptive data on labor force supply and demand. However, no general policy statements on employment are available. The IDB appears to be more project-oriented than IBRD in their focus on employment. Through lending in roads, water systems, and artisan development, IDB seeks to encourage labor-intensive technologies. However, like the IBRD, lending to increase availabilities of working capital is not done through the IDB.

The ILO has the strongest and most comprehensive employment-labor affairs program among international organizations. The ILO program covers all areas of the "Description." The strength of the program has been primarily in the research area. Continuing programs of research have been established in the following areas: technology and employment; income distribution and employment; population and employment; education and employment; feasibility of emergency employment schemes and international employment policies.

In recent years the ILO has moved to directly link research with technical assistance programs that it executes in areas such as skill training, labor intensive civil construction, emergency employment schemes and employment policy advice to developing country governments. The ILO has active programs of research and technical assistance in, among other areas, labor management relations, cooperatives, workers' education, conditions of work, and occupational health and safety.

Other international organizations have also given emphasis to labor and employment problems. The UNDP is funding a number of country specific projects which have an employment emphasis. The OAS maintains an active, although limited, program of direct participation with member country governments in improving their institutional capacity to deal with employment problems. The OECD has organized and sponsored a number of projects to improve employment conditions in the LDCs.

1/ Only those donors with Washington headquarters (IBRD, Interamerican Development Bank).

2/ See Catalog of Publications, IBRD, April 1978.

3/ Employment and Development of Small Enterprises, p. 9.

4/ Informal discussion by Mark Leisserson with LATF September 1978.

5/ for example, Francisco Thuomi's "Latin America: Labor Force and Employment," IDB, May 1978.

REPORT TO THE LABOR AFFAIRS TASK FORCE OF A.I.D.

James H. Weaver
American University

December 11, 1978

SECTION ONE - INTRODUCTION

You have requested that I: 1) provide a commentary on the appropriateness and comprehensiveness of the elements included in the "Description of Labor and Employment Programs" paper as they relate to A.I.D.'s development objectives; 2) prepare a comparative evaluation of the various labor activities included in the scope and an assignment of relative priority ratings to these activities in terms of their relevance to A.I.D. development assistance objectives, and 3) provide a list of suggested sources (either in existing documents or published papers or individuals with the appropriate levels of expertise who are available) on which the LATF may draw for further in-depth appraisals of the potential contributions of the specific categories of activities included in the paper.

This response to that request is divided into four parts. The first is this introduction. The second is an examination of A.I.D.'s development objectives. The third section contains an analysis of the "Description of Labor and Employment Programs" paper prepared by the Labor Affairs Task Force. The fourth section contains my conclusions.

Basically, I think the "Description of Labor and Employment Programs" you have prepared is excellent. The more I have studied it and the more comments I have received on it from academicians and practitioners, the more impressive it seems.

You did a good job of laying out the areas in which A.I.D. should be involved. The very difficult task now is to design ways to carry out cost-effective programs in these areas.

You asked me to relate this "Description" to A.I.D.'s development objectives and to list my priorities for action. You have seen the responses of the other economists I consulted on the "Description". You have also seen my lengthy attempt to summarize their comments and the existing literature. You asked me to be brief in my final paper and to follow the outline of the "Description". I have attempted to follow your guidance.

SECTION TWO - A.I.D.'S DEVELOPMENT OBJECTIVES

A.I.D.'s current development objectives have been set forth in various Congressional documents since the "New Directions" legislation of 1973. A very concise statement of A.I.D.'s objectives is contained in the Bilateral Development Assistance Strategy Statement, a portion of which follows:

The basic objective of the strategy is to enable the poor, including women, in developing countries to meet their basic human needs on a sustainable basis. Major elements of the strategy include: (1) assisting the poor to increase their

incomes--through raising their productivity and access to productive employment--; and (2) increasing the availability of and access to goods and services required to meet basic human needs. The strategy also involves effective popular participation by the poor (again, including women) in decision-making so that their needs, desires, capacities and indigenous institutions are recognized, understood, and given major weight.

I have examined proposed labor programs. I have continually asked, how do these proposed programs contribute to A.I.D.'s development objectives and were some labor programs left out that might contribute to accomplishing these objectives?

SECTION THREE - REACTIONS TO DESCRIPTION OF LABOR AND EMPLOYMENT PROGRAMS

I. Statistics and Research

All persons I contacted regard this as a high priority area for A.I.D. action. A.I.D. current development assistance strategy calls for a whole new set of data (in addition to the existing data on GNP, balance of payments, etc.). A basic needs strategy calls for statistics on access to adequate supplies of food, potable water, health care, education, etc.

Research is needed at the local level to find out how poor people define their basic needs and the obstacles that stand in the way of meeting basic needs. Some potentially useful research along these lines is being carried out now in A.I.D. This statistical base will be useful in designing A.I.D. programs to assist local people to design and carry out participatory projects to meet basic needs.

II. Employment Policy and Planning (Macro)

Policy papers have been issued concerning agriculture, education, health, etc. However, A.I.D. has not issued a comprehensive policy statement in the field of labor and employment since the New Directions legislation. There is research being done on a scattered basis throughout the Agency in DSB, PPC, in the regional bureaus, and in the missions. However, it is not clear that any office in A.I.D. tries to pull these various bits of research together to define policies which would generate more employment. There is little effort to tie this research together, to diffuse the ideas that have been generated, and to inform others of innovative practices which have been initiated.

There are no guidelines for measuring the employment impact of projects or to ensure that the most labor-intensive technologies are used in designing projects. There are very limited guidelines for missions to use in drawing up country development strategy statements. A flexible

policy paper that doesn't inhibit local initiative but that suggests some possible areas for Mission concern in enhancing employment, incomes, etc., should be issued.

A strong argument could be made that A.I.D. should monitor, analyze and evaluate the effects of its projects on employment. There are many techniques being used to generate employment but we haven't done much to assess the effectiveness of these techniques. This needs to be done.

We also need research on the employment impact of the institutional framework in developing countries. What is the impact of labor legislation, labor market analyses, etc. on both the demand and the supply of labor? How do labor legislation and labor programs affect the establishment of small-scale, labor-intensive enterprises? Do they, in fact, discriminate against the small-scale enterprise and benefit large firms who can afford to meet these standards?

We need to document the benefits of labor-intensive projects. Many people in LDCs react negatively to labor-intensive projects, particularly engineers. We must convince people that labor-intensive projects are not second-class projects designed to keep LDCs backward. We need greater diffusion of information about alternative techniques. There are probably more alternatives available than we have been taught. We need to transmit these alternative techniques.

There are, no doubt, many examples of successful employment generating policies and projects which have been carried out all around the world. I found references to some of these and included them in the annotated bibliography I submitted earlier. Unfortunately, however, I did not get the computer printout of labor affairs studies from the Department of Labor Library until after I had completed the annotated bibliography.

Collecting statistics and doing research on these uncommonly successful projects and policies and diffusing such information should be a high priority for A.I.D.

It is especially important to assess the level of development of the country where the successful policies and projects were carried out. We need to try to determine if there are patterns of successful labor projects that are implemented at various levels of development.

The nature of a specific category of labor/employment project will obviously have to be tailored to the overall level of development of the given country. But policies and projects also will be dependent on the specific combination of individual developmental factors in each country. Country "X" may be relatively more developed than country "Y" when all developmental factors are considered. Yet, country "X" may have a glaring weakness in one developmental factor which requires a less sophisticated approach than a similar project in country "Y". Conversely, some countries which are least developed in terms of per capita GNP have extremely sophisticated institutional structures and capabilities (i.e., the compilation and analysis of statistical data in India).

III. Labor Market Analysis (Micro)

A.I.D. is apparently doing useful work in this area through the Government Labor Services Project carried out by the Office of Labor Affairs and the Department of Labor. This appears to be a worthwhile effort from all evidence I have seen.

IV. Employment/Income Related Programs

The literature on labor force development is strongly polarized. On the one hand, there are those who argue that efforts should only be directed to training people for existing or potential jobs. These people advocate on the job training, vocational training schools run in cooperation with potential employers, non-formal training, etc.

On the other hand, Irma Adelman and others argue for strong emphasis on formal education, universal primary education, adult literacy, etc. Adelman argues that those countries that trained only limited numbers of workers wound up with highly skewed income distribution (Brazil, Mexico). On the other hand, those countries which carried out widespread education and training programs and followed up with labor intensive industrialization achieved growth and equity (Taiwan, Korea).

Adelman's argument seems persuasive. People need vocational skills. But they also need more formal education in order to be able to deal with Lureaucracies, to obtain credit, to read directions, etc. A.I.D.'s efforts to enhance the employability of workers should, thus, not be limited to narrow job-related vocational training.

I am also favorably impressed by the arguments in favor of community support services to enable people to enter the labor market. Such efforts might be very appropriate for A.I.D. and should be tried on a pilot program basis where a need clearly exists.

V, VI, VII. Employment Standards, Worker Security Programs and Labor Management Relations

Almost everyone I contacted was very opposed to A.I.D.'s involvement in employment standards, worker security programs, etc., in developing countries. I share this negative feeling. However, I would argue that A.I.D. should be aware of the quality of employment provided in its own projects in LDCs.

A.I.D. should also encourage research on the impact of labor intensive technologies being implemented in LDCs. Is a labor intensive project a euphemism for a sweatshop? Are there programs A.I.D. and LDC governments could carry out that would improve the quality of employment in such activities?

The main problem with all three of these areas of the "Description" is pointed out in footnotes in the paper itself, i.e., the benefits of these programs may accrue in large measure to persons other than those in the

lowest income groups. If A.I.D. is truly mandated to work with the poorest people in the LDC's then these three program areas should have very low priority -- and only in middle income countries at that. The poorest of the poor are still mainly rural in most LDCs (there are some exceptions). Programs to enhance productivity, employment and incomes; meet basic needs; and encourage participation should be largely focused in rural areas. These three program areas (V, VI, VII) are certainly worthy of concern, but not now and not in the poorest LDCs.

VIII. Workers' Mutual Assistance Organizations

This is obviously the most controversial area of the LATF "Description". I devoted a great deal of attention to this area in my draft paper as did many of the persons I asked to comment on the "Description".

Different people feel very differently about the appropriate role of trade unions in developing countries. I won't repeat those arguments here. I think the LATF "Description" skirted this issue adroitly. I will try to skirt it too.

However, I think you missed a crucial point in designing a labor program for A.I.D. You left out the absolute necessity of encouraging organizations which will enable people to increase their incomes, employment and productivity and meet their basic needs. One of A.I.D.'s development objectives is participation of the poor. It is both an objective in itself and a means to achieving the other objectives of increased income, etc. And yet, the Task Force gave this aspect a very subordinate position in its "Description". If I were going to be critical of your efforts, I would be most critical of your virtual omission of this crucial aspect of labor development.

I know A.I.D. has been struggling with the question of participation since Title IX and that the effort has not been judged an overwhelming success. I have recently read the project evaluation reports of the Evaluation Office of the World Bank. I discovered time and time again that the crucial limitation in Bank efforts to benefit the poor was the failure to ensure the participation and involvement of the poor themselves in the projects. The benefited people looked on the projects as "Bank" projects.

What do I conclude from all this? Two things. First, A.I.D. is not alone in its problems of encouraging participation. Other agencies are also struggling with this issue. (Some have observed that the Inter-American Foundation has had some success in this area, but I have no first hand experience with their efforts.) The second conclusion I draw is that participation/organization, self-reliance - whatever you want to call it - is critical to achieving A.I.D.'s development objectives. It is crucial for any A.I.D. labor program and should receive high priority.

Much more effort needs to be devoted to figuring out A.I.D.'s appropriate role in encouraging worker-owned and managed enterprises, small scale "informal sector" enterprises, farmer organizations, coops, tenant

farmer unions, self-help housing schemes, worker literacy campaigns, etc. No country that I have studied achieved A.I.D.'s development objectives of increasing incomes, employment and meeting basic needs without some combination of these self-help type organizations. It may be that A.I.D. could help finance and lend technical assistance to national development foundations in LDCs that could then assist such local organizations. I envision an organization that would be analagous to the very successful development finance corporation that A.I.D. and others have financed around the world. But, instead of lending money for bankable projects, these development foundations would encourage self-help, mutual assistance, grass roots organizations in their efforts to meet basic needs through their own participation.

A much larger role for private voluntary organizations could emerge from such an effort. But particular concern should be given to avoiding mere welfarism and toward mobilizing local organizations in LDCs.

SECTION FOUR: CONCLUSIONS

I conclude that A.I.D. should have three priorities in the labor area. The first priority is to find out what has worked in the past to benefit workers. Which efforts of A.I.D., the U.S. Department of Labor, the ILO, LDC governments, etc., have had a beneficial impact on the poorest workers? What were the economic and political roots of these programs? What special circumstances surrounded these programs? Are these programs replicable?

In particular, A.I.D. should focus on those programs which enabled people, through their own efforts, to meet their basic needs. Two of A.I.D.'s primary objectives are to help the poor meet their basic needs and to encourage participation. These two objectives re-enforce each other. Participation is probably the only way people are going to meet their basic needs.

Have these objectives been met in certain countries or in regions of countries partly in response to labor programs? What labor programs benefited the poorest workers? Which programs were successful at what stages of development?

Successful efforts at meeting basic needs and encouraging participation often suggest micro-level programs. However, there are obviously macro-level policies which supported these efforts. These macro policies should be delineated -- including their costs -- both economic and political costs.

The lessons of these successful experiences should be diffused throughout the Agency through special seminars, the Development Studies Program, Executive Training, etc.

A second priority is to assist LDCs to collect different kinds of micro and macro statistics which are needed to carry out participatory programs to meet basic needs. Such statistics need to be collected on a participatory basis so that they will provide the data needed by local people. There are thousands of studies collecting dust in LDCs which weren't designed by local people to meet their needs. We don't need any more such studies.

A third priority is to provide policy guidance and technical assistance at both the macro and micro level. AID/W should issue general policy guidance. AID/W should bring Missions up to date on successful policies, strategies and projects that have increased employment and incomes of the poorest members of society. AID/W should also issue guidelines for Missions to use in designing country development strategies that will enhance employment and incomes.

AID/W should design low cost monitoring and evaluation procedures for labor and employment projects now operating and those which will be designed in the future. These procedures should provide feedback information to project designers during project implementation so that projects can be re-designed where necessary. These procedures should also provide evaluations of final impact so that A.I.D. can learn which techniques are most effective in generating employment and incomes for the poor.

AID/W should be prepared to send technical assistance to A.I.D. Missions (that request such assistance) in designing country development strategy statements that re-enforce LDC policies which enhance employment, increase productivity and incomes. A.I.D. should also continue to offer technical assistance to labor projects in the priority areas.

I have appreciated the opportunity to work with the Labor Affairs Task Force. I hope that your efforts enhance the ability of the poor to meet their basic needs in those countries in which we work.

APPENDIX C

LIST OF SUPPLEMENTAL DOCUMENTS
TO THE
LABOR AFFAIRS TASK FORCE REPORT

1. Action Memorandum for the Administrator from AA/PDC, dated July 13, 1978
2. Analysis of Labor-Employment Personnel Qualifications/ Requirements
3. Report of Dr. James Weaver (with attachments) on the "Scope of Labor Affairs Programs" (1st draft)
4. Inventory of Labor and Employment Projects (by bureau and mission of origin)
5. Minutes of Meetings 1 through 18 of the LATF