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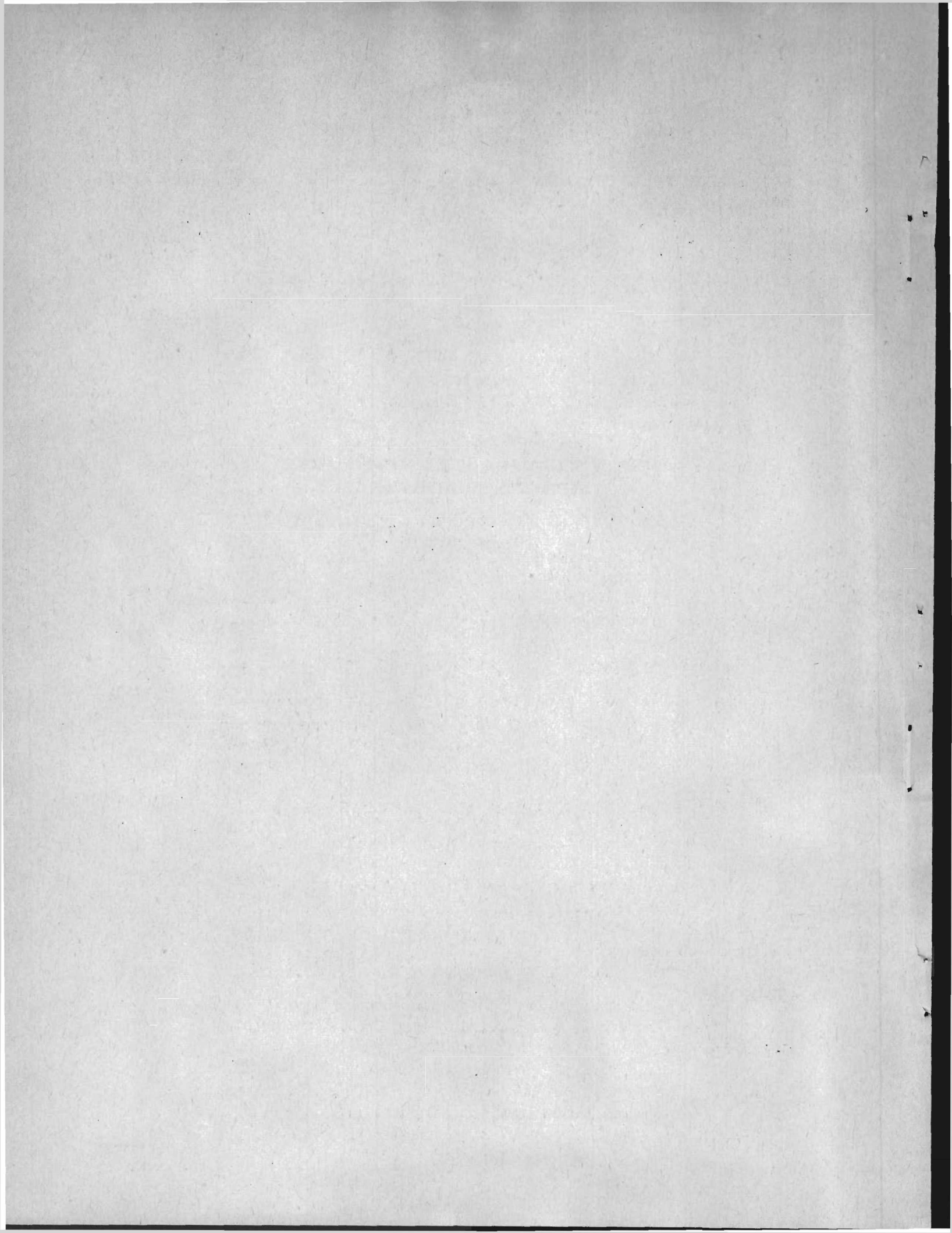
EMPLOYMENT AND THE UTILIZATION OF HUMAN
RESOURCES IN LATIN AMERICA

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72-12-3266

BIBLIOTECA "GIORGIO MORTARA"
CENTRO LATINOAMERICANO
DE DEMOGRAFIA

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I. INTRODUCTION

The closing years of the last decade revealed among the region's international agencies and on the part of a few governments a sharp awareness of employment as a major problem of development. By the beginning of the Second Development Decade most of the countries of Latin America also have come to express their recognition that one of the principal obstacles to the alleviation of poverty among their people is the existence of an employment crisis of either constant or increasing dimensions. As a result, virtually all governments now list employment promotion as one of their major development objectives, and several have established quantitative targets for employment.

Nonetheless, much of this recent emphasis upon employment is based upon startlingly casual generalities which fail to take into account the variety of employment situations and problems which are to be found within individual countries as well as at the national level. Determined in great part by the lack of knowledge both at a theoretical and empirical level as well as by political realities, this condition merely reflects the fact that employment continues to be a secondary unintegrated objective of planning. Much of the recent literature continues to rely upon an aggregative framework. Quantitative estimates of unemployment, underemployment and "unemployment equivalent" for Latin America as a whole are still generated - the empirical base for which can be said to have merely a decorative, at best an illustrative value. The foregoing simply indicates that employment has not yet ceased to be a stepchild of the region's development programmes.

/II. EMPLOYMENT

II. EMPLOYMENT TRENDS AND STRUCTURE

(a) Global trends

What can reasonably be said about the employment trends of the past decade? Generally speaking the growth of the labour force outpaced the expansion of employment for most of the countries for which data are available. (Table 1.) This was not the case in all countries, however, and the global employment level grew with a certain dynamism in some countries, most notably, in Costa Rica and Venezuela 1/. Unfortunately, the 1960 Brazilian census does not provide data adequate enough to hazard an approximation of the number employed at the beginning of the decade. Yet data for the period 1968-1970 reveal that as the economically active population over 14 years of age underwent an annual increase of approximately 500,000, employment expanded by 675,000 jobs per year.

The growth rate of the total population in active ages (between 15 and 64 years of age) confirms the overall pattern just described with the exception that the position of Venezuela, although still positive, becomes much less favourable in terms of the greater burden of dependency which its employed population must support 2/.

1/ The economically active population includes all those persons who furnish the supply of labour available for the production of economic goods and services. It includes both those actually employed and those unemployed who are seeking work during the period of reference established by the country. For the purposes of this study it is synonymous with labour force. The employed population comprises both full and part-time workers as well as unpaid family workers provided that the latter work at least a minimum period (most often set by countries at 15 hours a week or one-third of the normal working week).

2/ The situation might very well turn adverse in dynamic terms if it were possible to include accurate time series data on international migratory patterns from within the region into Venezuela. By the same token the significance of the emigration of Colombians to Venezuela is generally not duly considered as an "autonomous" factor in the lowering of the rate of growth of the Colombian labour force and of its unemployment levels.

See: CEPAL, Tendencias y Estructuras de la Economía de Colombia en el Último Decenio (E/CN.12/915, september, 1971), p. 29.

Cuadro 1

CRECIMIENTO DE LA POBLACION TOTAL EN EDADES ACTIVAS, ECONOMICAMENTE
ACTIVA Y OCUPADA POR PAISES 1960-1970

País	Tasa de crecimiento (porcentajes)		
	Población total en edades activas (15-64)	Población económicamente activa	Población ocupada
Argentina	1.5	2.2	1.4
Bolivia	2.2	2.6	2.2
Brasil	2.9	2.7	-
Colombia	3.2	2.6	2.6
Chile	2.5	2.5	2.6
Ecuador	3.1	3.1	2.2
Perú	3.1	3.0	2.5
Venezuela	3.3	2.7	3.4
Costa Rica	3.8	3.9 a/	4.1 a/
Panamá	3.0	3.8	3.7
México	3.3	3.4	3.2

Fuente: CEPAL, a base de cifras oficiales y fuentes nacionales.

a/ Corresponde a 1963 y 1970. Estimación a base del Programa Regional del Empleo Para América Latina y el Caribe (PREALC), La Situación y Perspectivas del Empleo en Costa Rica, (PREALC/52 (Rev.1) Mimeo, agosto de 1972), Cuadro I-2, Hipótesis I.

On the basis of these aggregate indicators alone employment certainly arises as a growing problem area for a number of countries. With regard to the exceptions, only a qualified conclusion may be drawn that in the most general quantitative terms, those nations have witnessed a certain improvement in the generation of employment opportunities. By no means may it be inferred that the performance of these countries in utilization of human resources was satisfactory. In under-developed regions it is not uncommon for an expansion in the number of jobs to be accompanied by increased underemployment. Indeed, as will be seen, a considerable part of the employment increment was achieved at the expense of one or more of the elements which constitute full employment: a normal working time, normal productivity, adequate utilization of the individual's skills and capacity and a level of income adequate for the basic needs of both workers and their dependents.

(b) Trends in the sectoral and regional distribution of employment

The overall growth pattern of the economically active population and employment does not adequately reveal one of the most crucial aspects of the employment problem which is increasingly more visible in the urban centres of Latin America. The evolution of the sectoral distribution of employment throughout the decade reflects this trend. (Table 2.) In all of the countries the percentage of the labour force employed in agriculture declined. This by no means is to say that the agricultural sector was not being confronted with the need to create new jobs since for most countries in absolute terms the labour force continued to increase. Only in Argentina and Uruguay where the process has been long evident, and most recently in Venezuela, has the population actually employed in agriculture decreased in absolute terms. In Chile it has remained stagnant.

Guadro 2

ON OCUPADA POR RAMAS DE ACTIVIDAD, SEGUN PAISES, 1960-1970

Educación		Servicios básicos			Comercio			Servicios			Total		
Porcentaje	Tasa de crecimiento	Porcentaje		Tasa de crecimiento	Porcentaje		Tasa de crecimiento	Porcentaje		Tasa de crecimiento	Porcentaje		Tasa de crecimiento
		1960	1970		1960	1970		1960	1970		1960	1970	
6.6	3.1	8.0	7.6	0.9	15.0	15.5	1.7	27.9	32.2	2.9	100.0	100.0	1.4
3.7	8.6	2.3	3.5	6.4				16.3a	17.9a	3.2	100.0	100.0	2.2
					6.7	8.9	5.6	21.7	24.8	4.1	100.0	100.0	2.7
4.8	3.1	4.5	5.0	3.6				24.3a	30.5a	5.0	100.0	100.0	2.6
5.9	3.2	5.7	6.3	3.5	11.2	15.1	5.7	25.0	26.0	3.0	100.0	100.0	2.6
4.2	5.2	3.1	3.4	3.3				21.8a	23.4a	3.0	100.0	100.0	2.2
3.1	2.2	3.7	4.2	4.2	9.1	11.2	5.3	17.3	17.9	2.8	100.0	100.0	2.5
4.8	5.2	5.5	8.1	7.5	12.7	18.6	7.5	27.4	26.5	3.1	100.0	100.0	3.4
5.3	8.7	3.3	4.6	7.2	9.3	13.0	7.2	26.0	29.2	4.9	100.0	100.0	3.7
4.4	5.3	3.7	3.2	1.9	9.4	9.2	3.2	15.4	21.6	7.2	100.0	100.0	3.2
								29.8	34.6	4.1	100.0	100.0	2.6

Closely related to the movement out of agriculture and at the heart of the region's employment problem is large scale urbanward migration. This does not mean that a direct pattern of rural unemployed moving to the larger cities exists. Indeed the evidence shows that in the metropolitan areas only relatively small minorities of migrants are of recent rural agricultural origin. What is suggested, however, is that the "push" factor exerted upon agricultural workers has initiated a movement into activities which are predominantly urban 3/. This search for employment is also the reason most often given by the migrants themselves 4/. Nevertheless, it should be noted that the lack of employment opportunities is felt by the rural worker not so much in the form of open unemployment but rather through his appraisal of the differences existing between the rural and urban labour market opportunities and relate to the multiple conditions which define the intensity of labour utilization 5/.

The urban areas have provided employment for these workers primarily in commerce, construction and services. The growth of services was notably strong in Mexico (7.2 per cent annually) and in all countries under review. This sector's share of the total working population was high. For the ten countries under review the secondary sector's share in the total working population increased only modestly, from 23.5 per cent to 26.2 per cent 6/. At the same time the increase in the tertiary sector rose from 29.8 per cent in 1960 to 34.6 per cent in 1970. The tendency evident in the majority of countries for the increase in the labour supply

3/ Obviously, a number of "pull" factors also operate in combination to attract migrants to the cities. Among the ones most often cited are the high rural-urban wage differential, the availability of education and the wide range of social services offered in the cities.

4/ See table A-1.

5/ In analyzing a 1962 survey of migrants to Greater Santiago, CELADE found that of those men who gave "seeking work" as their principal reason for migrating, 76 per cent had been employed in their place of origin rather than without work. See: CELADE, Encuesta sobre inmigración en el Gran Santiago, (Serie A. Nº 15) p. 177.

6/ If construction were excluded, the increase would be considerably less but this is not possible for Brazil whose share in the total is important.

to be absorbed in commerce and services is indicated in table 3 which relates the increase in the employment of these sectors with the decline in the share of agricultural employment. In addition, it can also be seen that in some countries, a decrease in the proportion of manufacturing and the basic services sector accompanied the loss of importance of agricultural employment 7/. In these cases, services and commerce absorbed the manpower corresponding to the decline in both sectors.

The data on employment in industry and the basic services do not show a clear trend. In several countries most notably Venezuela and Panama these sectors increased their share of employment significantly, in others relatively modest or even negligible absorption rates were reported. In this regard, there does not seem to be a close correlation between employment shifts in the entire secondary sector and the progress of industrial development. Apparent dynamism in labour absorption has also been registered in industry and the basic services for Brazil, where evidence for the period 1968-1971 indicates that the absorption in manufacturing was strong as employment in that sector rose by approximately 200,000 annually. The implications of this for the future, however, should not be exaggerated since the elasticity of employment to output in Brazilian manufacturing was only 0.32 for 1968-1970. Furthermore, although manufacturing employment increased substantially in 1971, it had been stagnant in 1970 and the plans of the Brazilian government call for heavy capital investment and more capital intensive production 8/. Thus, the recently increased rhythm of manufacturing employment registered in several countries does not present sufficient evidence to refute the general observation often made of the limited absorptive capacity of Latin American industry.

7/ According to the evidence to be found in the industrial survey of 1963 and the industrial census of 1968, Uruguay appears to have experienced this trend also. The 1963 data show 109,298 to have been employed in manufacturing while 100,601 are reported in the 1968 census.

8/ Inter-American Committee on The Alliance for Progress (CIAP) "El Esfuerzo Doméstico y las Necesidades de Financiamiento Externo para el Desarrollo de Brasil" (CIAP/553, 6 de July 1972), pp. 24-25; Federal Republic of Brazil, First National Development Plan 1972/1974, pp. 14-15 and 66-67.

Cuadro 3

CAMBIOS EN LA ESTRUCTURA DE OCUPACION ENTRE 1960 Y 1970

País	Diferencia de la participación de la mano de obra agrícola en la ocupación total entre 1960 y 1970	Absorción, por los sectores comercio y servicios, de la disminución de la participación de la mano de obra agrícola en la ocupación total a/
Ecuador	-1.0	160
Argentina	-3.9	123
Chile	-6.1	80
México b/	-8.6	72
Perú c/	-3.9	69
Brasil b/	-9.5	56
Panamá	-13.4	51
Venezuela	-14.6	34
Colombia	-3.9	18
Bolivia	-10.6	15
<u>Total</u>	<u>-7.2</u>	<u>61</u>

Fuente: Elaboración CEPAL a base de Cuadro 2.

a/ Índice calculado relacionando el aumento de la participación de los servicios con la disminución de la participación en la agricultura y multiplicado por 100.

b/ Corresponde a población económicamente activa (PEA).

c/ Corresponde a 1969-1970.

A more detailed study is required of the internal structure of employment in the industrial sector and of the changes in this structure at different levels of productivity in order to explain this sector's behaviour with respect to its operation upon employment. Differential patterns are known to exist reflecting the heterogeneity of the sector (characteristic of the internal structure of all other sectors as well). Illustrative of this is the fact that in 1969 the artisan subsector of Venezuelan industry retained almost 50 per cent of that sector's entire working force although it contributed less than 6 per cent of manufacturing output 9/. It would appear that much of the rapid absorption of industrial employment for that country noted in table 2 was due to an expansion in the number of jobs of low productivity in that sector.

(c) Sectoral Productivity: The Trend Towards Greater Structural Heterogeneity

The structure of employment analysed in the previous section is related to the great disparities present in the sectoral productivity of the labour force even when viewed from a certain level of aggregation. (Table 4.) In both 1960 and 1970 the mean productivity of the agricultural labourer was about only 40 per cent of the average productivity of most of the countries surveyed. In some cases such as Mexico, Venezuela and Peru it was approximately a third. Even for a relatively homogeneous economy as in the case of Argentina the structural disequilibrium is evident particularly with regard to the services sector. An examination of only those sectors which are predominantly urban (manufacturing, construction, basic services, commerce and other services) underscores the imbalances evident throughout the decade. The following are examples of such disparities drawn from table 5 which measures the sectoral growth of productivity 1960-1970:

National productivity Sector with lowest Sector with highest

Table 5

Pais	Agriculture	
	1960	1970
Argentina	86.96	88.25
Bolivia	45.57	39.92
Brazil b/	42.15	43.23
Colombia	68.78	69.63
Chile	39.47	39.13
Ecuador	63.80	55.40
Peru	46.13	38.86
Venezuela	19.78	31.24
Paraguay	49.70	54.17
Mexico b/	31.79	28.46

Fuente: Cuadro A-2.

a/ Dólares de 1960.

b/ Calculado a base de población económica.

Cuadro 4

PRODUCTIVIDAD SECTORIAL POR PAISES, 1960-1970

(Promedio de la economía = 100)

Minas y canteras		Industria manufacturera		Construcción		Servicios básicos		Comercio		Servicios		Producto por trabajador a/	
1960	1970	1960	1970	1960	1970	1960	1970	1960	1970	1960	1970	1960	1970
218.51	244.24	130.62	161.05	71.37	66.79	113.83	127.67	129.18	138.30	66.65	42.33	2 102.81	2 743.20
317.56	355.55	131.39	89.75	191.63	122.77	437.10	285.85			203.69	203.07	436.25	597.29
		189.42	171.14					310.77	231.97	106.70	90.67	832.89	1 132.03
260.71	257.06	112.17	117.73	79.00	97.93	162.90	168.93			138.09	115.60	1 110.62	1 431.05
248.13	315.57	130.19	132.65	79.55	72.65	147.84	192.90	158.99	124.14	96.18	76.59	1 651.48	1 989.61
814.50	826.26	112.10	143.01	124.45	132.86	174.46	151.90			164.07	164.90	837.93	1 122.52
359.08	327.00	135.87	157.76	138.39	110.36	149.07	139.94	159.38	130.19	148.69	159.01	1 076.15	1 230.77
181.73	1 104.19	87.80	62.20	93.71	51.51	98.48	84.15	108.33	71.91	116.27	145.19	2 409.34	2 976.95
-	118.36	160.16	154.50	179.20	135.58	216.14	192.80	127.02	103.16	142.32	113.92	1 462.00	2 196.52
357.59	314.28	135.04	139.17	114.45	111.25	115.99	149.48	325.97	338.52	130.84	88.63	1 756.41	2 339.54

Cuadro 5

CRECIMIENTO DE LA PRODUCTIVIDAD SECTORIAL POR PAISES, 1960-1970

(Porcentajes)

País	Agrí- cultura	Minas y canteras	Industria manufac- turera	Cons- truc- ción	Servicios básicos	Comercio	Servicios	Total
Argentina	2.8	3.8	4.9	2.0	3.9	3.4	-1.9	2.7
Bolivia	1.8	4.4	-0.7	-1.3	-1.1	3.2		3.2
Brasil	3.5		2.1			0.1	1.4	3.1
Colombia	2.7	2.4	3.1	4.8	2.9	0.8		2.6
Chile	1.8	4.4	2.1	1.0	4.6	-0.6	-0.4	1.9
Ecuador	1.5	3.1	5.5	3.6	1.5	3.0		3.0
Perú a/	-0.4	0.5	3.2	-1.0	0.8	-0.7	2.3	1.5
Venezuela	6.9	1.4	-1.3	-3.8	0.5	-1.9	4.4	2.1
Panamá	5.0	-	3.8	1.3	3.0	2.0	1.9	4.2
México b/	2.0	1.8	3.6	2.9	6.2	3.7	-1.1	3.3

Fuente: Cuadro A-2.

a/ Corresponde a 1961-1970.

b/ Corresponde a 1960-1969.

/The imbalances

The imbalances in sectoral productivity shown in tables 4 and 5, large as they are, however, only dimly reflect the intra-sectoral differences which exist. The evolution of manufacturing employment in Mexico suggests the importance of this problem area. A certain dynamism in labour absorption was seen in the decade of the sixties; the portion of the labour force engaged in that sector increased from 14.4 per cent to 16.7 per cent representing an annual increase of 5.1 per cent. It is important to note that this occurred in spite of the fact that large firms and those industries of greatest capital intensity increased their share in that sector's output. The explanation appears to be found in the characteristics of certain production lines such as metalworking which in Mexico (unlike certain other countries) is composed of a number of small, labour intensive plants and workshops which exist alongside large modern industries such as the automotive industry. The former (composed of goods producers and industrial service establishments) seem to have absorbed the mass of the increased industrial labour force 10/.

Thus, a slight modification of the conventional characterization of industry's inability to absorb the flow of labour into the urban areas would seem in order. Distinctions must be made. The probable areas for employment generating possibilities are not in the modern sectors of industry (defined according to the technology used, and not the product made since it has been shown that capital intensive techniques are used to a greater degree in some countries in the production of traditional consumer goods than in intermediate or even capital goods industries) 11/. Yet those handicrafts, small shops and industries which do not weigh heavily in the output or overall productivity of the sector merit considerable attention in any employment oriented development programme 12/.

10/ CEPAL, Mexico, La Política Industrial en el Desarrollo Económico de México (CEPAL/Mex/71/11/Rev./august 1971), pp. 50-59.

11/ This issue was also stressed by the ILO mission to Colombia; See: ILO, Towards Full-Employment, (Geneva, 1970), Chapter 8.

12/ Recent studies on technology and employment have reported in multiplicity of production techniques existent in the region in which it is quite common to find the same good being produced under widely diverse technological conditions. See: Victor E. Tokman, Tecnología y Empleo en el Sector Industrial del Perú, (ILPES, documento de trabajo, mimeo, marzo de 1972), and A.C. Sochaczewski, Consideraciones sobre la reciente evolución industrial del Brasil, memoria para optar al grado de Magister en Ciencias Económicas de la Universidad de Chile (Santiago, 1970).

III. THE UNDER-UTILIZATION OF HUMAN RESOURCES

1. Unemployment in Latin America

(a) Global Unemployment

A comparison of the open unemployment rates at the beginning and end of the last decade would seem at first to imply that considerable improvements were made in a number of countries while in others the rates were relatively low. (Table 6 and A-4). Unemployment rates fell in Argentina, Colombia, Chile and Venezuela. Yet it must be emphasized that this is the most restrictive and, at the same time, critical indicator of the under-utilization of human resources. The degree of under-utilization is absolute and the implications both for the individual in this condition as well as for society are deplorable especially when it affects heads of households. The essence of this employment problem was well expressed by the ILO Colombian report which indicated that the real tragedy of those without jobs is the poverty into which they fall and which they share with all those who are underemployed, with very low incomes 13/. Thus an open unemployment rate in 1970 of only 3.5 per cent in a country such as Brazil means that over one million people were without work against their wills in an economy where under-utilization of human resources manifests itself predominantly in the form of underemployment 14/. Of these almost 30 per cent were from the primary labour force; that is to say 280,000 were males between the ages 20-54. In the five countries of the Andean Pact another 1,147,000 persons were without employment at the close of the decade.

13/ ILO, Towards Full-Employment, ibid, p. 15.

14/ See: Allan Broehl. Aspectos da Força de Trabalho no Brasil IPEA, Centro Nacional de Recursos Humanos, (CNRH/Ser.MO/DT, Doc. 113, Rio de Janeiro, 1970, mimeo), p. 24; F.S. O'Brien and Claudio L. Salm, Desemprego e Subemprego no Brasil, IPEA Centro Nacional de Recursos Humanos, (Rio de Janeiro, 1969, mimeo).

Cuadro 6

DESOCUPACION ABIERTA POR PAISES SEGUN AREA URBANO-RURAL, 1960-1970

(Cifras en miles)

País	1960						1970					
	Total		Urbano		Rural		Total		Urbano		Rural	
	Número	Tasa	Número	Tasa	Número	Tasa	Número	Tasa	Número	Tasa	Número	Tasa
Argentina	778	9.4 ^a / _a	...	...	...	...	514	5.6	...	4.8 ^b / _b	...	...
Bolivia	461 ^c / _c	20.3	...	...	...	...	229 ^d / _d	10.7	...	15.0	...	...
Brasil	...	...	...	...	...	...	1 094	3.5	...	3.8	...	0.4
Colombia	484	10.1	...	...	...	...	459	7.5	353	10.0	106	3.9
Chile	160	6.7	...	...	...	...	162	6.2	143	7.2	19	3.1
Ecuador	62	4.5	...	...	...	...	97	5.1	...	...	...	...
Perú	84 ^e / _e	2.6 ^e / _e	...	1.1 ^e / _f	...	0.3 ^e / _g	201	4.7	...	2.9 ^f / _f	...	0.3 ^g / _g
Venezuela	309	13.1 ^e / _e	278	17.1 ^e / _e	31	4.3 ^e / _e	194	6.0	159	6.7	35	4.2
Panamá	98	11.2	...	...	...	...	47	9.7	...	...	...	...
México	182	1.6	...	...	...	...	485	3.8	...	...	...	...

Fuente: CEPAL a base de cifras oficiales y fuentes nacionales.

^a/ Corresponde a 1963.

^b/ Corresponde a 9 ciudades principales.

^c/ Corresponde a 1967.

^d/ 15 años de edad y más.

^e/ Corresponde a 1961.

^f/ Se refiere a desempleo no agrícola.

^g/ Se refiere a desempleo agrícola.

/The intimate

The intimate relation between unemployment and mass poverty becomes more evident when duration of unemployment is considered, for long term unemployment most often signifies destitution. Data are scarce in this regard, but enough empirical material exists with which to gain some insight into the magnitude of this problem. From table 7 it may be appreciated that long term unemployment affects a considerable portion of all the labour force without jobs. In 1970, 25 per cent of all unemployed in Brazil were without work for over three months and the 1970 population census indicates that of the total agricultural labour force 25 per cent worked less than nine months in the year preceeding the census 15/. For Panama and Venezuela the situation was even worse as figures of 66.7 per cent and 36.6 per cent of total unemployed were reported to be in that condition for over three months. Long term unemployment appears especially critical in urban areas. Of Montevideo's 35,000 unemployed in 1969, over 77 per cent were without work for more than three months; for Caracas (1970), the figure was 53.8 per cent.

Even more critical is long term unemployment among the primary labour force composed of men between the ages 25-54, since they are often heads of households. Chronic unemployment among this group therefore has particularly grave consequences for the well-being of many more people than their mere numbers represent, especially children. The available data give evidence of the existence of this type of unemployment in considerable proportions. In 1970, males between the ages of 25-54 without work for over three months accounted for 36.5 per cent of all unemployed in Venezuela; 30.9 per cent in Brazil (20-54 years of age); 29.2 per cent in Panama (20-50 years of age); and in the Department of Montevideo in 1969 the figure for men between 25-44 years of age was 28.6 per cent 16/

15/ Departamento de Censos, Tabulações Avançadas do Censo Demográfico VIII Recenseamento Geral - 1970 Resultados Preliminares, p. 7, on Mexico a similar situation was reported. In 1969, 19 per cent of the economically active population worked less than ten months of that year; 22 per cent of the agricultural labour force worked less than ten months and 14.7 per cent reported six months employment or less. Dirección General de Estadística, IX Censo General de Población 1970, p. 277.

16/ The data are forthcoming from The National Household Surveys of the respective countries. Additional data from Venezuela shows that in 1970 more than 27 per cent of all unemployed were male heads of households. Unfortunately these variables are not in turn crossed by duration of unemployment. See: Dirección General de Estadística y Censos Nacionales, Encuesta de Hogares por Muestreo (Documento REH-11, diciembre, 1970), p. 168.

Cuadro 7

DESOCUPADOS POR DURACION DE LA DESOCUPACION, 1970

(Cifras en miles)

Países y ciudades	Total	Duración de la desocupación			
		Menos de 3 meses		3 meses y más	
		Número	Porcen- taje	Número	Porcen- taje
Brasil	725	544	75.0	181	25.0
Panamá	33	11	33.0	22	66.7
Venezuela	194	123	63.4	71	36.6
Departamento Montevideo a/	35	8	22.9	27	77.1
Carnacas	65	30	46.2	35	53.8

Fuente: CEPAL, a base de cifras oficiales.

a/ Corresponde a 1969 y no incluye personas que estaban suspendidas en su trabajo o en seguro de paro que declararon no estar buscando trabajo.

/Moreover, an

Moreover, an experimental survey conducted in 1972 by PREALC in the marginal areas of Managua indicate an open unemployment rate of 30.5 per cent among male heads of households the rate was 19.2 per cent, and 45.5 per cent of all unemployed had been without work for over three months. It is this nucleus of hard-core unemployment which urgently requires attention in employment programmes as a matter of first order priority.

(b) Sectoral unemployment

Most of the registered unemployment was generated in non-agricultural activities especially in the sectors producing non-agricultural goods ^{17/}. (Table 8.) The low unemployment noted in agriculture and for services in most cases may be explained by the nature of under-utilization in these sectors which is more inclined to underemployment than open unemployment. The unemployment problem in construction was particularly serious in Chile and Venezuela. This sector is especially sensitive to changes in the rhythm of economic growth and to fluctuations in public sector spending. It is a sector to which unskilled urban labour unable to find work elsewhere gravitate, and one whose labour is not easily absorbed by other economic activities in the case of a recession in construction spending. Quite evident also from table 8 is the urban nature of open unemployment. In Chile manufacturing, construction and the basic services which together comprised 31 per cent of the employed population accounted for over 61 per cent of total open unemployment.

(c) Urban and regional open unemployment

Among the more striking characteristics of open unemployment in Latin America is its markedly differential nature within individual countries. It is much higher in urban centers than at the national level and varies widely for different regions. Thus in 1970, the unemployment rate at the national level for Bolivia was 10.7 per cent and 15.0 per cent for urban areas; in Colombia the rates were 7.5 per cent and 10.0 per cent respectively, and in Chile rates of 6.2 per cent national and 7.2 per cent urban were reported.

^{17/} Here reference is made to sectoral unemployment which does not include those seeking work for the first time since they do not yet belong to any branch of economic activity.

Cuadro 8

GESANTIA GENERADA POR SECTORES ECONOMICOS 1970

(Porcentajes)

Sectores	Brasil	Chile	Colombia	Perú	Vene- zuela
Agrícola	10.0	12.6	17.9	4.0	13.3
No agrícola	90.0	87.4	82.1	96.0	86.7
Bienes	...	51.6	30.4	21.3	41.5
Minería	...	2.0	0.7	0.2	2.8
Manufactura	...	25.5	20.4	19.7	20.2
Construcción	...	24.1	9.3	1.4	18.5
Servicios	...	35.8	51.7	74.7	45.2
Comercio	...	11.2	18.9	6.6	14.4
Electricidad, gas, agua y servicios sanitarios	...	0.7	1.4	68.1 a/	1.5
Transporte y comunicaciones	...	10.0	6.4		9.1
Otros servicios	...	13.9	25.0		20.2

Fuente: CEPAL, a base de cifras oficiales y fuentes nacionales.

a/ Incluye "electricidad, gas, agua y servicios sanitarios, transporte y comunicaciones y otros servicios".

/The large

The large metropolitan areas of Latin America also witnessed high unemployment levels. Even though varying degrees of contrast are indicated with respect to the national average, this is shown in the figures for seven major metropolitan areas presented in table 8 in which the critical nature of the employment problem becomes much more apparent especially in the case of Bogotá which experienced 13.1 per cent open unemployment in 1970.

It is of particular interest to note the differences in unemployment between the principal urban areas and small and medium size cities since this reflects to some degree the labour absorptive capacity of the non-agricultural sector in internal regions. In this regard evidence from Argentina, Chile and Colombia shows unemployment to be higher in other cities than in the capital, a pattern which is consistent throughout a good part of the decade 18/.

A tentative explanation for this pattern would be that the lesser cities are not equipped with the wide range of possibilities for absorbing labour into unproductive activities primarily in services, commerce and construction which the metropolitan centers offer. Thus, the employment problem more readily assumes the form of open unemployment, and these cities in turn provide another major staging ground for internal migration. Venezuela provides a case in point. Its urbanization process is one of the fastest in Latin America. In 1970 the ten largest cities, each with over 100,000 inhabitants held over 40 per cent of the nation's total population and 35 per cent inhabited the core region bounded by Caracas, Valencia and Puerto Cabello. However, in that year while the unemployment rate in Caracas affected 8 per cent of its labour force, the city of Guayana, undergoing intense in-migration consequent upon its recent rapid industrial growth, experienced levels as high as 15 per cent 19/. Needless to say this hypothesis as well as the entire problem area of the characteristics of labour force absorption by geographical areas requires detailed research and individual country analysis since the conditioning circumstances vary considerably within the region. It is by no means clear what direction employment motivated migration takes although it does seem that the largest cities continue to attract the majority of all migrants.

18/ See Appendix tables A-5 to A-7.

19/ Between 1961 and 1970, Caracas grew at an annual rate of 5.5 per cent from 1,336,000 inhabitants to 2,168,000. During the same interval Ciudad Guayana increased its population from 39,000 to 136,000, for an annual growth rate of 14.7 per cent.

In summary it may be ventured that even though unemployment related to internal migration patterns are by no means slight in the major urban centers; the available evidence implies that the unemployment strain consequent upon migration may be even greater in small and medium size cities. This is indicated to some degree in table 10 which shows the unemployment situation in marginal areas of three Colombian cities of different size in 1971: Cali (approximate population 870,000), Santa Marta (125,000) and Villavicencio (64,000). Not only is the rate of open unemployment among this lowest socio-economic group exceptionally intense, rising to as high as 19.8 per cent, but also the frequency of unemployment is quite long. Of the four marginal barrios surveyed from 26.3 per cent to 42.6 per cent of the heads of households were without work for over three months of the preceeding year 20/.

(d) Unemployment, youth and education

Another focal point of unemployment in Latin America is among the youth. In Peru (1970), 60.8 per cent of all unemployed were between the ages of 14-24, and in nine of the principal cities of that country two out of every three unemployed persons were in this age group 21/. Quite similar conditions also existed for the youth of Colombia, Chile, Mexico and Venezuela and in the capital cities as well. (Table 11.) The problem of unemployment among the youth cannot be viewed as a developmental area falling exclusively within the domain of education programmes. Expanded educational systems will, of course, delay the entry of young people into the labour force but most probably only limited results may be expected. This is due to the intervention of numerous variables, economic and non-economic in nature.

20/ It should be recalled that the open unemployment rate for Bogotá (1970) was 13.1 per cent.

21/ Servicio del Empleo y Recursos Humanos (SERH), Informe sobre la situación ocupacional del Perú, 1970, (Lima, 1971), p. II-17.

The age structure of the unemployed youth for example, reveals that adolescents between the ages of 12 and 19 do not comprise the vast majority of unemployed among the young. In the urban centers of Peru, 51 per cent of those unemployed under the age of 24 were in the age group 20-24 and in Mexico 50.6 per cent were between the ages of 20-29 22/. The situation is particularly complex among the poor where the decision of the adolescent to take on full-time student status or to enter the labour force is influenced by a great deal more than the availability of schools. Urban slum youth are found to be strongly influenced by such variables as income level of family head, unemployment among the head of the family, prevalent attitudes and the difference in the incentive relationship existing between the youth and his mother or father 23/.

The interrelations between education and manpower utilization are not so simple as they have been conceived of in the past. What practically amounted to a consensus existed in which the major commonplace was that unemployment primarily affected those persons with little or no education. The argument advanced in this study is that if the phenomenon does exist, the available data do not confirm it. This does not mean to say that the hypothesis is totally invalid but rather that it has not been adequately examined and is most probably subject to certain qualifications in concrete circumstances which will be of importance to the planners of individual countries.

To what degree has the greater accessibility of education evidenced in the past decade corresponded to the opening of employment opportunities to the graduates of the educational system? Evidence is scarce in this area but table 12 provides a base upon which certain conjectures may be ventured. In the first place in both Chile and Venezuela that portion of the labour force which had received less than four years of education (including those who were illiterates) registered open unemployment rates below the national average. Although the unemployment rate for Chile in 1970 was 6.2 per cent, illiterates experienced a corresponding rate of 4.6 per cent; persons who had not received any formal education 3.6 per cent; and for those who had completed three years of primary education the rate was 4.8 per cent. In Venezuela the same pattern may be seen.

22/ Ibid, table 9 and the present study table 11.

23/ John Paul Walter, "The Economics of Labour Force Participation of Urban Slum-Barrio Youth in Cali Colombia: A Case Study", (Ph.D. dissertation, University of Notre Dame, 1970).

Cuadro 9

TASA DE DESOCUPACION ABIERTA EN ALGUNAS AREAS
METROPOLITANAS, 1970

Ciudades	Tasa
Gran Buenos Aires	4.7
Bogotá	13.1
Gran Santiago	6.7
Lima-Callao	7.0
Departamento Montevideo	7.3
Caracas	8.0
México, D.F. a/	5.5

Fuente: CEPAL, a base de cifras oficiales.

a/ Corresponde a 1969.

Cuadro 10

DESEMPLEO ABIERTO Y REGULARIDAD EN EL TRABAJO EN BARRIOS "MARGINALES"
DE TRES CIUDADES COLOMBIANAS, 1971

(Porcentajes)

Ciudad	Barrio	Tasa de desempleo a/	Meses trabajados en el año por el jefe del hogar		Total
			Menos de 9 meses	9 y más meses	
Cali	Lleras Restrepo	17.7	29.5	70.5	100.0
Santa Marta	Perehuetano y Ondas del Caribe	19.8	42.6	57.4	100.0
Villavicencio	El Embudo	13.6	26.3	73.7	100.0

Fuente: Colombia, Instituto de Crédito Territorial.

a/ Corresponde al desempleo abierto entre la población activa de 15 años y más.

Cuadro 11

DESEMPLEO ABIERTO ENTRE LA JUVENTUD, 1970

(Porcentajes)

Países y ciudades	Edad	Porcentaje sobre el total de desempleados	Cesantes	Buscan trabajo por primera vez	Total
Colombia	12 - 24	58.8	45.3	54.7	100.0
Chile	12 - 24	46.6	70.2	29.8	100.0
México	12 - 29	57.7	85.1	14.9	100.0
	12 - 19	28.5	80.0	20.0	100.0
	20 - 29	29.2	90.1	9.9	100.0
Perú	14 - 24	60.8	60.9	39.1	100.0
Venezuela ^{a/}	15 - 24	53.0	60.0	40.0	100.0
Bogotá	12 - 24	54.9	43.9	56.1	100.0
Distrito Federal (México)	12 - 29	68.4	82.5	17.5	100.0
	12 - 19	35.3	75.3	24.7	100.0
	20 - 29	33.1	90.2	9.8	100.0

Fuente: CEPAL, a base de cifras oficiales.

^{a/} Corresponde a 1969.

Cuadro 12

PORCENTAJES Y TASA DE DESEMPLEO SEGUN NIVEL DE INSTRUCCION

Nivel de instrucción	Porcen- taje	Tasa	Nivel de instrucción	Porcen- taje	Tasa
<u>Chile 1970</u>			<u>Venezuela 1970</u>		
Analfabetos	7.4	4.6	Sin instrucción	22.5	5.6
Alfabetos sin ninguna clase de educación	0.5	3.6	Primaria	57.1	6.2
De 1 a 3 años de educación básica	15.1	4.8	De 1er - 3er grado	15.2	5.4
De 4 a 8 años de educación básica	44.0	4.9	De 4to - 6to grado	41.9	6.5
Menos de 4 años de educación media	20.2	7.1	Secundaria	17.1	7.0
Más de 4 años de educación media	11.9	4.7	Técnica y normal	1.6	4.0
Educación universitaria	0.9	1.5	Superior	1.7	2.9
<u>Total</u>	<u>100.0</u>	<u>6.2</u>	<u>Total</u>	<u>100.0</u>	<u>6.0</u>

Fuente: Chile: CEPAL a base de Luz Elena Cornejo, Olga Guarda y Boris Chacón "El balance de mano de obra" en Nueva Economía, No. 1 (Revista de la Oficina de Planificación Nacional, 1971), cuadro 4 y cifras oficiales.

Venezuela: Dirección General de Estadística y Censos Nacionales, Encuesta de hogares por muestreo, diciembre 1970.

/In both

In both countries the unemployment rate is higher than the national average only among those with more than four years of primary education and some secondary education. For those who have completed over four years of secondary education but who have not gone on to university the unemployment rates are less favourable than those with the lowest preparation. It is only among people with higher educational levels that unemployment rates drop significantly 24/.

The above should not be construed to mean that education (as contrasted with illiteracy) is not a positive element in obtaining employment of some kind to remain out of the ranks of the jobless. If the unemployed could be identified not only according to educational level but also according to rural and urban area or agricultural and non-agricultural activity, most probably those in urban areas with at least over three years of schooling would be in a more favourable position than those who had not received any formal education. This is not evident from aggregated national data but is quite plausible given the fact that the vast majority of illiterates are to be found in the countryside where unemployment as such is very low.

Duration of unemployment, however, is quite another issue. Data from Venezuela, Caracas and Santiago suggest that educational levels and length of unemployment are directly related. (Table 13.) In Venezuela only 16.1 per cent of those unemployed with less than three years schooling remained out of work for twenty-seven weeks or more, whereas 29.2 per cent of those with more than seven years of education stayed without work for that period of time. The most probable explanation for this is that those with low educational levels are in the lowest income groups and cannot afford to be without work for very long especially given the deficiencies in the region's social security systems. Moreover, the individuals with the highest educational levels when faced with unemployment generally require much more knowledge of the employment opportunities available in order to match their employment expectations, based upon the many years invested in study and prevailing social mores, with positions of compatible status.

24/ Evidence from Peru, for 1969 and 1970 also shows highest unemployment rates for those with unfinished secondary education followed by that portion of the labour force with completed secondary education. On the other hand, in both years the lowest unemployment rates were registered by the economically active population with the lowest formal training. See: Table A-8 and SERH, op. cit., p. II-12.

Cuadro 13

DESOCUPADOS SEGUN DURACION DE LA DESOCUPACION POR NIVEL EDUCATIVO

Nivel de instrucción	Venezuela a/		Caracas a/		Santiago b/	
	Menos de 15 semanas	27 o más semanas	Menos de 15 semanas	27 o más semanas	Menos o igual 20 semanas	Más de 20 se- manas
0 - 3 años	71.6	16.1	49.1	36.2	...	...
0 - 6 años	65.3	20.5	47.7	32.5	58.0	25.0
7 años y más	54.7	29.2	42.9	35.4	44.0	37.0

Fuente: Venezuela y Caracas: Encuesta de Hogares, 1970. Santiago: Joseph Ramos, Tres Ensayos sobre Desocupación (Instituto de Economía y Planificación de la Universidad de Chile, 1971), cuadro 14.

a/ Corresponde a 1970.

b/ Corresponde a 1967.

/Although it

Although it is quite plausible that a low level of education increases the probabilities of unemployment, the complete role of education in an employment oriented development policy is not clear. More analysis and a much wider conceptual base are required. In addition to educational level and occupational situation, data must be prepared which control by age and non-formalized training since the most intense unemployment is to be found among the youth who in turn have had most access to the region's educational system which have expanded in the past decade. One of the key elements for future evaluation efforts will undoubtedly be to inquire into the degree to which countries are relating the expansion of vocational, technical and higher education to the manpower needs indicated by their employment strategies.

2. Underemployment in Latin America

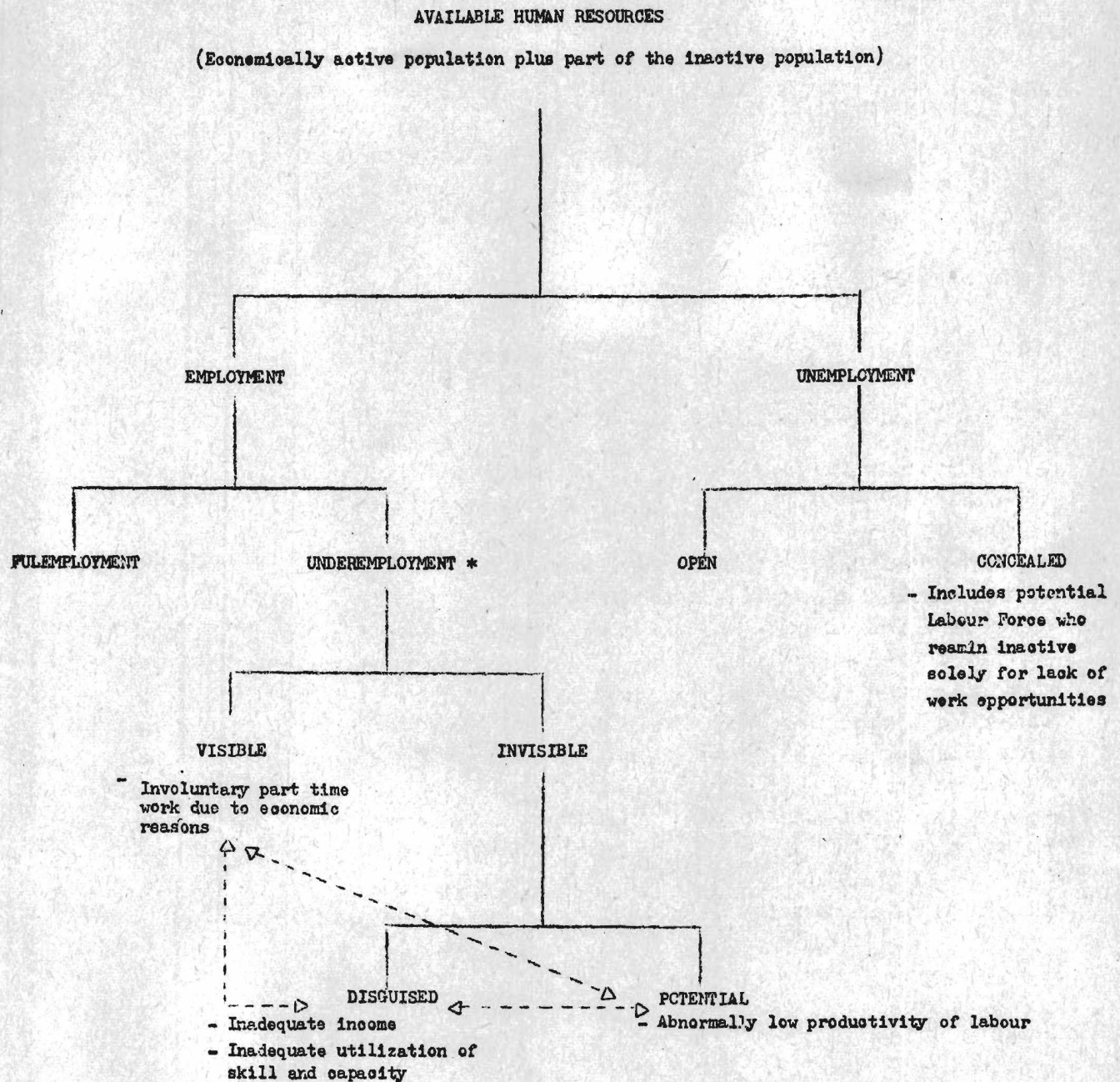
(a) Some observations on the phenomenon

Open unemployment, for the most part, does not afford great insight into the under-utilization of human resources in Latin America. Although it is true that in some countries the unemployment figures are alarmingly high by themselves, especially in urban areas or for specific components of the population, this is not the predominant form of under-utilization of human resources in the region. In countries such as Brazil or Peru a low level of unemployment is not surprising since the definition requires that persons be dedicated exclusively to seeking employment. In the absence of unemployment insurance or previous savings, most persons are forced to engage in some activity for survival even if it is below their normal salary level. Underemployment is generally agreed to be particularly strong in the services sector to which entry for migrants, for example, is relatively easy since the principal characteristics of that sector in terms of capital requirements, productivity, etc., are much less than in the goods producing sectors.

Underemployment is harder to quantify than unemployment, however, since it takes several different forms, and measurement of most of these depends on more or less arbitrary assumptions concerning norms. Some idea of the complexity of this problem area may be had from figure 1 which provides a schematic view in simplified fashion of the distinctions which may be made in the manipulation of employment statistics.

Figure 1

A FRAMEWORK OF PRINCIPAL HUMAN RESOURCES UTILIZATION CONCEPTS



* It should be noted that the different concepts of underemployment are not mutually exclusive. A continuum, in fact, exists which serves to obscure measurement further although in reality it no more than reflects the whole complex of conditions which constitute underdevelopment.

/These are

These are based primarily on the resolutions of the International Conference of Statisticians 25/ and do not include some concepts recently developed in the region such as "total open unemployment rate", "equivalent unemployment" and "total unemployment". The latter are largely statistical artifices which sum together the different forms of unemployment and underemployment to give a single quantitative indication of the dimensions of under-utilization. In the case of the "unemployment equivalent" of underemployment the result does not represent a specific number of unemployment workers but rather the number of fully productive positions which would be required to fully employ all underemployed workers. The real significance of these global percentages for the purposes of concrete employment programmes is open to question since the calculations lump together forms of unemployment and under-utilization having quite different implications for the societies. Reinforced by adequate distinctions and supporting data, however, these concepts may afford a useful indicator with which to gauge the overall trend of the employment situation in a given country 26/.

In figure 1 the term underemployment and its many variations - visible, invisible, disguised and potential - all represent an attempt to state the fact that a portion of the labour force is engaged in forms of livelihood which deviate to some degree from normal depending on the criteria applied. In the figure it is also noted that interrelations exist among the various categories of underemployment and that the same group of people may be affected by more than one category. Thus an individual whose productivity is abnormally low may well have an inadequate income and most certainly the reverse is often true, or a person involuntarily working part-time for economic reasons may also represent an instance of inadequate utilization of skill and capacity.

25/ Principally the Ninth and Eleventh International Conference of Labour Statisticians, 1957 and 1966. See Undécima Conferencia Internacional de Estadígrafos del Trabajo, Medicina del Subempleo: Conceptos y Métodos (O.I.I., 1966).

26/ For detailed explanations and the applications of these concepts see: Universidad de Chile, Instituto de Economía y Planificación Ocupación y Desocupación, Gran Santiago (marzo de 1971); I.L.O., Towards Full-Employment, op. cit., Chapter I; PREALC, Employment and Unemployment in Jamaica (PREALC/54, mayo de 1972), pp. 58-63; and PREALC, La situación y perspectivas del empleo en Costa Rica, op. cit., Chapter IV.

The difficulty arises from the fact that except on the most ethereal level there is no agreement among human resource experts, international bodies nor governments as to exactly what it is which must be measured and the nature of the data required to quantify the phenomena deemed to be of interest. Country practices in data collection and presentation vary widely. Consequently, the efforts of both national and international organizations should proceed toward the evaluation and improvement of the tools of analysis on these two levels: concepts and statistical elaboration 27/. In the present study an attempt will be made to indicate the probable dimensions of the problem in the region within the framework of the limitations imposed by the lack of and incomparability of the data forthcoming from different countries.

(b) Visible underemployment

As may be seen in table 14, the portion of the non-agricultural labour force involuntarily working part-time varies widely among the countries considered. In great part this reflects the differences in country practices in collecting data on the phenomenon 28/. Only countries in which the work preferences of those working less than the normal working time were expressed are included in the table. But these figures should not be taken as defining the extent of visible underemployment; they are rather chosen for illustrative purposes from the various data available. An example of the probable extent of this form of underemployment in the agricultural sector is provided in the case of Brazil. Sufficient data on hours worked per week exist to demonstrate that by any standard there is a high level of underemployment in the agricultural labour force of high level of underemployment in the agricultural labour force of that country.

27/ The International Development Strategy for the Second Development Decade in fact exhorts countries to the improvement of labour force statistics. (Paragraph 66.) A recent study which provides a detailed and critical analysis of the basic concepts is: ILO, Concepts of Labour Force Under-utilization, (Geneva, 1971).

28/ In no country except Venezuela are the variables of usual working time, and reasons for working part-time divided according to economic and non-economic reasons and preferences for more work all crossed in the same table.

Cuadro 14

SUBEMPLEO VISIBLE EN ACTIVIDADES NO AGRICOLAS a/

(Porcentajes de la PEA)

Países y ciudades	Años	Subempleo
Brasil	1970	5.7
Chile	1971	3.2
Colombia b/	1970	8.3
Perú b/	1971	3.4
Venezuela	1971	1.5
Bogotá, D.E. b/	1970	4.4
Caracas	1970	1.2

Fuente: CEPAL, a base de Encuestas Nacionales de Hogares.

a/ Se han considerado las definiciones de jornada normal de trabajo a la semana, vigentes en cada país.

b/ Corresponde al área urbana.

/In the

In the first quarter of 1970, the National Household Survey indicates that 14.0 per cent of the agricultural labour force worked less than 35 hours a week in the first quarter of 1970 29/. In Chile the corresponding figure for the first semester of 1971 was 5.4 per cent 30/.

(c) Underemployment and poverty: "marginal" forms of subsistence

Since one of the major functions of employment is to provide a reliable source of income adequate for the basic needs of both workers and their dependents, underemployment may be defined in terms of an abnormally low level of income. This perspective provides a statistical approach which links the employment problem directly to that of mass poverty. Unfortunately the empirical material collected in this area is of a much more limited scope than even that for employment and unemployment, the magnitude of which is impossible to access with any degree of accuracy in a number of countries. Nonetheless, several countries do collect data on remunerations received from employment, which provide an indication of underemployment when measured against the standard of what each country considers to be the level of income below which a "marginal" or inadequate level begins (usually the statutory minimum wage) 31/.

29/ Fundação IBGE - Instituto Brasileiro de Estatísticas, Pesquisa Nacional por Muestra de Domicilios, (1er trimestre de 1970). In the third quarter of 1968, the comparable figure was 13.8 per cent. Also recall that 25 per cent of the agricultural labour force worked less than nine months in the year preceeding the 1970 census.

30/ Instituto Nacional de Estadística, Muestra Nacional de Hogares, A 12. Encuesta continua de mano de obra, (enero-junio de 1971).

31/ The statutory minimum wage was applied in all cases except for Venezuela where legislation in this matter did not exist. For that country, however, a family monthly income of less than 500 Bolívars in 1970 is defined by the Banco Obrero de Venezuela as a "marginal" income. Thus, for 1971 this figure, and 60 per cent of it, 300 Bolívars was used. In the case of Colombia an income of less than 500 pesos was utilized since this is the lowest category for which data are provided and approximates the legal minimum wage laws. The data for Colombia, Peru and Venezuela refer to full-time workers; those for Brazil and Chile consider all workers since the existing empirical material afford no break down by full or part-time working status.

/This approach

This approach yields results which are alarming in terms of the wasted human potential and poverty they represent. (Table 15.) In Colombia (1970), over 2,138,000 full time urban workers, 29.3 per cent of the entire urban labour force earned less than 500 pesos monthly. The situation was much less serious in Bogotá although still considerable. In Peru (1971), 23.9 per cent of the urban labour force may be considered engaged in "marginal" forms of livelihood and this figure most probably grossly underestimates the true dimensions of the problem since it excludes all those working in domestic service activities. The situation was relatively less critical in Chile (1968) but even there 256,000 non-agricultural workers did not receive an income deemed large enough to meet the cost of a basic basket of consumer goods which provide the essential needs of a working class family.

At the close of the last decade 19.5 per cent of the total non-agricultural wage earners of Brazil earned less than the minimum wage. Although the margin of error involved in this figure is no doubt considerable since all wage earners whether full or part-time are of necessity included (dissagregated data are not at all available), sufficient cause exists to believe that this figure does not greatly exaggerate the employment conditions of that country in 1970. Further insight into the Brazilian case and also into the immense regional disparities is given in Table 16. As with most of the facets of the Brazilian socio-economic structure, employment has decidedly regional characteristics. By either standard visible unemployment or the income criterion, the nine states of the Northeast evidence a much more critical situation than the rest of the country. In spite of the fact that the backwardness and poverty of that region is a long-standing condition which has led to sizable migration from the Northeast to the Center-South, vast employment problems have persisted there.

/Table 15



Cuadro 15

EMPLEO "MARGINAL" EN ACTIVIDADES NO AGRICOLAS

(Porcentajes de la PEA)

Países y ciudades	Año	Empleo "marginal"
Brasil	1970	19.5 <u>a/</u>
Colombia <u>b/</u>	1970	29.3
Chile	1968	12.3
Perú <u>b/c/</u>	1971	23.9
Venezuela	1971	21.5 <u>d/</u>
	1971	25.8 <u>e/</u>
Bogotá, D.E. <u>b/</u>	1970	12.7
Caracas	1970	11.1 <u>d/</u>
	1970	16.2 <u>e/</u>

Fuente: CEPAL, a base de Encuestas Nacionales de Hogares.

a/ Se refiere a asalariados y el porcentaje está calculado sobre el total de asalariados.

b/ Corresponde al área urbana.

c/ Excluye actividades domésticas.

d/ Se considera como ingreso menos de 300 bolívares.

e/ Se considera como ingreso menos de 500 bolívares.

Quadro 16

BRASIL: SUBEMPLEO VISIBLE ^{a/} Y EMPLEO "MARGINAL" EN ACTIVIDADES
NO AGRICOLAS POR REGIONES, 1970

Región	Subempleo visible ^{a/}	Empleo "marginal" ^{b/}
Región I: Guanabara, Río de Janeiro	2.1	9.4
Región II: São Paulo	4.2	10.7
Región III: Paraná, Santa Catarina, Río Grande do Sul	5.4	13.4
Región IV: Minas Gerais, Espírito Santo	4.5	32.8
Región V: Maranhao, Piauí, Ceará, Río Grande do Norte, Paraíba, Pernambuco, Alagoas, Sergipe, Bahía	11.2	42.4
<u>Total país</u>	<u>5.7</u>	<u>19.5</u>

Fuente: CEPAL, a base de Fundação IBGE, Instituto Brasileiro de Estatística, Pesquisa Nacional por
Mostra de Domicílios (Primer Trimestre de 1970).

Nota: Las dos mediciones no son mutuamente excluyentes y no pueden sumarse aunque se refieren a
distintos grupos en gran medida.

^{a/} Como porcentaje de la PEA.

^{b/} Entre asalariados ocupados.

/The most

The most acute manifestation of abnormally low income employment is, of course, the mass poverty it signifies and which is most visible (like the tip of an iceberg), but by no means most serious, in the large urban centers. Indeed, evidence from Peru indicates that the great majority of the migrants to metropolitan Lima felt in 1967 that their situation had improved markedly over what it was in their place of origin. In spite of the fact that relatively more migrants were underemployed in the metropolitan areas than the native component of the population, approximately 75 per cent of the migrants cited economic and employment reasons for their attitude 32/.

Additional insight into the extent and interrelation between "marginal" employment according to income and mass poverty is provided in the case of Panama. In 1970, approximately 22 per cent of the wage earners employed 35 hours or more per week earned less than 15 Balboas weekly which was only 60 per cent of the statutory minimum wage 33/. The situation is somewhat less serious for heads of families at least on a national level and for the urban areas (table 17). But even still, 14.4 per cent of the heads of families in the cities of Panamá and Colón earn less than the minimum wage and almost 5 per cent earn only 60 per cent of that. For the rest of the country outside of the sphere of influence of these two cities, however, the marginal conditions of employment of family heads once again rises quickly to 20.5 per cent who earn substantially less than the minimum wage.

32/ Servicio de Empleo y Recursos Humanos, "Migración a Lima Metropolitana". (Document prepared by Ana Rivera Salcedo using 1967 Household Survey Data and presented to the Internal Migration Seminar, Hueyacucho, 25-28 November 1970). Also SERH, Informe sobre la situación ocupacional del Perú, 1970, op. cit., page II-15. It should also be noted that the SERH 1970 report found less unemployment although greater underemployment among migrants than natives for both 1969 and 1970.

33/ This includes both agricultural and non-agricultural sector but excludes the indigenous population inhabiting collective settlements, as well as those employees who perceive income from commissions, tips, on a piece-work basis ("pagos a destajo"), or payment in kind. This leaves aside independent workers and others where underemployment level are known to be high. See: Estadística Panameña, Estadística del Trabajo (Encuestas de Mano de Obra), Serie "O", 1970, table 17.

Cuadro 17

MEDIANA DE SALARIO SEMANAL DE LOS JEFES Y DISTRIBUCION PORCENTUAL DE LAS FAMILIAS,
SEGUN SALARIO DEL JEFE EN PANAMA, 1970 a/

(Población de 15 años y más de edad)

Detalle	Total	Area metropolitana b/			Resto de la República
		Total	Ciudades de Panamá y Colón	Resto del área metropolitana	
Número de jefes	98 400	78 300	68 700	9 600	20 100
Mediana de salario (en balboas)	37.42	42.35	43.60	32.95	22.77
Distribución porcentual de las familias según salario semanal (en balboas)	100.0	100.0	100.0	100.0	100.0
Menos de 15	8.5	5.5	4.9	9.7	20.5
15 - 24	16.2	10.7	9.5	18.9	38.0
25 - 34	21.9	23.3	22.8	26.9	16.7
35 - 49	20.4	21.6	22.3	16.6	15.4
50 y más	33.0	38.9	40.5	27.9	9.4

Fuente: Estadística Panameña Serie "0" (Encuestas de Mano de Obra, 1970), cuadro 28.

a/ Excluye la población indígena, las personas que habitan las viviendas colectivas, la población agrícola y los empleados que reciben remuneración por comisión o propina, pagos a destajo o pagos en especie. Los porcentajes se obtuvieron de las cifras no redondeadas.

b/ El área metropolitana se extiende a ambos lados de la Zona del Canal de Panamá, teniendo como centro de influencia las ciudades de Panamá y Colón. En su determinación ha primado el criterio establecido por la Dirección General de Administración de la Presidencia de la República, comprende los distritos de Arraiján, La Chorrera, Capira, Panamá, distrito especial de San Miguelito, Chepo (Corregimiento Cabeceera y de Santa Cruz de Chinina), Colón, Chagres Portobelo y Santa Isabel.

In most instances sufficient data are not available by which to judge the relative contribution to total underemployment of visible and invisible (by incomes) under-utilization. But information from Bogotá, Caracas, and Metropolitan Lima clearly show that the main problem is with incomes perceived rather than the length of time of work. (Table 18.) "Marginal" employment weighs most heavily in the total: 74.3 per cent in Bogotá, 90-93 per cent in Caracas and 90 per cent in Lima. It should be stressed that no double counting is involved here. The categories are mutually exclusive - visible underemployment referring only to those who are working part-time involuntarily and "marginal" employment to those whose income does not meet a given minimum for a full working week.

The sectoral composition of "marginal" employment in non-agricultural activities for Venezuela (1971), confirms what is generally believed and sheds some further light upon the phenomenon. (Table 19.) This form of livelihood is most common in the service and commerce sectors. Of interest, however, is the fact that it is also quite extensive in manufacturing and construction reflecting once again the heterogeneity to be found in these sectors.

Until reliable and adequate time series data are available it will be impossible to measure fluctuations in the dimensions of underemployment, nor the specific sectors within the population it affects most. As has been seen, the phenomenon remains large at the beginning of the Second Development Decade and most conspicuous in the cities although, it is no doubt at least as serious in rural areas and in all probability worse 34/.

34/ SERH, applying another measurement technique based upon sectoral productivity levels reported that in Peru (1970), 64 per cent of all underemployment was to be found in the agricultural sector, and that 46 per cent of the total labour force was underemployed according to this technique. See SERH, Informe sobre la situación ocupacional del Perú 1970, op. cit., tables A-II and A-II-2.

Table 18

THE RELATIVE CONTRIBUTION TO THE UNDERUTILIZATION OF HUMAN RESOURCES BY
VISIBLE UNDEREMPLOYMENT AND "MARGINAL" EMPLOYMENT a/

(In percentages of the economically active population)

	Visible underemployment	"Marginal" employment	Total underemployment
Bogotá D.E. (1970) <u>b/</u>	4.4	12.7	17.1
Caracas (1970)	1.2	11.2 <u>c/</u>	12.4
	1.2	16.1 <u>d/</u>	
Metropolitan Lima (1971) <u>e/</u>	3.3	29.4	32.7

Fuente: CEPAL, a base de encuestas nacionales de hogares.

a/ The same criteria used in Tables 14 and 15 were applied.

b/ Only urban area.

c/ Income below 300 Bolívars.

d/ Income below 500 Bolívars.

e/ Excludes domestic service activities.

/Table 19

Cuadro 19

VENEZUELA: EMPLEO "MARGINAL" POR RAMA DE ACTIVIDAD NO AGRICOLA

(Porcentajes de la población asalariada ocupada)

Ramas	Venezuela 1971 a/
Minas y canteras	3.2
Industria manufacturera	15.0
Construcción	15.1
Electricidad	7.4
Comercio	24.0
Transporte	13.2
Servicios	27.0
<u>Total</u>	<u>20.6</u>

Fuente: CEPAL, a base de encuestas nacionales de hogares.

a/ Se considera como ingreso menos de 300 bolívares.

/There are

There are also indications that, far from being abated, underemployment has increased, or at best, remained constant 35/. If policy makers are seriously disposed to apply the contribution of employment policy to the relief of mass poverty, it is evident that these policies must form integral parts of the development strategies presently being forged in the region and that internal consistency and continuity is the least that can be expected of national planning efforts even if they are acting only upon recommendations of a more limited nature in the area of employment.

35/ Evidence from Peru reveals that total underemployment (as measured by sectoral productivity) was 45.1 per cent of the labour force in 1969, 46 per cent in 1970 and 44.4 per cent in 1971. The income-yielded technique for full-time workers, however, has given the following results for Lima-Callao: 27 per cent of its labour force in 1969, approximately 30 per cent in 1970 and 33 per cent in 1971. The last figure undoubtedly underestimates the actual situation by far since domestic service activities are excluded. The importance of this variety of the employment problem may be appreciated from the following analysis of the 1967 Lima Household Survey; domestic service workers represented 11 per cent of the total labour force of Metropolitan Lima and 80 per cent were underemployed by the joint hours-worked and income criteria. The great majority of domestic help were migrant females between 15 and 35 years of age and this type of employment accounted for 29 per cent of the female labour force of Lima. Sources: SERH, ibid, Encuesta de Hogares 1971 and Jaime Cienella Marginalidad en Lima Metropolitana, (Centro de Estudios y Promoción del Desarrollo, Cuadernos DESCO, diciembre 1970), pp. 45 and 55.

IV. TRENDS AND CHARACTERISTICS OF THE LABOUR FORCE

(a) Evolution of the Labour Force, 1960-1970

In those countries which account for the vast majority of the population of Latin America and whose demographic trends are most representative of the region, the population in economically active ages is increasing by about 3 per cent annually ^{36/}. The census data for the first part of the decade revealed that this potential labour force is predominantly young, most especially in urban areas. It was also reported that the population in young age groups accounted for a much higher proportion of the total in Latin America than in other more developed regions ^{37/}. The situation remained the same at the end of the First Development Decade. The population of working age is still relatively low as a percentage of total population. In most of the countries it was about 50 per cent, whereas in Eastern and Western Europe, the United States and Canada, the percentage in the age group 15-64 is approximately 60-65 per cent. Furthermore, recent evidence from several countries indicates that the trend is toward even higher rates of dependency which the economically active population must support in the coming years. (Table 20.)

(b) Economic Activity by Age and Sex

Throughout the decade some notable changes have occurred in the age-sex composition of the labour force. These modifications are significant in so far as they reflect major trends, demographic, economic and social in nature, which influence the structure of the economically active population in the region. Unfortunately, the shortage of reliable empirical sources presents a stumbling block for a thorough examination of the economically active population in Latin America; the 1970 censuses taken so far have demonstrated no improvement over the 1960 round of censuses and in some cases, they are of even poorer quality. Nonetheless, on the basis of existing data some comments may be made which serve to reveal the major currents of events in the decade.

^{36/} For country statistics see table 20.

^{37/} See Chapter IV in United Nations, Social Change and Social Development Policy in Latin America (Sales N° E.70.II.G.3).

Table 20

GLOBAL INDEXES OF DEPENDENCE FOR SELECTED COUNTRIES

Dependence ratios		Chile		Venezuela		Mexico		Nicaragua	
		1960	1970	1960	1970	1960	1970	1960	1971
Total population	x 100	325.41	388.74	338.14	348.49	346.16	353.94	345.85	413.28
Economically active population 15-64									
Total population	x 100	308.06	371.54	314.89	329.52	313.47	317.66	308.85	375.75
Economically active population all age groups									
Total population	x 100	179.30	177.17	191.63	197.94	195.51	198.94	199.34	205.03
Population of working age									

Source: ECLA on the base of National Censuses and Household Surveys.

Participation rates have undergone an overall decline between 1960 and 1970, especially for males. This is of importance since participation rates in themselves measure the relation between the number of economically active persons in specific age groups and the total population in that same category. The resulting rate constitutes an indicator of the degree to which a given segment of the population is being incorporated into the labour market. In Mexico, although the global participation rates for the population 12 years of age and more increased from 45.2 per cent in 1960 to 46.2 per cent in 1970, this was largely due to an increase in female activity which rose from 16.1 per cent to 19.5 per cent. It should be noted that for the same period male activity rates fell from 75.3 per cent to 73.7 per cent. Due to errors in the 1970 census of Chile, participation rates with different absolute levels may be calculated depending upon the adjustment factors which are applied. All results, however, register a decline of approximately 10 per cent in the global activity rate for the population 12 years of age and over.

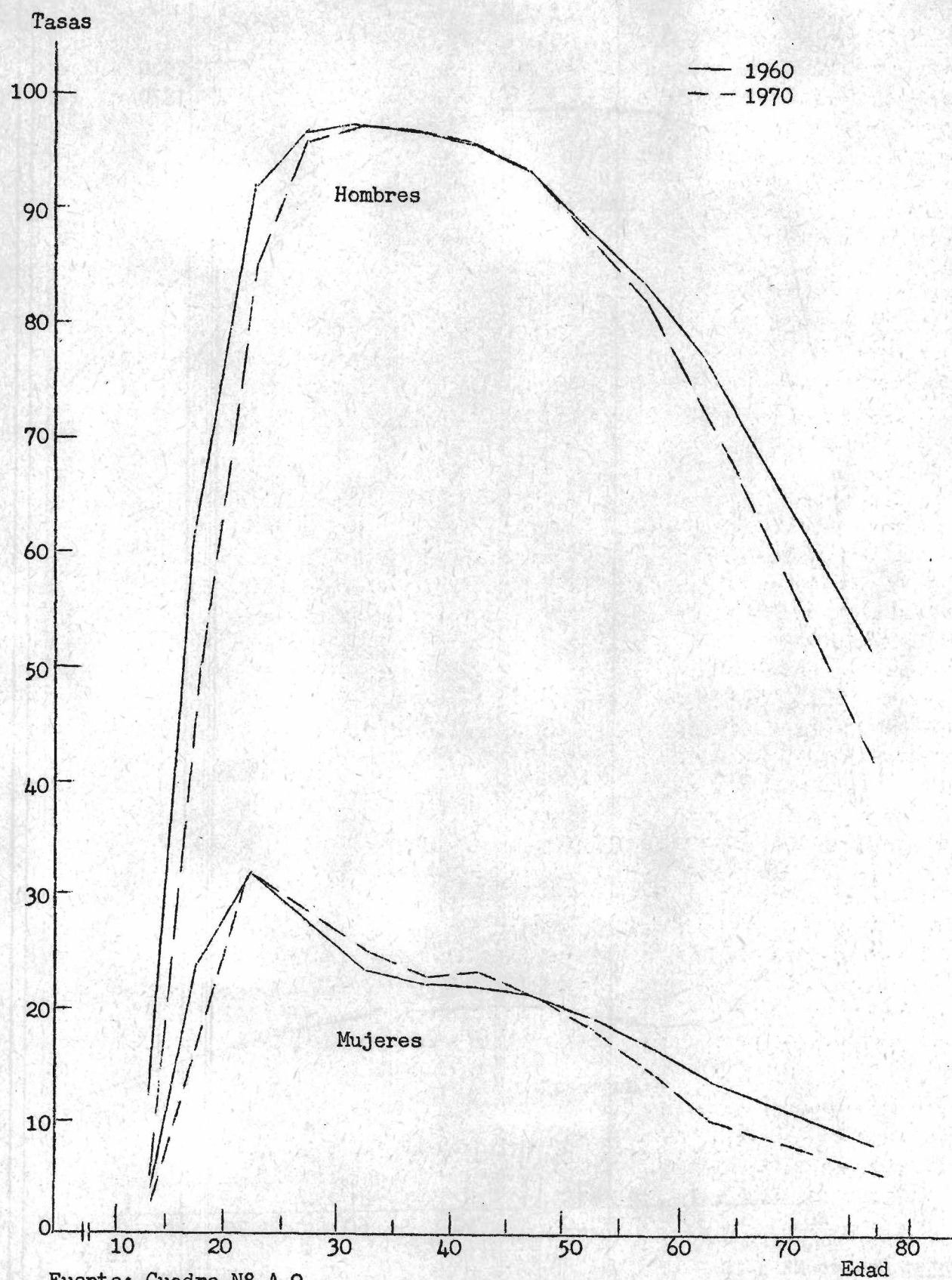
In figures 2 through 5 it may be seen that male participation rates for those under 25 years of age, fell during the last decade in Chile, Mexico, Venezuela and Costa Rica; countries which are representatives of different types of national situations to be found in Latin America. The sharpest declines are to be found in the youngest age groups 12 to 14 and 15 to 19 years. The oldest age groups registered declines also especially for those 60 years of age and over. For Costa Rica during the period 1950-1967 participation rates for boys between the ages of 12 and 14 fell by 50 per cent. For those in the age group 15-19 the decrease was over 20 per cent and a decline in economical activity of over 25 per cent was reported for persons 65 years of age and over 38/.

The reasons which may explain the lower participation rates especially among the youth and older age groups are several. They range from a considerable expansion in the educational system throughout the decade which delays the entry of young people into the labour market and a simultaneous extension of social security services to a negative appraisal of the opportunities which the labour market has to offer on the part of people who would ordinarily declare themselves economically active. This latter aspect, often referred to as "disguised" unemployment or unemployment

38/ PREALC, La situación y perspectivas de empleo en Costa Rica, (Documento de trabajo, Versión Final, PREALC/52 (Rev.1) Agosto de 1972), Chapter VI.

Gráfico 2

CHILE : TASAS DE PARTICIPACION POR SEXO Y EDAD
1960-1970

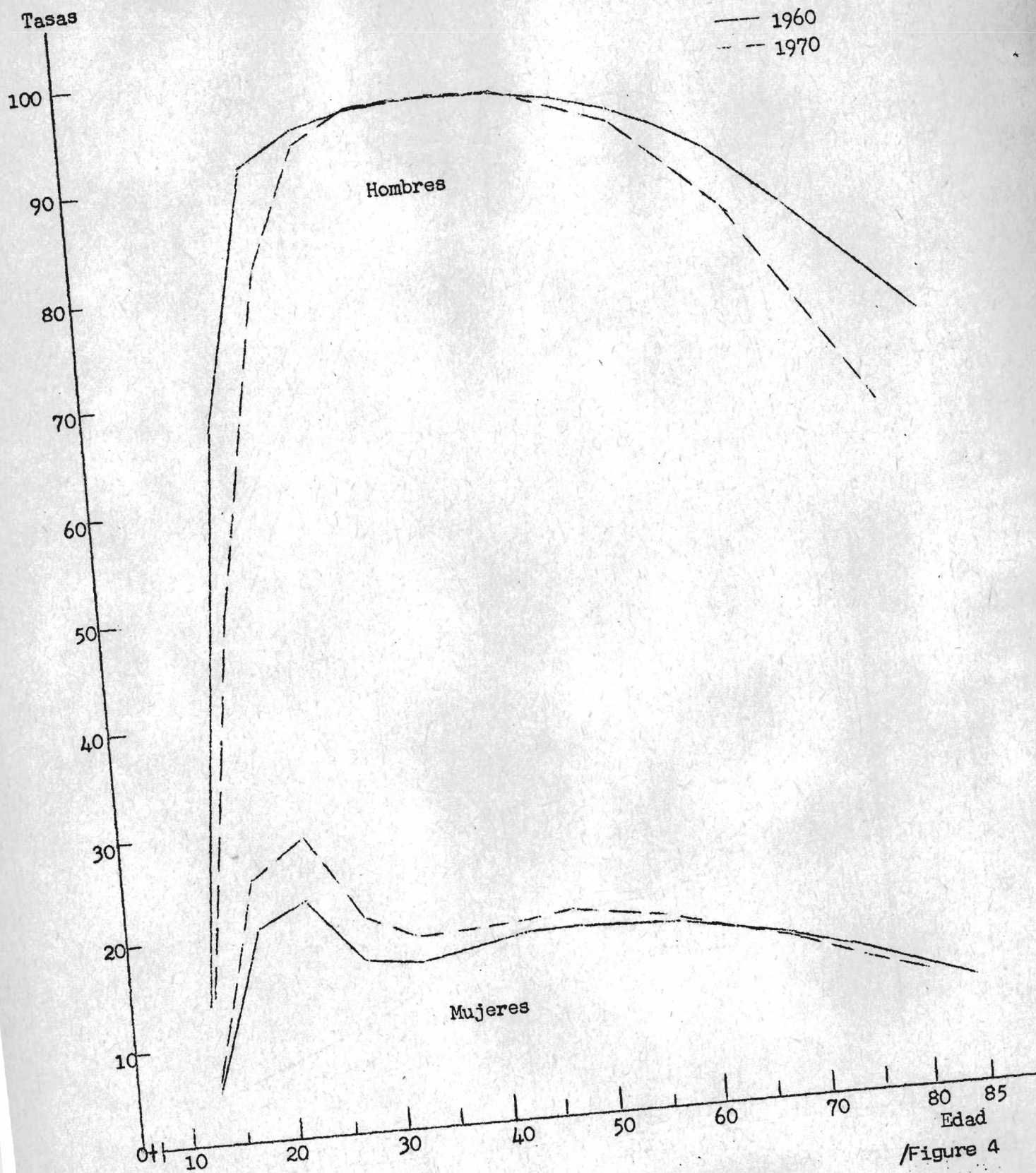


Fuente: Cuadro N° A-9

/Figure 3

- 44 B -
Gráfico 3

MEXICO : TASAS DE PARTICIPACION POR SEXO Y EDAD
1960-1970

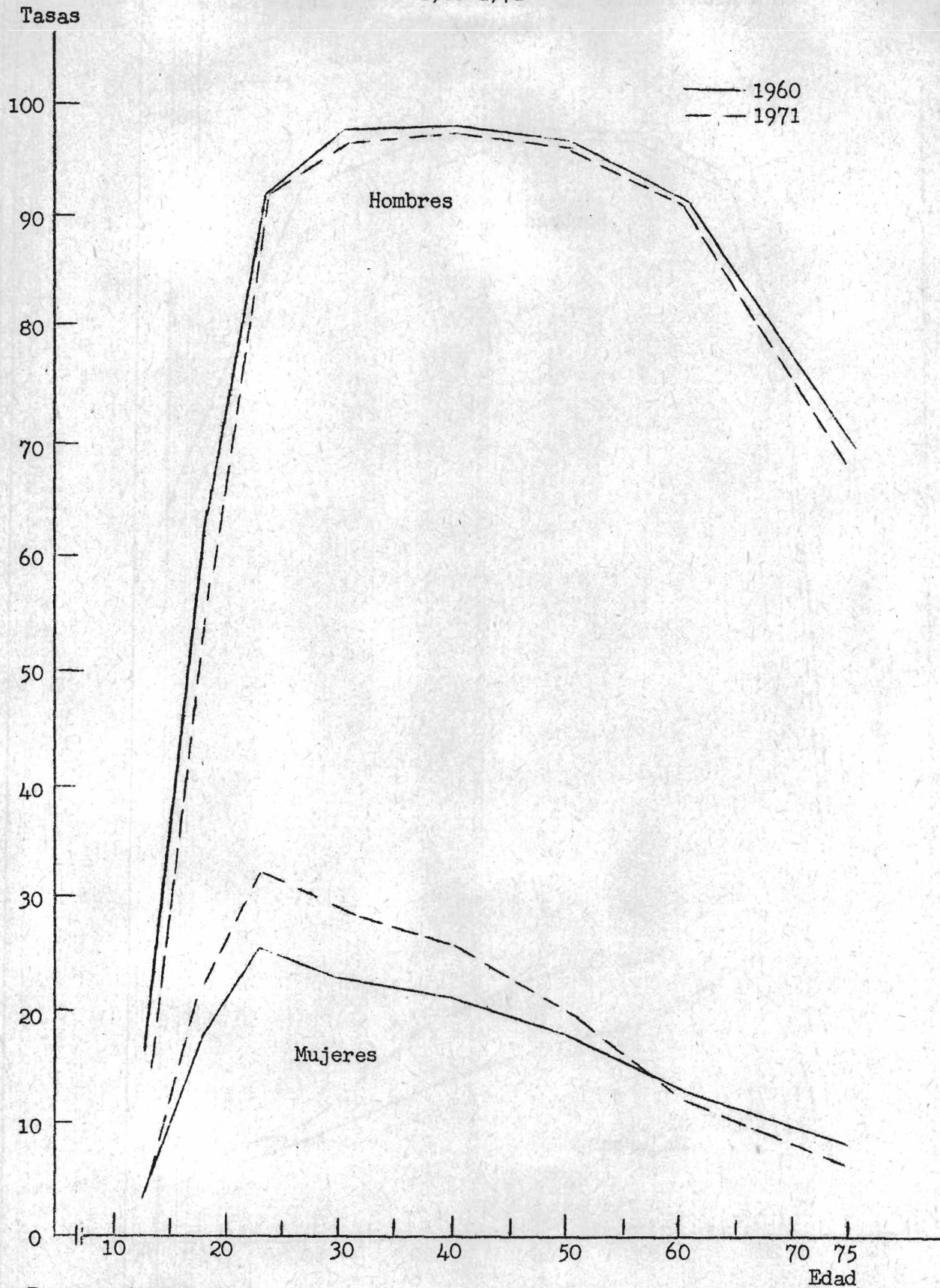


Fuente: Cuadro N° A-10

/Figure 4

Gráfico 4

VENEZUELA : TASAS DE PARTICIPACION POR SEXO Y EDAD
1960-1971



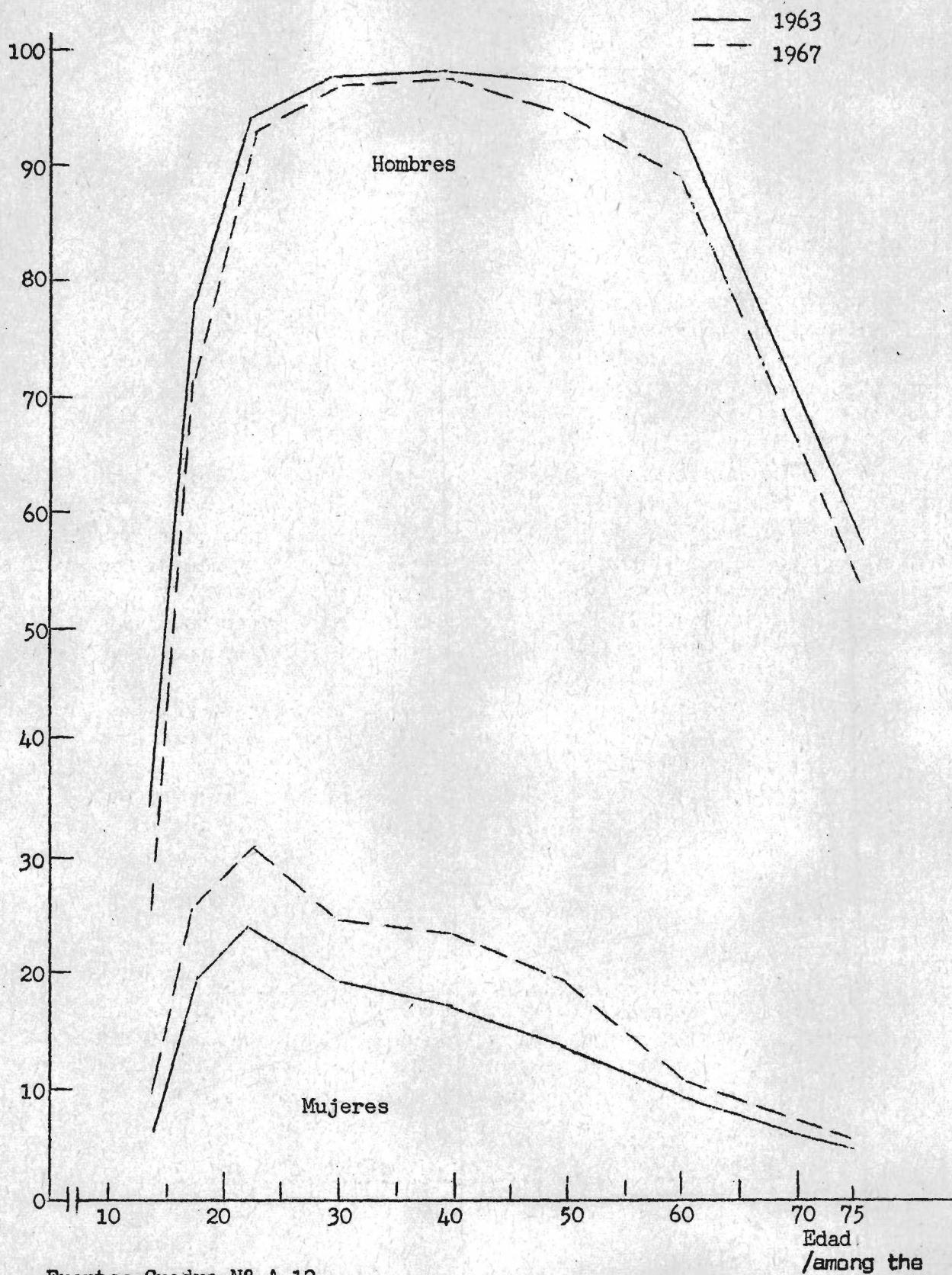
Fuente: Cuadro N° A-11

/Figure 5

Gráfico 5

COSTA RICA : TASAS DE PARTICIPACION POR SEXO Y EDAD
1963-1967

Tasas



Fuente: Cuadro N° A-12

among the potentially active population who declare themselves economically inactive has been shown to be of considerable importance in Colombia, Chile and Peru. For 1970 this group accounted for 5 per cent of the inactive population in Metropolitan Lima and approximately 8 per cent for Santiago 39/.

Significant alterations in the participation of women in the labour force is another of the trends which deserves to be noted. Although the global participation rates of women in most of Latin America remains below 20 per cent, rising to 25 per cent in countries with low dependence ratios, female economic activity has risen substantially in several countries. Costa Rica affords a particularly illustrative example. Until 1963 the participation of women was less than 16 per cent. But as the decade advanced, the situation changed. According to the 1967 household survey the global female activity rate had risen to 21 per cent. This increase was reported for all age groups but reached a high of 31 per cent for those women in the 20 to 24 years age group 40/.

Similar increases may be noted in the cases of Chile, Mexico and Venezuela, although the age specific patterns of female economic activity vary among these countries. In Chile women between the ages of 25 and 45 years have increased their participation significantly throughout the decade although they did not surpass the high point reached in 1960 for the 20-24 year old age group. This age group registered important increases in economic activity in Mexico, however, as did all women in fertile ages for that country.

These changes respond to the influence of a number of variables since the factors determining female incorporation into the labour force are extremely complex. Inferences may be made, however, with regard to at least some of the major forces which can be assumed to be operative: (1) a substantial decline in fertility (quite important in Costa Rica and Chile); (2) changing social attitudes towards working wives together with increased

39/ Ministerio de Trabajo Servicio del Empleo y Recursos Humanos; Informe sobre la situación ocupacional del Perú 1970, p. 1-18. The figure for Santiago takes into account only those who replied that they wished to work at least 20 hours weekly throughout the year in the quarterly household survey of the Universidad de Chile's Instituto de Economía y Planificación. For Colombia see ILO, Towards Full Employment (Geneva, 1970), Chapter 1.

40/ PREALC, La situación y perspectivas del empleo en Costa Rica, op. cit.

facilities for working mothers; (3) large scale migration of young women to metropolitan centers; (4) lower wage rates for female labour and (5) modernization of economic systems especially in urban centers 41/.

It should be stressed that increased female economic activity does not indicate a fuller utilization of human resources. On the contrary, it may well occur during periods of growing overall unemployment as women who would normally be inactive, enter the labour force to supplement falling family incomes. In the Caribbean countries female participation rates are significantly higher (36 per cent in Trinidad and Tobago in 1968 and 58.8 per cent of female "available manpower" that same year in Jamaica 42/) and are rising in situations of high open unemployment. The Government of Trinidad and Tobago has expressed concern that cheaper female labour is being substituted for male workers and that rising female participation is thus accompanied by rising male unemployment 43/.

41/ Although comparable data on female economic activity for Mexico Mexico City indicate the coexistence of two economic systems, the trend from 1950 on points to the growing prevalence of modern techniques of production and distribution in that country favourable to the employment of the younger generation. See: Henry Kirsch, Development Strategy Implications of Population Growth and Labour Force Absorption in Latin America (ECLA, Working Document, Mimeo, November, 1971), pp. 40-42.

42/ The "manpower availability" concept has been developed by PREALC for use in Jamaica in lieu of the more conventional concept of the labour force as those employed plus those actively seeking work since, given the available data, this definition would result in a gross understatement of that country's employment problem. Manpower availability includes "employment during the year plus visible and concealed unemployment, with previous work experience plus unemployment without work experience". See: PREALC, Employment and Unemployment in Jamaica (Documento de Trabajo, PREALC/54, mayo, 1972), Appendix 1, p. 151.

43/ Third Five-Year Plan, 1969-1973, Chapter XII.

A more detailed analysis of the expansion of female economic activity would also reveal an unsatisfactory utilization of this labour force reserve. This is especially true when the qualifications and educational levels of the female population are related to the level of participation and the type of employment opportunities offered those who do enter the labour force. In 1971 for example, only 40 per cent of all Venezuelan women with higher education were economically active. For those who seek work the cultural bias which more qualified women still must confront in their search for jobs compatible with their preparation was manifest in Chile. Studies based upon interviews with industrial supervisory personnel in different cities of that country have shown the overwhelming reluctance of these men to accept women who had graduated from technical secondary schools in either a technical or lower supervisory capacity consistent with their qualifications. These are but illustrations of the significant loss of highly qualified human resources to Latin American economies which persist as a result of social prejudices and family behavioural patterns 44/.

(c) Labour Force Structure: Sector, Region and Occupation

Changes in the structure of the economically active population by economic sector follow those trends reported in earlier studies on the labour force in Latin America. Reasonably acceptable data for the active population (as distinguished from those who are actually employed) are not available for the entire region. Table 21, however, gives information for eight countries which provide a profile of the range of different national situations to be found in the region. It indicates that the share of agriculture in the labour force has undergone an extensive decline - a fall which was compensated for by the relative increase in those sectors which are predominantly urban such as commerce, construction, services and manufacturing. As mentioned in the section on employment structure, the relatively high rate of labour absorption in manufacturing for certain countries

/In reality

País	Agricultura		Tasa de crecimiento anual	19
	1960	1970		
Argentina	...	...	...	...
Bolivia	...	...	...	...
Brasil g/	53.7	44.2	0.7	...
Colombia	...	...	...	...
Chile g/	29.5	20.8	-0.9	4
Ecuador	...	...	...	...
Perú ab/	50.4	45.6	1.9	2
Venezuela ab/	32.6	21.0	-1.4	2
Panamá g/	47.3	35.0	0.3	0
México g/	52.1	49.5	1.5	1
Nicaragua g/	62.0	52.5	1.1	0
Honduras ag/	66.6	65.2	3.0	0

Fuente: CEPAL, a base de cifras oficiales.
 g/ Excluye las personas que buscan trabajo p
 b/ Corresponde a 1961-1970.
 g/ Corresponde a 1961-1971.

Guadro 21

ESTRUCTURA Y CRECIMIENTO DE LA POBLACION ECONOMICAMENTE ACTIVA POR RAMAS
DE ACTIVIDAD, SEGUN PAISES 1960-1970

Minas y canteras			Industria manufacturera			Construcción			Servicios básicos			Comercio			Servicios			Total		
Porcentaje		Tasa de crecimiento	Porcentaje		Tasa de crecimiento	Porcentaje		Tasa de crecimiento	Porcentaje		Tasa de crecimiento	Porcentaje		Tasa de crecimiento	Porcentaje		Tasa de crecimiento	Porcentaje		Tasa de crecimiento
1960	1970		1960	1970		1960	1970		1960	1970		1960	1970		1960	1970		1960	1970	
...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	100.0	100.0	2.2
...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	100.0	100.0	2.6
			17.9	22.1	4.9							6.7	8.9	5.6	21.7	24.8	4.1	100.0	100.0	2.7
...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	100.0	100.0	2.6
1	2.2	-3.2	19.1	22.6	4.3	6.1	8.0	5.6	6.1	8.9	6.6	10.8	13.6	5.1	24.3	23.8	2.4	100.0	100.0	2.6
...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	100.0	100.0	3.1
2	1.9	1.6	13.3	14.7	4.2	3.4	3.0	1.8	3.7	4.1	4.3	9.0	11.1	5.4	18.0	19.6	4.1	100.0	100.0	3.1
3	1.9	1.3	12.3	18.8	8.4	5.6	5.5	3.3	6.1	8.2	7.1	12.8	18.4	7.8	28.3	26.2	2.6	100.0	100.0	3.5
0	0.2	-	7.9	11.2	7.0	4.2	5.7	6.4	3.6	4.8	6.2	9.4	12.9	6.6	27.6	30.2	4.3	100.0	100.0	3.3
3	1.4	4.2	14.4	16.7	5.1	3.7	4.4	5.3	3.7	3.2	1.9	9.4	9.2	3.2	15.4	21.6	7.2	100.0	100.0	3.2
9	0.7	0.1	11.5	13.2	4.2	3.2	3.9	5.1	2.5	3.3	5.6	6.6	8.8	5.8	13.3	17.6	5.6	100.0	100.0	2.8
3	0.2	0.1	7.9	8.4	3.8	2.1	2.2	4.2	1.5	2.4	7.8				21.6	21.6	3.2	100.0	100.0	3.2

or primera vez.

In reality the phenomenon is much more complex. In great part this trend stems from the lack of productive employment opportunities in the rural areas of Latin America. The reasons for this situation must be sought in the evolution of the agricultural sector in the region. This sector is characterized by a relative stagnation in output as well as by a change in the composition of the labour force in recent years. Almost without exception agricultural output has grown at much slower rates than the rest of the economy - for some countries agricultural growth rates have risen by as little as a quarter of that of the gross domestic product 45/. Moreover, the available evidence, mostly of a qualitative nature, indicates that in many countries the composition of the agricultural labour force has tended to change in recent years. "As a result of a combination of mechanization, minimum wage and social security legislation and in some cases changed regulations regarding sharecropping, there has been a tendency in some areas for the larger farms to reduce their permanent labour forces. At the same time, increasing mechanization has tended to reduce seasonal requirements for additional casual labour and the net effect has probably been to concentrate the available work into a smaller number of actual jobs 46/.

The changes noted in the sectoral distribution of the labour force also respond to variables which operate to accentuate the differential behaviour of the labour market not only among sectors but within sectors and which are often of a conjunctural nature. Thus, a boom in traditional exports might be sufficient enough to increase substantially fiscal income resulting in expanded public sector spending in the areas of urban construction and infrastructure projects. In addition to its direct employment effects the larger public spending might also stimulate a considerable employment multiplier based upon increased aggregate demand for those goods or basic services produced internally. On the other hand, plant managers in the private sector might consider this expanded demand to be a short-term phenomenon and prefer to utilize excess capacity through longer hours for existing workers rather than by contracting additional labour 47/. Technology and labour vary so greatly within sectors; the

45/ One exception worthy of note is that of Costa Rica where PREALC reports the rapid expansion of agricultural output to have most probably been responsible for the high levels of rural labour retention. See: PREALC, La Situación y Perspectivas del Empleo en Costa Rica, op. cit. Chapter VII.

46/ Perspective Study of Agricultural Development in South America, (Mimeo, August, 1972), Chapter I.

47/ The provisions of the labour codes concerning dismissal would most surely condition their response.

relative scarcity of factor inputs among different sectoral levels differ so widely (credit availability for a small shop versus a large supermarket chain); and occupational mobility from low to high productivity strata are so hindered that for purposes of analysis and planning it is more proper to speak in the plural - in terms of labour markets. This approach is often frustrated by the lack of adequate data and empirical studies. But at least it has the merit of providing an orientation which can stimulate the production of the necessary data on the part of governments by destroying the shibboleth of a homogeneous and almost monolithic labour market which continues to guide much of the research and planning up to the present.

Given the heterogeneous nature of all sectors, the growth of the manufacturing or mining labour force cannot a priori be assumed always to be a valid indicator of development nor can the expansion of commerce and services be identified only with the dysfunctional aspects of urbanization. Although this may well be proven often true, much more disaggregated data and detailed analysis is required before the processes interrelating the sectoral distribution of the economically active population and the employment problem are clearly understood. For the present, however, it may reasonably be assumed that the expansion of the labour force in commerce, services and even construction was in great measure accompanied by an increase in underemployment typified by such occupations as street vendors, part-time gardeners, domestic servants and non-union construction workers hired by "maestros de primera" as is the case in Colombia 48/.

Unfortunately sufficient data do not exist for most countries to permit a detailed analysis by occupational categories and groups across the decade. There is an urgent need for the both 1960 and 1970 census rounds as well as the continuous household surveys to be processed with uniform tabulation plans in line with appropriate definitions 49/.

48/ The relative productivity declines in these sectors noted for several countries is suggestive of the expansion of occupations in which underemployment is prevalent. See tables 4 and 5. It is generally agreed that minimum wages are not paid by the independent "maestros de primera" who have been sub-contracted by construction firms to hire labourers. See: ILO, Towards Full Employment, p. 135.

49/ Once again the heterogeneity of conventional classifications arises as a major stumbling block. For example, the category of executives, managers and employers and that of salesmen conceal great divergence in productivity and income by which underemployment may be measured. The first category ranges from those engaged in the neighbourhood vegetable store or newspaper stand to the largest enterprise; likewise a salesman maybe a peanut vendor or a sales representative of an electronics firm.

Chile, one of the more advanced countries in the area of empirical data, offers a case in point. As may be appreciated from table 22, the available sources register widely differing results in the structure of the labour force by occupational category. Analytical possibilities are thereby severely limited. According to the estimations of PREALC it appears that the category of employers is considerably exaggerated and quite possibly inflated by a number of own account workers erroneously reported as employers.

Nevertheless a trend for the own account workers to increase may be culled from the data. This would confirm the impression that a major characteristic of employment in the decade, especially in its closing years, has been an expansion of underemployment since it is generally agreed that this condition is especially manifest among own account workers.

The absorption of labour by the service sector, greater than the goods producing branches of economic activity is also evidenced by the pronounced increase in empleados and the marked decline in the obrero category. In part this is the result of a legal artifice - the addition of certain occupations to the empleado group previously classified as obrero. But the consistency of the pattern from both census and household survey data especially the time series for Greater Santiago (table 23) give added weight to the interpretation that labour particularly that portion entering the urban labour market is gravitating toward service activities rather than the goods producing sector where the proportion of empleados to obreros is much less intense.

A somewhat similar pattern is provided in the case of Peru. Table 24 shows the change in the Peruvian labour force by occupational groups. The most impressive change, of course, is the sharp decline in agricultural occupations. But among those occupations which are predominantly urban perhaps the most significant aspect is the increase among salesmen, a trend noted by the Peruvian human resources authorities to reflect the growth in marginal activities during the past decade 50/.

50/ Servicio del Empleo y Recursos Humanos, Informe sobre la Situación Ocupacional del Perú, 1970, pp. 1-21.

Cuadro 22

CHILE: ESTRUCTURA DE LA FUERZA DE TRABAJO SEGUN CATEGORIAS
OCUPACIONALES, 1960-1970

(Porcentajes)

	(a) 1960	(b) 1967	(c) 1968	(d) 1969	(e) 1970	(f) 1971
Empleadores	1.4	2.1	1.6	1.5	1.2	3.1
Trabajadores por cuenta propia	18.8	21.2	21.9	21.9	22.7	19.2
Empleados (g)	29.0	23.4	23.2	23.6	24.9	34.6
Obreros	44.9	46.9	46.1	46.7	46.4	35.5
Otros (h)	5.9	6.4	7.2	6.3	4.8	7.6
<u>Total</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>

Fuente: Elaboración PREALC en base a:
Dirección de Estadística y Censos, XIII Censo de Población
Instituto Nacional de Estadísticas, Evolución de la mano de
obra chilena, marzo 1967-diciembre 1970 (mimeo) Santiago, 1971,
cuadro III-5.
Instituto Nacional de Estadísticas, XIV Censo Nacional de Población,
Muestra de Adelanto de Cifras Censales, total del país, (mimeo)
Santiago, mayo 1971.

Notas: (a) D.E.C. XIII Censo, cuadro 3.4.7.
(b) Promedio de los resultados de marzo-junio y julio-octubre de
1967 de la encuesta del INE.
(c) Promedio de los resultados de noviembre 1967-febrero 1968,
marzo-junio y septiembre-diciembre de la encuesta del INE.
(d) Promedio de los resultados de enero-junio y julio-diciembre
de 1969 de la encuesta del INE.
(e) Promedio de los resultados de enero-agosto y septiembre-diciembre
de 1970 de la encuesta del INE.
(f) XIV Censo, cp. cit., cuadro N°17.
(g) Incluye empleados domésticos, que solo figuran desagregados en
los Censos.
(h) Incluye familiares no remunerados, personas que buscan trabajo
por primera vez y no bien especificados.

Cuadro 23
GRAN SANTIAGO: FUERZA DE TRABAJO SEGUN CATEGORIA OCUPACIONAL, 1960-1970
(Porcentajes)

Categoría ocupacional	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970
Empleadores	3.2	3.3	3.3	2.9	2.3	2.1	2.2	2.2	2.5	2.4	1.9
Trabajadores por cuenta propia	19.0	17.4	18.8	18.3	17.7	17.9	18.6	17.6	17.7	18.3	17.6
Empleados	28.2	30.8	30.3	30.9	30.6	31.3	31.8	32.5	34.2	35.3	37.7
Obreros	46.6	45.6	44.5	44.4	46.5	45.5	44.5	45.1	42.8	40.6	39.3
Familiares no remunerados	11.9	1.8	2.2	2.5	2.0	2.2	1.9	1.7	1.7	2.1	2.1
Sin datos		0.1	0.0	0.0	-	-	-	0.0	0.0	0.0	0.0
Buscan trabajo por primera vez	1.1	1.0	0.9	0.9	0.9	1.0	1.0	0.9	1.1	1.3	1.4
<u>Total</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>

Fuente: Elaboración FREALC a base de Encuestas de Ocupación y Desocupación del Instituto de Economía y Planificación, Universidad de Chile.

Cuadro 24

PERU: ESTRUCTURA DE LA FUERZA DE TRABAJO SEGUN GRUPOS
OCUPACIONALES 1961, 1970

(Porcentajes)

Grupos ocupacionales	1961	1970
Profesionales y técnicos	3.4	4.7
Gerentes, administradores y directivos	1.5	1.8
Empleados de oficina	4.5	5.8
Vendedores	7.6	9.4
Agricultores, ganaderos y pescadores	51.6	46.9
Mineros y canteros	1.2	0.2
Conductores de medios de transporte	2.4	3.0
Artesanos, operarios, obreros y jornaleros	18.4	19.4
Trabajadores de los servicios	9.4	8.8
<u>Total</u>	<u>100.0</u>	<u>100.0</u>

Fuente: Servicio y Empleo y Recursos Humanos, Informe sobre la situación ocupacional del Perú 1970, Cuadro 10.

(d) Educational Structure of the Labour Force

Both the degree and real meaning of changes in the educational level of the labour force in Latin America are particularly difficult to gauge, not only because of the lack of basic data but also because of the problem of interpreting global educational trends in terms of their relevance to legitimate labour market requirements and societal needs. This question will be discussed elsewhere and need not be treated in detail at this point. Some data on this problem area, however, are provided below, primarily for illustrative purposes to discern the outline of what has occurred during the past decade.

In 1960, almost 16 per cent of the Chilean labour force was illiterate while almost half of the Venezuelan economically active population (1961) and 33 per cent of that of Peru (1961) were in that condition. (Table 25.) By 1970 this rate had fallen to about 8 per cent for Chile, 21 per cent for Venezuela; in Peru the respective figure was 24 per cent of the labour force 51/. Unquestionably then, advances had been made but a more detailed analysis of the data reveals the persistence of serious deficiencies.

In Chile only a little over third of the labour force had completed primary school in 1970; a similar situation existed in Venezuela although the notable expansion of formal preparation along all levels of the educational system projects a more favourable trend line for the labour force of that country 52/. The high percentage of the economically active population who had not received more than three years of education (almost 17 per cent in Venezuela and 21 per cent in Chile) remains a major problem area since it is most probable that a number of them will revert to illiteracy.

51/ In 1970, over 35 per cent of the Brazilian labour force were illiterate and over 28 per cent had not received more than three years of education; in Panama only 4 per cent of the non-agricultural employed population were classified as illiterate but 54 per cent had received no more than primary education (including incomplete primary which is not segregated). Anuario Estadístico do Brasil 1971, Estadística Panameña, Serie "O" (Encuesta de Mano de Obra, 1970).

52/ Of course this says nothing about the relevance of the Venezuela educational system to the labour market, an issue of concern in a recent study of that country conducted by the Inter-American Committee on the Alliance for Progress (CIPA), see CIAP, El esfuerzo interno y las necesidades de financiamiento externo para el desarrollo de Venezuela. (CIAP/568, Mimeo, agosto 1972).

Cuadro 25

ESTRUCTURA EDUCACIONAL DE LA FUERZA DE TRABAJO, ALGUNOS PAISES
SELECCIONADOS
(Porcentajes)

Nivel de instrucción	Chile		Perú		Venezuela	
	1960	1970	1961	1970	1961	1970
Ninguno	15.7	8.3	33.0	24.2	47.8	24.0
Primario	56.4	52.2	52.6	52.7	43.9	55.4
1-3 años	(20.9)	(15.5)	...	...	(18.8)	(16.9)
4-6 años	(35.5)	(36.7)	...	...	(25.1)	(38.5)
Secundario	22.4	31.5	11.2	17.8	6.5	16.9
7-9 años	(12.0)	(13.6)	...	...	...	...
10-12 años	(10.4)	(17.9)	...	...	...	...
Universitarios	2.6	3.3	2.3	5.3	1.8	3.7
No especificado	2.9 ^{a/}	4.7 ^{a/}	-	-	-	-

Fuente: CEPAL a base de cifras oficiales.

a/ Incluye estudios especiales

/An aspect

An aspect of the expansion of education during the past decade which is most likely to have important implications for those entering the labour market in the coming years is the increased educational demands made at all but the lowest occupational levels. This implies that youth from lower social strata have not seen the advantages of their higher educational levels (higher only in relation to the past levels of that strata) translated into better employment opportunities. To the extent that labour supply has exceeded demand, the educational requirements of the labour market "have risen faster than educational levels and act as a screening device and as a means of restricting the more desirable jobs to the social strata previously monopolizing them" 53/.

On the other hand, the "traditional" structure of the educational systems in many countries, with emphasis on the humanities and relatively little preparation in technical and scientific areas suggests very strongly that the rapid expansion of secondary school and university enrollments over the last decade may well be resulting in a manpower elite hard pressed to apply its training in the labour market. Symptomatic of this are educated unemployment and increased pressure to accept jobs of lower status. The former has already been discussed in the section dealing with unemployment. Partial insight into the latter may be gleaned by examining the changes in educational levels of the occupational groups of the Peruvian labour force 1961-1970. (Table 25.) The substantial increase in university training for salesmen (from 1.6 per cent in 1961 to 4.8 per cent in 1970) and for service occupations (from 0.8 per cent to 7.9 per cent) must certainly be highlighted in this regard. Nor less noteworthy is the substantial increase in the number of transport drivers with secondary school preparation (from 20.9 per cent to 28.3 per cent).

Changes in the secondary and higher educational systems which would provide students with greater alternatives geared to more diversified labour force participation should be explored. This should be accompanied

53/ United Nations, Department of Economic and Social Affairs, 1970 Report on the World Social Situation (Sales No E.71.14.13), p. 44.

by increased technical and vocational training, expanded adult education as well as vocational guidance at lower levels so as to expose students to a wider range of occupations. Each level should be more attentive to the contribution it makes in preparing the student for the labour market and not merely in conditioning him for the next educational step 54/.

54/ There is evidence to suggest that an awareness of this problem appearing in some countries, in Peru, for example, the 1972 educational reform states: "Respondiendo a ese espíritu, la Ley cancela la tradicional separación entre educación común o general y educación vocacional técnica, separación de dudosa base teórica y de nulos efectos prácticos, como lo prueba la experiencia educacional en nuestro país. Introduce en cambio, el principio de la necesaria integración de la educación general y de la capacitación para el trabajo en los diferentes niveles y etapas del proceso educativo y para todos los educandos". Ley General de Educación, Decreto Ley N° 19326, marzo, 1972, p. 2.

V. EMPLOYMENT STRATEGIES AND POLICY ALTERNATIVES

(a) Employment policies and development strategies in the past

Throughout most of the past decade explicit employment policies are not to be found in the national plans generated in the region. Not only is employment lacking as a principal element, it is often not even mentioned in the development programmes; and when discussed, it is always in relation to trends in the aggregate economic situation. Only at the close of the decade and in the national plans formulated since then have full or higher levels of employment been listed as a specific objective of planning efforts. At the base of this situation was the belief that what was lacking was product demand. Even when employment began to receive more attention on the part of international agencies and individual students of development, the underpinning assumptions remained much the same - nor has the greatly intensified interest in the redistribution of income done much to remove the theoretical framework from its excessive neo-classical dependence on the remarkable therapeutic properties of the market mechanism.

Although most thinkers on the subject no longer equate development with economic growth and now stress the importance of income distribution, very little empirical work has been done to test the hypothesis implicit in a great deal of the literature and development strategies that to eliminate underemployment in all of its guises as well as unemployment, the necessary and sufficient requirement is an increase in the level of total effective demand for labour, which in turn is a function of the aggregate demand for capital and consumption goods and services. But even taking into account the possible effects on demand structure of income redistribution the problem is not quite so simple because, among other things, the elasticity of substitution between capital and labour is often low, the technological alternatives are not well known and consequently the specific item produced (even if of mass consumption) does not determine the productive process.

/(b) Recent

(b) Recent strategies and positions: Three camps - the academician, the planner and the implementer

In vivid contrast to the situation depicted for the greater part of the past decade, employment has now come to occupy a central position in almost all national plans and documents generated by international agencies. Nevertheless, there exists a growing sensation that the problem is being handled on three distinct levels, by different groups who are not really addressing each other in meaningful terms but rather laying down barrages of models, strategies, plans and position papers whose hope of being translated into effective action is questionable. In great part this condition of multiple and simultaneous monologues has arisen from the particular perspective through which each group has come to convert employment into one of the most important themes of development. In brief these views may be identified as representing the positions of the academician, the planner, and the decision-maker or actual implementer. Forthcoming from each of them are different frames of reference regarding the scope and dimensions of the employment problem, the time factor involved and the interaction of employment policy and other basic developmental problems within overall planning efforts.

At its best the academic approach (so denoted only because of the gap often existing between its proposals and the range of alternatives deemed viable by decision-makers) strives toward an organized and multidisciplinary body of employment theory in which the different functions of employment - economic, sociological, psychological and political - may be specified for a society experiencing a determined style of development ^{55/}. Policy recommendations stemming from this approach treat full employment

^{55/} See: United Nations, Preliminary Report on Unified Approach to Development Analysis and Planning (UNRISD/72/C.66, mimeo, October, 1972); United Nations, Social Change and Social Development Policy in Latin America, op. cit., Chapter VIII; Albert Lanterbach, Employment, Unemployment and Underemployment in Developing Areas: A Conceptual Re-examination (PREALC, mimeo, working document PREALC/51, October, 1971).

not as an end in itself but as a means of accomplishing a defined combination of the functions in accord with measures coherently outlined in a comprehensive development strategy, as in the case of the recent ILO mission to Colombia 56/.

The proposals of this mission, while not treating the multiple functions of employment operating upon human welfare, do provide a strategy which implies a global development programme oriented towards the expansion of productive employment opportunities 57/. The strategy defines three non-agricultural sectors chosen according to their relative capital or labour intensity. It entails modifications in the structure of the economy's output towards the production of goods and services whose factor inputs are relatively more labour intensive combined with the application of less capital oriented technology in the non-agricultural sector. A reduction in the rate of growth of labour productivity although not value added is projected in that sector. On the other hand, agriculture would receive the benefits of an increased growth in labour productivity consequent upon such improvements as irrigation, the use of better seeds, fertilizers, pesticides and selective mechanization.

Major structural alterations form an integral part of the ILO strategy as are other measures both short and long-term in nature designed to reduce distortions and rigidities in the factor market. These measures include: agrarian reform, reductions in the artificial distortions of factor prices, fiscal reforms, income redistribution, changes in the consumption pattern of goods and services, more appropriate production techniques, a transformed educational structure, modifications in labour legislation, improved credit facilities and technical assistance for small enterprises, an increased emphasis on regional planning, expansion of non-traditional exports and regional integration, improved employment services to systematize and diffuse labour market information, adequate health services, especially in rural areas and finally the need for Colombia to delve into the issue of population policy.

56/ It should be noted in passing that no clear definition of "full employment" exists in the compendium of international resolutions.

57/ ILO, Towards Full Employment, op. cit.

It may be appreciated that rather than a specific and detailed employment plan, the range of recommendations and issues covered in the ILO survey offer a set of general guidelines defining a major change in global development strategy. Innumerable obstacles exist to the implementation of such a formula. Many are of a technical nature - information on technological alternatives, labour force data and national resources, for example, remain limited even if the scope of the problem is clearly formulated at one point of time. Moreover, even when a selected number of useful measures extracted from a comprehensive strategy find expression in a national plan, close inspection often reveals that what is presented turns out to be a summary of poorly integrated projects which might or are to be undertaken with little discussion of their relation to past efforts, their coherence, or their position with respect to overall national objectives. Planners must certainly feel overwhelmed by the size and complexity of the measures required by the recommendations of a thorough diagnosis such as that of the ILO in Colombia or one of a similar nature in Ceylon 58/.

It is also at this point that planners and implementers most often part ways. The best conceived combination of measures are subject to what the actual decision-makers deem viable according to the existing power base and political realities. It is not at all unusual to find that the broad declarations calling for steps leading to the enhancement of human welfare in terms which accomodate the concerns of both academician and planner are divorced from what the government in fact does. This is a major obstacle not only to the formulation of employment policy but of development in general. An employment programme designed to reduce the distortions in factor prices can hardly fail to clash with certain vested interests. The application of shadow pricing to determine the social cost of capital, for example may require substantial changes in interest rates, tariff structure and the foreign exchange system. This will undoubtedly meet the immediate resistance of those entrepreneurs who benefited from the existing system. If conditions are not appropriate for the adoption of a major shift in development policy, however, it can only be expected that the decision-makers will act upon those recommendations, more limited in nature, which do not call for major structural alterations or which imply modifications in the distribution of power and income.

58/ ILO, Matching Employment Opportunities and Expectations - A Programme of Action for Ceylon (Geneva, 1971).

(c) Current national plans and major employment policy themes

A review of the statements on employment in the national plans of different countries reveals a variety of positions on the major themes generally associated with this problem area. Practically all countries refer to the issue of expanded employment opportunities in their national plans but occasionally in such vague terms that not even a target is set for the overall rate of growth of employment (table 27). In others global rates are planned but the corresponding sectoral composition is not specified.

When one descends from these aggregate levels to a more detailed examination of the consistencies among the policy declarations the changes if any, actually proposed in such matters as fiscal policy, public sector spending, etc., and the alternatives which in pragmatic terms present themselves; the differences in some country positions become less evident as the principal elements which inexorably compose a coherent employment programme come to the forefront.

Among the first basic component of employment policies formulated in the region is that of high and sustained levels of economic growth. In all countries this increase is now formulated as that rate which is compatible with both growth and full employment objectives. Some countries deem a 6-6.5 per cent rate as adequate; in many of them 7-8 per cent is considered necessary; and Brazil places its objective at 8-10 per cent annually. Indeed there exists general agreement among students of employment policy that a certain dynamism in economic growth must be maintained but it is most always accompanied by the caveat that this is a necessary but not sufficient condition for reaching higher levels of employment. But in spite of the numerous good intentions present in the national plans with regard to the importance of the expansion of productive employment opportunities, scepticism remains as to the viability of the projected growth and employment figures 59/. Exactly to what extent GNP growth has been "dethroned" as the central target for development planning in the minds of central planners and politicians is still an open question 60/.

59/ This is particularly apparent in recent country surveys of the International Bank for Reconstruction and Development and those of CIAP. In this regard it is well to remember that rapid economic growth rates have often been accompanied by high levels of unemployment. Illustrative of this point are the examples of Trinidad and Tobago, Panama and Jamaica.

60/ See: John P. Lewis, The Public-Works Approach to Low-End Poverty Problems: The New Potentialities of an Old Answer (United Nations, Committee for Development Planning, Eighth Session, Geneva, 10-21 April 1972, E/AC.54/L.42), pp. 4-6.

Cuadro 26

PERU: PERFIL EDUCATIVO DE LA POBLACION ECONOMICAMENTE ACTIVA SEGUN GRUPO OCUPACIONAL, 1961-1970
(Porcentajes)

Niveles de educación	Grupos ocupacionales															
	Profesionales técnicos		Gerentes		Empleados de oficina		Vendedores		Agricultores		Conductores		Artesanos y obreros		Trabajadores de servicio	
	1961	1970	1961	1970	1961	1970	1961	1970	1961	1970	1961	1970	1961	1970	1961	1970
Sin instrucción	-	-	-	-	1.7	0.5	17.1	16.0	49.0	39.2	3.3	0.9	18.9	14.2	35.8	15.9
Primaria	18.2	13.6	33.5	27.5	26.4	16.0	59.7	54.0	49.1	55.7	75.3	70.3	68.7	60.2	55.4	59.9
Secundaria	34.4	28.1	49.8	47.1	64.0	64.4	21.6	25.2	1.8	4.8	20.9	28.3	12.0	24.7	8.0	16.3
Superior	47.4	58.3	16.7	25.4	7.9	19.1	1.6	4.8	1.0	0.3	0.5	0.5	0.2	0.9	0.8	7.9
<u>Total</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>

Fuente: SERH, Informe sobre la situación ocupacional del Perú, op cit, cuadro AI-3.

Quadro 27

RITMO DE CRECIMIENTO DE LA POBLACION TOTAL, ECONOMICAMENTE ACTIVA Y
DEL EMPLEO SEGUN LOS PLANES NACIONALES

Países	Población		Empleo			Total
	Total	Economi- camente activa	Agrope- uario	Indus- trial	Minero	
Argentina	1.52	1.39	-0.23 ^{a/}	2.75	...	2.17
Brasil	2.80	3.1	1.2	3.5	...	3.1
Costa Rica	2.79	3.02	...	5.3	...	3.4
Chile	1.67	...	...	...	...	4.9
Ecuador	3.41	3.4	2.1 ^{b/}	5.2 ^{b/}	...	6.2 ^{b/}
Guatemala	2.88	...	...	...	...	...
Haití	2.64	...	...	...	...	...
Paraguay	3.61	...	...	...	...	...
Perú	3.16	3.6	4.3	8.4	...	6.7
República Dominicana	3.58	3.2	4.7	5.9 ^{c/}	12.7	4.8
Trinidad y Tabago	1.6	2.5	1.7	2.5	-1.6	2.9
Venezuela	3.44	2.3	1.0	4.6	1.4	4.0

Fuente: CEPAL, a base de planes nacionales.

a/ Incluye pesca y minería.

b/ Obtenida por diferencia entre los ritmos de incremento del producto y de la productividad.

c/ Sector azucarero: 3.5 %, manufacturas 9.4 %.

d/ Hidrocarburos: 0.9 %, minería 2.1 %.

The second element is a balanced or adequately structured sectoral growth rate. This point is not well defined since it is closely related to the technological options open to the region and to considerations regarding alterations in consumption and production patterns as well as the distribution of income. On these issues considerable variations exist among country policies, but detailed analysis of the plans and supplementary government documents unfolds a nest of problems, unanswered questions and apparently unresolved inconsistencies which call attention away from the divergent policy declarations and move it to the more mundane sphere of the feasibility of the governments facing up their announced ambitions. The employment policies, as in the case of Peru, may seem quite coherent in overall terms, but from an operational perspective they often display excessive generalities. Rather than concrete plans in many cases what seems to be presented are the skeletal guidelines of a global medium- to long-term strategy whose form becomes more indeterminate as it approaches the immediate and short-term.

The question of deciding upon the appropriate product mix that balanced sectoral growth implies raises enormous political and bureaucratic problems as each of the interest groups involved struggle to lay claim to their "rightful share" of the resources contained in the development package. This issue cannot be ignored in the Peruvian National Plan 1971-1975 which sets down as a major goal the creation of approximately 1,164,000 fully productive jobs by the end of that period. This means that within five years that country must increase its fully employed labour force by over 38 per cent. Yet this awesome task is pursued in accord with a policy whose investment pattern seems hardly labour intensive (table 28). Most of the increases in public investment are planned in mining, basic industries, and those exporting sectors which do not seem to offer a range of alternatives appropriate for the application of labour intensive technological processes. On the other hand, relatively labour intensive sectors such as agriculture, transportation and construction will all receive a decreased proportion of public sector spending.

Table 28

PERU: SECTORAL PUBLIC INVESTMENT 1960-1967 AND 1971-1975

(Percentages)

	1960-1967	1971-1975
Agriculture	8.0	7.6
Transportation	30.2	16.4
Mining	-1.0	16.4
Manufacturing	14.2	25.1
Fishing	-1.0	4.2
Others	47.6	30.3
<u>Total</u>	<u>100.0</u>	<u>100.0</u>

Source: Plan Nacional del Desarrollo para 1971-1975, Vol. I, table 4.

Governmental optimism stemming from the positive effects of structural changes may be justified but it is impossible to evaluate in meaningful terms for the present. Furthermore, the time factor which is associated with such measures as agrarian reform (begun in 1969) colonization programmes, the formation of more co-operatives, a not well defined technological "freeze" and income redistribution policy is generally long-term with the employment absorption benefits only beginning to be felt within the period of five to ten years.

It should be stressed however, that other measures of a decidedly short-term nature are included in the Peruvian employment policy and relate to increased use of labour intensive techniques in construction, selective agricultural mechanization for those units producing for the domestic market and a vague proposal to study the possibility of increased productivity and income levels in commerce and services. These aspects appear promising, but valid statements in regard to their relative contribution to the attainment of the 1975 employment objectives are hampered by inadequate information. Certainly the capacity of the bureaucracy to work imaginatively with efficiency and in unison as well as the ability of the governmental leaders to marshal popular support and willingness to undergo sacrifice will test the mettle of this plan.

Regional development and migration flows are other basic components of an employment oriented development strategy. In this regard the Brazilian experience provides some interesting insight. This was a system of tax incentives for private investment to draw capital into the Northeast and is most commonly known as the 34/18 system by the numbers of the decrees which govern the operation of Sudene, the regional development agency. The objective was to stimulate development in the poverty stricken Northeast. Any attempt to gauge the effect of the 34/18 scheme must take into account that a considerable portion of the projects had not been completed according to the latest data available 61/. Most of the investments, however, have been made in the chemical industry, followed by textile and metal industries.

61/ By the end of 1970 only 35 per cent of the projects approved had actually been completed.

The approach has been widely criticized because by making capital readily accessible to private investors, it encourages the development of capital intensive production techniques. In addition, the point rating system utilized to determine the proportion of the total investment required by each project which can be financed with 34/18 funds contain this same bias toward capital intensive techniques. Thus the cost of industrial job creation is estimated in recent years to have been approximately US\$ 16,000 per worker as compared with a corresponding US\$ 13,000 national average 62/. Consequently, the employment effects of this system may be considered as insufficient given the vast employment deficiencies in the region.

The present National Development Plan 1972-1974 announces a series of other new undertakings aimed at the fuller utilization of human resources through the regional development projects especially the road construction and colonization programmes in the Amazonia which envision the settlement of 100,000 families by 1974 in settlements along the Transamazonian Highway network. As yet it is too premature to venture a judgement on the employment effects of these programmes, however, the probability of creating sufficient numbers of productive employment opportunities for the people in these settlements to match the increasing national deficit do not appear very likely even under the most optimistic assumptions 63/.

62/ This may be compared to about US\$ 12,000 in Colombia, US\$ 42,000 for new establishments and US\$ 15,000 for expansion of existing plan facilities in Chile. It should be emphasized that these figures reflect the relative high capital intensity of industry in the region since the IBRD reports that the cost of industrial job creation has been much lower in such Asian countries as Korea and Taiwan.

63/ The Banco do Nordeste do Brasil estimates the 1970 job backlog of open unemployed to be 1,700,000. This is projected to 1,300,000 by 1980 which under the best of circumstances will be reduced by the Amazon colonization of 700,000 families. Not only does underemployment not enter into the calculation but considerable more empirical study is required before projected migratory patterns in Brazil can be clearly understood.

One of the most contested issues in the regional developmental programmes is that of the relation existing among income distribution, employment promotion and the attack on mass poverty. Recent declarations from international agencies point to the need for employment programmes "to be regarded both as a means of accelerating growth and as a means of redistribution of income and consumption" 64/. This position, nonetheless, raises a number of basic questions, the answers to which are not at all as clear as they might at first appear to be. What is the nature of the interrelations and feedback among income redistribution, consumption patterns, production techniques and employment? To what degree will aggregate consumption be modified by income redistribution? May technology be considered as a parameter for industries of mass consumer goods and the direction and degree to which production systems in these areas will react to expanded demand likewise be thought to function within limits already given for the region? The conventional approach singles out the apparent failure of industry to absorb manpower as a function of its capital intensive nature which responds to the type of goods produced. These are consumer durables, capital goods, so called luxury items which reflect the demand structure of societies whose income distribution is extremely skewed. In contrast to these "modern" industries, there exists the "traditional" sector of manufacturing defined in accord with the basic consumer goods it produces - food, beverages, textiles, clothing, wood processing and furniture. All that is needed, the conventional argument advises, is for massive consumer demand of the poor to reach these industries through income redistribution for vastly higher levels of employment in manufacturing to be reached.

This system has influenced the formulation of national plans in the region. To the categories of consumer goods industries, intermediate goods industries and capital goods industries are imposed different technological characteristics 65/. Recent investigations, however, have shown that the same product is often produced under widely differentiated technological conditions in the region. Food, beverages, tobacco and in certain cases textiles are examples of industries which have been

64/ United Nations Committee for Development Planning, Attack on Mass Poverty and Unemployment, Eighth Session, Geneva, 10-21 April, 1972 (E/AC.54/L.50), p. 5.

65/ Plan del Perú 1971-1975, op. cit., pp. 114-115. For an explicit presentation of the conventional line of reasoning see: CEPAL, El Proceso de Industrialización en América Latina (Sales N° 66.II.G.4) pp. 49-51.

found to be of a more capital intensive nature than the consumer durables or even the capital goods sectors in countries such as Peru, Venezuela, Brazil and Chile 66/.

In view of the positions that nations such as Chile, Peru and Mexico are taking with respect to the problem area of the links between income redistribution and employment, the issue is far from academic; indeed, its relevance is much more immediate and requires serious consideration on the part of national planners and international agencies alike. Under circumstances of income redistribution it is important to be attentive to such problems as which firms will actually meet increased demand. Since the same product can be produced and increased demand satisfied by enterprises operating with entirely different technological characteristics, the employment effect will also vary according to who takes up the slack in increased production 67/. The Brazilian National Plan proposes a reduction in the real cost of basic consumer goods through incentives for modernization of "traditional" industries such as the textile industry. But such a policy could well have negative effects on another important objective, that of employment even though it is expected that the major labour absorptive sectors during the lifespan of the plan will be in services, construction and in the expanding rural frontier in the interior.

66/ Víctor E. Tokman, Tecnología y empleo en el sector industrial del Perú (ILPES, mimeo, marzo 1972); by the same author, Distribución del ingreso, tecnología y empleo en el sector industrial de Venezuela, (ILPES, mimeo, julio 1972); ILPES, Programa de Investigaciones, Distribución del ingreso y ocupación - El caso de Chile (Borrador de Trabajo, mayo de 1972); Esteban Lederman and Paulo Renato Souza, Planificación, Ocupación y Desarrollo, document presented to the Seminario sobre Empleo Población y Desarrollo, (Lima, noviembre 1971, mimeo) pp. 64-69.

67/ An equally important issue is to know what consumption changes may actually be expected. The Tokman surveys indicate that the structure of consumption would not be significantly altered by a policy of income distribution. See Tokman, Peru, op. cit., pp. 43-45 and Venezuela, op. cit., pp. 25-34. Similar findings for Brazil and Mexico are to be found in W. Cline, "The Potential Effect of Income Redistribution on Economic Growth in Six Latin American Countries", (PH.D Dissertation, Princeton University, 1969) tables X and XI, pp., 112-113.

The most recent Chilean experience with regard to income redistribution and an intensive employment programme merits attention. An effective redistribution of income was accomplished in a remarkably short period of time and the government was able to reduce the open unemployment rate from 6.2 per cent in 1970 when the Unidad Popular assumed power to 3.3 by the end of 1971. There is no questioning the short-run success of the employment programme. Yet certain features should be noted. The recovery was founded to a great extent on those sectors in which employment is intimately linked to state activity such as construction financed by the public sector and public services. Indeed, a large portion of the employment expansion was based on an increase in public administration, health and educational services, augmented public spending in housing projects and certain emergency projects 68/

The income redistribution effected during the same period was directed almost exclusively to wage earners leaving own-account workers to the side especially in Greater Santiago. As was to be expected consumer demand increased rapidly. But this was not accompanied by a significant rise in employment in private industry. The employment multiplier effect was much lower than would ordinarily be expected. The reason for this was that employers chose to meet the increased demand by drawing down upon excess capacity through more intensive use of their existing personnel rather than hiring additional workers. This may be explained in terms of the entrepreneurs' pessimistic appraisal of the future evolution of the economy 69/.

It is believed by many that during the Second Development Decade, the main burden of absorbing the increase in the labour force will fall on agriculture 70/. A principal element in this design is that of agrarian reform. But it is hardly the only one. For just as efforts to reduce urban

68/ A detailed examination of the Chilean experience is to be found in PREALC, La Política y la Evolución del Empleo en Chile durante 1971 (PREALC/53 (Rev. 1) Santiago, abril, 1972), document presented to the meeting of the CIAP sub-committee on Chile, Washington, 24-28 April, 1972.

69/ Ibid, pp. 48-56. The provisions of Chilean labour legislation concerning wage increments, social security payments and dismissal of workers probably influenced employers decisions also.

70/ ILO, Some Elements in the Strategy of Employment Promotion in Developing Countries, paper prepared for The Eighth Session of the Committee for Development Planning (E/AC.54/6.43), p. 13.

unemployment by expanding the number of productive urban jobs will be self-defeating in itself since an increased wave of new migrants will be attracted by the new opportunities and huge rural-urban wage differential, so also land reform alone can prove to be a frustrating experience. In order for the human resources in agriculture to be galvanized into productive activity much more is required and caution must be exercised particularly in regard to mechanization.

The need to apply selective mechanization techniques is at least stated in some of the region's planning documents. To what extent such policy declarations will be followed is doubtful, however, for several reasons. On the part of many agricultural programme implementers, especially those whose formation is essentially in agricultural engineering there exists a widespread reluctance to believe that mechanization displaces labour to a considerable extent. No doubt this attitude in great part stems from the fact that in the Latin American experience of the last two decades about three quarters of the increase in agricultural production has come from the expansion of area and only about a quarter from increased yields per hectare. Yet it has been estimated that about three workers are displaced by each tractor in Chile, and about four in Colombia and Guatemala 71/. Numerous factors operate to affect the relative advantages of using machinery or hired labour. Among the major ones may be cited: distortions in factor prices resulting in relatively low costs for capital, minimum wages regulations and social security systems which although often disregarded are gradually becoming more effective, trade union activity, social unrest in the countryside and incipient land reform.

It should be noted that an effective agrarian reform system may, but does not necessarily ensure greater labour absorption in the rural sectors. It does not mean that a policy of selective mechanization will be followed or that more emphasis will be placed upon yield-increasing improvements such as irrigation and the use of improved seeds, fertilizers and pesticides. Indeed, it has been reported that "the rapid increase in Mexican agricultural production in recent years has been associated with a steadily falling share of labour and a steadily rising share of machinery in the total product. Hired labour has been displaced particularly in those areas where the demand for it was previously greatest" 72/.

71/ K.C. Abercrombie, Agricultural Mechanization and Employment in Latin America, (Joint ECLA/FAO Agriculture Division, mimeo, January, 1972), p. 25.

72/ Ibid, p. 28.

At the state level, governments are often moved to increase mechanization in their desire to modernize agriculture. International assistance for mechanization has been readily accessible, and on occasion aid is available on no other basis than the provision of the tractors themselves. Furthermore, mechanization is not resisted by the beneficiaries of land reform who look much more favourably upon the entrance of a tractor to their communal agrarian settlements than that of more people to share in the fruits of reform. Indeed it may be asserted that in Chile by 1970, the reformed agricultural settlements were among the most mechanized productive units in that sector 73/. Caution must be exercised so that co-operative production units formed within the context of agrarian reform do not opt for economies of scale production techniques and mechanize in an indiscriminate fashion. This does not mean to say that a trade-off between agricultural output and employment is suggested. On the contrary, estimates for Colombia indicate that the yield increase to be obtained from such improvements as irrigation and the use of better seeds, fertilizers and pesticides is about three times that obtainable from mechanization 74/.

If consideration is given not only to the difficulties surveyed above but also to the highly seasonal nature of agricultural employment in general and to the ancillary factors which spur rural-urban migration, it may be argued that a much wider frame of reference than agrarian reform is needed to increase the labour absorptive capacity of the rural sector during the coming years. In fact, one could more appropriately discuss the problem in terms of "rural" reform 75/. The conceptual orientation of

73/ Between 1965 and 1970 the Chilean Agrarian Reform Corporation acquired over 1,200 tractors and a large quantity of other machines. See: Corporación de la Reforma Agraria, Reforma Agraria Chilena, 1965-1970, p. 86.

74/ Colombia, Ministerio de Agricultura, Consideraciones sobre el papel de la maquinaria en la agricultura colombiana. (Doc. Min. Agr. -OSPA-051, March, 1971, versión preliminar), table 4. Also see: Ferrando Fuenzalida and Gerson Gomez, Implicaciones sobre el empleo en la agricultura colombiana de algunas proyecciones alternativas de la producción agrícola (División Agrícola Conjunta CEPAL/FAO, mimeo, mayo, 1972).

75/ This section rests heavily upon ideas and propositions formulated in the FAO Perspective Study of Agricultural Development in South America (August, 1972), Chapters I and IV.

rural employment policy needs to be broadened to include the complex of variables which condition human welfare in those areas. Alternative employment opportunities are required, part-time as well as full-time. Possible candidates for such programmes are to be found in the construction of roads, schools, hospitals, recreation facilities, irrigation and drainage works, as well as conservation and forestation efforts.

Care must be taken so that the public sector financed infrastructure works are handed out to contractors on a labour-intensive basis except in certain special cases such as highway construction or dam and energy plant building where, even with considerable shadow-pricing, the opportunity costs of labour become unreasonable. The programme outlined in the Brazilian National Plan 1972-1974 for the Transamazonian highway and colonization movement contains many possibilities in this regard especially if an adequate secondary road network utilizing labour-intensive methods is included.

Another possible area for rural employment promotion is provided by industries processing agricultural products and those industries and services furnishing inputs for agricultural production. Many of the industries processing agricultural products can be advantageously located in the rural areas where the raw materials are produced. Many of these can also be economically operated as small-scale operations with relatively labour intensive production methods. In addition one of the major concerns of regional development, that of industrial decentralization, may have considerable impact upon employment in this regard. Needless to say a major effort on the part of governments to provide the required infrastructure and fiscal incentives will be necessary to enhance the attractions of cheaper labour and plant sites in rural areas. They may well also have to overcome the opposition of powerful vested interests already established in the large urban centers. But there are indications that some governments, notably Mexico, are taking some of the necessary measures to tend to the enormous backlog of rural needs 76/.

76/ This observation is based upon the document entitled Un Mayor Nivel del Empleo prepared by the Secretaría de la Presidencia, Dirección General de Documentación e Informe Presidencial (1972).

(d) Short-term measures for employment generation

Much of the foregoing analysis has pointed out the difficulties which obstruct the capacity of the regional economies to generate a significant increase in the productive absorption of the labour force in the next decade. Moreover, the gestation period of many proposals are long-term in nature. Both the modern technologies and the labour-intensive techniques as they presently exist are found unsuitable for the task; the former because they are too often imposed upon the region with no regard for the utilization of human resources, the latter because it is characterized by extreme inefficiency and poor quality. The search for original solutions proposed by countries such as Argentina and Brazil, however, implies a research and development inquiry into adequate technologies which will be of long duration. Furthermore, the need to make the educational system more relevant to labour market demands with integrated planning for training and utilization of the labour force as expressed by such countries as Mexico, Peru and Venezuela is also a long-term affair.

Although this survey has sought to place employment policy within the framework of a comprehensive development strategy whose fundamental orientation is the reduction of mass poverty, it has also indicated that unless governments are in a position to design and act upon measures which entail structural change and alterations in the power base, only the more tempered programmes will receive serious consideration by decision-makers. In addition, any long-term policy requires supplementary short-run measures so designed as to have an almost immediate improvement in the employment situation of particular sectors of the population. Quite obviously, possibilities do not exist in the modern areas of any sector in the economy be it industry, public works or services. The most eligible candidates for this type of programme are housing construction, urban infrastructure and rural public works.

Other possibilities exist in the improvement of employment conditions in those areas which in fact are absorbing labour - commerce and services - but such alternatives may be feasible for a limited number of countries only and are linked to more fundamental alterations such as income redistribution. On the other hand, if public sector sponsored programmes geared for their immediate impact upon employment are successful, the increased demand which their effectiveness implies might well be taken advantage of by such private sector initiatives such as two shifts or increased part-time work in industry and commerce 77/.

77/ This assumes that labour code provisions do not represent impediments for employers to draw down on existing idle capacity through the hiring of additional workers.

The concept of public work programmes to reduce unemployment and underemployment is by no means a new one; such schemes are shouldering the employment policies of several countries in the region. Recognition of the character of these programmes as essentially short-run and relatively narrow in horizon without the pretensions of the basic alterations discussed in earlier sections, nonetheless facilitates an examination into the ways in which they may be most effective in mobilizing wasted labour resources.

Among the major pitfalls in the public works approach is that it is often difficult to ensure that social and not monetary costs are applied. Politicians generally desire to witness the completion of a housing complex, road or dam during their term of office and ruling exchange rates and prices may well make contractors prefer bulldozers to men. The construction of urban housing offers a particular attractive possibility for governments not only for its employment effects but especially because it serves to cover over the most conspicuous aspects of poverty in developing countries.

The technological alternatives existing in the construction of housing are quite flexible, however, and if employment generation is a major goal, contracts should specify the use of labour-intensive methods. The development of technologically advanced construction techniques throughout the last decade is evident in the metropolitan areas of at least several countries 78/. The expansion of prefabricated and premolded processes in the region as well as the intensified unionization of construction workers also makes labour-intensive techniques somewhat vulnerable 79/.

78/ See W. Paul Strassmann, "Productividad y empleo en la construcción en los países en vías de desarrollo", in OIT, La cuestión del empleo (Geneva, 1971), pp. 159-178.

79/ At the end of November, 1972, a large plant of Soviet design for the production of preformed construction panels was inaugurated near Valparaíso, Chile. This plant has an installed capacity of 1,6880 apartments per year. The superstructure of a four story housing block comprising sixteen apartments made from these panels may be put together in the period of 8-10 days.

The public works approach, in general, must seek to overcome the series of shortcomings which have characterized it in many countries in the past 80/. In many cases these failings have resulted from the hastily conceived ad hoc fashion in which the programmes have been put together. Symptomatic of this has been an insufficient supply of technical competence, poor integration among the different governmental levels involved (local and national, as well as among the various ministries involved), insufficiently financed efforts which never go beyond the "pilot project" stage and shoddy post-construction maintenance.

Another important pitfall which must be taken into consideration is that of discontinuity of public work programmes both at the national level consequent upon a change in government policy and on a regional base once the project is completed. The latter is evidenced to some degree in the construction of a new petrochemical complex at El Tablazo announced in the Fourth Venezuelan National Plan 1970-1974. One of its objectives is to improve the employment situation of the state of Zulia and the city of Maracaibo across the bay from which El Tablazo is located. As a result of the projected migration to this area, a newly created city with a maximum expected population of approximately 300,000 is being created. This hope is based on the expected growth in secondary industry primarily in basic consumer goods as well as metalworking and metallurgical enterprises which would presumably be attracted to the area by the petrochemical complex. During the construction phase which may last five years from 1970, the demand for labour will reach a peak of about 17,000 workers. Since employment in the operation itself will not require more than 2,500 workers, however, the primary increase in employment will be purely temporary and will experience a sharp decline. Moreover, the relatively small labour force in the petrochemical plant whose high wages no doubt tend to orient their consumer preferences toward imported goods does not provide much of a market for the local manufacture of industrial goods.

80/ For additional analyses of public sector programmes see: OAS, Experience with Employment-Generating Projects, (OEA/Ser.K/XII.4 TRABAJO-IV/118), document presented to the Fourth Inter-American Conference of Ministers of Labour, Buenos Aires 17-27 November 1972; John P. Lewis, The Public Works Approach to Low-End Poverty Problems: The New Potentialities of an Old Answer, paper presented to the Committee for Development Planning, Eight Session, Geneva, 10-21 April, 1972 (E/AC.54/L.43).

Public works and construction of urban housing, which occupy key positions in the plans of Colombia and Venezuela as primary employment-generating projects are also vulnerable on other counts. The first of these may be illustrated by the experience of Chile in the second half of the decade. From 1965 through 1968, but most specially in the last two years of this period, public sector spending shifted away from infrastructure and housing projects and towards the importation of machinery and industrial equipment 81/. This change in policy was influenced by the high price in the international markets which copper commanded at the time and which represented a tremendous increase in the country's capacity to import. The turn-about in public sector investment, however, had disastrous consequences for employment both in the construction sector and on the national level. An intense recession followed in 1967 and 1968, first in the construction sector and then in the rest of the economy. The reason for the effect upon the other sectors lies in the fact that in Latin America strong backward linkages exist between construction and the numerous industries which supply it. Moreover, the loss of domestic output generated by the construction sector and of the incomes earned principally by low income workers with high consumption propensities generated a negative multiplier effect across the economy.

Financing projects is yet another sensitive issue in the public-works approach. To the extent that countries rely on these measures to reduce unemployment with little change elsewhere, the task of financing public expenditures becomes a heavier burden over the years. In the case of Colombia, for example, national government current expenditures have shown large increases in recent years to the extent that current surplus in real terms is expected to decline in 1972 82/. The strain upon the financing of current expenditures will require a heavy commitment of external assistance. Even if substantial external financing is obtained, the need remains for internal fiscal efforts to be more strenuous and innovative if employment oriented development programmes centered around what are essentially short-term measures are to be maintained.

81/ See Oficina de Planificación Nacional, Plan de la economía nacional 1971-1976: Antecedentes sobre el desarrollo chileno 1960-1970, (Santiago, 1971), tables 7-9.

82/ The increases were 24 per cent in 1969, 26 per cent in 1970, and 22 per cent (provisional) in 1971.

VI. DATA REQUIREMENTS AND RESEARCH STRATEGY

(a) The empirical base: some comments on the state of the art

Throughout the preceding study attention has been called repeatedly to stumbling blocks which impede the formulation and application of "realistic" quantitative targets in an employment oriented development strategy. These obstacles stem from the fact that the nature of the problem itself has been so poorly formulated as well as from the trend for the presentation of the data to become increasingly subject to political considerations as the employment problem itself takes on more palpable forms (e.g., mass urban poverty.) A critical evaluation of the sources, meaning and degree of reliability of employment and employment related statistics that are presently being collected is required. This effort should lead to a rethinking of the elements which comprise employment policy, a clarification of what the data needs are and how best to obtain them. Obviously, improvements on these issues are a long-term affair but they merit serious consideration now from the beginning of the Second Development Decade at a moment when many countries are re-designing their national household surveys consequent upon the results of the 1970 census round.

Advances as well as several setbacks have been made in the field of labour statistics collection and diffusion. Periodic sample surveys are available for a larger number of countries than in the past and they offer a wider range of information. For those themes which give most insight into the issue, however, the data are not only very seldom comparable among countries but more importantly they do not measure the same phenomena within a single country across a period of time. At best only rough comparisons between periods several years in the past are possible for those indicators which show most promise in identifying the variety of employment problems and their relative importance within an individual country.

Occasionally sample survey inquires into specific aspects of the employment situation such as income received have been discontinued before reaching even the end of the last decade. In Chile, a country with relatively advanced labour statistics, for example, family income data are not available from the sample surveys after 1968, and even then income was not crossed with such variables as number of hours worked, position of income earner within the family or number of workers per family. On the other hand, caution and reserve are required in the utilization of the data published in census returns and household surveys.

/Little progress

Little progress has been made in the degree of reliable information available on the labour force in the most recent censuses. Indeed on the basis of those returns which have been published thus far, it appears that in some countries the quality of data is poorer than that of the 1960 census round 83/. Although periodic household surveys have the same problems inherent in all sampling methods, they possess the advantage of being able to offer a dynamic perspective in the time-series which may be built upon them. Yet even this advantage may be lost if the phenomenon which is the subject of the investigation changes and the measurement techniques do not respond to this alteration.

An example of one way in which this may occur is given in the case of Bogotá. The only source which provides a regular seasonal time-series on employment and unemployment in Bogotá (dating from 1963) is the survey conducted by the Research Center for Economic Development (CEDE). Along with independent scholars, however, the ILO mission to Colombia found that the reporting in this survey contained a clear and increasing downward bias deriving in part from the fact that the surveys had not adequately covered the poorest sections of Bogotá mainly because the new "invaded districts" had not been included 84/. Since unemployment and marginal forms of livelihood are presumably quite intense in these areas the true size of Bogotá's employment problem is understated.

Even if the collection of data by way of sample surveys is found adequate for the researcher's needs, much of the information may be lost to the user of this material if careful attention is not given to the processing and publication of the survey results. If the latter is poorly done, extraordinary and time-consuming efforts must be made to retrieve the required data which at the very least entail the processing

83/ To date only six countries have published even preliminary results from their 1970 censuses dealing with the economic characteristics of the population. In some cases, such as Brazil, the information is scanty; in others such as Mexico, Chile and the Dominican Republic considerable reporting difficulties are to be found.

84/ ILO, Towards Full-Employment, op. cit., p. 356. The CEDE time-series is given in table A-7 of the present study, but for the purposes of analyzing Bogotá's employment problems the results of the 1970 National Household Survey conducted by Departamento Administrativo Nacional de Estadística (DANE) are used.

/of unpublished

of unpublished tabulations or the programming of new ones. It is not uncommon to find that the published results may be of little use or even misleading 85/.

Finally, it should be recognized that the shortcomings of statistics which attempt to measure the adequacy of employment are not merely the result of conceptual or technical inadequacies. They are subject to considerations of the society and the established order which generates them. As more knowledge of a country's employment situation, its problems and tendencies become increasingly demanded on an international level, it is subsequently highlighted within the nation itself. As a result, governments become much more sensitive to demonstrating a degree of success based upon certain reasonable-sounding indicators. The possibilities are ample as the need for "percentage based" documents and speeches arises. Figures may be deliberately tampered with although this is probably not very common. More often those indicators which are published do not refer to real groups but rather to composites; they conceal more than reveal, and statistical indicators which are potentially embarrassing are simply not applied.

85/ An example of this problem is the publication of the results of the 1970 National Household Survey in Peru. All the tables are in percentage form. The number of cases and an expanding devise are included but the tables cannot be re-designed in most cases due to multiple entries and other methodological problems. Nor can the figures be expanded without the assistance of a great deal of supporting information which is not contained in the same publication and which is most difficult to come by. See: SEHR Algunas características socioeconómicas de la educación en el Perú, (Lima, 1971). A similar problem is to be found in the publication of the Colombian 1970 national survey, many valuable tabulations are not published and since those that have been presented, appear in percentages by region, it is impossible to retool many tables on a national base. Some of the data from this survey are irrevocably lost since problems with the master computer tapes prevent the reconstruction of certain tables in the original tabulation programme. See: DANE, Encuesta de Hogares, (Bogotá, 1971).

(b) Future research objectives

An effort has been made in the course of this survey to identify areas where sufficient data and specialized studies necessary for a more precise formulation of employment deficiencies both on a national and supra-national basis are lacking. Specific themes have been mentioned among which may be noted the need for a more detailed analysis and re-examination of such areas, the interrelationships and feedbacks among employment inadequacies, income redistribution, agrarian reform and the selection of adequate technologies. The precise characteristics of the unemployed and underemployed in relation to migratory status, educational level as well as age-sex and family status are not yet identified for many countries nor are employment problems differentiated by spatial distribution clearly understood. The extent of concealed or hidden unemployment among the so-called "economically inactive population" is but another area which presents major difficulties in conceptual definition and measurement.

In-depth analysis of the recent experience of individual countries is certainly one important direction for research in the immediate future particularly since adequate data for a large number of countries is not likely to be forthcoming in the near future especially for those countries in which certain dimensions of employment policy, such as population control or income redistribution, are political issues.

In this regard the efforts of PREALC, the regional operating arm of the ILO, are worthy of note. PREALC has approached the problem of employment in Latin America through country studies which thus far have been applied to Jamaica, Costa Rica, Chile, Peru, Nicaragua and Panama. With the addition of several more countries and perhaps some up-dating of earlier reports, a base will have been laid which might permit: (a) clearer identification of the variety of employment problems of different sectors of the population and (b) the construct of a typology of employment situations to be found in the region or at least a systematic analysis of the major differences in the region. It may be expected that such an effort would greatly assist in distinguishing those policy measures potentially of key importance and those whose impact upon employment problems is almost certain to be minor.

/A critical

A critical element in this strategy is the restatement of the employment problem from its conventional perspective. The relevance of the formulation of a multi-disciplinary body of employment theory was explored earlier. The United Nations Committee for Development Planning has expressed the need for employment policy to be viewed principally within the context of an attack on mass poverty and the ILO has recommended that the essential unit to be considered data collection, studies and policy formulation is the family 86/. Consequently, the entire concept of the "utilization of human resources" should be subjected to searching examination and quite possibly modified, revamped or completely discarded. Perhaps too much emphasis is still being placed, if only in the instruments of analysis, on the fact of production and not the content or justification of that process in terms of human welfare. Leading questions to be considered which might stimulate thinking on the applicability of a new approach might be: who is being utilized? for what purpose? by whom? how?

86/ See Committee for Development Planning, Attack on Mass Poverty and Unemployment, op. cit., ILO, Measuring the Adequacy of Employment in Developing Countries, document presented to the Eighth Session of the Committee for Development Planning, (E/AC.54/L.44).

Cuadro A-1

MOTIVO PRINCIPAL PARA MIGRAR: PERU Y CHILE

(Porcentajes)

Motivos	Lima Metropolitana		Gran Santiago	
	Hombres	Mujeres	Hombres	Mujeres
Trabajo	33	31	62	56
Razones familiares (incluye salud)	21	45	8	15
Educación	16	8	9	10
Mal nivel de vida	16	6	N.A.	N.A.
Atracción ciudad	6	8	N.A.	N.A.
Servicio Militar	5	-	N.A.	N.A.
Otros motivos	3	2	21	19
<u>Total</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

Fuentes: Dirección Nacional de Estadística y Censos, Encuesta de Inmigración de Lima Metropolitana, 1965 (Lima, 1966)
CELADE, Encuesta sobre Inmigración en el Gran Santiago
(Serie A. N°15, 1962).

N.A. significa que la característica no es aplicable a la encuesta.

País	Agricultura		M1
	1960	1970	
Argentina	1 828.80	2 421.08	4 5
Bolivia	198.80	238.49	1 3
Brasil g/	342.77	489.38	
Colombia	763.92	996.37	2 8
Chile	651.89	778.72	4 0
Ecuador	534.62	621.96	6 8
Perú y/	496.46	478.36	3 8
Venezuela	476.74	930.27	28 4
Panamá	726.66	1 189.87	
México ag/	558.44	666.05	6 2

Fuente: CEPAL, a base de cifras oficiales.
g/ Calculado con población económicamente activa.
y/ Corresponde a 1961-1970.
ag/ Corresponde a 1960-1969.

Cuadro A-2

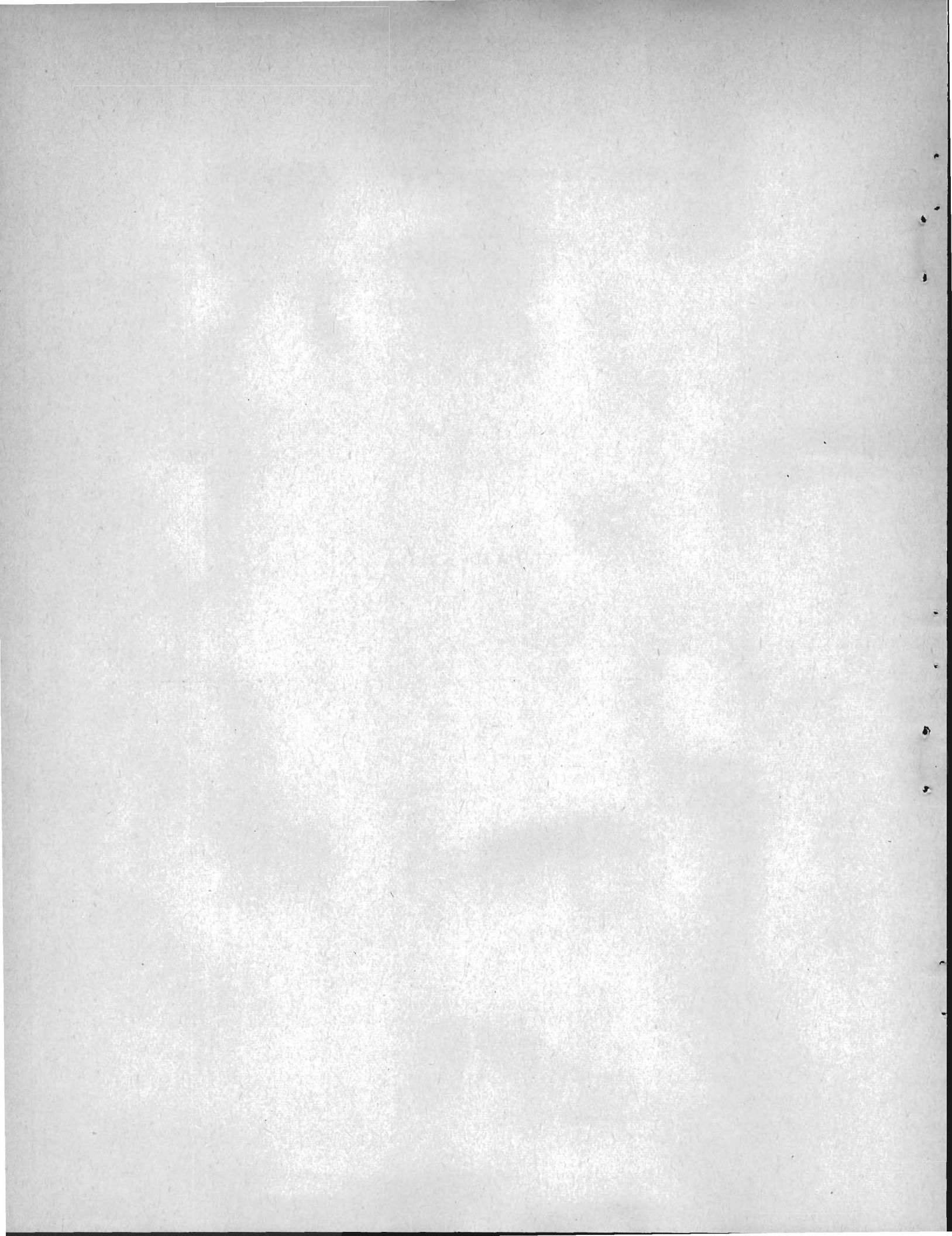
PRODUCTIVIDAD SECTORIAL POR PAISES, 1960-1970

(En dólares de 1960)

Minas y canteras		Industria manufacturera		Construcción		Servicios básicos		Comercio		Servicios		Total	
1960	1970	1960	1970	1960	1970	1960	1970	1960	1970	1960	1970	1960	1970
95.00	6 700.00	2 746.79	4 418.15	1 500.90	1 832.33	2 393.80	3 502.31	2 716.44	3 793.85	1 401.68	1 161.47	2 102.81	2 743.20
85.36	2 123.72	573.21	536.12	836.00	733.33	1 906.89	1 707.40			888.61	1 212.94	436.25	597.29
		1 577.73	1 937.42					2 588.42	2 625.99	888.77	1 026.46	832.89	1 132.03
95.52	3 678.66	1 245.83	1 684.79	877.45	1 401.44	1 809.31	2 417.52			1 533.70	1 654.36	1 110.62	1 431.05
97.84	6 278.78	2 150.12	2 639.25	1 313.84	1 445.50	2 441.66	3 837.96	2 625.76	2 470.06	1 588.40	1 524.03	1 651.48	1 989.61
25.00	9 275.00	939.36	1 605.39	1 042.85	1 491.42	1 461.90	1 705.17			1 374.82	1 851.13	837.93	1 122.52
64.28	4 024.69	1 462.17	1 941.69	1 489.32	1 358.40	1 604.23	1 722.35	1 715.27	1 602.40	1 600.18	1 957.08	1 076.15	1 230.77
72.00	32 871.42	2 115.50	1 851.68	2 257.95	1 533.56	2 372.88	2 505.32	2 610.25	2 140.99	2 801.35	4 322.33	2 409.34	2 976.95
-	2 600.00	2 341.66	3 393.75	2 620.00	2 978.26	3 160.00	4 235.00	1 857.14	2 266.07	2 080.76	2 502.38	1 462.00	2 196.52
80.76	7 352.84	2 372.00	3 256.17	2 010.29	2 602.97	2 037.39	3 497.27	5 725.37	7 919.98	2 298.24	2 073.68	1 756.41	2 339.54

ativa.

VII. APPENDIX



Cuadro A-3

ELASTICIDAD EMPLEO-PRODUCTO SEGUN RAMA DE ACTIVIDAD ECONOMICA, 1960-1970

País	Agri- cultura	Minas y canteras	Industria manufac- turera	Cons- truc- ción	Servicios básicos	Comercio	Servicios	Total
Argentina	-0.40	0.56	0.13	0.60	0.19	0.33	2.90	0.34
Bolivia	0.21	0.45	1.11	1.19	1.23	0.49		0.40
Brasil	0.16	0.70				0.97	0.73	0.46
Colombia	0.29	0.31	0.47	0.39	0.54	0.86		0.50
Chile	0.14	0.12	0.58	0.76	0.42	0.14	0.15	0.58
Ecuador	0.58	0.03	0.13	0.57	0.69	0.49		0.42
Perú a/	1.27	0.76	0.54	2.00	0.86	1.18	0.51	0.58
Venezuela	-0.36	0.46	1.21	4.33	0.93	1.39	0.41	0.61
Panamá	0.09	-	0.64	0.86	0.69	0.77	0.71	0.46
México b/	0.44	0.71	0.56	0.64	0.24	0.47	1.18	0.51

Fuente: CEPAL a base de cifras oficiales.

a/ Corresponde a 1961-1970.

b/ Corresponde a 1960-1969.

Cuadro A-4

TASAS DE DESOCUPACION ABIERTA, PAISES SELECCIONADOS 1967-1971

País	1967	1968	1969	1970	1971
Argentina	7.5	6.8	5.6	5.6	...
Colombia	9.5	9.5	9.1	7.5	...
Chile	4.7	4.9	5.9	6.2	4.2
Perú	...	...	5.9	4.7	4.4
Uruguay ^{a/}	...	8.4	8.7	7.5	7.6
Venezuela	8.6	5.5	6.6	6.0	5.8

Fuente: CEPAL a base de cifras oficiales.

a/ Departamento de Montevideo

Cuadro A-5

TASAS DE DESEMPLEO ABIERTO EN SIETE CIUDADES ARGENTINA, 1963-1972

(Porcentajes de la PEA)

Período de relevamiento año	Gran Buenos Aires			Córdoba	Rosario	San Miguel de Tucumán a/	Gran Mendoza a/	Formosa	Posadas a/
	Total	Capital Federal	Partidos del Gran Buenos Aires						
Julio 1963	8.8	5.3	12.1	...	...	...	...	...	...
Abril 1964	7.5	5.4	9.6	...	...	...	...	...	...
Julio 1964	7.4	6.0	8.8	...	...	...	...	...	...
Octubre 1964	5.7	5.1	6.2	9.5	7.6	9.2	9.2	...	...
Abril 1965	5.5	4.5	6.3	8.6	8.9	5.5	6.0	...	...
Julio 1965	6.1	5.2	6.6	...	...	...	...	...	...
Octubre 1965	4.4	4.1	4.5	6.3	5.5	6.4	4.7	...	...
Abril 1966	6.4	5.9	6.7	7.3	7.2	9.5	3.8	...	...
Julio 1966	5.2	4.7	5.5	...	...	...	...	...	...
Octubre 1966	5.0	3.5	6.0	6.6	5.8	7.4	2.7	...	...
Abril 1967	6.2	5.5	6.8	8.9	6.5	10.3	2.4	...	...
Julio 1967	6.8	6.0	7.3	...	...	...	...	...	...
Octubre 1967	6.2	5.1	6.9	7.3	6.1	10.2	2.6	...	...
Abril 1968	5.4	4.5	6.1	7.3	4.7	10.8	2.5	...	...
Julio 1968	4.7	3.8	5.2	...	...	...	...	...	...
Octubre 1968	4.7	4.3	5.0	4.3	5.9	12.7	2.4	...	...
Abril 1969	4.0	3.8	4.2	6.1	5.5	12.4	2.5	...	...
Julio 1969	4.8	3.7	5.6	...	...	...	...	...	...
Octubre 1969	4.0	3.3	4.5	3.2	5.5	11.4	2.7	...	...
Abril 1970	4.8	3.6	5.7	4.2	5.5	10.9	3.8	8.7	8.4
Julio 1970	4.7	4.0	5.1	...	...	...	...	6.7	10.0
Octubre 1970	5.0	4.6	5.3	4.7	4.9	10.4	3.3	8.7	6.8
Abril 1971	5.7	5.0	6.2	5.2	5.2	11.7	4.1	7.2	11.6
Julio 1971 b/	6.3	5.5	6.9	...	...	...	...	...	8.8
Octubre 1971 b/	...	...	...	4.4	3.5	12.2	3.6	6.1	5.9
Abril 1972 b/	7.4	6.7	7.8	7.2	6.2	14.2	4.8	4.6	5.0

Fuente: Instituto Nacional de Estadística, Encuestas de empleo y desempleo.

a/ Ciudades con actividades marcadamente estacionales.

b/ Tasas provisionales.

Cuadro A-6

TASAS DE DESEMPEÑO ABIERTO EN GRAN SANTIAGO
CONCEPCION-TALCAHUANO, LOTA-CORONEL 1960-1971
(Porcentajes de la PEA)

Años	Tasas de desempleo		
	Gran Santiago	Concepción- Talcahuano	Lota- Coronel
1960	7.4	...	...
1961	6.6	...	...
1962	5.2	...	...
1963	5.1	...	...
1964	5.2	...	...
1965	5.4	...	...
1966	5.3	...	...
1967	6.1	11.0	12.8
1968	6.0	11.2	14.6
1969	6.2	9.9	14.2
1970	7.1	10.1	16.1
1971	5.5	9.1	14.2

Fuente: Gran Santiago: Universidad de Chile, Instituto de Economía y Planificación, Ocupación y desocupación, Gran Santiago, Promedios anuales de encuesta trimestral
Concepción-Talcahuano, Lota-Coronel: Universidad de Chile, Instituto de Economía y Planificación, Ocupación y desocupación, Concepción-Talcahuano y Lota-Coronel, octubre de 1971.

Cuadro A-7

TASAS DE DESEMPLEO ABIERTO EN ALGUNAS CIUDADES PRINCIPALES DE COLOMBIA, 1963-1969

(Porcentajes de la PEA)

Año	Bogotá	Medellín	Calí	Barranquilla	Otras ciudades
<u>1963</u>					
Marzo	8.4	-	-	-	-
Junio	8.7	-	-	-	-
Septiembre	7.4	-	-	-	-
Octubre	-	-	-	-	9.9 a/
Noviembre	-	12.8	-	-	-
Diciembre	7.1	-	-	-	8.9 a/
<u>1964</u>					
Marzo	6.7	13.6	-	-	8.6 a/
Junio	7.2	-	-	-	6.9 a/
Julio	-	13.6	-	-	-
Septiembre	7.4	-	-	-	8.5 a/
Noviembre	-	11.3	-	-	-
Diciembre	-	-	-	-	8.3 a/
<u>1965</u>					
Marzo	9.2	12.0	13.2	-	-
Junio	8.8	-	-	-	-
Julio	-	10.7	-	-	-
Septiembre	9.7	-	11.8	-	-
Noviembre	-	9.7	-	-	-
Diciembre	8.0	-	-	-	-
<u>1966</u>					
Marzo	10.1	10.6	-	-	-
Junio	11.6	-	-	-	-
Julio	-	11.5	-	-	-
Agosto	-	-	-	-	11.0 b/
Septiembre	9.6	-	-	-	-
Diciembre	9.2	-	-	16.0	-

Cuadro A-8

PERU: AREAS METROPOLITANAS
TASAS DE DESEMPLEO SEGUN NIVEL EDUCATIVO
(Porcentajes de la PEA)

Nivel educativo	1969	1970	Promedio 69-70
Sin instrucción y primaria incompleta	5.5	3.0	4.3
Primaria completa	5.6	5.8	5.7
Secundaria incompleta	10.4	10.0	10.2
Secundaria completa	6.2	7.6	6.9
Superior	8.0	3.6	5.8

Fuente: Servicio del Empleo y Recursos Humanos (SERH)
Encuesta de Hogares.

Cuadro A-9

CHILE: TASAS DE PARTICIPACION POR SEXO Y EDAD, 1960-1970

Edad	1960		1970	
	Hombres	Mujeres	Hombres	Mujeres
12-14 años	11.8	3.9	4.5	1.9
15-19	61.7	23.5	43.6	16.6
20-24	91.6	32.5	84.8	32.3
25-29	97.0	27.9	96.4	28.8
30-34	97.5	23.8	97.5	25.1
35-39	97.0	22.5	97.3	23.1
40-44	95.7	22.2	96.0	23.2
45-49	93.4	21.3	93.8	21.2
50-54	88.0	19.4	88.2	18.6
55-59	83.7	16.8	81.8	14.9
60-64	76.8	13.7	72.6	10.6
65 y más años	51.0	8.1	41.5	5.7

Fuente: PREALC a base de: 1960 Dirección de Estadística y Censos
XIII Censo de Población, 29-II-60. 1970 Instituto
Nacional de Estadísticas, XIV Censo de Población, 28-IV-70.

Cuadro A-10

MEXICO: TASAS DE PARTICIPACION POR SEXO Y EDAD
1960-1970.

Edad	1960		1970	
	Hombres	Mujeres	Hombres	Mujeres
12-14 años	15.0	4.7	13.2	5.1
15-19	68.2	20.8	51.3	25.0
20-24	91.8	23.0	81.7	29.0
25-29	94.7	16.9	93.0	21.0
30-34	95.9	16.1	95.7	19.0
35-39	96.7	17.1	97.0	19.0
40-44	96.6	18.3	97.0	19.2
45-49	96.3	18.3	97.0	20.0
50-54	95.4	18.1	95.0	19.0
55-59	94.0	17.7	93.0	17.7
60-64	91.8	17.0	89.0	17.1
65-69	88.8	15.9	84.0	15.4
70-74	84.5	14.4	65.0 ^{a/}	11.2 ^{a/}
75 y más años	72.2	10.1	-	-

Fuente: 1960: Colegio de Mexico, Dinámica de la Población de Mexico.
1970: CEPAL a base de cifras oficiales y fuentes nacionales.

a/ Corresponde al grupo de edad de 70 y más años.

Cuadro A-11

VENEZUELA: TASAS DE PARTICIPACION POR SEXO Y EDAD
1960-1971

Edad	1960		1971	
	Hombres	Mujeres	Hombres	Mujeres
10-14 años	16.1	3.4	9.7	1.9
15-19	62.0	17.9	52.2	22.3
20-24	92.1	25.7	91.7	32.3
25-34	97.7	23.2	96.8	29.1
35-44	98.2	21.6	97.8	25.9
45-54	97.2	18.1	96.6	20.3
55-64	91.9	13.4	91.6	12.8
65 y más años	70.3	8.3	68.5	7.0

Fuente: 1960: CELADE, Boletín Demográfico Año 1, Volumen II
1971: Dirección General de Estadística y Censos
Nacionales, Encuesta de hogares por muestreo,
abril de 1971.

Cuadro A-12

COSTA RICA: TASAS DE PARTICIPACION POR SEXO Y EDAD, 1963-1967

Grupos de Edad	1963			1967		
	Total	Hombres	Mujeres	Total	Hombres	Mujeres
12-14 años	19.4	33.6	5.0	17.5	26.1	8.7
15-19	48.2	77.8	19.7	47.6	70.5	26.0
20-24	58.4	94.1	24.4	61.2	92.7	31.2
25-34	58.2	98.0	19.5	59.9	97.2	24.7
35-44	57.6	98.3	17.3	60.1	97.8	23.6
45-54	56.0	97.4	13.8	57.0	94.8	19.2
55-64	51.5	93.0	9.6	50.4	89.4	11.1
65 y más años ^{a/}	31.5	58.9	5.0	29.7	54.3	5.9
<u>Total</u>	<u>49.6</u>	<u>83.7</u>	<u>16.0</u>	<u>50.2</u>	<u>80.1</u>	<u>21.2</u>

Fuente: PREALC en base a: 1963, Dirección General de Estadística y Censos, Censo de Población, 1963. 1967, Dirección General de Estadística y Censos, Encuesta de hogares por muestreo, julio 1966 a julio 1967.

a/ Incluye edad desconocida.

