

The I.L.O. contributions in the field of productivity after the Second World War

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Founded in 1919, the International Labor Organization works during the interwar period toward improvement of economic and social conditions through the adoption of international labor standards in the form of conventions (subject to the ratification of member States) and recommendations for the guidance of nations in the development of their labor legislation and practices². Unique among international agencies in its tripartite organization, the I.L.O. affords opportunity for employers and workers from all around the world to exchange ideas and informations and to develop programs. During the thirties, even if the Great Depression brings a decline of the conventional practice and slows down its legislative work, the I.L.O. turns to regionalism or technical assistance³ and finally owes its prestige and strength in 1939 to its wide social competence, its liberty from the SDN and its tripartite and almost universal composition. After the War, the establishment of the Marshall Plan has two indirect effects upon the I.L.O. : the first concerns the organization's politics, the workers' group in the Governing Body being almost entirely from the non-communist International Confederation of Free Trade Unions (ICFTU) created in December 1949 ; the second concerns its activities, the organization playing a secondary role instead of spearheading reconstruction⁴. For example, the organization brings only a meager contribution to the United States Technical Assistance Program (USTAP)⁵ which, thanks to the "psychological shock" of the productivity missions, wants to convince the Europeans of the need to import

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² Both are formulated, after circulation of I.L.O. reports on the views of State members, at annual International Labor Conference attended by tripartite delegations. Until 1939, the International Labour Conference adopts 67 conventions and 66 recommendations, see GHEBALI Victor-Yves [1975], *Organisation internationale et guerre mondiale, le cas de la Société des Nations et de l'Organisation Internationale du Travail pendant la Seconde Guerre Mondiale*, thèse Université Sciences Sociales-IEP Grenoble, p. 49. On the history of the organisation, see also GHEBALI Victor-Yves [1987], *L'Organisation internationale du Travail*, Georg Editeur, Genève.

³ GHEBALI Victor-Yves [1975], p.41.

⁴ For the missed opportunity of cooperation between I.L.O. and OEEC on the manpower problem see ALCOCK Anthony [1971], *History of the International Labor Organisation*, MacMillan, p. 212.

⁵ On the USTAP, see MCGLADE Jacqueline [1995], *The illusion of Consensus : American Business, Cold War Aid and The Industrial Recovery of Western Europe, 1948-1958*, Ph-D Dissertation, George Washington University.

new working methods and to pacify industrial relations⁶. Nevertheless, the close interrelationship between productivity and the standard of living of the workers induces the I.L.O., strengthened by an amended constitution⁷ and more State Members, to study various aspects of the problem.

Productivity isn't a new word in the late 1940s but, leaving the academic discussions, the concept rises to a wholly new prominence in discourse about the economy in Western Europe, both at macroeconomic – where productivity can be seen as linked to the rise of measurement of the national economy as part of the growth of national economic management- and microeconomic levels – regulation of the enterprise in the name of increased output and efficiency⁸. For the I.L.O., productivity which relates to the most effective utilization of all productive resources is not an end in itself but a mean of raising standards of living and promoting growth and progress. This contribution, based on I.L.O. and others various archives, would like to reassess the role of the organization in research, publicity and operational activities in the field of productivity.

I. The promotion of a wider understanding of productivity

Whereas there is a crying need for concrete and dependable information on what productivity differences may be, the organization would like to promote a wider understanding of the concept by insuring that comparable techniques of study are used in the separate countries and by convincing both employers and workers that productivity is more a mean than an end. Unfortunately, the connection with the reduction of working hours and the distribution of productivity gains issues shackle the agenda.

A. A “mean” more than an “end”

“At the 105th session of the I.L.O.’s Governing Body in San Francisco in June 1948, David A. Morse (1907-1990), Former Acting Secretary of Labor in the Truman

⁶ On productivity missions and the americanisation process see BARJOT Dominique (Ed.) [2002], *Catching up with America, Productivity Missions and the Diffusion of American Economic and Technological Influence after the Second World War*, Paris-Sorbonne University Press; BARJOT Dominique, LESCENT GILES Isabelle and FERRIERE LE VAYER Marc de (dir.) [2002], *Americanisation in 20th Europe: economics, culture, politics*, vol.1, CRHENO, Lille

⁷ The 26th Session of the General Conference of the I.L.O. in Philadelphia (April – May 1944) adopt a Declaration which etched ou the fundamental principles framing the postwar mission of the organisation. aGHEBALI Victor-Yves [1995], p. 954.

⁸ TOMLINSON Jim [1994], “The politics of economic measurement: the rise of the produtivity problem in the 1940s” in Hopwood Anthony and Miller Peter (ed.), *Accounting as social and institutional practice*, Cambridge University Press, p. 168.

Administration and US Government member on the Governing Body⁹, is unanimously elected Director-General after Phelan resignation. “Man for the hour”, Morse considers increased productivity as a key for further development of social policy whereas his staff, even I.L.O. Chiefs of divisions, don’t fully realize his attachment to the problem, due probably to the fact that since he exposed his views for the first time at the 107th session of the Governing Body (September 1948), he has in the course of a whole series of successive statements emphasized different aspects of the very vast problem of productivity like manpower. In his report to the 33rd general Conference, June 1950, the Director General finally devotes an entire chapter to productivity :

“ The two world wars, and a disproportion, partly due to war and other factors, in the rate of economic growth in different countries and regions, have brought about deep-seated disequilibrium in world economy. This disequilibrium calls the same remedy as poverty – greater productivity, in the countries which are consuming more wealth than they produce... Of the principal factors upon which the productivity of labour depends, there is scarcely one which does not come within the purview of the I.L.O.. Efforts have been made and are being made to harness the resources of the Organisation to assist Governments, employers and workers to increase productivity. Much of the manpower programme developed by the Governing Body, and many of the proposals regarding the participation by the I.L.O., in the United Nations cooperative programme of technical assistance to under-developed areas, have precisely this aim in view”

For Morse, further notable social progress, especially in the underdeveloped countries (Latin America, Near or Middle East, Asia) but also, although in a lesser degree in Europe, depends on increasing substantially the productivity of workers : as long as the productivity of the average European worker is between two and three times less than the productivity of the average American workers, and as long as the productivity of Latin American, Far Eastern and African workers is in ratio of 5/1, 10/1 and even in some cases 15 or more, it is

⁹ ALCOCK Anthony [1971], *History of the International Labor Organisation*, MacMillan, p. 213. Admitted to the New Jersey bar in 1932 after the Harvard Law School, Morse is Special Assistant to the United States Attorney General, Chief Counsel of the Petroleum Labour Policy Board in the US Department of the Interior...After serving in North Africa and Italy during the war, he becomes Chief of the Labor Section of the US Group Control Council for Germany under Generals Eisenhower and prepares the labour policy and programme for Germany. Named Assistant Secretary of Labor in 1946 by Truman he devotes his activities to the creation of the Department's programme of international affairs and represents the US Government to the I.L.O.'s Governing Body. Elected for a ten years term in 1946, unanimously re-elected for five-year terms in May 1957, in March 1962, and in February 1967, He resigns in February 1970.

impossible to bring their social legislation closer to each other. Morse also considers three main problems in the way of getting workers to support a real drive for higher production are the maintenance of full employment, the establishment of satisfactory wage policy and the consultation with trade unions over introduction of productivity raising methods¹⁰.

B. Sectoral approach and sensitive issues

In order to have a sectoral approach on these three sensitive issues, questions of productivity in coal mines and metal trades are referred by the Governing Body to concerned Industrial committees formally created at the Philadelphia Conference in 1944¹¹. Preliminary reports are set up for coal mines and metal trades: works of hard-pressed international civil servants rather than of scholars and, they are divided into three parts (definition, measurement of productivity in the particular industry ; available statistics)¹². The paper on coal contains a great deal of interesting materials on all three problems. From the measurement point of view, the I.L.O. considers that it is not justified to treat coal as a homogeneous product, and a wide variety of output measures would be appropriate in view of the differences between raw coal and saleable coal. The chapter on available statistics brings out the vast existing differences between the bituminous mines of the US with an output of 1 052 metric tons per man-year, the UK with 287 metric tons and India with 96 metric tons. The chapter on the factors influencing productivity does no attempt, however, to explain these differences : instead it examines the various aspects of natural, technical and working conditions on productivity in the light of examples taken from recent American, British and French experience. If the discussion of the effect of technical conditions and of wage systems is interesting, no effort is made to evaluate the relative importance of these factors or to conclude on tangible policy.

The report on metals suffers from the fact that it has to deal with a wide range of products and industries. The main part of the study on factors makes extensive use of the reports of the various British teams from the metal trades visiting the USA under the aegis of the Anglo-American Productivity Council and of the reports of various European productivity

¹⁰ Z 11-1-2 Note to R. I Downing, 8.8. 1952.

¹¹ The Philadelphia Conference left the Governing Body to decide upon their form, role and scope. In January 1945, the Governing Body laid down seven procedural principles: committees would be tripartite, governments would be responsible for the selection of Employers and Workers Members; all committees would be international not regional WEISBAND Edward [1996], *I.L.O. industrial committees and sector activities : An institutional history*, working paper, I.L.O. – Geneva, p. 37.

¹² I.L.O. [1951], *Productivity in Coal Mines*. Coal Mines Committee Fourth Session, May, Geneva ; I.L.O. [1952], *Factors Affecting Productivity in the Metal Trades*. Metal Trades Committee Fourth Session, Geneva.

teams¹³. For the economist and English Board of Trade member Lazlo Rostas, the I.L.O. report seems to accept the disappointing conclusions of these missions without further inquiries on markets, taxations systems, respect of safety measures ... The report on the metal trades was also supposed to deal with principles that should apply in the distribution of productivity gains. This important issue is dealt with as though a common sense problem in two pages, suggesting that workers are entitled to a reasonable share in the benefits, with some vague hints as to what is a reasonable share. There is no scientific treatment in both its theoretical and historical perspectives.

If the report on factors affecting productivity in metal trades shows how sensitive is the question of the distribution of productivity gains, an other sensitive issue concerns the reduction of working hours. In January 1950, the American Federation of Labor invited the Economic and Social Council to place on the agenda of its Tenth session an item concerning the international reduction of working hours as a consequence of rising labour productivity. The council decides to refer the question to the I.L.O.. The report prepared for the Governing Body is divided into two parts: the first deals with actions taken by the I.L.O. with regard to reduction of hours of work, the second contains an examination of national legislation and practice¹⁴. Representing the French and the British Governments, Sir Guildhaume Myrddin-Evans¹⁵ and Paul Ramadier¹⁶ considers that it would not be opportune to place on the agenda of the Conference, with a view to international regulations, the question of the reduction of working hours as a consequence of rising labor productivity. However, even though the 1935 Convention on the 40 hours week had been ratified by only one country, most countries had gone beyond the position resulting from the adoption of the the eight hour day Convention, either by national legislation or by collective agreements. Hence, it would doubtless be necessary in the fairly near future to draw up international regulations on hours of work to amend the forty hour week convention, while taking account of the progress made. For French trade unionist Léon Jouhaux, the workers held the view that, as productivity increased,

¹³ On the AACP born in 1948 see TOMLINSON Jim [1991], "The Failure of the Anglo American Council on Productivity", *Business History* 32(1), p. 82-92.

¹⁴ Minutes of the Governing Body, Nvember 1950, annex B, p. 100.

¹⁵ After Oxford and the War, he is appointed to Treasury as Assistant Principal in Finance and Supply Services Departments (1920-1929), Principal in Employment Department (Ministry of Labour 1929-35) and Principal Assistant Secretary (Ministry of Labour 1940). Head of Secretariat of Production Executive of War Cabinet he becomes Under-Secretary of Labour and National Service in 1942 and British Member on Governing Body of I.L.O. in 1944.

¹⁶ On Paul Ramadier as member (1948-1961) and President(1951-1952) of the Governing Body see BOULAS Pierre et WOLF Francis [1990], "*Paul Ramadier et le B.I.T*" in. BERSTEIN, Serge (dir.), *Paul Ramadier. La République et le socialisme*, Bruxelles, Complexe.

consideration should be given to providing a counterpart in social benefits to the workers. Therefore a decision is required and not merely a general discussion. Falling any progress in that direction, Jouhaux is afraid that the increase productivity would be checked by the justified reactions of the workers. For CNPF member Pierre Waline, who represents the Employers, the question of productivity is “one of the great topical importance”, and therefore wants it to be discussed in order to lead to a clearer definition of the problem. He points out that the French National Assembly had refused to include the word productivity in a bill because its meaning was not clear. There was in distinction to be drawn between production and productivity, but if the latter term was taken to mean output per man hour and compared with the output per working unit at different times in the past, he thinks that there is no justification for establishing a direct relation between productivity and the reduction of hours of work. The question had been dealt with the I.L.O. on two separate occasions. In 1919, concerned by the application of the Washington’s Convention the argument was that the effort required of the workers should be restricted and that what might be described as an upper limit to fatigue and a lower limit to leisure ought to be established. The interest for the issue is much more important during the Depression¹⁷. In 1938, the I.L.O. endeavored, with unsatisfactory results, to reduce hours of work internationally in consequence of unemployment. For Jouhaux, no one would attempt to deny that there is a difference between production and productivity, but it’s obvious that if productivity increased there would be necessarily a consequent increase in production. This might be advantageous or even necessary in some industries, particularly in view of the present international situation, while being undesirable in other industries which were nevertheless important so far as the improvement of the standard living was concerned. The danger is that a situation would arise in various countries for the solution of which there is no international guidance¹⁸. Finally, the structure of the I.L.O. puts the States representants of the Governing Body in a position of arbitrator and if the Governing Body agrees that the reduction of working hours as a consequence of rising labour productivity should be dealt with in the Report of the Director General to the 35th session, the question vanishes in the procedures – the agenda of the 35th Session is already overloaded (!).

¹⁷ CHATRIOT Alain [2004], « Débats internationaux, rupture politique et négociations sociales : le bond en avant des 40 heures 1932-1938 », in FRIDENSON Patrick et REYNAUD Bénédicte (dir.), *La France et le temps de travail (1814-2004)*, Paris, Odile Jacob, p. 83-108.

¹⁸ Minutes of the Governing Body, November 1950, seventh sitting, p. 66-70.

C. Research and measures : I.L.O. vs. OEEC ?

In 1948, for Duane Evans, Chief of the Productivity and technological development Division of the American Bureau of Labor Statistics (BLS), the I.L.O. might take a major contribution in the field of productivity comparisons: “there is a crying need for concrete and dependable information on what these productivity difference may be ... The I.L.O. might very well crystallize all this interest into a concrete program for measurement”¹⁹. Robert Morse Woodbury (1889-1970)²⁰, Chief Statistician of the I.L.O. is along the same lines: organizing the Seventh International Conference of Labour Statisticians in Geneva September 1949, he defends the recognition of the special competence of the I.L.O. in the matter of productivity and international labor statistics.

During this conference, the elected President, US Commissioner of Labor Statistics, Ewan Clague, put forward an amendment ruling out methodological details from the final declaration. On the contrary, for the experts of the French Ministry of Labour (André Aboughanem) and of the UN (Staeble), these details would contribute to avoid the spread of « wrong ideas » and the adoption of « ingenuous methods »²¹ : according to them, the American direct measure method is useful in order to determine productivity in particular plants but inadequate to pull out general conclusions and, the “French method” consisting in the division of the production and manpower indexes should not be neglected. Finally, the American amendment is adopted²². Although the Conference did not feel able to reach international agreement on methods nor on a standardized form of approach to the subject decided to publish its preliminary report which summarizes existing knowledge rather than reports the results of new research or new ideas originating in the I.L.O.²³.

It deals in turn with concepts and definitions, somewhat sketchily with factors affecting productivity of labour, and then in more detail with the problems of measurement of labour, of output and the quotient of the two, namely productivity. The report expresses preference, it favors a measurement of output in physical rather than in value terms and suggests the use of indexes in terms of man-hours per unit of output rather than its reciprocal,

¹⁹ ST 1007-401, Duane Evans to Robert Woodbury, chief Statistician I.L.O..

²⁰ After a Ph-D at Cornell University, he becomes Assistant professor in Economy at Kansas University and later Director of the statistical research at the US Children Bureau in Washington D.C.. Advisor (and later Chief of the Wages division) for the National Recovery Administration (1933-1936), he enters the Statistical division of the I.L.O. in 1937. Chief Statistician after World War two, he BIT : P 3206 et P 33-06 .

²¹ ST, 1007-103-4, PV de la deuxième séance de la Commission des statistiques de la productivité du travail.

²² Archives BIT, 1007-1300, résolutions finales de la session plénière de la 7^{ème} conférence des statisticiens du travail ; BIT [1949], « Rapports et enquêtes : la 7^{ème} Conférence internationale des statisticiens du travail », *Revue Internationale du Travail*, n°6, décembre, p. 680-688 ; PV du CA du BIT, 3-7 janvier 1950, p. 110.

²³ I.L.O. [1951], *Methods of Labour Productivity Statistics. Studies and Report*.

because the measurement of whatever output is considered will be in comparable terms. For L. Rostas, the measurement of labour for productivity purposes raises still many unsolved difficulties: a man-year or a man-hour is treated as a homogenous unit, and no satisfactory conceptual or statistical solution has yet be found to take account of the heterogeneity of the labour force²⁴. Nor is there any solution for distinguishing meaningfully the different type of labour, such as direct and indirect workers, process and auxiliary workers...The report recognizes the problems but offers no solution. Finally, this report deals almost exclusively with productivity measurement for general economic analysis on the general level. It gives no information on the type of productivity measurement developed on a plant level.

Statistical investigations seeking to measure and compare labor productivity fall into two main categories : the investigations based on secondary source material, especially statistics of production and employment published in industrial census reports ; and first hand studies utilizing hitherto unpublished statistics of production and employment in particular firms or samples of firms in particular industries. Published statistics of production and employment are of limited value for purpose of establishing international productivity comparisons. Employment statistics are commonly collected and published by different agencies from those which are responsible for production statistics. Differences in industrial breakdowns, definitions, coverage... give rise to a series of difficulties. As the work of Lazlo Rostas has shown, these difficulties are however not necessarily insuperable, and the possibility of establishing additional international productivity comparisons on the basis of published data on production and employment is being explored by the office²⁵.

The office considers that enquiries, utilizing a technique similar to that employed by the US BLS in its series of studies on Trends in Man-hours expended per unit, addressed to firms in different countries producing specified products, could be expected to yield better results, and especially to throw more light on the factors affecting productivity, that overall comparisons based on published data. A possible questionnaire which might be addressed to individual establishments is prepared for the consideration of the various Member States, in order to secure their views as to the interest they would attach to such direct inquiries and the difficulties they would encounter in carrying them out. While a number of governments indicated that they would be prepared to co-operate in the work on the basis of the project submitted by the Office, possibly amended, other governments raised serious objections, pointing to a number a major difficulties and insisting in particular that the time for such

²⁴ Rostas Laslo, *The Economic Journal*, December 1952, p.910.

²⁵ Prod ec 1001-401, "Future studies and activities of the I.L.O. in the field of productivity", 1952.

enquiries is not opportune because of the lack of well developed techniques of productivity measurement in most countries. In the absence of a more positive response, the I.L.O. suspends this project.

The position of the I.L.O., influenced by the methods used by the BLS, differs from those adopted by the OEEC. The council of the OEEC at its 84th meeting on 20 January 1950 recommended that Member countries set up national productivity centers and decided to establish Productivity Group within the OEEC. This group later became a subcommittee of the Committee for scientific and technical matters in which French economist Jean Fourastié plays a keyrole. The productivity group publishes a booklet entitled *Terminology of productivity*, intended as a contribution to the standardization of terminology in this field²⁶.

II. “Fertilizing the activities of the I.L.O.” by the idea of increased productivity

A. The role of Assistant Director-General Jeff Rens

In august 1952, “firmly convinced that there is nothing like a panacea in the field of social and labour problems”, Jeff Rens, Assistant Director-General, thinks its time to fertilizes the various activities of the I.L.O. by the idea of increasing productivity (“I am proposing to put all our eggs in one and the same basket”)²⁷ : the time has come to relate the I.L.O.’s traditional activity of research and study, publication of information, and even the legislative field, to the big problem of increasing productivity which offers so much room for improvement, not only in the under-developed countries, but also in Europe and even in some sectors of the North American economy :

“It is not an oversimplification to say that, on the basis of its present level of productivity, Europe cannot live on its own resources and needs considerable help from outside. This help has been generously given by the US, but it can hardly be expected that one country, even such a resourceful one, can go on indefinitely rendering such considerable financial assistance to the European continent,

²⁶ See BOULAT Régis [2006], “ La productivité et sa mesure en France », *Histoire et Mesure*, XXI-1, p. 79-110 and [2006], *Jean Fourastié, la productivité et la modernisation de la France (années trente-années cinquante)*, thèse d’histoire, Université de Franche-Comté, DAUMAS Jean-Claude (dir.).

²⁷ Z 11-1-2, Note on I.L.O. activities in the field of productivity, August 1948, 22. Born in Belgium in 1905, Jeff Laurent Rens first worked as worker and employee in the automobile, metal and diamond industrie until 1930. Graduated from the Brussels university in 1930 (economy). Editor of the belgian federation of Labor (CGTB). Thesis on the Social foundations of National Socialism in Germany. Secretary of the CGTB in 1936. Chef-adjoint de cabinet of the prime minister Janson in 1937 and Spaak in 1938. Promoted in 1938 to Deputy General secretary of the CGTB. Arrived in Great Britain in january 1941 and appointed Government adviser and General secretary of the Belgian Commission for the study of post war problems. In 1942, member of the consultative council of the belgian government. Appointed Assistant Director general of I.L.O. in November 1944

assistance which in the end has to be paid for out of the American taxpayer's contributions"²⁸.

Whereas the I.L.O. has only made a meager contribution so far to the USTAP, he thinks that " it should be made clear that practically all the technical divisions, by avoiding dispersion in their respective field, could make a contribution to the solution of this vital problem".

Rens and the Director General both insists with the chiefs of division that they put the problem of productivity right in the centre of their thinking, that they exercise their imagination in search of practical means to raise the output of the workers and to pool research and study in their respective fields so that, by their joint efforts the office contribution to the furtherance of this problem may become impressive. For Rens the advantages of such an approach seem manifold: it meets the desire of the constituents for better coordination by giving priority to what seems to be a non-controversial issue ; it stresses the practical character of the I.L.O.'s activities ; it stimulates the whole staff ; shows that operations and traditional activity are complementary ; gives ample room for cooperation between management and workers ; "disintoxicates" workers from ideologies and gives them a realistic approach.

B. Productivity experts meeting (December 1952)

In this context, great hopes are placed in the meeting of 16 productivity experts from 13 countries in December 1952. They are invited to attend the meeting as individuals rather than as representatives of particular groups. Six are people, however, with government experience, five with government experience, five with management experience and five with labor union experience. Observers were also present representing the Governing Body, the OEEC and the International Committee of Scientific Management, the International Confederation of free trade unions ... This heterogeneous collection of individuals²⁹ has two important issues to consider: practical measures for increasing productivity in the manufacturing industries and possible suggestion to the I.L.O. for future studies. In discussing practical methods of increasing productivity in the manufacturing industries, experts felt, after disposing of conceptual questions fairly quickly, some attention should be given to general considerations affecting productivity in the economy as a whole. Then,

²⁸ Z 11-1-2, Jeff Rens, note for the Director general, August 1952, 7.

²⁹ Prod-ec-Productivity general, "Productivity analysis" talk to the Industrial Relations Conference at McGill University of Georges V. Haythorne, director Economics and Research Branch, Canadian Department of Labor, April, 22, 1953.

considering specific action by individual plants toward improving productivity, they focused attention on three main areas : first, the organization and control of production, second personnel policy and third, plant and equipment. During the course of the discussions, one of the points which came up frequently was the question of what should be said about the way the benefits accruing from increases in productivity should be shared. In the end, the Committee unanimously agreed to the principle that benefits should be the subject of collective bargaining but it was not felt by the Committee that there should be any fixed formula laid down by which these benefits should be shared by workers. For one reason it was pointed out that unions should not assume that all benefits from increased productivity should go to labor. Also even though labor directly or indirectly had made a major contribution to improved productivity there might be conditions within the industry, such as difficulties facing it through abnormal exchange rates or exigencies within the firm that would prohibit, in the interest of the workers as well as the firm as a whole, any increase in wage rates. Another point stressed in the discussions is the need for cooperation not only between labor and management, but also in some areas among labor, management and government.

III. Productivity and Technical assistance

In January 1952, the General Assembly of the UN adopts a resolution on Methods to Increase World productivity which emphasizes the importance of closer international cooperation to facilitate the best use of the world's manpower or natural resources and productive equipment and requests the Economic and Social Council to study the varying ways in which the productivity can be increased by the application of existing scientific and technological knowledge and to recommend, as soon as possible, methods by which the results of the studies undertaken can be made available to the underdeveloped countries. The Economic and Social Council discusses the above resolution at its Fourteenth Session in 1952 and adopts a Resolution on Methods in Increase World productivity recommending that the governments of underdeveloped countries should consider the problem as an integral part of their efforts to raise living standards by promoting general economic development, establish national productivity centers and take full advantage of technical assistance facilities available through the UN and the specialized agencies such as the I.L.O..

A. Origins and conceptions

The I.L.O. is a precursor in the field of technical assistance during the inter-war-period but the first operating program after world war two is the consequence of political factors such as

the pressure put by Latin American countries or India on the organization and the Marshall Plan (the International Labor Conference and the Governing Body both decides to be involved into the Plan). Director general Morse, architect of these orientation, benefits from the strong support of the US but he has to face L. Troclet, president of the Governing Body, and his two vice-presidents (Sir J. Forbes Watson for the employers group and L. Jouhaux for the workers group). First, they fear that the I.L.O. might become an instrument of US policy (at that moment funds for operational activities are being provided by the ECA). Second, there is also a fear that the I.L.O. might abandon its traditional standard-setting activities, and this is especially strong for Jouhaux, who suspects this is what the employers want³⁰. These feelings come to a head when, in December 1949, the ECA offers \$ 1million in order to enable the Organization to carry out an operational program in relation to migration³¹. Although the attempt to organize migration internationally falls, the has no effect on the other technical assistance activity.

The technical assistance provided by the I.L.O. has several characteristics : the research of an equilibrium with its past and classical normative activity ; the idea that its mission – social development- is much greater than others organizations and tripartism which suppose specific help to employers and workers organizations. In this context, in 1948, the I.L.O. decides to intensify its operating program, particularly in manpower and training. After preliminary survey carried out in coordination with UN regional commissions, I.L.O. manpower field offices were set up in Asia and Latin America. A staff of experts is available upon request to help nations in these areas to establish or improve vocational and technical training facilities, needed for increasing productivity. Many of the specific projects in connection with which technical assistance has been requested from the I.L.O. are concerned directly or indirectly with increasing labor productivity, even if the word productivity doesn't describe the job of the experts. Four examples may be given of technical assistance requests related to productivity in response to which I.L.O. experts work in the field in the fifties.

B. Exemples

Israel recognition of the role of productivity starts in 1949 with the creation of an Institute for Research into production efficiency which works in cooperation with manufacturers and

³⁰ Tortora Manuela [1980], *Institution spécialisée et organisation mondiale : étude des relations de l'OIT avec la SDN et l'ONU*, Bruylant, Bruxelles, p. 374 ; ALCOCK Anthony [1971], p. 219.

³¹ Morse can't persuade the Governing Body to accept this sum directly that's why it is decided that the ECA should give the money to the OEEC and that States Members of the I.L.O. in that organisation would, in turn, arrange for it to be passed on the I.L.O. ...

trade unions in order to conduct research into production efficiency in various branches of the economy, to collect data, to center public interest and aiding the mass to the mass absorption of new settlers. The institute publishes several collections of papers, organized discussions, initiates several research projects. After a request for aid in the training of trainers, development of the employment service, improvement of productivity and development of vocational guidance, a first I.L.O.'s expert, Lyman, is sent to Israel in 1951 in order to give assistance in developing Israeli employment service whereas a second one, Hy Fish arrives in 1952 a one year mission to advise and work with the staff of the Israel Productivity Institute. This second productivity adviser arrived in Israel at the time of the announcement by the prime minister of a new economic policy which stressed that an adequate standard of living could be maintained only by increasing production and productivity. At the time, a number of employers said that productivity could only be increased if the government would grant them foreign currency for new machines and equipment. Others thought that the only way was to get the workers to work harder. The immediate and continuing task for the I.L.O. expert was to explain over and over again that production and productivity were not the same, that productivity was a means of increasing production (output) with a minimum of capital expenditure through planning, that productivity was based on the greater utilisation of available raw materials, machinery and equipment, manpower and capital. Both employers and workers had to be educated to understand that a system of payment by results was only one factor in increasing productivity and was best introduced after production methods had been improved, not before³².

Secondly, the I.L.O. signs an agreement with Haiti under which it will assist the government of that country to select and send abroad for training a number of workers who, after training and experience abroad, will return to their country as instructors at the Haitian institute of technology. Thirdly, the largest and most ambitious technical assistance project on which the Office is embarked at the beginning of the fifties, the I.L.O. provides 44 foremen-instructors from foreign factories to the Government of Yugoslavia to give advanced practical training to workers, and to award nearly 400 fellowships to Yugoslav workers for training abroad.

Fourthly, one of the most important technical assistance projects which the I.L.O. has in preparation is in the field of systems of payment by results and productivity in the textile and engineering industries in India. The purpose of the project is to raise productivity and to

³² « Raising productivity in Israel », *ILR* 69, 375-392, oct-nov 1953.

increase the earnings of workers in Indian textile and engineering industries by the application of modern techniques of work study and plant organization and, in addition, by the introduction of suitable systems of payment by results. On arrival in Calcutta in December 1952, the reaction of the mission was distinctly cool. Management though raising productivity meant costly new equipment; labour that the undernourished labour force must sweat more; and government that rising productivity implied more unemployment. This work is carried out by a team of five United-Kingdom experts who have had practical experience with modern production techniques in these fields and with India. During 6 months, the experts analyze the existing organization and methods of work, job classification and wage scales in selected plants in the textile and engineering industries in the Bombay and Calcutta areas, with a view to suggest improvements to increase efficiency and productivity. Besides studying the methods of work of the workers at the machine or work bench, the experts are concerned with such questions as the most appropriate methods of : determining production standards and wage, prices or bonus rate for the different categories of workers; control of operations and staff; materials handling ; cost and quality control³³.

Between 1957 and 1960, around 12 underdeveloped countries benefit from the technical assistance provided by I.L.O.'s experts. Their method consists mostly in work study and little attention is paid to management education. Concurrently, a common characteristic of all the I.L.O. literature on productivity in the fifties is that it largely summarizes of existing knowledge rather than reports on the results of new research or new ideas originating in the I.L.O.. "As such, they are well informed and informative, if somewhat timid and uncritical. The informed reader may find little that is new in them, but for the uninitiated they provide excellent first guides"³⁴.

³³ « Productivity mission in India, initial achievements in the cotton textile and engineering industries », *IL 10*, 149-153,

³⁴ Rostas Laslo, *The Economic Journal*, December 1952, p.910.

