UNEMPLOYMENT: COUNTRY PERSPECTIVES

LAY DOWN YOUR ARMS: THE FIGURES SPEAK FOR THEMSELVES

RUBEN LAU — Excelsior (Mexico)

Inflation, the energy crisis and unemployment are the worst problems facing the 1980s and 1990s. The last World Newspaper supplement established that inflation is a "cancer of our age". Are we dealing here with unsolvable problems inherent in the human condition? No, they are the consequence of certain economic structures that make up the current order. The relationship between the arms race and unemployment, for example, illustrates this phenomenon from a different perspective-as will be seen from the following, necessarily approximate figures.

The United Nations has estimated that world expenditure on weapons and warfare preparations during 1979 and the beginning of 1980 amounted to one million dollars a minute. This figure alone could pay for the construction of one thousand class-rooms for 30 pupils each. The annual total could ensure school buildings for the whole world. The developing countries, with more than half the population of the world, count 20 per cent under-nourished people, 50 per cent lacking drinking water; 50 per cent of those over 15 years of age are illiterate; 55 per cent are unemployed or under-employed; and 60 per cent do not have medical attention. The US and the USSR lead in armaments spending, but the drama is that the countries of the Third World have, since 1977, been spending six times more on armaments than on health and twice more than on education. With this they make up 12.5 per cent of the world's warfare budget. The developing countries have therefore become both consumers and battlefields, which explains how currently 750 million people are involved in internal and border conflicts.

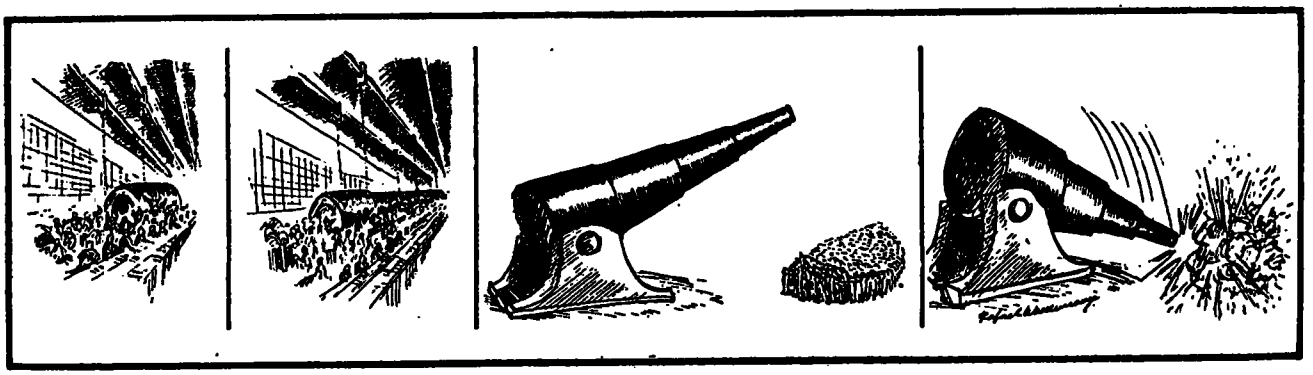
Between 1970 and 1978 the arms trade with the Third World grew by 374.6 per cent. Over the past year the armed forces on a world level grew by 5.6 per cent. Military budgets in the leading countries are increasing, including that of Mexico, which reached $780 million in 1979 and now ranks among the highest in Latin America within the oil-producers group. The expansion of the military industry no doubt creates jobs. But the new international economic order we are seeking cannot found its struggle against unemployment on the expansion of militarism and the warfare industry. All new 'Orders', including that of Information, should start off from this principle and act accordingly. To keep silent about the arms race is to become its accomplice.

According to World Bank estimates, the developing nations must aim to create jobs for 550 million people between 1975 and the year 2000-that is, 22 million jobs per year. To generate new industrial jobs in developing nations such as Mexico, for example, it costs $6,740 per job, according to an approximation of the capital/worker ratio in this sector in Mexico. There are other areas, such as fishing, where the creation of new employment is less expensive: about $2,000 for each job. The figures vary according to the economic area and the country, but we shall take an average to illustrate the case. If annual military expenditure around the world amounts to $750,000 million, as the UN estimates, this means that each minute $1.4 million will be spent. According to the cost per job in a country such as Mexico, we can assume that with this money more than 200 new jobs could be created every minute. Now, if the developing countries need 550 million jobs in the next 25 years, the current annual military expenditure would permit the creation of over a million jobs in the same period. This indicates that if military expenditure were applied during five years to the creation of industrial jobs, world unemployment could be overcome.

But what is happening? The world is spending 20 times more attempting to create positions of military superiority than in aid to the poor nations. The testimony of the figures is eloquent-it is clear that the resources exist to solve unemployment and services problems such as health, education or housing. The obstacle is that they are concentrated in the hands of a few. Such an unequal distribution, accompanied by the interests it generates, which are mostly military, tend to perpetuate the existing order. Thus, a vicious circle is set up.

The unemployment problem is not due to lack of resources. It

The International Economic Order has been shaken in recent times by a recession whose impact most countries of the world have found difficult to escape from. Two of the most pressing problems that emerged with the recession were the growing rates of Inflation and Unemployment. A recent issue of the U. N. University's *Development Forum* "One world" Supplement carried various country perspectives of these problems. The overviews on unemployment in Mexico, India, Pakistan and Japan published here are from this Supplement; while Hartman and Joyce of the US *Institute of Food and Development Policy* discuss Bangladesh. (*The Bangladesh and Japanese situations are held over for our next issue.*)



is the structural consequence of an economic order that is oriented towards the domination of a few over the majority, internationally as well as nationally. And this order is reflected in the communications media, which keep silent about those phenomena. Our experience in the World Newspaper Supplement has its value because of this: it helps to denounce a structure that generates inequality and strives for a better order.

In conclusion, suffice it to say that the relation between military expenditure and the possibility of creating jobs, though hypothetical and abstract, makes clear that the incongruencies and obstacles are located within the dominating economic and political structures. To forget this means to begin from the wrong criteria.

SURVIVAL OF THE WEAKEST

Balraj Mehta Indian Express (New Delhi)

Unemployment as understood in the developed countries is only a relatively small part of the Indian employment problem at the present mid-stage in its development process. The fact is that the vast majority of people in India cannot afford to remain without some employment for any length of time. If they did they would simply not survive, since there is no social security system to fall back on. The problem in India, as in many other developing countries, is primarily one of underemployment or employment at pitifully low levels of income.

The number of those who may be described as chronically unemployed in India is estimated to be about five million out of a workforce of 260 million. The underemployed, those who only find work to do at irregular intervals for short spells of time, are estimated to be as many as 21 million. If past trends persist, the number of under-employed is bound to swell rapidly. Of the annual addition of about five million to the labour force, less than half a million, or about 10 per cent, are at present able to secure employment in the organized sectors of economic activity. The remaining 90 per cent must depend for their livelihood on the agricultural sector, already over-burdened with surplus labour or on extremely low levels of self employed activity.

India is faced with a structural problem in the swelling ranks of the unemployed and under-employed. Though the Indian economy is still dominated by the primary agricultural sector, it has made a measure of progress in large-scale manufacturing and modern infrastructural development. But this has not resulted in any chage in the occupational structure. The share of agriculture in the total workforce has remained at around 74 per cent for the past five decades and more. This means that employment growth in the secondary and tertiary sectors in which large investments in capital, technology and skilled manpower have been sunk during the past three decades in the name of industrialization, have not brought about a significant shift in the occupational pattern.

There has been loss of incomes and wider and deeper under-employment for those engaged in small-scale and household manufacture, more especially in rural areas. Special schemes to protect traditional village industries and handicrafts have failed to achieve the desired results in the face of competition from modern industry. The process of destruction of self-contained village handicrafts and cottage industries which started during the colonial era has remained unchecked, pulling more and more people out of gainful work and into the pit of under-employment and poverty.

Experience has shown that no welfare measures or special schemes to protect the incomes and employment of the landless and those engaged in small-scale manufacture (as distinct from ancilliaries to big industries) can work without structural reform of the established modes of production relations, investment pattern and income distribution.

The first constraint to be admitted in any design for structural reform is that a substantial transfer of the labour force from agriculture to industry is not feasible in the short-term, or even in the medium-term. A meaningful land policy, therefore, must give first priority to a reform of the agrarian structure in a manner that will enable it to absorb the continuing population pressure on the agricultural sector.

The reform of the agrarian structure and production relations in the agricultural sector will have to be combined with a policy in which labour intensity in manufacture is protected. This has to be done by making employment in small units fuller and more productive and by a product-mix in the organized sector which will maximise its capacity to generate more employment with modest inputs of capital.

The first condition for enlarging the scope of social justice in the process of development must indeed be that people are assured of productive, gainful employment.

THE HUMAN FACTOR

Zubeida Mustafa Dawn (Karachi)

When a textile worker in Pakistan loses his job because a weaving unit has to be closed down, the number of unemployed goes up by one. But behind this bald, unfeeling statistical assertion lies a profound human tragedy-the deprivation and agony that go with joblessness. Probably he will not find another job, and like 600 million others in the Third World, he will go on to join the growing ranks of the absolute poor. Unemployment, a direct product of today's global economic crisis as well as national under - development, is not only rapidly undermining the Third World's economies but is also posing a threat to its social and political systems.

With two-thirds of the world's estimated 1,500 million workers living in the developing countries, 43 percent of them unemployed or under-employed, the magnitude of this problem in terms of sheer numbers is overwhelming. But statistics alone do not reveal the social and political costs. Social services being rudimentary, health coverage is confined to a small