

Book Reviews

The Employment Problem in Less Developed Countries.—By David Turnham, assisted by Ingelies Jaeger. Development Centre of the Organization for Economic Cooperation and Development, Paris. 1971.

The goal of full employment is one of the most desired objectives of economic planning. The nature of the employment problem in developed countries is different from that in the less developed ones. For a realistic solution to these problems, it is essential to examine the employment problem in the right perspective and to study its various dimensions in detail. This volume provides an analytical insight into the various aspects of the employment problem in less-developed countries. The nature of the unemployment problem in under-developed countries, its causes and solutions are discussed with empirical evidence from different countries.

In the chapter I, the problem is discussed in general terms. Various factors which have a bearing on the employment issue are briefly outlined. The conflict between economic growth and employment growth and a discussion on the concept and measurement of under-employment in the developing countries is also discussed in this chapter.

Chapter II presents a detail discussion on the labour force and population growth. Effects of structural changes in such economies on the labour force issue are traced. It is shown that participation rates affect the size of the labour force in a country. In the first part of the chapter, a discussion about variation in participation rates in under-developed countries and problems relating to statistical data in this respect is offered. Most of these countries, although basically agricultural, are becoming increasingly industrialized. This structural change affects not only the size of the labour force, but also the nature of the problem of employment in such countries. Various aspects in this regard are analysed in a precise and systematic manner. It is shown that the employment in service and commerce sectors are growing faster than in the industrial sector. It is argued that expansion of these sectors will intensify the problem of disguised unemployment in the developing countries.

In Chapter III, the author has quantified the various aspects of unemployment and under-employment. It is shown that under-employment or disguised unemployment is the most important problem in rural areas. The

author has reviewed various studies conducted in this regard in several countries. Two approaches to measure the extent of disguised unemployment are made. Difficulties in measuring disguised unemployment in rural areas and in making working hours in agriculture comparable to those in industry or in the service sector is a difficult job. The discussion is useful but not analytical in this chapter.

In Chapter IV, the author discusses the relationship between income, the distribution of income, and employment. Nutrition deficiency and its effects on income and employment are also discussed in this Chapter.

In the first part of Chapter V, the author discusses the impact of different policies adopted by different governments on income, income distribution, and employment. He has divided the economy into three main sectors, i.e., industry, agriculture, and the service sectors. He analyses, in detail, the policies adopted in each of these sectors. The author highlights the importance of the development of agriculture for developing countries in the light of past experience. The second half of this chapter deals with the problem of making quantitative projections of unemployment and under-employment. The author briefly summarizes the main results of different studies conducted in under-developed countries in this respect.

The author has made a good attempt at analysing the problem of employment in developing countries. However, three important aspects of the employment problem as seen in developing countries are not dealt within a satisfactory manner. First, no workable definition of disguised unemployment has been offered in the study. It was argued that there was surplus labour in agriculture. However, it was not possible to indicate the extent of disguised unemployment in these countries. Second, not much emphasis was given to the problem of "*unemployment of highly qualified persons*" in the developing countries. It is common knowledge that, on the one hand, there is a shortage of highly qualified persons and in the other, highly qualified persons are either unemployed or under-employed in the developing countries. This paradox needs careful analysis. It can be argued that the problem of unemployment or under-employment of such highly qualified persons is at least as significant as the problem of unemployment in general. This is so because the developing countries are investing a lot of scarce resources on the training of such personnel and that not enough use is being made of such people. Unemployment and the resulting dissatisfaction by the qualified personnel is a serious social and political problem. The Brain Drain, political upheavals, and student unrest are also the by-product of this phenomenon. The third important aspect of the unemployment problem in under-developed countries is relates to nutrition, health and environmental conditions in the countries. This aspect has not been given its due importance in the past. Food deficiencies, lack of curative and preventive health facilities and adverse environmental conditions are affecting the efficiency of labourers in under-developed countries. This, in turn, adversely affects the productivity and employment of labour.