

NOTES ON DEVELOPING COUNTRIES AND THEIR STATISTICS—  
COMMENT

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In his article in the September 1972 issue of the *Review*, Mr. Jaffe cites me as an example of “so-called ‘experts’” who are not even aware of the United Nations’ definition of employment and unemployment, referring to my article in the *International Development Review* on this subject.<sup>1</sup> I would like to take this opportunity to reply to this criticism and to enlighten him on the relevant issue here.

Obviously I am aware of the “United Nations” definition, since it is in effect that of the International Labour Office, which Mr. Jaffe does not seem to realize. The definition of “unemployment” cited in paragraph 294 of the United Nations’ *Principles and Recommendations for the 1970 Population Censuses* (New York: 1967), to which Mr. Jaffe refers in his article, is nothing more than the “traditional” one of the ILO (in which no reference is made to the nature of the search for work), included, for instance in its publication *The International Standardization of Labour Statistics* (Geneva: 1959), pp. 44–45 (as footnoted in the United Nations document), that has been modified in recent years by the ILO to take specifically into account the situation in developing countries of persons who are available for work but who are not “actively” seeking it; Mr. Jaffe could refer to Chapter VII, “Employment”, of the U.N.’s *Handbook of Household Surveys* (Studies in Methods, Series F, No. 10) (New York: 1964), which was prepared by the ILO, where (p. 77) the need to take a liberal view in applying the ILO’s “traditional” definition of unemployment in developing countries in order to take into account the numbers of persons who are seeking work, but not actively, is developed in some detail.<sup>2</sup> For the 1967 UN publication, it was decided to incorporate this important consideration into the formal definition of unemployment for the first time.

However, whether the International Labour Office or the United Nations has an appropriate definition of unemployment for the developing countries or not misses the point of the argument in my *International Development Review* article—the relevant question is, rather, whether the *developing countries themselves* are using a suitable definition in carrying out their surveys, and this seems to have been missed by Mr. Jaffe. After all, we are concerned here with the *operational significance* of the definition, as must be clear from my article, considering that the emphasis in the article was to test a revised definition of worklessness in my own survey of a poor district of Tehran. The persistence of the developing countries in holding to a definition of unemployment suitable for developed countries only and ignoring United Nations’ recommendations is not an “administrative failure” on their part, as Mr. Jaffe maintains: they are free to formulate whatever definition they wish, however ill-advised, or would he deny this? Rather than “administrative failure”, a more likely reason for non-adoption of the United Nations’ definition is a natural reluctance to use a definition that would reveal as unemployed much greater numbers of persons than as reported under currently-used criteria.<sup>3</sup>

\* International Labour Office. The views expressed here are not necessarily those of the International Labour Office, however.

<sup>1</sup> William H. Bartsch, “Unemployment in Less Developed Countries: A Case Study of a Poor District of Tehran”, *International Development Review*, Vol. XIII, No. 1, 1971/1, pp. 19–22.

<sup>2</sup> Referred to in my article, *op. cit.*, footnote 20.

<sup>3</sup> In my Ph.D. dissertation, I adjusted the Iran 1966 census figures for the urban labour force in order to take into consideration estimates of “economically inactive” persons seeking work, though not actively. The exercise indicated a rate of unemployment over three times higher than reported by the census under its “rigid” definition of unemployment (or 16.5 per

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Incidentally, the points made by Mr. Jaffe on a needed demarcation of labour force statistics in developing countries by “modern” and “traditional” sectors and as a means of gauging the pressure for “modern sector” jobs on the part of the “traditional” sector’s self-employed, unpaid family workers, and low-wage employed were developed by me in some detail in my Ph.D. dissertation three years ago. I share his concern for a better classification of the labour force by such a division, given the wide differences in production and employment conditions as between the two sectors and the misleading impression gained from lumping employment in both together under each industrial activity. Even in the *urban* areas of Iran, where “modern sector” activity is concentrated, for instance, I calculated that in 1964 the workforce of the “traditional sector”—made up of persons outside any fixed work place, in home industry and services, and in small (and unmechanized) units of less than 10 workers—was over *twice* as great as that in the “modern sector”.<sup>4</sup> Based on certain assumptions, I also estimated that for every seven persons employed in the urban “modern sector” in that year, eight others (of whom the unemployed, the “involuntarily” self employed, and a portion of the “traditional” sector’s wage employed) were seeking to get in.<sup>5</sup>

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cent vs. 5.3 per cent). (See William H. Bartsch, “Labour Supply and Employment-Creation in the Urban Areas of Iran, 1956–1966”, University of London, 1970, Table 50, p. 186). Under the 1966 census definition, the unemployed were those “. . . who were able to work and who were actively seeking work during the 7 days preceding the enumerator’s visit” (Plan Organisation, Iranian Statistical Centre, *National Census of Population and Housing: November 1966*, Vol. 168 (Tehran: March 1968), page c). Similarly, the 1965 Ministry of Labour sample household labour force survey of the country defined as unemployed “. . . a person who during a definite period preceding the survey has not had an income producing job and has been seeking employment; those who desired work but who had not in practice taken steps to seek work are not classified as unemployed” (as translated from the Farsi). See Ministry of Labour and Social Affairs, General Department of Statistics, *Investigation of the Manpower of the Urban Areas of Iran* (in Farsi), Research Report No. 40 (Tehran: September 1968), p. 80.

<sup>4</sup> See my Ph.D. dissertation, *op. cit.*, Table 26, p. 89.

<sup>5</sup> *Ibid.*, Table 43, p. 142, and Appendix Table 37, p. 336.