

SPEECH BY MR SIA KAH HUI, MINISTER OF STATE FOR LABOUR,  
AT THE SIXTH ASIAN LABOUR MINISTERS' CONFERENCE  
HELD AT TEHRAN ON 20 TO 24 SEPTEMBER 1976

Mr Chairman

I am pleased to join my other Asian colleagues to thank you and the Imperial Government of Iran for hosting this 6th Asian Labour Ministers' Conference and for the warm and friendly reception.

Since we last met in Melbourne in April last year, the international economic outlook has improved. The world economic recession has ended and economic recovery of the major industrialised countries is continuing. Leaders of major industrial nations are anxious to ensure that their countries recover gradually without accentuating inflation. However, there is still high unemployment rates and excess industrial capacity in some of these countries.

The steady growth of the economies of the major industrial nations will be of benefit to developing countries. The moderate growth rates will however mean that it might take a longer time before the present rates of unemployment are lowered to tolerable levels and excess industrial capacity is used up. We in the developing world hope that this will not mean the continuation or fresh imposition of protectionist measures in developed nations to curb free trade and the transfer of capital, technology and expertise to developing countries. The introduction of protectionist trade policies would be wrong not only because of humanitarian reasons, but also on hard economic grounds. Much of our prosperity in the latter half of the 20th century has been assisted by the gradually freeing of world trade. The adoption of protectionist trade policies to cope with current economic difficulties would be a retrogressive step. In view of the growing interdependence of the world economy, any measure that will curb trade and flow of capital and technology would have adverse effects not only on imposing country but also on other countries. The total effect would be a serious retardation of global economic growth.

Since the 1973 Asian Labour Ministers' Conference which in its Joint Communique called for the expansion and liberalisation of trade, there has been a positive progress in creating freer trade on an international basis through the Generalised Scheme of Preferences (GSP). A number of countries has implemented the GSP scheme. This is a welcome move. Discussions on measures to expand international trade under GATT and UNCTAD have gone on for some time and at the moment much remains to be done. This is where developed nations could contribute to the expansion and liberalisation of international trade by abolishing existing customs as well as non-tariff barriers which are preventing free flow of products and goods from developing countries.

For developing countries the crucial factor for economic development will still be our own efforts at economic growth. We must have in each of our nation a Government with integrity bent on development and a people who is prepared to sacrifice short-term comforts for long-term good.

I am pleased to note that the Conference is concentrating on two aspects of economic development viz. manpower training and labour productivity. The importance of these two subjects are well recognised in all our countries. In the case of my country, it is of special significance as we have virtually no natural resources apart from the strategic geographical location and the existence of a fine harbour. Our Republic's ability to survive and prosper depends on the development of our manpower.

Manpower training, Mr Chairman, has always been a priority with us since 1959 when we had achieved internal self-Government. Faced with massive unemployment and an entrepot economy with limited potential for growth, the Government embarked on earnest industrialisation. Education facilities were greatly expanded and vocational and technical education and training increased markedly. In 1973, the organisation on technical education was restructured when the Industrial Training Board (ITB) was established. In taking over all vocational training institutions, the Board assumed the roles and responsibilities of the former Technical Education Department and geared itself to

intensify industrial training to meet the manpower needs of the industrial sector for skilled workmen. In addition to industrial training provided for by ITB, the Manpower Division of the Economic Development Board, working in close co-operation with foreign investors and multi-national corporations, introduces supplementary measures for further manpower development especially designed to meet the specific requirements of the companies.

By the end of the 1960's, the problem of massive unemployment was solved. The buoyant economic growth brought with it a tight labour market. This, coupled with the need to maintain a competitive position in world markets, resulted in increasing emphasis being placed on labour productivity.

In the Republic our attention has been concentrated on linking wages with increased productivity. We have found that it is not possible to work out a national wage incentive linked directly to productivity. Productivity incentive schemes must be worked out at the level of the firm. So far such schemes have been left to individual firms to work out. In the main where such schemes are in operation they are generally incentive payment by results systems. Our National Productivity Board is looking into ways and means of linking productivity and wage increases.

After a period of economic growth, we have discovered that many of our youths are reluctant to take on work in the physically demanding industries like construction and shipbuilding and repairing, preferring instead the more congenial banking and service sectors. A number of measures has been taken to solve this labour mobility problem. A "Use Your Hand" campaign was launched in schools to inculcate the correct attitudes and values to blue-collar work. A policy of placing only female workers in "soft" jobs leaving the physically demanding jobs to men has been introduced. This is being practised in the public sector as well as Government-owned companies. The private sector is also encouraged to follow the Government's example. Another solution being looked into is the wage structure and conditions of service which are at present tilted in favour of white-collar employees.

Mr Chairman, I am pleased with this opportunity to share with my Asian colleagues our experience with Manpower training and labour productivity. I have heard with interest the various speeches that have so far been made. I am confident that this exchange of views will promote better understanding of the problems discussed.

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