# LABOUR POLICY

## श्रम–नीति

★

by

**D. B. Thengadi,** M. P.

**G. S. Gokhale,**

**M. P. Mehta.**

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Memorandum submitted to National Commission on Labour
by BHARATIYA MAZDOOR SANGH.

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ॐ यज्ञेन यज्ञमयजन्त देवास्तानि धर्माणि प्रथमान्यासन्

॥ ऋ ॥ १०।७।९१.

# Foreword

धन्याचा हा माल फोडिले भांडार।
मी तो केवळ हमाल – भारवाही ।। श्री तुकोबाराय.

Shri Jagjivan Ram has rendered a signal service to the cause of Indian labour by appointing the National Labour Commission. We are satisfied with its composition, more particularly with its leadership. The work of the commission, when accomplished, will be considered as monumental. It will be a guide to the architects of Indian labour policy for at least a quarter of century.

Bharatiya Mazdoor Sangh considered it its sacred duty to represent the views of the nationalist labour on the various issues raised by the commission. This memorandum constitues a document of the collective thinking and the collective wisdom of our organisation.

While dealing with the various questions we have tried to simultaneously take into account (i) the special characteristic of the present labour problems (ii) the manner in which similar problems have been sought to be solved by other countries of the world and (iii) the basic tenets of Bharatiya 'संस्कृति.'

We hope that this memorandum gives a much-longed for New Deal to the Indian Labour. This represents their grievances, demands, aspirations and dedication. The Nation cannot neglect it's duty to it's labour; the labour shall not shirk it's duty to the Nation.

As a nationalist labour organisation we are convinced that the interests of workers are identical with those of the Nation and that the consumers interest is the nearest economic equivalent of 'national interest'. While working out details of the labour policy, we have not lost sight of the fact that problems of any section of our people cannot be dealt with in isolation, and that every solution suggested must be in consonance with and conducive to the reconstruction of the Bharatiya socio-economic order.

While it is the right and the responsibility of every economic interest to represent it's case before the national forum, we are aware of the fact that the really competent authority to prescribe the guide-lines of the new order are the disinterested moral leaders of the society who love all the various limbs of the national organism with equal intensity.

We will be amply rewarded if this our endeavour furnishes the necessary background for their authentic thesis which would be aptly prefaced as 'अथा तो श्रमजिज्ञासा'.

Bali Pratipada
Samvat 2025
22nd Oct; 1968.

**B. S. Kamble**
*President,*
**Bharatiya Mazdoor Sangh.**

# Volume 1

अभावो वा प्रभावो वा यत्र नास्त्यर्थकामयोः।
समाजे स्वात्मरूपत्त्वात् धर्मचक्रप्रवर्तनम् ॥ १ ॥

When Artha and Kama are neither absent nor dominating the social mind, the Society comes into its own, and the proper and dynamic movement of Dharmachakra is ensured.

स्वामित्त्वं न तु दास्यं स्याद् जनानामर्थकामयोः।
कुतः स्याद् विग्रहा ऽशंका स्वात्मनो यत्र निग्रहः ॥

Where Artha and Kama are the slaves and not the masters of the people, how can there arise any apprehension of conflict where self-restraint is the rule ?

Bombay
15th August, 1967.

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## CHAPTER I

# The Approach

The National Commission on Labour hereinafter referred to as the NCL has before it a two fold-task :

i) To take a comprehensive review of the developments in the field of Labour and

ii) To make recommendations which may serve as guide-lines for the future.

In order to understand and appreciate the approach of The Bharatiya Mazdoor Sangh (hereinafter referred to as BMS to NCL it is necessary to review, however briefly, the position of BMS in the country's labour movement. We are submitting herewith the following literature which deals with this subject :

a) Why BMS ? By D. B. Thengdi,

b) B. M. S. Souvenior,

c) General Secretary's Report (1955–1967) and

d) On Banking–Structural Peculiarities.

It can be seen from the perusal of the above literature that :

a) The BMS has ideologically a distinctly different approach than the rest of the Trade Union Movement in India.

b) It has now completed its ground-work by creating an all-India nucleus of trade unions and workers trained on its original lines in all parts of India and in all the principle industries of the country, and

c) It stands poised for a take-off stage.

These facts of it's history and growth and it's present position make it inevitable that it should approach to the questionnaire framed by the NCL in a fashion different from what the normal parts of Labour Movement are expected to adopt. We seek to elaborate on this point at the time of our oral submission.

It is against this background that we proceed to submit our views on various matters falling under the terms of reference to the NCL. The presentation of these views is made in the form of a brief thesis. First we propose to take a critical review of the history of labour movement in India. Then we shall make a statement on the Nation's expectation from its labour movement and examine its implications in the context of current economic situation. Thereafter we shall proceed to deal with the impact of labour legislation and Government policy.

Then we shall deal in details about the various facets of living and working conditions of Indian labour. It is during the process of this analysis that we shall be covering the whole questionnaire circulated by the NCL and make our detailed suggestions on various issues. At the end we wish to deal with certain fundamental concepts that we wish to propose as governing principles on major aspects of policy. We hope that the NCL will find this approach helpful and efficient in understanding our contribution to it's work.

### Critical Review of History

Many eminent writers on Labour have written books on the history and growth of the Indian Labour Movement. It is not necessary here to repeat all that they have said in details. With full respect to the scholarship, sincerity and efforts of these writers it has however to be said that the accounts which they have given on India's Labour Movement are not free from a partisan and political bias and as a result they do not give us a full and practical perspective of the movement. It is therefore considered necessary to take a brief critical resume of the recent past in a way that is necessary to appreciate the present position and formulate a policy for the future.

Before dwelling on this immediate period of the history of India's Labour Movement, it will certainly be not here out of place, to state that India had a very glorious part in the field of human relations in Industry. The enunciation of labour policy that we find notably in Shukra–Niti and in various discourses in Mahabharata and other ancient literature have much which can count even to-day as very advanced and enlightened and bold from modern standards. Moreover the whole thought of India being based on a synthetic view on life, there is much in this thought that is of eternal importance for all those who wish to work for the establishment of sound social foundation or in the old (and more scientific) terms for the 'getting together of people' 'LOKSANGRAHA' and for their 'Common March' 'LOKAYATRA'. However, the modern obsession for secularism and progressivism and its non-scientific slant has to be given its trial that time it is perhaps natural that these ancient words of wisdom may not be properly understood and as such may be kept out of context.

In the recent past, the closing decades of the last century saw some first individual attempts to organise labour, to formulate common demands and redress their grievances. In many cases they took the form of ad-hoc committees. In Bombay and Madras quite a few strike committees were also formed as the occasion for the same arose from time to time. But these committees could never get a permanent footing. The Government and Employers both remained hostile to all activities of labour. Yet quite a large amount of pioneering work was done with remarkable perseverance by some eminent individuals notably by Sarvashri Lokhande who can be treated as father of India's modern Trade Union Movement. The first systematic attempt to form a trade union on permanent basis was done in 1906 in the Postal Offices at Bombay and Calcutta. These attempts first took

the form of clubs but they were soon turned into regularly functioning Trade Unions.

The first world war caused a general upheaval due to price rise and during the period 1916-17 many unions were formed to protect the interests of workers against this rise in prices. It is significant to note that till this date this single cause of rise in prices has been a major cause to unite the labour for defence against price-rise. The Indian Trade Union Movement has yet to take the next positive or offensive step to increase in real terms the workers' standard of living. Be that as it may, it is true that during the period of first world war the labour movement gathered some size and the basic issue was protection against rising prices. The Bombay's postmen went on a first big strike lasting for 2-3 weeks around this period. Ultimately the Government conceded the demands of postal workers and granted them war-allowance. This encouraged the consolidation of postal unions all over India. That in turn encouraged the Textile Workers who gathered round the leadership of Dr. Baptista. Solicitor Jinwalla also gave a valuable support to labour movement. The Port Trust Unions were also organised during the same period.

The Indian National Congress began to take interest in Trade Union Movement since 1919. Though its main outlook was to use trade unions as a instrument to fight against the British, yet it did also some constructive and good work for labour movement in the beginning. Under the chairmanship of Mr. Khaparde, the Govt. of India appoined a postal enquiry committee which gathered substantial evidence. This gave a boost to the demand of time-scale instead of grades. Though this demand was then characterised as asking for the moon, yet in suppport of this demand the All-India Postal Union was formed. It conducted an agitation and got an ultimate success. The Trade Unionism thus took a firm root and the Postal Union became for sometime a model.

The other biggest union that was formed at this time was the one on Railways. Before 1919 there was functioning on Indian Railways a Union named as Anglo-Indian Railwaymen's Federation for India and Burma. It was looking after the interests of only Anglo-Indian Drivers, Guards and 'A' Grade Staff. The Indian Employees had no voice in it's affairs. So in 1919 at Igatpuri the first Conference of employees working on the then G. I. P. Railway was held. It made some demands and threatened a strike. Some of these demands were conceded and the G. I. P. Railwaymen's Union made a firm start. Then the movement spread all over the country's rail-lines and many nucleus were formed. By this time a dispute arose over the implementation of assurance given by authorities. The Government appointed a two-man committee consisting of the then Editor of 'TIMES OF INDIA' and Justice Chandavarkar. The Committee functioned during the period 1921-22 and ultimately up-held the contentions of employees.

By this time many active trade union leaders notably Sarvashri N. M. Joshi, Zabwalla, Ginwalla, S.C. Joshi, V. G. Dalvi, Baptista etc., came on the scene

and strong unions were organised specially in Port Trust, Dock Staff, Bank Employees (especially Imperial Bank and Currency Office) Customs, Income-tax Ministerial Staff, etc.

The communists decided to enter into the trade union movement of India in 1923. The decision was taken in Russia and the U. S. S. R. extended a big support by way of financial and personnel help. From Great Britain also many communist workers came. By 1925–26 these foreigners became successful in indoctrinating local talent in schools of communism and men like Sarvashri Dange, Mirajkar, Nimkar, Joglekar, etc., began to organise the non-government employees (especially the Textile workers). First they tried to form new Unions. But since they failed in this attempt they tried to enter the existing Unions and on the basis of their contacts with the masses and by all sorts of disruptive methods they made propaganda against the existing leadership.

The nationalist leadership in the field of Textile workers at Bombay was then composed of Sarvashri N. M. Joshi, R. R. Bakhale and Mahammed Rajjab. They found the first Textile Workers Union in 1922-23. In 1925-26 the communists also entered in these unions and strikes were organised in a big way. The six months old textile strike of 1926–27 is famous in this respect. Arising out of this and other manifestations of discontent the Fawcet Committee was appointed before the appointment of Royal Commission on Labour and the Government rushed with the 1929 Act on Labour.

The history of Labour Legislation in India, however, goes behind the 1929 Act and owes its origin to the developments in Madras. Under the able leadership of Shri B. P. Wadia the Textile Workers in the Buckingham and Carnatak Mills at Madras had declared a strike in 1925. The employers considered this to be a wrongful act and invoking the provisions of the law of Torts, they filed a suit for breach of contractual rights, asked for injunction against strike and demanded damages. The injunction was granted in favour of the plaintiff and therefore again strike was started. Against this background Shri N. M. Joshi introduced a bill for the rights of a Trade Union. But the then member for Industries, Commerce and Labour himself promised to bring legislation in the matter and the Trade Union Act of 1926 was enacted. Before that the Workmen's Compensation Act was also passed.

However, the main body of labour legislation and paradoxically enough even the formation of the All-India Trade Union Congress owes virtually it's all to the activities of The International Labour Organisation (I. L. O.). It was considered that the origin of the first World War was in the disparities between the developed and undeveloped countries. As a result the treaty of Versille established two bodies to cure this ill viz., the League of Nations and the I. L. O. India was recognised as a founder member of the latter. This is a tripartite body on which each member-state nominates its representatives. For the foundational

conference of I. L. O. held in 1919 the Government of India nominated Shri N. M. Joshi as the labour member in consultation with the Social Service League which was then making the greatest contribution for the cause of workers. The I. L. O. has a very exercising machinery to see that some action is taken by various Governments on its conventions and recommendations. All labour legislation in India owes a debt to these conventions and recommendations of I. L. O. Also the formation of India's first Central Labour Organisation was also wholly with a view to satisfy the credentials Committee of I. L. O. It required that the labour-member nominated by Government was in consultation with the most representative organisation of country's labour. The All India Trade Union Congress came into existence in 1920 with the principal reason to decide the labour representative for I. L. O.'s first annual Conference. Thus the real fillip to the Trade Union Movement in India both in matters of legislation and formation of Central Labour Organisation came from an international body, viz., I. L O. and the Government's commitment to that body. A slave mentality and dependence on international political institution has thus been a birth malady of Indian Trade Union Movement and unfortunately it is not yet free from these defects. There is no wonder therefore that on its technical side also the trade unions have never fought and won for the improvement of real wages of Indian labour and right from war allowance of 1916 all it's effort has been to minimise the deterioration of the real content of the wages. This is the trend which must be reversed if any real nation building activity is to be achieved through the national movement of labour.

We have thus seen that the formation of India's first Central Organisation of labour viz., AITUC took place not because the existing unions wanted such an organisation, but because the international considerations demanded such a formation. We shall see at a later stage that the formation of INTUC–the second centre of labour movement was also conceived by political leaders as an imposition from above and was not a result of any corresponding urge on the part of workers. This is a very peculiar feature of India's labour movement and explains much about the existence of many independent trade unions. It also throws light on the question of inter-union rivalry. Any decision on questions of policy and law relating to labour that may ignore this history of labour movement is therefore bound to be unrealistic. Two significant features may be noted here that attended the formation of AITUC. At that time the only all India body of Workers that was spread over all the parts of country was the All India Railwaymen's Federation. However, this federation took a decision not to affiliate itself to AITUC as a federation, though individual unions constituting the federation were given a choice to affiliate at union level. Another significant feature was the fact that the Government employees were prevented from joining the AITUC as they were not considered to be industrial workers.

The attitude of AITUC to international labour movement has always been a major cause of many conflicts within the labour leadership of the country. In the beginning the AITUC was affiliated to the second International But in 1922–

-23 the Soviet Russia founded the third International and through its activities sent many emissaries in the trade unions all over the world. They all were directed and financed by Russia and served the cause of Russia's political designs. The Communists in India under the leadership of Shri M. N. Roy (who was expelled at a later stage) started militant revolutionary activity that resulted into two famous conspiracy cases of Kanpur and Meerut. In the beginning these communists were helped by all sections of labour leadership. The two conspiracy cases drew even such eminent personalities like Pandit Jawaharlal Nehru and Subhash Chandra Bose into the labour field to help Sarvashri Dange, Mirajkar, Sardesai, etc. There was however a great ambivalence in the AITUC over the issue of joining the 2nd or the 3rd International, Shri N. M. Joshi stoutly supporting the former body and communists the latter. But the communists used this question to disrupt the existing unions and attacked with all sorts of tactics all those who opposed to make AITUC a front of Soviet Russia. In the Nagpur conference of 1929 the communists forced the issue with a tacit backing of Shri Jawaharlal Nehru, the then President of AITUC and joined India's first national labour body to the 3rd International. It is said that this vote of AITUC was obtained not by clear majority but by manipulations.

Disgusted with these tactics of the communists, Shri N. M. Joshi came out of the AITUC and formed a new Central Organisation viz., National Federation of Labour. The second hitch between the newly formed NFL and AITUC came over the question of co-operation with the Royal Commission on Labour. While Shri N. M. Joshi presented the case of Labour before the Royal Commission the communists did not co-operate. The Indian National Congress supported the communist stand since it coincided with the Congress policy of non-co-operation with the British Government.

Thereafter till 1947 the trade union movement was characterised by many ambivalent positions over unity and disunity and a see-saw struggle between various poses. Soon after the communists took control over the AITUC there came a split in the communist camp itself. The extremists in the left camp started a new organisation under the banner of Red Body. However, this disunity was short-lived and within a year's time the Red Body was dissolved and merged in AITUC. Similarly many efforts were made over a long period of time to bring unity between the NFL and AITUC. The changes in political situation helped these efforts. The 1935 Act which brought provincial Autonomy gave to labour voting rights based on a delegates college composed of registered unions to elect their representatives on provincial legislatures. On this background the efforts for unity became quite earnest and a joint committee consisting of Sarvashri Jawaharlal Nehru, Jaiprakash Narayan, N. M. Joshi, Jamnadas Metha, S. C. Joshi and M. N. Roy (then working in disguise as Dr. Mahmood) was formed and finally in 1938 the NFL was dissolved and all began to work again in AITUC.

Here one side-effect of 1935 Act on labour movement needs to be mentioned. According to the Government of India Act of 1915 the first legislative

bodies were formed in 1921 and labour was given representation both in the Central and Provincial legislature, by way of nomination. At the centre this arrangement remained till 1947 and for all these years viz., 1921 to 1947 Shri N. M. Joshi ably represented labour in the Central legislature. With the provincial autonomy of 1935, however, as said earlier, an electoral college of registered trade unions was formed to elect labour representatives on the provincial bodies and the votes were cast on the basis of membership. This gave rise to bogus membership. Every union tried to show more members to acquire more voting power. In turn this gave rise to bogus accounting. The communists played a havoc in the trade union movement by systematic manipulation of bogus membership and accounts. The politics became rampant in Trade Unions.

On the heels of such changes in the trade union movement with similacrum of unity at the top and intense strife by all sorts of means at the bottom came the Second World War. In the beginning the communists opposed all war efforts. The Congress also favoured this anti-British line. Shri N. M. Joshi took a neutral line. His position was officially accepted by AITUC and independance was given to individual unions so as to avoid a open split in the newly achieved unity. But Shri N. M. Roy took a surprisingly different turn and supported very actively all war efforts. For that purpose he started a separate organisation and the Government gave substantial financial help and support to boost up this Federation. Of course, at a later stage when Russia joined the Allies, the communists also decided to support the war efforts and for this purpose they were released from the Jail while the Nationalists continued to be under detention. During the war the meeting of I. L. O. was not at all held and when in 1945 and 1946 it met under changed conditions the Government nominated labour representatives without any consultation.

At this Juncture, the Government of India became quite active on the labour front and Dr. B. R. Ambedkar, the then Labour Member of the Executive council to Viceroy with the assistance of Shri S. C. Joshi was engaged and exercised to take action on all the recommendations of the Royal Commission on labour. At their instance a fact-finding committee was appointed to study the then existing situation and during the period 1945-47 most of the present labour legislation was drafted and the conciliation and other machinery was well-conceived. In 1947 when the National Government was formed Shri S. C. Joshi, the then Chief Labour Commissioner was entrusted with the work of implementing the various provisions of labour law. The whole of the present set up owes a debt to the work that was done by him and Shri V. V. Giri the present Vice-President of India.

With the formation of National Government Shri Vallabhbhai Patel advocated very strongly the cause of forming a new Central Organisation of Labour. It was his view that the National Government must have the support of organised labour and for this purpose the AITUC cannot be relied upon since it

was thriving on foreign support and used to change its colours according to the will of its foreign masters. So in 1947 the Indian National Trade Union Congress was formed. For this purpose Shri Vallabhabhai had to rely largely on workers in the Mazdoor Mahajan at Ahmedabad. They were heavily drafted for this work. The congress was elated by acquisition of Power. The Government was almost openly partial to the INTUC. And thus the INTUC grew in size and eminence.

The origin of the INTUC ideology is said to be in the doctrines of Trusteeship of the capitalists and the co-operative loyalty on the part of workers propounded by Shri Gandhiji at the time of formation of Mazdoor Mahajan at Ahmedabad. This ideology has certainly a tinge of the values of Indian culture though the approach on this subject is half-hearted and lacks that wholesome practical perfection as we find in our ancient doctrine on works like Bhagwat-Gita and others. Besides this point, it must be said about Mahatma Gandhiji's doctrines on labour that they were conceived as if to meet the needs of a very doubtful situation and lack the sanctions of practical success or any sound philosophical basis. The stage of Ahmedabad where this doctrine was spelt out had the background of the six month long strike of textile workers at Bombay in 1926-1927. It is said by many knowledgeable people that the Millowners of Ahmedabad wanted the Bombay strike to happen and continue so that they could establish markets for their newly built mills at Ahmedabad. For this purpose, they are said to have financed the Bombay's strikers on the one hand and pulled Gandhiji on the other hand to experiment his concepts of Truth and Ahimsa in Ahmedabad amongst their own labour force. While the whole process served very well the designs of these capitalists, Gandhiji had little to tell his critics why as a national leader he did not exercise himself to settle Bombay's strike and camped himself only at Ahmedabad. In the whole functioning of INTUC right from it's start at Mazdoor Mahajan to its present day working the hand of capitalists and employers like Government cannot be ignored. The workers are indeed being too much cheated by politicians in all sorts of ways and their ignorance is exploited to serve other masters. It should be the duty of any commission on labour to come to grips of this basic fact of Indian labour conditions and strike at its roots if it wants to do any concrete and good task.

Coming nearer to the present day we happen to be too close to the events to lay down any assessment. After the Independence INTUC did spread its activities all over the country and claimed to be India's most representative labour organisation. In its earlier stage of development it drew largely on experiments at Ahmedabad. In the Congress Government at Bombay, Mr. Gulzarilal Nanda as the then Secretary to Labour Minister in 1937 had made some experiments like the enactment of B. I. R. Act of 1938. The experiences gained in this way largely influenced the policies of the Government of India and the way of growth of INTUC.

The National Federation of Labour started by Shri M. N. Roy during the war years continued for some time. But then there came a split in the Congress

camp and the socialists under the leadership of Jayprakash Narayan came out and under the auspices of the Socialist Party which was formed subsequently was found the third labour organisation viz., the Hind Mazdoor Sabha. Sarvashri M. N. Roy and V. B. Karnik joined the H. M. S. and with that the NFC had it's natural death. There were also others who were not satisfied with any of these developments and they formed the UTUC in 1948. This was largely the outcome of the apprehensions of splinter groups like the Bolsheviks and the R. S. P. that the Socialists would dominate the H. M. S. as the largest single group. The main idea behind the formation of UTUC appears to be to get representation on various tripartite bodies then formed by Government. Thus we got the four central labour organisations of to-day that have their place in the National Tripartite Bodies.

The tripartite bodies had their origin way back in the developments of 1929 and 1943. Due to the pressures of Railway Unions regular meetings were held between the Government and the Railway Unions since 1929. At that time Sarvashri V. V. Giri and S. C. Joshi advocated the necessity of tripartite bodies for all labour. On that basis Shri Ramaswami Mudaliar, the then Minister for Labour called the first Indian Labour Conference in 1943. There was also at hand, some experience of work done in the Port Trust where the system of Labour Nominee was introduced in the early part of third decade. Pooling the experience of these meetings, Dr. Ambedkar made the Tripartite a permanent body in 1944 on broad pattern of the I. L. O.

The more recent introductions to labour are the H. M. P. and the B. M. S. About the former of these two, it is too early to state anything by way of long-term importance. The Panchayat has its activity mainly restricted to Bombay and parts of Maharashtra. About the latter we have already referred to various written accounts in the opening paras of our submission. The BMS has introduced altogether a new element in the Indian Labour situation and it cannot be ruled out that the future may lie much in it's hand than what the immediate picture may hazard one to believe.

Many important conclusions can be drawn from this short critical review of India's Labour History. They may be summed up as under :

(a) The Indian Trade Union Movement has not yet consciously built up it's own centre.

(b) The birth of many of the India's central labour organisations is in political movements of the time. As a result their philosophies and approach are widely different, often diametrically opposed to each other.

(c) Of the older two bigger central organisations of labour the AITUC takes its inspiration from foreign countries while the INTUC owes much to the Congress Government and Capitalists.

(d) Most of the concrete and good work done in the labour field is due to the presence of dynamic individuals who were independent of politics. This fact coupled with the others viz. that there are yet many unaffiliated unions and federations of labour and that the unorganised section on labour is quite large throws a very important consideration while framing any policy on Labour.

(e) The Labour Legislation in India and the tripartite bodies are fashioned on the model given by the I.L.O.

(f) The Indian Labour Movement has not yet done anything to improve the real wages of Indian Labour and right from it's birth it's sole pre-occupation has been to minimise the drift in real wages.

We may almost say that India's Trade Union Movement is still largely a wing of her political apparatus and has not yet taken its proper office as a socio-economic institution of national life. It is, therefore, no wonder that it has developed only its organisational and legal side and suffers with almost a total lack on the technical side. As a result there has been no economic progress of Indian worker and the whole process of industrialisation looks like a super-imposed phenomenon on land-loving people.

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CHAPTER II

# The Current Economic Perspective

### Nation's Expectations from Labour

The expectations of Nation from labour appear to be few and simple. They are :

i) Labour should work hard, work with requisite skill and honesty, shoulder responsibility.

ii) They should make the Industry and Nation prosperous, and

iii) They should take their legitimate share in this prosperity and prosper together.

### The Implications of National Demand

Those who voice the above demands and ask from labour it's compliance assume certain conditions. What are the conditions under which the compliance of the above formula can be naturally obtained from labour ? This examination is seldom done with a seriousness that it deserves. Following are the conditions which must be satisfied to get the desired results.

(A) **Man must love his job** : This can be done either by Ergonomics (Right Man for Right Job) or by other motivations like career prospects, financial incentives, status-satisfaction or through human relationship. Then he should have good working conditions and a house near the work-place.

(B) **He should be able to prosper through honest work.** This includes many subjects such as reasonably good economic and industrial planning (which eliminates sudden retrenchments, job-changes and creates confidence about future), sound promotion policy, legal share in results of one's own contribution and a basic honesty from employer in these regards.

(C) **He should be able to develop himself on the job.** This means in-service training programme, latitude for making normal experiments, frequent appraisal of individual progress and recognition of all efforts and,

(D) **There should be no conflict between the progress of individual worker and progress of all workers.** This opens up the whole subject of job evaluation with its scientific wage differentials, merit-rating trade union rights, demarcation line between workmen and management and their respective prerogatives if any, concept of Bonus, Profit-sharing, concepts of income-distribution, decision -making process etc.,

The validity of labour legislation, government policy and the view taken by labour judiciary can be judged by the extent to which they help to bring

about the satisfaction of the above conditions. For without any effort at highest level to appreciate and foster these conditions, the national demand loses its sanction and looks like an attempt to exploit labour under pretext of national or public interest.

### The Expectation of Trade Unions from Government and Nation

The Trade Unions do realise that the above conditions cannot be fulfilled by any one party like Government. But the Trade Unions do expect the Government to be their friend in this respect and this includes creation of appropriate conditions in sectors of administration and industry where the Government happens to be the Employer. The Trade Unions also expect that the vested interests like capitalists or professional management or bureacrats should not be allowed to assume a holier-than-thou attitude in creating these conditions. Especially in questions like verification of accounts, implementation of assurances, prior and open consultation on matters of common interest the managements should leave no ground for complaint from labour. A fair treatment to labour and their unions is all that the Unions demand to take a constructive attitude on their part.

Unfortunately, none of these conditions are fulfilled to-day and as a result we find a lot of mutual recrimination, fault-finding and passing of blame to one another.

If the National Commission on Labour is to play a useful role in our Nation-building activity it must find solution to this impasse. The context in which the solution to these problems has to be found are : the state of the trade union movement, present state of economy and the present state of machinery to solve industrial disputes. We have already seen the first of these three factors. Now we shall rapidly state our view on the rest of the two factors and then present our observations and solutions in detail.

### The relevant parts of Economic situation

From the view-point of Labour Economics, the Indian economy is presented with two apparently conflicting demands, viz, (1) Increase in Employment by expansion of industrial activity and (2) Raising the standard of living of those already in employment. It is sometimes said that the latter must wait for the former. At present this is being done by policy-induced price rise which on the one hand gives a fillip to industrial expansion and on the other keeps the real wages of workers constant at their best and in a very large majority of cases diminishing. It also appears to us that this is the reason why no serious attempts are made to quantify in monetary terms the concepts like the subsistence, minimum and the living wage that are discussed ad nauseum in various awards and judgements. That, too, is the reason why the suggestion so repeatedly made by late Shri G. D. Ambekar of INTUC to maintain an Index of Minimum Wages

has not yet been accepted by the Government of India and a little exception made in case of Printing Industry in Bombay is not repeated elsewhere. The price mechanism has resulted in the distribution of National Income in such a way as to make the rich richer and the poor poorer, with the middle classes almost being vanished in the process.

There are two major shortcomings in the management of present economy which has led us to this state of affairs. Firstly, it is presumed that the capital formation that is needed for the growth of Industry shall necessarily come forth at the hands of the upper strata of society. That is the reason why the computation of labour gains into shares for workers has yet remained only a concept to be occasionally discussed in the meeting of National Productivity Councils. The hold of capitalist thinking on the economy is still much in evidence and even the little good which western concepts like Socialism possess are also not brought into practice. The second shortcoming relates to the management of resources. The ways of increasing productivity must be taken as guide-lines in this respect. In this field again though there is some discussion on the subject in circles of enlightened sectors of professional management yet taking a full view of economic management it has to be said that all these praise-worthy efforts are yet only a lip-talk that is done to appear respectable. The real leaders of Indian economic scene are not the industrialists or technicians or administrators but the financial lords. And their interest lies not in Industry but in Business; not in commanding wealth but in manipulation of gains, not in productivity but profitability. The path they have taken is to produce adulterated goods, capturing of markets through provisions for large wholesale and retail margins, by acquiring monopoly powers through corrupt methods, getting all licences for brands and manufacture through dubious ways and fall in for easy money. Following this logic many top executive and big posts in private sectors are filled by masters of manipulation, men of confidence in black markets, and relations by blood or marriage. They are meeting in common clubs with their political counterparts in the public sector. The state of these cliques has now come to such a serious stage and is reported to be so widespread that even the labour judiciary is not considered to be free from its influence. The quality control is totally absent from all sectors of industrial management and honesty is becoming a taboo in business. There is no wonder if in such a situation the really competent men in management field have to tread a path like those of middle class employees who can neither influence the important decisions of policy nor resort to street fighting to blow the winds of revolution in a blind fury. The competency is thus being relegated to the position of a showpiece in a museum meant for visitors of foreign capital. The solutions which the techniques of productivity can give are not made available to the Indian worker.

If the above two shortcomings of economic structure and management can be removed then the apparent dilema of economic practice will cease to be present. We shall then move to the questions of sharing the gains. The present problems like price-wage-price spiral influencing considerations of Dearness Allowance, the

erosion in real content of wage, needs of capital formation by making inroads into individual income of wage-earner will change their whole context. The march of people will sustain the needs of both fuller employment and rising standards of living. A real and good wage and labour policy can be chalked out only if these shortcomings arising out of the evil eyes of big money can be mercilessly and thoroughly dealt with by a strong legislation and administration at all levels. Otherwise there is no true solution to the Indian labour problems. Then it will have to be repeated as was quite often done by Shri N. M. Joshi that "If the pace of Evolution is slow, then the attractions of Revolution become great". Such are the dictates of current economic situation.

### Impact of Labour Legislation and Government Policy

What has been the influence of labour legislation and Government Policy on these events and situations? It may be said to the credit of the Government that it has done some good work in reducing the early fear of employees to form their own unions. It has given them a place in law, helped them to train trade union workers and has made the employers to take the unions somewhat seriously and to little extent partners in work. But beyond this the Government has been of no assistance to labour and has even been its opponent. Its concern to protect INTUC unions had led us to many absurdities on questions like union recognition and processes of labour conciliation. It's cumbersome legislation has made justice very costly to labour. The implementation of many awards, settlements, wage-board decisions, etc., has been very weak. The policy of indifference to trade unions persued by many public sector undertakings has set a bad example before country. It's concern for Industrial Peace has often been an encouragement to irresponsible work-stoppages as short-cut to get political gains for union-leadership. They have often been a hindrance to robust growth of unions and formation and influence of public opinion on central issues in industrial relations. Quite often these short-term considerations have led to permissions being easily given to effect a price-rise as temporary expedient and has ultimately paved way for chronic diseases that are injurious to both Industry and Labour. Quite often these policies are framed on purely political basis to earn popularity or prosperity to individual ministers or officials and for that purpose a blind eye is given to forces of rank indiscipline both in capitalists and labour. The Government has not been able to decide about the right occasion and form of its intervention in various stages of industrial conflict and more so in a situation of inter-union rivalry. As a result politics has played a havoc in these matters and there is absence of any purpose in legislation or policy on labour matters. The short term expediencies of the moment overshadow all long-term considerations.

This in short is the background and basic defects of Indian Labour situation. The politics has been a major cause of the formation of central labour organisations and determination of Government policy. This has brought in many ruins to labour. Added to this is the stranglehold of capitalist-thought over the management of country's economy and their influence in current politics.

In this situation a lip-sympathy is given even to matters of importance like productivity and labour is treated only as a means to achieve the ends of politics. The trade unions have yet to take their office as Socio-Economic Institutions of the country. The B. M. S. which is strictly a non-political Central Labour Organisation stands to correct this picture and the way in which it considers that these changes can be brought about are given in subsequent chapters following broadly the manner of questionnaire framed by the N. C. L.

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CHAPTER III

# Recruitment & Induction

## Current Policies of Recruitment

The recruitment in Indian Industry is done solely by the Management and the recruits are in the beginning all management's men. This is in some contrast with the view and perhaps even the practice in some other countries where the recruitment is made in consultation with the union and in any case the new recruit has to be a union member. Whenever the management cannot find its own men, then other methods like inviting of applications through advertisements, references to employment exchanges, etc., are usually followed. There has been however some tendency in evidence to accept introductions from Company's own employees. But this practice is largely confined to introductions by officers of comparatively high standing. As to the lower category of workmen, it is only their sons or daughters or such direct relations that are sometimes given a preferential treatment while considering the applications for ordinary vacancies.

A recent study of recruitment policies of many undertakings in both public and private sectors made by Shri Pareshnath Chatterjee shows that apart from the bench-mark jobs in various units, it is the previous experience that is treated as the most important single criterion for selection of candidates at higher levels. An another study made by Dr. H. K. Paranjpe entitled "The Industrial Management Pool : An Administrative Experiment" shows that the salary in the previous post also plays a very important role in the selection of candidates-especially when advertised.

## Shortages & Excesses

The studies so far made in respect of the shortage of man-power in some regions reveal that the shortage is chiefly experienced in respect of professional, technical and related workers (to the extent of 45 to 50 per cent) and regarding craftsmen and production process workers (to the extent of 30-35 per cent). It seems that the comparative immobility of Indian workers also account for shortages in some respects-for in many villages or even in vast tracts of a province like Assam, even the teachers are in short supply. We have not got however enough material to locate exact trends in this respect. Considerable difficulty is experienced in locating useful trends in this field because with vast unemployment in the country and urgent and expedient considerations weighing the many recruitment and selection programmes we find all types of people being taken for different jobs and then complaints being made about them that there is no fit man in the factory and that good or trained craftsmen are not available. In fact, the defect

lies with present recruitment arrangements which are far from satisfactory from technical angles.

Another way of looking to the question is from the view point of effects of schooling on job opportunities in the country. In this respect the analysis so far made by the Directorate General of Employment and Training shows that the largest number of vacancies are for engineering graduates, maximum demand being for mechanical engineers and next for civil and electrical engineers. This was true when it was written. The recent slump has however produced unemployment in even Engineers. It may be said in passing that with all our concern for food shortage etc., the demand for agricultural scientists and those trained in veternary science, animal husbandry and plant physiology is perhaps the least. The lot of science and arts graduates is in the most pitiable condition. Out of this lot the graduates in chemistry and the commerce graduates may have a little edge over others. The total output from these faculties however continues to be about 90% of the total output of Indian Universities and adds to the frustration of the educated people. A recent seminar of the I. L. O. for Asian region has revealed that as a result of national drive to root out illiteracy we find to-day that in a large number of manual unskilled jobs which were previously manned entirely by illiterate workers many literates are also working together with the illiterates. But the literates slowly turn sour and feel that beyond a certain point literacy confers on them the right to a white collar job. This meddling of different types creates many a labour-relation problems. On the other hand with the rapid pace of industrialisation and subsequent mechanisation there is a general shortage of craftsmen, technicians and technocrats leading to increased mobility, and calling for a need for periodical review of service conditions. As a result some countries in Asia have enacted legislation compelling industries to train a certain number of craftsmen from among the adolescents in different trades. Some have suggested the setting up of a national man-power programme which will aim at imparting some crafts-man training to the new-literates. A shortage of skilled man-power on the one hand and an army of unemployed literates on the other, inevitably means that thousands of square-pegs are required to be fitted in round holes.

## SELECTION PROGRAMME

### Aptitude Tests

A search for solution in this respect naturally leads one to a debate on the role of aptitude tests and induction. Of these two, the psychological tests for recruitment according to aptitudes are open to much controversy, not because there is anything theoretically wrong in their introduction but because their actual practice is attended with many difficulties. The science and practice of Ergonomics is yet ill-developed in this country and a hasty copying of these methods from western schools is almost sure to inflict great injustice on groups of adolescents from Indian villages. The socio-cultural background of Indian Society is altogether different from that of

western countries and though a few boys from urban centres may take a fancy for these so-called sophisticated techniques yet quite a fine potential of the majority of Indian population may be blocked career-opportunities, if a mad fashion in this regard is allowed to take a hold of half-baked bureaucrats. An early selection of a young man for an appropriate career according to his in-born traits and characteristic features is not a new concept to Indian civilisation. In fact, this was the basis of that ill-understood but worthy old system of Varna–Dharma in its origin. The suggestion of a right functional career to a student according to the classification of qualitities and works was done by the Teacher in ordinary course and by the Seer or Rishi in doubtful or difficult case. In many branches of Indian Yoga the development of psychological faculties which qualify a man to take judgements regarding suitability of men for various careers at an early age are treated to a point of perfection. But like many other neglects of our own treasures of wisdom, the so-called elites of the day are still blind to these sources and directions of practice and have made our Society a rootless agglomeration of individuals. It is not difficult to embody once again those sound and perfect practices of our past and put them to a confident use. In the fields of psychological practice (and labour problems are largely a domain of psychology) there is very little for us to learn from children of West-except for a few uniforms appropriate to Industrial Discipline. On the contrary there is much more with us to give. It is time that we take up the challenge in this respect and tell our people the potentialities they possess and inherit from their birth and early training.

**Regional Rcpresentation**

This discussion leads us further to the much debated question of treatment to be given to the needs of regional population. At present the question is discussed in altogether a different context than what we propose to do here. The current stress is on representation being given to local or language groups in employment in that region. This is a natural demand. It should not be ingored or upheld to the point of generating a vengence and animus against any group. It cannot be elevated to the point where it is likely to become a threat to national integration. The demand has some merit when it asks for preference in jobs like Class III or Class IV categories for which there is an abundance of labour supply from people of that region and positive preference should be given to the local population in all these non-technical manual, clerical or administrative jobs. In jobs requiring technical competence however merit should be the primary criteria and all others secondary.

In fact, the demand is largely a product of large-scale unemployment and resulting frustration. By the way it also shows that Indian Labour is not immobile and can be migratory in character. In our opinion, the regional or language considerations shall be having some natural sway in all

considerations about recruitment. Beyond that point there is no merit in making any special emphasis or such other consideration. For, it may divide our people into antagonistic camps. The whole country should be treated as one unit. Any attempts of colonisation or monopolies in one industry or region for any segment of population will create endless troubles and must be discouraged. A more prominent feature of regional or linguistic considerations which is forgotten in present discussion is a fact that there are in our country various groups or communities who have developed specialised skill in certain respects, e.g. The Sindhis and Gujaratis have earned a name for business, Punjabis for small-scale Industry and Military Service, Madrasis for hard-work, Udupis for catering etc. This is a specialised trait and acts as a brand name for business advertisement. Different regions or even castes can in fact take pride in developing certain functional perfections and their sense of pride provides guarantee for maintenance of standards of group discipline. These are national assets so long as they do not overstep their limits. They indicate the real office for these considerations, if any, because for man to jump from individual to Nation or World, he requires certain intermediate stations of pride like family, caste or region and to the extent they are harnessed to acquire good qualities by attraction of fair name and maintenance of standards, they have a utility in the difficult march of totality. Beyond these considerations and their natural impact no consideration should be given to regional or language formula in determination of jobs, i.e., in the field of labour.

### The Backward Classes

The position of backward classes or communities, scheduled castes and tribes stands however on a different footing. They are victims of accumulations of history and there is a need to rapidly remove all causes that keep this distinction. The way at present adopted is to reserve for them a certain number or percentage of vacancies in each office or industry. We feel the system has a utility till such period as it becomes no more necessary. But these reservations should be as far as possible for routine jobs or works. All the jobs that are promotionary in character or involve specialised knowledge or skill should be filled on the basis of merit in the larger interests of society. The right view about backward classes in this regard is to afford them more training facilities with better or longer stipends if need be, age concessions, etc., and help them generously to come to the standards of the rest of the community. The whole idea is to abolish the distinction by abolishing the causes that created them and not to maintain them either as a privilege or as an obligation as a permanent feature. In this respect the most neglected section is that of nomadic and semi-nomadic ex-criminal tribes and they deserve a priority of attention. It is a sad fact of the day, that they do not get even the concessions and encouragement offered to scheduled castes and tribes.

### The Physically handicapped

The treatment demanded by the physically handicapped sections such as the blind, the lepors etc., has to be viewed from a still different angle. This

is in fact, a field of specialised study and advice. In these cases, the distinctions cannot be abolished. It may not be possible to keep reservations on any uniform pattern. Nor is the giving of dolls a solution in this respect. Even considerations by way of charity spell an unkind reaction in the minds of many disabled individuals. On the contrary it is widely noticed that a person having defect in one organ or sense quite often can perform or is found capable of developing a remarkably distinct and higher quality of work through a superior function of some other faculty than a normal individual. A concentrated effort in this direction can produce out of the physically handicapped, a work-force skilled in specialised functions which can by the quality of its performance establish a trade-name and a position of respect in the Society. A serious attempt should be made to fathom the possibilities of this line of development and till that can be achieved co-operatives of workers who are physically handicapped should be given special protection and encouragement. A reservation for them in Government or other service may be tried, but not much confidence can be placed in this process since we have a large number of able-bodied unemployed.

### Man-power Planning

This leads us to a still larger and woefully neglected issue of man-power inventory of the country with a special reference to traditional classses of artisans. The process of industrialisation as it is being planned in India is based on utilisation of material resources of the country with the help of ready-made technology provided by developments in western countries. There is already a great need to develop technology suited to Indian conditions to lessen the social costs inherent in a change-over. In our opinion there is a still greater need to base our planning on the basis of quality and quantity of man-power available in the country. The plans and evolution of technology should be based rather on the assessments shown by the man-power inventory of our country and suited to its needs. We have a large class of artisans who are highly skilled in their traditional branches of work. Instead of giving to them a technology that can uplift their standards or bring economies in their processes an organisation we have started building up industry on a text-book model and are trying to fit in the human material into our fantastic creation. This is a wrong approach to the labour force of the country and the whole problem of recruitment of right type of personnel has been created due to these wrong priorities and weightages given by our planners. We should develop technique of work and organisation of production process that will not allow the technical skill of our artisans go a waste but should harness the technique of science in such a manner that will put our people to maximum benefit and service.

Let the plans be made suitable to the development of existing labour and not the labour cornered and pressurised in the name of a call for adaptation to modern conditions. There is nothing sacroscant in this mad and blind faith in modernity. True modernity consists in taking strides on original and sound

lines. Let us fit our jobs to our Men so that they become an aid to them to rise with their skills and we shall solve half the problems encountered in recruitment or induction.

### Women Employees

This is a question which goes at the root of the traditional pattern of life and is attended with more serious question of the concept about family life in industrialised society. The place of women in society and home and the distinctive features of woman-hood are distinct from man-hood. On this subject, there should be a common admission in India that women do not look to the job as a career in the sense men do and in many cases the jobs are taken as a inevitable evil. There is no need for labour legislation to disturb these concepts. The man's earnings should be based on consideration that he has to support a wife who is a non-earner. On the other hand women who seek job opportnuities should get a proper regard for their distinctive needs and predilections, without sacrificing an equality of treatment in other respects. They should be entitled to equal pay for equal work with men. A reservation of certain occupations like nurses, primary teachers etc., as preponderately for women, their posting on non-transferable works, provisions for up-keep for children near work-place in industries having substantial women staff besides the continuance of present provisions like those of maternity leave, etc, should be business of the state. The Government should frame and constantly review suitable legislation in this regard and ensure its compliance. Besides these enabling provisions, however, there is no need to have any special provisions regarding recruitment of women and a special fancy for them being kept as sales-girls, receptionists, private secretaries, etc., should, if anything, be discouraged. The woman should be regarded as a Mother whose place in the home is central to all her thinking. However, a list of jobs should be prepared that can be done at home like those of preparing pickles, embroidary articles, bidi manufacture, cashew-nut work, etc., and its monopoly may be given to service institutions which assemble these articles from women who perform these works in their spare-time at home. Even the handloom industry can be managed by women in this way. This will certainly give a great filip to many houses where women will be able to earn without disturbing the family life. This is the real place and office of casual labour.

### Casual or Seasonal Labour and Badli-Workers

At present there is a large body of workmen who are employed as casual labour. There is no difficulty about their recruitment. But the real difficulty starts afterwards. While the casual nature of the work is an argument in justification of the employment of casual labour, the large recurrence of such work is an argument against their retention as casual. Specially on works like Railway Construction, Government Projects, etc., the labour taken on casual works of a recurring nature should be taken as permanent unless they refuse to ingrate with the mobile nature of works. In Industries that are seasonal in nature but permanent in location and structure such as Sugar, Ginning and Pressing etc, there

should be a permanent muster-roll and seniority-list of employees working for a fairly long period in each season. For all practical purposes they should be treated as permanent unless on their own they abandon the work. They should be granted a retaining allowance during the interval when the industry takes it off.

The system of taking Badli workers also requires some regulations. In this system in its present form the same man stands like a permanent recruit and has to go through the hazards of recruitment each day year after year. It is not clear from present industrial practices, how far the Badli system is a necessity of modern industry. It appears to be more like an exploitation of labour. In any case, the system that never recruits a man whom it appoints for work or the existence of works that are done by changing men who are never recruited as such, is an anachronism of the past and should be discouraged in the future. All such industries must be compelled to maintain a list of badli-workers and the period of the badli work done by them should be treated in the same way as a probationary period of fixed duration after which they should necessarily be made permanent. Some sort of unemployment insurance scheme for such workers who are listed on badli operations and a fixed payment to be given to them when they are refused jobs during their semi-probationary or badli time of service will also exercise a necessary check in this regard.

**Probationers and Apprentices**

A consideration of the system of probation and apprentice-training can also be considered as a part of recruitment programme. These systems are adopted in the modern industry as a part of pre-recruitment operations. Not much care is however given to this vulnerable part of man's service career. This is a time when the Industry can build it's own image in the mind of the worker and the worker forms his opinion about the industry. This as well as the process of induction appear to-day to be an annexure loosely added to the main theme. Their main position is that of Introduction and preface which can excite one to enter into the contents of main work. This is not done at present and a recruitment by whatever method-through introduction, interview or a written test is taken as a sufficient attention to put a man on the job. The probationer and the apprentice do not need much of an examiner or a task-master as their boss but a teacher and an experienced elderman who can give them a right view about the work-situation and work-life. One of the main defects of our recruitment programme is that in spite of it's patent defects it is looked upon as a all-too-sufficient care to consider the probationer as a regular member on work with the only addition that he can be fired or dismissed at anybody's sweet will. We have said at the beginning of this chapter that every recruit is management's man at the start; we may add here that our system of probation is based on such unscientific lines that at its end it makes the worker permanent only with a will to teach the managements a lesson. While the trade unions know this timing as a sensitive period to enlist its members, the managements have yet

to realise the potentialities of this most important part of the service-career of each individual.

## Induction

Induction is defined as a technique by which a new employee is rehabilitated into the changed surroundings and introduced to the purpose, policies, practices and facilities of the organisation. In India with the exception of some progressive employers, induction has not yet been properly understood or developed in its real sense. The worker gets his knowledge about the factory from the gossips with his co-workers and learns about the rules of service or standing orders only as his boss scolds him for its alleged breach. This is not an efficient way of handling human element in service. The Science of Management feels the need of having induction programmes even for the Superior to introduce them to the art of supervision and make them belong to the men in administration. At the start of a job-career however, there is a special need to have a well thoughtout induction programme so as to avoid waste of time in learning through wasteful years and experiment. Moreover each establishment has its own peculiarity and it is better that a new recruit is made comfortable by acclamatising him through a short-course of induction.

## Promotion

This is one area of industrial relationship where the heart-burning is found to be acute and wide-spread with a devastating effect on morale. The nepotism and corruption have coloured the present practices in this regard to such a great extent that no words will be sufficient to condemn their evil effects. When they are tried to be substituted by methods like those of Public Service Commissions they bring in another defects. Being removed away from the field of actual service or having little tangible interest in human placement they often clinge unwittingly to a sort of favouritism that suits their fancies. Moreover these commissions too are not free from the system of spoils and appointments on these commissions themselves have become a matter of interest.

The more popular system of promotion in our country is what is known as seniority-cum-merit system. This system is open to many abuses since it can disregard seniority at any time and confer merit where it is not easily visible to the common eye. There is little of serious merit-testing in our Industry and the word has come to mean another substitute for favouritism. It seems that instead of having such a mixed system it is better that there exist different lines of promotional channels one by way of seniority and another by way of merit. In merit-testing the golden rule is that it is assessed on independent valuations put by different men in different situations–rather than by solitary individuals or by committees that soon degenerate into cliques.

A pre-requisite for a scientific promotion policy is to have well-accepted job descriptions and job-specifications. They are the pre-requisites

for a properly constructed job evaluation programme too. Each important job in each industry should be precisely stated and the qualities required for the job written down in manuals. Then a proper search for these qualities by well-tested methods such as examinations, group-interview of different varieties ranging from interview of each individual by a selection committee to that of group making its own selection on the basis of marks given through a purposive debate, aptitude tests, problem-setting tests, work-appraisal techniques, etc., can be undertaken in an agreed fashion. There is no dearth of promotion methods that gives objective or near objective results in human selection but the will to avail them must be present. The malady of our economy is that there is no real concern for productivity or merit evaluation in our management. We are not prospering by earning a name for our product or service. The top bosses of our financial world are content with easy money methods, black-markets and manipulations as narrated in previous chapters. In these circumstances all cry for a sound promotion policy becomes a cry in wilderness. Indeed the stage is so bad that it should be reconsidered whether the promotion should be taken as a management prerogative.

Another view of a good promotion policy consists in looking to it not as an exercise in finding right person for a given job, but in using and promoting the existing talent on a developing basis. This is the object of all personnel development programmes and they carry a great merit for all times. Under this system as it is practised in some countries each worker gets a chance to discuss his on-the-job opportunities with the top executive of his concern every one or two years on the basis of his actual performance during the interval of such two sittings. He is thus offered a suitable change either by way of transfer, in-service training, promotion etc. The whole idea is that the Company is equally interested in its men, that they want men to develop on their job very fast and stand to assist them in their endeavour. It takes each man into confidence in assessing his development and individual progress and opens for him greater avenues to exhibit his skill. This exercise is taken for each individual after every fixed term of comparatively short duration and is invariably linked with granting of an additional increment or two, or substantial promotion to higher post etc. It defines for each individual a plan for his progress on the job and is ready to alter jobs or working factors to suit the necessities or requirements for the development of each man. This is in fact an ideal policy on promotion and put in deserving hands it can boost up the morale of our workers to unimagined proportion.

What is needed in all these spheres of recruitment, induction and promotion is a bold and fresh approach that looks to the problems in their face and harbours no fear for experimentation. But instead of this we find today a lot of conservatism. We have seen earlier in this Chapter that in advertisements that appear in news-papers, experience is quoted as the most desirable trait for recruitment and the salary of a recruit is often fixed if

relation to his previous earning. This preference for experience as a criterion in recruitment finds its most vocal expression in recruiting or promoting persons to the heads of personnel departments in industries. And yet curiously enough it is in personnel department itself that previous experience can become a serious obstacle in developing good personnel practices. Experience has got several faces and factors and in human relationship and industrial setting there are hardly two situations that can be called similar. The likening of the areas of previous experience with the areas confronted in the new situation tends to mould the existing situation into the pattern of older one. This gives rise to different conflicts and predicaments and blocks progress. The practices of one area are blindly infected into other and the much-needed freshness of approach seldom appears on the scene. The fold of experience stagnates the creative urge. Since in our newly developing industries there is much of unbeaten track to be travelled, a wide variety of experimentation and large-scale comparison of notes between different original lines of endeavour appear to be best suited to us than declaration of any set method of promotion as a guide. Indeed it will be correct to round up the theme of this chapter with the concepts that should govern the recruitment of Man who is supposed to recruit others and methods of promotion to the post that is supposed to articulate the policy on promotion. A fresh and noble vision must inspire those who are entrusted with the work of recruitment and promotion. They should come from fields of proved social service and should be those who have interest in developing men on their jobs. Given this, there are many forms of promotion policy that can give service to our case. In various facets of a personnel development programme there is in other countries and can be with us a harmonious combination of on-the-job training programme, selection-method and the follow-up technique increasing the utility of method by undertaking various case-studies. This is the best method that a good personal officer or manager can adopt and then he will never be required to take direct recruits for top posts in his concern. It should be as far as possible, a rule to promote men from an existing family of workers in the industry. Given this background an employer should welcome his employees in equipping themselves with more education in universities or trade-schools while on the job; grant them study-leaves when appropriate to do so in all cases and encourage them by grant of additional increments when they pass outside examination. All ways should be handled that promote knowledge and skill in men and the exercise of these qualities on job should get an appropriate reward. An investment in the development of Man is a worship of the manifesting god and all resources should go to seek His appearance in Man. For besides the financial or economic betterment that such service may bring to industry and its entrepreners, the development of man is the aim and crown of all Human Culture and stands above the mere economic considerations that attend the programme of personnel development as a part of a good promotion policy.

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CHAPTER IV

# Conditions of Work

## Holidays and Leaves

The provisions for paid holidays, previlege leave, casual leave, sick-leave, hours of work, overtime, etc., have been written into law by virtue of the enactment of Factories Act, the Shops and establishment Act, and the Employees' State Insurance Act, by decisions given by various Tribunals and even by Supreme Court and are parts of many standing orders and collective bargaining agreements. Thus the workers in India have got some legal and contractual rights in this regard and there is nothing much that requires to be added by way of structural alterations apart from minor or marginal improvements that would be found necessary as and when demands are made by Unions. The main shortcomings in this regard are two, viz (i) The implementation of these provisions of law is very defective specially in industries and areas where labour is still unorganised, and (ii) by and large the factory workers are getting less facilities by way of paid-holidays, leave, etc., than the clerical staff. As a result absenteeism in the factory staff (specially where the work is done round-the clock and night shifts are a routine) is rampant and even leave without pay is required to be taken by labour. Ours is a very old and living culture and the large majority of people do celebrate many occasions and festivals round the year. This is quite a good part of culture that should be encouraged in all ways. To this is added a recent concern to honour as far as equally, the festivals or important days observed by each religion and birth or death anniversaries of the more recent of National leaders. The complaint about excess of these holidays and leaves in certain industries has been made by employers and some tribunals have given judgement curtailing the existing number of holidays. In our opinion, the main defect lies in the adoption of calendar for prescription of holidays. A careful look at our calendar will show that many of the religious festivals of both Hindus and Muslims are on Full Moon or No Moon days. The old Indian practice of giving holidays was therefore based on lunar calendar. If this is done again and to it are added all the important holidays that are observed as days of religious or national importance by our people then we shall find that the weekly off on Sunday gets properly changed into a new cycle of holidays suited to our way of living. Till such time as this natural arrangement is not done a pull is bound to be exercised by demands of social life on provisions made by industries in a westernised fashion with little regard to the needs, evolution and pattern of our socio-religious life. The gulf between the factory workers and clerical staff in matters of holidays needs to be

abolished since it has divided our people into antagonistic camps of white collar and blue collar workers, the former being considered as more privileged than the latter. A change-over to cultural considerations for prescription of all holidays and leaves, instead of the westernised style of week-ends (without weekly pay) can provide a right occasion to bring about this change on a national scale. As far as possible the whole nation should rejoice, pay and work on the same day and time just as the night and day are same for all people, and they should be the days when we collectively remember our own past. At present many of our festival days are being curtailed from holiday list and this is an unjustified or rather a harmful way of curtailment. The new calendar of holidays that we are suggesting will have a vast sanction of the needs of many unorganised sections of labour also like agricultural labour, gumastas, domestic servants, etc.

As regards the provisions of leaves, the same considerations apply as enumerated before. The workers in factories and those in unorganised sections like shops, etc., have got fewer entitlements to leave than the clerical workers or workers in big organised industries. It should not be difficult now to have a common natural consensus on this point. A ten days of casual leave in a year and 10 days of sick-leave (with right to accumulate) should be a matter of right for each worker. The employers are much insistant on the point that leave should not be considerd as a matter of right. This is an unnecessary hindrance brought by a false sense of mastery. The casual and sick leaves are per force, required to be granted without previous sanction and the question of employer's right in this regard only serves to irritate the worker. He cannot develop any sense of belonging to his establishment if he cannot absent himself from it even for a casual reason that occurs once in a month or so, or when he is indisposed on health grounds. The annual vacation with pay the privilege leave can be understandably taken with previous consultation and arrangement as far as its overal incidence. In this respect there is a suggestion made in some quarters that the total amount of privilege leave should have some relation also with the number of years of service, the workers who have put in longer service should be allowed more privilege leave. This may serve well to counteract monotony of routine and keep freshness in work. It will also pay a tribute to long and loyal service. For the same reason, the right to accumulate all sorts of leaves (except the casual) should be unrestricted and the casual leaves may also be allowed to be converted into other forms of leaves by mutual agreements between Unions and Managements. Leaves should be granted for attending trade union conferences, and all the period required to attend various tribunals, negotiations etc., should be treated as on duty. In this respect the present practice and settlement in the Banking Industry can serve as a guide to others.

Regarding the rest of the part of questionnaire, relating to provisions of safety and Industrial Health Service, we seek to present our views at a later stage.

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## CHAPTER V

# Trade Unions and Employers' Organisations

An increase in the number of political parties with a desire to operate their wings in the labour field has been the biggest single factor responsible for the recent growth in the number of trade unions in the country. Consequently, in such unions as are being conducted with a political end in view, the emphasis is more on trade union action at a time and in a manner suitable to the designs of the political parties, rather than on genuine, constructive and regular trade union activity. The publicity craze of political leaders in the trade union field has promted, during the last decade, more agitations than the interests of workers involved would have otherwise demanded. Agitation consciousness on the part of the workers and staff resistance on the part of the employers to even legitimate demands of their workers, both have been increasing progressively during the last decade. There is a growing tendency among the employers and their organisations to treat their workers as their enemies, to exploit every provision of labour legislation to cheat the workers of their dues, to evade implementation of agreements and awards, to follow dilatory tactics by going in appeals, etc., and thus to provoke even innocent workers into some sort of action which can be declared subsequently as 'illegal'. Mutual distrust between trade unions and employers' organisations is on the increase. There is growing sense of hostility between the Government and its employees. The latter feel that instead of functioning as an ideal or model employer the Government has proved itself less enlightened than even some of the employers in the private sector.

In view of the national objectives of establishing a Socialist Society and achieving planned economic development it is imperative that the trade unions and employers' organisations should be constantly conscious of these objectives and apart from being serviceable to their members they should aspire to develop themselves into effective instruments of National reconstruction. In economic terms this would mean that they should become consumer-conscious. For, consumer-consciousness is the nearest economic equivalent of National consciousness. They should consider themselves responsible not only to their own members but to the entire Nation also. This should inspire them to take the general public into confidence on all industrial matters, to educate the consumers about their respective approaches and attitudes and to enlist their moral support in case of Industrial conflict.

Trade Unions, under the changed circumstances, should take lead in organising consumers' conferences and in developing consumers resistance, they can further help in a big way the co-operative movement of the country by participating themselves in it.

In co-operation between themselves and jointly with the Government, they can undertake programmes of social welfare for their own members as well as for workers of other industries residing in their colonies.

To-day most of the Trade Unions and Employers' Organisations have been busy only in protecting and promoting sectoral interests of their members. They have not given a serious thought to the problems of evolution of a better society. They are not in the habit of taking a comprehensive view of the national economy. If both determine to adopt such a view the differences between them will be considerably narrowed down. For example, our national economy demands that no one should be thrown out of employment and that the largest possible number should be given some employment or other. The insistance of the employers including the Government of India on introduction of automation, electrification, dieselisation or mechanisation is thoroughly incompatible with this supreme need of the nation. The Trade Unions are agitating in the right direction against such moves. This would help maintaining a high level of employment. It is unfortunate that the Government of India in it's capacity as employer is not adequately helpful in this regard. On the contrary in its own departments and industries it is carrying out mass retrenchments which are being rightly opposed by the Trade Unions. The Government should follow the golden rule of "No Retrenchment without alternate employment".

The effectivity of the Central Labour Organisations in ensuring implementation of agreements on national level by their constituent units is adequate by and large, though there are examples of constituent units not implementing such agreements under stress of local pulls and pressures. There have also been cases of ineffectivity of National Federation against the defying constituents. But broadly, such cases are exceptions.

Difficulties do arise in reconciling the actions of the employers at the plant level with national policies evolved jointly by unions and employers organisations. The only way to resolve such difficulties is to strengthen trade unions so that they be able to force the employers into right course of action.

### Trade Union Leadership and Multiplicity

The inter-union code of conduct has not been effective in regulating inter-union relations and avoiding inter-union rivalries. The code cannot be made more effective so long as there is no change in the basic attitudes of the trade unions. The impact of political parties on the Trade Union Movement has been con-

siderable and we have dealt with this problem at length elsewhere in this memorandum. Influence of outsiders on trade unions is overwhelming. It is so because the Trade Union Movement is in the initial stage and the workers do not feel confident about their own capacity to lead themselves. They are also nervous about their ability to function properly at the negotiation table. Hence the leadership of outsiders. It is recognised by workers that these outsiders should be dispensed with as early as possible, once the workers become self-reliant. It is also true that political exploitation of workers can be possible through the medium of outsiders. Elimination of outsiders from the Trade Union Movement will considerably liberate it from political domination. In fact, trade union is the organisation of workers, for the workers, and by the workers.

The definition of the outsiders is not easy. The difficulty arises particularly in placing such of the leaders as were employed formerly in the same concerns and resigned or are victimised subsequetly. In fact, they should not be treated as outsiders.

Even regarding employees who are trained systematically for leadership, some difficulty is experienced. Once trained, they have a tendency to allign psychologicaly with outside middle-class leaders. They spring from the proletariate but cease to belong to proletariate psychologically. Special care should be taken to ensure that such a psychological drift does not take place in their case. Training them in the art of leadership is essential. This can be done through the programme of workers' education, special study classes by unions and practical experience on the field under the guidance of matured and experienced trade union leaders.

### Recognition of Trade Union

The talk of Trade Union Unity is very much in the air. The multiplicity of unions in different industries has certainly weakened the position of Labour as a party to collective bargaining and rendered it difficult, if not impossible, to ensure industrial peace there in. Though all unions subscribe, at least apparently, to the motto 'One industry : One union', there is no serious effort in any quarter to bring about unity on industrial level. This indicates that either there should be launched a more systematic and serious move to achieve trade union unity or all concerned should learn to live with the fact of multiplicity of unions.

It is obvious that real and abiding unity cannot be brought about only through the negotiations between leaders of different organisations, since their ultimate objectives and consequent strategies are markedly different. Even if leaders at the top arrive at some sort of agreement through mutual adjustments, the success of such an experiment cannot be guaranteed, unless unity is also built up simultaneously from the bottom. Unity through artificial adjustments of different claims cannot be abiding. The trade union unity, to be lasting and effective, must be the natural outcome of the unity of purpose at the bottom.

There can be only two methods of achieving unity. Workers in general should be made unity-concious through appropriate education and propaganda to that effect, so that would bring appropriate pressure to bear upon leaders of differing unions and force them to either unite or quit the field. This is the surest way to overcome the hurdle of differences in objectives and strategies. But this envisages a long-ranged and patient programme and campaign of workers ' education. There is no short-cut to success in this respect.

The other method has been tried by the Govenment of India in the P. & T. department. In that case, the Government took initiative in bringing about trade union unity, launched in Realignment Scheme and pursuaded different unions to fall in line with it. The experiment has been a success, though some cadres with less numerical strength feel that they are not protected adequately in absence of their separate cadres-wise unions. Clerical Staff in Telegraph Offices and the S. B. C. O. Staff belong to this category. Nevertheless, these lapses are capable of being remedied with suitable adjustment within the frame-work of the present scheme. The National Federation of P. & T. Employees has nine categorywise associations federated at the national level and co-ordinated at the circle, the divisional and the branch level.

This method is less effective as compared to the first one. It's utility is limited. Much would depend upon the inclinations of the leaders of the existing unions who may or may not opt for any such realignment. The limitations of the efficacy of this method would be evident if it is tried on the Indian Railways. Presently, there are three national federations, two of them recognised and one unrecognised, and several general and categorywise associations functioning on the Railways. The growth of categorywise associations has baffled the leaders of the general federations as well as the administrators. While the principle of 'unity' is sound even as a practical strategy, the categories with less numerical strength could not ignore the fact that their cases were not properly represented by the general federations before the administration or the second Pay Commission, because they had no voice in the general management of these federations. The numerically stronger categories had naturally a greater pull. To coerce employees of weaker categories into compulsory membership of any federation about whose judicious behaviour they are already, and justifiably, apprehensive would amount to an encroachment upon their constitutional and democratic right. And yet co-existence of general federations and categorywise associations would present a very complicated and chaotic picture which is not in the best interest of the employees themselves. Application of the P. & T. formula with appropriate modifications is a method worth trying on the Railways. True, the number of categories on railways is far greater. But they can be grouped into twelve or thirteen trades. Different categorywise associations can be federated tradewise and tradewise federations can, in their turn, be confederated at the national level. Co-ordination between different constituent units of the

confederation at the Zonal, the divisional and the branch level can be ensured by following the pattern of the NFPTE with suitable modifications. This is practicable as well as advisable. For, while it is detrimental to encourage only categorywise associations, it is no less dangerous to impose, in the name of unity, unwanted leaders and organisations upon unwilling employees. Unity should be evolved from below, and not imposed from above.

Will the Government take initiative in this respect? And, in case it does, will the leaders of different federations, unions and associations respond favourably? One does not know. Anyway, the game is worth the candle, though the limitations of this method are quite obvious.

One fact is quite clear. The success of this method in government departments and public sector undertakings would pave the way for its success in the private sector industries. Even so, even this method is bound to take pretty long time to bring results.

The first method envisages education of workers in genuine trade unionism which is distinct from political trade unionism of communists. The Marxists have always held that genuine trade unionism is opposed to the ultimate object of communist revolution, in as much as it seeks to give immediate relief to workers which would minimise their enthusiasm for ultimate revolution. Contented workers can never be the canon fodder for bloody revolution. Communists have, consequently, perfected the technique of capturing unions through all questionable and unscrupulous means and exploiting them for the furtherance of party ends. This ulterior motive of the communist trade unionists is the biggest hurdle in the way of trade union unity on the basis of genuine trade unionism. Unless these elements are eliminated completely from the field, real trade union unity is impossible. This can be achieved only through education of workers in trade unionism.

Educated workers will force their leaders to keep the trade union movement free from all party politics. Exploitation of Labour for political ends would become impossible if workers are convinced that trade unions can deliver goods only if they are conducted on non-political level.

Both the methods envisage a patient approach and immediate cultivation of the living with the fact of multiplicity of unions.

Unity brought about by legislative measures would be neither real nor enduring. And worse still, it would curtail the fundamental right of workers to form their own unions and choose their own leaders.

It would be unhealthy to impose restrictions upon the right of workers to form unions of their choice, by making registration of such unions increasingly difficult. The present provisions for registration are alright and should be allowed to continue even in future.

The present procedure for verification of union membership should be improved upon so as to expedite the process.

Recognition may be granted to unions on industrial level on national plane, or on industrial level for local areas; and on plant, trade or category level.

In industries like textiles, engineering, sugar, cement, etc., recognition for local areas would acquire greater importance, because of the peculiar characteristics of these industries.

In Railways, Banking, Insurance, etc., recognition on national plane would be more important, though provision for recognition of local level, or on unit level will also have to be made.

The rule under which any union having 15% or more workers as its members is entitled to recognition is obviously unsound. Theoretically, it gives room to recognition of six unions in an industry, though on practical plane this ceiling of six may be reached only in exceptional cases.

We propose that recognition on industrial level be granted, in the first place, to any union having membership of 55% or more. In absence of any such union, recognition be granted to all the unions with the membership of 30% or more. Unions with a membership of less than 30% should not be recognised.

Recognition for local area or for plant-trade-category-level be granted to such union or unions as are not recognised on industrial level for national plane but are having in their respective areas or on their respective levels, membership larger than that of the recognised unions. Recognition of such unions will render them representative character in dealing with problems peculiar to their areas, plants, trades or categories.

Elligibility of union/unions for recognition should be determined on the basis of the membership figures of different unions obtained through the process of verification. In case any union challenges the correctness of these verified figures, the device of secret ballot should be resorted to, to determine the representative character. Only those workers who are members of some registered union or other for six continuous months should be entitled to vote. Non-members should not be given the right to vote. The period of recognition at different levels should extend normally to two years. But it should be open to any unrecognised union to challenge the representative character of the recognised union after a period of one year, in which case there should be conducted a fresh verification of membership figures, and, if the same fails to satisfy the challenging union, a fresh secret ballot in the manner mentioned above.

While it should be the prerogative of the recognised union/unions only to enter into agreement with the Management on collective demands and problems, the unrecognised unions should have a right to represent individual cases, interpret the agreement already arrived at and ensure strict implementation of the various provisions of such agreement. The managements should be placed under an obligation to receive representations or deputations on behalf of the unrecognised unions even regarding collective demands, though, agreement on the same may be entered into only with the recognised union. Managements must be under an obligation to reply to all communications from the unrecognised but registered unions. The latter should have a right to approach the courts on any point not covered by the Agreement between the management and the recognised union. The unrecognised unions have an inherent right to educate the workers on the various provisions of the Agreement, to mobilise their opinion against provisions that are detrimental to labour interests, and to bring pressure upon both, the Management as well as the recognised union, to delete or alter the same.

There should be no discrimination between the recognised and the unrecognised unions on the following points:-

i) Collection of membership fees/subscriptions payable by members to the union within the premises of the undertaking;

ii) Putting up or causing to put up a notice board on the premises of the undertaking, and affixing or causing to be affixed thereon notices relating to meetings, statement of accounts, and other relevant announcements;

iii) Inspection, by prior arrangement, of any place in the undertaking; and

iv) Receipt of any relevant information about the working of the undertaking.

In the light of the above views the rules for recognition should be redrafted in the following manner:

a) Where there is more than one union, a union claiming recognition should have been functioning for at least one year after registration. Where there is only one union, this condition should not apply.

b) i) The membership of the union should cover at least 55% of the workers in the establishment concerned.

ii) Where no one union fulfills this condition, all the unions with membership covering 30% or more of the workers should be recognised.

iii) Membership would be counted only of those who had paid their subscriptions for at least six consecutive months immediately preceding the reckoning.

c) i) A union may claim to be recognised as a representative union for an industry in a local area if it has in its area a membership larger than that of the union recognised on industrial level.

ii) A representative union for an industry in any local area should have the right to represent the workers in all the establishments in the industry, but if a union of workers in a particular establishment has, in its establishment, a membership larger than that of the union recognised for an industry in that local area, it should be recognised on establishment level with the right to deal with matters of purely local interest.

d) A union may claim to be recognised in the industry for its particular category or trade, if it has in its category or trade a membership larger than that of the union recognised on industrial level. A representative union for a category or a trade should have the right to represent all the workers in its category or trade on matters peculiar to the category or the trade.

e) When a union has been recognised, there should be no change in its position for a period of two years, provided that after a period of one year its membership may be re-verified if challenged by any other registered union in the industry.

f) In the case of trade union federations which are not affiliated to any of the Central Organisations of Labour, the question of recognition would have to be dealt with separately.

The provisions under the Code of Discipline in regard to recognition of unions do not provide, in practice, a satisfactory arrangement in this regard. The code is not taken seriously by either of the parties to industrial relations. The attitude of the employers has been progressively obstructionist in this respect. Workers have come to cultivate a sort of distrust about the soundness of the present system of the verification of membership which, therefore, needs to be supplemented by the process of secret ballot. The issue of recognition is one of the major causes of industrial unrest because under the present system unions favoured by the employers or the Government can be manoeuvred into recognition though their actual membership may be far below the level required by law.

It is, therefore, necessary to introduce procedural changes along the lines enunciated above. For proper enforcement of this procedure it is imperative that the entire question of recognition should be brought within the competence of the Labour Courts as envisaged by the Indian Trade Union Amendment Act, 1947.

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CHAPTER VI

# Industrial Relations

## INTRODUCTORY

### The Government's Labour Policy

The crux of the problems attending industrial relations lies in the attitudes adopted in communication between the employer and the employees. The Government can have little to do in this respect except to set its own example as a model employer. To understand the issues relating to communication we have therefore to examine the behaviour of this line and mode of communication between the employer and the employees. However, it is as well necessary to decide the role of Government in this matter–specially with reference to the point when the mutual negotiations between the two parties cannot yield any definite result. Should the Government intervene in this matter, either on its own or on solicitation by either party to the dispute ? The nature of this question postulates certain ends of public policy. In the first place, it is obviously the duty of the Government to see that in any industrial dispute the people should not be held at ransom by either party to the conflict. Each strike by employees or each lock-out by employer inevitably entails certain inconveniences to the public. It will not be right to make a fetish of this public inconvenience, each time a disruption takes place in a public utility, or any other industry. But at the same time people have a right to expect the Government to intervene on their behalf in any dispute that threatens their collective life or one which involves lot of suffering to common men or bring indecencies of public life. But beyond this the Government will be entitled to keep away from any direct intervention in an industrial dispute, unless its help is solicited by any party to the industrial dispute. Even on this solicitation it need not run without sufficient cause and should examine the credentials of the party soliciting the intervention and the merit of each case. In this respect it can broadly be said that it should have a kind look to the weaker party in the dispute, though this should not necessarily mean that it should encourage or oblige weakness. On the other hand when a dispute concerns itself with making changes in existing situation it should honour the solicitation from only a recognised union or union entitled to do the bargain on behalf of concerned employees and should not entertain a paper union on matters of importance. But in all other matters such as protection of legislative or contractual right of labour, its good offices and sanction should be made available to any common worker against even the biggest of employer.

Given the above considerations as a broad term of refernce, various forms of Government intervention and various details of policy can be envisaged as an ideal programme. The effectivity or otherwise of the Government's policy on industrial relation can be judged only with reference to such formulations which can be considered as just and proper under the circumstances. Broadly, the situations calling for Governmetal interferenee from the side of labour and the appropriate form of intervention may be set forth as under :

i) For complaints of individual nature like dismissal, discharge, transfer, non-payment of dues etc. (a) When the Government is apparently satisfied that the dismissal, discharge, transfer etc. is illegal or is in contravention of settlement or custom or is injudicious and improper, the appropriate executive authority should have the right to force the employer to reverse or modify his decision, subject to the latters' right to get a final verdict from judiciary. (b) In all other cases, the employee or his union should be able to take his case to the court for proper justice. Thus the form of Government intervention is to act on prima facie findings on a complaint being lodged by labour. The subsequent verdicts or opinions of judiciary on the way in which this power is exercised by the executive organ will provide the necessary correction in this regard.

ii) For grievances arising out of non-implementation of Awards, settlements etc. it should be sufficient if any Union raises a dispute on the same and then the procedure to be followed by Government should be the same as above. Thus a distinction needs to be maintained between a individual grievance and the collective dispute and for the latter the intermediary of a registered union should be insisted upon before the Government can be expected to intervene and engage itself in the matter. This will help the creation of responsible unions of labour and disciplining of attitudes.

iii) When demands are made by unions to alter the existing conditions, the form of Government intervention requires a very close study and balancing of different factors. This is a field earmarked for the growth of healthy institutions of employees and employers. Here the stress should be on collective bargaining. Both the parties should be required to sit together and sort out their industrial relations problems. In these disputes the government should not intervene except when specifically called upon to do so by a strong and reliable union. There should however be no hard and fast rule laying down the criteria for a strong and reliable union, because quite often the arithmatical criterias based on membership etc., do not serve the purpose. They are open to much accounting manipulation and are not a guarantee against dislocation in key categories or departments. The circumstances in each case are bound to be different and yet they can unmistakably indicate the union or unions that are influential

and can be trusted to deliver the goods. A reasonably well-trained and well-equipped labour intelligence should be able to perform this function. The form of intervention in this case can be to guide the parties to bring about a settlement, or otherwise promote a voluntary arbitration of dispute. The recourse to compulsory adjudication should be taken only as a last resort. The wage-boards and Pay Commissions may be appointed when the issue requires technical study and gathering of evidence from a large body of people or institutions.

Any Government that sticks to the above formulations of policy and shows that it is widely informed about its implications can be considered as having done its duty in this regard. The criteria of the effectiveness of Government's labour policy should not be judged in terms of man-days lost by strikes, lock-outs etc., but by the promotion of healthy institutional relations which it can patiently nurse and by the giving of protection to individual employee to the security of service and for gains which he has acquired as right. Its effectivity will be noticed from the respect it can create for its executive authority. In matters that fall in the sphere of collective bargaining, however, the number of settlements which the labour machinery can help to achieve will be its measure of success. Next to it we can count the cases referred to voluntary arbitration. But the number of references to compulsory adjdudication should be treated as its failures. In cases of individual grievances or union complaints regarding implementation etc., the strictures of the Court against the executive action will act as guildline to assess the working of policy. Beyond this the sphere of industrial relation is not a function of the Government and it need not be blamed for deterioration or otherwise in industrial relations over any temporary period. In the long term trend of industrial relation it is our view that the example that it sets as a employer will be the most positive factor that decide the nature of it's contribution in this regard.

On the basis of the above view, the record of Government's policy on industrial relations can be seen as one of progressive failure, since Independence. Firstly, the public Sector has not come up to any expectation. The record is so bad that it has rendered incapable of mooting any idea on industrial relation for the acceptance of private sector. In the 23rd session of the Indian Labour Conference, when the Government spokesman pleaded for a new approach in labour-management relationship, Mr. Naval Tata, speaking on behalf of Employers promptly said "If it is good, try it yourself. We will learn from you." There is not a single instance in which public sector, in spite of its non-profit character can be quoted as an example. Secondly, the aim of labour policy, so far, appears to be negative, viz., the maintenance of peace in industry. This has resulted in application of ad-hoc measures suiting to the exigencies of each situation and absence of any long-term direction to labour policy. The more positive aspects of industrial relations such as stability in institutional relationships in each firm or industry, growth of mutual understanding about factors conducive to the increase in the standard of living have suffered in this

whole process. Thirdly, the conciliation or implementation machinery has remained weak due to the lack of administrative sanctions. This has shaken the confidence of workers in Government intervention. Fourthly, the individual employee, who is a victim of managerial arrogance, has no remedy at present. Whatever legal way he may undertake is costly and uncertain. This state of affairs has been the cause of large-scale frustration and loss of all confidence. Lastly, the code of discipline resting on arithmatical values ignores the importance of many vulnerable spots and situations in industrial set-up. In effect, the code does not serve any useful purpose. Many a times, sitting tight on the code, the managements and recognised unions refuse the aggrieved members of un-recognised unions even the hearing of their case. This spells an acute atmosphere of bitterness and vengeance even in the most well-intentioned minds. The actual operation of the code has been a cause of suffering and a shelter for many unfair labour practices. The Government's policy on industrial relations has thus been able to serve no useful purpose for it has neither recognised it's limits nor it is dedicated to any purpose in an unlimited way. Its stance on peace is largely misplaced since it ignores the utility of conflict on some important issues, in the present context of things. It's effect has been to dampen the enthusiasm for any progress.

## DEFECTIVE COMMUNICATION

### The Basic cause of Industrial Conflict

The main item of concentration in promoting better industrial relations is the behaviour of the communication line between the management and labour. The most important effect of modern industrialization is that it has depersonalised the workers in an industrial organisation. In such a situation the normal and natural feeling of any worker is that the high-ups are always cooking up something against him and present things as a fait accompli. He is treated as a soul-less machine and there is none to listen him in the company. Then the grapevine gets it's day and major barriers are erected and attacking each other becomes the normal mode of communication. The way out is to build up an indefatiguable and optimistic line of communication in each firm that operates freely from top to bottom and quite more important than that from bottom to the top. The authority should then go hand in hand with persuation and the tendor of communication be considered as the pivot around which should revolve the whole gamut of industrial relation. In this process not only the leaders of labour be heard with great respect but even the undertones of feelings of a distantly placed employee be noted with ostensible care.

The manner of this communication and mode of response in communication should necessarily depend upon the level of persons who are confiding with each other and between whom a sustained collaborative effort is to be maintained and fostered. The corresponding concept in scientific management takes an employee as not something to be managed by a general set of managerial principles but as one who suggests the principles of collaborative

effort suited to his level of consciousness. A good communication system admits the necessity of finding between the psychological level of the employees and the managerial style of the manager an appropriate line of communication that suits the exact load factor in each equation. Recently in an article captioned "New Approach in the Management" in the Economic Times, Shri S. M. Patil, Managing Director, Hindustan Machine Tools gave following five stages of employee growth requiring five successive approaches of management so as to maintain standards of productivity, work and relationship.

i) The Man is aware of little more than the problems of subsistance. The only kind of Management he can respond to is that which cares for him as one cares for an infant.

ii) The second level is of awakening. A flood of stimulations pour into his awakened brain. The appropriate management style is of rigidly prescribed and rigidly enforced rules.

iii) Employee believes in the power of 'self'. He believes he can alter the established order through exercise of his own will. At this stage a long continuing war of organisational power begins. Production can be maintained only by 'giving to get' provided satisfactory devices such as, an individual incentive system can be contrived.

iv) Fourth level is the socio-centric attitude. The employee becomes concerned with the social rather than the basic personal or material matters. Management at this level must be substitutive as well as participative. Perhaps at this level the oft-advocated technique of 'labour participation in management' may succeed.

v) At the highest level employee is quite confident of his capacity to survive, come what may. He is end-oriented and not means-oriented. At this level employee needs to be trusted and respected. An 'acceptance management' which takes him as he is and accepts the fact that in his area of work he is competent and responsible and supports him in doing that which he wants to do is necessary. Management must fit the organisation to him, not him to the organisation. In the opinion of the author of this article many of the Indian industries are at the third level in above classification although in some instances like advanced technological industries even the third level might have been surpassed. The author also mentions possibilities of enigmatic situation when a labour leader who is on the third level may have followers of the second level. To this we may add that we have in many cases leaders of the fourth level having followers of the second with a vital link of the third level missing in the picture. Whatever that may be, the author has drawn quite an important and correct conclusion viz., 'productivity is a function of the psychology of both the controller and the controlled and depending upon levels within levels of employees, management philosophy has

to vary but should remain appropriate to the particular level.' It is such an approach to the quality and mode of the communication system between management and labour that is quite often forgotten in the stresses and strains of daily routine and politics of the factory and hence we get an all-round deterioration in the Industrial Relation. The relationship is therefore bereft of any productive value.

The record of the Government in this respect is very detrimental to the economy. The Government has got a large industrial empire where they can do many good things. After the 1960 strike of Central Government Employees, assurances were given both in Parliament as well as outside that Whitley Councils would soon be set up. And then a series of objections were raised by Government itself before putting the promise into practice. First, the Government employees were asked to voluntarily abrogate their right to strike. Then it was said that the character of the present staff Association was not desirable. Thirdly, the question came of distinction being made between the ministerial employees in secretariate etc. and the industrial employees in Post & Telegraph, Railways. etc., who are yet governed by common and outmoded service conduct rules. Finally, when J. C. M. came the authorities refused to keep or part with the minutes and records of the meeting. Such a prerogative obsessed attitude that wants ' to keep the people at their proper place ' inevitably brings in it's trail large-scale frustrations and a weight of accumulated grievances. If their frustrations are denied any overt outlet then they find out covert ones and manifest in the nature of poor-quality work, arrogance to citizen, corruption, lack of interest, 'passing the buck' type of mentality and irresponsibility and shifting of blame etc. If at occasions they have manifested in other ways like political recording of protests at the time of general elections, leakage of embarassing information or even of official secrets then the Government shall have to blame itself for driving its employees to such a stage. The deterioration of industrial relations is due to these lacunae in communication and steady deterioration of all public services. This has made the situation highly inflamable so much that in some cases it can convert any instance into a wild-cat strike. The statistical record of the pattern of industrial conflict may show any results; it is the factor of bad communication which is always at the root of the intensity of industrial coflict. After the Independence, workers had a vague expectation that they will be taken into confidence in governing their day-to-day life, but this has not at all happened in any sensible way. The social, economic or political considerations have got a strength from this basic failure in communication and its present mode, manner and coverage. That is why, the labour unrest in India has no tendency for a volcanic eruption that struggles to spot-light or push any major tendency or issue. It is a picture of large-scale frustration of a helpless people who cannot pitch their hope on any particular line of action. Those who attribute this unrest or rather restiveness to any urge for 'ism' of one type or other are theorising after their owa wishes and hide above simple truth. A group of people in whose lap the power fell after independence

either in political, economic, social or administrative spheres have not yet learnt the wisdom of sharing it with the others or rather with the workers and hence the conflict.

### Role of the Unions

The part played by the trade unions in influencing the pattern of industrial relations has necessarily followed the philosophy and practice of the Central Labour Organisations to which they belong. It is the declared policy of communists to intensify the class war and the class conflict. For AITUC and the other communist unions, the Industrial Truce Resolution does not exist and they do utilise all the opportunities to deteriorate the relationship between management and labour. For this purpose they use all types of deceptive methods and carry malicious propaganda against those who attempt to build any constructive or fairly good and honourable relationship. The latter are described by them as management's men and enemies of labour meaning thereby that one can never be a friend of both. The communists have obtained a large success in establishing this atmosphere of class-war. The INTUC which is opposed to class-war and stands for class-collaboration has been discredited on this score from the mind of labour. Along with it's other defects mentioned earlier the INTUC has not been able to wipe out the influence of AITUC from the mind of common workers. The HMS or the HMP are themselves influenced by these elements of communist thought and practice, though they have at times made quite a sincere effort in building or maintaining good industrial relations. But having accepted the theory of class antagonism they have not been able to resist the built-in pressures within the organisation to adopt the stance of militancy. As a result the grass-root tendencies and pressures have never worked with a will to co-operate with the management. The BMS has adopted a different strategy to combat the communist influence and bring improvement in the industrial relations. It has embodied a pragmatic and experimenting attitude for true solution of all problems and has kept itself informed of the truths revealed by Indian philosophy and culture as well as the practices and results of both the western viz., the communists and the free world. Unlike the HMS it has not concentrated it's work-force in selected industries but has erected militant platforms on a wide coverage and basis. With an all-India base of operation it has now started generating the climate it thinks to be congenial for the evolution of ideal industrial relations. Its contribution at the moment is to present a different view-point on questions pertaining the life of worker and that view has begun to act as a catalytic agent.

This march of the trade union movement obviously creates questions of union rivalry. It is often said that more than half the questions of industrial relation are created as a result of inter-union rivalry. This may be true in a narrow sense of this rivalry becoming the immediate or efficient cause of problems facing the personnel department of Industry. But in a wider and long-term context it can be seen that the root cause lies in the entry got to the poisonous elements of communist thoughts in this country. The workers alone

are fighting these anti-national elements and in this effort they have not yet received the support of management or Government. The management has often seen it's own immediate gains in each situation and is misled by communist strategy. Not being informed by any idealism, it has tended to read only selfish motives in communist ideological leadership and in the process it is itself being tricked by the long-term policies of the communists. When the non-communist or nationalist unions have come in conflict with major unions of communists, the managements have hardly pursued any serious anti-communist line. They preferred to strike compromises with the communists either in the guise of the latter claiming as majority unions or because they are trouble mongers. The communists have celebrated this as a victory and harnessed the same to harden the worker's belief in intensification of class conflict. The result has been the further and further deterioration in industrial relations. The Government also committed the same mistake till the Chinese Agression of 1962 and thereafter though a slight change was noticed in emphasis of Government attitudes yet the recurrence of old inclinations becomes evident on quite a large number of occasions. Thus both the Government and the Management are giving a premium, albeit unwittingly, to the Unions who are bent upon deteriorating the industrial relations and the result is that almost none is left in the field who has made it his business to improve the relationship. So complete and vast a problem as building up of a harmonious and helpful relationship btw een management and labour is thus left for second-grade treatment and entrusted on administrative side to authorities who have no mandate to formulate policy or take important decisions.

Of course, in the above situation there is very little that the Government and Employers can do directly to improve the present state of affairs. The field has to be left perforce to labour unions. Directly, it is sufficient if the managements perfectise their techniques of communication and the Government keep its wise proportion in action. The key word in this sphere is patience and perseverance. In a patient manner, with a indefatiguable composition the long way of building and maintaining better relationship has to be pursued by all people of good-will. In one manner, however, which is little indirect, all can do a common effort. That is the field of Education more directly of public education through newspapers and other medias of mass communication and particularly of workers' education. But on this topic we shall dwell at its proper place in this submission. Presently, it is sufficient to state that if a general discrimination between the communist and nationalist way of running the trade unions is widely understood and the questions arising out of union rivalry are appreciated in its light, the ball will be set rolling in the right direction.

Looked at from the above angles the role of different factors in the industrial relations take a definite line. The most important factors in maintenance of industrial relation are the Employer and the Employees. The former

should devise an effective line of communication guided by a frame of reference that recognises the need of different type of management approach to different level of employees. It should likewise be able to understand the strategy of the communists and the effort of Nationalist Unions. The role of the Government should normally start when the labour seeks for it. Here also the Government should devise different forms of intervention for different nature of disputes such as individual complaints, union representation for non-implementation, etc., and disputes raised to change or alter the existing position. Beyond the adoption of a wise and deliberate policy to promote the play of goodwill and mutual comprehension, the Government need not be unduly disturbed over questions of industrial peace. A certain amount of conflict and wastage is inevitable in the democratic set-up and it can have a tonic effect in relaxing the nerves and creation of better atmosphere for understanding of each other. On the question of workers education, however, there is much scope for Government and Central Labour Organisations to contribute and in matters of public Education, employers can also join the effort in a big way. In the ultimate analysis such an education of public opinion and workers' attitude and equipment will be the factors that will create a proper industrial climate. The Government can likewise collaborate with employers for training in aspects of personnel administration and scientific management and link the two wings of education to a broad purposive policy.

Rather this should be a Tripartite effort. All other lines of endeavour to improve the climate of industrial relation have a secondary and temporary effect. Attempts to prevent industrial disputes by making working arrangement and all types of compromise with easily corruptible leaders of labour, availing of mediation service in a light-hearted manner etc., are often an eye-wash and give no real or permanent solution of key issues. The fact-finding enquiries go a long way in pinning down the mischievous element. The complaint about them is that they are not being put into service or honoured and when formed they often exclude the examination of the role of elements in administration that are responsible for a particular situation. The fact-finding enquiries are a must to carry the industrial relation programme to its grips without being baffled by confusion created by varying versions in a complex situation. This is when they are appointed to investigate after the incidence of trouble or when one is apprehended in immediate future. There is also another area for a fact finding enquiry in a positive way. It is to learn about the men in the factor, their grievances, aspirations and suggestions in a positive way. This enquiry can go as far as the preparation and constant compilation of man-power inventory of the factory on the basis of which a well-informed organisation policy can be chalked out with a great degree of confidence. Both are necessary for an ideal industrial relation programme.

The strength and weakness of trade unions is also an important factor in maintenance of good relations. The existence of a strong trade union is a must to shape in a meaningful way the direction of industrial relation in the firm.

Even where the unit of industry is small as in the case of shops and small establishments or factories the union must be strong and large so as to cover the whole industry. Then only questions like wages and service conditions will not agitate and frustrate the minds of individual employees. In such sections the need for uniformity of wages and service conditions in all similar shops, establishments or factories becomes necessary even for employers to avoid unfair competition and this cannot be done without the existence of strong and big unions. In big undertakings, the existence of a strong union becomes necessary even to sort out problems of administrative nature like fixation of seniority, amalgamation of units or departments, introduction of new techniques involving changes in job content etc.

The role of labour/personnel/welfare officer also assumes an importance. It is necessary for maintenance of good industrial relations that these personnel officers are well trained and well-equipped in personnel matters, enjoy the confidence of top executive and move with a broad freedom in developing industrial relations. Their relationship with departmental heads or line management should be made clear to the unions and their role in this respect be fixed and known. Quite often one or the other factors of these requirements of personnel officer is found missing and then the unions begin to prefer to talk over their head to top-executives. This reduces their respect and efficiency as personnel officers. In fact, what is necessary is to build-up a well-demarcated line of communication from plant level upwards, reaching to the top executives' level and top-policy level of the board of directors and establish a correspondence of subjects with coresponding levels in union hierarchy. Both the sides must delegate their powers to suit the needs of such a communication line and provide rules for overlapping of issues and appeals. On specific matters such as job evaluation, promotion policy or a scheme on retirement benefits, a joint technical body of Union and Management can be entrusted with the job.

At present, such well-defined and well-understood communication lines do not exist except in a few enlightened firms or undertakings and even in the latter cases they have not yet been crystallised into an established tradition. The Model Grievance Procedure tries to bring in something of this order but it is not yet followed in a very large majority of establishments. Moreover, the unrecognised union is often given no place in processing of grievances. It is our view that in matters of handling or representing individual and group grievances (as apart from fresh demands) and the interpretation of existing rules, standing orders or provisions of awards settlements, etc., the employee must be able to utilise or employ as agency, the union of his choice and the question of recognition should have no locus standi in this respect. The existence and enforcement of standing orders can play a vital role in this respect by way of disciplinig of attitude on both sides. But at present most of these standing orders are drafted by management. Unions have no hand in their

framing except by way of occasional consultation on some procedures. In some cases Industrial Awards have encroached upon the grounds earmarked for standing order. We have nothing to say about this latter encroachment. The formulation of standing orders should be treated on the same footing as those of other demands and they should form a basic term of contract. In these orders there should be a provision of dealing with officers who do not follow the procedures for taking of disciplinary action or any other action on the basis of standing order. At present the behaviour of officialdom has little respect for statutory enactments or contractual obligations. The rules of the game must be honoured by both the sides equally. Whenever such contractual regulations are formed, a reference for third party judgement may be provided in the same manner as the processing of other claims and demands. The Government and adjudication machinery or standing grievance arbitration should be open for any union while fundamental or structural changes and alterations can be initiated and settled only by bargaining authorities like recognised union or unions etc. A periodical evaluation of the working of all these systems is quite necessary and encouragement should be given to publish such follow-up or case-studies. The real training of personnel in management and in trade unions can take shape through seminars held to discuss such periodic appraisals done by competent bodies either inside or outside the arena of industrial relations. Here the study groups sponsored by Government can find a most effective office.

Such in broad terms are the basic issues and their solutions of the most thorny and most difficult and complicated field of Industrial Relation. The proper and full appreciation of this basic routine and foundation of human relationship in industry will give us the key to the building up of a high national morale. On the background of a well-knit industrial relation programme the rest of the labour problems will take their proper dimension and mould their specific purpose. In its absence the whole ship of Industrial Progress has become ruddarless and is taking a way-ward direction.

### Collective Bargaining

In the sphere of Industrial Relations there is indeed no substitute for Collective Bargaining. No third-party settlement can be expected to take the place of a bi-partite agreement. But it has to be admitted that the progress of collective bargaining is slow in our country. On a national level the recent bi-partite settlement in leading Commercial Banks and the L. I. C. is perhaps the first large-scale victory in Collective Bargaining. The field is too much occupied with awards and reports of Pay Commissions and Wage Boards. The main reason for this absence of Collective Bargaining agreements appear to be three:-

a) In the Public Sector there is a tendency not to give mandate at any level to negotiate with requisite freedom.

b) In the private sector the federations of employers are formed to represent their common interests to the Government. They do not want

to undertake the responsibility to commit their members on questions of wages or service conditions of employees, and

c) The Trade Union Movement has not yet assumed a size sufficient to undertake national negotiations. On the level of region and individual firm, however, we have plenty of collective bargaining agreements. It cannot be denied that the presence of more than one union and the legal rights given to each union not to be bound by what is done by the other have to some extent prevented the growth of collective bargaining in India. But the root-cause of it is not law or multiplicity of unions. Even in national bargains cited above these defects were present and they were overcome largely due to the pressure from the workers in those industries. With the growth of trade-union consciousness collective bargaining will take an effective shape even on the national level as it has already done on the unit level. There is no necessity to accelerate its pace by legislation. For quite often, law will not serve any purpose.

It is not always easy for a big union to reconcile the claims of different categories or regions or firms in a given industry and front the management with a unified approach. Even if it does achieve this miracle which is initially done often by inflating the claims of all, it becomes difficult to negotiate the adjustments that are inevitable in any meaningful negotiation. While it is comparatively easy for the employer to negotiate in a big way since he has to care only for his pocket, the union leader has to take into account the varied temper of union members to whom he will have to justify his action. Even if the union leader is well apprised of all the niceties of the economic situation, his members cannot be expected to have attained an equal degree of sophistication. Moreover, there are very few industries and few unions whose membership is so completely homogeneous as to avoid the possibility of a conflict of interest between different grades or areas. The modern union leader has to shape his wage policy with due regard to the balance of interests within his own organisation. The shifts in this policy that he has to make at the negotiating table present a formidable difficulty. Most negotiations take place behind closed doors. The managements often insist on a packagedeal programme. This makes all their offers in negotiation tentative. In such a case the demand of workers to get progress reports of talks cannot be easily met. The union team mostly consists of different persons, sometimes having different attitudes. If a clash of incompatible personalities take place in the progress of such negotiations the resulting picture becomes quite complex. An aristocratic attitude of one, political colour of another, a general intransigence of the third and so on, go on leaving their marks at the conference table where collective bargaining agreements are supposed to be concluded. If in such a situation the inter-union rivalry is formidable, then a union that might have gained recognition by accidents of labour history will not be able to hold its ground for a long time and deliver the goods. If this miracle has happened in

India at some places, the role of ignorance and apathy of common members have not played a small part in this victory. But this is hardly a factor on which calculations of the future be based for a reliable policy. With the growth of this consciousness and general awakening of which we are witnessing many promising signs, it is quite likely that processes of collective bargaining may themselves give rise to multiplicity of unions, specially the breakaway unions on categoriwise lines and before long we shall understand the folly of failure in adopting job evaluation at an early stage to rationalise wage-differentials. An acceptance of an internal wage structure is quite an important prerequisite to facilitate the growth of collective bargaining and specially with the type of time-scales and over-lapping grades and semi-uniform D. A. that we have got its need is all the more great to give a technical foundation to industrywise collective bargaining of the future. A recent rise in trade unionism of non-workmen categories and the strain of limitations imposed by definition of workmen in Industrial legislation as felt by the trade union movement are the signs of a future growth in this respect and its weight on collective bargaining process can be neglected only with great peril.

It is not our purpose in narrating the above considerations to throw a cold water on process of collective bargaining as a dependable means for the future. Rather we are convinced that the collective bargaining will alone give the true solution of industrial disputes. We stand for its success. But for that very reason we are cautious to add that any haste in legislating provisions for easy recognition of unions and then depending on that legislation for growth of collective bargain is likely to discredit the system of collective bargaining itself and ruin the foundations of that only means which has the capacity to bring lasting benefits to Indian labour. As regards the considerations of conditions imposed by planned development in the process of collective bargaining we shall speak about it while discussing the concept of National Wage Policy. For, apart from considerations of finance and pricing and destination of economic gains of industry, we do not feel there can be any circumscribing limitations which should encircle the mutual agreement between parties in an industrial dispute. Looking to all these conditions we conclude that it will be safer and wiser to trust the evolution of trade union consciousness to achieve its prized stage of successful collective bargaining and any attempt of law either on recognition of union or bargaining agent or on prohibition on arbitration or adjudication machinery is likely to give very abortive results and make the ultimate success of collective bargaining more difficult and delayed.

### Joint Consultation

A review of this subject has been recently taken by Shri V. G. Mhetras of the Bombay Labour Institute in his work, 'Labour Participation in Management-an experiment in Industrial Democracy in India.' The learned author of this book has defined the concept of participation as a process wherein

the decision-making power of the administration is shared 'by the ranks' of an industrial organisation, through their proper representatives, at all appropriate levels of management, in the entire range of managerial action'. This scheme as it is working through Joint Management Councils represents India's approach to Industrial Democracy. At present more than hundred undertakings from both private and public sector have participated in the venture. A recent report in Economic Times (dated 21-4-1967) puts this figure as 41 in public sector and 81 in the private sector. In the private sector the councils are generally set under an agreement with the recognised union or unions. 'One Plant, One Council' is the common practice. The size varies between six to twelve and both the sides enjoy parity. The labour representatives are either elected directly or are nominated by the recognised union. There is no strict adherence to the system of rotation of the Chairman and Vice-Chairman between the management and labour. The selection of Joint Secretaries is done by way of nomination by labour and management of their respective representatives. The average number of meetings comes to about once in two months and the average attendance is 84 per cent. The resolutions and decisions of the council are largely unanimous, since simple majority decisions are not in the spirit of J. M. C. It cannot be said, however, that the discussion is always free and frank, since the fear of victimisation looms large in the minds of labour representatives. The author has classified this participation in five ways as: informative, consultative, associative, administrative and decisive. He observes that the management does not show a live interest in disseminating all necessary information to the councillors. Consultative praticipation is mostly done in matters relating to production and personnel while associative participation is evident in areas of welfare and amenities. Administrative and decisive participation is almost absent and this gives the impression that the councils receive a casual or a light-hearted treatment. The author states that the arrangement of this council is normally patterned after the Draft Model Agreement and yet he seeks that caution is necessary to demarcate clearly the council's field of operation. Specially it is necessary to demarcate the areas of negotiation from those of co-operation. Also the normal functions of the Works Committee should be separated from those of the J. M. C. A proper device can be sought in establishing a single J. M. C. co-ordinated by its appropriate sub-committees with suitably merged functions of the works committee. We agree generally with these observations of the learned author. We may, however, add that there is no necessity of a parallel existence of a Joint Management Council and the Works Committee. The author also admits that there is a certain amount of confusion among the management as well as workers representatives about the functions of Joint Councils vis-a-vis the Works Committee. He however, feels that there should be no difficulty in apprehension of their roles since joint councils deal with policy matters while the Works Committees are burdened with subjects arising out of day-to-day working. He has still observed that almost no where in India does the J. M. C. and the Works Committee function successfully, side by side, in one enterprise. Generally, Works Committees

have ceased to function where joint management councils have been established. We may add that this is what it should be.

The experience of Works Committee has undoubtedly served as a background to the establishment of J. M. C.' s. The legislative requirements regarding their formation should continue and be applied to all establishments employing twenty or more employees instead of its present limitation to industrial establishments employing a hundred or more workmen. It has however to be remembered that the present statutory compulsion has not been effective since their consultative character has enthused neither the employer nor the employees. Even the unanimous decisions of present Works Committees are treated by management as purely recommendatory and they have got no real powers in influencing the decisions. Thus, they exist mostly on paper and carry no living impact. They should, in fact, run as predecessors to the establishment of J. M. C. and be made more effective by making additions suggested in the next para. The difference in the Works Committee and J. M. C. should be in their respective legal and contractual status. The J. M. C. should invariably come into existence as a result of agreement that springs as an improvement upon the statutory minimas of Works Committee.

It is a well recognised fact that the success of any programme of joint consultation depends upon the attitude and outlook that the parties bring to the forum either of the committee or the council. However, in order that proper environment be provided to the evolution of proper attitude and in order to make the functioning of this machinery effective in bringing industrial democracy, we consider that in the present situation following provisions should be incorporated in the constitution of Works Committee itself:–

i) The appointment of labour representatives on the Works Committee should invariably be by secret ballot. This is necessary in the context of trade union rivalry and should present no difficulty to any recognised and well-trenched union. It will offer a locus standi to non-representative union as well and minimise it's otherwise inevitable tendency to acquire only nuissance value.

ii) The term of elected members should be of three years and one-third of the total members should retire each year and the posts filled by annual election. This will give stability to the Committee and at the same time reflect the winds of change in a graduated manner.

iii) Both the sides, viz., management and labour should be required to nominate one additional member each who can be an outsider. This will be helpful in bringing a specialised and independent advise to the deliberations of the Committee.

iv) There should be only two office-bearers for a Committee, viz., the Chairman and a General Secretary. These posts should be alter-

nately occupied by management and labour nominee. This is necessary to bring a sense of respectability and responsibility in mutual dealings.

v) Any disciplinary action on the employee of the Undertaking in the form of dismissal, discharge, suspension, transfer, stoppage of increment, fine, etc., should necessarily be subject to the prior approval of the Committee or in large Undertakings of the appropriate sub-committee. Such a provision will go a long way in wiping out the fear from employees' mind and promote self-discipline and democracy in industrial establishment. In the case of a Works Committee member even the issue of charge-sheet and the enquiry proceedings should be done in the manner prescribed by the Committee. Such a sanction being given to the Works Committee, it will elevate its status and even a warning issued by the Committee will act as a great deterent to forces of indiscipline. It will make participation a meaningful process and debate on industrial discipline and production a serious and purposive affair. Without such a provision the responsibility entrusted on the Works Committee will lack adequate support and the election to these posts will not entail a serious commitment from both sides.

It is presumed that the above provisions will be carried forward to the J. M. C. as and when they are formed to replace the Works Committee. It is also necessary to enlarge the jurisdiction of Works Committee so as to include the subject of productivity and work load and review of the results and gains achieved by current and changing methods of productions. That will give the workers a clean picture of the achievements of their enterprise and inform them of what they can reasonably expect from this result. There should also be an administrative decision of some common subjects between the area of collective bargaining and the consultative machinery. This will be necessary on issues such as promotion, transfers, retrenchment, lay-off, period of continuous service, confirmation of workmen, fixation of seniority, etc.,. On these subjects the policy should be decided by the process of collective bargaining with the recognised unions, while its implementation should be entrusted to Works Committee. The decisions on this subject cannot be taken without the prior approval of the Works Committee except that in case of promotion the Works Committee should have only supervisory powers. The consultation machinery will then become an annexe province of collective bargaining which is the right of recognised union or unions. Thus alone they will provide an effective form of industrial democracy.

### Towards Labourisation

The question of profit-sharing, allotment of shares to workers, putting the workers' representatives on Board of Directors, etc., are schemes that had caught the enthusiasm in many Western countries. The extreme pattern is that

of Yugoslavia where we get a full-scale automanagement. The law proclaims that the factories, mines, communications, transport, trade, agriculture, forestry, municipal and other state economic enterprises, as national property, are to be managed by the Workers' Collectives in the name of the community within the scope of the state economic plan. In India, there is a great attraction for the Yugoslav experiment. The B. M. S. in its constitution has laid down 'Labourisation of Industry' as an ultimate to be achieved. But a revolutionary switch-over to the Yugoslav pattern does not appear to be either possible or desirable. There are also other experiences such as the recent one of France where the French Government under Gen. De Gaulle has issued an official decree making profit-sharing compulsory in all private firms with over 100 employees. Then there is the West German experience of co-management where the top bodies, viz. the Managing Board that runs the enterprise and the Supervisory Board that deals with long-term policy issues, is manned by equal number of representatives of labour and management with the 'eleventh man' being appointed by agreement. Both these experiments are going under heavy weather. In our own country, the National Productivity Council has recently evolved a formula to allocate the gains of productivity between the shareholders, workers, consumers and for plough-back effect. To this N. P. C. formula Shri V. M. Dandekar, Director, Gokhale School of Economics & Politics, Poona, has added a good correction to the effect that the plough-back of 30% should be given to workers in the shape of shares and make them co-owners. The two formulae stand as under :-

| Head of allocation of Productivity gains. | NPC Formula | Mr. Dandekar's Formula |
|---|---|---|
| Reduction in price .. .. | 20% | 20% |
| Share to Labour .. .. | 30% | 30% |
| Plough-back .. .. | 30% | – |
| ,, (Shares to workers) | – | 30% |
| To Shareholders. .. .. | 20% | 20% |

Both the formulae require further technical working such as mode of determining the gains of productivity and basis of allocation of shares to different categories. One of the common objection against these schemes from the management side is that so long as the managements are held responsible for the success of the enterprise they cannot share the responsibility of taking decisions. On the Labour side the objection is that such schemes only provide some cushy jobs for trade union leaders who change to the other side in the process. Probably, for this reason the Yugoslav pattern provides for a maximum term of two years for any employee to remain a board member and even during this period they remain at their regular jobs except for the period they are engaged in board meetings. In any case, hesitations to go forward with such schemes can be

understood since the special skills required to decide long-term policy and management of affairs cannot be easily trusted to the process of elections by common workman. It must be noted in this connection that in Yugoslavia the elected body nominates the lower, i. e., the management body while in the Federal German Republic, the functions relating to personnel and social co-determination are in the executive jurisdiction of the Works Council, while regarding the functions relating to economic matters the Works Councils have the right only of co-decision. In England and America the Employer still rules the field. However, the British Trade Union Congress stands with the view that the trade unionists should have a larger and larger share in determing the policy and day-to-day practice of an industrial enterprise at all the levels of management. In the United States, however, the view is largely against the sharing of management responsibility. They say, it is the duty of the management to manage and it is the duty of the trade unionists to protect and advance the interests of their members, not to participate in management. A line must be drawn somewhere. It is held by some authorities on the basis of this experience that a belief in workers' participation in management is in conflict with India's avowed goal of independent trade unionism and free collective bargaining.

We shall have to draw very careful conclusions from the above experiments and suggestions and on a sound basis of the study of human nature and requirements of an ideal socio-economic structure prescribe for our country a line of action suitable to our culture. The main line of Indian Thought suggests two factors on the basis of which we can approach the subject with confidence. It has been held in India that the Property does not belong to any Individual but it is the trust of God given to the whole of creation. Practically speaking, this amounts to an absolute right of Nation to all the property and assests in the National bound and it is not the responsibility of only capitalists or management to decide its rightful employment. Secondly, it is held by Indian Practice that the form for any working should follow the spirit that moves the People and there is nothing sacroscant or compulsive in any particular structure. Indeed, the India's vision has gone to such a length as seeing that given a right spirit any form of working can be put to a good use, for the form matters not before the spirit. The spirit can use anything, while in its absence nothing good is possible.

The above considerations lead us to two important conclusions. They can be stated as below :—

i) The groups of people should be left to decide their own form of collective working according to their collective wisdom and no one dogma need be imposed on all people.

ii) The drift of policy should be to move towards the peoples or the labour sector. The only limiting consideration can be the optimum utilisation of national resources following the needs of national

economy. But besides these considerations of changing and evolving needs of community, the demand of capital to insist on more than moderate gains for investment of capital and the claims of all-time superiority of management need not be taken as respectable views.

On the above basis we conclude that the Nation and the Government should stand to promote the progressive Labourisation of Industry through all means such as profit-sharing, allocation of shares, co-determination, joint councils, workers co-operatives, etc. There should be no legislation in this respect except that demands in this respect should be covered in the schedules of Industrial law and processed like other industrial demands. There should be no flat rule, but a demand in this respect should be treated as raising an industrial dispute and in deciding the subject the Judicial Bodies should be informed by the principles ennunciated above as guide-lines. It may be expected that such a provision shall give us a slowly evolving pattern throughout the length and breadth of the country following the enthusiasm and competence shown by country's workers and the goodwill or resistance shown by the employers. Out of this struggle varying schemes will come into operation. The genius of the people may be trusted to develop this line of progress under the general rules laid down by the basic principles of thought and practice.

**Conciliation**

The Labour Conciliation Machinery, in its present form, had a great utility in the early days of its career and even today, it serves a useful purpose in new establishments or for new unions till they are accustomed to the processes and limits of collective bargaining and forms of industrial action. It is mainly an educative office where the conciliation officer brings to bear his vast knowledge and expertise in handling industrial disputes to give a right perspective to issues brought before him. This method has certain advantages when the stage of industrial relationship is raw and crude. In effect, the forum of conciliation does become an occasion to make the parties alter their stand and arrive at an agreement. However, once the parties learn all that the conciliation officer has to tell them, then the utility of conciliation ceases and it becomes a useless obstacle that brings delays when arguments are repeated ad nauseum. If on the top of it the time limits that are prescribed for various proceedings are not followed, as is the present case, either due to pressure of work at conciliation table or because of non-attendance of parties specially the employers or other reasons, then the whole effort to conciliate becomes a way to fan the agitational approach. This is so at present. In effect the conciliation officer is fastly presenting an image of a stale, outmoded and ineffective form of Government intervention and a strong case is made out for its abolition.

We are, however, convinced that the conciliation officer has its use at the early level of a trade union or management career and even when the

relationship of parties is well informed it does often provide a place where second thoughts can take place in an honourable way. It should, therefore continue with suitable modifications in its power and method of work. In the first place, it must strictly adhere to the time limits prescribed by present statute. Specially in cases where its processes are of a formal nature, since the parties have nothing to learn at the conciliation conference and wish to avoid it, the conciliation machinery should not stand in their way. Secondly, the conciliation officers should be armed with administrative powers like police officers or other enforcement authorities to enforce their verdict on certain matters which should be made their charge. For this purpose, they should have the assistance of Labour Prosecutors about whose role we have dealt with at other place.

It may be noted in this connection, that throughout our submission we are envisaging an additional and vital role for conciliation officers. This role may be summarised as under :-

i) In matters of disciplinary action like dismissal, discharge, transfer, etc., affecting the social and economic life of individual employee, the conciliation officers can be approached by any such aggrieved employee, either by himself or through his representative or through any registered union. On being approached in this manner, the conciliation officer is competent to decide the case on merit and enforce a decree on employer for compliance of his orders. His decision will, however, be subject to an appeal made by either side within a specified period but will be effective during the pendency of such appeal and its final determination by appellete court. The various judgements that may be delivered on such cases will act as guide-lines for his conduct in this regard.

ii) In matters of interpretation of awards, settlement, etc., or in enforcement of their provisions, the conciliation officer in his capacity as an implementation officer can be approached by any registered union of employees concerned in the case. He shall be vested with similar power to make a determination in the case and enforce his decision in this regard.

We consider that the above powers should be vested in the conciliation officer and they should be required to take speedy decision on the same. This is necessary to check the vast amount of injustice that is being done on labour who are subjected to much harrasment and are uprooted from life in a light-hearted manner by making transfer or being dismissed under one pretext or another. On this score we do witness today a mass of hunger strikes and protests which become of no avail and only spread disastrous frustration in the mind of workers. We consider this power to be necessary even after laying down that such an action should not be taken by the management without the prior approval of the Works Committee. Because, the obsessions brought in the

Works Committee through inter-union rivalry or as after-effects of election cannot be ruled out. The law must provide here, as elsewhere, that not a single innocent person should be treated as guilty even though in the process ten guilty persons may get the chance to misuse the machinery set out for such protection. Similarly the rights acquired by awards, settlements, etc., should not be open to further litigation on questions of implementation. An administrative authority must be able to enforce the same except in cases where it feels that a construction is required to be obtained from judiciary upon any particular interpretation of the settlement, award, etc. The granting of these powers will make the role of conciliation office quite important and effective and will go a long way in filling a great lacuna in present practice which has been a cause of serious industrial disturbances at times and quite often a large-scale suffering of individual workers scattered over a wide field. We may also mention here in passing that the present conciliation machinery needs to be suitably strengthened by addition of more hands and the remuneration of conciliation officer and other staff in the labour offices suitably enhanced. The former is necessary for bringing speed to the discharge of work and the latter to ensure that the tendency to fall a victim to employer's purse may not come in the way of taking a bold and independent stand on vital matter concerning even the poorest of worker.

**Adjudication**

The necessity of adjudication in the present context of industrial relation is obvious. After completing the process of conciliation, if any, it should be open for any party to the dispute to refer the case to adjudication. The present discretion given to the appropriate Government in matter of reference to adjudication should no more exist, instead it may be open to the adjudicating authority itself to admit or refuse any dispute by making a prima facie examination of its validity or otherwise in the preliminary hearing of the case. The appointment of industrial tribunals should not be vested in the Labour Department, but should be done by the Chief Justice of the Supreme Court or by any authority to whom he delegates this power. In cases such as those relating to discharge or dismissal, etc., the powers of the adjudication machinery should be enlarged and the adjudicator should be required to examine the case on its merit de no'vo and not restrict the examination to ensure adherence to procedural rules. Similarly when a dispute is pending before the Court, the employer should be prohibited from terminating the service of the employee on the same ground which is the subject matter of dispute and if he intends to do so on any other ground he should be required to obtain the prior approval of the Court. The present diversification of judicial machinery under various acts such as for Payment of Wages, Workmen's Compensation etc., needs to be integrated into an integrated whole structure of judicial system for labour and this system should not be subject to the executive organs in any case such as its appointment, etc. Even the Supreme Court and High Court should have a separate bench for labour and then there

should be no necessity for a separate Labour Appellate Tribunal. The cost of justice to labour should be minimised and only a nominal stamp fee should be charged for application on behalf of labour. The Awards of the adjudicator and the settlements registered before them should get the status of a statute so as to ensure their full and proper implementation.

### Code of Discipline

The code of discipline has been an attempt of parties to Industrial relation to regulate the causes of industrial conflict on rational lines. This code looks quite good on the paper. But as one descends to practical problems of industrial relation, one begins to see that its application often brings in more misery than what it seeks to remove. On the one hand it encourages the tyranny of recognised union over some of its own members as well as the members of unrecognised union. On the other hand it does sometime create impossible situations for the management when for example, a strike is launched by an unrecognised union in a key department or category of the undertaking or in a particular region. The inter-relationship in Industrial set-up is too complex to be governed by any one logical rule and rational scheme of things, for the situations that these inter-relations throw-up are often baffling and paradoxical. The code has often been interpreted to mean that there should be no exchange of word or letter between the management and the un-recognised union. This has either resulted into endless litigation or a sporadic warfare. The recognised union also finds it difficult to honour the code in all its parts. Various clarifications of this code have been tried in different establishments and the public sector has tried to enforce it quite rigidly in some cases. Its apparent success at times has been due to the stronger position of the undertaking and not due to any natural factors. This has resulted in suffering and frustration of employees who have turned apathetic to the trade union movement itself. Having lost their hope to improve through any means their own lot, such employees have often turned into a sort of dead wood and are seen indulging in way-ward behaviour and inefficient or irresponsible and cynical approach to all questions. The code of discipline has yet to serve any useful purpose in industrial relations and no haste be shown to translate any of its provisions into law.

### Voluntary Arbitration

The system of voluntary arbitration under a joint reference made by the parties is indeed an ideal way to find the solution to many thorny problems of industrial relation. In other forms of industrial adjudication the tribunal is required to consider national and general circumstances besides the issues directly involved in the dispute. The voluntary arbitration does not work under such compulsion. It is an extension of collective bargaining. The job of the arbitrator is to search for some solution which it would be to the advantage of both sides to accept as one writer puts it, (a solution) 'which in fact they might have found for themselves, if they had kept their

tempers and remained as sweetly reasonable as their models in the economic text books'. In our own country the progress of voluntary arbitration has been quite promising though lately there has developed some mistrust about it in a few quarters. But this has been due to the lack of training and guidance in the field of Labour Arbitration. Recently an Institute for the promotion of voluntary arbitration has been formed and it is seized with the necessity of developing the role of a private arbitrator as of one who can be acceptable to both the parties. We have got now many speaking awards of private arbitrators and instances are on record where they have preferred to take the assistance of technical assessors before arriving a considered decision on the subject matter of arbitration. Many of our arbitrators, however, have not been able to get out of their mind the notion that their function is in some way judicial. Legalism in theory is considered to be a bias in the mind of an arbitrator, for a legalistic approach is not conducive to a settlement. The job of the arbitrator is not to impose a solution but find out a settlement that can be acceptable to both the parties. In order that this approach to voluntary arbitration may be realised in practice it is necessary to promote on a nation-wide basis certain broad concepts about voluntary arbitration. Since this can be best done by persons who have developed special skills for this type of national service, the proper way to promote the idea is to declare a panel of names of arbitrators acceptable to the Central Organisation of workers and employers. Then it will be easy to the parties in an industrial dispute to solicit the assistance of a member on this panel. The presence of these panel members will also be welcome in many seminars on industrial relation where basic or particular problems are discussed in freer atmosphere. The various research organisations and councils will also like to work in the light of suggestions made by worthy arbitrators of long standing and repute to make detailed investigations on particular aspects of industrial relation and take projects that can give basis for the deliberations in an indusrtial dispute. A body of systematised knowledge and practical experience will be collected round the thinking made or expressed by these arbitrators and a general scheme of reference will be built up to decide many difficult questions like wage fixation, wage-differentials, social costs and economic progress, role of fringe benefits, etc. Almost all the important matters that form the Union's Charter of demand are such that no law or no fixed principles can be propounded on the subject. The settlements arrived at in collective bargaining do not give any idea of what was transpiring in the minds of parties that arrived at a given settlement. It is the function of the courts of law to establish case law. But arbitrators are under no compulsion to make any serious attempt to establish case law. In their awards, references to earlier decision may be frequent but precedent in a formally binding sense has no place in disputes such as those on wages. In a way the speaking awards given by arbitrators in important disputes can give us a body of a sort of organic common law that develops according to custom and usage and current opinion in each period. It can embody a good sense of the mankind and suggest rules and attitudes that can be conducive to a proper adjustment of men's relations in various settings given by the modern complex of industrial and economic life.

In order that the arbitrators can do their job well it is necessary that they are well versed in the technical matters that often weigh the consideration of the dispute. There is no one profession such as of civil servants, or lawyers or academicians or businessmen or technicians that can give us a ready-made Arbitrator. The voluntary Arbitration is a highly sophisticated profession that must develop on its own, though personnel managers and senior trade unionists may be able to switch on to this profession with a comparative ease. The reputation as an Arbitrator is the greatest asset that a Society can look for as its riches in men of high comprehension, balance and wit. The more such men can afford to give a patient listening to the warring parties in a dispute and put the respective positions in a proper perspective from which an answer can flow just like a fruit from its seed, the more able will become that Society in solving the industrial disputes by light rather than heat. It is proper that we pay them well and the unions and management contribute equal share while availing their service. In their solicitation both parties should put equal stake so that they will get a balanced foundation and their profession will get a high acceptance and honour without which it will not be worthy to take that office.

**Strikes**

The strikes is a legitimate weapon of the worker. The term should be taken to include stay-in strike, pen-down strike, sympathetic strike, token strike and even hunger strike. The mass casual leave can also be considered as a form of strike. The term should not however include go-slow and sabotage and illegal confinement. These latter categories are a timid and anti-social tactics and must be discouraged. The work-to-rule form of protest, however, stands on a different footing and should be considered as a legitimate form of protest. The running sore strikes such as refusal to work over-time, or refusal to run the last bus on schedule, etc., will have to be examined on its merit according to the nature of industry and timing of the action as to whether it falls in the category of strike or a mere protest. The bumper strikes (done factory by factory) or revolutionary general strikes are quite often political in nature. However, they need to be distinguished from big-scale sympathetic general strike or bundh done for a trade-union cause. The frequency and duration of the latter are relevant considerations to decide how far they can be treated as a prelude or preparation for a revolutionary upsurge. Likewise the frequency of token strike in a particular establishment may convert its nature from a legitimate form of protest to mischief.

According to the present definition of the Act, the strikes are either legal or illegal. They are treated as illegal when they are commenced in contravention of the Act (Section 22 or 23 of I. D. Act) or continued in contravention of an order made under Section 10 (3). The effect of these provisions is to render all strikes in public utility as illegal, for on the one hand they require at least 14 days notice and on the other hand they cease to be

legal if and when the conciliation officer mediates in the dispute which he is under an obligation to do within these 14 days notice period. The legal prohibition of strikes is proving to be a notorious failure since it ignores the practical realities of striking situation and do not appear to have been based on the close study of the psychology of the striker.

The strike is more often than not a demonstration of protest or force. The fight-to-a-finish form of struggle is hardly feasible in the context of Indian situation. The strikes in their current form are meant to compel the attention of the employer, Government and public to what the workers consider an injustice and oppression. Therefore, so long as there is an incompatibility between the views of the legislature and those of the workers about what is justice and what is injustice, the 'illegal' strikes will continue to occur. For the same reason they need to be handled with a view not to suppress them but to spot-light the more fundamental maladjustments, injustice and economic disturbances that lie at their root and finding out of ways to remove them by remedial action or education or both, wherever it is due. The overt cause of strikes is hardly its real cause, it may at the most be a frontier-incident. One who has seen or employed various types of appeal to mobilise the workers for a common strike, knows very well how the accummulated grievances and a history of many unconnected incidents are roused to generate the strike atmosphere in a plant or undertaking. Once this atmosphere becomes ready then the actual strike can take place even on the most flimsy excuse. Then if it is withdrawn because of the removal of the immediate or declared cause or because the strikes have exhausted themselves in the struggle, still its recurrence always remains possible so long as the basic underlying causes that promoted the actual strike remain unattended. When such strikes take place at periodic levels of, say, a year or two. then they may even be treated as safety valves to let out the steam lest it may take more dangerous forms. In factories where labour is putting up a hard full-day's work such strikes often have tonic effect in so far as they give way to the accumulated tensions of the period and also offer an occasion to make otherwise difficult changes in set up or working of the factory or review its payment scheme. Quite often such strikes on the factory level develop in a spontaneous manner. Usually the leader knows that the situation is explosive and may turn into strike at any moment, but the actual incidence and timing of strike may take place without his explicit permission. On the other hand, there are instances on record when out of a number of factors for which a strike-action is planned out and well controlled, if a single factor changes, the union leaders have shown readiness to reverse all their earlier decisions even at the zero hour before the scheduled commencement of strike. There are many types of reasons that prompt the actual strike. Out of these bad social condition, fatigue, and frustration in industrial work and inferiority of position given to workers may be termed as a sort of permanent underlying causes in the present context of Indian sense. Strikes for increase in wages, D. A., Bonus or such other financial demands can, in certain cases, be interpreted as a category apart. Victimisation of active trade

union worker or situations developing out of inter-union rivalry have also caused quite a good number of strikes in India. There are still many employers in the country who have not reconciled themselves with the existence of trade unionism and in these cases the unions quite often start along with the strike. Faulty or imbalanced wage bargains that may have done comparative injustice on some categories or regions are also increasingly becoming a cause of strike. Such resentments are very natural and they are likely to remain a cause for the formation of break-away unions. There have also been occasions for general strikes in an establishment for non-implementation of the award or faulty interpretations of any settlement, etc. Strikes against a particular promotion or on policy of promotion are also becoming a new feature, specially in white-collar workers where the sensitivity on this issue is most acute.

The analysis of the cause and modus-operandi of the strike suggests us the ways of handling a strike situation. In this connection we want to emphasise that the present distinction between legal and illegal strike should be replaced by a new categorisation of strikes as legal, non-legal and illegal. The legislature in its wisdom may lay down any provisions that can classify the strike as legal and entitle the workers to receive the salary and wages during the period of strike. It may also likewise prescribe certain other strikes as illegal. These latter should be as few as possible. They may, however, include strikes attended by acts of sabotage, or strikes carried by method of intimidation and assault or all types of voilence. In public utility service only these two distinctions legal and illegal may continue and so also in case of lock-out the same may be considered either as legal or illegal as defined by the statute book. In all other cases, there is a need for a third type of classification of strike that is neither legal nor expressly illegal. It may be termed as a non-legal strike and should not attract penalties that are imposed in case of a illegal strike. This will make it possible for legislature to provide a minimum of conditions to declare a strike as legal or illegal and leave a vast body of strike situation to be initially described as non-legal. It may, however, be kept open to the employer or any trade union other than the striking union working in the same establishment to apply to industrial adjudication to attract provision or provisions of illegal strike such as its penalty clauses for a non-legal strike on the merit of each case. In deciding these cases the adjudication machinery may be guided by certatin broad cosideration in refusing to term a non-legal strike as illegal. These considerations may be as under :—

i) a sufficient intimation was given to the employer before declaration of a strike,

ii) the abstainance from work is peaceful,

iii) the strike is done with the sole object of bringing the employer to the negotiation table,

iv) strike is of a purely token character,

v) It is done to enforce provisions of law or award,

vi) a sufficient provocation exists to cause serve discontent or

vii) any other cause that may amount to the continuance of normal work a shameful or undignfied submission.

The presence or absence of the above considerations should weigh in a general manner to guide the industrial tribunal to decide whether any penalty clauses provided for illegal strikes should be attracted in a particular case for which application is made by a competent party involved or affected in the strike. Similarly it should be open to the striking union to get the strike declared as illegal to be non-legal or a non-legal one to be legal, etc., and acquire benefits of relevant provisions.

The classification suggested by us is a very necessary classification and in fact, many enlightened employers prefer to abide by some such classification in tackling different kinds of strike situations. They have achieved remarkable success in stabilising industrial relations after a strike. The number of such employers is, however, very small and a lack of uniformity in this regard keep the unions guessing and affect industrial morale. It is estimated by many competent observers that the fall in production due to strikes is much less than that due to other causes emanating from bad industrial relations. If the strikes can, therefore, be made an honourable and well-understood form of protest, the processing of industrial strife will make a living sense and will be of great practical help to maintain a morale of work force. It will certainly be conducive to create environment to work hard with an honour and dignity in work, for the other course to abstain from work and strike is open when it is felt that the conditions of work have no more remained honourable. It is a sort of interim resignation which on being received from a competent hand creates a healthy stir and a serious debate on an important issue. The provision of debating the social foundation or philosophy behind such strikes in industrial adjudication and getting their verdict when so required will provide a very wholesome restraint on all concerned to think in terms of justifications of their action before a third party. In fact they are likely to bring the consumers' or common man's approach to problems of strike a much neglected but a very useful approach. It may also make it unnecessary for unions to declare strikes under the banner of action committee so as to keep the official record of union clear for purposes such as recognition. It is better that unions should be able to own the strikes which they feel confident of being justified before a competent tribunal. For an institutionalised processing of strikes and a guiding and evolving philosophy for social discrimination is a necessary addition to improve the present position in this regard.

**Lock-out**

Theoratically, the position of lock-out is possible of being argued on the same basis as strike. For the right to strike arises from a conception

of equality between employer and the workmen as parties to a civil contract. But this is never so in fact. The relation under the present circumstances is entirely unequal. The workman can do nothing to change the terms of employment without the employer's consent. The employer is however much free to make many changes and order a lot of things. He, therefore, never needs to break his contract by locking out his workmen without notice. It is easy for employers to talk about the sanctity of contract but the workmen have many times to choose between breaking their contracts and breaking faith with their fellow-workers in such a way as to allow the employer to worsen the conditions of employment. The strike has been far more necessary for the worker than the lock-out, for the employers are usually in a strong enough position not to need to resort to a lock-out. Therefore, any restriction applying indifferently to strikes and lockouts will, in effect, discriminate against the worker. As such, we suggest a parity of considerations between lock-out in any industry and strike only in a public utility concern and rule out any non-legal strike in their case. In their case the strike and the lock-out can either be legal depending upon the exhaustion of all ways to avoid their incidence and giving of a lawful notice and readiness to submit for a third-party verdict. We want to add, however, that for this purpose the public utilities should be declared by statute and not left to the descretion of the executive.

### Gherao

One other question that has recently received a wide public attention is Gherao and it will be proper to deal on this subject separately. 'Gherao' is not a legitimate weapon in the armoury of workers for conducting industrial warfare. The term 'gherao' is recently coined; but the phenomena as such is not of recent origin. Gherao as an instinctive reaction of workers to the lacuna in legislation and inadequacies of various machineries it is natural and there can be no question of either welcoming or condemning it. Mere condemnation would be of no avail, so long as there is no serious effort to remove the causes responsible for it. We have made appropriate suggestions elesewhere in this memorandum for making labour law more perfect and machinery under it more efficient. If these suggestions are followed, instinctive gheraos will becomes superfluous. But it should be noted that gherao when instinctive, is neither pre-planned nor organised. It is purely industrial in character, though not legitimate. Political gheraos are, on the contrary, preplanned and deliberately organised. They are intended to serve as a link in the chain of a sustained effort to bring about chaos which would pave the way for ultimate revolution. In such cases, workers are treated as mere instruments of a political game, and their discontent is exploited for the furtherance of political ends. Such gheraos deserve severe condemnation. They are not only antinational but also anti-labour. They are bound to result, in the long run, in hostile attitude of the entire population to even the just and fair demands of the workers. The real way to combat this menace is to implement the sugges-

tion made by us in this memorandum. If workers are convinced that justice would be cheap and expeditious they will never allow themselves to be exploited by extraneous political interests.

### Tripartite Bodies

The present tripartite bodies in India have provided a very useful forum for airing of views for Government spokes-men, and leaders of Industry and Labour. But beyond that august function they have not carried any living impact on the life of workers. The 15th tripartite is many times considered to be a landmark in industrial relation since it defined concepts of a living wage, a fair wage and a minimum wage and the 20th tripartite gave a definition of rights of recognised union under the code of discipline. But the Government of India came out with a statement before the Second Pay Commission saying that even though the Government was a party in passing the resolution of the Indian Labour Conference yet these resolutions cannot be treated as binding upon the Government and they are not committed to take any executive action to enforce these recommendations. If the Government does not thus consider it necessary to honour these resolutions there is no reason why the other parties should. In effect the forum of the Indian Labour Conference has become co.npletely ineffective. In this respect it is worthy to note that the forum of International Labour Organisation which is a tripartite body involving many Government and Industries and labour leaders of many nations has been much more effective than our National Tripartite body. The I. L. O. has also sponsored many specialised and competent services in work-study and other techniques of productivity and labour welfare and they are shaping the work life to quite a considerable extent. We have already stated that most of our legislation has followed the lines set out by the I. L. O. Even its publications are treated as standard works and do leave their mark in many key disputes coming before the Arbitration. It should not be unrealistic to expect that the Indian Labour Conference and the Standing Labour Committee contribute much more to raise the standard of living of Indian labourer, wipe out unemployment and create better industrial climate.

The main defect of our Tripartite bodies is that they do not perform any standing function for labour. In effect, they have become only ceremonial bodies taking few periodic pledges that can be conveniently forgotten as soon as you step out of the Conference. They need an effective secretariate entrusted to carry out their decision and should be burdened with specific functions appropriate to their status and importance. Three such functions stand out in clear need of being put under the control of national tripartite machinery. One is collection and publication of data on the living and working conditions of Indian labour. At present this function is variably done by labour departments of various State and Central Government, Indian Statistical Institute, National Sample Survey, the Central Statistical Organisation in the Cabinet Secretariate, and the Labour Bureau at Simla. But the work is quite scanty

of equality between employer and the workmen as parties to a civil contract. But this is never so in fact. The relation under the present circumstances is entirely unequal. The workman can do nothing to change the terms of employment without the employer's consent. The employer is however much free to make many changes and order a lot of things. He, therefore, never needs to break his contract by locking out his workmen without notice. It is easy for employers to talk about the sanctity of contract but the workmen have many times to choose between breaking their contracts and breaking faith with their fellow-workers in such a way as to allow the employer to worsen the conditions of employment. The strike has been far more necessary for the worker than the lock-out, for the employers are usually in a strong enough position not to need to resort to a lock-out. Therefore, any restriction applying indifferently to strikes and lockouts will, in effect, discriminate against the worker. As such, we suggest a parity of considerations between lock-out in any industry and strike only in a public utility concern and rule out any non-legal strike in their case. In their case the strike and the lock-out can either be legal depending upon the exhaustion of all ways to avoid their incidence and giving of a lawful notice and readiness to submit for a third-party verdict. We want to add, however, that for this purpose the public utilities should be declared by statute and not left to the descretion of the executive.

### Gherao

One other question that has recently received a wide public attention is Gherao and it will be proper to deal on this subject separately. 'Gherao' is not a legitimate weapon in the armoury of workers for conducting industrial warfare. The term 'gherao' is recently coined; but the phenomena as such is not of recent origin. Gherao as an instinctive reaction of workers to the lacuna in legislation and inadequacies of various machineries it is natural and there can be no question of either welcoming or condemning it. Mere condemnation would be of no avail, so long as there is no serious effort to remove the causes responsible for it. We have made appropriate suggestions elesewhere in this memorandum for making labour law more perfect and machinery under it more efficient. If these suggestions are followed, instinctive gheraos will becomes superfluous. But it should be noted that gherao when instinctive, is neither pre-planned nor organised. It is purely industrial in character, though not legitimate. Political gheraos are, on the contrary, preplanned and deliberately organised. They are intended to serve as a link in the chain of a sustained effort to bring about chaos which would pave the way for ultimate revolution. In such cases, workers are treated as mere instruments of a political game, and their discontent is exploited for the furtherance of political ends. Such gheraos deserve severe condemnation. They are not only antinational but also anti-labour. They are bound to result, in the long run, in hostile attitude of the entire population to even the just and fair demands of the workers. The real way to combat this menace is to implement the sugges-

tion made by us in this memorandum. If workers are convinced that justice would be cheap and expeditious they will never allow themselves to be exploited by extraneous political interests.

### Tripartite Bodies

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and un-coordinated and cannot be put to a practical use. Even the construction and maintenance of cost of living indices on which so important a factor as workers' Dearness Allowance is always based, suffers from many faults and is openly subject to political influences. The compilation of this important date and its publication should be the charge of the Tripartite Body. The work of compilation of all such relevant material will give a very valuable base to chalk out a practical programme for labour uplift. The field is open to much original and important research and the involvement of tripartite in such a function will go a long way in improving the conditions of Indian labour and give a definite direction to labour policy. It will equip the Trade Union Movement to take its rightful share in shaping national plans and policy.

The second charge of the Tripartite should be the programme of worker and supervisory training including the workers education for trade union work. At present, the Government is conducting some courses in this regard while the others are done by National Productivity Council. The I. L. O. has taken productivity as one of its very important plank of providing International Service. This creation of productivity consciousness can also form an important funcion of the tripartite body and can be embodied in its function with the growth of experience in due course. An immediate programme of practical training of trade union workers, making workers conscious in matters such as safety, discipline, job opportunities, welfare programmes, etc., and training of supervisors in industrial relations can be best introduced under the guidance of a tripartite body than leaving it to one body, viz., the Government.

The third is an integrated social security scheme. At present some schemes such as Employees Provident Fund, and Employees' State Insurance, are being run by separate institutions of a tripartite character. There is also a move to have a scheme for unemployment insurance. We shall speak about their intergration while dealing with the subject of social security. At present, it is sufficient to state that the whole scheme should be intergrated and put into operation under the general supervision of the National Tripartite.

For the above purpose a standing board of the tripartite will have to be constituted under the Chairmanship of the Central Minister for Labour. The chief executive officer for the works should however, be appointed by the Tripartite board after obtaining the concurrence of the Government.

### General

Such in broad canvass is the line on which human relationship in Industry can proceed most fruitfully on its vast lingering march. Any attempt to rationalise it on clear-cut patterns of thought is the surest way to invite repeated failures and large-scale disaster. Statutory enactments should have a minimum place in the whole scheme of things. Permanent acting machinery of skilled negotiators on both sides who can create sound customs and standards of

behaviour and institutionalise the same by a willing acceptance will be the makers of a new industrial society. Whatever demonstrativeness may be attributed to trade unions by the common man and news papers, the trade unions are in fact a serious day-to-day business. It is necessary that industry should make their work easy by offering proper facilities within the office or factory premises and honour their existence as a part of industry and not a mere out of office activity. A steady and healthy communication is the essential prerequisite to build up lasting goodwill between employer and the employee and union-recognised or unrecognised is an important, though not the sole, means of this communication. A works committee of workers formed through election culminating in Joint Management Council having sufficient power in industrial relation such as control over disciplinary action, productivity, welfare, etc., is another main channel of this communication. It should keep the two-way flow of information with live interest. On its basis the collective bargaining with representative union or unions can build a climax. There is nothing better than this collective bargain till a situation comes when nobody is an employer and none an employee since all as members of one Industrial family collectively decide each issue. For reasons mentioned by us earlier, however, the collective bargaining may not always become possible. In that case voluntary arbitration is the next best course. The independent nature of voluntary arbitration is its greatest asset and the speaking awards of learned arbitrators that may on occasions be based on technical consultations can constitute a great guiding factor in promoting healthy relationship on sound lines. The development of a profession in voluntary arbitration can provide a great inspiration even to research workers on problems of labour. The tripartite bodies taking a responsibility to collect all relevant date, co-ordinate research, and run schemes of workers and supervisory education will then be able to give a broad push to many important lines of experimentation. The minimum of statutary law with a maximum of freedom for the weight of current to assert in each situation will then put the country's spirit at work in many bold and original lines of activity. The scope left for non-legal strike and a debate on the same in courts of adjudication will reveal areas of social injustice and show the shortcomings of statute and man. The evolving pattern of Joint Management Councils can give us another varied pattern of constructive activity. A progressive march in schemes of profit sharing and elevation of workers representatives to board of directors will open for country's labour a prospectus to participate in nation building activity. A labour thus protected from victimisation by grant of powers to his works committee and having reliable awards and settlements since the Labour Commissioner's machinery can enforce its administrative decisions for him, and having required to justify his strike action only to the common man and consumer to whom he is answerable and of whom he is a limb and part and further having a right to dispute for acquiring rights to share the authority in policy-making will present a picture of people who are on road to acquire an economic freedom. If then, such an invitation will not still inspire the people, then the remedy will have to be

found out in fields other than those of industrial relation. But before blaming something else let us put our own house of industrial relationship in the proper order for who knows, we may solve all our problems on this field itself. The industrial family should be one big joint family and then it will get a well-rooted harmonious hue and colour. Its growth will then be on the basis of organic law.

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CHAPTER VII

# Rural & Unorganised Labour

The problem of rural unemployment and underemployment has defied satisfactory solution so far. Unavailability of reliable statistics in this regard poses a great difficulty in assessing the magnitude of the problem. Correct assessment of the extent of rural underemployment is still more difficult. Nevertheless, all these statistics will have to be collected before we draft any plan or plans for providing appropriate protection and relief to rural workers.

Before more than a couple of years the Government of India had assured the Republican Party that all surplus lands will be expeditiously distributed among the landless labourers–particularly among those belonging to the scheduled castes and the sheduled Tribes. This has, however, not yet been accomplished. Lack of earnestness on the part of the Government in this regard is the factor mainly responsible for this non-fulfilment of assurance. In many states, the provisions pertaining to the land ceilings in the State Land Reforms Acts have not been strictly implemented. In some cases the ceilings prescribed are unrealistic, i. e. too high. Nevertheless, distribution of all cultivable waste Land and of land rendered surplus on account of the implementation of the land Reforms Acts is a must and deserves to be undertaken immediately.

There prevails a view that such distribution of land, even if undertaken and accomplished, may not prove a suitable economic measure. But if priority is given to agriculture in our next plan it should not be difficult to provide adequate finance to assist these new landholders in cultivating and managing their lands. Organisation of service co-operatives will go a long way in minimising the evil consequences of fragmentation. The sense of proprietorship will enthuse these labourers to greater and more sustained effort which cannot but result in greater production. Exemption of uneconomic holdings from land revenue or agricultural income tax will also assist them in achieving self-reliance within a comparatively shorter period.

For combating underemployment it is necessary to bring mechanised industry to rural areas. But the pattern of such industries must be different from that of those in the urban areas. Large-scale industry necessitating concentration of labour and of the various processes of production is a distinguishing feature of the urban industrialisation. In rural areas stress should be laid on the decentralisation of the processes of production. If power is carried to every village and every hut and hamlet it would be possible to run such decentralised industries with the

help of machines to be devised specially for this purpose. In that case, home, and not a factory, would become the centre of industrial production. This is indeed an ideal condition for our rural areas. But this also envisages a fresh industrial survey of rural areas from this point of view, and development of new technology to suit this pattern. In the first place this experiment may be conducted in a few selected areas.

Launching of labour-intensive developmental projects capable of yielding results in the near future is another measure that is worth trying on a wide scale. Construction of feeder roads, small and medium irrigation and drainage works, can be undertaken with the help of the unemployed and the underemployed etc. The action programmes suggested by the International Labour Organisation with a view to creating incentives and social conditions favourable to fuller and fruitful utilisation of local manpower in rural areas are mostly suitable to Indian conditions and requirements. Of course, the ways and means of adopting the programmes to our conditions will have to be thought out. But this is practicable.

The Republican Party had demanded that all agricultural workers in the country should be given the protection and the benefits of the Minimum wages Act, 1948. This should be done without delay. It is extremely difficult to ensure the implementation of the provisions of this Act. The inspectorate would have to be too large; the cost of maintaining it exhorbitant. Obviously, the agriculture industry is not capable of bearing this burden. To meet these expenses from other sources would not be so easy. To entrust this work to village or block development staff is possible. This should be tried, though one cannot be certain about the efficacy of this arrangement since this staff can be more rapidly susceptible to the corrupting influenee of those who are out to defy the provisions of the Minimum Wages Act. We have no hesitation in admiting that we have not been able to conceive any effective method for implementation of the Minimum Wages Act in the rural areas, though we are convinced that it is absolutely essential to implement it throughout the country.

As a matter of fact, the only guarantee of social justice to agricultural workers lies in the revival of the spirit of village commonwealth, comprising of peasants, artisans and land workers. Every party of this commonwealth is convinced that its prosperity is linked inevitably with that of the other two partners. This realisation generates an atmosphere and attitude of co-operation and mutual trust. Unless the inevitability or advisability of willing interdependence is brought home to every mind in the rural area, it is impossible to ensure justice and equitability, merely on the strength of legislation. But this is admittedly a broader subject, not within the competence of trade union organisations. Since, we seem to be far away from such an ideal condition, we cannot but rely upon the enactment of suitable legislation and its strict enforcement.

Central Labour Organisations have not succeeded so far in organising agricultural worker. It is difficult to say whether this was on account of their unwillingness or their inability in this direction. Certainly, it is many times more difficult to organise agricultural workers. Their work places are scattered; hence the difficulty in rousing trade union consciousness among them. Secondly, everyone of them is in direct contact with the employer which is rarely the case in factories. Thirdly, they are not yet confident that, in the context of the peculiar circumstances prevailing in the rural areas, trade union can ever become an effective instrument of their service. It must be admitted that in case of agricultural workers, the labour co-operatives are at least as useful as the trade union. Greater stress should be laid on organising them into labour co-operatives. Labour Co-operatives are still more useful in case of forest labour. These uneducated, illiterate forest workers need appropriate protection from the exploitation and onslaughts of forest contractors. Suitable amendment in the law, making principal employer responsible for all payments and working conditions of the contract labour, seems to deserve priority. This should be done and they should be organised into labour co-operatives.

Village Artisans are outside the orbit of Labour Legislation. They are not 'workmen' in as much as they are not 'wage-earners'. But upon their welfare depends the welfare of peasants and workers, even as welfare of the latter is a precondition for that of the former. In their interest it is necessary to improve the methods of their work; to introduce a small degree of mechanisation in their crafts which should be compatible with their erstwhile modes of production; to encourage the spirit of 'swadeshi'; and to organise them into 'Market Co-operatives.' Market Co-operatives are to village artisans what trade unions are to industrial workers.

Workers employed in unorganised and small industries in rural/urban areas deserve greater protection. Provisions of the Minimum Wages Act and other legislation should be extended to this sector. Adequate number of labour inspectors should be appointed to ensure or supervise the enforcement of such legislation. A concern which cannot pay its employees even the minimum wage has no right to exist. This principle should be strictly followed. The rate of subscription to trade unions should be reduced in their case. This may help the growth of trade unionism in this sector.

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*CHAPTER VIII*

# Labour Legislation

## Part - I

The labour-management relations should be improved and mainly governed by collective bargaining and negotiations, rather than by legislation and imposition. In other words, the relationship should not be merely legalistic and static, but evolving and dynamic. To ensure good industrial relations the main role should be played by the parties themselves labour and management- and only when the bipartite approach fails, the legislation should step in to maintain industrial peace. Attempts to resolve labour problems by straight - jacket legislation should stand in the way of collective bargaining and building up the strong and healthy trade union movement.

### State Interference

However, the powers of the state should be invoked and state interference is essential to protect and promote the health, morals and welfare of the employees, suffering from unequal bargaining power and exploitation by unscrupulous and avaricious employers. The oppression in itself, like fraud, is immoral and wrong either against the individual affected thereby or against the public at large and the excessive dependence of whole class of community threatens the social fabric with grave disturbance or ultimate subversion and ruin. Shri M. C. Chagla, the then Chief Justice of Bombay High Court, has made a significant observation in this respect in the case of Prakash Cotton Mills Ltd.

" . . . . It is truism to say that the present tendency of our labour and industrial legislation is to impose more and more burdens upon the employers. These burdens are imposed in the interest of the employees, because they have been underdogs for decades and centuries and the legislature wants to raise their status and therefore, employer cannot be heard to say : " There is an unreasonable restriction upon my right to carry on business or hold or own or possess property because the burden inflicted upon me by the law is such as in my opinion is intolerable. . . . ."

### Limitation of Laws

With a view to protect and promote the welfare of the working and toiling masses, the Government has rightly enacted various labour laws such as Factory Act, Industrial Disputes Act, Minimum Wages Act,

Workmen's Compensation Act, etc. But it is painfully noticed that the purpose or objective of these enactments have not been achieved, to the extent it ought to have been. The following factors, amongst others, have mainly hindered the achievement of these objectives :

a) The machinery of the Government for implementation of these labour laws is inefficient and inadequate. Looking to the vast number of the workers and the unscrupulous and dishonest employers, the quantity, quality and the powers of the executive staff has proved to be ineffective.

b) Various lacunaes in the labour laws: e. g.

i) discretionary powers of the Government to refer disputes to the Tribunals.

ii) the absence of provision for giving retrospective effect to the award from date of demand, resulting in inordinate delay on the one hand and adoption of dilatory tactics by the employers on the other.

iii) the provision of discharge simplicitor in Model Standing orders.

iv) the failure of the Government to frame the labour procedure code. having one integrated machinery to enforce the law.

c) The tendency of the employer to prefer the appeals on minor grounds and bringing Stay Orders against the recovery of legal dues, arising out of orders and awards, resulting in frustration and disappointment amongst the workers.

d) The absence of healthy and strong organisation of trade unions, ever ready and vigilant to protect and ensure the implementation of the rights, conferred by law.

e) Vast illiteracy prevalent amongst the workers.

Almost entire labour legislation of India is not only influenced but based on international labour conventions. Indian constitution has not hindered the progress of labour legislation on those lines; but on the contrary directs the Government to provide for full employment and decent standard of life and go ahead of such conventions. It is our considered opinion that instead of merely following the conventions, the Government should initiate legislation based on the conditions of the Indian labour, the stage of industrial development and existing position of trade union movement.

### Directive Principles

The existing laws have proved to be quite inadequate in implementing the directive principles of state policy on labour matters as embodied in the Constitution. Worker's right to work, right to living wage and right to education has been totally ignored and the decent standard of living remains a distant dream. On the contrary, the Government has gone back on its commitment

even to ensure the payment of need-based minimum wages, as per the recommendations of the 15th Session of Indian Labour Conference.

The following changes and further improvements in the existing arrangement are urgent and essential for making the progress towards implementation of directive principles:–

A) The inclusion of "Right to work" in the fundamental rights, guranteed by the Constitution. It should be obligatory on the part of the Government to provide and ensure the employment to all citizens and make them free from hunger, poverty and disease.

B) The payment of guaranteed minimum wage, based on family budget inquiries, irrespective of the capacity to pay of the employer.

C) The protection of the above minimum wage in real sense. The entire pay packet should be linked with the Consumers' Price Index number, computed in the right manner.

D) The formation of integrated social security scheme, including unemployment insurance and the benefit of the gratuity at the rate of its one month's total wages for every completed year of service.

E) Codification of all the labour laws, with one executive machinery for administration and one judical machinery for adjudication.

F) Constitution of a special bench for labour in the High Court and Supreme Court to avoid any delay and for the speedy disposal of the case.

G) The 'Bonus' should be regarded as "Deferred Wage", till there is a gap between the 'actual wage' and 'living wage' and the Payment of Bonus Act should be suitably amended on the said basis.

H) For the purpose of proper and scientific determination of the disputes in respect of classification, special Tribunal having the necessary experience and technical qualifications should be appointed.

I) **Industrial Disputes Act**

i) By virtue of Section 10 (l) of the Act, the Government has discretionary powers to refer disputes to the Tribunal except under certain cases. These discretionary powers should be done away with and the parties should be free to refer the disputes directly to the Tribunal for adjudication, in case of failure to arrive at direct settlement.

ii) The Powers of the conciliation officers should be enlarged in such a manner that while investigating the dispute, he should be able to enforce the attendance of any person and examine orally any person supposed to be acquainted with the facts and circumstances of the case. The present tendency of the employers to ignore and disrespect the officers shall be substantially curbed and the officer shall be able to play an effective role in bringing about the settlement.

iii) Private settlement between the workmen and the Company has led to many bitter industrial struggles and disputes. Section 2(p) of the Act shall be so amended as to exclude such settlements arrived at directly with the wo.kers, having no assistance or authority of a registered trade union (otherwise than the course of conciliation proceedings). This will have the salutary effect of checking the unscrupulous employers from misusing the present provision of private settlement.

iv) Any strike during the pendency of any adjudication proceedings before a labour Court or industrial Tribunal and two monhts after the conclusion of such proceedings is very unreasoable and harsh. Even if an individual case of reinstatement or bonus for a particular year is pending, the workers are deprived of their valuable right of strike in respect of any industrial matter. Section 23 (b) should be so amended as to make only those strikes illegal which are in connection with any of the matters covered by the reference for adjudication.

v) The present provisions regarding lay off is not applicable to Sections 25C to 25E by virtue of Section 25A to industrial establishments in which less than 50 workmen on an average are employed. There is no reason to differentiate between the establishments and just as retrenchment compensation is payable by every industrial establishment irrespective of the number of employees, the lay off compensation must be paid by every employer irrespective of the number of employees he employs.

vi) Section 25H provides for re-employment of retrenched workmen, but it is silent on the terms and conditions on which they shall be re-employed. Taking advantage of this silence, certain employers have started offering the re-employment at the reduced wages or at the rock-bottom stage of a wage-scale. For the removal of any doubt and prevent such unfair labour practice, the specific provision of re-employment in original post on original wages with the same service conditions, should be made in a suitable manner in the Act.

vii) When a list of protected workmen is sent to the employer and he fails to recognise those workmen, the workmen should be presumed to have been recognised. Such specific provision is necessary in order to avoid any controversy over the question of recognisation of particular workman.

viii) Section 34 (1) provides that no court shall take cognisance of any offence punishable under this Act or of the abetment of any such offence, save on complaint made by or under the authority of the appropriate Government. However, it has been noticed that the Government hardly prosecutes any person for such offences and this has led the mischievous employer to commit breach of award, settlement

and other provisions of the Act, without any fear and indiscriminately. To make effective the implementation of the said provision, it is necessary that special Labour Prosecutors should be appointed by the Government to appear and plead on behalf of the Government, in cases of prosecution of offenders within the meaning of various Labour Acts including Industrial Disputes Act. These Labour prosecutors must appear and plead on behalf of the individual workman for enforcement of any right under any labour law, on the recommendations of the Conciliation officers.

J) **Employees State Insurance Act**

I. Additional benefits of (a) widowhood allowance and (b) funeral allowance to the insured persons should be granted.

a) In the typical Indian family, it is the male member who earns the livelihood for the whole family and when unfortunately the earning member expires, the whole family is left at the mercy of the fate. The plight of the family needs no description. The widowhood allowance, at least for a year, will enable the aggrieved family to overcome the immediate financial difficulty. Such allowance is being already paid in England and this example is worth emulating.

b) Real Social Security Scheme should bring certainty, security and stability in various stages of life of the workers. The workers should be assured of the proper funeral and proper performance of necessary religious ceremony after the death, the last stage of the life. The sense of humanity demands that the workers should have certainty that their family members should not have to borrow money for fulfilling the religious duties. Japan has alreadey taken lead in this direction and we submit the reasonable funeral allowance should be paid to the family of the deceased.

II. Enhancement of benefits :

a) Sickness Benefit

i) Abolition of waiting days: At present the first two days of sickness are counted as waiting days and are not paid for. It is not understood why this deduction is made when the total number of days to be paid for in a year are fixed. Sickness benefit should have relevancy with sickness and the 'period of sickness' is irrelevant. Suitable change should be made in this direction.

b) Condition regarding eligiblity

At present, the condition is that he should have paid contributions for the period of not less than 2/3 of the number of weeks in the corresponding contribution period in which he is deemed to be available for employment, subject to a maximum of 12 contributions. It means workers are paid in proportion to their contributions. This is

based on general principle that the worker who contributes less should be paid less. To protect the workers from total loss and mitigate such severity the same principles should be extended to those who contribute for not less than 1/3 of the number of weeks in the corres ponding contribution period, subject to a minimum of 6 contributions.

c) Temporary and Permanent disablement Benefit and Dependent Benefit.

At present the temporary disablement benefit is paid due to the employment injury at the rate of half of the assumed average wages. Employment injury means a personal injury to an employee caused by accident or occupational diseases arising out of and in the course of his employment in a factory or establishment. Thus, unlike sickness employment injury is directly linked up with nature and place of employment. Such injury is caused because the workman who depends on his employment for the bread of himself and his family has to incur risks. As such calamity is incidental to the employment, we submit that full assumed average wage should be paid to the insured person. On the same principles Permanent Disablement Benefit and Dependent Benefit should be enhanced to full assumed average wages of the insured person.

III Contribution by the Government

At present only workmen employed are contributing towards the scheme. In fact, the social security scheme presupposes the recognition of the doctrine of community responsibility for the welfare of the workers, apart from the employers liability for the same. As a recognition of this principle, we are of the firm opinion that the State must contribute towards the welfare of the workers. It is really painful that our Governments are not contributing a single paisa to this scheme, unlike England, where the State contributes towards the health scheme.

IV Investment of Funds

Rule 27 of the Central Rules lays down that money belonging to the Fund, which is not immediately required to for expenses be invested in Government securities or as fixed deposit in Reserve Bank, etc. The fund cannot be invested in other manner except with the prior approval of the Central Government. It must be noted that the Corporation has built up the large reserves amounting to crores of rupees. We submit that the said funds must be invested in the housing schemes for solving the acute housing problems. General survey of the living conditions of the industrial workers in Bombay reveals that one of the major causes of poor health of the workers is

the most unsatisfactory housing conditions. It is one of the duties of the Corporation to protect the workers from such unhygenic atmosphere and prevent the incidence of diseases and sickness. At present the Corporation restricts itself to the provision of curative medical care. According to the principle of "Prevention is better than cure", Corporation must endeavour for decent and hygenic houses. Better houses means better health, resultnig in reduction in payment of sickness benefit. Hence, the suitable amendment should be made so as to impose a duty on the Corporation to invest reasonable percentage of its reserve fund in housing schemes.

K) **Standing orders**

i) Various State Governments and Corporations have enlarged the list of misconduct, specified in the Model Staanding Orders framed under the Industrial Employment (Standing Orders) Central Rules 1946. We submit that the list of acts and omissions amounting to misconduct should be uniform throughout India and therefore, suitable changes in the Model Standing Orders of various States and Corporations should be made to bring it in line with the Central Model Standing Orders.

ii) The provision for discharge simplicitor should be omitted from the Model Standing Order. We see no reason for its existence. The Services of the permanent employee should never be terminated by the employer except by way of punishment for misconduct. This meaningless provision merely provides a tool in the hands of the employer to chuck off unwanted employees without going through the process of enquiry, etc., and without paying retrenchment compensation.

iii) Termination by way of punishment

No order of dismissal or discharge shall be made unless the permission of the Works Committee or the Joint Management Council is obtained by the employer. Such provision should be inserted in the Model Standing Orders in order to ensure the security of service of the workmen and the propriety of such order.

L) **Factory Act**

i) Under Section 49 (i) of the act, the employer, having 500 or more workers ordinarily employed in his factory is bound to employ the welfare officers. The duty of the welfare officers is to look after the welfare of the workers, but it is seen in practice, they have to act against their conscience to please the employer who pays him. We submit that such welfare officers should be paid directly by the Government which should recover the said payment from the concerned employer. This will enable the welfare officer to act independently

according to his own judgement and effectively play true role of looking after the welfare of the workers, without any fear.

ii) Annual Leave

At present, the annual leave is granted at the rate of one day for every twenty days of work performed by him during the previous calendar year. The time has now come when the said rate should be modified as it is too low. The Shop and Establishment Act of various States provides for 21 days of annual leave. There is no reason to discriminate between the employees covered by the Factory Act and Shop Act. The Factory Act should be suitably amended by substituting the phrase of "for every 15 days" in place of "for every 20 days". Maximum accumulation should be allowed after 60 days.

iii) Uptil now, no statutory provision has been made for sick leave, casual leave and paid holidays. Due to such absence, workers are exploited and they are not granted such leave unless a union is formed, demand is made and either settlement or award provides for the same. Such leave has become the normal feature of industrial law and they should be recognised by statutory provision. Provision for 7 days sick leave with full pay if the factory is not covered by Insurance Scheme and with half pay, if covered by E. S. I. scheme, 7 days casual leave with full pay and 5 paid holidays with full pay should be made, by suitably amending the Act. There should be no ceiling in the accumulation.

**M) Minimum Wages Act**

The provision under Section 4 (i) provides for fixing the minimum wage at a basic rate of wages and a special allowance at a rate to be adjusted to accord as nearly as practicable with the variation in the cost of living index number applicable to such workers (referred to as the cost of living allowance). Inspite of this, normal trend in fixing the minimum wage has been to fix the all inclusive rate. However, the Maharashtra Government has made a notable departure from this normal practice in the case of press industry and fixed the minimum wages at the C. L. I. No. 500 prevailing in Bombay for working class. For every rise of 10 points, the cost of living allowance at the rate of Rs. 2/- per month in Bombay, Rs. 1. 50 per month in Poona and Nagpur, Rs. 1. 25 in Sangli, Miraj, Sholapur, etc., and Re. 1/- in other areas has been provided. We submit that this automatic rise in the Statutory Minimum wages when the C. L. I. goes up, is the correct approach to protect the real wages. We submit that the statutory provision should be made in the Act, directing the Government to fix the minimum wage at the appropriate C. L. I. number and provide for the variation of the entire pay-packet of all the workmen, including skilled workmen in such a manner as to provide cent percent neutralisation.

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# Volume II

## CHAPTER IX

# Safety & Health

Provision of safety measures occupies an important place in the conduct of some industries, such as, Factories, Mining, Docks, Petro-Chemicals, Fertilisers, Construction, Machine Building, etc. The existing rate of accidents is high in establishments within our knowledge. Though there are certain features common to all hazardous industries, it would be more practical to take up an example of any one such industry and to deal, in its context, with the various aspects of the safety and health problem.

As an illustration, we should like to deal with the safety problem in coal mines.

A note on safety in mines, prepared by the Chief Inspector of Mines, and issued by the National Council for Safety in Mines, Dhanabad, furnishes among other things, a chart showing death rates in coal mines of some foreign countries and accident rates for all mines (coal and non-coal) in India. Stating that the safety record of mines in India compares favourably with the best performances of the mining industry in any country of the world and that within the country itself there is a general downward trend over the past ten years despite disasters in 1954, 1955 and 1958, the Note cautions against complacency in this matter. On the strength of (i) a chart of comparison of strength of Inspectorates in India, U. K., U. S. A., coal mines, Germany, Belgium and France; and also of (ii) the additional facts that in all those countries a large number of qualified whole time Inspectors is employed by the trade unions and every large mine employs one or more whole time Safety Officers, the Note rejects the complaint of 'over-inspection' of Indian Mines. On the contrary, it stresses the need for appointing more electrical, mechanical, statistical and medical inspectors and sufficient number of specialist inspectors, in view of the changed conditions of this expanding industry. Strengthening of the medical inspectorate, electrical inspection, statistical investigation, and legal assistance division of the inspectorate is already under way.

While accepting the great utility of our inspectorate, we cannot but state that such an Inspectorate cannot be completely adequate. It would be too much to expect that the Inspectorate would be able to keep a constant check on all the working areas in all the mines. The large number of aspects that must be inspected minutely and constantly, and the ever changing conditions of mines, are the two factors responsible for the limitations on

the Inspectorate's work. Observations of the U. K. (Second) Royal commission on Mines (1909) and those of the U. K. Royal Commission on safety in coal mines (1936–38), bear out this fact.

Consequently, it has become imperative to study the various aspects of safety problems in coal mines, instead of just entrusting the whole thing to the Inspectorate. The magnitude of the problem can be assessed from the fact that since the beginning of this century upto 1962, total number of persons killed in mines was 16,474 of which 1215, i. e. 7½% were killed in accidents involving 10 or more. Accident rates in coal mines all over the world are three to eight times more than those in factories.

Main problems common to all mines are :

a) supply of fresh air to the workmen at all places below ground-keeping heat and humidity low;

b) Adequate lighting underground;

c) Dewatering;

d) Haulage of underground coal or other minerals, and its transport to the surface; and

e) Control and support of roof-strata.

Some typical causes of accidents of high fatality are :

a) explosions;

b) inundations,

c) bumps and rock-bursts;

d) winding in deep shafts; and

e) fires.

**Occupational Diseases in coal mines**

The Hazards arise from–

i) production of fine siliceous dust in the process of drilling, cutting, blasting, loading as well as transport causing pneumoconiosis of various types;

ii) Insufficient lighting, causing miner's Nystagmus;

iii) Insufficient ventilation, causing heat, exhaustion and fatigue; and

iv) Poor sanitation–causing a variety of diseases–some peculiar to mining and others of a more common type.

The working area in a mine changes from hour to hour. The newly exposed ground presents new problems. The constantly changing picture of a mine is not amenable to close study. This differentiates mining from fact-

ories. It is a continuous struggle against Nature. For example, roof and sides have to be kept up against the force of gravity.

Mining is becoming still more intricate and complex because of (i) the increasing depths at which minerals are now being worked; and (ii) the greater use of machinery and the greater tempo of production.

In their zeal for effecting greater economy in the cost of production the managements do not pay due regard to the safety aspect. The I. L. O. Report on safety in coal mines (1956) explains how regulations become ineffective in the absence of the right attitude on the part of the managements and the workers The I. L. O. Report says, "If the question why accidents continue to occur in spite of the unflogging efforts of the mines inspectorate is examined, it is again seen that it is the defects and failures of those working in the coal mining industry which raise insoluble problems for authoritarian intervention".

From this point of view, the Report of Enquiry into the Dhori Colliery Disaster, 1965, by Mr. S. K. Das, deserves special study. It records the two contradictory theories about the Dhori Colliery accidents, one put forth by the Department of Mines and the other by the Management. The theory of the Management as enunciated by Shri R. P. Sinha broke down completely, the statement of the Manager disbelieved. General observations and recommendations of Mr. Das in this case are instructive :

1) Even in non-gassy mines, all workers below-ground should be provided with electric cap lamps;

2) While there is no difficulty about "actively gassy" and "technically gassy", seems, "potentially gassy" seems raise some difficulty. The position should be made clear as to which authority will conduct the survey contemplated by circular No. 52 of 1962.

3) It should be considered in consulatation with the Geological survey of India whether the limit of 30 meters laid down in the Regulation is a safe limit or not. Regulation 124 of the coal mines regulations, 1957, lays down that in a mine where safety lamps are not required to be used by or in pursuance of the Regulations, if any working has approached within 30 meters of a known dyke, default or other geological disturbance, the competent person appointed to make inspections shall, during the course of such inspections test for the presence of inflammable gas with an approved flame-safety lamp.

4) In future, all the mining sirdars, the shat-firing sirdars, and the overmen should be trained to detect the presence of $CH_4$ in the mine atmosphere. This endorsement for gas testing on the certificate of all the mining sirdars, the shat-firing sirdars, and the overmen should be revalidated periodically.

5) Wherever flame and/or electric safety lamps are used in any mine, gassy or non-gassy, the proper maintenance of these lamps in good and safe working condition should be the duty and responsibility of the management of mine.

6) Coal dust explosions are the greatest danger to the mining industry and such explosions are almost invariably initiated by fire damp explosions and these require—

a) the presence of an explosive fire-damp-air mixture;

b) a source of ignition and

c) a length of roadway of face unprotected against the propagation of an explosion.

If necessary, the staff of the Inspectorate should be strengthened with a view to persue vigorously and relentlessly any violation of the necessary precautions against coal dust as laid down in Regulation 123 of the Coal mines Regulations, 1957.

7) In view of the enormous psychological difference in the minds of the workers, the officers and the management between a gassy and a non-gassy mine, some common precautions should be introduced in all the mines, gassy and non-gassy, especially in the working faces. Every mine must be required to test for gas in each working face and also in all places within a distance of, say, 300 ft. from the working face, by means of a more accurate and a more sensitive instrument than a safety lamp or by analysis of samples of air. This can be done once a month or oftener and by an assistant manager or the manager, possessing either a Second Class Manager's Certificate or a First Class Manager's Certificate. This work may be divided between the manager and the assistant managers.

8) In gassy mines, under the present law, the whole mine has to be ventilated by a mechanical ventilator fixed on the surface. Even in non-gassy mines, steps should be taken to ensure better ventilation. In case of a naturally ventilated mine, it is practically impossible to achieve the standard as recommended by the Technical Committee on Mines safety standard. As such, in the Regulation itself, the term 'adequate ventilation should be explained in fuller detail incorporating the quantity of air etc. as specified in the committee' s recommendations. Though non-gassy mines, which are very small or at their initial stage of development may be allowed to depend entirely on natural ventilation by special relaxation from the inspector of of Mines in writing. Such relaxation should be renewed by the Inspectorate every year after inspection. In other non-gassy mines, the velocity of air current in the development working should be maintained at not less than O. 5. m per second. In case the natural ventilation does not meet the above requirement, auxiliary fans in

the main return way or a far on the surface with suitable capacity should be installed.

Normally, it should be obligatory to make ventilation connections as soon as the gallary is driven a piller and a half length or 150 ft. from the last ventilation connection, whichever may be more.

9) Safety weeks should be put to the use for which they were originally intended.

10) No recommendation is made about suggestions, such as,

a) nationalisation of coal mines;

b) nationalisation of sirdars and overmen;

c) discharge, dismissal and suspension of managers and assistant managers with the consent in writing of the Chief Inspector of Mines;

d) the creation of a pool of technical and competent persons, and

e) the setting up of a Rescue Station within a radius of five miles from each mine.

11) The Department of Mines should consider how to eliminate the difficulty of identification of worker's after a big accident. (Incidentally, it is interesting to note that it was suggested by the parties that the practice of erecting stone-dust barriers, as followed in some countries, should be introduced in gassy-mines in India, with a view to minimise the danger of coal dust explosions.)

The ambiguity of Rule 22 of the Mines Rule, 1955, regarding recovery of expenses, was also discussed, and it was suggested by one of the parties that "expenses of the inquiry" should cover all costs.

The first conference on Safety in Mines (1958-59) made a number of valuable recommendations on—

i) vocational training and Safety education of mine workers,

ii) technical matters like dangers from gas, dust, inundation, etc. standards of ventilation, lighting and plan-accuracy, problems of roof-control, mechanisation and use of explosives;

iii) Management practices and responsibility of production officials in respect of safety matters. The role of workmen in promoting safety and the need for discipline.

iv) Fitness of workers; personal protective equipment.

v) Administration of the Mining safety legislation and the role of the enforcement agency.

vi) Availability of safety equipment and material.

vii) compensation and rehabilitation.

The conference recommended a thorough medical examination of every mine worker at the beginning of his employment and at regular intervals thereafter.

Subsequently, various subjectwise committees, a standing safety advisory committee, and a National Council for Safety in mines with comprehensive objectives, have been set up. The observations and recommendations of the committee on the Mine safety equipment are satisfactory, in view of our present limitations.

The country should become self-sufficient as regards its requirements of safety machinery and equipment of mining, the only exceptions being those items whose manufacture is highly specialised or whose demand is not sufficient for economic production within the country.

Easy availability of 'spares' of the right specifications, i.e., of approved design and standard, is of vital importance not only to increased production but also to the maintenance of existing production levels. True, as most of the machinery already in use in our mines is of foreign manufacture and most of the spares and parts are of proprietory design, these parts would have necessarily to be imported and indigenous manufacture of spares can only be undertaken under licence of the original makers and only in case of standardised equipment and in case of parts whose requirements are fairly high. Nevertheless, adequate capacity for manufacturing spare parts should be provided right from the beginning. The mining industry's requirements for import of safety equipment and of spare parts should be met in full and in time. The certifying authority (for recommending import applications) for Mine Safety Equipment should be the office of the Chief Inspector of Mines which may, in urgent and appropriate cases recommend import of even such material as is manufactured indigenously. Most of the requirements of spares should be permitted to be imported through Established Importers, so that spare parts are readily available on open sale. A standing Mine Safety Equipment Advisory Board should constantly review and advise on the availability of mine safety equipment.

The most important but unfortunately the most neglected aspect in the mining industry is the vocational training of workmen. The mining labour mostly consists of raw workers recruited from villages and employed below ground in productive capacities without having undergone any vocational training to acquaint themselves with the elements of their work or with safety principles. The new entrants are more prone to accidents than experienced workers.

The I. L. O. Committee on Coal Mines has stressed in its Report (1956) on Safety in Coal Mines that 'vocational training of mine workers is one of the

most fundamental factors in the fight for accident prevention', and has added that 'whatever method of training is used, due account should be taken of safety requirements. A knowledge of the hazards inherent in mining work and of the right methods of preventing them is part of the art of mining'. Such training would also help in producing more skilled and enlightened workmen.

The urgency of vocational training is all the more increased because of the additional hazards introduced by deep mining and the greater use of machinery and explosives.

The training sub-committee has made suitable recommendations on selection of trainees; theoretical and gallery training; guided operational training; trainers; certification of trainees; payment of stipend during training reduced training for surface or open cast work, special training for gassy mines, refresher course, training in track-laying, training in handling and using explosives, and training in gas-testing.

The scheme envisages training at the mine level, not only of new entrants but also other working mine-workers. To enable the inspectorate to do justice to this work, the scheme proposes introduction of a training wing on lines of the arrangements in the U. K. Department of Mines.

The committee has done well in formulating and publicising "General Advice" to different categories, to Miners and Loaders, Drillers, Tyndals, Timber-Men, Trammers, Coal Cutting Machine-Men, and others.

Regarding Mine Safety Education and Propaganda, we feel satisfied with the following observations and recommendations of the committee set up for the purpose–

1) Necessity of Safety Education and Propaganda etc. (Section II, Page 8)
2) Safety Education for Mine workers. (Section III, Para 4. 1)
3) Safety Education for supervisory staff. (Section III, Para 4.2)
4) Ensuring attendance at safety lectures. (Section III, Para 4. 3)
5) Officials' safety Meetings (Section III, Para 4. 4)
6) Safety propaganda (Section IV, para 2. 1)
7) Safety campaigns and safety weeks. (Section IV, para 2. 3)
8) Safety Awards for individual workers, supervisory Officials and managers/managements. (Section V, Para 3. 1)
9) Safety poster competition (Section V, Para 3. 2)
10) Prizes for safety suggestions (Section V, Para 3. 3)
11) First Aid competitions (Section V, Para 3. 4)
12) Award of Bravery (Section V, Para 3.5)
13) Safety slides, films and documentaries (Section IX, Para 3)

Though many of those recommendations are already in the process of implementation, the matter deserves to be pursued mere earnestly and vigorously, so that the measures, when adopted, shoulo not degenerate into more, lifeless ceremonials.

Problem of Fatigue among mine workers should be thoroughly studied.

The rates of compensation to workers involved in accidents should be further increased and in all cases, lump sum payments be replaced by pension payments.

Rates of compensation for occupational diseases should be re-fixed in the light of the changed conditions.

The mining safety legislation must be kept under constant review. This is necessitated on account of adoption of new mining methods, introduction of new machinery, exploration of new minerals deposits and new research findings. Presently, there is need for further amendment of the Mines Act, the 1959 Rescue Rules and the Coal mines Regulations (1957).

(The Mines Act should facilitate inspection of mines by workers' representative also).

There should be advance scrutiny of mine development plans, following the example of such practice in Germany, Pennsylvania, Netherlands, Canada and Belgium. For this purpose, a Mine development Board be set up.

Measures should be adopted to control the construction of buildings on mining properties in the interest of both safety and conservation of minerals, and for evacuating existing buildings over unsafe areas. Other State Governments should set up, for this purpose, the Expert Committees on the model of the one set up by the Bihar State Government.

The number of coal Mines Rescue Stations be increased.

Places where there is larger concentration of workmen be located in advance, because more mechanisation means greater use of electricity and explosives, both potential hazardas, and in places of larger concentration of workmen a greater number gets involved in the accident.

The Phenomena of subsidence under our strata conditions be thoroughly studied.

Roof and strata control, especially during the 'second working' is one of the most important problems. Present drawbacks with regard to this can be overcome by filling the voids with incombustible material like sand, Hydraulic sand stoving is the best solution for Indian conditions-though sand-stoving is

not a penacea for every problem that arises in depillaring operations and adequate quantities of stoving materials are not available.

The experts should ascertain as to which method of roof support would suit Indian conditions.

It should be ascertained whether stone-dust-barriers can be profitably used against the possibility of coal dust explosion in actively gassy mines in our country.

Though in the very nature of things the Inspectorate cannot be expected to do full justice to all the aspects of the safety problem, the question of raising the strength of the Inspectorate be seriously considered.

A sense of competition in safety matters will be highly helpful. It has helped promotion of Safety consciousness in other countries. The Report "Safety in Coal Mines" of the Coal Mines Committee of International Labour Organisation at its sixth session (Istanbul, 1956) proposed "measures for Encouraging Miners' Inititave in safety matters". It mentions the 'safety bonus' which is in France and Germany. The report gives the details relating to the two formulae applied in Germany, of which the second one is simple and ensures expeditious payment. The report further describes an interesting experiment made by the "consolidation" and "Unser Fritz" mines at Gelsankireeen (Ruhr), and arrives at a conclusion that "a well devised safety Bonous is an effective means of stimulating both-interest and cooperation, not only on the part of the supervisors but also of the mine workers". The Report enunciates the following principle on which any safety bonus should be based–

"The method of calculation should be simple and easy to understand; a system should be adopted which offers a real chance of receiving something, payment of the bonus should be made without delay so that, at the moment when it is paid, the workers are still aware of the period for which the bonus has been calculated. lastly, it may be added that the effectiveness of the bonus can be increased by paying it in such a way that it is clearly distinct from normal wages and by choosing a moment when it will be doubly appreciated for example, the last week in the month".

The report appreciates introduction of a "kind of competition" between the different mine sections. Competition encourages emulation. "In the Nord and Pas-do-calais coalfield a special safety prize has been instituted and the extension of this to other coalfield is under consideration. In the Untied States some of the coal mining companies organise safety competitions between the mines which belong to them and, after a specified period, the mine which has obtained the best results, is awarded a cash prize. Other mines, again have organised competitions which give each miner who has fulfilled certain safety conditions during the year the chance of winning a prize at Christmas time. We may also recall the first aid competitions which arouse consider-

able interest among miners in the United States. The team which wins the regional prize, the State prize or the National prize receives a cash award, a trophy and other honours. Lastly, brief mention should be made of the work of the Holmes Association, whose effects on safety in coal mines in the U. S. are considerable. This institution stimulates the safety movement by the grant of suitable awards and honours to the mines which have reached an exceptionally high level of safety and to the miners who have worked 20 years or more without an accident. In Poland, a special fund has been established, from which collective prizes are awarded every year to the mines which have obtained the best results in industrial safety and hygiene as well as individual prizes to the workers and supervisors who have worked without accident or who have made the greatest contribution to improving industrial safety and hygiene in the mine. This list of examples could easily be supplemented by examples from other countries."

While all other remedial measures referred to earlier are important, the essence of the whole matter lies in the rousing of safety consciousness among all concerned. This factor of supreme importance is applicable equally to cases of other hazardous industries. In case of every one of such industries, there should be a serious effort to devise the ways and means of rousing safety consciousness. Safety problems assume different character in different industries but the basic factor is the human being who works out the industry. If the human element in the industry is brought upto the required level of consciousness, the inanimate mechanism of the industry will automatically take care of itself. Man is the key problem–the centre of all safety problems.

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CHAPTER X

# Wages

## Introductory

The unemployment and under-employment in the country is the most influential environmental factor in India that has kept the wages of Indian labour at a low level as compared to those in other countries or even when compared to the minimum requirements for human living. It has affected both the skilled and unskilled labour. At higher levels it is causing a brain drain. At lower levels it has left to labour no bargaining power. The condition of agricultural labour, gumastas in small shops & establishments, unskilled labour in practically all undertakings but specially in the small-scale industries, labour in domestic services etc., is one of apalling poverty. The abundance of educated class in relation to the needs of economy has drived this category also into the same position as unskilled labour.

Amongst these the agricultural labour possesses hardly any bargaining power. The economy of the villages is subsitence-oriented one. A recent study made of this labour by Shri V. S. Vyas of Sardar Vallabhbhai Vidyapeeth, Gujrat, shows that the average daily earning for the casual male labourers who constitute the bulk of the agricultural labour force ranged from 87 p. in one village to Rs. 1.45 p. in another. The wage differentials were mostly dependent on the income of the cultivators than on any other factor. The employment ranged from 140 to 259 days. The family income ranged between Rs. 393 a year in the worst of the selected four villages to Rs. 588/- in the best. In the worst of the villages 40 p. c. of the payment was made in kind, mostly inferior cereals, while in the best case 97 p. c. of the wages were paid in cash. As against this it is interesting to note that the average annual earnings per person engaged in India works out to Rs. 509/- in 1962-63. The relevant figures in the case of different sectors give us the following results :-

| Sector | Wages and Salaries (Rs. in crores) | Total working force (in millions) | Avg. earnings per per (Rs.) |
|---|---|---|---|
| 1 | 2 | 3 | 4 |
| 1. Agriculture and allied activities. | 1241.2 | 123.28 | 101 |
| 2. Mining, manufacturing and factory establishments. | 966.1 | 4.64 | 2082 |

| Sector | Wages and Salaries (Rs. in crores) | Total working force (in millions) | Avg. earnings per person. (Rs.) |
|---|---|---|---|
| 1 | 2 | 3 | 4 |
| 3. Small Enterprises (including construction) | 224·0 | 12.04 | 186 |
| 4. Other commerce and Transport | 363.7 | 10.80 | 337 |
| 5. Organised Banking and Insurance | 137.5 | 0.15 | 9167 |
| 6. Professions and liberal arts | 531.0 | 9.30 | 571 |
| 7. Domestic services | 220.0 | 9.41 | 500 |
| 8. Govt. Enterprises | 289.0 | 1.91 | 1513 |
| **Earnings for self-employed sector** | | | |
| 9. Agriculture and allied activities | 4410.0 | 49.31 | 894 |
| 10. Small enterprises (including construction) | 789.4 | 4.01 | 1969 |
| 11. Other commerce and Transport | 1088.4 | 2.70 | 4031 |
| 12. Profession and liberal arts | 309.0 | 6.71 | 465 |

Source:-1) Col. 2 Narayan and Bina Roy "The Movement of Distributive Share in India" 1948–49 to 1957. Third Indian Conference on Research in National Income, Bombay 1961. The series-as extrapolated in NCAER publication. The figures above being for 1962-63.

2) Col. 3 : National Income Statistics, Central Statistical Organisation 1961. Series 1955–56 to 1959-60. For 1962–63 figures as shown above a simple linear extrapolation was applied.

The sectoral position of wage earnings in India from the same source gives us the following figures for average yearly wage earnings for the years 1953–54 to 1957–58.

| Sector | Earnings Rs. in crores | Col. (2) as % of National income |
|---|---|---|
| **Organised sector** | | |
| 1. Plantations | 84 | 0.8 |
| 2. Mining | 48 | 0.5 |
| 3. Factory Establishments | 392 | 3.7 |
| 4. Communications | 35 | 0.3 |
| 5. Organised Banking and Insurance | 60 | 0.6 |
| 6. Railways | 151 | 1.4 |
| 7. Government services | 570 | 5.4 |
| **Un-organised sectors.** | | |
| 8. Agriculture | 800 | 7.6 |
| 9. Forestry | 28 | 0.3 |
| 10. Fishery | 5 | 0.1 |
| 11. Small Enterprises | 183 | 1.7 |
| 12. Other commerce and Transport | 245 | 2.3 |
| 13. Professions and liberal arts | 356 | 3.4 |
| 14. Domestic services | 146 | 1.4 |

In this connection a recent study made by the Research Bureau of 'the Economic Times' also throws an important light. It makes the comparison between Britain and India which shows the influence of wage earners in both countries and the impact of collective bargaining in determining income levels.

**A Comparative Table Between Britain and India**

| | Britain | India |
|---|---|---|
| 1. Wages and salary earner as per cent of total working population | 93.3 | 51.1 |
| 2. Wages and salary as per cent of national income | 73.5 | 30.5 |
| 3. Trade Union membership as % of working population | 39.8 | 2.1 |
| 4. Workers covered by collective bargaining as % of total number of workers | 32.8 | negligible |
| 5. Income of self-employed as % of national income | 9.0 | 44.9 |

The above tables suggest the following conclusions.

i) In a family that is dependent on agriculture and allied activities the number of persons who earn some kind of wage appears to be more. Perhaps the percentage of child and women employment may be highest in this sector due to sheer necessities of subsistence and seasonal rush of work.

ii) Workmen in Organised Banking and Insurance get the highest wages. Those in Mining, Manufacturing and factory establishments run next to them but are substantially less than the former. The Government enterprises run a closed third. Workers in professions and liberal arts are again at a substantially low level than those in Government enterprises. They are again closely followed by domestic services. The condition of those engaged in other commerce and transport, small enterprises and agricultural and allied activities is the worst in all trades. Significantly, these last three trades form in the same order a comparatively better field for self-employed persons.

iii) Except in the case of professions and liberal arts the average earning of persons in any employment is substantially less than the self-employed person in the same sector.

iv) The bulk of the country's population however lives on agriculture. Despite its very lowest per head earnings the total earnings of this sector constitute the highest percentage (7. 6) of National Income. The Government services including the Railways constitute also a big portion. This gives to the wage awards in public services quite a central place in the economy. Next to these in importance, from the view point of total sectoral earnings, come the factory establishments, professions and liberal arts, other commerce and transport, small enterprises and the domestic services. All the rest of the sectors constitute each less than 1% of the total national income. This classification gives us a body of reference in determining the application of labour policy and law to different broad sectors and examine various theories of wage impacts such as the price-wage price spiral, or concepts such as National wage Policy, Minimum wage etc.,

v) It can be seen from the last table that the wage and salary earners and their total earnings now form quite a sizeable part of Indian economy. Though it is much less than their corresponding position in more developed countries, yet it can no more be ignored as of less importance than the self employed sector. The workers are not however much unionised. A country in which trade union membership constitutes only 2% of the total working population and the influence of collective bargaining is almost nil can hardly be considered as ripe where institutional sanctions can be relied upon to

deliver the goods. This aspect calls for care in taking any hasty steps for statutory recognition of bargaining agents or promotion of national bargains for industry.

Compared to the magnitude of the problem the pace of progress of the trade union movement has been very slow. According to one estimate while factory employment alone has grown by some 8 lakhs from 1960 to 64 the aggregate membership of registered trade unions submitting annual returns has been almost stagnant over the peroid. Curiously enough, we find different estimates about the precise strength of organised labour, varying between a little over 2 million to about 3.6 million members. Moreover we know that whateveer movement is there, is largely embroiled in internecine quarrels and hand-to-mouth efforts. As a result, even in the organised sector we get less of collective bargaining and more of third party judgements on wage-matters.

After all is said and done, it has however to be admitted that the trade unions are taking some part in determination of wages. Specially in the organised sector of the economy the trade unions are gaining some say in the matter and there is already a hue and cry that the rate of Dearness Allowance achieved by organised labour is creating a wage-push inflatition in the economy. That this cry against labour is unwarranted and is only an index of influence that capitalists wield over the propaganda organs needs no elaborate analysis. The strength of organised labour is already very small and even in sectors where it has influenced most we see that the real wages of workers have shown no improvement. The real impact of the Trade Union Movement on wage-behaviour may become clear if we can examine geographical wage-differentials and occupational wage-differentials in the same industry. A recent study on this subjet captioned "Wage differentials in Indian Industry" published by National Council of Applied Economic Research shows that the wage-spread for many of the occupations as between the different plants is substantial. So also there has been a tendency towards a reduction of differentials as between the lowest and the highest paid job. It may be hoped that the impact of union pressures will be found in the index of these changes. But we must admit that we are not informed on this matter either through our own sources or outside ones to make any firm statement in this regard.

Thus it can be seen that the traditional mode of wage settlements and awards have exercised the greatest influence on wage determintion in India. The collective bargaining is making a very timid appearance. The vast scale unemployment and under-employment, large availability of unskilled labour and wages in agricultural and unorganised industry have already influenced the labour market. In view of the subsistence nature of village-economy there is no need to make these factors influence any more the wage patterns in the country. On the contrary, if the country is required to be committed to great strides in modern industrialisation on western lines as envisaged in recent five year plans (a view which we do not share for diffe-

rent considerations ) then a reverse effort will be necessary so that a drag of a backward economy need not be felt in inconvenient proportions over the living standards of industrial workers. But these are sectoral and therefore partial considerations. What is of paramount importance in Indian economic condition is to give a broad push to living standards of all sections of Indian population. The real wage of every worker must show a continuous and rapid improvement. And though the growth of trade union movement and collective bargaining shall accelarate this process, yet it is not necessary to wait for the growth of these factors. By all means at our command we must raise the standards of living of our people in an equitable manner.

**Minimum Wage**

मंदो मध्यस्तथा शीघ्रः त्रिविधो भृत्य उच्यते ।
समा मध्याच श्रेष्ठा च भृतिस्तेषां क्रमात्स्मृता ॥ ९५ ॥
अवश्यपोष्यभरणा भृतिर्मध्या प्रकीर्तिता ॥ ८९ ॥
परिपोष्या भृतिः श्रेष्ठा समान्नाच्छादनार्थिका ।
भवेदेकस्य भरणं यया सा हीनसंज्ञिका ॥ ९० ॥
ये भृत्या हीनभृतिकाः शत्रवस्ते स्वयंकृताः ॥ ९३ ॥

शुक्रनीति, अध्याय २

The main difficulties about the working on the concept of minimum wage relate not so much to the definition of a minimum wage as to its actual quantification and fixation and still more about its implementation. A minimum wage or rate of minimum wage-scale can be fixed by statute as any monetary quantum and relate it to a particular base year. How far that statutory minimum corresponds to different concepets of need-based or like concepts of minimum wage is still largely a question of critical style. For, these concept are a little fluid. In the case of Express News papers ( Private ) Ltd., another vs. Union of India and others ( 14 F. J. R., A. I. R, 1958 S. C. 578 ) the Hon'ble Supreme Court have discussed at length various concepts of Minimum, Fair and living wage. They considered not only the provisions of our constitution and the recommendations of Committee on Fair wages but have also discussed the views expressed from time to time by I. L. O., by Honble Judges of courts in Australia and United States, by Royal Commissions on Labour, by various Labour Enquiry Committees and considered too the opinions of Governments, Employers Organisations and Central Labour Organisations. After such an exhaustive enquiry they arrived at the conclusion that 'the content of the expressions 'minimum wage' "fair wage", and "Living wage" is not fixed and static. It varies and is bound to vary from time to time. With the growth and development of national economy, living standards would improve and so would our notions about the respective categories of wages expand and be more progressive."

There is hardly anything that we can improve upon this learned judgement. Moreover for the field-worker this task of defining minimum wage has always been felt as an academic exercise. What is of most direct concern to him is the urgency to fix up minimum rates of payment and regulate their growth over time and secure implementation. We therefore propose to proceed forward with these more pragmatic sides of the question.

That there is a need for enactment and enforcement of minimum wages and to extend its sphere so as to include even the whole of non-industrial workers is a proposition beyond any dispute. Various State Governments have already enacted such legislations and there is a sufficiently long experience about their implementation. The stage has not been yet reached when the unification of rules and norms of minimum wages all over the country can be tried. Even within each State the area-wise classifications made by Government Notifications cannot be said to be final. A still greater difficulty has arisen in defining the various categories of workers. The lumping together of these categories in three or more broad classifications such as skilled, semi-skilled, non-skilled etc., is too broad and admits any number of interpretations. Moreover the works relating to different categories vary widely from establishment to establishment and region to another region. Almost inevitably, smaller and poorer the establishment or region, the worker is burdened with more numerous types of tasks and the purely manual or unskilled worker has no place in such establishments. And yet these same establishments cannot afford to foot the wage bill of a skilled or highly skilled labourer for their omnibus assistants. It is a good theory to say that the quantum of minimum wages be divided on the basis of actual need of workman and one who cannot afford to pay them should preferably close down his business and give way to those who can. But as we go from township to villages the difficulties in enforcing these mandates begin to be very real. In this sphere the whole economy is living on hand to mouth existence. The concept of the evolution of a National Minimum is fraught with these prospects. And yet for this very reason there is a need to devise a very wise policy on minimum wages. Here another danger in fixing the minimum wage also needs to be mentioned. It has been found in practice that once a minimum wage is prescribed for any occupation then the minimum itself tends to be the maximum wage and even the most flourishing establishment in the concern contents on paying the prescribed minimum to its staff. This defeats the very purpose of this social piece of legislation which is intended for the greatest possible welfare of the masses.

A way out can be found out by putting in greater degree of technical efforts in drafting the provisions regarding the minimum wages in various trades, regions, occupations and establishments. At present the nature of establishment is widely ignored in preparing rules and schedules for minimum wages for different categories. It is felt that a classification of establishments on the basis of capital, turnover, profits or number of persons employed etc., is imperative to make the minimum wage legislation really beneficial to the people. The various

trades in each locality or region should be categorised on such basis for the application of minimum wage rules. Then a thorough technical probe of those trades will reveal us the economic and financial potentiality of each unit in area-cum firm classification. It will then remove such obvious exploitation as we see even in richest of markets in metropolitan cities like Bombay, where labour is hired at a low subsistance level while lakhs of rupees flow before him like running water. Certainly, the human labour must be prized as much as the economy can afford to give him and abundance of labour should not become a cause to concentrate more and more wealth in few hands. The owners of large and profitable establishments must be made to pay for the human labour they employ the price that can bring to these workers a dignified existence. Similarly a standardisation of duties and nomenclature is a necessary basis to make the enforcement of minimum wage rules meaningful and effective. The task is undoubtedly a vast and complex one. But that should not be a deterrent in undertaking the same. At present it is left to the poor shops and establishment Inspectors to define it and recently there is an evident tendency not to take any state initiative in these matters but only to entertain the claims and shift the burden of proof on the complainant.

In this respect it requires to be appreciated that the minimum wage legislation is primarily intended for the benefit of labour in the unorganised sector of the economy. In this sector the ratio of management to labour is quite often ridiculously low. There are innumerable cases where every family member of the entrepreneur or even his distant relative acts as a boss over the one or two labourers engaged in the enterprise bringing the management labour ratio to 2:1 or even 3:1. Even when such a fantastic bossing is absent, the employees are too close to the employer to dare the registering of any complaint. It is a wide experience of shops and establishment Inspectorate that even when a much harassed servant of any establishment lodges a complaint in private to the inspector, he often pleads that he is not in a position to come out openly to place or substantiate the complaint. In these circumstances it is only a highly conscious. Inspector that can book the employer for the contravention of rules by cleverly using bogus customers or by laying down careful traps. But with the increasing tendency of State Governments to relegate this function, wherever possible, to municipalities or other local bodies, such consciousness of Inspectors is becoming an unrecognisable virtue. These bodies are too much enmeshed in local politics and the local shops and establishments inspector is under many pressures to take any bold, imaginative or effective step. In effect the law is becoming an ornament of a welfare state under which all basely motives get their free play and the exploitation of labour is done in an open and unashamed manner. The employer of a small establishment has too many chances to bring his employee into a dispute and the demands of loyalty made on him are quite out of all proportion to the remuneration given. These employees are quite often drafted for home-work and their whole families are almost treated as a slave labour in the chains of even

the small children of the employer. Their rescue from this state of serfdom can be done only by a compulsive and meticulously drafted legislation and its impartial and efficient administration. The shops and establishment inspector should not only be a public prosecutor who acts after the complaint on the basis of data and evidence furnished by the complainant; he must act as a vigil of society's conscience and initate action on his own whenever he spots out the infringement of law. Then only the minimum wage will become a reality.

Having done this, then we can entertain the ideas of embarking upon a phased programme for implementing the need based minimum as recommended by the Indian Labour Conference. In the definitions given by the Conference about the Minimum, Fair and Living wage, there is much that can be improved upon the present ideas on the subject. Specially, the expenses on educational and medical care and old-age requirements need to be embodied as a part of need-based minimum and the number of consumption units in a family be made more realistic. The concept of living wage has to be treated as evolutive one as the aspirations of common man begin to embrace a wider sphere of utilities and services. But looking to the present context of the economic situation the urgency is more in taking action on existing definitions than on taking seemingly futile academic exercises on the subject by way of changing definitions.

In this respect the starting point of any workable programme has necessarily to be based on the actual survey of living and working conditions of workers in various regions and stratas of economic classification of the society. Recently such surveys of agricultural workers, industrial workers and middle classes have been taken in 1958-59 though their publication has been unduly delayed. Moreover they are being used principally for the construction of cost of living indices. This is certainly their one important use which can give us city-wise and area-wise indices of cost of living and help in quantifying or interpreting the national or state figures of minimum or other wages in their respective monetary components on the basis of indices for comparative costliness of different cities and regions and more so for different periods of time for the same region and strata of population. A wider use of this survey is however called for in fixing the initial target for a minimum wage programme and governing or ensuring a rise in its real content over a period of time. These surveys can give us a base for individual and family income and expenditure pattern from which we can make a start for a minimum wage programme. This survey can give us the present state of indebtedness in a given strata of population and the causes of such indebtedness. The first target of any bare-level of minimum wages should be to take steps to see that the workers and their families can fulfill the existing needs of their living without incurring any debt or credit. This will make our people free from immediate anxiety and loosen the clutches of the moneyed section of the population. A simultaneous programme should be undertaken to see that the minimum economic potential of each establishment is tapped to ensure the flow of monetary benefits to reach the

common workers without prejudicing the objective needs of the industry. These two steps will give us a practical base of operation and an enforcement machinery free from all politics--local or otherwise and will create in India the first revolution in an upward march of all people towards a egalitarian society. The further steps in this programme are a part of National wage plan and planning for the small--scale sector of the economy.

A National Minimum Wage is certainly a desirable concept and it should be an endeavour of all of us to make that concept a reality as soon as possible. But the circumstances of our country are such that however we may desire, it will not be possible for us to make an all-India rule on absolute standard of a minimum wage equally applicable from forest workers in regions like hill tracts of Assam to factory workers in Metropolitan area. The difficulty in applying this minimum does not consist so much in varying consumption requirements of different regions. That factor can be taken care of by regionwise cost of living indices. Perhaps a more correct method for this purpose will be to construct and maintain Minimum Wage Indices for different area which can give us running monetary equivalents of a given basket of goods and services. The late Shri G. D. Ambekar of INTUC was an ardent champion of this minimum wage Index and there was much sense in what he said on the subject. Neither is the feasibility of an Index-bound minimum wage an unpractical proposition. The Minimum Wages Acts and rules for workers in printing presses in Maharashtra State are based on this Index-bound minimum wage. The real difficulty in fixing up a National Minimum Wage or its equivalent is due to the diversity of economic potential of different industries and regions. The main idea of a Minimum Wage must be that it is a fair minimum and must be paid irrespective of the paying capacity of the employer. That is why a great care is necessary in fixing up the statutory minimum. This statutory minimum must again provide for all the fair necessities of human living. But what are these fair necessities and what should be done, if suppose, in an industry like agriculture or cottage Industry the repurcussions of fixing such a fair minimum as statutory minimum lead to a large scale unemployment ? The question can be more pragmatically tackled by fixing sectoral standards of a Minimum Wage and dividing them into two components as urban and rural. Before deciding this sectoral urban and sectoral rural minimum a definition of sector has to be fixed. In this context we wish to state that the present sectoral classification made by statistical institutions cannot be accepted for purposes of labour legislation. An original thinking is necessary. This is a subject matter for expert enquiry. It is however quite obvious that the sectoral classification can be based on nature of industry, level of technology employed and margins in trade observed A further firm-wise classification on the basis of working capital, size of the firm, number of the employees etc , may also be tried for higher ranges of Minimum wage. A Bharatiya Mazdoor Sangh Union in Dehradun has successfully entered into an agreement with Tailoring establishments for a firm-wise wage standard according to the tailoring charges fixed by different establishments for

a given suit. Such a differentiation gives accommodation even for the degree of skill and efficiency expected in establishments of different repute. It can be seen from the above enumeration that though we do not envisage the possibility of a National Minimum Wage which is the same for all occupations, industries and regions, yet we do not feel that the subject be left to States without a firm national guidance. This concept of sectoral standards for minimum wage falls some-what in line with the recent formula proposed by the International Labour Organisation for developing countries. This formula envisages that the standard of living of a representative peasant farmer should be taken as a base for fixing a minimum wage with the industrial wages being adjusted from that rock bottom level. The expert committee of I. L. O. however considers that by taking the standard of living of a peasant as a base and giving an adjusted level accordingly to the industrial worker it is expected that these two levels would not run apart. We do not agree with this latter view of I. L. O. nor it is an inevitable concomitant part of its proposition. We hold that the sectoral standards of minimum wages can and may be allowed to run apart. For otherwise they will bind each other to keep an all time low for all sectors. If the agricultural sector can afford at a particular time a higher minimum it need not wait for industrial sector to pick up till uniform upward revision for all sectors can be done by keeping the proportional differential constant. Neither do we feel that the minimum wage in industrial sector should be pitched at a low target simply because the representative peasant farmer is still at his bare subsistance level. The inequality of developmental process is itself a cause for advocating sectoral minimas.

In the context of Indian situation one exception to the application of a minimum wage enactment may however be necessary on grounds other than economical. After all India is one such country where the economic motivation of life is not held in high esteem. The greatest good of this country has been promoted by those self-sacrificing band of people who have never cared for money or earthly necessities. For them there is nothing like a need for living-they are indeed the masters of all environmental factors. No act on Minimum Wages or for that matter any labour legislation should be allowed to hamper or kill or twist this pure and high idea of social service without a care for monetary reward or without even expecting anything from this earth. Such men are not dependent on anything (निरावलंब) and to make them appear as dependent and statutorily force them to accept a minimum wage will amount to deny to society that great fount of life-giving force which such true sons of God bring by their ever-blissful life. They are the standard bearers of society and should therefore be respectfully exempted from any labour law whether it confers benifit or imposes any restrictions. For them there are no standards of a majority rule. They are themselves an ideal to which others should voluntarily approach by giving their all in return for spiritual liberty. When such persons enjoin upon themselves a task whether as a teacher, professor, Newspaper Editor or social worker etc., they should not come under the purview of

It would have been a wonder if in these circumstances various theories would not have been propounded on relevancy or otherwise of full neutralisation. The text book concepts of price-wage-price spiral theories have been held as gospel truths without making any examination of their applicability to current economic situation. It is even held that real wages of workers must go down in the larger interests of economic development. When such claims on working population are made by authors who can in the same sweep plead for lower taxes, higher dividends and other incentives to the rich for inducing them to invest their surplus funds in investments and accelerate capital formations, one really wonders about the concept of human motivation that has moved these worthy theoraticians. Even the Government which asks its employees to practice austerity as a national virtue is found ready to squander crores of rupees for fruitless purpose just to please its own fancy or keep itself in office. The Nation cannot however afford to tinker any longer with this problem. Its immediate solution is an absolute pre-condition for taking any firm and encouraging step on the industrial front. The advent of a good monsoon in this year affords a special facility to decide once for all this difficult problem. For it may now be possible for the Government to deal with the more long term aspects of this question if by controlling food-prices in this year of boom, the Government can create an environment of relative price stability.

The question of D. A. is an all pervading one and it is sheer escapism to leave its solution being found out at unit level bargaining. The main factors influencing the basic trends in this regard are quite capable of being handled by application of right principles and standards. The difficulty is not so much technical as political. The latest experiment made in this regard is by Great Britain and though that country has not been able to implement fully it's originally well-drafted policy due to heavy reliance on international trade yet all the technical angles of the question have been given quite a comprehensive treatment. The example is not applicable only to a developed country, but is also applicable to developing countries. The solution suggested therein is based rather on more permanent principles of economic behaviour. The main theme of the subject is covered in a joint statement of intent on productivity, prices and income which was issued by the Government in agreement with representatives of two sides of British Industry. The parties to the statement of intent agreed that 'the only way to real economic growth with price stability lay in limiting average pay increases to the average increase in national productivity.' The statement set out the norms for annual pay increases and went on to detail the grounds on which exceptions would be warranted. This was followed by the establishment of a National Board for prices and Incomes whose job was to investigate particular wage claims or price increases referred to them by the Government to see whether they were in the national interest. The practice of referring the cases to this national board was supplemented by introducing the system of giving early warnings for key wage and price increases.

This brought in p'cture, in a very effective manner, the General Council of the Trades Union Congress. A degree of centralised authority within the British Trade Unions was naturally brought in by this step and ensured for workers a pay rise in real terms. The system of D.A. is not of workers linking any where in the world. In India the question would not have simply been raised had there been an environment of stable price level. What workers are really concerned is to improve their standard of living by increase in real wages. The adhoc monetary increases which do not touch the basic problem are indeed illusory. The workers are most willing to co-operate with any system of industrial relation or wage policy that can ensure for them definite increase in real content of their wage.

The real trouble in the Indian situation is that the propaganda organs are too much in the hands of capitalists and Government and they have created quite a false image of Indian worker. It is presumed that Indian worker shows no concern for productivity and is only insisting on his demands and rights. This view is even at its best a substitution of a half-truth for the whole. The manning of Indian industry at its top echolon rather shows that Indian Industry or even public enterprises are still considered as a family business either by birth or political association. The concern for productivity by Indian Employer would have given us a more competent management than the one in action at the moment. There has been too much of easy money, manipulation of gains by adulteration of products and gaining markets through cheap advertising, monopolistic selling or by provision of retail margins. The Indian product has yet to earn a name in quality or costs and this speaks hardly anything creditable for Indian enterpreneur. The fact is this that there is much of mere talk on productivity in Indian management circles. It is not known how far the capitalist financing and ultimately controlling the whole process knows about the subject. The same is the case of Ministers and Parliament members who wish to sit on judgement on performance appraisal. It is only a small circle of professional management, which is making a timid appearance on the scene, that is taking some interest in scientific management. The fight with price-spiral through the medium of productivity is left to this small class who cannot hold out any promise for workers. In effect the Indian worker is not yet faced with any real challenge to work out his part in the game. He is only given a dose of advice on sacrifice and austerity. With an appallingly low standard of living it is no wonder if he is not in a mood to pay heed to such empty advices that are given by rich to the poor. They are not backed by any proper sanctions.

On the contrary whatever labour statistics is made available in India shows that the Indian worker is not given his due share in productivity gains. For example, the following table compiled on the basis of figures supplied by Monthly statistics of production and Indian Labour Journal bare out this statement.

**Index of Labour Productivity in real terms base 1951 = 100**

| Year | Index of average daily employment | Index of Industrial prod. manfg. only | Index of labour productivity in manfg. in real terms | Index of real earnings |
|---|---|---|---|---|
| 1951 | 100.0 | 100.0 | 100.0 | 100.0 |
| 1952 | 99.0 | 103.0 | 104.0 | 109.2 |
| 1956 | 106.7 | 137.2 | 128.6 | 115.4 |
| 1960 | 117.3 | 175.3 | 149.4 | 113.8 |
| 1961 | 122.1 | 185.1 | 151.1 | 115.5 |
| 1962 | 128.0 | 201.1 | 157.1 | 116.3 |
| 1963 | 136.0 | 216.2 | 159.0 | 113.8 |
| 1964 | 142.6 | 233.5 | 163.7 | 102.7 |

(Sources : Indian Labour Journal, Indian Labour Statistics, 1966, Table 5.5 and Monthly Statistics of the production for selected Industries of India Oct. 1965).

A table showing Index Number of earnings of employees earning less than Rs. 200 p. m. as given by Indian Labour Statistics 1966 also supports the same trend.

This table is as follows :

( Base 1951 = 100 )

| Year | Index Numbers of money earnings | All India Consumer price index No. | Index No. of real earnings |
|---|---|---|---|
| 1952 | 107.1 | 98.1 | 109.2 |
| 1955 | 113.1 | 91.4 | 123.7 |
| 1960 | 134.4 | 118.1 | 113.8 |
| 1961 | 138.6 | 120.0 | 115.5 |
| 1962 | 144.0 | 123.8 | 116.3 |
| 1963 | 145.2 | 127.6 | 113.8 |
| 1964 | 148.7 | 144.8 | 102.7 |

It is quite possible that the increases in labour productivity shown above may be, at least partially, a result of increased investment. But then it cannot be forgotten that these increases in investment are still made in the name of rich people making them still richer and no attempt is made to commute the efforts

of labour in shares. Even a country like Egypt has given to workers a greater status and share in management. The workers in India are really handicapped in more than one way. They have no share in influencing productivity. As the above figures show (and the trend after 1964 is likely to be still worse) they are not given their due in productivity. The wealth is growing in the name of few. The workers' real wages are going down. And still they are whipped as a cause for bringing a cost-push inflation in the economy. This is indeed an intolerable situation for workers and must be met squarely. There is no evidence to believe that there is any wage-push inflation in the Indian economy. The sharpest attack on Indian labour in this regard has come from a foreignor viz. Prof. Sidney Weintraub of the University of Pennsylvania. In his report entitled "Growth without Inflation" the Professor has tried to explain the phenomenon of Indian inflation as a disequilibrium between money wages and labour productivity. But as Dr. P. S. Loknathan, the Director General of National Council of Applied Economic Reasearch, points out in a preface to this report, even this approach has got many serious limitations. He explains how inflation is generally a hybrid phenomenon and it is difficult to single out any one factor as the main culprit. The union Labour Ministry has done well in refuting the claims that the implementations of the wage board awards has markedly increased the costs and prices of the products of the concerned industries. Such a study by Labour Ministry as is done in a note prepared on the occasion of Standing Labour Committee Meeting in October, 1967, is the first of its kind and if similar studies are made in the future they will give us a real picture of Indian economic situation. In any case it is clear that the Indian worker is fastly losing his real wage in the context of rapidly rising prices and his demand for a full protection of real wage has behind it all the sanctions of moral and ecnomic claim. The policy on D. A. should be based on this basic criteria of protecting the real wage.

Thus on no account there is any justification for reducing the real wage of any worker by giving anything less than a 100% neutralisation on appropriate cost of living index. The national goal of improving the living standards of people will be entirely defeated even if a 1% less than 100% neturalisation is accepted as a standard. For the whole endeavour has to be to increase the real wages and not to lessen it. The way to do it is by distributing the gains of productivity. The available statistics in India shows that the conditions justify an increase in real wages of Indian Labour. But this has not happened. What is worse is that no conscious link is established between real wages and productivity. The labour is being made a scapegoat for putting all blames on him without showing any concern for improving his admitedly poor standard of living. The priorities for Defence and Development that are often advocated before him are in fact no argument for reducing his real wage. The expenditure on Defence has to come from public exchequer by way of taxation. None has brought in the question of elimination in direct taxation while pleading the argument for cent per cent neturalisation by way of Dearness Allowance. The direct taxes

are supposed to be met by economical management of industry or trade. They are treated as costs and silently eat the productivity gain before the labour can prefer its claim on the fruits of industry. They need not again be brought into picture for reducing neturalisation of D. A. Similarly the needs of development cannot also be a cause for reduction of real wages. The sound rule for all development finance is that it must come through the allocation of productivity gains of Industry. Thus again we come across the same phenomenon of cursory and political treatment being given to productivity as a propaganda tool of management without making of it any serious and workable proposition for labour uplift. Even if it is granted (though this is not necessary) that the developmental efforts must come through current sacrifices, yet there is no reason why this should be a sacrifice made by poor to attract capital on its own term for being invested in future industries. Capital and labour must both be subordinated to national demands and simple need of an equalitarian creed demands that one who is more capable of taking the burden should not be spared more in the game. If the capital feels shy to come forward without any baiting then it must be forced to get itself employed to the national yoke. No private rights can be sacred before national interests. On the other hand all future plans for capital formation and investment can well go in the name of labour. If the nation decides on a particular rate of growth in industries by way of investment and if this rate needs a cut in worker's consumption, the same can be brought about by giving him shares in his own industry or by unit trust bonds. This will assure him of a share in deferred prosperity, if not the present one. All the needs of development finance can be met in this manner. Incidentally, this way will lead to democratisation of Industries and smoothen the incidence of social costs in the developmental process. The needs of development or defence are not a hindrance for grant of real wages.

The fact of the Indian situation is that the present inflation is mostly a Government created phenomenon. By yielding to the pressures of political situation, the Government resorted to a large scale deficit financing. The money so created found its channel either to the pockets of Government contractors who made easy money by various manipulations and cornering of licences or went via states and co-operatives to big landlords and big agriculturists who are the main supporters of politicians. A large-scale incidence of bad debts in rural financing, misutilisation of loans and money both at the field-level and at ministerial hands encouraged corruption in beauracratic circles and emboldened the black-marketeers and profiteers to loot the flowing money by clever trappings. That is why we find a very peculiar behaviour of Indian marketing conditions. Inspite of a steep rise in prices there is no serious consumer's resistance in the picture. Whatever little has been organised is done mostly with the support of the trade unions. One sometimes feels that to some sections of people, specially the non-workers, price of any commodity is not of much consideration. These consumers are ready to purchase it at any price if only it is available. After all, we cannot forget that the total strength of organis edi workers in Indias stlil very

insignificant in relation to population. And when we find their Real Wages are declining and that too despite the fact of increase in labour productivity, then how can one venture to suggest that a price-wage-price spiral is operating in Indian economy ? The behaviour of wages in India is certainly not a cause of the present ills of Indian economy. On the contrary that behaviour is an index of economic ills of the degree of rich becoming richer by making poor still poorer. The situation rather calls in for early action to protect the interests of workers. This can be done by giving a full protection to Real Wages. And the Government which is the main price-booster must be charged with this central responsibility. Once this central admission is made, then the rest of the questions take only a procedural aspect.

Having thus seen the need to protect under any circumstances the real wage, the manner of doing it can be treated in a more flexible way. As we have said earlier, the system of D. A. in India is peculiar to this country and is a legacy of foreign rule. It is acting only as a sort of protection to employers who can ignore the D. A. for purposes of calculating retirement benefits or allowances related to pay etc., It is our view that a shift-over to a normalised pattern of emoluments where D. A , is merged in pay and the whole pay-packet is bound to index should be adopted at all levels. This can be done by either making a radical alteration in the present system or by using unit-wise opportunity of pay revision as an occasion to merge the then existing D. A. into pay and provision of an escalation clause for index movements.

The broad pattern of neutralisation of price rise should be uniform all over the country. This system should be on point by point and as far as possible, month by month, method of computing the escalation factor on account of rise in the relevant cost of living index. The neutralisation so given should be on actual pay and not on a slab basis as is done in Central Government services nor on a minimum pay as done in the Textile Industry. In both these cases a large majority of workers are given a less than declared neutralisation and the neutralisation given at the minimum range is used only as propaganda weapon against the workers. This is another instance of how a provocative propaganda is made by Government and employers against the worker and statisties is substituted to appear as a reality. The workers at all levels at least upto a monthly pay range of Rs. 750 on current basis, must get a cent per cent neutralisation over each point-rise in the cost of living for every pie of their basic earnings. The base period for this calculation should be the same as the base period of relevant index. This index series should change after every ten years following a fresh decennial family budget enquiry. This enquiry should be conducted by an independent expert body working under the general supervision of standing tripartite machinery. The enquiries should be addressed for three different stratas of society viz, agricultural or rural labour, factory workers and middle class employees. The appropriate series of consumers price index series for each strata should be in the first instance, the series based on the survey of family budgets of the strata. Thus the agricultural cost of living index number should

determine the relevant monetary quantum of a given real wage for agricultural labour and so on for workers and middle class employees. In the second instance, these indices should be for specific places, towns, regional areas, states and the whole country. The selection of appropriate index series in each case should be determined according to the nature of bargaining unit and its requirements. Thus an All India service may find it convenient to adopt an All India Consumer Price Index series while for a small local factory the local index may be taken as sufficient. Wherever a local index is not obtainable either a state or a regional index may be applied according to the circumstances of each case. For example, an index for say Poona or Barrielly may be taken as an index for the industrial belt round that place, while a state-Index may be more appropriate for an establishment like State Transport or Electricity Board which is scattered all over the state. The coverage of the series should as far as possible match the spread over of area for which the workers have formed a union and are placing their demand or the coverage of the particular establishment in the industry. Thus a factory having one branch at Calcutta and another at Bombay need not for that reason adopt an All India Index, but can adpot the respective indices for respective workmen. In this connection it needs to be remembered that any average of indices, whether regional, statewise or all India are technically defective since they do not represent any reality. They are only a tool shaped on grounds of practical necessity and should be used only when one cannot do without them. Moreover, the proximacy of compilation authority is always a more satisfying proposition than a remote authority declaring an index whose validity cannot be easily ascretained in question of doubt. The recent revealations of faulty compilations of index figures have made the subject more sensitive and it is necessary that the confidence in index series must be restored by making it open for a close watch. Even when an All-India Index series is used demands are legitimately pressed for local allowances and it is impossible to do justice to these demands unless we get the indices for comparative costliness of different cities and regions. It appears from some publications that the Central Statistical Organisation is seized of the matter. It should be encouraged to come out early with these corrective or counterbalancing and supplementary set of indices to make the All-India Index Series technically acceptable for reasonable wage calculations.

Once the index series is thus fixed it should then be used as a running basis for every month. The state of our statistics is such that already there is a long delay in publication of monthly index numbers. In the context of continuous rise in prices these delays are causing a harm to workers. Any attempt to take quarterly or half yearly or yearly averages and that too by slabs of 5 or 10 points appears as a fraud made against workers. The monthly index figures are serving quite a good purpose and the recent trend in administrative circles to introduce or uphold periodic averages must not be allowed to have its sway. In a rare case, where monthly indices are an unworkable proposition the alternative can be a seasonal i. e. four-monthly average. For the three climatic seasons viz.

Summer, and Winter have each a type of impact on price-movement and the seasonal average has a meaning for accommodation being made on a relatively stable basis of price movements. More particularly, if our suggestion of index-bound pay-packet is introduced then the seasonal average of index figures may get some justification. But this is the limit beyond which no attempt should be made to work out any type of periodic average whether moving or fixed. The system of payment or part payment in kind brings no bar for provision of real wage. Its monetary equivalent can be computed by taking account of prices on which relevant index is maintained. The total monetary computation thus made can then be treated as the relevant money-wage like other cash payments. We have already said that the rate of neutralisation should be 100% for each rupee of basic pay and should be for each point rise on index i e. there should be a double linkage–one for pay and other for index point as is done in the Banking Industry. This alone can ensure the protection for real wage. For such protection the capacity to pay of industry cannot become a relevant concept once the principle is applied all over the nation. At present it has become possible for certain firms or establishments to take cover of this factor or capacity because the application of D. A. principle is sought to be determined in unit-wise bargaining. Once it is made a national rule all factors shall begin to take their proper place. After all the price mechanism is operating wholly for the profit of the rich sections controlling the economy and its markets. Ensuring of a real wage throughout the whole economy will act rather as a balancing factor to the present anti-labour situation and a promoter for a stabilisation of the price level. For it will then cease to make a rise in prices beneficial to those influential sections of economy who are deliberately causing this price rise. Price-stabilisation is not at all a difficult task for those who control the economic mechanism. The present distribution is either purposive or is a result of political drift. In any case the situation must be remedied by a sort of operation booster and a law on real wages will be of substantial help to achieve this purpose. For some it may appear that this is making too much of a fetish of a cost of living index. We are well aware of all arguments that have led the technical circles to discard the name 'cost of living Index' and substitute it by 'consumer price index number' since no index on real cost of living is technically feasible. We are also aware of arguments introduced by extraordinary situation like war or drought or by more normal decisions of a policy induced price-rise. But all these considerations must be made to wait for some time till the accumulated onslaught on workers is first reversed by drastic measures for protection of a Real Wage. The incidental fluctuations of the economy that are supposed to reflect in monthly index series can then be given their sophisticated treatment by using cause-wise analysis of index fluctuations. In the meantime if a national calamity like war overtakes us then a war-tax can be imposed on all population, but even then credits must be first given to workers' accounts equivalent to real wage pay-packets and then deductions of war-tax made therefrom. An absolute protection of real wage is a minimum pre-condition which leaves no scope for compromise. The whole dynamics of an enlightened wage policy can take its swing on this inevitable base.

## Fringe Benefits

The question of fringe benefits has received a very cursory treatment in various discussions of wage theories or even in circles of labour economists. No strong conceptual base is given to the subject and the definitional variations and diversity in coverage makes it difficult to talk precisely on the issue. Even otherwise comprehensive questionnaire of NCL touches the subject in a casual manner and solicits the definition of the subject. The degree of variance in defining the topic can be easily understood by even one example. While the NCL questionnaire at Q. No. 179 visualises medical care, sickness benefit, maternity benefit etc., as social security, paragraph 5.23 of Shri Gajendragadkar Commission's Report on D. A. takes medical care as fringe benefit. The latter report even goes a step further and adds family pension scheme also as a fringe benefit.

In our opinion this subject, however, needs a very serious and urgent attention in our country. The total funds that are at our disposal for allocation to labour are very limited. They must be put to a maximum use. In respect of wise distribution of fringe benefits the monograph published by International Labour Office, Geneva, entitled 'The quality of labour and economic Development in certain countries' should come as a handy one. The authors of the monograph have examined statistical materials relating to four major groups of social factors that probably have an impact on labour quality. These are : (1) Education, (5) Health, (3) Housing and (4) Security. The authors have found out that of the labour quality indicators tested by them, the level of nutrition yielded the closest relationship with economic growth. The increase in higher educational enrolment showed some promise as an explanatory variable. It is the experience of BMS Unions that exemplary canteen facilities or proximity of housing have a very good effect in reducing absenteeism in metropolitan areas. In our country we have not yet developed the technique of measuring in precise quantitative terms the effect of expenditure done on social benefits on the quality of labour force. The monograph referred to above shows how the sophisticated statistical techniques can be pressed into service for uncovering the quantitative relationship between different sets of fringe benefits and their effects on the economic growth due to toning up of the quality of labour force enjoying these fringe benefits. Till such an exercise is taken in a competent manner the effect of fringe benefits on production costs cannot be determined. Their value as substitute for higher money earnings cannot also be determined from the angle of cost to the industry or as benefits accrued by labour till we are informed by such an exercise in statistical evaluation.

There is however one other view on fringe benefits wnich we wish to propound as a model for Indian conditions. But before we elaborate on this topic it will be appropriate to mention a rather unorthodox view of fringe benefit which treats them as golden chains. According to this view

the fringe benefits are given by employers in order to bind the employees by a sort of golden chain to their desires and designs. Thus a house allotted to an employee, which is never owned by him but only allotted to him during the tenure of his service and on conditions laid down by the employer is often an obligation which does not allow an employee to behave in a free manner. It makes him think twice before participating in a strike or demonstration against an employer or even ordinarily makes him do service at odd hours or on night duties. Such housing facilities give an opportunity to management to notice his personal or family weaknesses and it can play upon the same whenever it suits the management's design. A view expressed by this school of thought is that, we, the workers, do not want or ask for any fringe benefits. Give us whatever you can give by way of wages and we shall spend as we desire. You need not bother about the priorities in our expenditure pattern and appear as beneficiary. This line of thinking has certainly a great merit in its own way and provides a good repatriate as against employers who make a fuss over this issue.

The word fringe benefit has a connotation that a paternalistic management is conferring something on its own by way of kindness or grace. But this connotation now no more represents the reality of what is being accrued to the workers under that name. The so-called fringe benefits are now forming a part of charter of demands and the various Tribunals are giving awards on these items. In many cases they have become a matter of right not only through customary usage but even by virtue of legally valid agreements and awards. The managements have also sought to compute the monetary benefits of these awards for claiming corresponding accomodation or exemption while prescribing quantum of pay or D. A. or other allowances. These trends cannot and need not be reversed. The right view to tread these fringe benefits will be to consider them as community services and be made a part of a larger programme to establish industrial communities as a national socio-economic goal. Viewed in this context they should be unburdened from the entanglements they are to day having with wage considerations. At no time during the discussion on wages monetary computations regarding fringe benefits be made with a view to influence the quantum of pay. For many types of benefits such as free housing, canteens, etc., it is already difficult to make these computations in a way that can satisfy all the parties concerned in the dispute. Moreover such a purely economic view about them makes them lose all their charm as social benefits. they can at the best be considered as factor of living conditions in the context of wage disputes. But otherwise, they should receive a very serious consideration as both an obligatory and discretionary duties of Industry towards its workmen. They should be clearly bifurcated from concepts of social security which should be provided by society though in co-operation with Industry. A division between social security and community services may be made better as a sort of administrative division rather than a subject-wise one. Of course, there are subjects like Provident Fund, Unemployment Insurance etc., which can be managed better by a social organ than being left to a industrial

management. On the other hand a question like that of canteen, travel concessions etc., can be dealt with in a better manner by industries. There will always be some subjects like housing or medical care that may continue to be catered by both. Here one other essential distinction requires to be made of social services organised for the whole nation such as free primary or secondary education, municipal hospitals etc., They are meant for all the citizens. They are a subject apart. What is meant by social security is provisions made out of industrial and government fund for workers and their families as apart from common public services. Once an individual takes the life of a worker he should become entitled for these benefits. The management of the benefits should be done by the standing Tripartite body suggested by us in other parts of this submission. The reason why these services should not be left to the Industry is that they can be more securely obtained through a national management. A worker in a Textile Mill cannot be sure of getting an old age pension from his mill because that mill may run into financial difficulties or liquidation by that time. But this cannot be said of a national organ constituted specially for that purpose. But about this we shall speak more when we consider the aspects of social security. For the time being it is sufficient to state that the community services should mean all those services that are provided by industrial community for itself irrespective of whether they are initially sponsored by employer or have come as a result of demands made by employees or have come due to legislative of contractual compulsions. They should include all that which goes by the name of fringe benefit to-day.

All the persons working in any industry should be considered as constituting an industrial family. What should be the scope and content of common services or benefits that this industrial family makes available for itself should be largely left to its own choice. This need not exclude the law from making some compulsions in this regard. For example, we hold that at the present juncture certain legal compulsions are entirely necessary which a worker should get as a matter of right from the moment he is admitted as a workman. They are firstly, the housing facilities specially in the metropolitan areas and newly built townships or industrial colonies. Secondly, they should include certain facilities at work-place such as canteens, common conveniences such as latrines, or washing place, first-aid medical treatment in factories, mines etc., provisions for creches where women are being employed or such other basic necessities of civilised existence. But they need not be necessarily restricted to such legal minimas. Their scope should be as wide as the particular industry, firm or establishment can make it and it should be a matter of pride for an industrial community to provide an exemplary community service for its employee. The Government will do it well if it encourages these community services by award of prizes for excellent provisions made in this regard in different regions or from different angles and such prizes are widely advertised so as to make them a source of business prestige and hall-mark of good employer behavior. These services should be considered from a human point of view for which the society or industry ultimately exists. They are a goal by themselves. Secondly, it must

be mentioned in this regard that while the consideration of wages or production bonuses etc., can be under certain conditions lined to a consideration of output or quality of work, the concept of community services should be based on a wider footing. While an individual is a unit of work in the production process of the economy the family is a unit of consumption in a social structure. This concept of a family should not be restricted to workers, wife and children only as some employers have mercilessly done it by driving away the parents of workers from rooms alloted to workmen. The definition of family for the purpose of community services is all those whom the worker considers as one for his family kitchen, so that even the guests coming for a temporary period can be allowed to avail of medical attention or sporting facilities provided by the industrial community. It will cater better for all concerned if the budgets and management of these community services is made the workers themselves so that the necessary flexibility and balancing of considerations in this regard can be best achieved. That will also pave the way for labourisation of Industry and formation of autonomus working communities which are a part of ideal social structure. The funds for these communities services can come from employers and employees in a manner mutually agreed from time to time and supplemented by Government as a part of a general promotional programme on specific objects such as housing or child care or even more generally for giving a boost to community living. These services then obviously will have no relation to production costs or wage differentials. They are only arrangements of consumption items made in a common way simply because that way they prove to be more economical and convenient and promote a greater brotherhood and sense of belonging to a common industry or work-place.

### Wage Differerentials

यथा यथा तु गुणवान् भृतक तद् भृतिस्तथा।
संयोज्या तु प्रयत्नेन नृपेणात्महिताय वै ॥ ९१ ॥

शुक्रनीति, अध्याय २

The field of wage differentials represents an area of economic activity which is closely related to promotion of national virtues as a part of nation-building programme. Even as a purely economic proposition the subject has an importance, for it is concerned with reward being given to the quality and quantity of human effort in such a way that it will accelarate the creative urge in a highest degree and achieve not only optimum results in a given situation but also hold highest promise and optimism for the future. As is well said in the above shloka of Shukra Niti, The King ( or employer ) must exercise great care and efforts to determine appropriate wage differences following a hierachy of human qualities for this alone he can ensure his own ( or state's ) welfare. It is clear that in a developing economy we must take great care in making a wise use of this focal factor of human relations so that we may move rapidly on our path.

Looking from this angle it has to be said that a very poor attention and treatment is given to this vital factor in Indian Industry and Services. The average worker has no guidelines to know what are the human qualities that he should develop in order that he may legitimately earn more in a honest way. He and his children are today taking to schooling and secondary education with a hope that education is rewarded in jobs. This shows that Indian worker is sensitive to putting of standards by the society. That is also why the language agitations were related to service rules. But the value that we had attched to clerical jobs for which the schools are still training our people are a losing proposition. There are already complaints of excess staffing in clerical services and automation is being brought with a vengeance to hit hard these classes. It is said that coming days will require different skills than the traditional, but no guidelines are given through any enlightened national policy on wage differentials so as to channelise this urge and willingness shown by men and women to acquire economically useful virtues. The national neglect of the theory of a propoganda regarding desirable standards in wage differentials is a basic cause for lack of direction to life of modern youth and is causing a considerable harm to national life. It is quite necessary that the NCL should consider this aspect as of great national importance and give to it a treatment far superior than what the drafting of its questionnaire suggests on its face.

The committee on Fair Wages while dealing with the question of wage differentials has rightly quoted the I. L. O. Report on wages as follows :

" The attainment of the maximum economic and social welfare in any country requires that relative wages in different occupations and industries shall be such as will :

(a) Cause labour to be allocated among the different occupations, industries and geographic areas in the economy in such a manner as to maximise the national product,

(b) Enable full employment of the resources of the economy to be attained and,

(c) Facilitate the most desirable rate of economic progress."

But after introducing the subject in such a grave manner the report has miserably failed in giving any guidelines for fixing wage-differentials. The nine factors that it has suggested are indicative of only a cursory treatment given by the committee. For example, it gives as one of its factors "the mental and physical requirements" which is too vague a description that can be put to any use. In fact the committee has left the subject to be tackled by others like wage-boards or other wage-fixation authorities who are supposed to evolve their own standards. It is no wonder that these wage-boards just as one on port and dock labour have only mentioned the subject in its questionnaire and practically left it only at that stage. A few industrial awards as one in the BEST Undertaking in Bombay have attempted

some exercises on job evaluation. But since no guidance has been made available to these bodies as regards comparative weightage to be given to different factors they have mostly followed foreign text books on the subject which have little relevance to Indian conditions. Moreover the value of any scientific system on wage differentials like job evaluation is to maintain it by a continuous follow-up study on a full-time basis in the light of changing content of job and support it by merit-rating to make its results fruitful. But nothing of this nature appears to have been done with any seriousness. It is only in some engineering units like, for example, the GKW factory at Bhandup, Bombay, that the job evaluation is maintained at a reasonably standard level. But even at this place or it's like, where foreign management has a hand in shaping industrial relations, it is only foreign thinking that is grafted on Indian soil.

A scientific approach to question of wage differential by method of job evaluation should not be a difficult exercise for Indian Psychologists. The procedure in this respect has been well laid down in steps that proceed with job description, lay down job specifications, from job clusters, select key-jobs or bench-mark operations, decide upon factors and then rate jobs, group them for wage differentials and end by fixing monetary valuations after due considerations of other attendant factors. Even the non-quantitative methods of Ranking and Grade Description Method have a great preliminary use and they can prepare the ground while proceeding from historical relatives to quantitative methods like factor comparison and point-rating Method. What requires research in Indian conditions is application of weightages to different factors and tolerance standards regarding wage disparities. In our view the problem can be better approached by providing general national guide-lines for broad economic sectors of the working population or may be for the employed sector.

Different economically advanced countries of the World have experimented quite largely with job evaluation techniques to determine wage differentials in their respective countries. In Australia the Commonwealth court of conciliation and Arbitration Metal Trade Award is largely taken as a base in this regard for Engineering Industry. This award has considered skill and responsibility for working without supervision as the main factors for a job evaluation programme. This is in marked contrast with the stress laid on education or schooling in India–a clerical mentality writ large. In Belgium, the General Technical Commission set up by the Ministry of Labour and Social Security in 1945 has drawn up a list of 32 sectors that should go into a job classification scheme. They are grouped under five major heads viz. (1) Vocational training and knowledge including both theoretical and practical training, (2) Physical qualities, sensory, motor and muscular, (3) Intellectual and mental qualities, (4) Character and conduct and (5) Job conditions. The weightage given to these factors as maximum points are as follows:

BELGIUM : **Factors used in the Job Classification Scheme drawn up by the General Technical Commission.**

| FACTOR | MAXIMUM POINTS |
|---|---|
| I- **Vocational Training and Knowledge :** | |
| A. Theoretical Training and Knowledge : | |
| 1. School Training | 500 |
| 2. Supplementary Training | 500 |
| B. Practical Training : | |
| 3. Formal apprenticeship and other Training | 388 |
| 4. Informal „ „ „ „ | 500 |
| II- **Physical Qualities :** | |
| A. Sensory : | |
| 5. Sight | 100 |
| 6. Touch | 100 |
| 7. Hearing | 100 |
| 8. Smell | 100 |
| 9. Taste | 100 |
| B. Motor : | |
| 10. Speed of movements | 150 |
| 11. Precision of movements | 150 |
| 12. Coordination of movements | 150 |
| 13. Speed of reaction | 150 |
| 14. Agility | 100 |
| C. Muscular : | |
| 15. Muscular efforts | 250 |
| 16. Position | 100 |
| III- Intellectual and mental qualities : | |
| 17. Concentration | 300 |
| 18. Judgement | 200 |
| 19. Memory | 200 |
| 20. Inventiveness | 200 |
| 21. Aesthetic taste | 200 |
| IV.- Character and Conduct : | |
| A. Character : | |
| 22. Authority of command | 150 |
| 23. Moral authority | 150 |
| 24. Presence of mind | 150 |
| 25. Orderliness and Cleanliness | 150 |
| 26. Appearance | 150 |

| | | |
|---|---|---|
| | B. Conduct : | |
| 27. | Towards others | 400 |
| 28. | Towards the enterprise | 400 |
| 29. | Measurable consequences of conduct | 400 |
| V– | Job Conditions : | |
| 30. | Influence of surroundings | 300 |
| 31. | Risks of accidents | 300 |
| 32. | Risks of illness | 300 |

In France two separate job evaluation schemes were used for jobs on a predominently manual and intellectual character respectively. A typical table of point scores for manual workers quoted below shows how the values are not necessarily in linear proportion to its degree ( as against an unnatural tendeney in India to take for granted an arithmetical progression ).

FRANCE : **Factors and Points under The Job Evaluation Scheme For Manual Workers at The Telemechanique Electrique Plant Nanterre**

| Factor | Point scores for each degree | | | | | | |
|---|---|---|---|---|---|---|---|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| 1. Training | 11 | 14 | 17 | 22 | 28 | – | – |
| 2. Practical experience | 11 | 14 | 17 | 22 | 28 | 36 | 44 |
| 3. Adaptation | 10 | 12 | 14 | 17 | 20 | 23 | – |
| 4. Complexity of the work | 7 | 12 | 17 | 22 | 28 | 34 | – |
| 5. Physical effort | 7 | 10 | 13 | 16 | 20 | – | – |
| 6. Mental or visual concentration | 7 | 10 | 13 | 16 | 20 | – | – |
| 7. Responsibility for tools and finished products | 5 | 6 | 8 | 10 | 12 | – | – |
| 8. Responsibility for materials and work in progress | 5 | 6 | 8 | 10 | 12 | – | – |
| 9. Responsibility for the security of others | 5 | 6 | 8 | 10 | 12 | – | – |
| 10. Responsibility for the work of others | 5 | 7 | 10 | 15 | 20 | – | – |
| 11. Conditions of work | 7 | 10 | 13 | 16 | 20 | – | – |
| 12. Risks in performing the task | 5 | 6 | 8 | 10 | 12 | – | – |

Quite often detailed instructions are given for allocation of points to different degrees of a factor. The following table illustrates point-rating for degrees for the factor ' Responsibility for the safety of others '

**FRANCE : Points For Responsibility For the Safety of Others Under The Job Evaluation Scheme for All Employees at The Telemecanique Electrique Plant, Nanterre.**

| NATURE OF THE RISK | Duration of exposure to the risk | |
|---|---|---|
| | less than 30% of the time | more than 30% of the time. |
| 1 | 2 | 3 |
| 1. Accident to others improbable work done either in isolation or without machinery and with light equipment only. | – | 5 |
| 2. Work involving a risk only of slight accidents to others; avoidance of this risk demands only a reasonable modicum of attention. | 6 | 7 |
| 3. Inattention during work on a machine or during the execution of an order could result in more serious accidents to others: foot or finger crushed, accident to the eyes. | 7 | 8 |
| 4. Sustained attention necessary to avoid serious accidents during the performance of the job. However, others can avoid being hurt by paying attention. | 9 | 10 |
| 5. The safety of others depends exclusively on care in carrying out the job and inattention in the slightest degree could have fatal consequences. | 10 | 12 |

In the German Democratic Republic a uniform system of job evaluation is sought to be applied for all industries. This scheme gives greatest importance to the factor 'knowledge and Experience' but conceives as many as 10 degrees of this factor as against 4 or 5 degrees for other factors. A system of factoral design used in Federal Republic of Germany under the Euler-Stevens Method is based on 53 points out of which 19 are for job conditions, 9 for responsibility, 11 for skill and knowledge and 14 for various kinds of efforts. In Netherlands The National Standards Commission has set out a standardised method as follows:-

**NETHERLANDS: Factors, Point Values and Weights under the Standardised Method.**

| Factor | Normal Maximum number of points per factor | Weight | Normal total maximum points |
|---|---|---|---|
| 1 | 2 | 3 | 4 |
| Knowledge | 8 | 5 | 40 |
| Independence | 7 | 6 | 42 |
| Contact with others | 7 | 2 | 14 |
| Authority exercised | 7 | 2 | 14 |
| Articulateness | 7 | 1 | 7 |
| Dexterity | 8 | 2 | 16 |
| Adaptability with respect to materials and equipment | 8 | 1 | 8 |
| **Job Conditions** | | | |
| Heavy lifting | 8 | 1 | 8 |
| Fatiguing positions | 8 | 1 | 8 |
| Burdensome attention | 8 | 1 | 8 |
| Environmental factors | – | 3 | – |
| Personal risk | 8 | 1 | 8 |
| Unusual gifts | – | 1 | – |
| Responsibility (risk of causing damage) | 8 | 4 | 32 |

There are some peculiarities of this system. The factor 'Independence' defined as 'The nature and degree of detail of the instructions under which the job is carried out and articulateness defined as 'Ability to express more or less time for thought' are peculiar to this system. It is also unusual but quite significant that no specific point score is attached for environmental factors or unusual gifts. The other peculiar feature is that the whole system is weighted. The factor knowledge is divided into knowledge of isolated facts and of mutually dependent questions, the latter being further subdivided into simple, less simple, and involved relationship. The method is also said to be more flexible in the sense that maximum points are not rigidly fixed. The Sweden proceeded cautiously in evolving the national scheme. Before finalising the national scheme, various industries were encouraged to have collective agreements. Thereafter a national committee consolidated the experience and published a standard booklet on the subject. Similarly, in United Kingdom and United States of America various job evaluation schemes are designed and used in different industries and firms. It can be

seen from this resume that international experience on this subject has developed many interesting angles but waits to get itself enlightened by any priorities of values or sense of definite direction. What is lacking in Western thought and practice can be made good by Indian contribution.

The seasoned and well-tested branch of Indian Psychology has divided the activities of the ordinary World in three parts, namely, those relating to Body, Life and Mind. Consistent with these broad classifications we get firstly, the jobs or functions most basic to human existence but requiring routine or less intelligent operations of humun body. These jobs draw largely on the physical qualities of man as use of his five sensory organs, employment of physical labour or strength of hands, feet or muscles. They demand between them various degrees of requirements such as those where on eye or visual efforts is demanded for some trades while some others may be required to be carried out in varying degrees of environment as regards temperature, climatic variations, noise, smell, night-work or work below or above the ground or on sea. Then again some require the worker to work in peculiar bodily positions, others are full with risks on life or hazards and possibility of accidents or exposure to certain types of illness or other health-hazards. Still others require speed, agility, accuracy, stamina or such other qualities of a athlete or body-builder or still others may be content on appearance, orderliness or cleanliness or habits and modesty of voice or dexterity of hands or decency and tenderness in handling of things or other qualities of a feminine disposition as in Nursing or for baby clinics. All these are the qualities of body and can be a product of physical culture. Some of them as in military service may require extra-ordinary hardiness and vigour and strength and power of bodily resistance, while others may be combined with elementary skill like one in driving of a car or operating a simple machine or equipment. A degree of hierarchy can be observed in the jobs requiring training of body and maintenance of physical faculties and give us an apporpriate view on job differentials. The practice of work-study and ergonomics has made fine distinctions of degrees in this regard and we shall have occasion to refer the same while dwelling on productivity. Put together they form a job cluster that can be ranked as of primary or basic importance and gives us a floor level for occupational differencials in a national plan.

The next in the scale of ascention of human values are the Powers of life. In terms of economic thinking they are recognised as the drive and push of an enterpriser, the fruitfulness and fullness of a productive and expansive mentality, creative and commanding administration or the skill and mastery of technical service, grasp of environmental factors and their direction, all types of adaptive attitude that work in practice and relations of life, capacity and sense of measure, taking of responsibility and their wise delegation, clean accountability, noble and courageous leading, energetic will and controlling power and all such powers that make a man of action or

a legal, professional, commercial, industrial, economical, practical, scientific, mechanical, technical and utilitarian mind. The job factors that usually go in relation to the exercise of these powers are a taking of responsibility of various kinds such as one of taking decisions, collection and use of money salesmanship setting and achievement of production targets by use of scientific research or through co-ordinated team work and building of morale in people, responsibility for equipments, material product or safety of men and their work, display of initiative and various types of skill, quick adaptation and response to changing situations and surroundings, a tact in human relations and securing of attitudes, exercise of authority in ensuring compliance of work and things from others, and such other attributes of a supervisory, technical, administrative or managerial service. These qualities are built in man by a certain amount of experience and training and by independent handling of things. Otherwise they degenerate into a impotent bureacracy which has lost all its will and capacity of taking any decision and works at mostly on quotations of past authority. A certain articulateness, boldness, imagination, taking of risk and unmindfulness of undergoing self-imposed nervous tension, a sense of discipline and order, visualisation of objectives, forces, currents and cross-currents and goals and their materialisation through the vortex of these life-currents is required for these jobs. These are a group of human qualities that are distinctly different than the culture of body and physical faculties referred to above. These are according to our system of psychological thinking the powers of life, the energisings of Shakti. The men possessing and exercising these powers on job must be distinctly held as superior than the one belonging to the first group and they should receive higher salaries and honour than the first group. Their contribution for production and opulance is greatest. In fact the decisions they take and the way they work are central to raising of productivity standards. They are the practical leaders in national construction. If an arithmetical progression is to be observed in keeping of wage differentials for persons belonging to the first group of persons displaying qualities of physique and physical mind, this second group has to be honoured for increasing degree of its qualities by observing the geometric progression in award of pay rises. They not only merit by their work such financial rewards but in fact contribute much more to common pool than what they get as one climbs the scales of values of this vital power. It is at this group that the highest financial distinctions should be obtained, for the third group that we are suggesting is though more respectable than this second, yet the office of financial incentives takes its acme at these middle levels of Indian psychological classification of Man. A national policy of wage differentials that observes the ratio of 1 : 10 between the minimum and maximum of pay-scales should be achieved between these first two groups where the physical and vital mind of race manages for all practical purposes the routine of the march and walks on the straight road of progress.

As we rise in the scale of human values from Powers of Life to the Faculties of Mind an altogether different set of considerations present before us.

For at this height the scales of values undergo a vast change. This is the proper field of mind where the thinker in man muses in search of truth and justice and beauty and goodness for its own sake and is content in turning this light he finds upon the activities of life and its surroundings. This turn of the human personality has little to do with the powers of life. As is well said in a Sanskrit verse this class does not look for money as a central object of worship but seeks contentment as the basic thing. It can very well say to the rich :—

वयमिह परितुष्टाः वल्कलैः त्वम् दुकुलैः ।
सम इह परितोषो निर्विशेषो विशेषः ॥
स तु भवतु दरिद्रो यस्य तृष्णा विशाला ।
मनसि च परितुष्टे कोऽर्थवान् को दरिद्रः ॥

Even if one does not go that far, it should not be difficult to agree with the Second Pay Commission when it says (Chpt. VIII para 19) that "Public Service ——has its own rewards. There is the honour and the prestige....and there are opportunities for full and continuous use of talents and for the exercise of influence in the shaping of public policies and programme....those who enter it are servants of the public not of individuals. In many Western countries, a good portion of the finest products of the universities continue to take to the academic life in spite of its low monetary rewards....and we believe that for similar intangible reasons, the Civil service in India will not fail to attract young persons of the requisite calibre and qualifications." Such is the finer turn of the mind when it gets out of the grossness of physical desires to which the normal powers of life give service. We may find this turn in a teacher or a scientist, in a social worker or a judge, in specialists in every branch of human knowledge or in a artist of any fame, in a philosopher or intellectual or planner. A certain sense of service touches man at this level of ascension but still he is not yet free from material wants and desires. He is satisfied in the practice of his own virtues or development of faculties, but is in need of amenities that can make such development or practice free from material anxieties. Thus a teacher in love of his profession can give his best if he gets a living wage and is made free from care for his getting or from the needs of the welfare of his family and children. He may then find more joy in the richness of mind which he can cultivate in his students than in material wealth. So also a scientist has little care for comparisons of his pay with a business executive or a military general. He is content if he gets a quiet place for research, facilities for carrying out his own work, arrangements to publish his work and a recognition and honour from men whom he serves. These faculties are encouraged not so much by gross throwing away of monies by way of substantial wage differentials (though the values of money are not altogether absent at this stage) but more by sense of honour and prestige which they and others attach to their work or profession. The grandeur of these services rests on the love of honour that enables them to scale the heights of nobility in their work and stoops to nothing little, base vulgar or weak. It is for the sake of reputation and social recognition that they

maintain untainted the ideal of pure and great work, high or deep thinking exemplary character, values of truth and straight-forwardness, lofty openness of mind and a ever-inquiring intelligence, impersonalised confidence, exclusive concentration and an accomplished illumination. The intellect with this turn of mind is predominently preoccupied with ideas and the study of ideas or of life and the information and development of the reflective intelligence. A poise in the temparament turned from first to patience, steady musing and calm, to reflection, to finding out of and experiment with laws of universal evolution a more indirect and subtle way of handling things and men is characteristic of this class. We can find the gradations of this class in a different categorisation of jobs as those of teachers and professors, research workers, scientists, artists, writers or poets, public servants ( in the real sense of that term ), architects and painters and even in certain kinds of doctors and administrators. All these form a job-cluster apart with specifications all their own. They require a minimum of education equal to their respective task, possess knowledge of their subject, have a versatality, discrimination, judgement, logical consistency, complex comprehension proper to their office and function. They are often required to remain alert to many details which are often ignored by others. They have to observe a fineness, skill and proportion which in little rude hands can spoil the whole work. They are the real craftsmen of human society, producer of new and enlarged instruments and powers and tastes, divert the whole gamut of human civilisation into altogether new channels. They can often forsee the creeping in of a wrong trend in practical execution quite at an early start and without their guidance the executive may use his power only to create a further mess or destruction by drift of his own action and blind headlong drive. They may be seen less outwardly busy and productive but their presence and action may give a ten-fold energy to the imaginative executive of works and fill him with confidence without which he can be as ineffective as a dullard. Their place in the society is very high. Their works often belong to the future than the present and the normal tests of productivity are inapplicable to their tasks. They are not mere auxiliary services for human culture or infrastructure of economic thought, but they are the one who give turn to human destiny and determine the quality and temper of the race. In this age of mass upliftment the importance of this sector is very great for the progress of the people and yet the nature of their services is such that they do not lend for any purely economical treatment as can be done for the first two groups. The right motivation for this category of workers is a sense of honour and prestige and we should find out ways and means to cultivate honour for these professions and celebrate their victories on a mass scale. The nation should cultivate a pride in these services and each one of them must get his due recognition. A view of wage differentials begins, albeit wearily to recede at the background in respect of these services and scales of honour begin to take their place. The whole of this job-cluster should be regarded by society as one of higher ranking than the second cluster, though in respect of pay it may not compete with the other. The floor level of pay-scales in these categories should be sufficiently high to afford a good

living but the differentials may not be so sensitive as in first two groups provided an authority and prestige is bestowed upon them with full respect.

In the scale of human motivation the supreme category of the personalities is of those who have a sense of mission in this world. These people carry a hoot for money or honour. In fact they are insulted if these material yardsticks are made applicable for the measurement of their work. We had already occasion to refer to them while dwelling on concept of minimum wage. They work rather inspite of hardships imposed by poverty or ill-fame and it is not yet fully given to men and society to recognise their worth as long as they are alive. They are not employed by any human agency or institution, though they may employ any one of them or work in any disguise. It is for them that human society must preserve values of individual freedom for then alone it will profit itself from these liberated souls. They are outside the concept of human employment and are the true Masters of Humanity. All other employers who employ persons are in fact doing a job of one kind or other as can be computable by the amount of capital, entrepreneurship, industry science or other faculty they employ and should come under the concept of wage differentials so that our wage policy can in effect become an income policy for the Nation. For if a policy on wages or wage differentials is kept distinct from the income differentials obtained in the country then the market forces soon begin to operate on human behaviour and distort the whole economy. The view on wage differentials which we have presented is in fact an analysis and utilisation of natural processes in action. This nature has three sides in the lower hemisphere of existence (अपरार्ध), matter, life and mind and according to the predominent tendencies of these qualities of Prakriti should be the response that society should give them for getting a harmonius fulfillment of its objectives. This knowledge was quite well known to the Indian thinkers of the past who had built a socio-economic structure that could withstand centuries of assaults. What is now needed is its reinstatement in modern terms and suiting to modern conditions of time. It will be better if the NCL can recognise these permanent values of life as seen by generations of Indian seers and give to nation once again through a co-ordinated system of wage differentials and status differentials the true scales of human valuation and system of rewards and return so that the human effort in India may get its much needed direction.

## WAGE POLICY

Of all the questions concerning the labour the question of wage policy is the most sensitive one. Moreover as has been rightly indicated in the questionnaire circulated by NCL the subject can be realistically touched only on the background of an integrated view on economic policy that takes full account of needs of capital formation and consequent development of industry, studies combined effect of wage policy, enterpreneur profits and treasury returns on consumer and examines objectives and scope of an integrated policy in regard to wages, incomes and prices in the light of the perspective for the growth of the economy. It should in the end give positive guide-lines for sectoral balance

in wage-structure, if any, and indicate changes that will be necessary in the existing institutional arrangements for the implementations of such a policy. We may add for the sake of clarity that what is intended in effect is not merely a policy for wages for existing workers at a given moment but also a national economic policy that can provide a full employment to the people by fuller utilisation of country's resources through suitable planning, organisation and technique and recast the wages policy in its light after taking due account of political factors.

It will be better if we analyse the subject from the angle that emphasises the needs of providing full employment to our men. Millions of young people in our country are at present required to waste the formative years of their lives in idleness or uselessness or in low paid jobs that do not give them any scope for using their talent and skill. This state of affairs in the country has spread everywhere not only an acute hardship but a large-scale frustration, helplessness and misery, extending even to destitution and starvation. The urgency of this problem is admittedly the greatest. It is a social challenge of our age. If the people have not yet sufficiently revolted against this state, the reason is that a deep and wise culture has taught them to believe their leaders and god and patiently suffer to such an extent that they even take death as a will of God and a means to awaken love, sympathy and good thoughts in the leaders of the race. The history will not forgive this generation and its leaders if we do not still awaken to this problem and take great and realistic steps for its quick solution.

The total population as revealed by 1961 census was 439 millions made up of 226 m. males and 213 m. females. Out of these it was reported that only 129 m. males and 59.5 m. females were registered as workers. Out of these categories registered as workers the following categories will demand a special attention from any student of unemployment or underemployment in India.

| Category | No. of workers in millions | |
|---|---|---|
| | Males | Females |
| 1. Cultivators | 66.5 | 33 |
| 2. Agricultural labour | 17 | 14 |
| 3. Household Industry | 7 | 5 |
| Total | 90.5 | 52 |

It is well-known that these categories are subject to many response errors and are less than fully employed due to seasonal character of work and less scope for employment. Thus it leaves us with a population of only 39.5 m. males and 7.5 m. females as workers in Industries such as Manufacturing, Construction, Trade and Commerce, Transport, Storage and

Communication, Mining, Quarrying, Livestock, Forestry, Fishing, Hunting and Plantations, Orchards and allied activities and other services. If we take the liberty to describe the workers in these latter categories as industrial workers they give us a ratio to total population as low as 7 p. c. in case of males and 3.5 p. c. for females. This is the state of country's industrialisation. The nature of industrialisation becomes still more evident as we look to the classification of 45.5 million persons described as working in Nonhousehold Industry, Trade, Business, Profession or service. (Table 1.32, Indian Labour Statistics) Out of these 45.5 million persons 15.8 m. males and 4.6 m. females are registered as either single workers or family workers. Thus it leaves roughly 25 million persons as engaged in industrial institutions. A division of these 25 m. into employers and employees is respectively 2 m. and 23 m. giving an employer: employee ratio as 1: 11.5. It is significant that the census does not mention any category as employers in house-hold industry. It simply mentions that out of 12 m. persons in household industry one million are employees. The rest are described as others. With 33 crores of people living in villages as against less than 8 crores in urban areas, these figures are quite natural. But with a national per capita annual income of Rs. 370 only as for 1963-64 at current prices, the magnitude of the whole problem of raising the standard of living through rapid industrialisation shows its startling proportions.

It will be interesting perhaps to compare these figures with other countries to know how the type of economic activity changes with industrialisation. The following figures taken from I. L. O. Report No. 67 Table IV illustrates this point.

| Country | Latest year for which figures are available | Percentage of total labour force engaged in | | |
|---|---|---|---|---|
| | | Agri-culture | Industry | Services |
| 1 | 2 | 3 | 4 | 5 |
| Australia | 1954 | 13 | 41 | 46 |
| Bulgaria | 1956 | 65 | 19 | 16 |
| Canada | 1962 | 11 | 36 | 53 |
| Czechoslovakia | 1960 | 26 | 46 | 28 |
| France | 1962 | 21 | 39 | 40 |
| Germany (F. R.) | 1961 | 14 | 49 | 38 |
| Gr. Britain | 1961 | 4 | 49 | 47 |
| Hungery | 1960 | 40 | 35 | 25 |
| Italy | 1962 | 27 | 40 | 33 |
| Japan | 1961 | 45 | 24 | 31 |
| Mexico | 1960 | 55 | 19 | 26 |
| Poland | 1960 | 48 | 28 | 24 |
| Sweden | 1960 | 41 | 45 | 41 |
| Egypt | 1960 | 58 | 12 | 30 |
| U. S. A. | 1960 | 7 | 40 | 53 |
| U. S. S. R. | 1961 | 37 | 33 | 30 |

In each of the above countries the percentage and even the absolute number engaged in agriculture has fallen down in successive years. It is specially notable that the U. S. A. by employing only 4-5 million people in agriculture (7 p. c. of its labour force) can dream of wiping out the world food shortage. The figures also show how the fast growing economies can accommodate enormous structural changes. This does not however mean that we should aim at any dramatic change in sectorol distribution of India's Labour force. There is much for us to do even in agriculture. Out of a total cropped area of 152 million hectars, we had sown only 19.5 m. hectars more than once in a year in 1960-61. Add to it the culturable waste land of about 20 million hectars and the low average yield and we begin to see the nature of the problem and the ways to solve the same. There is still much more to say about forests and their products, minerals, livestock and fisheries. The country is not certainly wanting in natural resources. Then where lies the real problem ? We have the resources and we have the men. We need only to concentrate on the missing links to get our answer.

It is a well-tested law of economic development that the productivity and value of natural resources is influenced by the state of technological application, the methods of organisation or production, the efficiency and policy of the Government and in a general way by the organisation of society. The inherent qualities and attributes of a resource are not sufficient to enable it to participate in production and to acquire value in the process. For this purpose it is necessary that co-operant or complementary resources (factors of production) should be available and that there should be a market for the resulting product. When the necessary and previously lacking co-operant factors of production like, application of capital, organising and technical skills, are supplied the natural resources are clothed with economic usefulness and value. The application of human energy, its quality and richness ushers the introduction of these co-operant factors.

Out of these co-operant factors the need of capital has been well recognised by Indian planners. But it cannot be said with same degree of confidence that the need of organisational and technical skill has been appreciated to the required or even the same extent. Had this latter appreciation been gone into the formation and execution of our plans we would have got before us a meaningful man-power utilisation and training programme instead of its total absence as today. It is uot recognised that the human element is also a form of capital. In other words, the application of capital as normally understood in economic parlance is employed on such lines and through such institutional channels that the average Indian has begun to look with mistrust to the zeal for capital formation that is being shown by planners and the Government. In formulating a wage and employment policy for the country it will no more be sufficient to harp on necessities or justifications of capital formation alone by quoting

shadow or accounting prices of capital and labour; it will now be necessary to sell to the average man particular uses of capital which is gathered by curtailing his already low level of consumption or by restraining its further growth.

Again the best way of doing this is by directing the use of capital in such a way as will bring an increasing employment to men and show an early promise. This line of action has a justification even as a form of relief, but it must be said that the real success of employment policies will ultimately depend upon the extent to which they result in higher national incomes and output. The I. L. O. has spelled out the objectives of economic policy in the following terms :-

"More and more productive employment may-

a) increase the income of groups in want and thus ensure wider sharing of the benefits of economic growth,

b) ensure that human capacities are utilised as fully as possible for economic growth,

c) ensure the participation of all in the economic life of a community and avoid the sense of frustration and failure to which unemployment or severe under-employment may lead."

The resolution concerning employment policy adopted by the International Labour Conference in 1961 called upon Government-

"to adopt as a major goal of social and economic policy the objective of full productive and freely chosen employment, this goal, which among other things, included higher standards of living being understood to mean :

i) that there should be work for all who are available for and seeking work;

ii) that the jobs available should be as productive as possible;

iii) that there should be freedom of choice of employment and the fullest possible opportunity for each worker to qualify for and to use his acquired skills and natural endowments in a job for which he is well suited, irrespective of race, sex, creed, age or personal origin."

In suggesting the above employment objectives the I. L. O. was well aware of combining and reconciling them with the pursuit of other social and economic objectives. The social objective most concerned is redistribution of consumption or rather diversion of consumption from the more prosperous sections to the poorer ones. The economic objective is the promotion of economic growth and development to which rate of investment is closely linked. It is clear that if the newly employed add more to their consumption than they add to production, the excess will have to be at an expense either of investment or of somebody else's consumption. The latter though laudable becomes difficult to achieve since taxes

on high incomes and wealth which are used to achieve the end, quite often result in reducing the savings rather than consumption. The latest experience of India justifies this fear.

Taking full account of this need the I. L. O. report has suggested the following principles for employment policy :-

a) Countries should have a policy for the utilisation of manpower, with clear aims and a programme of action for achieving them.

b) The programme should include long-term aims and instruments for the development of human capacities, notably through education and training,

c) it should also include aims and instruments of a general character to promote a continuously expanding economy,

d) and it should further include aims and instruments of a more selective character for promoting a high degree of mobility and the effective adaption of the labour force to changing needs;

e) the aims and instruments of employment policy should be coordinated with those of other economic and social policies;

f) persons whom the economic system at any given moment cannot employ should be given generous aid to meet their basic needs and to adapt them for future useful employment;

g) all these policies should be formulated and implemented through appropriate democratic procedures since employers and workers will be particularly affected by them, they should be consulted by governments and their cooperation should be sought.

The BMS stands for the adoption of the above employment policy and employment oriented plan and for that matter is ready to give priority to formation of capital and direction of investment to objectives and plans that can serve the above purpose. It is however opposed to indiscriminate types of capital formation and other than employment-oriented investment patterns in industry, like the one for computers and automation and big projects and plants that may start giving yield after a long gestation period. In other words to the question of NCL "How could the criteria of fairness to labour, development of industry, capital formation, return to enterpreneur etc., be taken into account in wage fixation ?" Our answer is that there cannot be a blank answer in this regard unless one knows the use to and manner in which the capital is sought to be put. Even in immediate applications such as rationalisation or automation the capital so formed out of wage restraint throws workers out of their own job. On a national scale the fear is still large. In other words, if the economic operations are to be left to the free will of enterpreneur i.e. for the play of profit motive, then there is no reason why the already low-paid workers should think of appropriating anything to prosperous employer or even for capital formation which

goes neither in their name nor for employment objectives, except of a marginal or incidental character. There will certainly be a case for restraint on wages, if it can be shown that the resultant savings are used for the employment of less fortunate ones. But such a proposition cannot be taken for granted by adopting a formula for wage fixation that is not relevant to an employment-oriented plan. Nor it is sufficient to rely on Government or even on its employment plans unless the latter are shown to be productive. That is the reason why the worker's participation in the formulation of a National Economic Plan is a must before one can expect them to enjoin upon any pattern of wage fixation. It will be unwise to simply rely on Government that it will somehow absorb surplus labour into public sector. If such newly employed people only add more to their consumption than they produce more than the increment of output that is attributable to their employment, then they create another serious complication in the economy. The presence of such surplus staff brings down the morale of the whole service and gives dignity to appearance and circulatory practices in administration. The public services burdened with such people of spoiled habits can set a tone of degeneration to the whole economy. There is scope to believe that something of this nature has happened at least in sections of our public services. It is better to have straightway unemployment relief programme than to go ahead with such misplaced and degenerating employment. The I. L. O. has rightly suggested that the persons whom the economic system cannot employ should be given aid to meet their basic needs. Throughout the centuries it had been a practice in India to provide for Dharmashalas and Annachhatra to house and feed the unemployed. It is better that we revive this national practice and add to it an employment-cum-training scheme to place the unemployed in gainful occupation. In any case the society cannot and does not leave the people starving. It is then better to meet the problem squarely by having a man-power planning and organisation of economic services in such a manner that we take the best care of each man and put him to a productive employment or carry his burden with awareness that gives a constant though through employment services that engage themselves in finding out fresh sources of work or opportunities of employment. It is only when the plan takes such an employment–bias that the various investment decisions can seek the understanding and support of workers. The Indian worker will certainly not fail to extend a helping hand to the poor and unemployed in the country, but today when he is asked to exercise a wage restraint he has reasons to believe that the demand does service only to a rich capitalist or idle politician or a corrupt bureaucracy. The economic and employment objectives of an investment plan or policy are central to any decisions regarding a wage policy. If the representatives of workers and employers are consulted and kept well-informed in developing labour-intensive products and utilising labour-intensive techniques and their participation is sought in the formulation of employment policy through joint continuous study of economic trends and the employment situation then certainly a fruitful wage policy will emerge from the attempt. The neglect of this central factor in the Indian situation has created a lot of difficulties in the adoption of any plan on

wages. This is one instance of the lack of organisational and technical skill in the operation of our planning machinery. If a capital is to be formed and investment made by curtailing my own consumption, I must at least know unto what purpose it is so employed. The Indian worker will certainly support such employment if it is to help for the weak and poor than him. But he will be right in insisting that he must ensure that he is not cheated under a holy name. On the other hand if the economy is going to be a capital intensive one, then the chances are that his sacrifices will enrich only the big ones and may even work for driving him out of his own job. He cannot then be blamed if in such a law of jungle under which the big fish eats the smaller one, he uses his organised strength to snatch the utmost he can without any regard to other factors such as capital formation or enterpreneur profits.

This discussion leads us to many other important aspects of economic policy. The perspective of economic growth, structure and role of public sector, wage-policy and institutional framework of private sector and consideration of income policy become entirely relevant to the issue. Before we go to the larger issue of economic planning we may first state our position as regards the influence of decisions regarding capital formation on wage structure in private sector in the present circumstances. It is our belief in this regard that all decisions in these matters have a meaning to labour to the extent they shape the industrial pattern towards labourisation. Once the initial capital is put to start an industry and labour employed to bring out production, the subsequent increases in working capital are as much a contribution of labour as of capital. Over a period of years it will be reasonable to assume that the proportionate share of labour tends to increase more than that of capital which turns into a sleeping partner. In a developing concern even if there are ostensible additions to capital from outside they can be said to have been attracted by the action of labour. Of course, capital added to make a losing concern survive may present a different picture; but in that case each particular instance will have to be examined in an isolated fashion to determine responsibility of loss. In general, however, it can be said that all Reserves should be treated as having been built up with a labour's share in the same. It is necessary to determine such share before one can make a pronouncement on wage policy. We are aware that in a comparatively free capital market as in India, any drastic decisions in this regard can make the capital shy and thus retard the economic growth. But the same can be said with even more emphasis about a wage-policy formed in the absence of such decisions. We may be permitted to say by way of broad generalisation that the policy of giving labour a share in the ownership of capital should be such that a graded or phased programme of progressive labourisation gets itself piloted on the national scene. We have already made reference elsewhere to the proposition framed by National Productivity Council and supplemented by Director, Gokhale School of Economics and Politics, Poona for giving shares to workers out of productivity gains. We add that such a scheme should start with simultaneous owning of Reserves by

workers according to a prescribed plane, so that the workers can take intelligent and living interest in investment decisions of their own firm or industry and admit its influence in wage fixation. The prescribed plan should be modelled on a graded or phased approach to labourisation of industry. Such a plan will deprive the capital of exclusive ownership for ever, but shall not harm the enterprising ability. Of course, in the definition of workers in this connection we include all those who give a fulltime service to industry that is including the managerial cadre. If the wage-differentials in the concern are patterned on the lines suggested by us and the shares are awarded in proportion to such scientific evaluation of jobs, then certainly the industries will be managed many times more effeciently under the prescribed plan than in the present system where immature and inexperienced sons and grandsons of a one-time industrious and far-sighted enterpreneur, become a problem even to the professional management and Government. The design of wealth-tax is some what modelled on similar principles. We advocate its application to industrial institutions. Such a scheme will promote the adoption of a wage policy on plant and industry level as the employment-oriented plan will promote the same on a national level.

Having thus outlined the cantors that should set the tone of music in a theme of wage-policy, we shall now turn to the contents of a wage plan. The first we meet on this road is a helpless consumer and a all powerful state. Of these two, we have already dealt with the aspect of consumer interest in a situation of rising prices while dealing with the question of D. A. we need not repeat the same here. But that is a negative part of the story. In a sense the consumer can always have a claim over productive process, for ultimately the whole apparatus must run for his service. The consumer is the common man. His angle is the true national angle. The state may represent a particular political view of the ruling party. But the same cannot be said about a consumer. However the consumer is also an earner. Therefore a true national accommodation of consumer interests ultimately turns into a debate on sectoral policy of incomes for the whole country and the operation of price-mechanism. A policy on incomes has both a sectoral and occupational application. About its occupational differentials we have already dealt under the head of wage differentials where it was indicated that from a certain point of view of income distribution the employer's share can also be determined on the lines of general principles enunciated for wage differentials. About the sectoral policy we shall presently deal in a proper sequence. What we wish to emphasise at this stage is that the consumer interest ceases to be an interest apart as soon as we shift the discussion from the level of a bargaining unit to the whole field of national activity. At that stage the Income Policy takes its place.

At the unit level of bargaining the interest of consumer and the state assumes a certain reality. But in order that we may talk usefully about these concepts in the context of wage fixation, certain clarification will be needed

before we can attempt any answer. Firstly, we must know what it is, that we are going to distribute between the so-called divergent interests viz., workers, capital, consumer and state. It is the net profits or productivity gains or the bare income or still something else. This brings us to the question of the system of final accounts. It is now pretty well known that the way in which we write our final accounts to arrive at net profits are not satisfactory for many purposes. Even the payment of Bonus Act in arriving at allocable surplus has in effect recasted the final account in a different fashion than what the professional accountants certify and do. For the purpose of Labour Economics, it is necessary to cast the final accounts in a different fashion than the present. What we should do is that we should deduct from the total income of a concern the bare inevitable first charges of expenditure that are absolutely necessary to keep the concern going. This may approximate to the concept of gross profit (with certain corrections regarding purchases or stocks etc.) to which we should turn our attention as the foundational concept for further calculations. Secondly, we shall have to decide for each Industry the different ratios that the total wage bill, running expenditure and planned developmental expenditure should have with this gross profit or such other appropriate financial variable (say sales receipts) for the industry taken as a whole. This is an aspect of national efficiency audit on which the pattern of taxation should also rest. It is after we clarify the firm's standing in these respects that we are really confronted with a decision on wage fixation. It will be seen at this stage that in scientific allocation persued in this manner the conflict of consumer interest with worker's interest will be felt in firms having low efficiency, for it is the existence necessities of such firm that determine the market price of the product. If as a concession to the consumer, it is decided to lower the price of a product (a price which should be uniform to the whole industry) then the firm with low efficiency will be first to get affected by such a decision, since after a certain stage it will not be able to carry on its business at a given price. The decision to extend the benefit to a consumer will then depend upon the alternative utility of such a decision and the effects on employment etc., by the closure of the weakest or marginal unit. As a theoratical proposition this leads us to a theory of equi-marginal returns obtaining from the size and composition of different industries in terms of employment and income opportunities afforded by each Industry. At present this situation is not obtained for two reasons viz. (i) The Industry-wise wage policy has not yet been adopted in wage fixation and (ii) the taxation laws are not based so much on study of industrial potential as on paying capacity of a firm. To that extent the taxation laws penalise the efficient unit and prevent wage policy from establishing any meaningful equation with overal consumer interests. We may conclude this discussion by saying that a national concern for consumers interests can take its desired grip on wage fixation by laying down an industry-wise wage and price policy. But in order to make it fair to all interests concerned the policy on taxation must also be oriented suitably so that the workers in a more efficient unit may be able to reap the benefit of higher efficiency by sharing the productivity gains therein in a sizable proportion. The

working of this latter concept has been shown by us in paragraphs on 'Towards Labourisation' on Pages 51 to 54 of the submission. Such a service to consumer interest will then mean an increase in productivity of employed personnel. This service will be rendered through the medium of a planned approach to different industries.

The planning of this approach to different industries brings us to the last difficult question of the whole process viz., the priorities of investments as between different industries and private and public sector. We have already simplified this discussion by saying that we prefer an employment-oriented plan. We may add to it that in these considerations of industry-wise priority the nature of the sector as public or private becomes irrelevant. Now one final question remains. That is of laying down a broad investment pattern which can not only promote the growth of national income, but also ensure its equitable distribution through the broad lines of national wage policy.

Before a decade perhaps one would have hesitated to embark on a employment-oriented plan for national economic growth on the lines suggested by us. The idea might have been considered as an expedient consideration of political economy. Now, however the science of econometrics has sufficiently developed on account of which an approach to the question through multi-sectoral inter-temporal planning models and other mathematical processes can enlighten us in choosing among investment alternatives by taking cognisance of an optimum savings programme. The whole problem of planning should be decomposed into two consecutive questions: the determination of the over-all savings rate and the determination of the composition of investment. The Organisations of employers and workers should be taken into confidence in determining the choices in both cases. The various mathematical models can give us alternative paths to economic growth, all of which may be in some sense efficient. The selection of the path must however be done by careful consideration of what is acceptable to and desirable for society. Out of these two basic questions, the selection of an appropriate and acceptable savings rate is perhaps the more difficult choice for social workers. The theme is germane to the determination of wage policy. But as we have indicated earlier the employment function of investment pattern is quite central to the awakening of popular enthusiasm to determine the savings rate itself. Shri W. Arthur Lewis in his study made for the Fabian Society (now published as a booklet under the title "The Principles of Economic Planning") has summarised this aspect in concluding his work in following words:

> "Planning in backward countries imposes much bigger tasks on governments than does planning in advanced countries. The government has to do many things which can in advanced countries be left to enterpreneurs. It has to create industrial centres, to put through an agricultural revolution, to control the foreign exchanges most strictly and in addition to make a great leeway of public services and of ordinary economic legislation. And all this has to be done through a civil service that is usually much inferior to that of an advanced country."

After dwelling on these aspects the learned author of the essay poses the question, "what it is that can enable then a backward country to carry through in spite of so much error and incompetence?" He gives the answer in the following beautiful and important words:

> "If the people are on their side nationalistic, conscious of their backwardness and anxious to progress; they willingly bear great hardships and tolerate many mistakes and they throw themselves with enthusiasm into the job of regenerating their country. Popular enthusiasm is both the lubricating oil of planning and the petrol of economic development-a force that almost makes all things possible. Even the most backward country will progress rapidly if its government knows how to tap this dynamic force."

We are of the considered opinion that this great dynamic force can be generated into Indian economy by making our plans employment-oriented "to wipe out the tears from the eyes of the last unfortunate man in India" as Pandit Jawaharlal Nehru said in his speech on 15th August, 1947 heralding the Freedom of India and then simultaneously calling workers to put their final hand on drafting the plan by taking the decision on the rate of savings that can alone pilot the great plan. We are conscious that the nationalistic spirit in our workers is so high that it will certainly give shocks after pleasant shocks in generating an atmosphere of mass participation in the thrilling march of making India a house of prosperity (सुवर्णभूमि). But this is not likely to happen for anything else than an employment-oriented plan or by neglecting the worker's participation in the planning process. The savings and investments that will be generated by such aims and instruments will be times more than what a purely Governmental action can do even in a totalitarian economy or what planners can hope for from capitalist or industrialists, business men and bankers by system of inducement planning or by exhortations.

It is not necessary here to spell out the framework of the plan that is inherent in the above suggestions. We shall like however to take the liberty to dovetail a few important aspects of our view. We have already stated that our country is rich in natural resources. The whole attempt of our planning should consist of turning these natural resources into economic resources by application of human skills and efforts as well as of capital and technology. On the side of human efforts and skill, the qualities that we are required to develop are : an interest in material things responsiveness to new ideas, willingness to learn, perception of economic opportunity, mobility and general ability to adapt to change, ability and willingness to take a long view, resourcefulness, industry and thrift. These are matters not only of education and training but are the flowers of an aspiration and promise in people to achieve material glory. This promise will be born in the people when they will see and get themselves satisfied that the available economic resources and capital of the

nation are mobilised with an end to provide full employment to its people. On the side of capital we shall have necessarily to start with the present position and work out different models by keeping maximisation of employment as a fixed target. The various investment allocation schemes will have to be examined from the view-point of incremental employment-efforts which they can produce. It is well-known that the various sectors differ with regard to their labour intensity and within some sectors labour intensities of different processes are different. Our concurrent target in this exercise will be to find out the most productive of various employment-oriented plans, the employment function being the prominent one in the exercise and productive function being related to social and economic phase of planning. The capital-output ratio of India's third Five Year Plan was already very low. Though this is a bad commentary on the execution of our plan, it provides an unexpected relief in the sense, that a single-project oriented plan as we are suggesting now is not likely to yield less than the practical results of an optimal programme on purely economic grounds under the given social and political conditions which are in fact degenerating. The method suggested by us will have on the contrary an advantage in the sense that it will bring into planning process a conscious and important segment of Indian Population viz., the organised labour. Its powerful entry to determine the savings rate and the snow-ball effect produced by its choice of employment-oriented investment pattern can change the social and political conditions from the present one of an unconscious bar to progress into a conscious and willing instrument of national progress. In other words it is our view that if the programme evaluation technique is applied to the models suggested by patterns of our projects, then over a several periods of time (as against a single period of time as is attempted in incomplete mathematical evaluations) the employment-oriented plan will bring the highest yield. The successive levels of income generation by this plan will give a non-liner system of saving rate and capital-output ratios and may bring not only the take-off stage earlier but shall give us a self-reliant economy of high promise by the method of least social costs. In any case a certain a-priory assumption on the structure of the plan has to be done and the one we suggest is the best to obtain the cooperation of workers. It is a well known fact in econometric literature that certain industries act more frequently as transmitters of growth via the effect that they have on the productivity of labour. This element is taken as an instance of technological externality. Our model can form a good triangle with these technological externalities as one side and the evolution of output and productive capacity as a part of plan-structure as the third side. Of course, since we have to start on a given stock of capital and investment the process of substitution or replacement of new system will operate only on the margin in some instances. The successive terminal interations will articulate a consistent and ultimately a most productive model. An intertemporal plan on this basis will give specifications of savings. And in relation to the volume of these savings we shall then be able to equate a national wage policy on the basis of four elements viz., (1) the initial level

of consumption, (2) the planning horizon, (3) the growth of consumption during the plan period and (4) the terminal conditions. It is at this second stage again that the participation of trade unions will become highly meaningful and purposive. It will then correlate the rate of savings with the growth of employment. The workers who are already in employment will thus decide how much they should give up to get employment to less fortunate ones and what burden they should carry without giving any such work to able-bodied men. Labourisation of Nation's Industry will assume its grand outline and major responsibility and the struggle of workers will give place to a great journey of people where by a united effort the nation will be able to march on a conscious road and with a guide-map of economic plan.

To resume briefly the above discussion in terms of the questionnaire it can be said in general terms that the criterias like development of industry, returns to enterpreneurs, capital formation etc., cannot be fairly taken into consideration in fixation of wages unless we deal with the method or manner of capital deployment resulting therefrom. On the unit level this deployment should take the form of progressive labourisation of Industry by workers graded ownership of capital stock and expansions in working capital. On the national level the same can be achieved by worker's participation in designing employment-oriented plan. If these two things are done then we shall be able to generate in workers a lot of enthusiasm in adopting a suitable wage behaviour in unit level bargaining or in chalking out a national wage policy that will do maximum justice for development of industry, capital formation and enterpreneurship. The development of industry then will take the form of investment in employment-oriented processes and projects, while the capital formation will be accelerated by the addition of a dimension wherein savings are generated from common masses and workers, not by way of only small savings drive but through industrial decisions like wage fixation. We are categorical in emphasising that it is not practical to do it otherwise than by the methods suggested by us. To the extent it means a change in valuations of society we postulate that such change is necessary both from social and economic angles. From the social side it is necessary to bring mass relief and constructive participation of people on a vast scale of economic activity, from the economic side it will give us perhaps an optimum model of economic growth from the view-point of consumption needs, production targets, distribution effects and self-reliant exchange mechanism.

From the angle of consumer interest, the model suggested by us has a unique tendency (provided the tax structure is made industry-oriented instead of having a firm-industry complex) to remain sensitive to a pricing system in which marginal firms will give the barometric data for policy decisions. A reduction of price will then be a proposition which when not left to purely market conditions will be a decision of consumers about themselves and as against a few inefficient employers. The tussel is not between the workers and consumers as such. For, with provisions of unemployment relief, the workers as a class come only margi-

nally into picture for a decision on prices, but what is at stake is reduction of firms or number of employees on one hand (may be by amalgamation or transfer or by restriction) and the level of national i.e. consumer's income on the other. After the stage of full employment is reached such decisions will be welcome for they will afford not only a benefit to consumers by price-reduction but by eliminating the inefficient and less paying unit they will raise the marginal value of labour and maximise the incomes by promoting productive employment or labour productivity. In a free market they will be weeded out by a natural process giving the consumer his theoratical throne of a king. An integrated policy on wages, incomes and prices will be a natural corrollory of such an operation of planning model. One of the defects of current planning is that it leaves the resource mobilisation aspect in mainly executive hands and as a result the tax structure plays on incomes in a direct manner, not knowing what harm it brings to pricing and wage policy of the economy. We are aware that in throwing these considerations we are attempting to place a little unorthodox way of economic thinking. We are open to discuss its premises and conclusions. But, it is better to note on the other hand that a policy like wage-freeze or wage-restraint is the one which many planners have in view even when they talk on incomes policy and price policy in the same breath. We must warn that any insincerity in this regard for a wage-income-price policy will have disastrous consequences. Instead the mechanism of price-determination advocated by us that works as a function of a plan of productive employment and concentrates on effects on a marginal firm is far more realistic and easy to operate for the Government. We are aware that the one result of an immediate shift in employment-oriented plan is going to be the ushering in of a vast complex of agro-industrial projects, small-scale industries and township planning financed and managed through co-operatives. This is the immediate picture we wish to draw for our economy. The first terminal period for our plan should end at full employment with mostly such a picture of economic institutions with a highly developed sector for Defence and attendent industries that help or are meant to be switched over to War economy in times of need. But then the second temporal period from a full employment base to achieve higher and higher standard of material riches will proceed by a technological revolution, the choice of technology being of a type and on a scale suited to our ideas of welfare. This process is specially suited to our country for another important reason also. Ours is an old and mature culture. It does not become our cultural greatness to elevate the economic development to the status of an ideological absolute, with total disregard of traditional values, and cultural forms. Even the so-called materially advanced countries of West have been able to achieve the economic development by a cruel process of either totalitarian inhumanism or colonial exploitation. And after doing all that what real standards of happiness have they achieved ? It is a culturally vitiated and restless view that regards traditional values and cultural forms as obstacles to economic growth and comes out to destroy this treasure of human happiness and calm reliefs as so many hindrances to modernisation. A more patient eye of wisdom regards both traditional values and

cultural forms on one hand and processes of economic development on the other as instruments of human welfare. When we cast the perspective of economic growth in this still broader perspective of cycles of man's evolutive progress, the merit of our model will assume its full value. Even as an expediency it affords the technically efficient solution. But viewed in its larger compass it suggests right institutional patterns and arrangements for its implementations. The institutions to evolve, adopt and operate these plans are the cooperatives of workers and citizen, joint management and workers councils, industrial families constituting all those connected in a given industry and national level tripartite bodies for planning of targets and implementation. Of all these institutions, the Institution of a Industrial Family is perhaps the most central one in the economic organisation of the society. We have already shown above how the wage policy, price policy, employment policy and tax policy can be rationally developed only on the basis of taking the Industry as a unit. On the labour front there is already a move for industrial unions. The development of Banking and other financial service institutions can also run on efficient lines when they are run by achieving industry-wise specialisation. We shall show in our chapter on productivity that the schemes of rationalisation and other productivity measures and association of applied scientific research can also be best done by establishing each Industry as one organised limb in the economic organism of the Nation. All this makes public and private sector as a one sector of peoples. The need for distinction today appears to arise because we are tending to equate Nation with government and regard only the public sector as a major and reliable instrument of public policy. The B. M. S. regards Nation as a supreme authority before which it holds both Government and so-called private sector as equal. Both must do service to the nation in an equal manner and be yoked to a common discipline. The real methodology of economic and social thinking should be on a industry wise basis, irrespective of form or type of ownership. Each Industry must be given an individual target and a National Discipline by the people through an appropriate organ. If parliamentary democracy is to be that organ then perhaps a House elected on the basis of functional representation, 'A council of Industries', will be able to give such a mandate in a wiser manner than the group of politicians assembled through choices dictated by regional considerations. In the meantime we may suggest that a national council for planning representing all the economic interests such as workers, farmers, industrialists etc., be considered as an appropriate institution that can give us both the model of a plan and sectoral industry wise balances regarding wage and income and price structure. The behaviour of wages and a policy regarding wages will then be decided from time to time by such an agency. For, there can be no fixed or rigid policy in this regard that the NCL can give. It can give a broad mechanism that can determine and operate an appropriate policy suiting the needs of time and it can give broad guide-lines as an expert social body that can inform the development of a right wage policy. What we have attempted to do in above paragraphs is just to outline such an approach as a nationalist labour movement can adovocate and adopt after taking due account of economic theories and processes.

## Modes of Wage payment and General Issues

The rest of the questionnaire on subject of wages need be briefly touched. The larger mode of Wage payment today is in cash and with the development and importance of money economy, it should be so. As far as possible, it should be replaced by payment through crossed cheques, so as to help develop the banking habit and ensure safe custody and exactness. Wherever the practice to pay wages is in kind, it need not be disturbed. It is nearer to an idea of index-bound pay packet, since it ensures real wages. This is so in villages and even the administrative problems of any legislation to regulate the mode of payment in this regard are so vast that it is uneconomic to take up this subject. The question of time scale versus piece-rate wage system or only a fixed wage is an old question. It is better to leave it for collective bargain. No uniformity in this matter has become urgent. We are not in favour of having a divided wage packet as composed of basic wage, D. A. and productivity payment. Such a division is harmful for workers since it inter-relates these concepts in such a manner that quite often worker is attacked on different grounds while trying to get a pay-rise. There should be a system of index-bound pay packet bracketing basic and D. A.-a one that gives monetary quantum of a given real wage. This real wage should increase in proportion to increase in labour-productivity and following the dictates of an appropriate wage-policy. In this exercise if a system of incentive payment is introduced then perhaps on psychological grounds a different component of incentive pay, to be given on a separate day than the pay-day will be found suitable in a given circumstances. We are not against this latter bifurcation wherever it is helpful for productivity. Regarding the subject of Minimum Wages we have already dwelt on the topic earlier in this chapter; while as regards bonus, we have enlarged on this subject in the chapter on labour legislation.

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CHAPTER XI

# Incentives and Productivity

## Basic Issues

The level of living for any Society is a matter of higher productivity. An increase in productivity leads to an increase in economic welfare. No amount of economic jugglary can alter this fact in the long run. There is no short cut to economic growth except raising the productivity rate to the maximum. This factor alone may count, in the long run, in the victory of any economic or social system. Such is its importance. Any trade union or employers' organisation that does not stand whole heartedly for increasing the rate of droductivity is either an assemblage of arm-chair or slogan-shouting politicians or may even be in an out-right anti-national group. In any case, such group is an hindrance to economic growth and march of the nation and can claim no real backing of the conscience of the country and its population, whatever may be its numerical strength or position in a particular industry or by chances of recruitment, historical process or through exploitation of ignorance and political motivation. So far all nationalists should walk in company. The rest of the debate has to be purely technical.

About the progress of productivity movement in India, we have two major observations to make. Firstly, it is our serious contention that the managements in both public and private sector have not yet taken up the productivity movement seriously. There are very few firms where a well-equipped work-study unit is maintained and honoured in day-to-day practice. It is not uncommon to find managers who do not yet know the meaning of the word 'productivity' or 'work-study'. It is only a few persons from worlds of professional management who have come in touch with the activities of National Productivity Council that have some understanding of the subject. And yet for them too the N. P. C. meetings have only been an occasion to learn a few technical words which they can use for official business to appear taking a sophisticated view of things. Even a modest cell as of Organisation and Methods is making only a timid appearance on the scene and is used only to apply a scissor to staff proposals in public sector undertakings. The top executives and senior officers have not yet given their whole hearted backing to ideas on productivity and the businessmen and financers or capitalists and politicians who own or control the industrial activity have almost no grounding in the subject. The calibre of administration is almost universally poor in India. The same is the position of applied research and the values placed by administrators on even the little good research done in Indian laboratories. A clerical mentality is

The second and the more serious defect of our thinking and practice in matter of productivity is that we attach too much emphasis for labour-productivity and forget all about productivity of land and capital. The productivity of labour is a function that may be useful in distribution of wealth. But under the Indian conditions, the productivity of land and capital is most urgent since it can influence the rate of growth of National Income at maximum speed. Of these two again the productivity of capital is very crucial, since capital is very scarce in India. We must do the utmost we can do of the savings accumulated in the country and the accumulated stock of resources the assets, which contribute to present and future flow of goods and services. This aspect is criminally neglected in India. We have not got even a reliable inventory of capital and their capital output rations. Neither the measurement of the physical productivity of capital assets in facilitating the output of goods and services in coming years appears to have been seriously attempted by country's statisticians. It is well-known in statistical circles how the conceptional and practical difficulties surround the definition and measurement of national income In these circumstances, we are aware that it is difficult to prove or dispute our proposition on the basis of capital-income ratio on a national scale. We shall however illustrate our point by taking the instance of sugar factories, specially in North India, where the Government muddled with licensing of factories and went in for a heavy expenditure of capital and foreign exchange, inspite of the early warnings given by our unions, only to make the sugar disappear from the market and enhance its price by 4 to 5 times in a two year period.

### An Example

Shri Thakurdas Sahani, Director, Indian Sugar Industry Research Institute – a branch of Bharatiya Shram Anveshan Kendra of Bharatiya Mazdoor Sangh had placed a plan of land and capital productivity in Sugar Industry before the Cane Development Sub-Committee of Indian Central Sugarcane Committee in their meeting held in February, 1965. After a detailed expert cross-examination of our Director, the Committee unanimously approved the proposed scheme and recommended its acceptance by Government to be started as a pilot project. But the Government did nothing in this regard and instead went on committing blunders and wasted capital to thwart the development of Industry. At the end of India's Third Five Year Plan, The Hon'ble Minister of Food and agriculture, Government of India, declared the granting of loans and licences to increase the installed capacity of Sugar Industry for producing 8 lakh tons of sugar at a total capital cost of Rs. 200 crores. Hundreds of crores of foreign exchange were also utilised to build new sugar factories and install machinery in the same. On this background it is useful to study carefully the trend of sugar production in the country.

It is as follows :

| Year | Total Sugar Production (in lakhs of tons) |
|---|---|
| 1965–66 | 35.5 |
| 1966–67 | 21.0 |
| 1967–68 | 1.50 (estimated) |

Now, the question arises as to what for the machinery was increased in 1966-1967 ? There was already a lot of idle capacity in the industry. The addition of capital assets which was entirely undue, led to a heavy increase in overhead costs on account of capital equipment. It made it possible for the Industry to raise the bogey of uneconomic working and press for higher prices of sugar.

If instead of increasing the capital expenditure on machinery, the Government would have taken the recourse to intensified cultivation of cane, we would have obtained a number of economies. By this approach we would have produced 10 times more sugar for one acre of area under cane bringing a ten fold increase in the present land productivity. This would have enabled us to increase the duration of season by almost 100% and increase the productivity of existing idle machinery by putting it into more use through time. It would have also given us a greater yield by better recovery from matured cane and richer by-products. All this would have given us greater supply of sugar and by-products from lesser land and same capital equipment and a reduction in sugar price both for home market and for foreign supply.

The major and most crucial input for Sugar Industry are Irrigation by method of tube-wells and Fertilisers such as green manure. One tube-well is sufficient for one village. To feed the existing factories in India 10,000 tube-wells are sufficient. This will cost Rs. 100 crores only. But it will give us 40 lakh tons of additional sugar as against 8 lakh tons of additional sugar proposed (and that too erroneously) by Food Minister at double the cost, i. e. Rs. 200 crores. The unit cost under the scheme suggested by our research unit would have been less for the consumer, by raising the productivity of capital.

It would have also released additional land for food-crops by raising the productivity of land. At present in U. P., Bihar, Punjab, M. P., Rajasthan and West Bengal we get only 0.3 tons of sugar per acre. In Maharashtra and parts of South India the same acre gives us 3.0 tons., i. e. 10 times more than North India. This difference is clearly attributable to inputs and can be wiped out by financing tube-well irrigation and fertiliser schemes instead of redundant machinery in Northern India.

The decrease of sugar output from 1965-1966 to 1967-1968 level was clearly due to shortage of raw material. Heavy expenditure on unnecessary

capital equipment multiplied the idle capacity and with a control on sugar prices the factories began to find it difficult to support farm prices for cane. In effect whatever cane was produced got itself diverted to gur and Khandasari instead of white sugar and further aggravated the problem of Industry. It was the wrong design of policy on pricing, licensing and capital that was to be blamed for the whole muddle. In the first plan period we had 143 sugar factories having a capacity of producing 32 lakh tons of sugar on a 7 month working schedule and 11 percent recovery of sugar out of a given cane. In 1961–62 the Government was constrained to impose a 10% cut on sugar production to curtail excess supply and forced an idle capacity on plant. In spite of this proved excess capacity of sugar factories the Government came forward to throw away 200 crores of Rupees ignoring the fact that the old machinery (whose capital purchase cost is only 10% of to-day's cost) was quite in tact and has yet to run a long life and can produce all the sugar wanted for home and foreign markets. Due to these decisions of Government the total area under cane has increased (due to fall in land productivity as a result of neglect of irrigation) the crushing and installed capacity has multiplied and the production of sugar has fallen down to half of the former compulsorily reduced quota. Now people are refusing to take a licence for establishing sugar factory. Such is the plight of capital its admission of self-defeat. And yet the Government had not listened to the wise advice of labour. Why ? Is it because labour is prohibited to advise on capital productivity ?

In North India the climatic conditions are favourable to the crushing of cane from 1st November to 31st May. The recovery of sugar from cane is low in November as much as 8% and goes on increasing from month to month till it reaches 12% in March. Now the supplies can be made to factories in March, April and May only if proper irrigation is made available for cane farms. The recovery of sugar is a factor of maturity of cane which in turn is controlled by irrigation. With the help of irrigation, the recovery in April and May can even be made 13% but without it the same falls to 10 or even 9 per cent. Now the short supply of cane affects the industry still heavily when during the peak recovery season of April–May the machinery is required to be kept idle. This is exactly what happened in North India. Thus the land output ratio was considerably reduced in terms of final product due to neglect of irrigation and fertilisers, multiplying in its turn the fall in capital output ratio of all sugar mills and forcing labour to remain idle in peak season. The neglect further disturbed the proper proportion of mid-term and late-maturing varieties of cane at the time of sowing operations and disturbed optimum schedules of crushing.

It has become now clear to Government (at least let us hope so) that its sugar policy has completely failed. The clerks and politicians in Central Secretariate are trying to cover this failure by relaxing controls on market. The Government has now allowed the factories to sell 40% of their production in open market. We have now two prices of sugar, controlled price

Rs. 150/- per quintal and open market price Rs. 500/- per quintal. What for ! For misuse of country's precious savings and foreign exchange? And yet they talk of labour productivity? Had the Government heeded the advice of Labour it would have got ample sugar at reduced prices. Instead of wasting foreign exchange we would have earned foreign exchange by capturing world market in sugar. The income of 2 lakh labourers in the industry would have tribled. Now a minimum wage of an unskilled labourer in Sugar is Rs. 106/- per month (Rs. 60/- pay Rs. 40/- D. A.) Their period of employment in North India is from 2 to 4 months. Following our suggessions the same worker would have got a job for seven months and that too at Rs. 200/- per month. All these figures have been proved and can again be proved. But the Government wanted to make a commerce in giving licences. They are unconcerned about productivity and raising of living standards and are even prohibiting genuine labour reseaech institutes from doing service to consumers and workers. At least, this is the net result of their deeds in this case. By accepting our proposals the Government would have tribled its own income by way of excise duty, purchase tax, income-tax and super-tax. Only none would have got black-money in giving licences for factories and imports and in marketing of sugar. By increasing productivity and firm-wise income and cultivators income, the saving potential would have been sufficiently generated within the economy. But who is caring for such national interests ?

Even the bye-products of the Industry are a function of inputs like irrigation and fertilisers rather than redundant extra-machinery. This is so because they depend on maturity of cane and period of operation. The Molasses-a raw material for power-alchohol which is mixed with petrol and used for motor cars and trucks and is also used in the manufacture of rubber goods, is a rich bye-product of sugar industry. The acceptance of labour proposal would have increased the supply of this Molasses. The Bagasse, which is a precious raw material for manufacture of paper would have been obtained only by the acceptance of our proposal. The bagasse is ordinarily used as a fuel for sugar industry. But when the factory runs for a long period, then during the summer (note again during peak recovery season) the steam consumption in boiling process is reduced. With increased recovery following maturity of cane the fibre percentage of cane is also increased. Both these factors give us plenty of bagasse. But the Government's short-sighted policy has made this impossible.

Apart from above, there are also other by-products of sugar industry or alternative uses of things around the sugar factory. But our productivity-blind capitalists and Government are neglecting this aspect. For example, the press-mud is an organic manure. It can be used for cane and other crops in case of sulphitation factories. From carbonisation factories we get concentrated press-mud. Research has been made for its utilisation as organic manure as well as raw material for manufacture of wax etc. But the Government has not yet put these results into practice on a commercial scale. Similarly, the

Government has wasted lakhs of rupees in finding out a remedy for treatment of affluent water which is harmful for health of cattle and human beings in villages. But it has simply forgotten the fact that the same affluent water can be used as a best medium for irrigation and maturing of cane (or even some other crops.) It contains pure condensed water mixed with little press-mud. If it is so used it will reduce the capital expenditure on irrigation and fertilisers, and thus reduce even the amount of Rs. 100 crores suggested by our Research Unit.

According to our research unit scheme, we can produce 65 lakh tons of sugar at cheaper than controlled rates from 20 lakh acres of cane, while at present we are producing only 16 lakh tons of sugar from so vast an acreage as 50 lakh acres for cane production. During its period from growth to harvest the cane needs 16 irrigations. But in North India, the cane is actually getting only 2–3 irrigations. In some areas there is no irrigation at all and the crops are completely dependant on rainfall. In Maharashtra, where the irrigations are better the average yield of 60–70 tons per acre of cane is achieved. In U. P. and Bihar, at times, when cane has received 10 irrigations during the period of growth the yield of cane at the rate of 80 tons per acre has been achieved on plots of progressive farmers as demonstrated by results of Provincial Cane Competition held by the Government.

Where can the labour make effective representations for such of its findings? In 1967, we have made these representations to Wage Board. But what that poor wage board can do in such matters? In Parliament, the issue if at all it is taken in few non-political hours of real business it is yet seen from a party angle. As a result, we are now getting a serious sugar shortage. In 1960–61, we had carried over 12 lakh tons of sugar as surplus. In 1963 our research unit made its representations to Government to stop its anti-productive line of giving licenses and loans for capital equipment. Had it been done we would have earned foreign exchange by capturing world sugar market, through competitive prices after satisfying home demand. But due to Government's wrong design of capital outlay the Indian consumer now cannot get even for himself enough of sugar after paying so high a price as Rs. 500 /- per quintal as against the 1961 to 1963 price of Rs. 110/- per quintal. On the other hand sugar machinery manufacturing concerns are starving for want of order for machinery. Following patriotically the Government's advice to give indigenous machinery instead of foreign one, these people started manufacturing the machinery for sugar. But the Government in haste in the meantime imported plenty of machinery by wasting crores of rupees and when the indigenous capacity is built it is now lying idle for want of orders. If all this is not criminal waste of country's savings and foreign exchange – of that in whose sacred name we are exhorted to follow wage-restraint – then what else is? What authority such leaders can have to lecture on labour – productivity?

## The Conclusion

We have dwelt on the above topic of capital and land productivity at length because, we find that these aspects are more vital to raising of national income and yet they are neglected and get only a cursory treatment. Our applied research has not yet been converted into a technical service. Prof. Mahalnobis has rightly said in his above quoted paper that during the period of the crisis of industrialisation, applied research must be purposeful, programmed and formulated on a project basis, for concentrated effort over specified periods of time, in accordance with national priorities for food, defence, export promotion, import substitution and economic growth generally. But here, Sugar Industry is an example of such research, carried out voluntarily by a labour organisation at it's own expenses, done at a most timely period to avert large-scale misdirected commitment of scarce resource like capital and foreign exchange, approved unanimously by experts after severe cross-examination and yet ignored by the Government in its zeal to give licenses and waste foreign exchange worth several crores of rupees.

And this is not an isolated instance. Recently the Hindustan Antibiotics Union of Poona and Food Corporation Employees' Union, Madras have taken out a drive to stop wastage in Public Sector Undertaking and promote concrete ideas on productivity. The B. M. S. Union in B. E. S. T. Undertaking at Bombay had similarly persued the findings of an I. L. O. expert committee report to improve the state of city's Bus Services. But everywhere it is found that prestige of bureaucracy which gets sticked up in wrong moorings and interests of politicians who appear to know nothing besides vote-catching short-term expediencies become averse to ideas on productivity the moment they spring up from labour side or at the most give them political answers such as "matter is under consideration". There are, however, a few exceptions. The experience of B. M. S. Union in G. K. W. factory at Bhandup and Shukla Mansesta Industries at Thana (both in Bombay region) is quite encouraging in this regard. In these cases due to labour-management cooperation it has been found that in some processes our boys have beaten world records in quality control, reduction of wastage, increase in machine-life and minimum of break-downs, labour-productivity and tools specialisation. But such instances are rare and are maintained with great difficulty on both the sides. Then it can be imagined what fate the delicate techniques of productivity can have when the managements (and this is phenomenal in public sector) goes in for abundance of waste and comes to labour to tighten their belt to shelter such wastage. What is wrong when one revolts against this situation ? But alas, when one does and is driven to a court, he finds that judiciary has no technical wing on productivity. His arguments on this score fall flat. They even refuse to design an incentive system. Quite often they are treated as outside the scope of reference. For a nationalist and constructive trade unionism which is already weak in the country, there is no outlet for doing anything good to the industry. Such are the basic issues to which the productivity movement must

address itself before it can make any real impact as against its preliminary type of exhortative propaganda as at present. We shall have to find out answers to these things while chalking out the lines of communication between a constructive union and the management and making proposals to improve productivity.

**Procedural Matters: Incentive Schemes**

One of the most obvious technique of productivity is a system of payment by results. The system appears to be attractive at first place. But it takes a lot of spade work to make it give its full results. There are instances in which the neglect of such spade work has landed outwardly laudable systems into a failure. Before any system of payment by results is attempted to be introduced by undertaking work-study, two preliminary things are absolutely essential. The first is to obtain the cooperation of workers who are sought to be covered by such scheme and the second is Methods study. In the first place, with the active cooperation of workers, by agreeing to pass on the results of productivity gains to workers, a systematic productivity analysis should be carried out of the whole factory. Quite often such a study will show that due to poor planning, inadequate maintenance, shortage of tools, materials, orders or personnel the machines may be remaining idle for part of their time. When the above shortages are coupled with poor supervision and inadequate motivation there will be an idle labour force on the plant, because the whole environment encourages indolence. Then there may be crowding and confusion in material movement or large accumulation of scrap due to defective layout and design, unstandardised methods, poor quality control, inadequate specifications or poor equipments and tools leading to obstructions in work-flow and slow work pace. Again inadequate production control, lack of current job-time data, poor estimating, defective inventory control, inadequacy of reporting system may be creating production deadlines. If to this there are added old and obsolete machines or machine tools and frequency of break-downs due to worning out, bad methods or poor maintenance then labour-productivity can only be wished. All this should not be done by work-study technologists alone. For, quite often such studies result in making inroads into the workers' skills, routines, traditions of craftsmanship and personal inter-relations. If for all these chances a worker is put like an inanimate thing, in the hands of a methods engineer and ordered to accommodate according to his dictates then sentiments get hurt in the process, resentment spreads and the whole scheme approaches failure. It is only after an elementary methods study in the above nature is done that the task of work-measurement should be undertaken. The line of demarcation between these two studies is not always clear, because many methods improvement are in practice discovered during the making of time study. However, a pilot study or methods improvement can be and should be completed before the measurement of work is undertaken on which is based the whole edifice of the system of payment by results. The administrative staff college of India, Hyderabad, gives free consultancy service in this regard to identify the problems. We may also add to this that the application of ergonomics to the extent that forms the part

of work-study should also be included at this stage. This takes into account various aspects such as the worker's habit of work, natural movements of the process, bodily positions, work-load, rhythm of work, continuity, speed, fatigue, motion and various types of loading and even extend upto work-place layout, working condition and welfare. The human characteristic take account of factors like learning, skill, physique, sex, age, intelligence and anthropometric data. The loads are physical, perceptual (visual, aural, tactile etc.) and mental (display and control). The classes of movements include all bodily pivots such as knuckle, wrist, elbow, shoulder and trunk taken in order of increasing strain. The design of layout should suit immediate or normal working area (but not maximum). The principles of motion economy regarding minimum, simultaneous, symmetrical, rhythmic, habitual, natural and continuous movements should be given their due regard. The environment needs to be controlled so as to give optimum considerations to illumination (glare, level of illumination contrast in object and surroundings and type), ventilation, temperature and humidity, noise, atmosphere (wind, rain, dust and altitude) colour, fumes, smoke and odour, distances (to toilet, canteen, smoking area), constrictions (traffic and spac), surroundings (landscape, garden, scenery), cleanliness and radiation.

A simple incentive system wherein each worker can calculate his incentive pay by counting his production is obviously the best from the view-point of workers. But in a modern factory, the processes are so complicated and they depend on a number of factors such as quality of raw material, machine age, temperature, team-work, etc., that a simple incentive system is not found to be practical. Moreover, many processes in an engineering factory are needed to be subjected to a vigorous quality-control. However, it is the experience of B. M. S. Unions (e. g., in G. K. W. Factory Bhandup, Bombay), that however complicated an incentive scheme may be, it can be made understood for any worker by means of work-charts and a little elementary training in work-appraisal techniques. This must be done at a unit level. It is an absolute must that all these details of incentive scheme be decided in collective bargaining and incorporated in registered agreements with the Unions before they are introduced in a factory. Otherwise, the suspicion about exploitation of labour will always remain and even the best designed scheme may lead to an eventual failure. No wage incentive scheme should ever lead to wage cutting. It is against all spirit of genuine progress. As between the individual and a group incentive scheme it is difficult to make a choice. Much will depend upon the circumstances of each case, nature of production process or work, historical factors in human relations, etc,. On the whole however, we feel that a group incentive scheme is better suited to Indian conditions. It is, however, possible, and often desirable, that the group incentive scheme may decide, the rate of incentive pay ( specially when quality, control, machine–breakdown, factors arising out of materials, tools and orders are to be given their due effect ), and the actual quantum of pay is decided by measurement of individual contribution within that group. Such a combined scheme can

control even absenteeism when the work units on which incentive pay is calculated at a given rate are sensitive to standards of attendance or are given negative values when leave reserves are drawn to make up the group quorum. We do not believe that time-rated categories are an insuperable bar to the introduction of incentive schemes. The incentive pay can be treated as a packet apart and then it will afford equal chance to all workers to increase their earnings with increase in productivity. Moreover, what is necessary in distribution of productivity gains is not a mathematical equality which may in some circumstances defeat the very object of productivity. The social concept of equitability and equality of opportunity are more basic tendencies that influence individual or group behaviour and action over a long-term basis. In many Western countries where time-rated categories did not exist, a tendency is being marked to introduce a sort of time-rated plan. In India the effects of reversing the trends will be quite damaging. Moreover, the technique of work-study is now sufficiently developed so that it can cover even the clerical jobs where its variant viz., "activity sampling" is used to give us efficiency co-efficients. This is variously known as random observation studies, snap reading, ratio-delay, work-sampling, activity-ratio study, machine utilisation study or observation ratio. This is based on theory of sampling and theory of probability. This is more useful to analyse non-repetitive when job is not of a cyclic nature. It is comparatively inexpensive, establishes goal for supervision, helps planning of man-power and observes effectiveness of varying systems. Under this method, the management takes a decision about the degree of confidence it wants to place on results of activity sampling and then the work-study technology splits the sample activity and decides the number of observations on the following formula :

$$N = \frac{6\ P(100-P)}{L^2}$$

Where, N = Number of observations; 6 = level of confidence, L = limits of accuracy and P = percentage of working so that (100–P) = idle time. The time-rated pays are deeply attached to clerical workers. And as it will be sought to bring these categories under incentive scheme by more direct (rather than indirect) methods, we shall have to live with both time-rated wage plans and incentive systems. Besides this consideration there is an added advantage in giving the incentive pay-packet in a separate manner. Sometimes it produces a marked effect when it is given on a separate date. In one particular factory, where B. M. S. Union was involved, we had a unique experience of this bifurcation. After introducing a well-designed incentive scheme, the management started giving incentive pay along with the normal pay-packet on 7th of each month which was a pay-day for the said factory. Later on, it was noticed that the workers were so much used to getting different amounts by way of monthly pay due to deductions for loans, without pay leave, etc., that the amount of incentive pay failed to impress them in any manner. Thereafter, by discussing with the Union the management

isolated the incentive pay from gross earnings and began giving same on 28th of each month. It was observed that the spending habits of the workers in the factory were such that by the end of month many of them used to borrow money even in quantities such as Rs. 5/-or Rs. 10/-. The system of getting incentive pay by month-end came to them as a boon and enhanced its utility far beyond the money-value it had when it was given along with the pay. With the result, the tone of morale in the factory went up and people began to take tremendous interest in increasing their incentive pay which changed their status among their family members and neighbours. From then onward, the incentive scheme became a great success. As regards the sensitive line after which the incentive pay should start we do not agree with the principle that extra earnings should start only after a particular level of efficiency is achieved. On the contrary, it is our view that to make the incentive scheme a real success it should start paying at a level of output less than the output present at any given moment when the scheme is sought to be introduced or methods study is undertaken as a preliminary to work-study. The management embarking on a system of paying by results must put its stake in the scheme by giving a backward effect to the whole plan. In the beginning, or even at the moment, the work-study man makes his appearance on the field, the workers often suspect the intentions of management introducing a different system of payment. In this situation if the Union is required to agree for a system when extra earnings are promised only after raising the present efficiency or after crossing present standards, then the chances are that the Union may not be able to sell the scheme to workers. If in such a situation the Union is weak or a rival union exists in the same or near-about plant, then it is likely to take advantage of the situation and make things impossible. However, when the incentive pay begins to accrue at a level little below the historic norm and shows marked difference with the increases then the incentive scheme begins to interest even the most specific of workers and soon becomes an economical proposal from any angle. A backward start gives speed and the jump in production becomes longer. But without it, even the margins are missed, there is a complete standstill or even deterioration and it becomes extremely difficult to restore any confidence. The worker's desire to improve his standard of living is undoubtedly the principle motivation in making the incentive scheme a success. But before this motivation becomes operative the worker must be convinced that the scheme will not wipe out this advantage by other means and act as a temporary shield to introduce some other evils or different forms of exploitation. Especially, the fear of increase in work-load and subsequent tendency of employer to treat the increased work-load as normal after some time is quite present in minds of many persons. It needs to be dispelled by good relationship, intelligent communication, union contracts and long-term policies. The flow of materials, quality of equipment, machine break-downs etc., must also not come in the way of assessing the efforts put by men. This will normally ensure a comparatively steady incentive pay after some time.

A better plan to avoid the influence of abnormal factors is " The Premium Pay Plan." This is now well-tested in foreign countries. Under this

plan the worker is fixed on a standard scale according to the class and nature of work and work performance. The levels of work-performance are determined by work-study technologist on measurable part of work by taking one week as a unit. The worker is then encouraged through an in-service training programme to achieve proficiency in work. During training the worker is paid from the scale in way whereby successive steps of pay increase are tied to progress during training which is aimed at encouraging upto a performance level technically described as 70 M' hour level. When the worker achieves the 70 M' hour level for a period of two weeks and has satisfied himself and his supervisor that he can maintain it, the worker is put on a level of wages appropriate to the performance level. When the next level of performance is attained and similarly maintained by the worker for two weeks, he is free to contract for a new target at the higher level which carried with it the higher pay. This method gives a sort of stability to the level of pay and accommodates for outside interferences such as machine-breakdowns or leaves which would have penalised a normal piece rate worker. It gives the worker a little more elbow room to adjust work to his habits and rhythm of work and avoid variations in pay due to factors which are outside the control of the operator. Whatever the system of incentive pay it needs however to be looked into that the workers do not overstrain themselves while running after money. It is an experience of some piece rate wages system (e. g. in Bombay's Docks) that while these systems improved workers earnings through better productivity, they began to tell upon the worker's health heavily. This is inhumanitarian and demoralising. We recommend therefore that wherever the system of payment by results is adopted, there should be a maximum ceiling beyond which no incentive pay should be given to worker producing beyond the ceiling. It is in this context that the principle of rating used in work-study technique should be widely applied. At present the rating is sought to be applied in time and motion study to determine the average worker and standard performance. This use may be made by the management to study its techniques of supervision. We have already said that the scientific norm should have no place in deciding the starting point of incentive pay that point must be behind the line given by the historic norm. But to determine the maximum performance beyond which it is injurious for a person's health to work the principle of rating can certainly be used with necessary modifications. The various non-financial incentives like job-security, job-satisfaction, job-status, etc., have certainly a great part to play in increasing productivity either with or without an incentive scheme. All the factors that go in building good industrial relations about which we have dealt in detail previously are applicable in this context with a greater force. The worker should be treated as a participant in the management and not merely bossed over. His superior should not be a mere show boy, good in appearance and dress, English speaking, gentleman signing papers but incapable of manual work. It is the experience of B. M. S. Unions that in engineering and chemical concerns where the top executive works with a fine finish on the floor of the factory, his sleeves rolled up and clothes becoming dirty like those of other workers, the productivity goes up like anything. The

workers, the productivity goes up like anything. The worker always feels himself as superior and more important than an officer, who is never tested on the production line. So also, is the case when the management fails to maintain a proper flow of work, or cannot provide good tools and machinery. He looks with distrust to all suggestions that emanate from such out of touch management. The worker should be constantly consulted and assisted in his needs on the job.

A special care taken at the time of work–measurement is also helpful in this regard. Especially, wide use should be made of synthetic data. This is not yet used in India where only Ad Memoirs of foreign countries are used. The worker should know how the factors of effort, speed, aptitude, rest and relaxation, interruptions and delays are accounted in work–measurement. Between the various techniques of work–measurements such as time–study, reference data, synthetic data, basic motion data (pre–determined motion–time studies P. M. T. S. basic method-time measurement M. T. M. etc.), the choice of suitable technique according to circumstance of each case or nature of work should be communicated to the Union. A thorough appreciation of job regarding its technicalities, safety, material and equipment and operations are a part of initial approach of even a work–study man. When the worker knows that he is not summarily rated but a due allowance is given for relaxation and fatigue he develops respect for work-measurement. Otherwise a stop–watch observation may carry an intense reaction in his mind. This is while establishing standards. But in the maintenance job that follows the management must go steps ahead with the workers.

In fact, the management should share the workers' domestic anxiety. A compassionate supervisor or manager who visits the sick patient's bed in a worker's family, shares in his joys and sorrows, gives financial and other help in times of need is naturally loved and respected by the workers. Of all the motivations that can spur productivity, love for job and love for man are the supreme and most reliable ones. The money–incentive is in fact secondary and should flow naturally from the first as an appreciation. Where love exists, productivity goes to its highest acme even by personal sacrifices. The sense of duty follows sense of love. On the other hand a mere playing on financial need has a in–built antagonism of a master–servant relationaship. The sense of fellow–feeling and brotherhood makes the firm an extended family. Just as Indian Village once was and to some extent even in its ruins still is, an organic and natural unit or limb of society, where no major upheavals take place stopping all production, since the inter–relationship of different functions were or are well–set and all are prospering with the prosperity of village and suffering with its common suffering; so a modern industry or factory and firm should become an organic unit or limb of society. Then conflict will give place to co-operation and distribution become a natural function of production.

### Sharing of Productivity Gains and Rationalisation

We have taken these two concepts viz., sharing of productivity gains and rationalisation together even though they do not appear so in questionnaire circulated by N. C. L. Both have a common feature viz., the destination of savings generated in the economic process. We have already stated that the quantum of these savings will be influenced by the manner in which they are ultimately employed in furthering the growth of economy. The question of how much the worker should forgo from the gains arising out of productivity and to what sufferings or accommodations he may submit in the process of rationalisation can be determined only with reference to the various investment decisions taken as a result of a given set of accommodations. Indeed we cannot repeat this argument any more. It is quite possible that in many typical situations the predominant contribution in the increase of productivity may come from injection of fresh capital, application of improved technology or managerial skill in bringing about better organisation or methods. The labour may only be a co-operant factor. But it does not follow from this that gains of productivity must be allocated to capitalist or technical men and managers. After all capital and technical knowledge are given to men by operations of society and the social objective has a greater say in the matter than the immediate or efficient factors in the work-process. The real tussel in distribution is between consumption and savings, or rather the claims of the programme of capital re-investment for purposes of development over immediate consumption. If these programmes are employment-oriented as we have said earlier then labour can be asked to stand for such plough-back. About the manner of this share between capital and labour the same principles apply as we have enumerated earlier while dwelling on wage-policy and industrial relation where the N. P. C. formula was quoted. For the quantum of this share our principles regarding wage-differentials hold good. As regards the analysis of productivity gains according to the significance and importance of those factors whose fusion in a common endeavour resulted in ultimate improvement, our view is that such an attempt should not be made. It is an unnecessary and even dangerous hair-splitting like that of brothers who quarrel on the division of common ancestral property. All have an equal claim on and attachment to the mother industry whose working is indivisible. The erstwhile utility of such analysis that is often advocated for programming future course of development is properly speaking a field for Operation Research. For operation research is the best type of attack that modern science with the help of mathematics has done on problems of likelihood which arise in the management and control of men, machines, material and money. Its special technique is to invent a strategy of control by measuring, comparing and predicting probable behaviour through a scientific model of the situation. The application of linear programming, the programme evaluation and review techniques that give us the optimum path and the critical path, the input output analysis etc., are its techniques. The investment decisions of a firm shou'd be informed

by such analysis with employment objective remaining a predominant one in the picture at a given level of average earnings per worker. On a national level the same objective can be achieved by application of Macroeconomics. The science of econometrics can now give us statistical specifications of practically all economic relation. Even the production and inventory decisions of a firm can be taken by simpler applications of econometric. By using the results of such mathematical models it should not be difficult to invoice labour in the decision-making-process about investment decisions of a firm or industry both regarding the quantum and the manner of such investment in the light of its probable end results. We hold that a cause-wise analysis of productivity gains which is a function of the past (as against operations research which is an instrument for the future) need not be brought into the picture so as to influence sharing of productivity gains. The ownership of capital or possession of technical or other knowledge should not be looked upon by persons as a license to extract more money, comfort or privileges or privileges from the society. The possessors of these things are the trustees of Gold and Society who are their real and efficient masters. They should put these possessions at the service of the masters. They will and must get their due reward according to the valuation the society puts from time to time upon these attributes. The basic considerations that should underlie these valuations have been laid down at the time of discussing wage differentials. Once a decision is taken on sharing of productivity gains between the two factors, viz.. immediate consumption on the one hand and plough-back for development on the other (the division depending upon the employment-orientation of development project as discussed earlier), the portion set aside for immediate consumption would attract division in plans other than the one suggested by us, in again two parts viz., the share of consumers and the share of workers. However, in the plan suggested by us the share of consumer already gets itself decided in the employment nature of re-investments, for such type of investment decision takes care of income distribution through employment and reduction of price-level by influencing the marginal considerations. Under the scheme suggested by us therefore the whole share for immediate consumption component of productivity gain is available for distribution among the persons who worked to achieve this gain, the distribution being on the lines of valuation adopted for wage differentials. The other part which is ploughed back for re-investment should be owned by persons within the industry in form of shares to be given to all according to the stage in which each firm or working unit of Industry finds itself in the march towards the scheme for progressive labourisation.

In the scheme for Rationalisation the same concept of treating the firm or unit of industry as an extended family should be further enlarged by grouping together all firms and units working in the same industry as a still more extended family. The broad approval for scheme of rationalisation should be obtained from planning authorities who should look to the aspects

such as overall employment-orientation (this will be more evident for infra-structure), Defence requirements (for efficiency in strategic industries) and overall plan strategy including such as import substitution, stage of economic growth etc. The benefit that the community should get out of such schemes of rationalisation should be determined at this stage only. This aspect need not appear again in deciding equitability in sharing of benefits of rationalisation. The share of benefits between employer and worker should follow again the theory of distribution mentioned in the chapter on wage differentials i. e. Clause (ii) of the basic recommendations of the 15th Session of the Indian Labour Conference need not appear at the place at which it exists there today after the socio-economic complex undergoes the change suggested by us in this theme. The present recommendations leave the subject open for bargaining and therefore provide a source of constant and recurring troubles. We seek to replace this situation by bringing in a more stable and sustained ( स्वस्थ ) organism. (This clause has been the main source of trouble in adopting rationalisation). The remaining clauses of appendix XI of the questionaire as regards the basic and broad procedure for rationalisation are quite appropriate and should remain. There is in our view, a need however to add one more dimension to the present thinking on rationalisation. The burden of the present recommendations weigh heavily on policies regarding retrenchment and work-loads. These considerations are translated into platitudes, vague promises or paper agreements which are hardly honourd in real practice. The Management undertaking a programme of rationalisation does find out ways and means to retrench or dismiss the staff found to be surplus after rationalisation. In cases where it is not so done as in some public sector undertakings where management efficiency is seldom made an object of pursuit, we find surplus staff demoralising the services as said before. The labour of any category or department made surplus by rationalisation is not given a true occupation or gainful and productive employment as a process of rationalisation. It is carried on as an immediately unavoidable burden to be made light at an opportune time. This is so because there is a basic conflict between a decision on rationalisation and continuation of some staff component under the altered conditions after rationalisation. Rationalisation by its very definition implies mobility in staff matters. It makes demand on different skill, makes some traditional works and skill and attitudes and relations redundant, changes job content and organisational structure. It is an innovation and an overhalting where the shift is from one equilibrium of forces to a different equilibrium. This can hardly be done by superficial accommodations. It is one thing to restrain rationalisation on priorities of social objectives, it is a different thing to say that it should be achieved without tears by introducing humanitarian considerations in organisational discipline. The latter part, which is all that the recommendation of Indian Labour Conference tries to do, does not provide us with any solution of the problem. The real solution can hardly be found within a firm or working unit that undertakes rationalisation scheme. We

are of the opinion and industrial committee to proceed with a scheme of rationalisation, it should be given a comparatively free hand to gear up its organisation to the new job contents, skills, job-relations, placement of men as required by objective standards of the process. The appropriate forum to decide these matters is the works committee or joint management council whose role we have clarified in our Chapter on Industrial Relation, e. g., we have said there that a decision to retrench or dismiss a person should be taken by a unaimous decision of the works committee. In this process of gearing up the whole organisation many changes are warranted for an efficient shift and some jobs and men are bound to become superfluous. It is better for organisation and men that this question is met in a straight manner either by providing alternative suitable employment or by unemployment insurance for such frictional unemployment or by sumptuous retrenchment compensation. We rule out the last method since it contemplates retrenchment of able-bodied persons. The unemployment relief on grounds of frictional unemployment must be for as minimum a period as possible and it should be equivalent to full pay and D. A. as in the last service. The re-employment should be quick and on a scale and status that is not below the previous stage. Apparently, this looks to be impossible for the firm undertaking a programme of rationalisation. But this should become possible for the industry and it should be the responsibility primarily of the industry. In our whole approach of economic organisation we are visualising a co-ordinated social system of extended or large functional family - a family world within another family world ( जगत्यां जगत् ). In case of frictional unemployment arising out of rationalisation, we hold that the whole Industry should be treated as one unit. We are aware that this concept of treating industry as a composite unit in a national organisation has wider repurcussions on concepts and policy of economic discipline. We propose to touch this wider aspect in the concluding chapter of this submission. We have already posited this concept in dealing with aspects of wage policy national investment pattern as a part of public policy, pricing and taxation system, functional representation or Udyoga - Sabha etc. The introduction of technological innovation through rationalisation in our view of socio-economic build-up, again calls in "the Industry" as a decision making body. It should form a sort of industrial committee on basis of joint-council or better still a Industrial Assembly (सभा) to operate on such programme and issues. If neccessary, the Industry should constitute for this purpose an Industrial Fund that can be used for welfare, unemployment relief and more yet for giving a technical service to meet through appropriate technological, scientific and organisational research the need to make the progress of technological and productivity revolution smooth and speedy. A decision on such a structural change has to be taken before we can hope to solve the labour or social issues arising out of rationalisation or other important techniques of productivity. The impact of Science can be accommodated and made welcome by building such a socio-economic body where various industries from many sensory channels of action (कर्मेंद्रिय).

### Automation

The question of Automation is being widely discussed in our country. We do not wish to add anything to the controversy. The two familiar arguments in the whole debate are efficiency on the one side and retrenchment on the other. The employers have come out with a plea that they will not make any retrenchment as a result of the introduction of computors. But this is only their style of putting bad things in palatable words. The computors are a labour-saving device of a giant magnitude. Their existance does make a great difference to the employment situation. Without a computor the same work will certainly occupy a large number of men than what are occupied with the computor. If it is not so, they defeat their own purpose. The overt or disguised unemployment or displacement of labour caused by automation cannot be denied. It is significant that no employer has put forward comparative organisation charts of staff component required for working with a fully loaded computor and the one for doing the same work without it. The employees coming with such a plea could have satisfied the labour or its anti-automation committee by inviting it to examine critically the two organisational charts and proceed debate on such an informed background. They have not done it because the plea is basically dishonest. The more sober and honest arguments for automation are about its necessity in infre-structure or key industries where a multiplier effect on employment situation is visualised or its necessity for import-substitution or export-oriented industries on grounds of cometitive position or in Defence industries. A more recent justification for computarisation has come for statistical or mathematical works of such a nature where either the calculations cannot be done without the help of a computor or the processing of data takes such a time by even the best of manual methods (including use of normal office equipment) that by the time the results of analysis are made available the time for its utilisation is already passed away. In these various pleas made to justify the hastening of a computer age the one for Defence merits a first attention. The country's independence is above all involvements of sacrifice. Therefore, in all such spheres of war activities where computarisation makes a difference between victory or defeat and heavy loss, the automation must be given a green signal. In the rest of the sector the arguments about export-oriented industries holds no water. While quoting the example of sugar industry we have already indicated how the real export-orientation can be given to the whole economy. The stage to compete western countries in manufactured goods by computorisation is still far off. As against 50 computors in the whole of India the U. K. alone has got 2,700. The U.S.A. before a year was having more than 43,000 and one does not know how fast that country is going ahead on the wings of a Research Revolution by a jet-speed activity. Another point is made about computerisation in infra-structure so that the computers will make land a more consistent and bountiful producer, by designing irrigation systems, speeding up crop forecasting, controlling the rotation and scheduling of planting and areable

lands, helping weather forecasting and even controlling the weather-factor by schedule adjustments. It is urged that such a selective use of computers will increase the national income and output and allow economy to give higher real wages to workers. But this argument so far as it is advanced in this country looks like that of a salesman intent on selling the computers rather than of an econometrician or policy-maker who cooly calculates all types of economic and social costs before finalising his plan model. Even a top level commission in U. S., viz., The National Commission on Technology, Automation and Economic progress has not denied the fact that by choosing to defer the programme of automation the economy can certainly give a greater employment. What is needed in the Indian situation is first to provide for a full employment base and then take a graded ascent from one equilibrium to a higher and more productive equilibrium through a national economic strategy by giving a equitable treatment to different industries and thus raising the productivity and real income of the average man in India. The real concern for a higher technological application like automation can come in this second and subsequent stages. There should therefore be a moratorium at least for a ten-year period on introduction of automation in Indian Industry. While suggesting this we are sure that if once the gates are opened for the computor in any department of civilian sector then it will force its way in other departments as well. Therefore, in our stand on automation we fall in line with the other Trade Unions who are opposed to introduction of automation in Indian Industry at this stage of our economic growth and till such time as the full employment is achieved. The subject can be taken up for discussion at a more suitable date after the first target of full employment is reached.

### Role of Parties

In raising the productivity of factors of production the Government, Management and Labour all have to play a very important role. First of all the Government by its own action must give a lead to push up the productivity of the whole economy. For this purpose it must identify the scarce factors in economy like capital, strategic raw materials, land, foreign exchange etc., and plan for an investment pattern that is most productive for the economy without being inconsistent with the first social target of reaching full employment, and then of an equitable growth in the standard of living of all citizen. It must use its control mechanism wisely with due regard to obsolence of existing capital equipment, real needs of rationalisation, building up of foreign markets by consistent policy, promulgation of wage and price policy and labour and industrial policy, overall supply budgeting, development of a good infrastructure, qualitative education, production-oriented taxation policy and its own example in efficiency and economy and honesty in public dealings and wiping out of all corruption, nepotism and indolence from services. The Government has indeed a central part to play in gearing up the whole economy to productivity orientation. It can do this by example and suitable action by

promotion of national virtues and by planning scientific research with a vision and an eye on optimum utilisation. The management has also a great part to play in day to day details of industrial or firm planning. It must specially see that production scheduling is well controlled, Man–Machine Chart analysis is scientifically done and put to good use, a well–designed methods and works study is carried out and maintained and proper incentive schemes are worked out on confident readings of work–measurement, crowding and confusion in movement is averted by use of flow–chart analysis and diagrams, cost and budget and inventory control is done by use of operations research, morale of workers is well maintained by proper personnel and promotion policies, tools and equipments are well designed, market research and forecasting is well done and quality control is established on these ascertained basis, quality of supervision in constantly changing social and labour situation is well–maintained by training and refresher programmes and by case and follow–up studies for a personnel development programme, age and efficiency of machines is guarded by preventive maintenance and repairs which is a key to capital productivity, reporting and estimation is made by those who possess a good know–how and by ensuring that a host of other decisions that come in a capacity–analysis and planning and control are promptly taken by a comprehensive analysis of all factors. The Management must also have an eye on future and for this purpose it must establish and gear–up the research and development unit for promotion of economic growth. This is an applied research within the industry wherein by an in–built system of evaluation of its work and a feed–back system by relating contribution of R & D to plough back of productivity–gain, a control by overall objects is well maintained. Of course, the management should work on all these lines of productivity–oriented schemes. The Trade Unions will have to be specially careful that when they advocate go–slow, work–to–rule, ban on overtime or such other work–stopping or tempo–killing practices, they are constrained by organisational discipline so that habits of work do not get damaged in the process. It is the experience of B. M. S. Unions that a disciplined mind is necessary equally for a trade union or management action and when positions are taken by either party without spoiling the habits of discipline in a fundamental manner no damage is done to productivity by Union's stand on say work–to–rule, or such practice. In such situations the worker merely shifts his loyalty and obedience from work to observation of Union rule. He does not thereby impair his mental faculty and can divert the same again to work as soon as his Union takes the appropriate decision. A conscientious Union takes such a step only when it finds that the management is taking an unreasonable stand, for it knows that the gains of its members are ultimately linked to productivity and it cannot afford to lower down permanently the tempo of productivity. Of course, to play effectively this important role the trade unions must get themselves equipped with a technical expertise. Many of the Unions of the past have only an organisational and legal wing. The unionism of the future must install a technical wing as its directing authority.

We may conclude this chapter by saying that productivity is more a function of attitudes and cultivation of a scientific temper and espirit-de-corps rather than a mere adjustment of life less machines and paper procedures and in this lively action on the productivity front the psychology of labour and quality and strength of trade union movement have a supreme role to play. This psychology must therefore be greatly respected and properly understood from that integral knowledge of human mind whose basic search is not for economical goals alone though it cannot always translate what it is aiming at in clear terms. Here comes the necessity to relate Economics to other Sciences. The social orientation given by us in describing the effective methodology of various productivity techniques is designed to give a first basic starting point for such a wide national adventure, based on an integral approach to a complicated problem of transforming the traditional society to the valuations of the future.

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CHAPTER XII

# Labour Legislation – Part II

### The Payment of Bonus Act

Without prejudice to an aforesaid submission that the Bonus should be regarded as "Deferred Wage" till there is a gap between the actual wage and living Wage and the Bonus Act should be totally amended on the said basis, we propose the following changes in the Act :–

i) Section 32 of the Act, specifying certain classes of employees to whom this Act shall not apply, should be deleted from the Act. Bonus is not bounty but a legal right of the workers and the Bonus Act should be applicable to all workers, irrespective of the character of the employer, but excluding the government servants of purely administrative cadre.

ii) Development rebate or development allowance should not be allowed to be deducted at all from gross profits and for this purpose sub-section (b) of section 6 should be deleted. It may be recalled here that the Bonus Commission recommended that Development Rebate should not be allowed as a prior charge. As regards the development rebate, the commission observed, "We now come to the question of development rebate and the saving tax on account of development rebate....It is a special allowance to encourage companies to instal new machinery. In a year in which installation of machinery are very, the inclusion of the whole of the development rebate together with the statutory depreciation, as prior charge, might wipe off or substantially reduce the available surplus, even though the working of the concern may have resulted in very good profit....Development rebate has not been treated as a prior charge under the Labour Appelate Tribunal formula and we are also of the view that it should not be deducted as a prior charge. It seem to us that if the development rebate is not allowed as a prior charge it is fair that the concession in tax on account of development rebate should not be taken into consideration in deducting Income Tax and Super Tax in the bonus formula. This means that in effect a portion of the development rebate is allowed as a prior charge, for tax on a portion of the profit on which tax is not really payable is deducted. At the current standard rate of Income Tax and Super Tax applicable to Companies, which is 50%, the saving of tax on development rebate would be 50% of the amount. Therefore, in effect, the Company

would get, by way of additional deduction for tax, a benefit equivalent to the 50% of the development rebate as a prior charge for the purposes of the bonus formula."

iii) Only income tax and super tax, as recommended by Bonus Commission should be allowed as a prior charge and allowed to be deducted from gross profits and for this purpose sections 6 (c) should be suitably amended and section 2 (12) be deleted. Surtax and surplus profit tax or any other direct tax should not be allowed as a prior charge. This question of Super-profits tax has been discussed in detail and ultimately rejected by the Bonus Commission.

As regards Surplus Profits tax, the Commission observed "We are of the opinion that in the calculations for the purposes of the Bonus Formula, no deduction need be made on account of Super Profit Tax. Our reasons are these: (1) In the first place, it has to be borne in mind that bonus paid up to a reasonable amount is allowable as expenditure under the Income-tax Act. (2) Income-tax and Super-tax are deducted in the Bonus formula to ensure a minimum return on Capital and Reserves after allowing for these taxes. (3) The Super Profits Tax has been notified by the Government as a tax on excess or abnormal profits under Sec. 349 (4) (d) of the Companies Act..... (4) If Super Profits Tax is allowed as a prior charge, since the amount paid as bonus would not be liable to Super Profits Tax, and Super Profits Tax is in effect a tax on excess profit, it would be necessary to add the saving in Super Tax on account of bonus to the amount allocated as bonus, but the addition to this would be rather difficult because the calculation of the Super Profits Tax itself is beset with complications. It is desirable not to make the bonus formula unnecessarily complicated. (5) Another reason for not deducting the Super Profits Tax as a prior charge is that the tax would be payable only if the surplus left to the company is the sufficiently large, for only the portion of income over the standard deduction is liable to tax."

iv) The return on capital should be allowed at the rate of 7% and the return on reserves at the rate of 4% only, as recommended by the Bonus Commission, for this purpose schedule III of the Act should be suitably amended.

As regards the return on capital and reserves, the Commission observed, 'In considering a suitable formula for bonus, it may be considered that regard must be had to the fact that it is advantageous to industry as well as to the workmen that there should be an investing public who should be given inducement to invest in industry; but the bonus formula cannot be expected to safeguard the investor against increase in taxation. In the conditions of the last few years, with the expenditure on the plans and more

recently under the condition of the emergency taxation rates have gone up so as to affect all section of the public....Having given careful consideration to the representations made before us we are of the view that the return on paid up capital should be allowed as prior charge in the bonus formula should be at 7%. There has been a sufficient change of circumstances since the full Bench Formula was devised to warrant some increase in the rates of return on paid up capital. We do not think a higher return than 7% should be allowed as a prior charge. The return which we propose on reserves would allow for aditional dividend to the share holders. The proportion of the available surplus which we propose to leave to the company after paying bonus would also be available, among other things, for payment of higher dividend.... Bearing all the above points in mind, while it may still be said that the present labour force has, by and large, contributed to the profits out of which reserves have been built up and which has increased the profit making capacity of the concern, and this may be considered as one of the factors, not a decisive factor, for giving a lower return on reserves than on paid-up capital. Having considered the matter carefully, we are of the opinion that in the bonus formula the prior charge of return on reserves should be at a lower rate than on paid-up capital and that it should continue to be at the rate at which the return is usually allowed on reserves used as working capital under the existing formula, viz. at 4%".

v) If any rebate on the income derived from the export is allowed in relation to direct taxes, such amount of rebate should be added to the gross profits. Similarly, any amount of rebate or relief allowed for the purpose of development of any industry should be added to the gross profits. The simple reason for this addition is that any benefit which is denied by the employers should be shared by the workers, with whose co-operation and contribution the employer develops his business or industry, for this purpose, sections 7 (d) and 7 (c) should be deleted.

vi) For the removal of any doubt and to uphold the claim of profit bonus of the workman, employed in establishments employing less than 20 workmen, a provision in the Act should be expressly made for the payment of Bonus to them according to Labour Appellate formula. It may be recalled here that Madras High Court has upheld the above view in the case of various Chilly and Kirana Merchants published in June 1967 issue of Labour Law Journal.

vii) As per section 17 (a) of the Act, any amount of puja or festival or customary bonus paid to the workmen shall be allowed to be adjusted against the bonus payable under the Act.

Bonus in the Act means only what is known as profit bonus. Payments like incentive Bonus, production Bonus and the like are not covered by the Act as they are quite distinct from profit Bonus. Similarly, Puja Bonus and Festival Bonus paid on certain occasions, though payable, should not be covered by the Act. In other words, the Bonus in the Act should be paid in adition to Puja or Festival Bonus. For this purpose, section 17 (a) should be suitably amended.

viii) Section 19 provides for a time-limit for the payment of Bonus but the time limit is not prescribed for the purpose of declaration of bonus, along with its detailed calculations. Hence, many unscrupulous employers just pay 4% bonus only and when the dispute is raised by the workers employers do not make the payment of additional bonus upto the expiry of the month from the date on which the award becomes enforceable or the settlement comes into operation vide Sec. 19 (a) of the Act. Hence Sec. 19 should be amended so as to prescribe a time limit for compulsory declarations of bonus. Such amendment has been sought by Maharashtra Government.

ix) Section 14 (b) provides that for the purposes of computation of number of working days, an employee shall be deemed to have worked on the days on which he has been on leave with salary or wage.

It is difficult to understand why leave with salary only is to be included and leave without salary should be excluded for the aforesaid purpose. The authorised leave and unauthorised absence can be differentiated on reasonable grounds, but the leave with pay and leave without pay should stand on same footing as far as the Bonus Act is concerned. Otherwise, especially the unfortunate employee, suffering from prolonged sickness and compelled to remain on leave without pay shall suffer heavily on account of the aforesaid provision. Hence, aforesaid section 14 (b) should be suitably amended.

x) Section 23 provides that the balance sheet and profit and loss accounts of the Company, duly audited by the qualified auditors may be presumed to be correct and it shall not be necessary for the employer to prove the accuracy of such statements and particulars contained therein by the filing of an affidavit or by any other mode.

No doubt, this provision has been made with a view to over-ride the effect of the Supreme Court decision in the case of Petlad Turkey Red Dye Works Co. Ltd. (A. I. R. 1960 S. C. 1006). In the case Supreme Court held that no conclusion as to the correctness of

balance sheet can be drawn unless it is proved by positive evidence that the statements made are correct Statements. The Statements contained in a document filed before the Court has to be proved by an affidavit or the oral testimony of a competent witness and a balance sheet which a company prepares for itself cannot be made in exception to this rule. The burden is on the party who asserts a statement to be correct to prove the same and unless the burden is discharged, it has to be held that the statement has remained unproved.

The important right of the Labour to challenge the balance sheet and other statements of the employers, upheld by the highest judicial authority of the land has been snatched away by the aforesaid provision.

It is a matter of common knowledge that the balance sheets are prepared and manipulated by the officers of the employer to evade the liability in respect of taxes and bonus. The Labour is not a party to preparation of accounts but it is a co-sharer in the profits of industry and hence they must have a right to inspect the accounts to arrive at the correct amount of share. Merely supplying particulars or breaking of certain items of expenditure or furnishing the Labour with certain clarification is not enough.

Hence, sections 23, 24 and 25 should be suitably amended as to require the employer to prove the balance-sheet, when it is challenged by the Labour.

xi) Section 9 provides that an employee shall be disqualified from receiving the bonus, if he is dismissed from service for fraud, theft etc. It must be remembered that Bonus is the legal claim of the workmen arising out of the profits earned by the employer with the cooperation of the Labour. The Labour cannot be deprived of his earned share payable in the form of bonus, because his services are terminated, rightly or wrongly, for minor or major misconduct. It will amount to double punishment, firstly by way of dismissal and secondly by way of forfeiture of Bonus.

The Supreme Court has held in series of discussions, including those of Garment Cleaning Works and Hindustan Times Ltd., relating to gratuity that.... the gratuity is earned by the worker for long and meritorious service, it cannot be denied to him, whatever may be the nature of misconduct for which his services has been terminated. The same principle should apply in the case of bonus and the worker should not be disqualified for bonus, even if he is dismissed from service, for any reason whatsoever. Hence, Section 9 of the Act should be deleted from the Act.

**Provident Fund Act**

In this Act, we suggest the following changes :-

i) The Act is applicable to every establishment which is a factory engaged in any industry specified in schedule I and in which 20 or more persons are employed.

The object of the Act is to provide for the future of the worker after he retires or for his dependents in case of his early death and to cultivate the spirit of saving something regularly. It is a social legislation meant for the benefit of workers. Hence there is no reason why the applicability of the Act be restricted to factory workers only and that too, to those factory workers who are engaged in any industry specified in schedule I only. This much needed benefit should be extended to all the workers.

Again, this scheduled industry clause creates a problem in the application of the Act to composite establishments carrying on several industrial activities of which some only fall within schedule and the others do not. Of course, the Supreme Court has held that the test for determining whether or not the act applies to such a composite factory is whether its activity which falls within the schedule is its primary and dominant activity or only its incidental or feeder activity. In the former case, the whole factory is within the premises of the act and in the latter case not. Even for avoiding all such controversies and litigation for such determination, it is desirable to extend the benefit to all the workers of all the establishments in which 20 or more persons are employed and schedule I may consequently be deleted.

ii) To remove all the doubts, it should be enacted that an establishment to which this Act applies continue to be governed by this Act, notwithstanding that the number of persons employed therein falls below twenty.

iii) Under Section 17 (1) of the Act, it is provided that the appropriate Govt. may exempt any establishment from the operation of P. F. Scheme, if the employee of such establishment are in enjoyment of benefits in the nature of P. F. pensions or gratuity and the appropriate Govt. is of the opinion that such benefits jointly or separately are on the whole not less favourable than the benefits provided under the Act or any scheme relating to employees in any other establishment of a similar character.

Through the series of decisions of the Supreme Court, it has been now well established that the workers are entitled to double benefits of gratuity as well as P. F. there is no bar, on principle, to this double benefit and the claim for gratuity must be allowed, subject to the employer's capacity to bear the burden.

This development, subsequent to the enactment of P. F. Act, 1952, is significant and necessitates a revision in the mode of evaluation of total benefits for the purpose of grant of exemption under Section 17 (1) of the P. F. Act.

We, therefore, submit that the Act should be amended in such a way as to delink gratuity from other retirement benefits for arriving at total benefits for the purposes of grant of exemption.

iv) At present, there is no provision for cancellation of the exemption granted under Section 17 of the Act. It is therefore very much essential that a provision may be introduced in the Act for cancellation of exemption granted, if there had been a material change in the circumstances under which the exemption was originally granted. The Maharashtra Govt. has already sought such an amendment.

**Public Sector**

At the beginning of the first five year plan, the total investment in the industrial establishments and public enterprises was hardly Rs. 50 crores. It rose to Rs. 110 crores at the commencement of the second plan, and Rs. 900 crores at the begining of third plan. With the investments of Rs. 1,500 crores during the third plan, total investment in the public sector alone was Rs. 2,400 crores at the end of 1965-66, and with the proposed addition of Rs. 4,000 crores during fourth plan, the total investment at the end of fourth plan shall be Rs. 6,400 crores. The total investment in the industry by that time is estimated to be shared between the public and private sectors in the proportion of roughly 56:44. As compared to 1951, investments in the public sector would have grown by 130 times. Likewise, employment in the public sector has gone up in recent years. Between 1961 and 1966, it has gone up from 70,50,000 to 93,64,000, an increase of 33 per cent.

Thus the Government has emerged as the biggest employer in the country. As a result, whatever policies and programmes are adopted in the field of industrial relations should automatically be expected to be followed by this sector too, and the Govt. have a moral duty to act as a model employer, and set the pattern to the employers in the private sector. Government shall have to play an ever increasing role of an employer as the custodian of the interest of public sector employees. It should not seek for any exemption from any labour legislation. There should not be any discrimination between the public and private sectors, as far as labour legislation and its implementation were concerned.

The first five year plan had accepted the principle that the benefits of all labour laws which were applicable to workers employed in the private sector undertakings should also be made applicable to workers employed in the public sector.

The second five year plan went a step further and categorically stated thus :

> "In view of the fact that the public sector will grow in future, the manner of administration of the industrial relations in the public enterprises is of great importance for the success of the undertaking, and for the fulfilment of the aspirations of labour. An attempt, therefore, on the part of public employer to avoid the responsibility of an employer on the ground that he is not working for profit has to be discouraged. Managements of public undertakings should not normally seek exemptions from labour laws or ask for further concessions, not available to the private sector. In the last analysis employees in the public sector should on the whole be at least on par with their counterparts in private employment and should feel a legitimate pride in what they produce and in their position as employees in the public sector."

The approach was further clarified by the then Union Labour Minister, Mr. G. L. Nanda, who declared at the Conference of Heads of Public Sector Enterprises held in January 1959, that, in the application of labour laws, there should be no discrimination between the private and the public sectors.

In the Third Plan, it was stated that "the employers in the public sector have a special obligation to follow labour policies which are conducive to securing and keeping a competent working force at a reasonable cost."

The Sixteenth Session of the Labour Ministers' Conference (1960), while reiterating that there should be the same standards for the enforcement of labour laws in the public sector as in the private sector, recommended that the public sector should not only be an enlightened employer but also a progressive employer, and serve a model for the private employers.

Inspite of this declared objective, public sector representatives demand for a privileged position in the matter of labour legislation. The stand taken by such representatives before the Bonus Commission is illustrative of this point :

The Commission in its report (page 88) states as follows :-

> "A number of representatives of public sector enterprises appeared before us or submitted their representations. In one way or another, they emphasised the special charactor of public sector enterprises, stating that their primary objective was to assist in the economic growth of the country, with a view to promoting employment and the well being of the community in general; that profit motive was a secondary consideration and that whatever gains ultimately accrued would be utilised for further growth to the ultimate good of the entire community; that most of them were of a basic character designated to promote dependent

industries in the private sector; that certain financial institutions recently set up were not intended to restrict or retard business activities of established private financial institution, but were primarily designed to provide cheap credit for the development of industries in the private sector when credit position remains tight, or where, because of the need for underwriting greater risk elements, establihed institutisons may be somewhat reluctant to operate. ..... They therefore, pleaded for a differential treatment in respect of bonus compared with the private sector Industry."

Even the fixation of the wage structure, the public sector seems to argue that the Government companies should not be treated at par with their counterparts in the private sector,–inter alia, for the following reasons:

i) Nexus with the Central Government;

ii) Need to keep parity or at least no disparity between different public sector industries in different parts of the country;

iii) The concepts of capacity, profits and surplus have a new connotation which is different from what they bear in their application to industries in the private sector;

iv) Amenities and fringe benefits in public sector industries are incomparably greater than in the private Sector;

v) The employees of the public sector industries have greater security than those of the private sector industries etc.

It is, however, gratifying to note that these arguments were rejected by the Supreme Court in the HINDUSTAN ANTIBIOTICS LTD. v/s ITS WORKERS. The Court's verdict was that the same principles evolved by the Industrial adjudications in regard to private sector undertakings should govern those in the public sector undertakings having a distinct corporate existence.

As regards the implementation of labour laws, the experience is very much discouraging. In this respect, the study of the Implementation and Evaluation Division in 1966, is very significant. We quote below the findings of the study in respect of one of the public sector undertaking, viz., National Instruments Ltd:

"The position regarding implementation of labour laws in the National Instruments Ltd., is not satisfactory. The accident reports are not sent in time and the annual reports under the Factories Act and the Workmen's Compensation Act are not being sent at all to the concerned authorities. Safety measures in the factory are not adequate. There is smoke in the Dye Casting Section. Latrines and urinals are dirty and the canteen too small to accommodate all the workers who take their meals there. The workers have not been provided with Leave

Books. In a few cases deductions from the pay of the workers exceeded the statutory limits and in two cases, the injured workmen were paid half the compensation admissible to them under the Workmen's Compensation Act. Though the rate of provident fund contribution was raised from 6¼ per cent to 8 per cent from January 1, 1963, the management has not yet paid the contributions at the enhnaced rate from January 1963 to May 1965."

This is the case with many other units. For example, several instances of violations or improper implementation of the Factories Act were brought to the notice of the management of the Hindustan Machine Tools (Pinjore Unit) by Inspecting officers. Warning letters had to be issued to the management a number of times for rectification of the violations. The Implementation and Evaluation Division stated, in its study made in 1966, that the management was not paying adequate attention to proper implementation of even important provisions of the Factories Act, such as examination of lifts, safety of shop floor, provision of protective equipment for the workers, proper maintenance of First Aid Boxes and cleanliness of latrines etc.

Under the above circumstances, the B. M. S. submits that the National Commission on Labour should finally end this controvercy of special treatment to public sector undertaking in any form, as far as the matters relating to the Labour are concerned and hold that there is no case for any discrimination between two sectors, Private and Public.

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# Volume III

CHAPTER XIII

# Methods of Wage Fixation

## Collective Bargaining and Bargaining Agent

The method of collective bargaining is admittedly a king-pin in wage fixation. But as long as the trade union movement continues to be what it is today–fragmented and divided, many small unions competing with one another in the same job or geographical territory, none with recognised majority status to serve as formal bargaining representative and all inadequately financed, the progress of collective bargaining is bound to be slow. One reason for the state of affairs is said to be the existing legal provisions which allow any seven workmen to form a union and carry the dispute to conciliation. The advocates of this view which puts all blame for multiplicity and weakness on the shoulders of law want to deny the giving of any statutory right to a minority union. They will promulgate a law on one industry-one union, or certify only one union as a bargaining agent. In fact the code of discipline and Bombay Industrial Relations Act have sought to establish a similar rule. But they have not shown any marked advantage for collective bargaining. The textile mills in Bombay have been repeatedly paralysed by strikes on calls given by a union other than the representative one, while in BEST Undertaking, Bombay, the collective bargaining has never been successful for wage demands which are being referred to one Arbitrator or the other as if to avoid the risks of a collective bargain. At its best, it is in the midst of exhaustion after a fight that administrative decisions are hailed as a bargain. The failure of the code of discipline is also not due to the mere lack of statutory provisions. In Ahmedabad, one hears such a number of grievances of the pressures used by sole bargaining agent over workers that one wonders whether any union can be trusted as immune from degenerating itself into a dictatorial and authoritative rule using in a one-sided fashion its monopolistic mandate. In the Banking Industry, we have witnessed such a large-scale harassment to honest and loyal workers and a persecution of many independent spokesmen that a whole National Organisation of Bank Workers had to take birth primarily to curb these evils of monopoly power vested virtually in one bargaining agent. An administrator or a thinker who is far away from mass sufferings or a leader of mob who never cares to give a patient ear to complaints of individuals or smaller groups is always ill at ease with any arrangement that makes him attend to more than one party simply because it taxes his understandings. He wants to run away from the natural complexities hidden in these individual

and group sufferings. He stands for an administrative suppression of all important variations and falls in love with what he regards as a facile, clear and simple principle of intelligent order. For such a man a law of one union for one industry has its appeal. But for a true worker who toils on field for wiping out the tears from men's eyes, such a legalistic provision is seen as replete with horrors of pain and acute sufferings and a sandwitching prison and dungeon created by authoritarian mights in Industry. In fact, the fights which many of the constructive but minority unions are giving have a parallel to historical fights which men in agony have given with those who claimed over them an authority either by religious sanction or by kingship and aristocracy or as savakars and capitalists. We need not lose sight of this history before giving any such coercive powers again to a few leaders. At its least, it may be stated that a thinking in haste over matters of economic planning and practice need not make us oblivious of the greater needs of human freedom and concepts of social justice and progress based on these freedoms. To remove freedom in order to get rid of disorder, strife and waste is an impulse of regimentation. After all individuals and minorities have also made many important contributions to development of society and if the world of labour is to be deprived of such contributions by advance of a rigid formula for statutory bargaining agent then workers will be singled out for a lop-sided treatment. The evolution of the united life of workers will not be accelerated by suppression of expression or activity of minorities; it will come to fruition by a skillful blending of diversities in a harmonious hue and order. In other words, respecting the human sanctions that gave birth to democracy, we should be prepared to live with the phenomenon of multiplicity of unions. When a large country with vast and varied population and a graduated emergence of industrialisation walks on the road of economic progress, it must be prepared for a slow, strenuous and hazardous journey. The collective bargaining, however fine it may be as a means of wage fixation, cannot be raised to an ideological absolute so as to legislate institutions and their powers only to give the principle of collective bargaining a prime service. If it does not accommodate itself with other and far higher ideals of human living, then it should be made to wait till it finds an accommodation with them in a natural course. After all unionism in India has got many ideological stances and a legal prohibition for minority union or unions other than the one which is considered as a representative bargaining agent may ultimately amount to prohibition of goodness. The atmosphere of labour unions is filled with gospels of hate and destruction due to accidents of history. It is already difficult to build a constructive or productivity-oriented trade union. A legislative sanction to one union in such a case, can easily come to mean enthroning the evil and spell an economic disaster for the country. The agitational approach and appeal to gallory build up majorities. A purely quantitative standard can then easily mean saluting the very evils which are condemned as obstructions to national progress. A union dedicated to qualitative standards has a up-hill task in

winning masses. A law that throws cold water on such unions for the only fault that they refused to follow popular and cheap slogans but yoked themselves to harder task of constructive nation—building activity, will be a law against the interests of Nation. The historical and political factors operating in the field are too real to be forgotten to rely on one-sided thinking on theories of economic progress through collective bargaining. A legislative provision for bargaining agent for a union getting a simple majority in a secret ballot or so is more likely to spell an economic disaster than hasten its advent. In our country, there is yet a wide-spread ignorance about the laws of economic progress. In this situation the minds of workers are easily confused and they are carried away by cheap slogans of hatred and mass hysteria. A premature and unwise legislation on bargaining agent at this juncture is most likely to retard our progress. This does not mean that we should take no steps to cultivate the habit of collective bargaining or actively encourage its advance. The aim of collective bargaining must be surely pursued in combination with all other objects of social and economic life. For this purpose the entire structure of trade union movement should be gradually and steadily altered. A long period of amalgamation and consolidation of small unions should inevitably precede the formation of single industry-wise or national unions. The Central Labour Organisations must also accept gradually a measure of limitation and re-definition of their responsibilities and spheres of action. Thus a sound and healthy system of collective bargaining shall grow. To accelerate this sound process it will be better for us to lay down the rights of different types of unions according to their varying strengths. We have already given our views on this question in Chapter V under the heading 'Trade Union leadership and multiplicity', of our submission. We propose to deal further on this question in relation to methods of wage fixation in this Chapter.

From the preceding discussion it is clear that we do not feel it advisable to enforce at this stage a statutory bargaining agent on unwilling workmen in a large manner. Neither we conceive that the law should take no part in the evolution of collective bargaining and leave it to the mercy of chance of history and whims of parties. We cannot think that the Government should just press into service its Labour Department at the slightest sabre-rattling to get each and every dispute settled automatically through adjudication. The workers should be encouraged to form unions and these unions should be required to do the hard drill needed to hammer out a collective agreement. For this purpose there must be a method to name the bargaining agent or agents. On Pages 33 to 35 of our submission we have given our views regarding the giving of a recognised status to a trade union. But it will be found from the perusal of our submissions that it envisages the possibility of as many as three recognised unions in a bargaining unit and more over it visualises such recognition being on national or industrial level for local areas and on plant, trade or category level. This system of recognition, we are aware, raises issues in settling a national, industrial or even plant level collective agreement. We shall presently address ourselves to these issues and show how we propose to solve them

in an attempt to encourage collective bargaining. Before we dwell on this topic, we wish to make it clear that in matters of wage fixation, we do not consider that a mere recognition is sufficient to confer on the recognised union the status of a full-fledged bargaining agent. On page 34 para 1 of our submission, we have outlined how the managements should be placed under an obligation to carry on dialogue with unrecognised but registered unions on the question of collective demands for which the final agreement may be entered into with recognised union or unions. What we were envisaging at that time was that an agreement on wages should receive a wider support and consent than what a recognised union alone can give. We shall now spell out the exact nature of this support and consent. But before we do it, it is necessary to cast a passing glance at some of the many solutions that are advocated to tide over this difficulty of certifying a bargaining agent.

One suggestion tailored after American models is that of a closed shop or union shop backed financially by a system of check off. To this is often added a method of secret ballot when a demand for same arises. The method has certainly given its results in America. But it can never be forgotten that the key of this apparent success lies in section 9 (h) of the Taft Hartley Act. This section of the Act refuses protection and use of facilities provided by it such as the National Labour Relations Board to unions unless there is on the file with the Board an affidavit executed contemporaneously or within the preceding 12 month period by each officer of such labour organisation and the officers of any national or international labour organisation of which it is an affiliate or constituent unit that he is not a member of any Communist Party or affiliated with such party. The Supreme Court of the Union States has up-held the constitutionality of this provision on the ground that legal protection is given to unions for the purpose of furthering collective bargaining and since Communists consider unions primarily as instruments of revolution and only incidentally as instruments of collective bargaining it was deemed proper to deny the protection of the law to the Communist dominated unions. The American system not only recognises just one union for one bargaining unit but under the closed shop requires every employee to become a member of that one union. The need to ward off Communists by legislation in such a system for the preservation of democracy should be quite apparent for any student of public life. The dangers which are sought to be eliminated by such legislative prohibition cannot be overlooked in India. The whole effort of the Communist Party of India has been to propogate a theory of class conflict by rousing class consciousness and give a continuous class struggle till they come into power by resulting revolution. It is significant to note that this is not the role of trade unions in Communist countries. In effect, the Communist theory of class war has come to mean a foreign policy of Communist powers to capture non-communist countries by making workers hostile to Industry and bringing a break-down of its economy. Following this technique the Communists in this country have largely succeeded in creating an atmosphere in which any

collaboration or co-operation with the employer or a sense of good-will towards management has become a practical taboo in the trade union field. In such a situation, for the purposes of cheap popularity, unions while attempting to whip up enthusiasm go unwillingly into a race of vilifying the employer. It will not be far from truth if we say that in many cases the one who can show the greatest irresponsibility in making wild abuses against management, employer and government earns the highest respectability. This approach to questions of industrial relations which is forced by needs of recognition or representative character under code of discipline or state acts, promotes class-conflict and boosts up hatred. As a result, whoever may win the final elections, this type of democratic way of meeting Communists, gives service to anti-national forces by creating habits of non-cooperation all around. We are not aware of a single instance where statutory or semi-legal (as under code of discipline) recognition given to a single union has by itself resulted into greater productivity which is the real aim of give-and-take type of negotiations inherent in a collective bargaining process. If the examples of Banking and/or Life Insurance are to be examined from this angle, it will be apparent that a tendency for recognition has been equated more or less with a recognition or sanction for lawlessness (since the majority or recognition was itself a result of agitation based on hate and revolt) and the labour productivity has rapidly sunk down. The conclusion is therefore, inevitable that so long as the Communists are in the field and the Communist Party is allowed to function in a democratic set-up, the danger of one union in one industry through secret ballot or any other method are very great and should not be minimised by ignoring the real issues it brings in day-to day life. A more sound principle is of 'one nationalist union in one industry'. The Bharatiya Mazdoor Sangh stands for this principle. But it does not, like the Americans, want to establish this principle by law. The American law has isolated Communists in their labour field. Our country has not taken such a stand; nor do we advocate any. Communism is after all an ideology – no doubt an unscientific and lop-sided ideology, a vision born out of division which has no patience to understand the manifestations of the One Unity through Many in Diversity. But since it is a spark of vision, it cannot be cancelled out by inhibition. The Americans are certainly wrong in the presumption, if they have any, that they can destroy communism by legislative coercions. Such measures may restrain the outward advance of membership of Communists Party for some time but may ultimately aid their final triumph. The real strength of Americans is in their love for freedom –but they do not know how the perfection of that freedom can be achieved by founding on truth the edifice of their social built-up. The way of India, through the ages, to face such partial truths has been to accommodate them and absorb all their true contents. Unfortunately, due to struggles spread over thousands of years this capacity of Indian Mind to absorb all their true contents. Unfortunately due to struggles spread over thousands of years this capacity of Indian Mind to absorb all such philosophies of life has been temporarily weakened by fatigue. But the intrinsic strength is there

fully in-tact and is now manifestating again in various forms. On the Industrial level, therefore, which is the chosen battle-ground of this unscientific and lop-sided philosophy we can meet the communist challenges by a free meeting at all levels-ideological, organisational, practical and strategic. Rather it is by such method that we shall free the mankind of communism. While not minimising the dangers of communism therefore which led the Americans to legislate the Taft Hartley Act, we feel, therefore, that the best way of meeting the communist challenge is to fight it from our own platform. But for this reason, a separate platform is necessary. A law on one union in one industry may abolish the platform of nationalist union at the hands of a nationalist government. A logical corollary of denying the American way of out-lawing communists from trade union and allowing them to work in our trade unions is that the nationalists must retain for them a separate platform to meet the challenges posed by their disruptive practices and philosophy of class-war. A respect or accommodation for a multi-union industrial relation system becomes, therefore a necessary choice in the Indian situation and for our special approach towards the communist challenge. If prosperity through a democratic process is to be the goal of national life, then it must be accepted as a national concern the need to uproot the communist influence from our trade unionism. But since we do not wish or believe this to be done by prohibiting the communists from running the trade unions, it is entirely necessary that within each bargaining unit a platform for those who do not wish to assemble under communist flag must be provided. The communist way of running and operating a trade union is so different from the day-to-day stances and positions which a genuine trade union movement is required to take that it is virtually impossible for people belonging to two creeds to function under one roof and name. Theirs is virtually a political movement and not a Trade Union. Hence the inevitability of multi-unionism. And since in the choice of a bargaining agent it is dangerous to give powers to any one union on account of its bare majority, the process of naming bargaining agent and the process of collective bargaining itself have to make its way by denying the apparently simple administrative solution of legislating for one union. It appears that in order to be true and honest to our problems and intentions, we must choose an independent path and cannot copy out any one set of patterns available today in the world.

Thus after rejecting as unsuitable the formula of one industry one union in the country's present position and rejecting too the idea of granting a sole bargaining status to only a majority union, a further question arises as to whether a via media can be found out which somehow commits all workers to one bargaining agent and yet respects different platforms for functioning of normal trade union movement. Our discussions in this regard with some eminent public workers closely in touch with various trade unions revealed to us that some such formulae are at times engaging a serious attention of deep thinkers and practical men of affairs-both alike. The recent discussion in the Indian Labour Conference also spot-lighted this thinking. The idea of

forming a negotiating body with a proportional representation for different unions or admission by the representative union to the representatives of minority unions on its negotiating committee were proposed as alternatives We ourselves have also suggested the system of proportional representation for works committee. But these are in fact administrative arrangements to deal with a situation in which multiplicity of unions exists. One other radical formula that we came across in our discussion was that only one union should be named as sole bargaining agent and for purposes of electing the negotiators all employees should be held to belong to that union. A nominal fee should be deducted from each employee's pay-packet and given to the same union so as to cater the needs of all legitimate expenses incurred in the collective bargaining process. The negotiator should be elected by all workmen likely to be affected by the bargain and elections should be supervised by an independent (preferably government) commissioner placed under an independent tribunal. The employees should be otherwise left free to join voluntarily the same union or any other. All the unions may be given equal opportunity to propogate their views and carry on the agitations including the strike to influence the course of bargaining. During the course of negotiations there should be some provision when a serious challenge to the position taken by the negotiator or to the draft of the agreement can be treated as a no-confidence motion against the negotiator warranting a fresh election of the negotiator. Normally, such a serious challenge can be ascertained when a majority of workmen make an application for recall or a strike paralyses the industry on a call given by somebody other than the bargaining agent. Variations of this formula can be worked out in detail, but the essence of the whole thinking is that an accommodation for multiplicity of unions need not restrain us from naming a bargaining agent in whose selection however, every worker is committed per force and who is backed by a union adequately financed for this purpose. This formula will undoubtedly knock out a large number of unions from the field, but may still leave a handful of unions run with defined ideology. The unions thus remaining which may not be bargaining agents for the time being, will yet have an opportunity to propogate their views, influence trend of thinking by agitations etc., and contest elections by putting up their candidates for election of negotiator or office-bearers (as the various formulae may envisage) for the union named as bargaining agent. These candidates need not necessarily be employees, though the voting rights will be for employees alone. The formula which looks awkward at the first glance reveals, however, its merits on a second thought. But it must be said that such a formula or its variant has also its great dangers and it can spell ruin if it is pressed into service without further deep thought. The trade union consciousness in our country is very weak. There are many employees who do not belong to any union or take interest in union matters. Like unity, this interest or consciousness too cannot be forced on unwilling persons. Against this background a formula like the one above will drive the dumb majority to acquisce itself with the street-fighter. Its choice in trade unions is dictated by norms of least resistance. Secondly, very few persons

in the labour field can take a judgement about the limits at which a collective bargain can be really settled. As a result even a seasoned or a well-equipped negotiator finds it difficult to sell the best of a bargain to a crowd of people whose expectations are pitched at a high level. The accommodations for increasing productivity negotiated in a two-way deal are entirely lost sight of. On the contrary the promises of an unscrupulous union or its radical alternatives make the best of negotiated bargains look worst. Consequently a strike results and matters are referred for a third-party settlement on account of the failure of collective bargain. There is no evidence or promise in the present situation which will show us that the naming of a bargaining agent can pave the way for collective bargaining. It will still make the strikes a rule and they will be followed by a third-party judgement. For a true collective bargain the unions must enjoy a confidence of all workers. They cannot be legislated into that trusteeship. In absence of universal confidence unions will not be able to give anything to secure a good bargain. It is felt by many observers of economic situation that our country has come to such a stage that unless workers give better results in terms of productivity it will not be possible for industry even to stop the downward push of real wages. It is vain to expect that a legislated unity of workers can be trusted to accept the difficult choices which a collective agreement involve when it is based on productivity targets calculated to enhance real wages. The bargaining agent thus conceived and brought to the negotiating table will not be able to deliver the goods to the industry. He will only be a puppet willingly dancing to the tunes set by mischievious and subtle forces of a destructive mentality. The ignorance of the masses will continue to collaborate in this game of destruction and the workers will still be cheated by the leaders who in the holy name of revolution want to become dictators. The true solution of our problem does not lie in the facile generalisation constituting a single bargaining agent by legislation. There is no merit also in the methods suggested to ensure the sanctity of an agreement produced through such collective bargaining by treating the same as binding only if a majority of workers sign the contract done by bargaining agent or accept dues under the agreement within a specified period. Such a stipulation may have some effect when marginal considerations are required to be streamlined through a binding signature or action. But the present situation of the country is such that in many areas of production a systematic and shrewdly calculated havoc is being played by elements that are bent on disruption. We shall have to devise a far more subtly and better way to tide over all these difficulties that are surrounding the emergence of a nationalist and constructive trade union movement. In order to serve the Nation on its onward march the National Commission on Labour must find out a formula on bargaining agent that nurses the growth of a constructive and progressive bargain for workers, industry and the Nation.

The way out lies in a greater comprehension of the whole phenomena that governs a bargain with a mass of men. What the industry should keep

in view while making a bargain is not the negotiator just across the table, but the whole masses of workers whom he is supposed to represent. This mass has got no steady mind. It is not always possible for any one negotiator to represent adequately this unsteady flux of mass mind. Moreover, if the negotiator is wedded to a political party which does not believe in honesty and transferance for a public worker and does not stand for a constructive nation-building activity, then he will surely take positions which have nothing or very little to do with the worker's real mind. In order that the dialogue of industry should proceed with the whole mass of workers the best alternative is to carry on this dialogue with all representatives of workers who are organised in sizeable unions or even, let us say, all unions. The delays or procrastinations that may attend such a process can be cut short by carrying on continuous negotiations by specialists appointed on the side of industry. The different unions can then be trusted to carry on the whole of this dialogue to every worker. The common worker will gain true knowledge in the process. The real enemy of constructive trade unionism today is the ignorance and apathy of the common worker. The first of these two enemies viz. The ignorance can be attacked by ushering in a wider dialogue over the issues that influence his advance. Negotiations with a number of unions representing different points of view and trying to keep in touch with all workers will serve this purpose. The second enemy viz., the apathy can be overcome by making an absolute rule that unless a collective bargaining agreement is signed by unions representing at least 75% of the workers the same will not come into force. That will drive the workers to think over the choice of a right union and make the unions take a realistic position in collective bargain. At present where the representative status is given to a union having a marginal majority or a majority based on bogus entries on membership record, the real commitment of workers to a bargain is too weak to deliver the goods for either side. The formula suggested by us will overcome this difficulty and remove the apathy about trade unions from the mind of workers. This is our suggestion for certification of collective agreement based on wide consent. A still another suggestion made in this respect is that a table of unionwise membership strength should be utilised as a guide to determine the value or status of an agreement in collective bargaining. An agreement or part of the agreement that is subscribed by all the unions in a plant or establishment should be given the highest status and legally binding force. Anything less than that should be considered as qualified agreement and considered less in status or effect. Depending on the number of employees represented by the Union or Unions signing or subscribing to a particular agreement the settlement so arrived at will then get a defined application. We have not been able to work out the practical details of this suggestion. But it has a unique tendency to force each of the multiple unions to find a common ground with others in the interest of industry and the workers. The scheme can bring the necessary psychological compulsions for growth of a genuine and united trade union

movement, without sacrificing the majority union's or majority's right to find out workable solution to any dispute on its own strength. The line of reasoning underlying this suggestion deserves a further probe and experimentation.

The above suggestion brings us to another difficult question of ascertaining the strength of each union in a multi-union contest. From this angle the check-off system has got certain advantages provided the deductions of dues for unions of employees' choice or made by the employer from pay of each employee and the same is handed over to the appropriate union. The system has got one danger that undue influence of the employer is likely to be exercised while making the deductions or while applying for a change. But the system can come most handy to determine the strengh of each union at a particular time and exercise a periodic restraint in changes for union loyalty. It can also facilitate the formation of works committee or joint management council which can then be formed on an ideal basis of giving to each union a right to nominate number of representatives proportionate to its strength on such committees or councils. It will also facilitate the determination of union-strength to assess the validity of collective agreement on the basis of the formulae suggested by us. The evil effects of this system can be judged only on a review of its working. Perhaps, this may be done on a pilot basis by way of experiment before making an all-India rule on the subject.

The present procedure of verification of membership figures of union for purposes of determining the representative union under the code of discipline has been assailed by many persons on both the sides and an alternative of secret ballot is pressed quite hard. No doubt, the present procedure is formulated with a meticulous care. But even then the very objectivity of the process and sometimes its correctness have become matters of controversy. It is held even by some employers that the only rational method of ascertaining the representative character of a union is secret ballot. Now we have made out a plea against the system of representative character for a bare majority union. So the necessity or otherwise of secret ballot assumes a different sense under our scheme. Wherever the check off system suggested by us as above is in operation its necessity will be nil. The appropriate system of verification that can meet the requirements under our formula is the procedure adopted with regard to all India organisations with a view to giving them representation on international and national councils, conferences and committees, wage boards, etc. This procedure which is known as the General Verification Procedure was decided in the 16th Session of the Indian Labour Conference held at Nainital in May 1958. Under this procedure the copies of claims of membership submitted to the Chief Labour Commissioner by each of the central trade union organisations are made available to all other organisations. Then the Labour Commissioner carries out a general verification and takes the disputed points first to the

concerned organisations. Where the results of verification by the departmental machinery are not accepted by the parties, a committee comprising the representatives of all central organisations under the chairmanship of Chief Labour Commissioner goes into the question to resolve the dispute. It is intended that if the committee is not able to resolve the dispute then the same be referred to an independent agency or tribunal through the Ministry of Labour and Employment. There has not yet been any occasion to take this last step and the verified membership of each of the four central trade union organisations has so far been arrived at unanimously. The system has its deficiencies for verification of membership of central labour organisations due to sheer size of the country. But it may suit very well for determining union strength at the plant or industry level.

It can then be left to the tribunal to decide in a case when the above-mentioned all-union committee fails to arrive at agreed figures, whether a secret ballot is necessary to decide the final point. The system of secret ballot is not without its dangers and imperfections. The first difficulty is about voting rights. If the voting right is thrown open to all workers irrespective of their being members of a union or not, then it is feared that workers will not become members of a union and the cause of trade unionism will get a set-back. Next comes the question of whether temporary or badli workers be given a right of vote or not and whether a period of service of say, one year or so should be taken as a qualification for being a voter. Thirdly, there is a question about the propriety of a disqualification clause for worker who had been convicted of any offence involving moral terpitude and sentenced to imprisonment or for such other or others who had participated in an illegal strike. It is said that such disqualifications are likely to enhance the moral calibre of the general body of workers and promote discipline. Fourthly, there is a question of interval between two secret ballots. The elections quite often create tensions on the work spot, aggravate all types of uncertainties, jealousies and greed, and internal harmony and peace become a first casualty. Lastly, an adoption of a uniform system of secret ballot entail a huge planning and preparation and implementation and follow up at various stages of the conduct of an election. It will be necessary to build-up quite a big and competent administrative set-up to tackle all these issues and establish the system. Even then, what guarantee is there that it will improve the industrial climate for good? In a task where attitudes are to be secured from the parties, forms and rules can contribute very little to the endeavour. There is no magic in the system of secret ballot that it will settle with ease the question of determining a bargaining agent. We do not, therefore, advocate any permanent reliance on this system, but like it to be treated as a necessity in extreme cases and as a last resort. Its necessity and mode should be decided by the tribunal about which we have made a reference in the last para. In our opinion the results of such a secret ballot should be taken into account, not for determining the sole bargaining agent, but for deciding the combination of unions

whose united following can constitute the 75% backing limit that we hold as necessary for the signing of a collective agreement. Of course, in cases where only one union commands the necessary following it will naturally emerge as a sole bargaining agent keeping others in the picture as a watch-dog. It may be incidentally pointed out that the limit of 75% suggested by us is so construed that it can never be reached unless all the unions recognised under our formula for recognition become a party to a collective agreement. Thus alone the knotty question about the choice of bargaining agent and promotion of collective bargaining can be solved in the context of Indian situation and looking to the needs of country's development and preservation of individual and national freedom. About the rest of the issues we have touched the same On pages 46 to 48 under the heading 'Collective Bargaining.'

**Wage Boards and Pay Commissions**

Among the other modes of wage fixation, we had already an occasion to speak about Conciliation, Adjudication and Voluntary Arbitration on pages 54 to 59 of our submission, while discussing the question of Industrial Relations. We have nothing to add to this, since they do not require any specially different treatment in their role as wage-fixation authorities as distinctly different from their role in other matters of industrial relation. One cannot, however, fail to give a serious consideration to what is long-known as Giri approach. Shri V. V. Giri, the veteran trade union leader who is now Vice-President of India, has consistently held that the machinery of adjudication is the enemy number one of the working class and reduces the trade unions to zero. Adjudication, according to him, leaves the interests of both parties, management and labour, in the hands of a third party, making them litigants instead of collaborators and members of a family. This is a very wise advice, but it must be left to the parties to accept it on their own accord We cannot at this stage do away entirely with third party intervention. Before, however, a dispute is referred to the third party, an insistence should be placed on a serious and sufficient pursuit of a bilateral approach, and the position of these negotiations should be made a common knowledge.

The system of wage-boards, however, is not an entirely third-party settlement. These boards follow the lines of collective bargaining rather than of arbitration. It is in fact described as a system of "assisted collective bargaining". In one respect, however, the wage boards go a step further than collective bargaining. They bring the consumer as a party in industrial relation. Looking to the recent wage-board reports such as in Coal, Cement and Working Journalists one feels that role is not yet sufficiently understood in India. That is also why one hears that wage-boards should be appointed only for industries where the conditions of sweated labour exists and trade unionism is weak. It is almost forgotten that when collective bargaining is done on a nation-wide scale the same can also result in rise in prices or increase in monopolies by progressive elimination of small concerns unless the consumer

interest is taken into account before arriving at the final settlement. The appointment of impartial or appointed members serves this purpose. This is the position in England, U. S. A., Canada, Norway and South Africa. The presence of these members as representing consumer interest is an admission of the fact that the days when an industrial dispute was considered as an internecine war between two contending parties, viz. the management and trade unions is over. It is realised that the community has also a stake in the dispute. In Great Britain, these independent members also hold independent meetings with representatives of workers and employers separately with a view to narrowing the gap between the two or to recognise what is described as "the seeking point" – the point beyond which it is useless to try to lead one of the contesting parties. Their presence and power to vote is an inducement to both parties to reach an agreement. In our country, the two independent members normally are a leading economist and a member of Parliament or Legislative Assembly. But the importance of these independent members as representatives of consumers remains to be fully understood. The consumers do not want a clash or strife between the contending parties leading to a violation of industrial peace. Nor do they want that on account of their combined industrial power they should develop in an industrial empire waging a war against the rest of the Nation. The concern of wage-boards in India so far has been to evolve a nation-wide wage structure for an industry including the question of proper wage differentials for different operatives in the same industry. The wage-boards have at times been required to deal with other intricate problems such as of calculation of work-load, rationalisation, efficient systems of work, hours of work, retrenchment and fixation of minimum wages. It is also desired that the wage boards should also find out ways to provide incentives for workers for advancing their skills and introduce on a large-scale the system of payment by results. But regarding these last two functions almost no progress has been made, since the subjects are elt as more appropriate for a unit-level bargaining.

There has also been a great concern about the implementation of wage-board decisions, since many of such decisions have been left unimplemented by a large number of units. The awards have got no statutory sanction. If it is a contention of employer that the wage-board recommendations violate well-established principles of wage-fixation he can move the High Courts and Supreme Courts under Article 19 of the constitution against unreasonable restriction on his fundamental right to carry on business. It is our opinion that this question of implementation has arisen because the members on wage-board have sometimes discharged their duties in a light-hearted manner. For example, in the case of Coal Industry, the wage-board in its report had stated that the change in the wage structure would necessitate a review of coal prices. The Board, however, expressed its inability to make an assessment of the likely increase in the cost of production resulting from the wage structure recommended by it. They went to the length of reiterating

finally that the industry will not be able to implement the recommendations without a consequential and concurrent increase in coal prices, fully neutralising their impact on costs of production. Against this background, what did the wage-board expect as a result of its final report ? It determines nothing. It raises an expectation in workers' mind. But it leaves him guessing as to when it could be fulfilled. How much price-rise the industry should do ? What did the independent members on wage-board think about the consent of consumers for a price-rise when its quantum is left undecided? This is an example of how even a good system can be used in a bad manner. A similar thing has happened in the case of Cement Wage Board. But in this latter case the Government has rejected the contention of the wage-board that industry has not the capacity to bear the incidence of the additional wage bill. The Government directed the cement industry to bear the additional wage bill from within the price structure since it was of the opinion that through technical improvements and better working methods and utilisation of the labour force this can be done. This is as it should be. But what is the guarantee that this will be done in a manner acceptable to both sides and the increased wage-bill will be given an immediate effect. In a collective bargain this would have been spelled out in detail by both the parties, for it involves a major decision on changes in work-processes and work-load and allotment of personnel to different jobs. The wage-board results for working journalists and the non-journalists have also posed a like problem. It appears from the above that the problems have arisen mainly because the respective parties have not fully appreciated their exact role on the wage-board The representatives of employers and employee must realise that they have to strike at a collective agreement during the proceedings of the wage-board. The additional factor is a consumer and not an independent expert as is sometimes supposed. The intricacies of the industry are best known to representatives of both sides of the industry. (The independent member, or chairman, however high may be his calibre, cannot act as substitute for the knowledge which the two primary parties possess). The role of independent members, when the parties disagree, is to act as solicitors trying to achieve settlement either by persuation or by voting in favour of one party. Otherwise their role is to safeguard consumer interest specially when the two parties may try to find out a solution at the cost of nation. Their role in this regard can bring the necessary salutary effect to achieve the rise in the standard of living by methods of productivity which it may be difficult to decide in a purely bilateral approach. It is in this context that the other attendant matters supposed to be handled by wage-board such as efficiency systems of work, calculation of work-loads, reduction of employees on account of rationalisation, payment of wages by results, hours of work and rest etc., find their due place on an agenda for wage-board. All these things involve a good deal of spade work, deep study of various problems and thorough discussion on all points of conflict. No shirking of this inevitable labour and no laxity should be thought of

while appointments are made on wage-board. This is the true role of wage-boards as they emerge out from their first functions of establishing minimum rates of wages and prevent sweating. In India, this first function of wage-boards has also its importance for some industries which are in the unorganised sector, while its second and more permanent role is for the organised sector as and when the consumer interest has to be introduced in the interest of balanced growth of the national economy.

Keeping in view these different roles that can be played by wage-boards for organised and unorganised industries we propose quite a different treatment in the manner of appointing the wage boards and in implementation of their decisions by giving them a statutory status. In the first place we feel that a decision to constitute a wage-board should be taken by a standing board or tripartite body as envisaged on pages 64 and 65 of our submission. This board should have a complete and upto-date data regarding the prevalent rates of wages in all industries and their units and for all occupations at any given time. The section engaged on this data collection should help all wage-boards and even the different tribunals or unions and management bodies in furnishing the relevant information on stipulated terms. The standing tripartite Board should also have a wage advisory machinery which should be similarly engaged on a job of standardisation of nomenclature and duties or classification of national occupations and of compiling a standard system of reference for job evaluation by detailing norms and standards in giving points for different factors and degrees for various types of job clusters. About the valuation that should govern the treatment of this subject we have already spoken at length while dealing with the topic of wage-differentials. The constitution of such a wage advisory machinery on national level will go a long way in giving a valuable information and consultative service for all parties in an industrial relation programme. For purposes of collective bargaining and tribunals it will eliminate much waste of time and energy that every party today spends in the collection of information and verification of its authenticity. In case of wage boards it will give a further service by putting the standing tripartite in a very good position in taking an initial decision to constitute a wage-board for any industry and drafting its terms of reference. At present instances are not wanting when collective bargaining agreements or awards at unit-levels have been totally ignored while constituting a wage-board or drafting its terms of reference or in interim or final recommendations of such boards. This has created a lot of confusion. Specially when wage boards are constituted for a heterogenous industry like Engineering, a number of problems are created when the Board or its constituting authority is not well informed about existing data or guide-lines in occupational classification and evaluation. This initial difficulty can be got over by entrusting the work of constituting the wage-board and its terms to the standing tripartite board assisted ably by a department of Wage Advisory Machinery. This method will also be useful for determining the timing of various wage-boards for different industries. The personnel for

the wage-board should, however, be selected by the Government. But in industries that are organised the Government should be required to appoint necessarily the nominees of recognised unions or of such Central Labour Organisations who have at least 10% of membership in the industry for a preceding period of 3 consecutive years. The rest of the composition should remain broadly as present i. e., equal number of representatives of employers, two independent persons representing consumer interest and having a necessary foundation for such work, and an independent full-time chairman. The rest of the provisions regarding formation of sub-committees, rules for chamber meetings and public sittings and other procedure should remain the same as present. All the unanimous recommendations of such a wage-board in organised industry should remain binding and have a statutory force. Regarding the rest of the recommendations which are not unanimous the appropriate legislature should be the last authority to take a decision. For the unorganised industries where there is no recognised union (i. e, union having 30% membership) all the nominations should be made by the Government, but the report of the wage-board, unanimous or otherwise, should be placed before the appropriate legislature for final approval.

In the case of Government servants i. e. purely ministerial services as apart from employees of public sector undertakings, Pay Commissions should be appointed within a fixed period. We visualise a definite cycle in this regard that should cater maximum satisfaction. Immediately after the elections the new Government which comes into power should convene a round-table conference of all economic interests where the whole labour movement including the government employees should get a sufficient representation. It should be the job of this conference to suggest for the next plan period a consolidated policy on wages, prices, income and tax. The discussions in the conference, whether followed by unanimous decisions or not, will be helpful to the planning commission in drafting the plan. It is thus that the trade union movement should get a hand in shaping the basic economic policy. We feel that the ideal time for publishing and adopting a five-year plan is two years after the formation of a government following the general elections. This two year period should be sufficient for the new government to influence the shape of its plan. It is during this period that the central trade union organisations and Government employees unions will get their opportunity to pursue with a fresh mind their dialogue with the new government regarding the National Wage and Incomes policy. Immediately after the Five Year Plan is published and adopted by the Government, the Pay Commission should be necessarily appointed by the Government to review and recommend the pay-scales and other service conditions for Government servants within the broad policy frame-work of the new plan. Thus after every five years and in the 3rd year after general elections, the Government servants should have an opportunity to press their demands in the perspective of country's developments plan and national wage policy in whose shaping they

have had already their due share. It should not be necessary for Government servants to make a demand for the appointment of a Pay Commission. This should be a regular periodic feature after every five years. The benefits given by pay commission to Government servants should be normally binding on the Government. However, in case where the Government seeks a modification in the award given by Pay Commission it should be necessary for the Government to obtain the consent of appropriate legislature for such modifications.

Such in short, should be the nature of wage fixation machinery. The collective bargaining should get a place of pride. But it must necessarily be based on widest consent. For unit level bargaining the next instrument should be private arbitration. For a industrywise national bargaining it may be a wage board if the standing tripartite so desires. The unanimous decisions of wage-boards in organised industries should be binding while others should be left to legislatures. The adjudications and tribunals should be a thing of last resort when all other avenues are not open. For the Government servants there should be a periodic Pay Commission. This should follow the plan in which the unions have their share in influencing the appropriate policy. The modifications of Pay Commission award as well as the wage board report for unorganised industries should invariably be placed before legislature for approval. The details in all these respects should be as discussed above.

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CHAPTER XIV

# Welfare & Social Security

पुमान् पुमांसं परिपातु विश्वतः । ऋग्वेद* 6/75/14

**The Basis–The Home**

As we cast today our glance to various measures of welfare and social security measures and search for the motivation or purpose that has prompted the Industry to spend on these items of consumption as apart from its other engagements for production and distribution, we find that our search is largely in vain. It does not appear that any set purpose or aim other than a broad humanitarian outlook or considerations of paternalistic management is working through these services. We had already occasions to remark while discussing the question of fringe benefits (Pages 111 to 114) that no strong conceptual base is given to that subject. We had concluded that discussion by suggesting that the so called fringe benefits be termed as community services and the budget and management of the same should be made the charge of industrial family considering all the persons working in an industry as constituting the industrial family. That will pave the way for the formation of autonomous self–determining working communities which are a part of an ideal social structure. It is now time that before we spell out the governing ideas about welfare and social security, we give a little more attention to the basic ideas of social well–being. If the theories about wage or industrial relation can be described as falling in an intermediate zone joining economics and sociology that sometimes make a triangle with politics, the subject of welfare and social security goes through the whole domain of sociology and begins to touch the foundational needs of human living. This is a field where the action of the community takes regulatory steps for ordering the consumption of earnings, not as the individual wants, but as the aims of social order prescribe. But since we have not spelled out the contents of a social order, our welfare and social security schemes have taken only an ornamental figure and there is very less within that circle which one can add to give any meaning to the fashions of the West.

Looked at from the true needs of human welfare and social security or rather of human fulfilment through the instrumentality of social order the first thing one notices is that the indiscriminate adoption of foreign technology, left to itself, constitutes the gravest threat to human well–being. Its purely economic considerations have already led to the formation of modern metropolitan cities with all its diseased civilisation, its slumps and shortages of

* "Let Man protect man from all sides." (Rig–Veda) 6/75/14

living and moving space and water and dehumanisation of individual and creation of lonely crowds of self-alienated personalities. It makes the individual insecure by uprooting him from his social origin and then make him seek security against the flood of mass life. It destroys the health of individual-physically by its smoke and stress and strain and irregularities and 'hurry, worry and bury' culture and psychologically by its monotony, loss of individuality, privations following scant considerations of family life, chains of rules and regulations and mechanical lifeless routine. It has made the productive process the effective centre of social build-up and has recruited individuals for being yoked to its service as a means of production. Even the bare fact that while a individual as the field worker looks as if he is just a unit of consumption for which he toils is still his family, is lost sight of production, yet accommodated with much hesitation and reserve by industrial authorities. This is just one area in which the machine and its apparatus has blurred our sight. If we want to show any serious concern for the well being of our people, we must centrally acknowledge the fact that the blind deification of machine as an almighty bestower of all happiness and progress is at the root of all our social disorder in all its manifestations such as absenteeism, indiscipline, strikes, lawlessness, violence, loss of values, rowdyism and mass-disruption. This does not mean that we are or should be against mechanisation. We are against it's indiscreet usage. The moment you install a machine or a plant, you are investing the society's savings (for all savings ultimately become possible through social order) for a project that can run only by a collective effort. But if this project cannot fulfill the true needs of that collectivity then it must be said that your planning has remained defective from social angle. An honest socialism cannot be built by multiplication of such social costs. This is how the machine has become the master of man and has thus ruined his happiness and inhibited the natural growth. Until this root malady is cured, all talk about welfare and social security will remain only a patchwork. The insistence of a mechanised civilisation appears to be to call upon the man to forget his home, but in return it has neither made him feel at home at the plant or machine nor has cared to see what has happened to his erstwhile home. The modern factory worker or even office clerk has no time or energy to mix up with his wife and children, look to their well-being and education. He has no true friends and no true neighbours. What warmth of life can energise him and keep his balance? He is told that he is lucky if he gets a single room tenament at a place 70-80 kilometers away from his place of work. If wife and children are sick, he is not sure whether he will be able to attend them according to the necessity of the patients. He has to solicit and pray for the grace or favour of his boss before he can do so. In the eyes of his employer his parents or relatives are nobody. In some cases employers have not allowed them to stay in rooms allotted to the employees. They are almost invariably not counted for medical and travel facilities. So also the position of employees' widow and children is made helpless immediately after employee's death. They are driven out to seek shelter with other people

whom they have never been able to allow even a day's stay with them, because the employees residing in many housing colonies are not supposed to give lodging or shelter to any relatives, friends or guests. During the whole period of his working life an employee is not housed in his home. The distance he has to travel from place of residence to place of work is none of industry's business. The industry is not supposed to have any primary obligation for corporate life or social life of even its own employees. If it does something for the corporate life of workers, it is to be commended as welfare ! If it contributes something along with the worker for sickness benefit or provident fund or pension it is supposed to have finished its duty for employee in his old age or sickness, no matter what that amount really means to the sick or old man ! And yet the employee is supposed to devote his full working life in the industry's service and virtually has to depend on industry for all his needs and living. The modern industry in its very inception has brought about such a change in life's valuations that what is necessary for the well being of man is entirely crushed at the altar of only one value-money. For the sake of money the worker is required to put away his needs of homely life, his emotions and relations, forget his personality and consent to become a cog in the wheel or machine, get himself packed in city-cells, run in crowds by train and omnibus, forsake his children to get lessons from street games, cultivate a restaurant-culture as substitute for true friendship and to exist in a directionless civilisation and all this because those who happen to control the economic destiny have put their sole reliance on mechanical power as a road for progress.

The relevance of our criticism taken a pointed turn as soon as we may take a concrete welfare measure, say, housing. It is an elementary physical need of man that he should have a shelter. If this house is near his place of work he makes a considerable saving in time and money. If he can be made to feel that this house is his real home his psychological needs are satisfied. All these things are well recognised and need no proof. But the moment they are put as a serious proposition for industry they are found shirking the same. Why? Because the industries have selected their place of operation not by giving a primal weight to this factor of human living. They are an outcome of considerations of Capital as to where it will get a most gainful employment. If we want to make the industry a servant of human life and society then it must be compelled first to give each of its worker a decent house before it can ask him to work for the industry. The subject does not stop here, rather it starts. In order to ensure the health of industry and nation, the employer must see that the workers are put in a position from which they can derive a full satisfaction in as much as they are individually capable of. For this purpose the employer must have some elementary vision about the true values of life. Even in old days, the king was taking a fatherly care of his citizens. The Raghuvansha describes the king—

"सं पिता पितरः तेषां केवलं जन्महेतवः।"

We must now go many miles ahead of this old precept. But in fact we are backward as compared to our forefathers. The effect of our welfare activity must also be studied. It is not sufficient for an employer to open a library for his employees and their children and then rest content with novel-reading habits being spread through these store-houses of wisdom (!) If he is enthusiastic for a club-house building and dancing hall but is allergic to a temple or church being built as a part of his industrial housing programme, then it must be said that he has not understood anything about true well-being. An industrial establishment does not mean installed machines surrounded by large working class colonies looking like an industrial empire. The industry is world or family within another larger world and family viz. Nation on one hand and a world of families living within it on the other. The family is not a mere body there is a family mind, a family soul. These psychological circles are not patterned as separate entities, so that a circle called industry or industrial family can think and plan independently without linking itself to the churning of another circle called individual family life or national family. If it is the need of a primary family living that life in the family or home must be full of samskars of good living, then the activities of industrial life cannot or should not be planned without any relations to these requirements of the family life. Rather the one must come out from the other in an organic manner just as from the seed comes out a plant, a trunk and leaves and flowers and fruits. It is only through such a conception of life that the values of life like loyalty, truthfulness, work being treated as worship, devotion, faith, balance, dutifulness, usefulness, idealism, etc., which are implanted in home are transplanted to industrial and national life. The Indian culture has always regarded the growth of consciousness in Man as a development of mind in a spiral course. (अखंड मंडलाकार) It does not divide life into separate compartments to be managed independently by family, industry and nation or other different institutions like pensioners' colonies, as Western thought would like us to preach. Moreover the Indian conception of life does not stop at the first two purusharthas of Artha and Kama. It knows that Man cannot find satisfaction by such compartmentalisation of social life or by technique of matter and money. Man is primarily a Mind 'मनोमय प्राणशरीरनेता' as the Upanishadas have rightly put it. It is a view held out by many Western psychologists that the mechanical civilisation of West has been the cause of many mental disorders in the West. A quiet and restful mind, a calmness and inner happiness such as a pure love spreads in a matured family are becoming increasingly difficult for the West. In these conditions of the world, it will be a poor commentary on our wisdom if we allow the monster of Industrial civilisation to cloud our thinking and degenerate our mind. But this is sure to happen if we go on implanting foreign technology indiscriminately on our soil, or prefer cement concrete buildings to Indian dwellings. The samskaras (संस्कार) which are cultivated by a Mother in the home cannot be imitated by a television programme or substituted by a club-house attendance.

Should we allow the Machine to dethrone the Mother, or should it be run by the hands that worship her, that is the issue. In order that we may put the machine in a proper order so that it can give any real service to our life, it will be necessary for us to understand the process of true living. We are very categorical in saying that if we want to bring well being to our people we must realise that it cannot come unless we are prepared to hold the machine and industrialisation in suspense, if need be, and admit technology fully on our own terms as suiting to our values of life and living. It is the human mind and not machine that has to be the central pivot for all planning.

The organic totality of Indian Culture can never be understood by ignoring the master idea of Indian Culture viz., realisation of the soul and making of human living the Life Divine. It is not necessary to dwell at any length on this central fact of our existence in this submission. It has been spelled out by many Masters since immemorial times and one who knows nothing about it cannot be regarded as a true Indian, not Arya but Anarya. The way towards this soul realisation is called Dharma (of course as is well known in India a word which has no English parallel). This Dharma reconciles life and spirit, puts the two first and grosser parts of human aim and conduct viz., interest and hedonistic desire in its proper relation to the course of spiritual existence. It is well known in India that a people, a great human collectivity 'समष्टि' is in fact an organic living being with a collective or rather a common or communal soul, mind and body. The Dharma founds the status and action of this collective being of man on the realisation of the deeper spiritual truth, the yet unrealised spiritual potentialities of our existence and so ensoul the life of the people as to make it the lila of the greater Self in humanity, a conscious communal soul and body of Virat, the universal spirit. This is the Samaj-Purusha-the thousand-headed 'सहस्त्रशीर्षा', thousand-eyed 'सहस्त्राक्ष' God. In order that he may be truly worshipped it is entirely necessary that we surrender all our wealth and wisdom and efforts and possessions at His feet-the worker-and not sacrifice the worker to produce wealth. Thus alone the worship is received and done. The real place for Lakshmi-the Goddess of Wealth-is at the feet of God-the worker. By this surrender to the feet of the Universal God, the Dharma rises in the human heart. This is not mere symbolism but a real truth. Thus according to the conception of our life, the worker is not a means of production but an object of true worship-for whom all possessions should flow like running waters. The welfare of the worker is not an incidental or secondary concern of industry, it is to be the whole object of its existence.

The way in which this common worker can rise to his Godhood 'स्वामित्व' has been the hidden meaning of all our submissions on wages, wage-differentials, productivity and industrial relation. They are the well-marked stages of Indian gradation which has put various names to the steps of this ascent as and when the original worker becomes first a bargainer, then a ruler and finally an accomplished self-possessed master. In this Chapter

it is our endeavour to follow his another line of growth, so to say horizontal in relation to the vertical first which visualises his atonement with the universal self or God. The lines of fulfillment on this second path gives us our social philosophy which must be the base of our thinking and action regarding social well-being. This again is a line of development which the soul of man naturally chooses in its universal manifestation. Its keynote is freedom and the essential nature of unity which flowers in that freedom as the need of spirit grows in an organic fashion. The individual's oneness with family, caste or class, occupation, community, village or town, province, nation and finally the humanity and creation and the creator is seen in this scheme of thinking as a natural order of development. Following this order we cannot allow industry or modern technology to take precedence over requirements of individual and family life and require the free and natural growth of soul's progress to adjust in formal patterns imposed by an industrial civilisasion. The Western civilisation has apparently missed this central truth of real welfare. The Western thought has therefore tended to look too far away from the reality of the society as a living growth. It has treated it as a mechanism which can be manipulated at will and constructed like so much dead wood or iron according to the arbitrary dictates of the intelligence. That civilisation has therefore cut itself away from the secret roots of life and has lost its hold on simple principles of a people's vitality. As a result, under capitalism or communism (for both are equally ignorant orders of living), there has been an exaggerated dependence on system and institution, on legislation and administration and the deadly tendency to develop in place of a living people, a mechanical state. The instrument of the communal life has taken the place of life itself That has created a powerful but mechanical and artificial organisation and the truth of life of an organically self-developing communal soul in the body of a free and living people is entirely lost. Unless this fundamental error is corrected the communist world will not be able to realise even its own ideal of communes in a stateless society, nor will the capitalist world bring to its members its own cherished ideal of freedom. The prisoning action of the intelligence has deceived the West of her own aspiration by driving it far astray from its true significance. As we meet with a fresh and unprejudiced or unoverpowered mind this giant of scientific and industrial civilisation of the West, the sob of the wounded spirit and its deep cry of suffering is unmistakably heard under its giant wheel. The frustrated voice of the retired employee whom the West has left wandering on forlorn despairing route symbolises the tragedy of Western civilisation. Looking to this plight of the West, one indeed remembers the Poet who has said :

"A sense of limit haunts her masteries
And nowhere is assured content or peace
For all the depth and beauty of her work
A wisdom lacks that sets the spirit free."

(Savitri Bk–II, cantto six pg 222-23).

We must therefore first make a firm resolve that we shall refuse to make that unwholesome substitution of the mechanical for the natural order of the life of the people. For this purpose we should disintegrate the metropolitan centres and fall in love with a net work of township planning, a decentralised pattern of industrial location. We may say that India should have many small towns and between any two towns there must be the healthy connecting belt of agricultural land. Each town may be noted for one major industry, surrounded by ancillary units, but beyond this one should not permit any more centralisation. Thus since Bombay is the natural harbour of India, Bombay should be the central place for overseas trade and nothing else. Then only the health of Bombay shall remain good. We have disturbed the educational seat like Poona or the political capital like Delhi by unnecessarily bringing many industries to these cities. They can be accommodated elsewhere with great comfort for all people. With the cheap transmission of neuclear energy this will become all the more easy and will also fit in well with requirements of modern Defence. Then each town will house one industrial family and people will feel at Home as against the present position when they are some how housed in a chawl. If India lives and should live in villages, the Indians do live and must live in their homes. The home is the centre of Bharatiya Sanskriti. It is the only place where all the best of samskaras can be given to a child who is the tomorrow's citizen. The stability of the home is not opposed to dynamism of social action. On the contrary a home is the dynamic centre of human activity. Right from the early morning when the mother in the home milks the cow to the late evenings when the boy water the gardens and gather round the parents to give their daily account of life and listen to their words and stories of wisdom and love, and all pray and dine together in a surrounding of Mother's love, the Indian Home is the very centre of all important activity by which the culture of man flowers. To destroy this home at the altar of a monstrous ruthless machine and then to run to press and worker's education class for mental culture is the greatest cruelty which intellect and science has inflicted on men. To search for happiness in this heart of pain is another moonshine of that arrogant intellect. Instead of going on this path of ruin, we must tame the machines as we have tamed through the ages the cats and dogs and other animals. A quiet home is a more potent educator and builder of mind, than all the three great gifts of West viz. Press, Platform and Publicity. But for this purpose the man should not be required to run after the machine, the machine should be brought as near as possible to the man. This man lives in homes and small communities and towns and rises steadily to a national and international stature. It is still only in a small circle that he finds or can find and retain his individuality and harmonise the same with the collectivity. It is in such surroundings of a natural group that he can arrest the attention of collectivity to his individual demands or can himself understand and sympathise with the demands of other individuals or collectivity. A jump from man to mankind is the harbinger of many deceptions. Such

an unnatural jump will not be able to cultivate the true brotherhood–which is the reconciling factor between Freedom and Equality. The West has missed this brotherhood. That is why it found in pursuit of freedom the growth of inequality and had to denounce capitalism and is now finding in pursuit of Equality the destruction of freedom and is therefore condemning socialism and communism. The brotherhood holds the key to the triple gospel of the French Revolution Liberty, Equality and Fraternity and brotherhood takes its birth in the Home and the Hearth. An ideal family life and an ideal Home (गृहस्थाश्रम) is the first self–determining unit of socio–economic structure. The essence of this harmonius self–determinism has to be widened into a greater tree in industrial family, nation or such other larger groupings. The principle of an organically self–determining communal life, self–determing not only in the mass and by the means of the machinery of vote and a representative body, but in every pulse of its life and in each separate member of its existence is the most permanent of all principles of true nation building activity in India. It is the very base of her construction. The profoundly intuitive habit of Indian mind flowers in these circumstances into illuminations, inspirations and higher experiences of the spirit and by its discovered greater self and spirit and through its innate power of unity, sympathy, spontaneous liberty, supple and living order of life gives to communal existence its law of freedom, perfection and oneness. This is how the most elemental, simple, universal and equal leverage of soul strength of individual is invited for the construction of a nation building activity in an integrated manner. The dream of Integral Humanism will grow only on this construction and a little patience will demonstrate to us that there is no mightier, speedier and all–pervasive power than this equally founded and faultless (निर्दोषं हि सम ब्रह्म) power of human existence. The apparent slow evolution of custom and institution that takes place in this conservatism about the principles of settled order is in fact a hundred fold swifter and wiser process of multiplying human happiness than what the ways of artificial organisation of the bureaucratic and industrial state can think of with their mechanising rational intelligence, aided by every possible sophistication and efficiency which modern science can give. Thus indeed we should digest the gifts of modern science and stand as a leader in the human race in its effort of greater attainments of the future. The true welfare and social security schemes which a high body like National Commission on Labour should suggest as worthy of effort for the remaining part of this century should not be an inch lower than these requirements of our national mission. There lies the way and ideal of human well–being.

## Housing

The above discussion makes it clear that provision of a Home for the family of each and every worker becomes the first pressing necessity of any welfare programme. This cannot be done unless we put a definite and final halt to indiscriminate acceptance of foreign technology for our industrial deve-

lopment. At present we are witnessing the spectacle of lakhs of rupees being spent in a city like Bombay to reclaim just a few miles of land from the sea. This costly reclamation does not provide any guarantee that it will serve any purpose to house any consdierable number of souls that are today lying on Bombay's pavements or huts or those lakhs of other male workers who for want of accommodation live as a crowd of 15–20 persons in a single room, all keeping their wives and children away at thousands of miles. Even to facilitate a movement on road Bombay is thinking of pouring crores of rupees to construct overhead bridges and under–ground tunnels and railways. And at the same time in the very heart of country the Madhya Pradesh presents us a picture of vast land, a thirst for the look of a man, a vast unutilised natural potential–a gift of resources lying idle, left without any worthwhile communication. In the interest of human welfare, national productivity and equality it is quite essential that we must spread out our population and house them well in all parts of the country. Each Industry should be compelled by lag to build for each of its worker's family a good house. Without that it should not be allowed to keep in its employ any person. For all new industries that may come hereafter this provision should be made absolutely binding. The compulsion fits in well with the decentralised nature of industrial frame–work which we have visualised in the opening paras of this Chapter. For the industries which are already functioning a phased programme of housing for workers should be made obligatory. If on this account it becomes necessary to shift the location of any industry or industries, the Government should come forward to facilitate this shifting. Just like a minimum of education, a minimum of living place should form an obligatory part of national programme.

We are aware that the Government as a financing and even constructing agency is undertaking a vast housing programme, specially for industrial workers, low–income groups and backward classes and tribes. The various housing boards, the local and port–trust authorities, the housing co-operatives and employees in private sector are getting sumptuous loans from the Central and State Governments, the L. I. C., the commercial banks and the apex housing co-operative banks and urban co-operatives are extending financial help for housing, though like the commercial banks their help too is in the nature of a stop-gap financial arrangement to tide over transitory financial stringency. The credit to usher in the era of apex co-operative housing finanance societies with two-tier longterm credit structure system in the field of co-operative housing finance to the late Shri V. L. Mehta veteran Co–operator. The first co–operative action in the form of building society appears to be initated in 1913–14 in Coimbatore in Madras State and was followed by a similar action in Bombay under the name of Sarasvat co–operative Housing Society. But till we confronted with the problem of heavy influx of our people from Pakistan following the cruel partition of our country, the Government action in the sphere was almost nil. Following the pattern of massive refugee rehabiltation

programme based on grants and subsidies, the first five-year plan envisaged a similar house building activity for industrial workers, low income groups and depressed sections of the community, or shall we say for industrial and social refugees as well as political refugees. For in both the political and economic spheres our large scale actions have resulted in making it impossible for people to live in their traditional homes. They are made to seek refuge in utterly humiliating conditions of modern cities which are to large sections of populations a compulsory dungeon and prison-cells damaging their health and morals. And then to whatever little help we have given to give a single room to these helpless families we have given the name of a welfare activity.

The subsidised Industrial housing Scheme, which was introduced in September 1952 contemplates financial assistance in the form of loans and subsidies by the Central Government to State Governments and through them to the housing boards, the municipal bodies and the industrial undertakings for providing housing finance accommodation to industrial workers as defined under the Factories Act 1948 and/or whom the Employees Provident Fund Act 1952 is applicable. The housing co-operative societies formed by industrial workers are eligible for aid to the extent of 65 p. c. as loan, 25 p. c. as subsidy on the graded cost of each tenement, while the remaining 10 p. c. can be drawn as non-refundable loan from the provident fund account. But all these calculations are based on the limits of the maximum estimated costs described under the scheme and it has been noticed that the actual costs always surpass these limits. Moreover, there are almost invariable delays in obtaining the approval of the Government to the projects. Various procedural formalities attending disbursement of instalments make irksome additions to these delays. Difficulties in acquiring suitable sites and building material such as cement further aggravate the problem. All this world of shortage and delay is again invested with underhand dealings and this factor coupled with unfair practices in use of low quality building material severely curtails the utility of the scheme from its own contemplated standards. It is no wonder that large amounts ear-marked for housing for industrial workers are lying idle while the sufferings of workers for want of shelter are on the increase. In order to increase the utility of these schemes various State Gevernments have made frequent changes in details of operation, but the total effect of these changes has been the creation of a greater confusion following absence of any continuity in regard to the implementation authority for the scheme. Thus on the one hand we see a vast section of society aspiring for decent housing. While on the other hand we have a Government waiting with large amounts of money offered on a scheme that claims to meet the full cost of construction and the Government that it can over assist them in giving a good house. This amazing state of affairs is a commentary on the welfare administration of our welfare state and it will be seen that gap between promise and plan on the one

hand and performance on the other afflicts the whole subject of welfare at all levels, starting from effectivity of welfare officers and welfare budget on the plant level to the welfare schemes of State and Central Government. As if in a desparate bid to bridge this gap various public bodies like housing boards municipal authorities have come ahead with slum clearance schemes on housing schemes for scheduled castes, the scheduled tribes, the nomadic tribes and denotified tribes. The institutions like dock labour boards, plantation labour boards, mines welfare fund, etc, have also made a useful contribution. Wherever these agencies have assumed the role of a construction agency instead of mere financing agency they have indeed given some relief by way of providing tenements for low income groups. The L. I. C. has provided a large part of working capital to these as well as other agencies like apex housing societies and "Own Your House Scheme". Likewise for contractors and other private house construction agencies the commercial banks, the mortage banks and even central and urban co-operative banks have provided short-term financial accommodation to facilitate the work of construction. The workers on their own part have also made special efforts to bring into service their own specialised institutions. The Majoor Sahakari Bank Ltd., or the People's Co-operative Bank Ltd, both of Ahmedabad are instances in point that have specialised in financing housing schemes for industrial workers. On the construction side too notable contributions are being made by some individuals or firms having interest of workers at their heart. The most notable effort in this regard is of cheap but sound houses built by Shri G. D. Naidu of Coimbatore for industrial workers. The Hon'ble Shri V. V. Giri, the Vice-President of India, has applauded Shri G. D. Naidu's efforts and has recommended its study for wider application. Some employers notably the commercial bankers are also coming forward to give liberal assistance for their own employees and officers for construction of houses by giving interest free or cheap loans. The Employees' Provident Fund Organisation -the second biggest institutional investor of the country with its 900 crores of rupees of investment potential, next only to L. I. C. having Rs. 1000 crores, has also decided to go in for construction and purchase of building and houses in important cities to be rented out though on profit basis.

Such are the efforts to help the workers in their struggle to meet their bare necessity for a shelter. And yet it has touched hardly a fringe of the problem. The rapid urbanisation, the constant rise in cost of living, shortage of building site in cities, high land-costs, shortage and high prices of building material, especially cement, iron and steel and building equipment have made a moderate home a dream for the workers and a choice for location, design or technique and form of architecture for one's own dwelling place an impossibility and a chimera. Even the one-room tenements that are eating half the worker's income by way of monthly rent are not available unless he mortgages his all to give the first pagree. The uneven distribution of wealth brought in by indiscriminate industrialisation and urbanisation finds

its standing proof and monument in the great bungalows of the rich and residential blocks of the higher middle class that are seen by envying eyes of millions who are sleeping on roads or in crowded hutments and single-room tenements. It is indeed high time that provision of decent housing for workers is made a compulsion for each and every industry, business-house, firm, establishment or government department or undertaking. It should be considered as a sin to engage a man for producing something for the factory or working otherwise for a wage without giving him a residential accommodation worth living for his whole family. Similarly, this housing should not be a mere cement concrete stable where somehow the human beings are huddled as in a prison cell or dungeon, but a good and decent Home which one can love for his life. This is the minimum necessity in any welfare programme. Rather the word welfare is even inapplicable at this stage, it is a bare need of human living just like food and clothing, a must to keep soul and body together before one can think of work, a birth right of man. And this cannot be done unless we put a halt to indiscriminate acceptance of foreign technology and its appalling urbanisation and re-order our planning process on saner and more human lines. In the process of planning the Life of Man is the central deity to whom everything should be offered for his well-being. The first collective embodiment of human living as the life of the family flowering in its own Home. The moment the industrialisation ignores or bypasses this Home and its requirements, it destroys the well-being of Man. No welfare activity will be able to substitute a good home. Therefore, the first consideration of true welfare is this that it should require the whole gamut of industrial activity to adjust itself with the requirements of a family life. Machine should not be the master of man, but the Man must command the Machine. Then alone true welfare will begin.

### Health and other Amenities

The next question that should engage our attention in a welfare programme is the health of the worker and his family. This again is a question of good living. The aim of any health programme is to minimise the incidence of sickness and premature death. From this aspect it is clear that the preventive aspect of medicine must be given a far greater importance than merely curative one. No doubt, the preventive system of medicine requires a good deal of propaganda and it starts right from pre-natal stage and occupies a place of central importance in building up sound and healthy habits during the school days. This is a wider field of activity than what the N. L. C. can consider. But its foundational importance has to be noted-more so because with the coming up of workers colonies and industrial housing the care of children in community living is becoming as much a part of industry's welfare activity as that of any other social body. Many industries have already given a great deal of encouragement to family planning. It will be better that they also consider public hygine, growth of health-habits and bodily culture and preventive system of medicine as a part of

their duty towards workers. Especially, it is necessary that each industry affords or compulsorily makes a full medical check-up of each worker during the course of a year and provides a free follow-up treatment as found necessary for each man during the said check-up. The facility should be extended to worker's family as well. This in itself will promote health and well-being, reduce absenteeism and medical costs. Next, it should be the duty of the Industry to see that perfect cleanliness and light and ventilation is provided at the place of work and no natural conveniences are forgotten in the design of a work place. This is especially necessary to be noted for many small establishments and shops. The law should provide certain minimum requirements such as drinking water, latrines, first-aid, specified light and ventilation, protection from smoke or like nuisance, cleanliness, etc., as absolutely necessary for carrying on any business or employment of any individual. If it is found that any owner of any establishment is negligent in this respect the Government should enforce these provisions by undertaking construction, if need be and realise expenses from the owner. For some other facilities such as canteen or medical aid it may not be economically feasible for each small establishment to do anything heating or cooking food. This much should then be done. Perhaps in this case it will be better if the local government is empowered to declare a group of establishments in a given locality as one industry or one establishment for the purpose of making provision regarding canteen and curative medicine. The definition can be extended for making provision for some other conveniences such as creches for children where women are employed, or fair-price shops or transport from place of work to place of residence or nearest railway station. A group of establishments whose total emp'oyee strength exceeds a defined number should be considered as one establishment for providing these facilities and the employers of these establishments should be required to share the costs of these benefits on a pro-rata basis according to the number of workmen employed in each establishment. It is also very necessary to see that the type of food provided in these canteens is nutritious and cheap and the medical treatment given by doctors appointed by industries conforms to professional standards and given with courtesy and cheer. We have received many complaints in regard to unwholesome food in canteen and misbehaviour and arrogance of doctors and carelessness in giving medical prescriptions It seems that the industry having set a canteen and employed a degree holder of medicine loses all further control over them and takes no responsibility in their working. This state of affairs has resulted in workers loosing all their faith in country's institutions and has promoted a cynical attitude. Good food and medicine are factors of cardinal importance for human life and any wilful neglect in this regard should be treated as a criminal offence. It will be better if in the management of these welfare activities the workers are given a prominent share. They should be financed from an industrial fund which can be built up by providing for a cess on production or sales or earmarked as a fixed percentage on working

capital and entrusted to an appropriate Tripartite body at local, state and all-India level. The Government and local bodies like municipality should also be required to contribute to this welfare pool. In the case of small establishments a central administration on the lines of provident Fund or Employees' State Insurance Corporation may manage certain defined activities, while for others a group of establishments may be declared as one unit as defined earlier. In the financing of these schemes we do not see any particular merit in recovering any amount from the workers. For the worker as such do not constitute an income-generating of revenue-collecting unit like industry or government. Once such a fund is established for the sole purpose of welfare, then many types of different activities can be undertaken at different places according to the need of workers and availability of funds. They can include various types of educational facilities, sports, arts, recreation facilities, reliefs, cash benefits for needy or deserving children, men and families, promotion of various tastes and habits through system of rewards, provision of various facilities at the place of work or residence, such as cheap laundry, medical utensils for sick and old, rest rooms and libraries, encouragement for tours or provisions for holiday-homes, all types of aid such as, books and milk for children or sewing machines for ladies, rehabilitation-cum-convalescent homes for disabled individuals, and many types of entertainments for all types of workers and people. The list can be-unendingly long, because welfare is an expanding concept. In this context it is necessary to remember that the out-door worker who is out of sight is not forgotten. It is not sufficient to give him only the rain-coats and umbrellas and winter clothing and uniforms and gum-boots and a suit-case. All this he must necessarily get. But his special difficulties of accommodation, irregularity in food and sleep consequent upon incessant travel, the difficulties in regard to education of his children and deprivation from family life must be amply compensated by suitably regulating his hours of work and work-load and provision of special facilities and leaves for him to enable him to participate in community life. His needs for food and shelter can be better looked after by universalising the concept of traveller's bungalow and making it obligatory on municipal and local bodies to provide decent food and shelter for men on line-duty, and travel. The pitiable sight of workers engaged in a road or railway construction and maintenance works gives no credit to an employer or government engaging these workers. Their status as casual or contractor's labour should not become a bar in providing them and their families reasonable welfare amenities. The workers often derive their standards of reasonable performance from the standard of welfare provisions made for them by the employer and it will not be wrong to conclude that one of the chief reasons for poverty of Indian craftsmanship, skill and productivity lies in the poverty of attention given to the needs and well-being of workmen.

## Welfare Officer

With the development of specialisation which has attended large-scale techniques of production, the welfare work in industry is being entrusted to a special agency under the command of welfare officers. This is as it should be. But many employers stop only at this appointment or at the most ask the welfare officers to fulfill only the statutory obligations regarding labour welfare or manage to see that the complaints regarding welfare facilities do not assume managing proportions. There is also a school of thought in Indian Industry that looks upon the welfare officer as a third force acting as a buffer-zone to cushion the opposite forces of labour and management or as a liasion officer. Quite often a utilitarian outlook is brought in evaluating the role and work of a welfare officer and his output is measured in terms of production and profits which his activities can bring to the concern. Still another class of employees who consider themselves as progressive, grant a certain neutrality to the welfare officers and do not mind if in situations of conflict his open vote goes in favour of labour. It may be that a broad humanitarian attitude or a charitable purpose may be informing this attitude of the employer. But all these professions of employers who are ultimately paying the welfare officer for perfoming certain functions as their nominee cannot disguise the fact that it is something other than pure welfare which is still sought as an aim under the name of welfare. This double dealing is not without its inevitable rebound. A time does come in the sphere of industrial relation in each industry when this role of welfare officer working as an agent of management stands woefully exposed and makes the welfare officer the most miserable creature in the whole spectrum of industrial relation. In many strikes the welfare officer has been the first victim at the hands of leaders of labour.

A real welfare officer should be looked upon as a servant of workers or at least a social worker entirely dedicated to the task of promoting the well-being of work people. He should have no other function but looking after the happiness of workers and their families. No other task is nobler than this duty to labour, it is a worship done directly at the feet of God. And like true worship, it should be done with devotion and without any expectation of return. In terms of Western thought this may be treated as a social service done through a professional cadre. It seems, this is how Shri V. G. Mhetras, Professor of Labour Economics in the Bombay Labour Institute, has conceived the welfare officer's task in his extremely well written booklet 'Labour Welfare and Welfare Officer in Indian Industry'. The chart given at the end of this book depicting the duties of a welfare officer and the analysis of his role as a social worker are well taken. But still the whole treatment looks like one of giving emphasis to welfare orientation as against a job centred round the organisation, a persuasive role of reducing tensions improving the climate of mutuality. But this too is an imperfect worship a work done without any innate faith. Its failure is predestined

in its very conceptions and can be safely foretold. Nothing else than the genuine welfare of workers should be the theme of officer's role. The concept that he is an employer's man should totally vanish. He is a man of God, dedicated to the goodness in humanity. It must be the faith of the industry that such an unreserved consecration to the goodness of all-in at least a corner of industrial relation programme will bring in automatic good results. In fact such a role alone will save the industry from a great peril. 'स्वल्पमप्यस्य धर्मस्य त्रायते महतो भयात्' In order that this role may be played by the labour officer or welfare officer with immunity, it will be a good practice that his appointment and removal be done only on the recommendation and consent of the Chief Labour Commissioner or such outside agency or better still by an authority constituted under the standing tripartite machinery suggested earlier by us under 'Tripartite bodies' in last para on page 65 of our submission.

**Absenteeism**

The absenteeism is considered to be one of the greatest diseases afflicting the efficient functioning of Industry in India. The man-days lost through the strikes in India are found to vary between 30 lakhs in the best of year (e. g. 1963 when with the Chinese aggression all labour struggles were voluntarily abandoned) to 100 lakhs in the worst. But the man-days lost through absenteeism are far more. One estimate puts this figure as exceeding 150 lakhs man-days in a year. Shri N. B. Khory in his article in Economic Times dated 28th December, 1967 has given very interesting figures of average annual rates of absenteeism in certain industries and centres in India during the period 1960-65. The averages for the whole period worked out by him shows the following figures :

| Industry | Place | Average annual rate of absenteeism for 1960-65. |
|---|---|---|
| Cotton Mills | Bombay | 12.7 |
| ,, ,, | Ahmedabad | 7.9 |
| ,, ,, | Sholapur | 16.5 |
| ,, ,, | Kanpur | 16.4 |
| Engineering | Bombay | 14.1 |
| ,, | W. Bengal | 13.2 |
| ,, | Mysore | 12.9 |
| Plantations | ,, | 20.3 |
| Coal Mines | All India | 13.3 |

These figures are the total of voluntary and involuntary absence put together, or annual leave, casual leave, sickness leave, etc. but exclude weekly

offs. Hence, they will be required to be read with the necessary discount. But even then the figures are gigantic enough. Speaking in terms of effect of absenteeism on production Shri Khory concludes that just one percent rate of absence over a year will be equivalent to 5 or 6 fully successful Bandhs observed by the organised industrial sector in all major Indian cities at a time. The most notable amongst this absence is the sickness absence or certified absence. It is said that this phenomenon has increased after the introduction of the Employees' State Insurance Scheme. The phenomenon of this absenteeism is quite general and has a tendency to increase with more and more generous sickness benefit schemes. This is so in England, Germany, Australia, America and Japan. Even Communist countries are finding that the incidence of sickness is rising. The average industrial worker in Hungary stops away from work for 19 days per year due to illnese while the one in Czecho-slovakia does so for an average of 14.5 days. It is observed in Western countries that quite often psycho-somatic tendencies aggravate even minor feelings of illness into compulsions for staying away from work. The escape habit and lax certification by doctors can also be a cause. The Imperial Chemical Industries in U. K., where a generous sickness benefits scheme exists entirely at the cost of the employer is said to have the highest rate of absenteeism in the chemical industry in U. K. Be that what it may, the production losses due to absent employees are quite enormous even in Western countries. One British report on the subject puts that while the days lost through strikes in British industry total to three million days, those lost due to absenteeism come to about 300 million days. The phenomenon is quite great in Asia and Africa. In India it is further aggravated due to general depression of discipline in industrial community. It is even said that the average worker in Indian factories works for only four hours a day and a clerk hardly puts in 3 hour work. An S. Q. C. study puts overall wastage in Indian Industry as high as 20–25 per cent and further points out that even in the best managed industrial units the overall plant utilisation is less than 40 per cent.

This subject of absenteeism has received an attention of many students and writers on industrial psychology. But it appears that the question has eluded all solutions. Quite recently Mr. Vaid conducted an intensive research in this regard in the Textile Industry in Delhi. After making a distinction between the authorised absence and the unauthorised absenteeism, the author has classified the case histories of the cronic absentees into five categories viz., entrepreneurs, status-seekers, epicureans, family oriented and the sick and old. The first two belonged to a category of imposing activists, the entre-prenneurs being engaged in too-many pursuits to care for daily attendance at mill and the status seekers exercising their status considerations in an unauthorised manner. The rest belonged to the class of escapists of which the epicureans are a class, the family oriented are in love with their home-affairs while the sick and the old are helpless. The author has however

only one major suggestion to make to cure this tendency and that is to fit the right man for the right job. For this purpose he suggests a careful selection programme based on aptitude test and a counselling service to help individuals to make proper adjustments to the job. It is yet to be seen how far the suggestion is practicable in Indian situation and what will be its utility to reduce absenteeism. It points out to however one significant fact that the Indian worker is not happy with his present position and surroundings. He finds his job distasteful. There is no other reason why he should lose a part of his already low wages and prefer to stay away from work. In this context it is very significant to note that the tendency for absenteeism is totally absent in the self-employed sector, the Patiwalla, the riksha-puller, the taxi-driver, the dubbawalla, the milkman, the street hawker, the cobbler, the doctor, the advocate, the politician, the trade union worker never absent themselves from the work even though they are not accountable like workers. They are often found working on Sundays and for late hours with a willing heart. So also the house-wives that constitute half the country's working population hardly think about a rest day. A general laxity can hardly be described as an oriental attitude. No doubt we have a general indifference, relatively greater than that of others for motivations of monetary incentives and industrial discipline and so no external remedy may compel us for a work for any longer time than what pure bodily needs demand. But a work that absorbs the mind and its interests, a work in which one can pour his body and soul does find an immensely fascinating adventure for the Indian mind. He can forget all other things in the presence of such an inviting task. And here lies the key of making a perfect approach to his work habits.

The urge for creation is universal in human mind. Work in its true form is the manifestation of this inner urge. This urge is the nature of creation. The tree flowers by creating urge. Work in this sense is born with the Man-सहजं कर्म Man cannot live without any work.

न हि कश्चित् क्षणमपि जातु तिष्ठत्यकर्मकृत् ।

Even for his physical needs he has to work, the journey of his body is impossible without it. शरीरयात्रा ऽपि च ते न प्रसिद्धचेदकर्मण: । Moreover, for each man there is a work appropriate to his innate nature, a type of work peculiar to his individuality, born with his nature which naturally binds him as if in spite of himself. He is appointed for a task which he has to recognise as his way of fulfillment. स्वभावजेन कर्मेण निबद्ध: स्वेन कर्मणा । as Gita puts it. It is for all of us to help each individual to recognise the work most apporpriate to his nature, a work which is his birth-right. In treatment of industrial family we had already occasion to lay down the first principles of a socio-economic system of self-determined and self-governing communal bodies. स्वयंशासित-समष्टि. In dealing with the

question of individual's interest in work we have to understand and second the process of self-unfolding and therefore self-disciplined individual growth स्वाधीनव्यष्टि and ways of its harmonious fulfillment in consonance with the general aims of society. In fact it is inconceivable to think about the life of the society without thinking about the life of its individuals. And yet this is a mistake that is too often committed by intellectuals who conceive of a social life first, plan its operations and then go ahead to find out men to recruit in the designed patterns. Everybody is made to fit in a pre tailored uniform. And when on such recruitment they do not find right type of men, they go on complaining about others and society and invoke the help of state and other agencies to order human natures to their planned requirements. They pass strictures upon others for not doing the work which was never heartily approved by these others. They forget that these others are also human beings just like them, they have their own urges of work and self-expression and if they are not allowed to grow according to their own way of being and becoming then great peril is bound to be the result. परधर्मो भयावहः। Industrialisation of the Western type is an alien rule. It seeks to introduce aims and principles of existence which are foreign to our culture and which bring in our life social and economic discords, moral plagues and cruel problems. The absenteeism of Indian worker is a war declared against this foreign and cruel rule. The nature of each individual is for all practical purposes a strongly established and persistent actuality of life. The spontaneous and natural inclinations and actions of the child and the trend taken by his education gives us a type of man whose creative pursuits become well-marked for each individual in a distinct manner. It is this individual who is to be invited or encouraged to select his own appropriate work in life. The social order can do the work of a gardener but it has to accept the nature of each seed as given by the God स्वभाव-नियतं कर्म. The collective life should grow organically with the additions and placing of individual; as a 'समष्टि' grow organically like a tree or human body assimilating fresh current of food and energy and quite naturally re-forming its growth by a process of natural assimilation. So also each individual must find his natural place in the organic growth of social life in such a way that his nature gets flooded by the great urge of creative spirit which informs human living. In other words if we begin to build our society not on the foundation of machines and capital, but on the basis of the varied treasure of human beings and their bountiful nature, then we shall find that each and every man is of immense use to the whole society and everybody is indeed eager to take his station in life and create. Even the technique of Scientific Management in the West has begun to realise the supreme importance of this care of each individual in administration. They have already developed personnel development programmes to suit phases and lines of each individual's unique growth needs. The recent trend in distribution of functions and powers does

tell us that they should not be fixed according to the posts but should change according to the capacities and qualities of individuals occupying different posts from time to time. This is the pre-requisite to interest an individual in an occupation. And as we have already shown the real task is to give to each person his self-appointed mission. As an old Sanskrit proverb goes—

अमंत्रम् अक्षरं नास्ति । नास्ति मूलमनौषधम् ॥
अयोग्यः पुरुषो नास्ति । योजकः तत्र दुर्लभः ॥

Indeed there is not a single unfit human being-but it is the planner who is at fault. He must put each being in his proper place. As is well described by the poet of 'The Mountain and the Squirrel', the squirrel rightly says to the mountain—

" Everything is well and wisely put
Talents differ
If I cannot grow forest on my back
Neither can you crack a nut "

Each is perfect in his place and none can outwit the other in his own field. A faith in the creative urge of every man, a constant search to find a matching form for the manifestation of his urge, a vast structure of social life on the basis of this creative urge of each individual, and a knitting together of their lives and lines of free self-fulfillment, this is indeed a way out not only to cure absenteeism but more positively to lay down a way of perfectising the ever fulfilling technique of presenteeism of each individual in the ever fresh and youthful life stream of the race.

### Social Security

This is a great and unending field. The constitution of India embodies quite a fundamental thinking in this regard. The preamble of the constitution declares a solemn resolve to secure for all citizens justice-social, economic and political and equality of status and opportunity. The Directive Principles of State Policy lay down that "the State shall, within the limits of its economic capacity and development, make effective provision of unemployment, old age, sickness and disablement and in other cases of deserved want". The first five year plan recognised the fact that in order to translate into action these directive principles of state policy the socio-economic framework has itself to be remoulded so as to enable it to accommodate progressively those fundamental urges which express themselves in the demands for right to work, the right to adequate income, the right to education and a measure of insurance against old age, sickness and other disabilities. Accordingly, the five year plan indicated that during the plan period the Employees' State Insurance Act and the Provident Fund Acts should be properly implemented before any new steps are

taken because of the novelty, administrative and other difficulties and financial implication of the scheme. The first plan achieved its target. The second plan contemplated the extension of schemes to new industries and members, enhanced the rate of contribution to Provident Fund and recommended the integration of the P. F. and E. S. I. Schemes into an integrated system of social security. The integration is now said to be under way. The rest of the things were done in a phased manner. It must however be noted in this regard that after the initial legislative accord being given to P. F. and E. S. I. schemes the two other benefits viz. Pension and Gratuity are not yet given any legal status. This lacunae needs to be fulfilled now. So far, the social security approach was confined to wage earners in organised industry. The Third Five Year Plan declared that progressively, the State and local bodies urban and rural will need to participate in schemes undertaken by way of social assistance and social security. A modest beginning on these lines was supposed to be done for three groups of persons, the physically handicapped, old persons unable to work and women and children who are altogether lacking in the means of livelihood and support. It was also laid down that the E. S. I. Scheme will be extended to areas with an insurable population of between 500 to 1500 persons. The Government has made quite commendable efforts to fulfill the ambitious targets of the third five year plan. A review of E. S. I. Scheme has recently been taken by a Tripartite Committee under the Chairmanship of Hon'ble Shri C. R. Pattabhiraman. The Committee has again stressed the need for evolving an integrated programme of social security. Recently in June 1964 the G. O I. has taken a major step to promote various social security and welfare measures by setting up a separate department of social security under the Ministry of Law and Social Security. The first annual report of this department declares that it is the intention of the Government to investigate and introduce additional schemes for strengthening this aspect of social security and to enhance the level of benefit wherever possible. The various schemes operated by the State Governments in this regard with the assistance of central funds extend assistance to the 65 million scheduled castes and 30 million scheduled tribes people. An assistance in the nature of educational facilities has been extended not only to the denotified communities and the nomadic tribes, but also to families whose annual income is below a specified minimum. So far the pensioners were forgotten from these schemes. But in October 1964, the Government made a small beginning in this regard by granting an ad hoc increase in amount of pensions. The Government employees are already having a P. F. Scheme as an alternative to pension. For a decade now they are also covered by a Contributory health scheme. The Family Pension Scheme has also undergone a revision so as to provide for a grant of a pension for life to the widow of an employee and payment of allowance to minor children. For teachers in Government and private schools a triple benefit scheme consisting of pension and gratuity, contributory provident fund and compulsory insurance has been recently introduced. The health service scheme

started in December, 1966 by the University Grants commission is estimated to benefit nearly 12 lakhs students and 70,000 teachers and other categories of staff and their families. The Railways have undertaken a scheme to extend medical facilities to their retired employees and for wives of retired employees. An unemployment Insurance Scheme has recently been approved by the Parliament to cover about 48 lakhs members of E. P. F. and Coal Mines Provident Fund. The subject of unemployment insurance has been engaging the attention of Government since 1954 when a working group under the Ministry of Labour had recommended a scheme for industrial workers providing for a cash benefit at the rate of about half the daily wage for a period of 13 weeks in one year. It is felt that in the Engineering and Textile Industry where frictional unemployment following constant technological renovations is likely to become a rule, an unemployment insurance will provide a better alternative or addition to retrenchment or compensation on closure. It is understood that the question of evolving a suitable Model Old Age Pension Scheme for the whole country is also under active consideration of the Government. If this scheme comes into reality it will be a unique achievement for the Indian Government. Recently in 1966-67 the Government has earmarked a sum of Rs. 20 lakhs as Relief and Assistance Fund to grant relief and assistance to handicapped persons and to destitute old persons, women and children. An integrated programme for extending social security to rural families has also been drawn up. This is indeed commendable. The Ministry of Rehabilitation provides free rations, clothing, medicines, milk, etc. for displaced children and expectant mothers. About 100 voluntary organisations provide institutional care and non-institutional service for socially handicapped women and children, widows, deserted and neglected children, to the deaf and the mute. These various social security measures in the form of legislative enactments, in the form of social assistance and in the form of financial allowances are already under way, as far as the economy can bear. The E. S. I. Scheme today covers 3.1 million workers, medical care under various schemes is provided to 51.2 million persons, employment injury benefits are admissible to about 6.5 million workers while the various P. F. schemes give a cover to 13 million persons in their old age. The ultimate power of administration of social security schemes is in the hands of tripartite bodies. This is as it should be. An integrated programme of social security which includes the merger of E. S. I. with P. F. schemes is already under way. The Government has done well in declaring that this unification of all social security measures will be given a first priority since it can provide a strong administrative and financial base for the future development. Qualitative improvements in the existing measures such as provision of adequate hospitals and specialised services, provisions for rehabilitation, re-employment and retraining of the handicapped, extension of present schemes to small factory units, shops and commercial establishments, trading concerns, etc., provision of medical care to self-employed and non-employed sectors both in rural and urban areas, gradual extension of entire social security scheme for self-employed persons giving in the first instance a protec-

tion against risks such as invalidity, old age and death and a scheme of National Health Insurance for the entire population of India are already on the declared programme of the Government. This is indeed one spot in the whole effort of the Government where a sincere and praiseworthy work is done and planned for the future. The only sad feature that marks these efforts of a long-ranged nature is that with the constant increase in the price-level the real benefit of these various schemes is becoming less and less with time. It is to be presumed that the amount that is ear-marked for these schemes from the nation's revenue budget is invested properly in high yielding projects. If this is so then it should not be very difficult for the Government to tie up these various old age benefits and pensions to the cost of living index. Recently the Finance Ministry of the Government of Sweden had circulated a booklet giving information of how the Swedish Government became successful in introducing index-bound schemes of P. F., Pension, Gratuity, etc. We know that recently the E. P. F. administration has made some sound rethinking on the investment of P. F. Funds. But the benefits of such sound investment programmes, if any, are not yet accrued to the labour. In these circumstances the benefits under the various social security schemes only inflate their true worth. In fact, however, it is only an illusory abundance. The basic programme of true social security undertaken and planned by the Government is indeed noteworthy, the skeleton is as nearing to perfection as is possible at this time but it needs to be made sound in its footing and utility by looking with care to its day-to-day administration and depth of base given by soundness of supporting investment pattern. Then only the real benefits of these schemes will match their present promise.

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CHAPTER XV

# Labour Research and Information

विद्यां च अविद्यां च यस्तद् वेद उभयं सह ।
अविद्यया मृत्युं तीर्त्वा विद्ययामृतमश्नुते ।।*

ईष उपनिषद् ।।११।।

**Research (Routine)**

There is clearly a case for unification of research work that is being conducted by research cells under the Planning Commission and the various Ministries of the Government of India. Whether the unified research agency should be placed under the Planning Commission or the Government of India is a matter that can be best determined by the experts in the science of administration. But even if the entire section is placed under the Government of India, it should not be difficult for the Planning Commission to get its work done through it.

There is also a case for the unification of work that is being carried out today by the research agencies of the Central Government and the State Governments. The work conducted by the various departments of the State Governments should be taken over by the corresponding departments of the Central Government.

Both these suggestions, if implemented, will eliminate duplication of work and promote efficiency.

So far as Labour Research under the Government of India is concerned, there is much scope for rationalisation and reorganisation of work. For example, there is a need to strengthen the co-ordination of such work that is being done under the Director General of Mines safety and the Director General of Factory Advice Service and Labour Institutes. True, the safety problems being handled by the two are somewhat different in character. Nevertheless, closer co-ordination between them will effect economy and increase efficiency.

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* He who knows That as both in one, the Knowledge and the Ignorance, by the Ignorance crosses beyond death and by the Knowledge enjoys Immortality.

Isha Upanishad (11)

It is also advisable to unify research work being done by the Labour Bureau, the Director General of Employment and Training and the office of the Chief Labour Commissioner.

Such a unified agency of the Government should maintain closer links with the Central Statistical Organisation and the National Sample Survey on the one hand and the various bodies, such as E. S. I. C., C. P. F. C., Railway Board, P. & T., etc, on the other. Needless to add that the labour research sections of the various State Government Departments should also be merged into this unified agency. This agency should be in constant touch with the research work done by Universities, Social Science Institutes, Indian Society of Labour Economics, Schools of Social Work, Research Centres of the organisations of employers and trade unions, and the UNESCO Research Centre in India. The need for co-ordination of research work done by various agencies has been rightly appreciated by the Estimates Committee of the Lok Sabha and the eight-man Committee has proposed the constitution of the Council for Social Science Research, for this purpose. Till the proposal is approved and implemented, the work of co-ordination will have to be carried out by the unified agency suggested by us.

Universities and Social Science Institutes have potentialities of playing a much more important role in this respect. Presently, they engage themselves mainly in the academic aspect. But, with proper co-ordination and greater financial assistance, they can be profitably entrusted with research work on specific practical problems. This will render the nature of their research more applied than theoretical. If this is done, their research personnel will acquire respectability in industrial circles and being impartial, command confidence of both the employers and the employees. From this position of vantage, they can fulfill the long felt need for the emergence of a class of impartial experts who can be depended upon by both the employers and the employees for advice and guidance on matters technical and industrial. Conscious efforts must be made for raising such a class through our Universities and Social Science Institutes. Not being partisans, they can become guides and philosophers to all parties to industrial relations.

Cultivation and development of research mindedness among employers and workers is the prime necessity. In absence of such general statistics consciousness, it would be very difficult to carry out research work accurately and efficiently. We do not think that this consciousness can be created among the trade unions only by providing them with financial aid for this purpose. Such aid would be immensely helpful, if it follows rather than precedes the growth of such consciousness.

With a view to co-ordinate on state level the work done by the Government agencies, the Universities and other non-official agencies, and the workers and the employers organisations, a state co-ordinating committee should be formed in every state.

The Government of India has been making systematic efforts to raise personnel trained in research and allied work. But, obviously, these efforts need to be further intensified, and the Government is also moving in that direction.

In view of the importance of research work, we think it necessary to accord special social responsibility to persons working in this field, so that, along with some what higher emoluments and job opportunities, Social status also should prove to be an incentive for such work.

If all out and concentrated efforts are made to reorganise and further revitalise our various research agencies, along the lines suggested above, we can ensure arrangement for research and studies in the field of labour, adequate enough to meet the requirements of policy making in labour and economic matters. With the growth of research mindedness, it would be possible to ensure fullest use of all research work by all the parties, official as well as non-official. Presently, only the Governments are putting the existing information on labour matters to any practical use, and that too, mainly in connection with the enforcement of various Labour Laws. Even in formulating their labour policies, the various Governments are not utilising fully the information available. The employees and the workers, with the new orientation would be inclined to draw heavily upon the information thus collected, compiled and published, because they would be convinced of its utility in safeguarding and promoting their own interests. Sociologists, Economists and other experts are sure to derive its fullest utility under all circumstances. Prompt publication and wide circulation of such information is, of course, a condition precedent. Present arrangements for the same are admittedly inadequate.

There should be a single Act providing for submission of all the returns under different Acts the State and the Central to one single agency. This will eliminate the difficulties arising out of non-uniformity of concepts and definitions under the various Acts and their varied coverage. It will also avoid "a good deal of unproductive work and unnecessary duplication" that is the result of the various statutory requirements of maintenance of different registers and sending of different filled in returns under different Acts.

Collection of statistics should not be related solely to the requirements of Acts. Nor should it be restricted by the limitation imposed by them. The coverage of statistics should be comprehensive so as not to suffer adversely on account of changes introduced by amendments to the Acts or varieties in coverage of the statistics on the same item under different Acts. The Collection of Statistics Act 1953, should be amended suitably with this end in view. It should also introduce uniformity of concepts, definitions and coverage of various items.

Data presently collected and compiled in respect of work-stoppages (strikes and lock-outs) are not adequate for assessing the extent and variety of

industrial unrest. Number of work-stoppages, number of workers involved, number of man-days lost, total wages lost in rupees, and total production lost in rupees, on account of factors other than strikes or lock-outs, such as power failure, inadequate supply of raw materials, difficulties in the movement of machines and materials, political agitations, sympathetic strikes, bandhs, local troubles, etc., must also be collected. Similarly effects of 'absenteeism', 'go-slow', 'work-to-rule', 'gheraos', etc.' should also be made available. Even regarding strikes, the coverage should be wider so as to include the classification of the causes of strikes and their settlements, etc.

The present data deals mainly with the economic aspect of worker's life. Consequently, they present a lop-sided picture. Social and sociological aspects which treat workers as general citizens must also be given due importance. The present compartmentalisation is unrealistic and likely to lead us to wrong conclusions. We must be furnished with data about the influence of social vices on workers' mental habits and that of industrialisation on the morality and well-being of their families. Data about their social customs are also valuable.

Even the economic data available today are inadequate. Adequate and regular statistics in construction, coffee plantations, transport, cottage industries, small-scale industries, self-employment sector, agriculture, mines other than coal mines, and establishments employing less than 10 workers should be collected and compiled. Similar statistics about unemployment and under-employment in the country, workers' indebtedness and expenditure patterns, conditions of contract labour, productivity movement, the frequency and severity of industrial accidents, time-loss due to deaths and permanent disability, and actual working hours in different industries should also be collected.

Statistical data about unemployment, employment, consumption, expenditure, etc., that are being collected in respect of rural population annually by the National Sample Survey are not adequate. It is feasible and advisable to make these data available separately for rural labour for each State/Region. Relevant information, including that about wage rates on agricultural labour should be collected annually.

### Index Statistics

In recent years the workers organisations have shown in great detail how the compilation and maintenance of different cost of living indices has been done on a faulty basis. The correctness of index number and its speedy publication is of vital concern to wage earners since a large component of their total emoluments is related to the monthly or quarterly index. On page 64 (para 2) and Page 108 (para 2) we had already the occasion to point out that the compilation and maintenance of consumer price index

numbers for agricultural and urban and rural manual and non-manual workers and construction of indices for camparative costliness for different cities and regions should be done by a unified agency working under the supervision and control of the National Tripartite Body. It is necessary here to make it clear that like all labour statistics and more so in case of cost of living statistics the active association of workers and their representatives is of great importance at all the stages of survey and publication. The association should start directly from the stage of preparing the design of survey, the stage of pilot study, finalisation of questionnaire, training of survey or investigation staff selection of sample and continue through the long process of enquiry and subsequent tabulation and preparation of weightage diagram and monthly enquiry form, determination of specification of articles and process of inevitable substitutions, selection of shops for collection of month by month statistics regarding retail prices of all items and periodic check up for items like houserent, travelling costs, education, medicine, etc. Unless the workers are associated at all these and various other stages of compilation and maintenance of index statistics and survey of living and working conditions of workers' families, and the decennial survey is done with thoroughness and its results used very widely to frame wage policy and labour legislation this most important aspect of social enquiry and pivot of labour statistics will not get its rightful place. It will be a good practice to test hypothesis built from these statistics by making detailed sample enquiries either on randum or stratified basis from time to time. As discussed earlier the compilation of a need-based minimum wage index should also be tried by taking the help of decennial survey and periodic sample enquiries. The different concepts of wages viz. the minimum, and the living wage and the range of fair wage can also be given monetary quantification by using the date made available by these enquiries. So also the policy for consumer credit specially the loan programme for housing and policy regarding life insurance, social security schemes, small savings drive, taxation, etc. should emerge through relevant discussions and seminars and studies made by analysing these surveys of living and working conditions of employees. The information statistics has a great role to play in this regard.

**Research (Basic)**

It is further necessary to conduct research in the modern as well as the Indian technology with a view to :--

i) scrutinise western technology to ascertain what portions of it are adaptable to our cultural pattern, and in what manner,

ii) scrutinise the traditional technology to ascertain what portions of it are adaptable to modern conditions,

iii) develop our own indigenous technology in consonance with our cultural pattern with the following precautions:--

a) that it should lead to decentralisation of processes of production with the help of power and atomic energy,

b) that it should not lead to sudden decapitalisation of the existing, traditional means of production, on the contrary it should introduce suitable changes of mechanisation in them without decapitalising them,

c) that it should utilise and promote the existing skill, talent and genius of our traditional artisans and craftsmen, instead of rendering the same useless for productive purposes;

d) that it should utilise the small units of capital available in the country, and

e) that it should utilise and promote the available managerial skill in the country instead of throwing it out of job.

It is also necessary to carry out research in the patterns of industrial structure, industrial relations and legislation in ancient India, with a view to determine what parts of the same can be utilised profitably today. Since research is meant to give a definite direction, and labour field cannot be considered or treated in isolation, it is advisable to evolve the guide-lines of future socio-economic structure best suited to Indian genius and modern conditions. In absence of a general blue-print of such a socio-economic order, it would be impossible to give a definite direction to our efforts in the labour field. All directionless moves are merely a patch work. This work cannot be entrusted safely to dogmatic politicians. For, what we are aspiring for is the assimilation of all knowledge Eastern or Western, and its conversion into the basis of our socio-economic renaissance. By assimilation we mean that we must not take it crudely in the European forms, but must go back to whatever corresponds to it, illumines its sense, justifies its highest purport in our own cultural conception of life and existence, and in that light work out its extent, degree, form, relation to other ideas, application. More than any one else, research scholars are competent to accomplish this supreme task.

Whether these research projects can be placed under the unified agency specified above is a matter for administrative decision. But this agency should ensure that the work is undertaken and accomplished.

### The Press

Organisation of workers and employers use circulars, journals and news bulletins for communicating with their members. Conferences, study classes, seminars, booklets, pamphlets, leaflets, posters, press-releases, press-conferences, gate meetings, processions, morchas, demonstrations and hunger-strikes are also used by workers for publicity, Recently, employers have started publicising their cases and view points in the news papers through paid advertisement. Such publicity made by the BEST management at Bombay during the last strike period is a remarkable example of the success of this method.

A few trade union centres run their own periodicals. But their circulation is confined only to a section of their regular members. The foundations of the Labour Press are being laid, but its progress is far from being satisfactory. It is necessary to strengthen the Labour Press through workers' education and official aid.

During the last decade the Indian Press is showing progressively greater interest in labour matters. There is marked increase in their coverage of labour news and some of them feature labour columns regularly. Language papers are generally more liberal in the coverage of labour news. A few technical dailies like Economic Times and Financial Express are also doing a good service.

Nevertheless, it is true that labour disputes and problems do not receive adequate publicity through the columns of the news papers. Publicity when given, generally pertains to strikes, hunger-strikes, anti-social activities, damage to public property, etc. It is so because, according to journalistic standards, such sensational incidents constitute a news, while industrial harmony and constructive achievements of workers have less news value, even as a man biting a dog is a first class news while a dog biting a man is no news at all. Education of the people in general and the workers in particular in industrial matters is not accepted by Indian Press as one of its objectives. Hence, its efforts to cater to public taste, instead of attempting to mould it. So long as the Press is run only on commercial lines, there is no chance of research activities and constructive industrial achievements finding their way into the columns of the newspapers. What is needed is the reorientation of the approach and attitude of the Press. Under the present circumstances, press can neither educate the public on labour matters nor can it shape decisions on industrial disputes. It cannot play any effective role in helping or hindering the promotion of just and good industrial relations.

The remedy lies in building up labour press on the initiative of workers themselves and bringing about a change of attitude on the part of the general newspapers by convincing them of the importance of their role in the national reconstruction. How far this is practicable is anybody's guess.

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CHAPTER XVI

# The Role of Various Agencies

## The Central Labour Organisations

Since one of the important agency that brings changes in the labour field is the central organisation of workers, it becomes important to consider what are the sanctions of this organisation and how far it can be relied upon to discharge whatever responsibility that may be placed upon its shoulders in matters of industrial relation, implementation of policy and agreements or for matters relating to training and improvement etc. Before going to the details of this questions we may quote here one view advocated by the late Shri G. D. Ambekar that no union should be left without some central affiliation. He considered an uuaffiliated union as more dangerous than a union affiliated even to the most irresponsible of groups because the unaffiliated union is not amenable to any discipline at national level. We do not wish to go to that length. But we certainly appreciate the spirit of the attack. In order that we may be able to pursue any national policy in respect of labour, it is very necessary that we encourage affiliation of unions to some national centre or centres. Our country is so vast and varied and the play of many conflicting ideologies is intense and multi-dimensional that a blanket imposition of having only one central organisation for workers will not solve any question. We have already shown in our Chapter on 'History of trade union movement' that the Indian workers have not yet consciously formed their own trade union centre. So it is better that the process of voluntary affiliation to different central labour organisations continues as at present. But once a union is affiliated to a particular central labour organisation it must abide by its discipline. How can this be ensured? And without ensuring it no firm policy can evolve at national level. The two normal channels that are considered to ensure this co-ordination between centre and union are constitution and finance. The constitution of unions or regional and national federations may provide certain compulsions such as disaffiliation of union, restriction on voting right or qualification for becoming office-bearers, etc. that may act as sanctions for following the directives of central leadership decisions, or alternatively the rank and file and the various office-bearers may hold the sanctity of constitution as a cardinal point of union discipline and thus provide guarantee to carry out the centre's directions. Further, one can also conceive of financial sanctions whereby the central organisation can, when need be, withhold all financial and other (such as legal) aid to a defaulting unit. If in the normal process the unions are deriving a substantial amount of help from the national centre, then the prospect of losing such help may compel the adherence of union to the directions of the centre. Of course, a

multiplicity of central labour organisations and their comparative stands on different issues and capacity to help will still provide the restraining influences against such compulsions. In this context, one other observation is also worth mentioning. That is about trade union finance. The trade union work being a day-to-day affair, the normal tendency in union finance is that the money is desired to be kept at the unit level. The money gathering centre is always the unit. It is only after certain persuasions and pressures that the units do part away with any considerable amount of their collections. The normal affiliation fees are too meagre to run the central office and though the central organisations have at times succeeded in imposing levies at the time of annual bonus or after successful settlements of claims, yet there are also many instances where units are financially better off than centres. In some other instances the central labour organisations find out other sources of finance from political or other agencies. Many full-time trade union workers are supported from such funds and they are lent almost free of charge, to the service of units. In such cases it becomes comparatively easier to control the units since the specialised, full-time, energetic worker easily assumes a commanding position by dint of the service to the units and his word becomes a law for the union under his command. The political repercussions of this type of control are too patent to need any elaboration. But the system has also many dangers for implementation of a constructive policy at the plant level. The bossism enters and the common worker is never encouraged to participate in the formulation of union policy. He develops then a sort of indifference in policy formation. The union leader also does not want him to question about the wisdom or propriety of any stand taken by him on any issue. There have been many instances in India when many individuals who started their trade union career with a zeal to serve the workers ended their career by becoming union boss or even despots. Whatever may be the capacity of such union bosses or leaders to build up sustained agitations by marshalling the forces of hatred and want, they are of no use in inspiring people to give dedicated service in day-to-day work. If this leadership further degenerates into a type of press and platform leadership of professional agitators then that is the collapse of all construction. Then the instruments of constitution and finance will lose even their limited sanctions and what will remain in the name of a central labour organisation will not be the organisation in its real sense but a disintegrated mass or group of people and states within states with a common surname.

The real strength of the organisation lies in the personal and informal contact of the leaders with the field workers. In fact, the leader must be an ideal field-worker standing in the forefront of the march, an idealist and a crusader working shoulder to shoulder with his men, an elder member of the family of each of his co-workers. The whole group of activists of the central labour organisation and its affiliated unions must form a common family of persons with shining character. They must know each other's strong and weak points, have intimate relationship like close friends so that

a family of one can depend upon the family of other in all times of need and share common feelings of life. Then alone the master-mind group of such a central labour organisation will be in a possition to commit workers for a common policy. In such an atmosphere all the activists and in varying degrees all the worker-members will participate by a natural process into the formulation of policy and decision-making and abide by the same in letter and spirit. A mere office vested with constitutional control and financial sanction, an imposing headquarter run by strong men may create for sometime an illusion of a well-knit organisation, but as soon as the question of translating difficult issues of policy will seriously confront this organisation it will immediately be found to be a mere paper organisation or agglemoration of careerists with no real control over labourers and their units. Otherwise it will be only a sena of agitators and so-called revolutionaries who have no capacity for any constructive end of policy. On the other hand, a central labour organisation whose leaders may be difficult to be found in any central place or difficult to be booked for high-level consultations but who are always available to any of their workers at any corner of the country, whose public appearances and utterances may be a rarity but who enjoy the confidence of many souls will be found to be the most dependable for giving a real influence and direction to national policy on labour. These are the qualitative tests for central labour organisations which can become the agencies of national reconstruction. The constitution and finance have only an auxiliary or derived value. Any exclusive reliance upon them as factors contributing to the intrinsic strength of trade unionism will be a mistake while formulating a programme of practical application of a national labour policy. Many internal bickerings, lack of public trust and faith in the capacity of labour organisations arise because of the non-recognition of these real tests in depending upon the strength and support of labour organisations in the field of policy formation. If we want that the workers of the country should adopt a particular direction in the conduct of the trade union movement through the programme agreed by the Central labour organisations then we must be well informed about these real sanctions of central organisations. The labour organisation is essentially a free association of individuals. The nature of the sanctions of this social body is therefore bound to be different than that of an official body like state or industry.

This discussion leads us to yet another topic viz. that of union finance. A suggestion is made by some friends of labour that in order to build a strong trade union movement the membership of a trade union should be made compulsory for each employee and the membership fee should be kept sufficiently high by a legislative enactment. We hold quite a contrary view in this matter. We are of the firm opinion that a uniform realisation of membership fee should not be the criteria of the strength or solidarity of a union. The real strength of a union is felt in day-to-day

dealings and does not require to be proved by membership register or ballot. The finances of a union are likewise built not by constitutional subscriptions but by a loyalty and dedication of workers to the cause of their own trade union. All other methods of raising finance carry a corrupting and dead-ending influence on union strength. We are therefore of the view that the idea of a monthly or periodic subscription as a measure of reckoning union membership is of no value for a real work. It should be enough for a worker to enrol him self voluntarily as a member of the union. Once duly enrolled he should be held to be continuing as a member till such time as there is a willing termination of such membership from either side by a similar open declaration. The neglect of a member for a continuous period in taking any active part in union work or in making contributions to union funds can be one of the reasons for the termination of his membership by union action but the membership should not be considered as automatically lapsed due to neglect of making the periodic contribution. There should be no fixed rate of union subscription. However, there must be a standing union fund to which each member is called upon to contribute or donate any sum he finds fit from year to year or on specified occasions or as a regular routine. The funds so built in will form a real trust of the workers and give the soundest support for its growth and development. The central labour organisation will likewise draw funds from their affiliated unions as one body of workers or a common family and thus carry forward the cohesion and fusion of elements which alone make a sound and lasting construction or building of a nation. Not a pie of these funds should be allowed to be diverted for a political cause. That will then make the central labour organisation an effective and dependable limb and organ of a free nation.

### Employers' Organisations

As the industry-wise bargain and wage-board and tribunal begin to take a serious grip of the industry, the necessity of a well-knit organisation of employers having sanction against their members becomes more and more evident. Recently we have come across many wage-board decisions and even settlements which are being openly flouted by many employers on one ground or the other. Many employers in news-paper industry have characterised the award of wage-board for working journalists and non-journalists as beyond their means. Even in the Banking Industry the various provisins of bi-partite settlement have not been implemented by various banks on grounds of administrative inconvenience. It is necessary to go to the root cause of these happenings and find out a lasting solution. At the root of things there appear to be three major causes for the present state of affairs. The first is the condition of mutual suspicion and competition between various employers making them reluctant to exchange information about each other's business dealings and financial position. This leads to the second difficulty of nominating a bargaining agent on behalf of all employers in one industry who can carry the necessary mandate to fully represent and commit all the employ-

ers in a bargain or place their full views before a tribunal or wage-board. The third is the utter lack of sanctions necessary for implementation. As a result, the unity of employers' organisations, just like the unity of workers, is often held by indulging in only an indiscriminate attack on the other party. The tight self-discipline that is necessary for any give and take is almost absent. No serious approach to the solution of problems of industrial relation is possible under these circumstances. One way to find out a solution in this regard can be to divide the employers as a matter of general policy into three groups viz. small, medium and big for purposes of representation in industrial meetings. The division can be on the basis of working capital or number of employees in respective firms or profits or any other suitable criteria. This will stop the tendency of big fish swallowing the small one in the process of industry-wise bargain. A well-marked division of employers in these three classes and wherever necessary even a further division in them on basis of the rural and the urban shall go a long way in influencing the thinking of employees by a corresponding change in presentation of demands and other grievances. The class-wise associations of employers can then be more free and confident in facing the issues at the stage of discussion and finalisation of a bargain and can arm themselves with effective sanctions to deal with violations of agreements or award. The sanctions for employers organisations have got to be different from those of workers. They will have to be based in the present circumstances on statute and law till such time as the concept of industrial family becomes once again general. About this, we shall speak later in this chapter.

### Discipline and Efficiency

Much has been said in the recent days about the indiscipline in the rank and file of employees and irresponsible poses of the union leaders. In this connection it cannot be denied that one section of labour leadership-more prominently the one following the Chinese dictator Mao Tse-tung is openly against making any improvements in work standards. As the latest thesis of Mao on trade unionism puts the position "If the five elements; viz. money, welfare, production, experts and technique are permitted to take command, then proletarian politics could not. These monetary incentives are pushed to stir up the evil mind of economism in order to smash the unity of working class and undermine the socialist economic base. The vicious intention to make the workers bury themselves in production is to make them ignore revolution and politics and forget class struggle and the dictatorship of the proletariat. The concentration on production would lead them on to the road of capitalist restoration." The trade union leaders who follow this doctrine of Mao or its like do undoubtedly indulge in promoting habits of non-co-operation and destructive militancy. That is, they will say a class war. And war means destruction. In a national concern for discipline and efficiency all such poisonous elements have to be weeded out from the body-politic and body-economic of the nation. They have pitched their tents as base of operation in the field of industrial relation

and are casting an evil influence on worker's moral and are misguiding their enthusiasm. It appears that many employers and politicians and even some nationalist labour leaders have not yet understood the technique of this communist movement which is a great promoter of indiscipline and inefficiency on the production line. The persons following this technique either openly or under any disguise must be isolated and severely dealt with in an effort to bring in improvement in discipline and efficiency.

Once the above influence is isolated in our thinking and practice about bringing more and more efficiency and discipline, then it will be clear that the average worker in India is not either less or more disciplined or indisciplined than the average citizen of the country. He shares the general psychological climate of the country and does not pose an isolated question. The lack of a disciplined approach proceeds from the top-most politicians and ministers who appear to have no ideal of service to the country but to run after power, prestige and position. In the industry the concept of 'Adhikar' the natural command flowing from proficiency and tapasya, has given place to bossism, industrial excellence is forgotten before business profits. A change is necessary in the valuations of life. After all, Industry is people and Management is Behaviour and behaviour flows from attitude and valuations. The attitude of an employer must be as the Jain School has put it, that of the 'परिग्रह परिमाणव्रत'–the fifth vow for Shravak Grahasthas, the vow of setting a limit to the maximum wealth that one would possess. And what is this maximum; but the one just necessary to feed one's belly. In the most natural order of human living what one takes into his stomach is his only private property.

यावद् भ्रियेत जठरं तावद् स्वत्त्वं हि देहिनाम् ।
अधिकं योऽभिमन्येत स स्तेनो दण्डमर्हति ।।

This concept about limitations of private property has been repeatedly held by Indian thought as in Isha and other Upanishadas and in various discourses such as the famous one between Janak and Sulabha as reproduced in the Shanti-Parva of the Mahabharat. The whole trend of Ashram Dharma was based on non material pursuits of life. Once these concepts are enshrined in the formal structure of society, just as the idea of industrial family embodies it in a natural way, then the whole attitude undergoes a necessary change. The ends of work also then get themselves uplifted from the two Purusharthas of अर्थ and काम–to the two others viz. मोक्ष i. e. Perfect Freedom and Mastery through the धर्म. The Indian workes has got a deep rooted innate instinct in this direction. The real fact is that this best part of his nature is either totally ignored or belittled or is sought to be employed to serve the greed of the rich and wealthy few. Even today, when he takes up the cause of a trade union movement it is not so much to further his pretty selfish

interests. He takes it because of either the interest of general collectively or because he desires to set right the disorder the अधर्म which he finds that the mighty ones are persuing by wrongful appropriation of wealth and property and powers to themselves for their own selfish ends. In fact it is the business of the State who holds the rod of law to book and punish the culprits or अधर्मगामी. It can do it by taking appropriate penal action to see that no one moves with a lust to possess or own more than what the society has decided as the maximum. The work of trade unions is done as soon as they point out to the Government the aberrations of धर्म done by the employer or any officer. In fact, the true intentions of Indian worker are also limited to this view. He is interested in the establishment of Dharma, the discipline of the race and culture. That is the motivation which has thrown up the best of leadership of the Indian worker, a leadership whose motivation has not been self-seeking or a career and profit, a leadership that has born out of sacrifice and hence followed faithfully by many. But the Government and rulers of economic machine have not yet given any channel for the exercise of these aims of Bharatiya Mazdoor Manodharma. A spontaneous discipline, a discipline evolved out of one's own mind and not imposed by outer rule presupposes a sacred alter to which it can surrender and dedicate itself without any calculation. The inspiration for such an obedience can never spring to oblige the changing whims of a directionless authority. It has been well said that 'First obey and then Command'. This is true not only for the narrow discipline or individual apprenticeship but also for the great work of a nation-building activity. Let the leaders of industry and State obey faithfully and religiously the dictates of a true dharma and the obedience of worker will naturally follow. In order that we may enthuse the worker with ideals of discipline and efficiency we must surcharge the whole atmosphere with the spirit of dedication and sacrifice and give to the people a vision without which they may easily perish. And the start must be from above for people adopt their attitudes from those of high—

यद् यद् आचरति श्रेष्ठः तद् तदेवेतरो जनः ।
स यत्प्रमाणं कुरुते लोकस्तदनुवर्तते ॥

This is the true method of inclucating discipline–the influence of a high ideal and example at the top level and there is none other.

### The Middle Management

In the whole sphere of industrial relation the role of the middle management and technicians is one other focal point that demands considerable attention in any national programme. This is indeed a key sphere of industrial activity, the backbone of routine administration, a nerve centre of industrial life. One competent observation of both the capitalist and the communist world gives us a verdict that both these systems have already given way to a managerial state in which the day-to-day executive dominates the whole show.

The position of these layers of managements, starting from the first line supervisor to the top executive is quite delicate in terms of employer–employee relationship. While they are a management and employer to the worker, for their own problems they are still employees even worse placed than the ordinary worker. A neglect of this delicate role has many demoralising effects on industrial relation. We have already opined in other parts of our submission that separate legal provision should govern their relations and problems. This is necessary but not an adequate condition. What is further necessary for this stage of personnel is constant refresher programme to widen the horizons of understanding on the one hand and a respectable status in formulation of industrial policy on the other. It is at this level that day–to–day attitudes in work, understanding of details, maintenance of routine efficiency, implementation of developing policy, building up of human relations in industry, etc., take their practical shape. Delegation of power and responsibility, decentralisation and co–ordination in administration, customer satisfaction, accounting details, technical sophistication, achievement of day–to–day physical targets of production all depend for their effectivity on the behaviour of this middle level in personnel hierarchy in Industry. This is also therefore a field where many currents and cross-currents of ideas, shades of policy, degree of emphasis and priorities among various alternatives, shrewed calculations of timing and placing of things find their vast play ground. And in their trail these forces toy with fortunes and ambitions, prides and prejudices of persons having a wealth of relations and intelligence. A skill and touch in human dealings finds its most effective office at this level. Power runs speedily from hand to hand at this stage. It was not for nothing that Emperor Aurangzeb said from his death–bed, "In a twinkle, in a minute, in a breath; the condition of the world changeth". This is a constant experience (though on a small scale) at this level which makes for persons in this position all the more difficult to hold out any firm promise to anybody in their day–to–day affairs. And yet this is the level which must play for society a stable and dependable role. This difficult work is not possible unless we take great pains to create and maintain the competency for this class of persons. It may be noted here that in the trade union hierarchy also there is a similar class of field–workers and union–level leaders who are constantly faced with similar problems, no sooner they divert their attention from purely agitational postures to the solution of day to day problems. When the problems arising out of complaints regarding change in job content, work–load, seniority, promotion, transfer, change in comparative positions, reconciliation of disputes between various categories and regions, determination of wage differentials, acceptance of rationalisation schemes, handling of various grievances and individual or group cases, complaints of discriminatory treatment, containment in case of disciplinary action, maintenance of incentive schemes and productivity targets, and various questions arising out of personal treatment etc., begin to engage their attention, as indeed they should for any genuine trade union they also find a need for the development of a mental culture akin to that of the middle management group. We have

therefore two suggestions to make in this regard. Our first suggestion is that a programme of supervisory training and refresher course should be launched on a national scale with great vigour and competence to build up a national profession of administrators. In these classes for supervisors the trade union leaders should also be encouraged to participate on a equal footing. So also under the programme of workers' education scheme the classes for trade union workers should be left open for supervisors and it should be compulsory for any administrator that he must take a proper training in trade union work. This practice will promote mutual understanding, widen the mental horizon and equip the key personnel in industrial relation for the tasks that nation expects from them. In order that the united march of people may become a living reality the economic casteism between layers of management and layers of workers must be abolished just as the new casteism and touch-me-not-ism of political parties need also to be abolished. Our second suggestion in this regard is that the technical and managerial personnel should also find a distinct representation in ownership and control of industry. Between the two factors viz. Capital and labour, the collective share of technical and administrative personnel may remain smaller in total quantum than that of the labour, but every individual share shall be bigger than that of average worker's individual share. It is our hope that these two methods will go a long way in binding all the personnel in industry in one hoop or a common ring and facilitate the growth of that another institution i. e. the industrial family. Mahatma Gandhiji used to say "True social economics will teach us that the working man, the clerk and the employer are parts of the same indivisible organism. None is smaller or greater than the other. Their interests should be not conflicting but identical and inter-dependent." The commonness between the so-called two sides of industrial relation is so deep that in many countries it is being increasingly found that the trade union leader and administrator, not unoften, change their positions for each other. We who have a better cultural heritage of equality and brotherhood and who possess the advantage of a late start in industrialisation when pit-falls and lessons of West can be profitably used from the beginning, should now start viewing the problems and equipment of trade union workers and administrators on a more comprehensive basis. This will hasten our march towards the establishment of a industrial family system.

### Industrial Family

The original concept of Indian industrial family did not contemplate existence of employer-employee relationship. It consisted of all persons connected with the processes of production or distribution of any one commodity. Within the family, all members enjoyed equal status, and elected unanimously their Executive or पंचायत which was a collective कर्ता of the Family. All members had the status very much akin to that of co-parceners. Every industrial family was autonomous and self-governed so far as its internal administration or property relationship were concerned. The state was required to assist its

internal affairs only when it was called upon explicitly to do so by the Executive or members of the family. Every industrial family had a measure of freedom in dealing with other industrial families, though the state had authority to regulate these dealings in general public interest and every family was expected to consider itself as part and parcel of the entire nation which rendered mutual harmony and homogeneity practicable.

There are no such industrial families in India today, employer-employee relationship has come to stay except in some parts of the self-employed sector and a new class of managers and technicians has emerged in the process of industrialisation.

Under the new circumstances, it would be necessary to build up in every industry, on the original principle of internal autonomy, separate industrial families for these three sets of people. It would be possible to unite the three units into one industrial family after the workers and the managers and the technicians are made co-partners of their respective industries sharing with their present employers not only the profits and the management but also the ownership of their industries.

It would be least difficult to unite workers in their industrial families, if their trade unions are strengthened and made disciplined. Their national industrial federations, if properly organised, can play the role of such families.

National federation of associations of managers and technicians in every industry, when organised, can fulfill this need, provided they do not confirm themselves to the task of more exchange of views and experiences, and bring within the purviews of such federations all the various subjects connected with their role in the industries.

National federations of the associations of employers in different industries must also be organised and their Executive vested with sanctions and authority very much similar to those of the Executives of the original industrial families. The management of the entire capital invested by various employers in the industry should be entrusted to the national federation, which should treat it as a common industrial fund for the purposes of formulating and implementing policy decisions on all subjects within its jurisdiction, such as, rationalisation schemes, wage policy, bonus, implementation schemes, wage policy, bonus, implementation of labour laws and awards, etc. While all such federations should enjoy internal autonomy, it should be obligatory on them to follow the national financial discipline. Theirs will be the overall accountability to fulfill the targets of the plans. While every member-employer will have a right to own his own capital, its management and deployment will be the sole charge of his federation in whose decision-making he, along with other member-employers, will have a right to participate. Instead of dealing

directly with individual employers the Government will be required to deal with their federations only.

These, in brief are the broad outlines of the industrial families envisaged by us for the immediate future, though, as stated earlier, we aspire for large return upon the original idea through the merger of the three sets into one, consequent to the copartnership of workers, managers and technicians in the ownership of their respective industries. That would be the ideal condition for which we have to strive, while the concept of three sets of families within every industry is only a stop-gap arrangement during this transitional period.

In keeping with the original pattern, we stand for participation of all industrial families in the government and administration of the land through the principles of functional representation. How this system can be introduced alongside the current system of territorial representation will have to be worked out as and when these families are organised.

We lay great stress upon internal autonomy of these families which will themselves be subject to national discipline The self-determining family living according to the right and free law of its being is the ideal. We conceive of a state whose business, in the words of Sri Aurobindo "is not to interfere unduly with the life of the society, which must be allowed to function for the most part according to its natural law and custom and spontaneous development, but to superintend and assist its right process and see that the Dharma is observed and in vigour, and negatively, to punish and repress and, as far as may be, prevent offences against the Dharma."

### Outsiders

Who are the constituents of the industrial family or workers? Workers who are employed in the industry, the ex-employees of that industry, and the wholetime-workers of trade unions functioning in that industry. For the purposes of trade union activity the latter two must be considered as part and parcel of the industrial family, provided their sole work is trade unionism only.

We stand for complete elimination of 'outsiders' from the trade union movement. They are like creches to be dispensed with as early as possible. Their indispensability only indicates the weakness or the backwardness of the trade union organisation in the country. For, trade union is an organisation of the workers, by the workers, and for the workers. But ex-employees and whole-timer, genuine trade unionists should not be treated as 'outsiders'.

### Workers' Education

### The Board's Work

In view of the fact that the workers' Education Scheme is so recent and so novel in India, we are inclined to feel that its present rate of progress is

satisfactory. Though the programme is not being operated presently by an autonomous Central and Regional Boards, to be taken over, in time, by the trade union movement, as recommended by the experts' team initially, the operation of the scheme without legal sanction so far is in itself a bold experiment in pioneering. It is true that the scheme is not yet adequately trade union oriented; the suggestion of Dr. Charles A. Orr, an I. L. O. expert, to appoint active trade unionists as education officers at regional centres is not yet implemented; the recommendations of the Review Committee of the Board regarding much greater involvement of trade unions, State Governments, Universities and Colleges in the Programme and direct involvement of Universities and Colleges in the education at programme and assessment of the results, is not yet paid the regards it deserves; and the recommendations of the Bombay Committee are not yet successful in moulding the character of the Scheme. Nevertheless, in view of the available time, energy and funds, the progress made so far seems to be commendable.

Broadly speaking, the main organisational pattern which raises Educational officers, worker–teachers and trained workers in phased programmes is suitable for the purpose in this initial stage. A detailed evaluation of the scheme on the pattern of that by the Bombay Sub–Committee, is already overdue and will help determining the future direction of the scheme. Even the present scheme can be treated as a pilot project and we have had already time to learn and profit from its mistakes. Our experience in the past will indicate the line of qualitative improvement in the future.

It must be admitted that the scheme has failed so far, to catch the imagination of trade unionists who feel that the products of the scheme will not necessarily be better trade unionists, since the syllabi are not trade union oriented. Trade unions themselves did not sufficiently draw upon grants–in–aid from the Board, because of the rigidity of rules and conditions for the same. We are happy to note that the Board has realised this fact and has taken certain steps in the right direction, but further liberalization and simplification of procedure is called for. Trade Union should be encouraged to conduct similar classes on their own initiative, with the syllabi, grant–in–aid and supervision of the Board and, if they so desire, with the assistance of education officer of the Board services of active and promising trade unionists should be made available to the scheme, and academic qualification prescribe for the purpose should be waived.

We agree with the recommendations of the Committee on the curricula and syllabi for the various courses. Greater concern for and concentration upon the subjects that have direct and urgent bearing on the inculcation of trade union leadership qualities in the context of the modern times; development of productivity–consciousness, dominant place to (i) the purposes of trade unions, (ii) trade union organisation, administration and procedure, and (iii) trade union management relations and problems of collective bargaining, in the syllabi,

replacement of the present units level classes pattern shaped on the fashions of one-worker-teacher-schools, by three teacher schools, emphasis in the unit level classes on lectures of guests and education officers; arrangement of refresher-courses for worker-teachers; production of educational films; equipment in the form of film-cum-library vans, projectors, etc.; improvement in the quality and diversity of visual aids like film-strips, Flipcharts, Flash cords, etc.; conduct of case studies on important, current industrial topics; preparation of model lesson plans; vertical coverage of workers on industrywise basis, a third level training to shop-stewards; special training programmes for executives of the unions in the same industry, and seminars and conferences for senior executives of the unions in the same industry; special training programme for branch executions and senior executives of unions; these among others, are the main recommendations that we endorse. But we do not agree with the suggestion that we should have different courses as between persons who are to become worker-teachers and those who are to engage in trade union work. There should be one single comprehensive course for both, extending over a larger period. If the duration of course is extended, there need be no fear of essential parts of the training being diluted or relegated to secondary position. True, the objective of the workers' education scheme is to expand and strengthen the trade union movement, to help building up constructive leadership of trade union movement understanding both its rights and responsibilities in a dynamic and growing economy, leadership democratic in the management of its own internal affairs and responsible in its relations with employers, society and Government. But we cannot appreciate the utility or advisability of bifurcating courses for worker-teachers and trade unionists. Such bifurcation will render trade unionists narrow-minded and worker-teachers merely academic. A comprehensive syllabi covering both the aspects with equal emphasis, to be extended over a longer period, is the proper course. We do appreciate the recommendations of the Bombay Committee; but their implementation need not necessarily lead to the bifurcation of courses. We further plead for organisation of joint courses preferably with vertical coverage for executives of both trade unions and managements with a common syllabi consisting of subjects of common interest such as, productivity, industrial psychology, principles and procedures of collective bargaining, etc.

In cases of vertical coverage whether in workers' education classes or joint courses referred to above, the syllabus should be modified so as to suit the special needs of the concerned industries. Preparation of somewhat separate syllabus for each industry is certainly difficult, but that will go a long way in enthusing trade unionists and in rousing active interest in the minds of those at the helm of the managements whether in the private or the public sector. Provisions of time-off and of facilities for conducting the unit level classes in their own undertakings, would not be as difficult a problem than as it is today. We are convinced that all-sided co-operation can be best achieved if the classes have vertical coverage and corresponding syllabi.

The formation of a non-official Workers' Education Association acting in co-operation with the adult education movement is a good suggestion by the team of experts. But we feel that the time is not yet ripe for the implementation of such a scheme. Let a stage be reached when the workers' education scheme can be handed over to non-official agency first and then to trade union centres. Then the scheme worked out by the trade unions will be in a better position to encourage and initiate the formation of such voluntary association or associations. Any such move at the present juncture will be immature.

Even the quantitative expansion of the present workers' education scheme may be postponed for sometime to come, and great stress laid upon the improvement of its quality. Once the model of such a scheme is perfected even on a smaller scale, it would be easier to extend the frontiers of such a model. This should be a period for consolidation and improvement, and not for expansion, which can be profitably planned once we reach our qualitative targets in this respect. Development of the central training institute, into a workers' university, transfer of the scheme on a pilot basis to selected trade unions, complete transfer of the scheme to the trade union movement—these are the measures that can be taken up later on. Extension of the benefits of the scheme to agricultural and other workers may also be postponed. Let there be complete concentration on the qualitative improvement of whatever is already undertaken.

Vacation labour schools being run in the universities and labour institute is a commendable idea. Establishment of workers' education departments in the trade union centres is also a helpful measure. But initiative in both these matters should be taken by the Labour Ministry, and the Board should not be entrusted with this work, at least for some time to come.

It is obvious that no long-ranged programme of workers' education can achieve sizeable success so long as illiteracy among workers is not completely removed. The Government should encourage and assist various organisations, such as, the Indian Adult Education Association, to further expedite their work in this direction. This is a must, but the Board should not be involved, directly or indirectly in this effort. The Government of India must shoulder this responsibility squarely.

What we want to emphasise is that the concept of "workers' education" is much more comprehensive, and should not be limited to the work we wish to be entrusted to Workers' Education Board. The work of the Board is important enough; but it constitutes only a part of the total concept of workers' education which should also enable a worker to become an efficient promoter of his industry and an ideal citizen of the country. Hence the need to bring into play the various other agencies for this purpose. It should be the responsibility of the Government of India to activise these agencies in this direction.

### On the Job-Training

Another aspect of workers' education is on the job training programme to be carried by each industry or even firm and undertaking. The second world war has witnessed a splendid growth of the technique of training within industry, on the job-training, short-term refresher or retraining course. etc. for acquiring of new skills by the workers or development of existing ones. A variety of methods such as demonstrations, documentaries, miniature models, etc. were used even during the intensity of war efforts as quick and effective ways of imparting technical education which is so necessary in a fast developing world as ours. All this experiment of the West, the science and technique of ground-to-the-earth type of technical education, the way of giving technical insight for a common worker and arousing of his interest for technological renovations is all for the good and can be mostly copied from the economically developed countries. We have already said elsewhere that we should not borrow indiscriminately foreign technology but develop our own indigenous one. But this does not amount to saying that we should neglect the development of scientific temper and generalisation of technical skill and regard for modern developments of science in our own people. That will be a suicidal mistake. The West has shown a spiritual curiosity in understanding and utilising the qualities of matter, ways of chemical action and processes of energy and has religiously developed a Shastra of its minute application. It has given a detailed ritual for the construction and maintenance invocation and growth of mechanical power, has studied its whims and fancies and is continuously giving us the cares and precautions that are necessary to keep this deity pleased and in order. All this religious zeal about science and technology has been indeed the true contribution of West to East. This should be studied well and imbibed for our own benefit. A complete education of the worker should include all these schemes as developed by Western thought and practice.

We may add to this one another important dimension. This too is acknowledged by the West. But it is most used to break the worker's monotony and keep him interested in the job. But in fact it is quite capable of being developed to larger and far higher proportions. This aspect consists of giving to each worker a perfect and full idea about the importance of his job in co-ordination with other functions carried on in the industry. Without such a knowledge the worker regards his job as a mere monotony. He does not understand the true effects or seriousness of his mistake, if he does not see the importance of the end result and contribution of his work in that end result. The perspective of the whole work, the specialising virtues that produce the distinguishing brand of his company, the imbibing of the spirit of his firm and industry (कुलधर्म, जातिधर्म) are the aspects in a worker training programme which must not be lost sight of by holding to a narrow definition of on-the-job training The difference in outlook that such a wider view can give to the worker is indeed life-giving. Without it he will be a human skeleton.

In a large-scale undertaking with its division of work and specialisation there is a tendency to neglect this factor at the floor level. This neglect widens the distance between the common worker and top-executive to such a degree that when they talk together about their plant they speak indeed two different languages and do not understand each other. So this understanding of the objective of work and importance of each detail in the whole plan should form the essential part of on the job-training schemes. In this connection, a story is told of three workers who were doing an identical job of stone-cutting. On being approached by a third person with a question to each worker as to the nature of job he was doing, the first angrily replied, "Can you not see that I am cutting stones?" The second pitifully said, "What to do? I have to do something to fill my belly. So I am cutting this stone." But the third hardworking one said with cheer, "We are going to build here a beautiful temple. I am working to realise that dream of my people." The first one is a man who is in conflict with his own work. The second has resigned to destiny; while the spirit of the third is indeed the essence of true education. The aim of all workers education must be to bring to every worker the great realisation of the fact of how through the perfection of his daily routine the shrine of Nationalism, Bharat-Shakti is being built in the country. Thus the industry can prosper both technically and socially, by bringing in its on-the-job training programme the vision of its national goal. For though the agency of on the job training has to be the Industry-it will not be able to make its programme of workers' technical education perfect till it informs the details of its technical education with the wider vision of its goal.

### Workers' Education as Citizen

No scheme of worker's education can be complete or yield desired results so long as average worker is not elevated to the status of an ideal citizen, a responsible member of the society. Apart from formal, academic education, cultivation of idealistic attitude and approach also becomes necessary for the fulfilment of this objective. This presumes voluntary adoption of the goal of national reconstruction by all citizens and their will to strive their best, at all sacrifice, for the achievement of this goal. Only such an atmosphere can inspire workers to make highest possible contribution to the national production and prosperity.

Number of institutions, educational, social and cultural, that are functioning in the country today will have to undertake this work. Concerted efforts of all these who mould the public mind would be welcome and inevitable. It is not for us to name or enumerate all such institutions, probably many more will have to be set up. What all we want to stress is that bad citizen cannot make a good worker, and that workers can be expected to play their role in an ideal fashion only after the general citizens of the country imbibe and manifest in their day-to-day affairs the spirit of high

idealism. This is a far bigger problem that waits to be tackled by the real leaders of the nation–whosoever they may be.

### The criteria of success

Every seed is known by the fruit it yields. We have discussed the various aspects of worker's education. What is the criteria of their success?

In the last analysis, man is the criteria. Has education succeeded in making worker a good man? A good citizen identified with the nation? A good promoter of industry identified with his industry? A good trade unionist identified with his co–workers? For, the essence of all goodness lies in identification with the larger and still larger social organism. In its highest form this means complete self-abnegation or in other words, identification of one's self with the universal self. Such person not only exerts himself for बहुजनहिताय, बहुजनसुखाय, he is in fact सर्वभूतहितेरत: He is perfectly identified with, and, therefore dedicated to the non–self. All his aspiration is to make others happy. Like his illustrious ancestor he also declares—

न त्वहं कामये राज्यं न स्वर्गं न पुनर्भवम् ।
कामये दुःखतप्तानां प्राणिनामार्तिनाशनम् ॥

"It is neither political power, nor heaven, nor even rebirth, that I aspire for; My only aspiration is to relieve all afflicted beings of their afflictions.

In spirit he is one with Raja Shibi, Buddha, Mahavir, Father Damien, St. Francis of Assissi or Vivekananda.

He is an ideal cltizen, an ideal promoter of industry, an ideal trade unionist,–a ripe fruit of ideal education. Education will be considered as a success only to the extent to which it helps an average worker to understand this goal, to strive for it and to realise it.

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CHAPTER XVII

# Civil and Political Rights

The employees in the public sector and their dependants have many impendiments in the free pursuit of their rights, compared to private sector. The employees' in public sector undertakings, especially those run by the Govt. are restricted under the Service Regulations from taking part in political activities on the ground of public interest. Employees of municipal corporations and State owned corporations do not enjoy the political rights. It is also learnt that employees of various public sector undertakings, who want to contest even the civic elections, have to seek the permission of the employer, unlike Private sector employees. The same applies to contesting for the election or canvassing in election to the State Legislature Assembly and Parliament.

All the citizens of India are equal and must enjoy equal rights, whether political or others. Hence, the denial or restriction of any political right or other rights to the workmen of Public Sector undertaking or to the Govt. servants, or to their dependants, is extremely unjustified and can not be tolerated in free democratic country, like India. They should not be under any disability as compared to the employees in the private sector. All disabilities should therefore be removed.

However, as regards political rights two exceptions may be made. One in the case of army where the military discipline is required and other in the case of Class I Govt. Officers who are required to take top-level strategical and confidential policy decisions with regard to the administration of the State.

### Suggestions for Amendment

We submit our further suggestions for amending the labour legislation:-

1. Courts have now held that benefits resulting from agreements and awards continue even after their termination. This provision must be expressly included in statute.

2. The provision of Industrial Disputes Act should be suitably amended so as to enable the workmen concerned to have direct resort to the adjudication machinery in connection with the disputes relating to discharge and dismissals and the adjudication machinery should have full powers to decide the matters. The adjudicator should be vested with full powers including the power to admit fresh evidence, to decide as to whether the enquiry, if any,

held by the management was fair as also to decide the resonableness or otherwise of the quantum of punishment and to grant compensation in addition to awarding reinstatement with full back wages.

3. The provisions of Industrial Disputes Act relating to retrenchment should be amended so as to cover all cases of termination of employment excepting these which are by way of punishment, or on account of reaching the age of retirement or on account of continued ill-health of the workman. The cases of termination of service by way of discharge simpliciter should also be covered within the scope of retrenchment. If necessary the whole terminology of Chapter V–A may be changed by removing the word "retrenchment" and the words "termination of employment" may be substituted.

4. The provisions of Industrial Disputes Act should be suitably amended so as to specifically provide that if the conditions mentioned in Section 25 F for retrenchment have not been fulfilled, the workmen shall be deemed to be in employment with his usual wages and allowances.

5. With a view to remedy the position arising on account of the Supreme Court decision that even a minor union can terminate the settlement or award, the Industrial Disputes Act, 1947 has been amended by Industrial Disputes (Amendment) Act, 1964 and sub–section (7) has been added to section 19 of the Act providing that no notice given under sub–section (2) or sub-section (6) will have effect unless it is given by a party representing the majority of persons bound by the settlement or award as the case may be. It seems this is likely to create complications especially when a Union intends to give notice of termination of settlement or award, as in majority of cases, the union will not be having more than 50 percent of the workmen employed in the concerned industrial establishment as its members, even though such union can raise an industrial dispute on behalf of the workman. It, therefore, seems necessary that sub--section (7) of Section 19 may be suitably amended so as to enable the termination of a settlement or award by workmen through their union having the prescribed percentage of membership amongst the workmen of the concerned establishment. The appropriate Governments may precribe the suitable percentage for this purpose more or less on the basis of the practice followed by the Governments concerned in admitting disputes raised by unions having particular minimum percentage of membership for conciliation. It may also be provided that where there are more than one unions in existence in a particular establishment, only the recognised union, if any, should have right to give the notice of termination.

6. It has been held by the courts of law that the inspecting authorities under various laws do not have power to call for and produce the records, documents, etc. in their offices. It is considered very necessary that for the proper enforcement of provisions of laws such as Factories Act, Minimum Wages Act, etc. the inspecting authorities are vested with powers requiring the production of records, documents, etc. in their offices also.

7. It has been noticed that the workers sometimes enter into long term settlement or agreements which are not bonafide or increasing prices of essential articles make them out of date. But the disputes are raised when the workers realise that settlement is not beneficial. However, they are bound by subsisting long-term settlement. The I. D. Act should be suitably amended so as to empower the Government to reduce the operation of settlement, as it is in the case of awards.

8. Section 9A of the Industrial Disputes Act should be deleted. No employer can be allowed to effect any change in the conditions of service applicable to the workmen merely by giving notice of change. The service conditions can be changed only by the settlement or an award.

9. The Industrial Employment (Standing Orders) Act 1946 at present covers only industrial establishments, leaving many establishments outside its scope. All the industries within the meaning of Industrial Disputes Act must be included within the scope of the said Act.

10. The Standing Orders Act is applicable to establishments wherein 100 or more workmen are employed. Normally, the labour laws are applicable to establishments employing 20 workmen. It is necessary and proper to extend the benefit of the said Act to the workers of as many establishments as possible. The provisions of this Act should therefore be made applicable to all establishments wherein 20 or more workmen are employed or were employed on any day in the preceding 12 months.

**Problem of non-implementation of awards and non-payment of legal dues**

The problem of non-implementation of award and non-payment of wages and legal dues to the workmen by avaricious and selfish employers, threatens the entire social fabric with grave disturbance or ultimate subversion or ruin. This tendency of shamelessly flouting the law by delaying the payment of wages and legal dues to poor workers on one excuse or the other, should be checked immediately and urgently. Otherwise the patience of the workers may be exhausted and they may be compelled to react sharply and violently and resort to various means, legitimate or illegitimate. It is a sad commentary on the administration that even after 21 years of independence, large-scale violation of law by the anti-social employers is tolerated by the Government, and the poor workers are driven to the court even for enforcement of their existing rights and recovery of earned wages.

This malpractice of deliberate delay by the employers is of course old one. In 1926, the Government of India addressed Local Governments with a view to ascertain the position with regard to the delays which occurred in the payment of wages to persons employed. The investigations revealed the existence of abuses. The material collected was placed before the Royal Committee on Labour in 1929. The Commission collected further evidence on the subject as a result of their recommendations, the Payment of Wages Act was enacted.

The general purpose of the Act was to prevent employers from delaying the payment of amount earned by the workmen beyond the prescribed period, under some pretext or the other. The Act provides that the wages shall be paid on a working day within 7 days of the end of wage period or within 10 days, if 1,000 or more persons are employed. It further provides that the wages of the persons discharged shall be paid, not later than the second working day after his discharge.

Various other acts also provide for the time limit to make the payment of legal dues to the worker or for contributions to the lawfully constituted authority such as Provident Fund Commissioner or Employees State Insurance Corporation etc. The Industrial Disputes Act provides that an award shall become enforceable on the expiry of 30 days from the date of the publication of the award. This means that all dues arising out of award should be paid to the workmen within this one month of the publication of the award.

As regards the payment of Bonus, the Act provides that the payment should be made within 8 months of the end of the accounting year.

Under Section 25 F of the I. D. Act the payment of retrenchment compensation is a condition precedent to a valid retrenchment and the compensation equivalent to 15 days pay for every completed year of service or any part thereof in excess of six months, is required to be paid prior to the date of retrenchment.

In spite of all the above laws prescribing time limits for payment of wages, bonus, retrenchment compensation, legal dues arising out of the settlement or award etc., it is common experience that payments are not made and awards are not implemented in time by various defaulting employers. For example, the Labourers have not been paid their regular wages for 6 to 9 months in the Mica Mining fields of Bhilwara in the Rajasthan State. In Bombay, the management of the United Engineering Works refused to implement even consent award of the Industrial Tribunal when approached by the Engineering Mazdoor Sangh, and repeated the same performance before the Asstt. Commissioner of Labour, when the management was asked to implement the award. The workers were therefore compelled to resort to strike for the implementation of award. This law defying management thus refused to pay the workers even their earned wages, in spite of the Labour Officer's personal request and advice. The wellknown Karnatak Printing Press of Bombay resorted to large-scale retrenchment but refused to pay the retrenchment compensation to the workers, though the labour officers personally visited the press and advised the payment. Not only this, the Press informed the Provident Fund Authorities that all the retrenched workers were in fact discharged. This prevented the P. F. Authorities from making the payment of the full amount of P. F. dues to the workmen. There are cases in which even the workers contri-

bution the Provident Fund amount has not been paid by the employers and protracted court proceedings are attracted before it is possible to recover the said amount. Many more instances of such disobedience of law and malpractices can be quoted.

## REASONS

What are the reasons for this increasing tendency of openly defying the law by the employers? It is mainly due to the following reasons—

**i) Inadequate, untrained and powerless enforcement Machinery:**

The experience has shown that although the legislation on time-schedule of payment of wages and other dues are existing, the implementation and administrative machinery is not adequately strengthened to keep par with the increased duties and responsibilities on account of increasing number of workers as large number of industrial establishments, scattered over a vast area are coming up slowly and steadily due to growing industrialisation in the country. Moreover, there is lack of sufficient number of suitable, qualified and trained officers. As a result of this and of the time consuming process of courts, no Inspector takes initiative to file the cases in the appropriate courts, though they are given powers to institute the proceedings against the defaulting employer. Due to inadequate powers of enforcement, insufficient penal provisions and lack of deterrent punishments to employers in case of breach of law, the implementing machinery becomes sometimes helpless in checking the frequent evasions and habitual breaches of law.

**ii) Lack of cheap, speedy and simple remedy:**

Under the present laws, there is inevitable undue delay in getting quick relief to the workers-

For example, if the workers do not get their wages by due date, they have to file their claims before the authority under the payment of wages or Minimum Wages Act or Labour Court. The investigation starts, statements are filed after frequent dates, false and utterly baseless defences are made by mischievious employers, oral or written evidence is recorded, arguments are advanced, and finally, after long time orders are passed. Even then on very flimsy grounds, just to avoid payment of workers and to acquire monetary benefits out of the amount payable to workmen, the anti-social employers prefer appeals or file writ petitions, obtain stay order etc., from the superior Courts, which again takes long time for disposal. Thereafter, the proceedings for recovery of the due amount starts. All this takes unduly longer time. Since, justice delayed is justice denied, the workers do not get justice they become helpless, disappointed and frustrated. Disrespect for law grows in their mind and there is a feeling of revolt against the entire social and legal system which fails to adequately protect even their lawful existing rights.

Whatever be the fairness in an award or in an agreement regarding fixation of wages, the purpose of laying down a wage-structure is defeated, if malpractices in the payment of wages cannot be checked. A good deal of time of a trade unionist and the implementation machinery is consumed in pursuing and inquiring into the complaint about such malpractices.

**iii) Combersome procedure for prosecution**

At present the provisions under various Labour Laws normally provide that no court shall take cognisance of any offence under the act or commitment of breach of any law, award or settlement, save on a complaint made by or under the authority of the appropriate Government. No worker or the union can directly prosecute the defaulting employer under any circumstances. The Payment of Wages Act has provided that a direct complaint can be filed provided an application in respect of facts constituting the offences has been presented under Section 15 and has been granted wholly or in part and the authority granting such application has sanctioned the making of the complaint.

Under these present requirements it takes inordinately long time even to institute the penal proceedings. The office of the Labour Commissioner always tries to persuade the employer by frequent meetings to make payment, to convince the trade unionists to go to the Payment of Wages Court and other proper forms and argues that no gain will acrue to the workmen by mere punishment of the employer etc. In short, Govt. Labour Officer totally discourages the workmen to insist on prosecution, even if the case is very strong against the employer. For the reasons best known to the Govt., it is found that the Govt. hardly prosecutes any employer.

Moreover, these proceedings are to be instituted in the criminal courts, which are not conversant with the pressing needs of the workers and seriousness and urgency of the breach of award and settlements etc. These criminal Courts, therefore many times, instead of awarding deterrent punishments, take the lenient view and impose nominal fines only. Consequently, the workmen and the Labour Officer are totally disappointed as their pains in pursuing the complaint are not properly rewarded, and the employer is not deterred from violating the laws.

**(iv) Negligible Fines and Compensation**

The payment of wages Act provides in sec. 15 (3) that the authority may direct the employer to make payment of the delayed wages together with such compensation as the authority may think fit, not exceeding ten rupees. The maximum penalty provided for the breach of various sections varies from Rs. 200 to Rs. 500 only. The maximum penalty provided under minimum wages act is also Rs. 500 only but it is further provided that in imposing any fine, the Court shall take into consideration the amount of any compensation already awarded against the accused employer in any proceedings before the Authority under the

Minimum Wages Act. Similarly, the provisions under I. D. Act regarding maximum penalty varies from Rs. 100 to Rs. 1,000 only. The provision for imprisonment in certain cases has been made, but it is decorative. Firstly, it may be noted that the above mentioned fine or compensation is maximum, which is not normally imposed or granted. Secondly, it is irrespective of number of persons employed or irrespective of the number of legal dues of workers withheld by the defaulting employer. Thirdly, no provision has been made for any interest to be paid to the workmen on their dues illegally withheld and used by the employer. The employer is therefore interested in delaying the final disposal of the cases.

The net result of all these provisions is that the employers are never afraid of violating the law, as ultimately from a business or commercial point of view, the defaulting employer is allowed to utilise the workers' money without any interest for a very long period and with a very negligible amount of fine and / or compensation compared to the monetary benefits that accrue to the accused employers by holding up the worker's wages. The present penalties never act as deterent punishment to the employer.

While noting the callous attitude of the Government towards prompt payment of legal dues to the poor workmen, the anxiety of the Government to collect its own dues on account of sales or income-tax and the punishment prescribed for the defaulters and the powers granted to the officers for the recovery of the same in cases of default are significant and remarkable.

A) The Bombay Sales Tax Act, 1959 provides as follows :

**i) Section 36 (3) :**

If a dealer does not, without reasonable cause, pay tax within the time is required by or under the provisions of this Act, to pay it, he shall, pay by way of penalty, in addition to the amount of tax, a sum equal to–

(a) One percent of the amount of tax for each complete month for the first three months, after the last date by which he should have paid that tax, and

(b) One and one–half percent of the amount of tax for each complete month thereafter, during the time he continued to make default in the payment of tax.

**ii) Section 67 (2) :**

Notwithstanding anything contained in the Code of Criminal Procedure, 1898, all offences punishable under this Act or rules made thereunder shall be cognizable and bailable.

**iii) Section 68 (i) :**

Subject to such conditions as may be prescribed, the Commissioner may authorise either generally or in respect of a particular case or class of

cases any Officer appointed under section 20 to assist him to investigate all or any of the offences punishable under this Act.

**Section 68 (2):**

Every Officer so authorised shall, in the conduct of such investigation, exercise the powers conferred by the code of Criminal Procedure, 1898, upon an Officer in charge of a Police Station for the investigation of a cognizable offence.

**b) The Income-tax Act, 1961 provides as follows :**

**i) Section 139:**

Every person, if his total income or the total income of any other person in respect of which he is assessable under this Act during the previous year exceeded the maximum amount which is not chargeable to income-tax, shall furnish a return of his income or the income of such other person during the previous year in the prescribed form and verified in the prescribed manner and setting forth such other particulars as may be prescribed—

a) In the case of every person whose total income, or the total income of any other person in respect of which he is assessable under this Act, includes any income from business or profession, before the expiry of six months from the end of the previous year, or before the 30th day of June of the assessment year, whichever is later;

b) in the case of every other person, before the 30th day of June of the assessment year; for delay in filing or for non-filing of income-tax return within the time limit prescribed hereabove, the assessee is required to pay 6% interest on the amount of tax payable from 1st October of the relevant assessment year to the date of filing the return.

**ii) Section 271:**

a) If any person has, without reasonable cause, failed to furnish the return of his total income voluntarily u/s 139 (1) or by notice u/s 139 (2) or Section 148 or has failed to furnish it within the extended time allowed and in the manner required, the assessee is required to pay penalty, in addition to interest of a sum equal to 2% of the tax for every month during which the default continues.

**iii) FINE: Section 276:**

Section 276 provides that if a person fails without reasonable cause or excuse to make payments or deliver returns, he shall be punishable with a fine which may extend to ten rupees for every day, during which the default continues.

iv) **Section 220:**

When tax payable and when assessee deemed in default:—

1) Any amount, otherwise than by way of advance tax, specified as payable in a notice of demand under Section 156 shall be paid within thirty-five days of the service of the notice at the place and to the person mentioned in the notice;

2) If the amount specified in any notice of demand under section 156 is not paid within the period limited under sub-section (1), the assessee shall be liable to pay simple interest at four per cent, per annum from the day commencing after the end of the period mentioned in sub-section (1).

v) **Section 221:**

Penalty payable when tax in default:-

1) When an assessee is in default or is deemed to be in default in making a payment of tax, he shall, in addition to the amount of the arrears and the amount of interest payable under sub-section (2) of Section 220, be liable to pay by way of penalty, an amount which, in the case of continuing default, may be increased from time to time, so, however, that the total amount of penalty does not exceed the amount of tax in arrears;

Provided that before levying any such penalty the assessee shall be given a reasonable opportunity of being heard.

vi) Under the second schedule, the procedure for the recovery of the tax has been prescribed under the Income-tax act 1961.
The tax Recovery Officer is required to issue notice to the defaulter to pay the amount within 15 days of the receipt of this notice. If the amount is not paid within 15 days, the tax Recovery Officer is empowered to realise the amount by one or more of the following modes:-

a) By attachment and sale of the defaulter's moveable property;

b) By attachment and sale of the defaulter's Immoveable property;

c) By arrest of the defaulter and his detention in prison;

d) By appointing a receiver for the management of the defaulter's moveable and immoveable properties.

Moreover, interest, penalty, fine, costs and any other sum payable under the act in addition to the amount of tax is also recoverable from the defaulter.

In short, the provision for recovery of interest and imposition of heavy penalty and fine have been made to recover tax dues. Moreover, the

power to recover the interest, penalty, fine etc., by attachment and sale of defaulters' property and to arrest and detain the defaulter in prison has been conferred on the officers. The cumulative salutary effect of all these provisions is that the assessees are compelled to remain very prompt and punctual in payment of taxes and they voluntarily prefer to pay the taxes within the prescribed time, rather than facing the rigours of the law of the taxation.

## REMEDY

Hence, after careful consideration of the prevailing circumstances, realising the urgent need to check the malpractices of employers and guided by the provisions of prompt collection of tax dues, we submit that the following provisions should be made to meet the current acute problem of non-implementing the award and non-payment of wages and all the legal dues to workmen:-

1) The definition of the "wages" shall have to be made wide and comprehensive so as to include all money and cash value of all non monetary benefits, concessions or prerequisites. (Details are given in our views on codification of labour laws);

2) The Recovery Officers should be appointed to recover such wages from the employers on an application made by the employee.

3) The application form should be very simple, requiring only particulars of wages along with its due date, name and address of employer and such other essential particulars, necessary for the recovery of wages.

4) The recurring interest at the rate of 1¼% per month, that is the prevalent, market rate of interest, from the due date upto the date of actual payment shall be paid by the employer to the employee on the amount withheld by him.

5) When the employer makes default in making the payment of wages, he shall, in addition to the amount of wages and the amount of interest payable under the above clause No. 4, shall be liable to pay the penalty of an amount equal to 2% of the unpaid wages for every month during which the default continues.

6) The penalty may not be imposed, if the Recovery Officer or the Payment of wages Court is satisfied that the delay in payment was due to the occurence of an emergency, or the existence of exceptional circumstances, so that the employer was unable to make prompt payment, though reasonable deligence was exercised or if the Payment of wages Court is satisfied that the delay was due to bonafide dispute as to the entire amount payable to the applicant-employee.

7) Out of the amount of penalty realised, half of the amount shall be paid by way of compensation to the applicant-employee.

8) On receipt of the application, the Recovery Officer shall issue:

i) Demand notice, asking the employer to deposit the entire unpaid amount of wages claimed by the applicant-employee or the undisputed amount of unpaid wages, along with 1¼% recurring interest per month thereon within 15 days of the receipt of notice.

ii) Show cause notice to the employer, asking him to show cause within 15 days of the receipt of the notice, why penalty should not be imposed in addition to the interest and amount claimed by the applicant-worker.

9) If the amount mentioned in the notice is not paid within 15 days, the Recovery Officer shall proceed to realise the claimed amount or the undisputed amount whichever is lower, along with interest, penalty, compensation and costs by one or more of the following modes—

a) by attachment and sale of the defaulting employer's moveable or immoveable property;

b) by arrest of the defaulting employer and his detention in prison;

c) by appointing a receiver for the management of the defaulting employer's property.

10) The claims of disputed amount shall be promptly transferred by the Recovery Officer to the Payment of wages Court for disposal.

11) The payment of wages Court should summarily and expeditiously decide the case and in addition to aforesaid interest and penalty, the Court shall direct the employer to pay the reasonable amount of compensation and cost to the applicant.

12) The habitual breach of the law relating to payment of wages, as defined comprehensively in the Labour Code, should be listed as cognisable offence by suitable amendment and the punishment of imprisonment to all the persons responsible for payment should be prescribed by law in such cases.

13) No appeal or writ petition against the order of the Recovery Officer or Payment of Wages Court or Industrial Tribunal or Technical Tribunal should be admitted unless and until the employer has deposited the entire amount, payable to the workman by virtue of the impugned order or award, in the court and the original receipt of the same is attached with the petition or memorandum of appeal.

14) On admission of the appeal or writ petition against the award, which directs the employer to enhance the wages, the employer shall be required to deposit in the court every month the entire amount of enhanced wages payable to the workmen under the award, till the final disposal of the appeal or petition.

15) Any strike for the purpose of recovery of wages shall be legal and justified and the defaulting employer shall pay the full wages for the entire period of such strike.

16) **Special Mode of Recovery** : The Income-tax Act provides for the following mode of recovery :—

Other modes of recovery :- 1) Notwithstanding the issue of a certificate to the Tax Recovery Officer under section 222, the Income-tax Officer may recover the tax by any one or more of the modes provided in this section :

3) i) The Income-tax Officer may, at any time or from time to time, by notice in writing require any person from whom money is due or may become due to the assessee or any person who holds or may subsequently hold money for or on account of the assessee, to pay to the Income-tax Officer either forthwith upon the money becoming due or being held or at or within the time specified in the notice (not being before the money becomes due or is held) so much of the money as is sufficient to pay the amount due by the assessee in respect of arrears or the whole of the money when it is equal to or less than that amount.

4) The Income-tax Officer may apply to the court in whose custody there is money belonging to the assessee for payment to him of the entire amount of such money, or, if it is more than the tax due, an amount sufficient to discharge the tax.

5) The Income-tax Officer may, if so authorised by the Commissioner, proceed to recover the tax by distraint and sale of the movable property of the assessee in the manner laid down in the Third schedule.

The Bombay Sales Tax Act provides for the following Special mode:—

**Section 39: Special mode of recovery:**

"Notwithstanding anything contained in any law or contract to the contrary the Commissioner may, at any time or from time to time by notice in writing, a copy of which shall be forwarded to the dealer at his last address known to the Commissioner, require—

a) any person from whom any amount of money is due, or may become due to a dealer to whom notice has been served under sub-section (4) of section 38 or

b) any person who holds or may subsequently hold money for or on account of such dealer,

to pay to the Commissioner, either forthwith upon the money becoming due or being held or at or within the time specified in the notice (but not before the money becomes due or is held at aforesaid), so much of the money as is sufficient to pay the amount due by

the dealer in respect of the arrears of tax, penalty and sum forfeited under this act, or the whole of the money when it is equal to or less than that amount."

Similar provisions should be made in the Labour Code, empowering the Recovery Officer to recover the amount of wages from the debtor of the defaulting employer or from the Court in whose custody there is money belonging to the defaulting employer or by distraint and sale of his movable property.

### Codification of Labour Laws

Just as there is one criminal law, that is Indian Penal Code, for the whole country, there should be one single common labour code for the entire country, in the interest of uniformity, clarity and simplicity. For this purpose, there should be common labour judiciary to settle all labour problems, which would help in speedy dispensation of justice. It will be convenient for the employers, workers as well as enforcement machinery. It is also necessary and desirable that the repetitive and cumbersome character of the present laws is removed and the common definitions of very important expressions like 'Employer', ' Employee', 'Industry', 'Wages', etc., are evolved. Inconsistencies can be removed and unnecessary confusion can be avoided. This will also require the minimum provision for various terms and conditions of service. Further the constitution should be amended and the subject of labour should be included in the "Union List", and deleted from the "concurrent list".

The codification of labour laws can be brought about by providing for different chapters on the following subjects:—

1. Definitions.
2. Trade Unions and Recognition
3. Law on payment of wages.
4. Various claims and benefits such as retrenchment compensation, lay off, gratuity, overtime etc.
5. Conditions of work.
6. Conditions of service.
7. Law on Apprentices.
8. Law on Statistics.
9. Law on Industrial Disputes (including strikes).
10. Authorities under the code and procedure, powers and duties of Authorities.
11. Integrated Social Security Scheme.
12. Penalty and offences.
13. Miscellaneous.

## I. Definitions

The different definitions of the same important expressions like 'Industry', 'Industrial Dispute', 'Workmen', 'Employer', and 'Wages', in different Acts has created confusion. It is therefore, necessary and desirable to have common and uniform definitions of the above terms. Wherever the departure from these definitions is essential for any particular purpose such modified may be included at the appropriate place.

We propose the following common definition of the above terms for the purpose of its inclusion in the common Labour Code.

a) **Industry :**

The word industry should be very broadly and comprehensively defined so as to include each and every kind of employment and the benefit of the labour laws can be extended to all kinds of employees. For this purpose, we propose that the industry should be defined as **"any activity where employer-employees relationship persists".**

(b) **Employer:**

The expression 'Employer' has not been appropriately defined in the Industrial Disputes Act or Bombay Industrial Relation Act. The payment of Wages Act does not contain any definition of "Employer" at all. However, it is essential to have a common definition for the purpose of Labour Code. We therefore suggest that "Employer" should be defined as "any person who employs whether directly or through another person, or whether on behalf of himself or any other person, one or more employees in any industry and includes–

(a) any agent of an employer

(b) an association or a group of employers

(c) legal representative of the deceased employer

(d) where the owner of any undertaking in the course of or for the purpose of conducting the undertaking contracts with any person for the execution by or under the contractor of the whole or any part of any work which is ordinarily part of the undertaking, the owner of the undertaking;

e) "Employer" includes anybody or persons whether incorporated or not and any managing agent of an employer and the legal representative of a deceased employer, and (when the services of a workman are temporarily lent or let on hire to another person by the person with whom the workman has entered into a contract of service or apprenticeship, such other person while the workman is working for him;)

f) In relation to an industry which is a factory, the owner or occupier of the factory, including the agent of such owner or occupier, the legal

representative of deceased owner or occupier and where a person has been named as a manager of the factory under clause (f) of sub-section (1) of section 7 of the Factories Act, 1948 (63 of 1948), the person so named; and

g) in relation to any other industry, the person who, or the authority which, has the ultimate control over the affairs of the establishment and where the said affairs are entrusted to a manager, managing director or managing agent, such manager, managing director or managing agent;

c) **Employee**

The definition of the 'worker' 'workman' or 'Employee' in various existing labour legislation like Factory Act, Payment of Bonus Act, Indian Trade Unions Act, Industrial Disputes Act. etc differ from each other while the broadest definition is given in Factory Act and Indian Trade Union Act, the narrow salary limit is prescribed in Payment of Wages Act and Workmen's Compensation Act. As we desire to extend the benefit of labour legislation to all the employees, we propose to define the 'Employees' in its widest sense. However, we are of the opinion that the Manager or the agent or such other employee or employees appointed to act on behalf of the employer to exercise all the powers of the employers in respect of matters relating to the employment of persons, administration, control and direction should be excluded from the category of the employees.

We, therefore, suggest that the "Employee" should be defined as "a person employed for wages in any industry but shall not include persons vested predominantly with managerial authority, and shall include the legal representative of the deceased employee"

Persons vested with managerial authority and responsibility, including those from the supervisory or the technical staff whose nature of work is predominantly managerial, constitute by virtue of the nature of their work, responsibility and authority and also on account of the peculiar strategic position they occupy in the scheme of the industry, a distinct class different from both the employers and employees. A special legislation would therefore be necessary to safeguard their rights and interests. The supervisory and technical staff of managerial character drawing more than Rs. 750/-(Rupees Seven Hundred and Fifty only) as basic salary per month must be brought within the perview of the labour legislation. The definition of 'Employee' can for this purpose be suitably modified.

For the purposes of any disputes regarding retiring benefits, the Pensioners shall be deemed to be the employee.

d) Wages

The term "wages" should be redefined so as to enlarge its scope and include all the amounts payable to the employees for the following reasons:-

**(1) Preferential Payment**

Section 49 of the Presidency Town Insolvency Act, 1909 grants the priority to wages over all other debts except Government or local authority dues and rent. Similarly under Section 530 of the Companies Act, 1956 the wages of an employee has been granted the priority to all other debts except Government or local authority dues in case of the winding up of a company. In view of the narrow scope of the present term "wages", the Government had to amend the said section to include retrenchment compensation and lay off compensation. Instead of amending such Acts from time to time to grant priority to one or the other component of "wages", Its definition should be widened to extend this benefit of preferential payments to all kinds of payments due to the employee.

**(2) Benefit of speedy and effective remedy**

We have already proposed the detailed procedure and speedy, efficient and effective remedy, to recover wages in the paras hereinbefore. For the purpose of extending the said benefit to all kinds of payments arising out of various claims, the definition should be made comprehensive.

**(3) Exemption of property from sale**

Under section 60 of the Code of Civil Procedure, 1908, dealing with attachment and sales of property for the purpose of executing the decree provides :

Sec 60 (P) Where the judgement-debtor is a person liable for the payment of land revenue, any moveable property which, under the law for the time being applicable to him, is exempt from sale **for the recovery of an arrear of such revenue.**

We have proposed that similar provisions should be made for the recovery of the wages too and for extending this benefit of exemption to full wages consisting of all kinds of payments to employees of the judgement-debtor (employer), the definition shall have to be wide and comprehensive.

We, therefore propose the following definition:-

"Wage" means any money payable to the person employed by virtue of his employment in industry and includes–

a) "Bare Wages" that is wages popularly known as basic wages at present.

b) "Dearness Wages', that it is wages depending on price changes.

c) "Incentive Wages" that is wages depending on productivity changes.

d) "Stipend" payable to apprentice.

e) Any amount payable under the terms of employment (express or implied), award settlement, law, order of the court or any scheme framed under any law.

f) The cash value of any benefit or perquisites as defined under incometax Act, to which the employee is entitled under the terms of employment (express or implied), award, settlement, law, order of the court, or any scheme framed under any law.

Note: perquisite includes the value of rent-free accommodation, light water, medical attendence or other amenity or service or any concession and any sum paid by the employer in respect of any obligations which, but for such payment, would have been payable by the employee.

g) any allowances, reward or additional remuneration,

h) any sum paid or payable to or on behalf of an employee to defray special expenses entailed on him by the nature of his employment.

i) any bonus including (festival, customary and attendance bonus); and gratuity,

j) any contribution paid or payable by the employer to any pension fund or provident fund or Employees State Insurance fund or unemployment insurance fund or any other fund devised for the benefit of the employee and all sums due to any employee from such funds,

k) any commission payable to the employee,

For the purpose of the recovery, all sums paid by the employee to the employer by way of deposit or otherwise, but returnable to the employee, shall be treated as wages.

For the purpose of computing Bonus, gratuity, Provident Fund contribution etc., certain components of the various components of the wages mentioned hereinabove, may be grouped together and termed as **"partial wages"**. Such "Partial Wages" shall be flexible, in as much as its components may vary to meet the special requirements of the fulfilment of the specific purpose in view.

**e) Industrial Dispute :**

The concept of Industrial Disputes should not be confined merely to the differences in respect of employment or non-employment of the workmen. The trade unions must be conferred a right to raise the industrial disputes in respect of any industrial matter affecting the interest of the industry as a whole. In this respect, the definition in the "The Bombay Industrial Relations Act" 1946 can serve as a guidance for enlarging the scope.

We, therefore, propose the following definitions for "Industrial Dispute" and "Industrial Matter".

"Industrial Dispute" means any dispute or difference between an employer and employee or between employers and employees or between employees and employees and which is connected with any industrial matter;

"Industrial matter" means any matter relating to employment, work, wages, hours of work, privileges, rights or duties of employers or employees or the mode, terms and conditions of employment of Labour and capital and includes:–

a) all matters pertaining to the relationship between employers and employees, or to the dismissal or non-employment of any person;

b) all matters pertaining to the demarcation of functions of any employees or classes of employees;

c) all questions of what is fair and right in relation to any industrial matter having regard to the interest of the person immediately concerned and of the community as a whole;

d) Transfer, Promotion or Recruitment policy.

e) Correctness of the Balance sheets prepared by the employer.

f) Introduction of schemes such as Production Bonus.

g) All matters relating to permanent or semi–permanent increase or reduction in capital employed.

**Trade Unions and Recognition.**

The Workers should have the freedom to form the union and choose their leader and for that, procedure should be prescribed for its registration. Rights and liabilities of the trade unions should be laid down. Outsiders should be allowed to become the Office bearers and their maximum number should be provided for.

With the progress of the trade unions, the question of multiplicity of union shall have to be solved by the law on recognition and the rights of various unions in the same industry or unit. Suitable provisions should be made after considering our proposals.

**Law on payment of wages**

This chapter should include the provisions for the payment of minimum wages and the 100% neutralisation of the actual wages of the employees in case of rise or fall in price. Moreover, recognising the principle that "Bonus" is the "Deferred Wage", the provisions regarding payment of Bonus should be included in this chapter. Time limit should be prescribed for the payment of wages and provisions for allowable deductions should be made.

### Various claims and benefits

Provisions relating to lay-off and retrenchment should be made. The definition of retrenchments should be widened on the line suggested by us hereinbefore. Principle of "last come first go" should be incorporated and the right of reemployment at original wages should be statutorily recognised. The provision of "average pay" should be deleted. The provision should be made for the grant of gratuity to every employee. In case of death, the gratuity should be payable to nominee of the deceased employee. Similarly the statutory provisions regarding Sunday-Holiday, working allowance and night duty allowance must be made. Above provisions should be made, keeping in view the industrial practice, judicial decisions and our proposals at various places, in this memorandum.

### Conditions of service or employment

To define with sufficient precision the conditions of employment and to make the same conditions known to workmen employed, it is necessary to frame the Standing Orders. It should provide at least for the industrial matters described in the list appended hereto. These orders should be applicable to all establishments and should provide for the procedure to introduce change in the said orders to meet the special requirements of different establishments. Permanancy should be made automatic after 3 months' service. Badli workmen should be guaranteed minimum wage and minimum leave. Mere participation in illegal strike should not be a misconduct.

### LIST

1. Classification of employees, e. g. permanent, temporary, apprentices, probationers, badlis etc. and Employees' tickets, cards, registers, service certificates, record of date of joining and date of birth.
2. Manner of notification to employees of periods and hours of work, holidays, pay days and wage rates.
3. Shift working including notice to be given to employees of starting, alteration or discontinuence of two or more shifts in a department or departments.
4. Closure or reopening of a department or a section of a department or the whole of the undertaking.
5. Attendance and late coming.
6. Procedure and authority to grant leave.
7. Procedure and authority to grant holidays.
8. Liability to search and entry into premises by certain gates.
9. Temporary closures of work including laying off, and rights and liabilities of employers and employees arising therefrom.

10. Termination of employment including notice to be given by employer and employee.

11. Age for retirement or superannuation.

12. Punishment including warning, censure, fine, suspension or dismissal for major or minor misconduct, suspension pending enquiry into alleged misconduct and the acts or omissions which constitute misconduct.

13. Means of redress for employees against unfair treatment or wrongful exaction on the part of the employer or his agent or servant.

14. Any other matter which may be prescribed.

### Conditions of Work

The provisions regarding safety, welfare, health, hours of work, paid weekly holiday, interval for rest, spread over, extra wages for overtime, employment of women, child or young persons and annual leave, sick leave, casual leave and holidays with wages should be made in this part. The employee should not be required to work overtime against his or her will. The provisions of various Acts such as Factory Act, Mine's Act, Plantation Labour Act, Motor Transport Worker's Act, Merchant Shipping Act, Dock workers (Safety, Health and Welfare) Scheme, Coal Mines Labour Welfare Fund act, The Bombay Labour Welfare Fund Act, should be simplified and unified, for this purpose.

Medical examination of every worker in coal mine after every two years, with a view to ascertain whether he is afflicted by Pneumoconiosis, particularly by Authroeasis, should be made obligatory by law.

The facilities of Holiday-House and other means of nourishment and medicines should be provided by law at the responsibility of the employer.

Periodical medical examination should be made a statutory obligation in case of all industries whose operations are known to give rise to occupational diseases.

### Law on Apprentice and Statistics

The provisions contained in the Apprentices Act, 1961 should be reviewed and incorporated in this chapter. Similarly the provisions contained in the collection of Statistics Act should be revised and incorporated in this code.

### Law of Industrial Disputes

This Chapter shall contain the provisions regarding the procedure to introduce a change in respect of any industrial matter, to be followed by employer, employee or the Union, as the case may be.

The Industrial matters should be divided into the following three schedules :-

1) Matters within the jurisdiction of Labour Court.

2) Matters within the jurisdiction of Technical Tribunal.

3) Matters within the jurisdiction of Industrial Tribunal.

Strict procedure for arriving at the private settlement should be prescribed and it should be expressly provided that no employer shall, make any change in any industrial matter without following the prescribed procedure.

Law on strikes and lockout in consequence of any industrial dispute, should be included in this chapter.

## SCHEDULE I

### Matters within the jurisdiction of Labour Court

1) Any order passed by employer under Standing Orders.

2) Any industrial matter arising out of the application or interpretation of Standing Orders.

3) Adequacy and quality of materials and equipment applied to the workers.

4) Assignment of work and transfer of workers within the establishment.

5) Health, safety and welfare of employees (including water, dining sheds, rest sheds, latrines, urinals, creches, restaurants and such other amenities.)

6) Appeals arising out of the order passed by Labour Officers in respect of Construction and interpretation of awards, agreements and settlements.

7) Employment including—

(i) reinstatement and recruitment;

(ii) unemployment of persons previously employed in the industry concerned.

8) Any claim in respect of wages, as defined in the Labour Code, forwarded by the Wage Recovery Officers.

9) All individual cases regarding any industrial matter.

10) Any offence under the Labour Code.

## SCHEDULE II

### Matters within the Jurisdiction of Technical Tribunals

1) Job evaluation for the purpose of wage differentials.

2) Standardisation of Nomenclature.

3) Job Description & Specifications.

4) Grouping of jobs for the purpose of grades, transfers, seniority and channel promotion,

5) Incentive Schemes & payments (Piece rate also).

7) Application of Family living surveys and cost of living Indices.

8) Regionwise compensations.

9) Occupational differentials & comparisons.

10) Break-up of productivity-gains (industrywise measurement of Productivity.)

11) Rationalisation.

## SCHEDULE III

### Matters within the Jurisdiction of Industrial Tribunal

1) Reduction intended to be of permanent or semi-permanent character in the number of persons employed or to be employed in any occupation or process or department or departments or in a shift.

2) Permanent or semi-permanent increase in the number of persons employed or to be employed in any occupation or process or department or departments.

3) Dismissal of any employee except as provided for in the standing orders applicable under this Act.

4) All matters pertaining to shift working which are not covered by the Standing Orders applicable under this Act.

5) Withdrawal of recognition to unions of employees.

6) Withdrawal of any customary concession or privilege or change in usage.

7) Introduction of new rules of discipline or alteration of existing rules and their interpretation, except in so far as they are provided for in the standing orders applicable under this Act.

8) Wages including the period and mode of payment.

9) Hours of work and rest intervals.

10) All matters pertaining to leave and holidays, other than those specified in Standing Orders.

11) The mode, terms and conditions of employment of capital,

12) All questions of what is fair and right in relation to any matter having regard to the interest of the person immediately concerned and/or of the community as a whole;

13) Transfer, Promotion or Recruitment policy.

14) Correctness of the Balance Sheets prepared by the employer.

15) All matters relating to permanent or semi-permanent increase or reduction in capital employed,

16) Compensatory and other allowances;

17) Bonus, profit sharing, provident fund and gratuity;

18) Shift working otherwise than in accordance with standing orders;

19) Classification of grades;

20) Rules of discipline;

21) Retrenchment of workmen and closure of establishment;

22) All matters other than those specified in I & II schedules.

**Authorities under the code and their powers**

Authorities shall include the following:—

1. **Works Committee or Labour Committee**: any disciplinary action, transfer or promotion should be subject to the prior approval of this Committee.
2. **Labour Inspectors**: To ensure and supervise the enforcement of labour code they should include Medical and women Inspectors.
3. **Concilation Officers or Labour Officers**: They must have powers to summarily decide matters regarding disciplinary actions against employees and interprete the awards and settlements.
4. **Labour Prosecutors**: To represent unorganised labour in all dealings vis-a-vis trade unions, if approached by individual employee or employees and organised labour, if recommended by Labour Officers.
5. **Recovery Officers**: To recover wages as stated in earlier part of our memorandum, without any question of time limit.
6. **Labour Court**: To deal with industrial matters specified in Schedule I.
7. **Technical Tribunal**: To deal with industrial matters specified in Schedule II.
8. **Industrial Tribunal**: To deal with industrial matters specified in Schedule III.
9. **Technical Appellate Tribunal (All India)**: To deal with the appeal arising out of the decisions of technical Tribunal.
10. **Arbitrators**: To decide any matter referred jointly by Employer, and Employees by a written agreement.
11. **Wage Board**: To deal with the matters referred by the Government by an order notified in the gazette.

Labour Inspectors, Labour Officers, Labour Prosecutors and Recovery Officers shall be appointed by the Government. Members of Labour Court, Industrial Tribunal Technical. Tribunal and Technical Appellate Tribunal shall be appointed by appropriate judicial authorities.

Any employee can directly approach the Labour Officers, the Recovery Officers, Labour Procecutors and the I abour Court as the case may be. Refer-

ence to Industrial Tribunal or Technical Tribunal may be made jointly by the workmen and Employer directly or through Labour Officers, who shall be bound to transfer every dispute for adjudication to the said Tribunals in case of failure to settle the dispute, without any intervention of the Govt. Any employer, Trade Union or Labour prosecutor can institute the proceedings in the Labour Court for the Trial of any offence punishable under the code.

The reasonable time limit should be statutorily prescribed for disposal of any matter by various authorities, taking into consideration the nature of industrial matters.

The Tribunals or Arbitrator shall grant retrospective effect to their awards, at least from the date of joint reference or from the date of transfer of the dispute for adjudication by the Labour Officers.

If the termination of the services of an employee is found invalid, he shall be reinstated with full back wages.

### Integrated social security scheme

Various welfare schemes such as Employees Provident Fund, Employees State Insurance, Maternity Benefit etc, should be integrated and put into operation under the general supervision of the National Tripartite Body. The scheme for unemployment insurance also should be included. Various benefits under the scheme such as sickness, medical, accident, disablement, maternity, unemployment etc., cannot be assigned or attached.

### Penalty and offences

The offences under the code should be specified and the penalties should be prescribed therefor. Employers should be penalised for committing unfair labour practices, which should be described. If the employee is injured due to offence of employer, 50% of the penalty realised, shall be paid to the employee by way of 'compensation'. The proceedings can be instituted by any employee, Union or Labour Prosecutor. All the offences shall be tried by the Labour Court.

### Miscellaneous provisions

1. The provisions regarding maintenance of registers and records, Bar of suits, Power to make rules, Delegation of powers etc., should be included in this chapter.
2. The contract system of Labour should be abolished. If due to unavoidable circumstances, the contract labour is employed, they should be treated on par with the direct labour for the purposes of wages, claims and all benefits under code.

3. The protection of the Indian Trade Union Act should be extended, among others, to employees of such of the departments of various Governments as conduct commercial activity.

4. In view of the peculiar characteristics of their work, special industrial disputes laws should be enacted to protect the interests of workers in–

i) Educational institutions;
ii) Social welfare organisations;
iii) Domestic employ; (domestic servants)
iv) Hospitals;
v) Co-operatives other than workers' Co-operatives;
vi) Construction works;
vii) Small Scale Industries;
viii) Cottage Industries;
ix) Seasonal Industries;
x) Rikhshaw-pulling;
xi) Mallah-work;
xii) Agriculture;
xiii) Forests;
xiv) Concerns and Institutes of various arts;
xv) Employ of Ex-Rulers (former Princes)
xvi) Firms of Advocates, Solicitors and other legal agencies.

5. Appropriate machinery for the redressal of grievances of the police personnel should be set up in every State.

6. Similar machinery for redressal of grievances should be evolved for the benefit of the members of the **Central Industrial Security Force.**

7. A separate Board comprising of known personalities in the field of religion be constituted in every State to deal with the cases of employees–priestly and otherwise of all religious institutions within the State. Even separate Boards may be set up for institutions of different religions. The Board should be empowered to frame rules and regulations to protect these employees and to ensure implementation of the same. Without interfering directly in the internal administration, the Government should assist the Boards in the process of such implementation.

8. So far as protection of trade union law is concerned, Associations of pensioners, ex-servicemen should be brought at par with the unions or associations of which they were entitled to become members while in active service.

9. It is our considered view that in a country like India, the Labour Policy must take cognisance of the plight of the self-employed artisans and craftsmen as well as the industrial workers. The Ministry of Labour & Employment should have a separate department under it to safeguard the

interests and look after the welfare of these self-employed craftsmen and artisans who, according to BMS, constitute the **Vishwakarma Sector.** The department should conduct artwise and craftwise census of this sector. It should possess complete information regarding their credit facilities sources and prices of their raw material; their present process of manufacture and the results of the research work to be conducted by the Ministry for their benefit as specified by us in our submission on Research; their present marketing facilities and the potential markets at home and abroad; the nature of demands in and requirements of these potential markets and the resultant specifications and the standardisation of goods to be produced; legal protection they enjoy today and the legislation necessary for them in future. It should be the responsibility of this department to regulate their economic activities; to guide them regarding the varieties, standards and specifications of their products; to increase saleability of their goods at home and abroad; and to encourage and assist them in the formation of their varied co-operatives.

10. There should be a **Central Legislation** on **Co-operation** covering the minimum, common, uniform, provisions for the entire country, and the State Govts. should be empowered to make rules and regulations for the conduct of 'Co-operatives' within their respective states.

11. The Rayons, which are wrongly included in the category of Textiles should be classified under heavy Chemicals. The nature of their work justifies this demand. The recommendations of the 'Viscose Committee' should be given statutory status.

12. Contracting out by any employee from the beneficial rights under the code should be prohibited.

**Amendments in Certain Acts**

**Specific Relief Act**

Section 14 of the said Act should be suitably amended, so that a suit for the relief of reinstatement in the appropriate cases can be filed in the Civil Courts by the dismissed or discharged employees.

**Civil Procedure Code**

Minimum limit of wages or salary exempted from attachment by virtue of section 60 of Civil Procedure Code is the sum of Rs. 100/-(Rupees one hundred only) per month. Minimum amount exempted from attachment should be sufficient to meet the minimum needs of the workers' family. Hence, we propose that such minimum limit should be from Rs. 100/-per month to an amount equivalent to the monetary value of need based minimum wage as defined by the 15th Tripartite Conference.

**Bombay Shops and Establishment Act**

Under section 54 of the said Act, "if an employee goes to the shop or establishment for work on a day on which shop or establishment remains

closed, he shall be punished with fine which shall not be less than ten rupees and which may be extended to fifty rupees."

It is really surprising and shocking that employees are punished for the wrong committed by the employer by calling the employee for work. Under the present circumstances of widespread unemployment, it is impossible for an employee to refuse to obey the illegal order of the employer, who is in a dominating position.

This provision should therefore be immediately scrapped.

**Companies Act and Insolvency Laws.**

In case of insolvency or winding up, the wages to a certain extent are given priority to debts, other than Government due. However, we are of the opinion that entire amount of wages as comprehensively defined in our Memorandum, should be granted priority and for this purpose, suitable amendment should be made in section 49 of the Presidency Town Industry Act and Section 530 of the Companies Act.

**Income Tax Act:**

(1) Section 10 of the Income-tax Act, 1961, provides as follows:–
In computing the total income of a previous year of any person, any income falling within any of the following clauses shall not be included:–

Sub-section (10) : any death-cum retirement gratuity received under the revised Pension Rules of the Central Government or under any similar scheme of a State Government, a local authority or a corporation established by a Central, State or Provincial Act or any payment of retiring gratuity received after the 1st day of June 1953, under the New Pension Code applicable to the members of the Defence Services; or any other gratuity not exceeding one half month's salary for each year of completed service, calculated on the basis of the average salary for the three years immediately preceding the year in which the gratuity is paid subject to a maximum of twenty-four thousand rupees or fifteen months' salary so calculated, whichever is less;

Sub-section (12) : the accumulated balance due and becoming payable to an employee participating in a recognised provident fund, to the extent provided in Rule 8 of Part A of the Fourth Schedule;

The above provisions should be suitably amended so as to exclude the entire amount of gratuity and the entire amount of accumulated balance due from the recognised provident fund from the total income of the employee.

(2) At present 60% of the contributions an employee to provident fund or superannuation is exempted from income-tax liability by virtue of Section 87. We propose that the entire amount of contribution to the above funds should be exempted.

(3) Similarly contributions of any employee to Employees State Insurance Scheme or any other Scheme should be totally exempted from the income-tax liability.

(4) All donations to a registered Trade Union should be exempted from tax liability.

### Criminal Laws

Industrial law is a kind of Special law and has all along endeavoured to establish altogether new types of rights and duties hereto unknown to the general law. Its method of giving jurisdiction to tribunals to adjudicate upon any controversy whatsoever between the employer and his workers which is "connected with the conditions of labour, or any person" and which arises out of a mere fact of making a demand by the workers on the employer and a refusal thereof by the latter its policy to protect the poor against the rich, the weak against the strong, the under privileged against the privilege and the have-nots against the haves; its liberality in conferring upon tribunals very wide powers to decide disputes according to the principles of law, equity, justice and good conscience; to disregard labour's contractual obligations owing to the presumed economic inequality of labour vis-a-vis the employer, in a fit case to supplant or revise a contract between the parties, to create new obligations or modify contracts in the interests of industrial peace, to protect legitimate trade union activities and to prevent unfair practice or victimization; to grant to employees what they (tribunals) thought fair and reasonable outside the terms of the contract and to enforce terms which they (tribunals) thought necessary to preserve industrial peace, its latitude in allowing, under changed facts and circumstances, the same controversy between the employer and his workers to be re-agitated disregarding the doctrine of RES JUDICATA on the ground that if applied to industrial disputes, it may, and in most cases, would come into conflict with the fundamental concept, namely, maintenance of industrial peace and promotion of harmonious relations between capital and labour with a view to achieve greater production (or) lead to stagnation or a feeling of frustration and so would create more unrest in the industrial sphere, all these are its unique characteristics. Further the Trade Union Act protects officers and members of a registered trade union against punishment for criminal conspiracy under sub section (2) of Section 120B of the Indian Penal Code in respect of any agreement made between the members for the purpose of furthering any legal object of the union, unless the agreement is an agreement to commit an offence. It also protects a registered trade union or its officers or members against a suit or other legal proceeding in any Civil Court in respect of any act done in contemplation or furtherance of a trade dispute to which the members

are a party on the ground only that such act induces some other person to break contract of employment, or that it is interference with the trade, business or employment of some other person or with the right of some other person to dispose of his capital or of his labour as he wills. Further it protects a registered trade union against a suit or other legal proceeding in any Civil Court in respect of any tortuous act done in contemplation or furtherance of a trade dispute by an agent of the union if it is proved that such person acted without the knowledge of or contrary to express instructions given by, the executive of the union. According to the Act, any agreement between the members of a registered trade union is not void or voidable merely by reason of the fact that any of the objects of the agreement are in restraint of trade. This special law grants protection to Trade Unions and its members from civil or criminal liability.

We propose that further protection should be granted by making the following amendments in criminal law :—

1. Section 506 which deals with the punishment for criminal intimidation should be deleted, or at least Trade Union and its members should be exempted from its purview.

2. Section 107 of criminal procedure code deals with security for keeping the peace and runs as under :

   "Whenever a (Presidency Magistrate specially empowered by the State Government in this behalf or a District Magistrate or Sub-divisional Magistrate or a Taluka Magistrate specially empowered by the State Government in this behalf) is informed that any person is likely to commit a breach of the peace or disturb the public tranquility or to do any wrongful act that may probably occasion the breach of the peace, or disturb the public tranquility, the Magistrate (if in his opinion there is sufficient ground for proceeding) may, in manner hereinafter provided, require such person to show cause why he should not be ordered to execute a bond, with or without sureties, for keeping the peace for such period not exceeding one year as the Magistrate thinks fit to fix."

   This Section should not be applied to industrial field and trade union activities.

3. Section 144 of Criminal Procedure Code dealing with power to issue order absolute at once in urgent cases of apprehended danger should be reframed.

   Whenever imposition of this Section is occasioned by factors other than Industrial unrest, meetings, gatherings, assemblies, processions, etc., or workers under the auspices of their trade unions should normally be

excluded from the purview of its operation. It should be made applicable to workers' congregation only by special order, and that, too when industrial unrest makes it imperative.

4. Section 7 of the Criminal Law Amendment Act pertaining to peaceful picketing should be deleted, or; at least, trade unions should be exempted from the purview of that Section.

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# Volume IV

CHAPTER XVIII

# The Role of Government

## Introductory

So far, we have covered the questionnaire issued by the National Commission on Labour according to the chapter headings framed by the Commission. We have also answered practically all the questions raised by the Commission. However, we have purposely omitted such part of the questionnaire as concerns the role of Government in industrial or labour matters except making very brief references where they were found to be extremely necessary in giving answers to the questions having an indirect but substantial bearing on this role. The omission includes questions such as the role of state in industrial relation vis-a-vis the gospel of freedom to indviduals and groups and institutions constituting the nexus of industrial relation, Government responsibility for giving overall or specific direction either by direct or indirect action and the right form and incidence of Government intervention in economic and industrial matters and matters of social importance. They include the whole canvass of public policy, its principles and forms and agencies; a subject matter that has been a topic of national and international controversy. Many of the recent religions of state such as communism and socialism have taken their birth from issues concerning the right shape of this policy in industrial and economic matters and place of the proletariate or labour in formulation and operation of such policies. They also involve subtle questions such as the frame work of decision making in public life with all its attendant questions like place of bureaucrats and technocrats, questions which an unbiased mind will not fail to detect as having been similar in character and equally difficult of being solved on both the sides of the iron curtain. These questions have a direct bearing on day to day problems of union-management relation. They fix up the responsibility of the state in matters of working conditions at plan level, including provisions regarding safety, hours of work, health, child labour etc., demarcate the sphere of bipartite approach as distinctly apart from government policy decisions, outlines the method of communication between Government, Trade Unions and employers' organisations, defines Government's position in avoidance or continuation of strikes and look-outs and indicates in a broad manner the legitimate and over-riding considerations of public interest and opinion and responsibility of Parliament and political parties in questions of Industrial relation.

Then there does arise the further questions arising out of planned economy. The fact that the exact aims and methods of planning and their

intended effects are not yet crystallised by our Government, adds a further complication in dealing with those issues. These aims and methods have got a far reaching effect on practically all the sensitive areas of industrial relation, such as fixation of minimum wage, appropriate neutralisation of price rise through Dearness Allowance, intra-industry and intra occupational wage differentials, questions of unit-wise and industrial and national wage policy with the attendant complexities of regional disparities and differential paying capacity of different firms in the same industry. The logical considerations of planning tend to enter into the making of decisions by judiciary in matters of wage-fixation and award of bonus and overshadow the technical computations involved in measurement and distribution of productivity gains. The priorities and mannerism of planning have much to do with assessing the legitimate influence of considerations of national per capita income in fixing minimum wages for agricultural and unskilled and unorganised labour and extent of sacrifice demanded from the organised prosperous sector of the economy. It is obvious that it is only to the extent to which the trade unions and employers' organisations share or contribute in fixing up these priorities of plans that they can be legitimately expected to cooperate in a voluntary fashion. The mannerism of planning gives a basic orientation to the mannerism of tripartite relation in industrial sphere.

Moreover, the social and political considerations such as the relation of State Government and Central Government, institutional frame work, social and economic goals, rights of individuals and groups to holding and disposal of property, right of association, conflicts inherent in human aspirations, such as, freedom and equality, imperatives of the laws of economic progress, influence of the state of technology and markets, the social considerations in giving of importance of privileged position to specific sectors such as public, cooperative or small-scale sector, needs of a policy for full employment of men and resources, problems of administration, such as, centralisation or decentralisation of authority and command and delegation, limits of rule-making in human affairs and scope for the development of case-law, such and hundred other considerations of public policy have been assumed but not spelled out in our submissions done so far. We are however aware that the assumptions which we have made in this regard are open to serious debate and dispute and different assumptions leading to widely different conclusions on intent and policy and final direction of Commission's recommendations. It is not known how far the National Commission in its present composition is guided in these matters by objectives of present Government in this regard, of course, so far as that Government is capable of spelling out the same in specific terms or will the Commission have its own views on these or on unspelled out matters. However, since these issues are of a basic importance to the whole out-look of the Commission it is considered that in this final volume of our submission a brief and compact reference be made to the underlying ideals and objectives of sound social policy.

In this regard the Bharatiya Mazdoor Sangh takes pride to say that it has got no independent thinking on these questions than what the Bharatiya tradition (परंपरा) gives us as it's matured fruit of ageless experience and wisdom. Ours is a old Nation that has seen the rise and fall of countless political powers and conquering over the ravages of time. Culture of India gives us principles of eternal value. It has been the ripe experience of this race that all political, social, economic or other ideologies and isms which have failed to take full account of these priceless pearls of Thought have floundered through time often leading their brief life of a hundred or two-hundred years of existence or glory have shown signs of decadence and death and are seen no more. The modern isms like Socialism and Communism do not also show any special virtue of permanance. On the other hand our Nation has held dear values of permanent importance to social life, that have stood the test of universal attacks spread over a vast period of a thousand years. It is time that being free, we cherish once more these unique features of National Culture and restate or recollect them in terms of modern usage to clarify our understanding of them. The B. M. S. believes that a National Commission on Labour should be naturally guided by these values of life treasured by this ancient nation as a thing of supreme importance to human living.

### The nature of State and its true role

In modern times the State idea is dominating the thought and action of the World. The state is often equated with Society or Nation and the individual is being increasingly asked to surrender to the state with a faith that the hope of the good and progress of people lies in the efficiency and organisation of the state. It is necessary to examine closely the validity of this claim of state over the individual and group, and see whether the state can be trusted to carry out the functions with which it is sought to be burdened or whether there are any built-in deficiencies in the organisation and working of modern state.

Amongst the modern Seers of India Sri Aurobindo has dealt with these and related questions in the full light of Ancient Wisdom in his three books. The Ideal of human Unity, the Human Cycle and the Foundations of Indian culture. While a full appreciation of his views can be had only by reading the the original works, we take liberty to quote his words on this subject in a little scattered form, on questions referred to in the foregoing paras of this chapter. For example, he says,

"What, after all, is this State idea of organised community to which the individual has to be immolated? Theoretically, it is the subordination of the individual to the good of all that is demanded, practically, it is his subordination to a collective egoism, political, military, economic, which seeks to satisfy certain collective aims and ambitions shaped and imposed on the great mass of the individuals by a smaller or larger number of ruling persons who

supposed in some way to represent the community. It is immaterial whether these belong to a governing class or emerge as in modern States from the mass partly by force of character, but much more by force of circumstances; nor does it make any essential difference that their aims and ideals are imposed now a days more by the hypnotism of verbal persuation than by overt and actual force. In either case, there is no guarantee that this ruling class or ruling body represents the best mind of the nation or its noblest aims or its highest instincts.

Nothing of the kind can be asserted of the modern politician in any part of the world; he dose not represent the soul of the people or its aspirations. What he does usually represents is all the average pettiness, selfishness, egoism, self-deception that is about him and these he represents well enough as well as a great deal of mental incompetence and moral conventionality, timidity and pretence. Great issues often come to him for decision, but he does not deal with them greatly; high words and noble ideas are on his lips, but they become rapidly the claptrap of a party. The disease and falsehood of modern political life is patent in every country of the world and only the hypnotised acquiescence of all, even of the intellectual classes, in the great organised sham, cloaks and prolongs the malady, the acquiescence that men yield to everything that is habitual and makes the present atmosphere of their lives. Yet it is by such minds that the good of all has to be decided, to such hands that it has to be entrusted, to such an agency calling itself the State that the individual is being more and more called upon to give up the Government of his activities. As a matter of fact, it is in no way the largest good of all that is thus secured, but a great deal of organised blundering and evil with a certain amount of good which makes for real progress, because Nature moves forward always in the midst of all stumblings and secures her aims in the end more often in spite of man's imperfect mentality than by its means.

But even if the governing instrument were better constituted and of a higher mental and moral character, even if some way could be found to do what ancient civilisation by their enforcement of certain high ideals and disciplines tried to do with their ruling classes still the State would not be what the State idea pretends that it is. Theoretically, it is the collective wisdom and force of the community made available and organised for the general good. Practically, what controls the engine and drives the train is so much of the intellect and power available in the community as the particular machinery of State organisation will allow to come to the surface; but it is also caught in the machinery and hampered by it and hampered as well by the large amount of folly and selfish weakness that comes up in the emergence. Doubtless, this is the best that can be done under the circumstances, and nature, as always, utilises it for the best. But things would be much worse if there were not a field left for a less tremmelled individual effort doing what the state cannot do, deploying and using the sincerity, energy, idealism of the best individuals to attempt that which the State has not the wisdom or courage to attempt, getting

that done which a collective conservatism and imbecility would either leave undone or actively supress and oppose. It is this energy of the individual which is the really effective agent of collective progress. The State sometimes comes in to aid it and then, if its aid does not mean undue control, it serves a positively useful end. As often it stands in the way and then serves either as a brake upon progress or supplies the necessary amount of organised opposition and friction always needed to give greater energy and a more complete shape to the new thing which is in process of formation. But what we are now tending towards is such an increase of organised State power and such a huge irresistible and complex State activity as will either eliminate free individual effort altogether or leave it dwarfed and cowed into helplessness. The necessary corrective to the defects, limitations and inefficiency of the State machine will disappear.

The organised State is neither the best mind of the nation nor is it even the sum of the communal energies. It leaves out of its organised action and suppresses or unduly depresses the working force and thinking mind of important minorities,often of those which represent that which is best in the present and that which is developing for the future. It is a collective egoism much inferior to the best of which the community is capable.What that egoism is in its relation to other collective egoism we know, and its ugliness has recently been forced upon the vision and the concience of mankind. The individual has usually something at least like soul, and at any rate, he makes up for the deficiencies of the soul by a system of morality and an ethical sense, and for the deficiencies of these again by the fear of social opinion or, failing that, a fear of the communal law which he has ordinarily either to obey or at least to circumvent; and even the difficulty of circumventing is a check on all except the most violent or the most skillful. But the State is an entity which, with the greatest amount of power, is the least hampered by internal scruples or external checks. It has no soul or only a rudimentary one. It is a military, political and economic force; but it is only in a slight and undeveloped degree, if at all, an intellectual and ethical being. And unfortunately the chief use it makes of its undeveloped intellect is to blunt by fictions, catchwords and recently by State philosophies, its ill-developed ethical consience.

In modern times there has been much improvement in spite of deterioration in certain directions. The State now feels the necessity of justifying its existence by organising the general economic and animal well-being of the community and even of all individuals. It is begining to see the necessity of assuring the intellectual and, indirectly, the moral development of the whole community. This attempt of the State to grow into an intellectual and moral being is one of the most interesting phenomena of modern civilisation. Even the necessity of intellectualising and moralising it in its external relation has been enforced upon the conscience of mankind by the European catastrophe. But the claim of the State to absorb all free individual activities, a claim which

it increasingly makes as it grows more clearly conscious of its new ideals and its possibilities, is to say the least of it, premature and if satisfied, will surely end in a check to human progress, a comfortably organised stagnancy, such as overtook the Greeco-Roman world after the establishment of the Roman Empire.

The call of the State to the individual to immolate himself on its altar and to give up his free activities into an organised collective activity is therefore something quite different from the demand of our highest ideals. It amounts to the giving up of the present form of individual egoism into another, a collective form, larger but not superior, rather in many ways inferior to the best individual egoism. The altruistic ideal, the discipline of self-sacrifice, the need of a growing solidarity with our fellows and a growing collective soul in humanity are not in dispute. But the loss of self in the State is not the thing that these higher ideals mean, nor is it the way to their fulfilment. Man must learn not to supress and mutilate, but to fulfil himself in the fulfilment of mankind, even as he must learn not to mutilate or destroy, but to complete his ego by expanding it out of its limitations and losing it in something greater which it now tries to represent. But deglutition of the free individual by a huge state machine is quite another consumation. The State is a convenience, and a rather clumsy convenience, for our common development; it ought not to be made an end in itself.

The second claim of the State idea that this supremacy and universal activity of the organised State machine is the best means of human progress, is also an exaggeration and a fiction. Man lives by the community; he needs it to develop himself individually. But is it true that a State-governed action is the most capable of developing the individual perfectly as well as of serving the common ends of the community? It is not true. What is true is that it is capable of providing the cooperative action of the individuals in the community with all necessary conveniences and of removing from it disabilities and obstacles which would otherwise interfere with its working. Here the real utility of the State ceases. The non-recognition of possibilities of human cooperation was the weakness of English individualism; the turning of a utility for cooperative action into an excuse for rigid control by the State is the weakness of the Teutonic idea of collectivism. When the State attempts to take up the control of the cooperative action of the community, it condemns itself to create a monstrous machinery which will end by crushing out the freedom, initiative and serious growth of the human being.

The State is bound to act crudely and in the mass; it is incapable of that free, harmonious and intelligently or instinctively varied action which is proper to organic growth. For the State is not an organism; it is machinery, and it works like a machinery, without tact, taste, delicacy or intuition. It tries to manufacture, but what humanity is here to do is to grow and create.

The business of the State so long as it continues to be a necessary element in human life and growth, is to provide all possible facilities for cooperative action, to remove obstacles, to prevent all really harmful waste and friction,—a certain amount of waste and friction is necessary and useful to all natural action, and removing avoidable injustice, to secure for every individual a just and equal chance of self development and satisfaction to the extent of his powers and in the line of his nature. So far the aim in modern socialism is right and good. But all unnecessary interference with the freedom of man's growth is or can be harmful. Even cooperative action is injurious if, instead of seeking the good of all compatibly with the necessities of individual growth, and without individual growth there can be no real and permanent good of all, it immolates the individual to a communal egoism and prevents so much free room and initiative as is necessary for the flowering of more perfectly developed humanity. So long as humanity is not full grown, so long as it needs to grow and is capable of a greater perfectability, there can be no static good of all independent of growth of the individuals composing the all. All collectivised ideals which seek unduly to subordinate the individual; really envisage a static condition whether it be a present status or one it soon hopes to establish after which all attempt at serious change would be regarded as an offence of impatient individuals against the peace just routine and security of the happily established communal order. Always it is the individual who progresses and compells the rest to progress; the instinct of the collectivity is to stand still in its established order. Progress, growth, realisation of wider being, give him greatest sense of happiness to the individual status, secure ease, to the collectivity. And so it must be as long as the latter is more a physical and economic entity than a self conscious collective soul."

This then is our well tested concept about the role and utility of state. It is a machine and not an organism. It manufactures but it has no principle of growth. This principle of growth has its seeds in human variation, in appreciation of the uniqueness of each individual. A superficial or westernised view of the role of the state and the individual jumps to the conclusion that Indian tradition and Thought, since it appreciates the importance of individual it also accepts the concept of private property. Nothing can be farther from truth than this childish reading of the profoundities of Indian wisdom. It is to read in the concept of Sanyasa (the culminating of the four Ashramas) and Maya or illusoriness of the world and its wealth, a gospel of material selfishness and material acquisition. The point at issue in Indian thought is that since it is in the life of the individual that the aim of human happiness takes its solid form and since it is in the attiitude and behaviour of the individual that the social action makes its concrete projection, what regard requires to be given to the infinite variation in moulds of individual natures? The quarrel between law and liberty, between material uniformity and psychological unity rests on these actualities and potentialities of individual variations. The

demarcation of the business of the state and spheres of individual liberty can be known only when we understaud the laws of life and evolution and facts and powers of our existence which give us a reconciling key to the apparently conflicting principles underlying the three constant factors individuals, communities of various sorts and the mankind. The soundest way to increase the total riches of mankind is obviously the one that can develop the individual and all individuals to their full capacity develop the community or group and all groups to the full expression of that many sided existence and potentiality which their differences were created to express, and to evolve the united life of people by taking full advantage of these diversities.

## LAWS OF NATURE

To aid the persuit of mankind on above directions the Indian wisdom has always laid stress on principles of organic growth and has put compulsion at its proper place. Unfolding the secrets of Nature in this regard, here again Sri Aurobindo tells us, ' 'Nature does not manufacture, does not impose a pattern or a rule from outside; she impels life to grow from within and to assert its own natural law and development modified only by its commerce with its environment. All liberty, individual, national, religious, social, ethical, takes its ground upon this fundamental principle of our existence. By liberty we mean the freedom to obey the law of our being, to grow to our natural self-fulfilment to find out naturally and freely our harmony with our environment. The dangers and disadvantages of liberty, the disorder, strife, waste and confusion to which its wrong use leads are indeed obvious. But they arise from the absence or defect of the sense of unity between individual and individual, between community and community, which pushes them to assert themselves at the expense of each other instead of growing by mutual help and interchange and to assert freedom for themselves in the very act of encroachment on the free development of their fellows. If a real, a spiritual and a psychological unity were effectuated, liberty would have no perils and disadvantages; for free individuals enamoured of unity would be compelled by themselves, by their own need to accommodate perfectly their own growth with the growth of their fellows and would not feel themselves complete except in the free growth of others. Because of our present imperfection and the ignorance of our mind and will, law and regimentation have to be called in to restrain and to compell from outside. The facile advantages of a strong law and compulsion are obvious, but equally great are the disadvantages. Such perfection as it succeeds in creating tends to be mechanical and even the order it imposes turns out to be artificial and liable to break down, if the yoke is loosened or the restraining grasp withdrawn. Carried too far an imposed order discourages the principle of natural growth which is the true method of life and may even slay the capacity for real growth. We repress and overstandardise life at our peril; by over regimentation we crush Nature's initiative and habit of

intuitive self-adaptation. Dwarfed or robbed of elasticity, the devitalisd individuality even while it seems outwardly fair and symmetrical, perishes from within. Better anarchy than the long continuance of a law which is not our own or which our real nature cannot assimilate. And all repressive or preventive law is only a makeshift, a substitute for the true law which must develop from and be not a check on liberty, but its outward image and visible expression. Human society progresses really and vitally in proportion as law becomes the child freedom; it will reach its perfection when, man having learned to know and become spiritually one with his fellow-man, the spontaneous law of his society exists only as the outward mould of his self—governed inner liberty.

Man needs freedom of thought and life and action in order that he may grow, otherwise he will remain fixed where he was, a stunted and static being. If his individual mind and reason are ill developed, he may consent to grow, as does the infrarational mind, in the group soul, in the herd, in the mass, with that subtle self-conscient general evolution common to all in the lower process of Nature. As he developes individual reason and will, he needs and society must give him room for an increasing play of individual freedom and variation, at least so far as that does not develop itself to the avoidable harm of others and of society as a whole. Given a full development and free play of the individual mind, the need of freedom will grow with the immense variation which this development must bring in with it, and if an only free play in thought and reason is allowed, but the free play of the intelligent within life is inhibited by the excessive regulation of the life, then an intolerable contradiction and falsity will be created. Man may bear it for a time in consideration of the great and visible new benefits of order, economic development, means of efficiency and the scientific satisfaction of the reason which the collectivist arrangement of society will bring; but when its benefit become a matter of course and its defects become more and more realised and prominent, dissatisfaction and revolt are sure to set in in the clearest and most vigorous minds of the society and propagate themselves throughout the mass. This intellectual and vital dissatisfaction may very well take under such circumstances the form of anarchistic thought, because that thought appeals precisely to this need of free variation in the internal life and its outward expression which will be the source of revolt, and anarchistic thought must be necessarily subversive of the socialistic order. The State can only combat it by education adapted to its fixed forms of life, an education that will seek to drill the citizen in a fixed set of ideas, aptitudes, propensities as was done in the old infrarational order of things and by the supression of freedom of speech and thinking so as to train and compel all to be of one mind, one sentiment, one opinion, one feeling; but this remedy will be in a rational society self-contradictory, ineffective, or if effective, then worse than the evil it seeks to combat. On the other hand, if from the first freedom of thought is denied, that means the end of the Age of Reason and of the ideal of a

rational society. Man the mental being, disallowed the use except in a narrow fixed groove, of his mind and mental will, will stop short in his growth and be even as the animal and as the insect a stationary species.

This is the central defect through which a socialistic State is bound to be convicted of insufficiency and condemned to pass away before the growth of new ideal. Already the pressure of the State organisation on the life of the individual has reached a point at which it is ceasing to be tolerable. If it continues to be what it is now a government of the life of the individual by the comparatively few and not, as it pretends, by a common will and reason, if, that is to say, it becomes patently undemocratic or remain pseudo-democratic, then it will be this falsity through which anarchistic thought will attack its existence. But the innermost difficulty would not disappear even if the Socialistic State became really democratic, really the expression of the reasoned will of the majority in agreement. Any true development of that kind would be difficult indeed and has the appearence of a chimera for collectivism pretends to regulate life not only in its few fundamental principles and its main lines, as every organised society must tend to do, but in its details, it aims at a thoroughgoing scientific regulation; and an agreement of the free reasoned will of millions in all the lines and most of the details of life is a contradiction in terms. Whatever the perfection of the organised State, the supression or oppression of individual freedom by the will of the majority or of a minority would still be there as a cardinal defect vitiating its very principles. And there would be something infinitely worse. For a thoroughgoing scientific regulation of life can only be brought about by a thoroughgoing mechanisation of life. This tendency to mechanisation is the inherent defect of the State idea and its practice. Already that is the defect upon which both intellectual anarchistic thought and the insight of the spiritual thinker have begun to lay stress and it must immensely increase as the State idea rounds itself into a greater completeness in practice. It is indeed the inherent defect of reason when it turns to govern life and labours by quelling its natural tendencies to put it into same kind of rational order.

Life differs from the mechanical order of the physical universe with which the reason has been able to deal victoriously just because it is mechanical and runs immutably in the grove of fixed cosmic habits. Life, on the contrary, is a mobile, progressive and evolving force, a force that is the increasing expression of an infinite soul in creatures and as it progresses becomes more and more aware of its own subtle variations, needs diversities. The progress of Life involves the development and interlocking of an immense number of things that are in conflict with each other and seem often to be absolute oppositions and contraries. To find amid these oppositions some principle or standing ground of unity, some workable lever of reconciliation which will make possible a larger and better development on a basis of harmony and not of conflict and struggle, must be increasingly the common

aims of humanity in its active life-evolution, if it at all means to rise out of life's more confused, painful and obscure movement, out of the compromises made by Nature with the ignorance of the Life-mind and nescience of Matter. This can only be done truly and satisfactorily when the soul discovers itself in its highest and completest spiritual reality and effects a progressive upward transformation of its life-values into those of the spirit; for there they will all find their spiritual truth and in that truth their standing-ground of mutual recognition and reconciliation. The spiritual is the one truth of which all others are the veiled aspects, the brilliant disguises or the dark disfigurements and in which they can find their own right form and true relation to each other. This is a work the reason cannot do. The business of the reason is intermediate; it is to observe and understand this life by the intelligence and discover for it the direction in which it is going and the laws of its self-development on the way. In order that it may do its office, it is obliged to adopt temporarily fixed view-points none of which is more than partially true and to create systeme none of which can really stand as the final expression of the integral truth of things. The integral truth of things is truth not of the reason but of the spirit.

But apart from these excesses of a too logical thought and a one-sided impulsion, apart from the inability of any 'ism' to express the truth of the spirit which exceeds all such compartments, we seem here to be near to the real way out, to the discovery of the saving motive-force. The solution lies not in the reason but in the soul of the man, in its spiritual tendencies. It is a spiritual, an inner freedom that can alone create a perfect human order. It is a spiritual, a greater than the rational enlightenment that can alone illumine the vital nature of man and impose harmony on its self-seekings, antagonisms and discords. A deeper brotherhood, a yet unfounded law of love is the only sure foundation possible for a perfect social evolution, no other can replace it. But this brotherhood and love will not proceed by the vital instincts or the reason where they can be met, baffled or deflected by opposite reasoning and other discordant instincts. Nor will it found itself in the natural hearts of man where there are plenty of other passions to combat it. It is in the soul that it must find its roots; the love which is founded upon a deeper truth of our being, the brotherhood or, let us say, for this is another feeling than any vital or mental sense of brotherhood, a calmer more durable motiveforce,-the spiritual comradeship which is the expression of an inner realisation of oneness. For so only can egoism disappear and the true individualism of the unique godhead in each man found itself on the true communism of the equal godhead in the race; for the Spirit, the inmost Self, the universal Godhead in every being is that whose very nature of diverse oneness it is to realise the perfection of it's individual life and nature in the existence of all, in the universal life and nature.

This is a solution to which it may be objected that it puts off the consummation of a better human society to a far off date in the future evolution of the race. For, it means that no machinery invented by the reason

can perfect either the individual or the collective man; an inner change is needed in human nature, a change too difficult to be ever effected except by the few. This is not certain; but in any case, if this is not the solution, then there is no solution, if this is not the way, then there is no way for the human kind. Then the terrestrial evolution must pass beyond man as it has passed beyond the animal and a greater race must come that will be capable of the spiritual change, a form of life must be born that is nearer to the divine. After all there is no logical necessity for the conclusion that the change cannot begin at all because its perfection is not immediately possible. A decisive turn of mankind to the spiritual ideal, the beginning of a constant ascent and guidance towards the heights may not be altogether impossible, even if the summits are attainable at first only by the pioneered few and far-off to the tread of the race. And that beginning may mean the descent of an influence that will alter at once the whole life of mankind in its orientation and enlarge for ever, as did the development of reason has and more than any development of the reason, its potentialities and all its structure."

Such is a clear thinking of Indian Sages and Seers. It's authenticity has been verified a number of times in individual and group living. It gives us a bedrock of truth, a sure foundation of knowledge. These alone can then form the ideals which are capable of illumining our thought.

We have tried to base our submission on these foundational truths of human living. In any case they are the final words on the subject and we may submit that to the extent that our submission may not measure up to these expressions of truth, they must be regarded as falling short of the ideal. The key-note of our submission has been that the right organisation of our collective existence can be based on the principle of brotherhood which is a natural instinct of the soul. This principle gives liberty, its just relation ship with equality or rather equitability. True brotherhood is itself based on one-ness, just like that of different limbs of human or any organism where the play of true superiority and difference is not only in offensive but is also a part of a cooperative whole and gives ample freedom to each individual for his full growth. The role of all agencies of collective life the trade union, the employers' organisations or the State is to understand and second the growth of this principle of true brotherhood and oneness the State should serve the laws of organic growth by removing all disabilities or obstacles in human nature that may stand against cooperative action by its compulsive action. This is the utility of the State and these are its limitations. There is a Law beyond all that human parliaments can legislate and in the obedience to that supreme law of Truth lies the fulfilment of all the organs of the State-legislative, executive and judicial, for, that law alone is capable of delivering to us all that we can aspire. That law is Dharma to which everything else has got to be subordinated if we want to achieve any good. The true function of the State is to uphold that Dharma.

CHAPTER XIX

# The Role of Trade Union Movement

## The Perspective

Has trade Union movement a distinct role to play under the set up? Can it be treated as indispensable to-day?* A Hitler, a Mussolini, a Franco, a Salazar, a Mao would emphatically in the negative. Under the benevolent despotism no separate organisation of workers is necessary to safeguard and promote workers' interest, these dignitaries would argue. Even to-day, President Nyeyere of Tanzaniya has ascirbed to himself the role of the saviour of labour, disbanded all trade unions in his country, forced workers in all industries to join the only national trade union floated by him, divided this only union into different industry–wise departments, and ensured that this organisation will follow faithfully his dictates. The workers' lot is certainly bettered under the new arrangement, with his patronage. Kuwait, a small country with remarkably high per capita income, has provided good housing, social security and high incomes to its workers though they are not properly organised. Nevertheless, conscious workers in both these countries do not accept official benevolence as a dependable medium for their durable welfare. They consider it extremely risky to give up their self-reliance through their own trade unions. For, self-help has no substitute or alternative. Even if labour comes to power in any country, it cannot afford to disband its organisations. Even in such a case, the interests that are sought to be protected by the Government would not be identical with those the trade unions strive to safeguard. The trade unions have certainly a distinct role to play.

In India there seems to be no unanimity of opinion about the role of trade union movement. True, its Marxist-Leninist character, the AITUC., after it came to be dominated by the communists, has been treating the trade union as a "school of communism." While this has furnished to it, an ideological cohesion which has been the source of its strength so far, it has also contributed recently to its weakness, after a split in the Communist Party on the interpretation of the tenets of Marxism–Leninism and though, presently both the factions are continuing in the same organisation the launching of a separate leftist trade union centre is quite imminent. The assumption of power by communists on the state-level without coming into power simultaneously on national level, has given them the further disadvantage. While in the latter case it becomes possible to function as an opposition till seizing the state–apparatus of the entire country and then to change its role suddenly and drastically so as to suit the compulsion of authoritarianism, in the former case the self contradiction in the role of the party in the pre-revolution and the

post-revolution periods becomes inconveniently apparent. This explains the background of the recent resolution of the AITUC condemning the memorandum of the State Labour Department of the CPM dominated Kerala, to the National Commission on Labour. The INTUC, based on the sound, nationalistic principles enunciated by Gandhiji for the benefit of the Majdoor Mahajan, has lost its soul in the process of its identification with the Congress and the Government, and consequently, the internal dissensions in the latter are reflected now in its organisational structure rendering it weak and divided at different levels notwithstanding its total numerical strength. The HMS unions are individually strong but collectively weak, because, most of their trade union leaders adhere faithfully to the principles of democratic trade unionism, but seem to be least concerned about the role of Central Labour Organisation either in the national reconstruction or in the achievement of total labour welfare. The UTUC proffessed a perfectly non-political character, but in practice was led by the RSP and the Bolshevik Party, and with the conflict between the two it suffered from a major split which gave it tremendous setback. The HMP is the only organisation which declares boldly that the Trade Union must function as a wing of a political party and that such an arrangement will benefit both, the union and the party. The Akhila Bharatiya Siddhartha Shramik Sangh is still in its infancy, though the Republican Party has the unique character of being virtually the All India Organisation of the Agricultural labour. The party has ready membership in industry as well as in agriculture, awaiting the entry of dedicated leaders in the labour field. The DMK has also entered the field with a great fanfare, and its trade union leaders, though new to the movement and confined to a state, seems to be earnest in mastering the technique so as to solve the economic problems of their State. The trade unionists of the Lal Nishan Gut and the Peasants and Workers' Party are obviously out to dominate the local scene and do not pretend to possess any national perspective. The same holds good of the Bharatiya Kamgar Sena of the Shiv Sena, though its principles and policies are yet to be spelt out. A very large section of organised labour is under the unions and federations that are independent and unaffiliated, and though each one of them will have to be judged separately on its own merit, it can be broadly said that they have no specific ideological standards to determine the role of trade union movement. The Indian Federation of Independent Trade Unions also belongs to this category, though, for the sake of convenience, it once started a dialogue with the International Federation of Christian Trade Union which redefined the term 'Christian' as 'Believer.' The All India Scheduled Castes & Scheduled Tribes Workers' Welfare Association succeeded considerably, under the able guidance of Shri. Jagjivan Ramji, in achieving its objects; but it was in no sense a trade union organisation; and the communist-dominated Kisan Sabha did launch some agitation to safeguard the interests of agricultural workers, but it also never claimed itself to be a regular trade union. Thus lack of unanimity about the role of trade union movement is quite obvious in our country.

On the global plane the trade union movement in its present form is an institution of comparatively recent growth. Starting as protest organisations in the wake of early periods of industrialisation, an uprising against the rule of the successful bourgeois and the plutocrat, the movement is now moving up to play its role in ascending degrees. There are unions who are associating themselves in the decision making process by way of informational cooperation, others are playing an advisory role. Still others are participating in administration or giving constructive cooperation. Then there is a picture of joint determination and even complete control of industry. Even the full management of country's economy by personnel from the trade union movement has no more remained a dream. In order that we can appreciate the true role of the trade union movement in the dynamics of National Reconstruction it will therefore be useful to take a bird's eye view of the world phenomenon from this angle.

### Africa

The study of trade union movement in Africa reveals an interesting anxiety and hesitation on the part of national governments to encourage within limits the trade union movement so as to make it an instrument of public policy. As an after effect of colonization the African trade union movement is divided in two main models–French and the English. But the newly independent Government in both former French West Africa and Central and East Africa are playing an important role in formulating and applying a national labour relations policy. They first felt the need of institutionalising the workers' protest and encouraged a transition from spontaneous action to action directed by trade unions. But thereafter they proceeded to subject the strikes to a stricter regulation. In Africa the public sector is very large and as such it acts as a pilot–sector for introduction and development of labour relations. More over in private sector higher managerial posts are still largely held by Europeans. As a cumulative effect of all these the trade unions in Africa are considerably politicalised. Their policies and the effect of these policies has been a subject matter of analysis by Sociologists and Economists. The trade union movement is comprratively weak because workers' commitment to industrial life has remained a painful process. It is agreed that this process from traditional to modern living involves profound psychological and cultural changes. The economists are therefore backing the trade unionists for wage increases so that the workers can be cut loose from the traditional environment and get their families established near employment centres and commit to industrial life. But since this objective can be practically achieved by systems of payments by results which in turn depends upon attitudes of trade unions, their march from conflict to cooperation a view is gaining ground that the participation of employers' and workers' organisation in national economic development plans should be ensured by establishing bipartite and tripartite organs of consultation and cooperation. There have been many radical reforms in this direction in Morocco, Ghana, South Africa, Rhodesia Nigeria, Tanganyika, Kenya, Sudan and the former Belgian Congo.

All these african nations are very poor. e. g. Ghana's average per capita income is 200 dollars. Nigeria's less than 100 dollars while for Mali it is about 50 dollars. Trade unionism is new. Many trade union officials lack understanding about accounting procedures, legal provisions etc. But the nations are in a hurry. The State has no time to think whether it should or should not undertake any particular function. The need is for organised total effort to improve the general standard of living and social welfare. So the State has undertaken a big project to train and educate trade union officials. In the Republic of Guinea an African Workers' University was opened in Canakry in 1960. These trained the labour leaders are consulted about the framing of laws. They have got equal number of representation with employers and Government on legal advisory committees such as Federal Labour Advisory Council of Nigeria, or National Advisory committee on Labour in Ghana or Technical Labour Committee of Guinea. Workers' right to organise trade union is enshrined as a fundamental right in many African Constitutions, but the unions have not got full freedom to determine their own constitution. Certain restrictions as for example, the conditions under which a member shall become entitled to the benefits provided by the union, the manner of appointment or removal of officers, guarantees for individual members relating to voting, strikes, amalgamations etc.; are mandatary. The Kenya and Uganda Acts require the trade unions to serve a probationary period while the Act in Ghana incorporates a Trade Union Congress of 24 members unions (now reduced to 16 by amalgamation) and all workers desirous of organising have to belong to one or other of these unions. The Africans do not believe that one strong all-embracing organisation is desirable or good. It openly held that the existence of two or more unions ensures more effective protection of workers through healthy competition. The overshadowing tendency however has been to make trade unionism a tool of the State. Its other result has been that the trade unions are taking a free part in political activity. This is now the case throughout Africa. The most conservative country in this regard was Ghana where the Trade Union Ordinance of 1941 ostensibly forbade the participation of the unions in politics. But the position was ultimately reversed. In French Territories the unions overthrowed all restrictions and made headlong involvement in politics. Most trade union legislation now makes provision for trade union political activity. In Guinea the head of the State has remained the effective leader of the trade union movement, while in Kenya and Tanganika trade union leadership is intergrated with government. In turn the trade union movement is brought into confidendence and close participation with counsels of State. It influences the government policies and channalises, its erstwhile energy into national reconstruction. In some cases the identification is so close that it is widely asked whether the end of the State are not indentical with those of the unions. The main issue is not class struggle but a united and total struggle against poverty and against colonialism of all types. These trade unions are primarily nationalist. They want to remain away from the world ideological conflicts and do mistrust both the ICFTU and WFTU as foreign colonisers. The trend is towards the formation and consolidation at an all African labour movement. The trade unions in Africa value their freedom as sacrosanct but many of them are increasingly showing a robust attitude in appreciating that in matters of economic development the State is their leader. This

leadership function of the State and associative and constructive role of trade unionism is now being clearly articulated by African writers on Trade Unionism and this has made even the ILO to revise its information and outlook on role of trade unions in national reconstruction in Africa. Shri. T. M. Yesufu, Secretary, National Manpower Board, Ministry of Economic Development, Lagos, Nigeria, has told the ILO:

"Commentators on organisations such as the ILO should first seek to understand before they criticise. Their criticisms can be most useful and indeed welcome, but only if they are informed in the field of industrial relation the developing nations in Africa are breaking new grounds, they are not interested in political dogmas. Their problems are practical and they know that in any given situation only that pattern is best which enables the workers and their managers to identify their common interests in the production process, to their natural advantage and the advantage of the whole country. We (who were oppressed under colonial rule) cherish fundamental freedom not less than others But we refuse to generate undue emotion on things like right to strike and bargain collectively. That will be injurious to our nation. It is a style in developed countries to regard with suspicion all attempt of the State to fashion its relation with the trade union movement. But we hold that no one pattern of industrial relations system is necessarily superior or good. To a nation in a hurry (and all developing nations are) only that is justified which works and fulfils need."

No doubt, Mr. Yesufu's remarks overstress an arguement. The nature of to-day's economic development programme is such that they do not easily emerge out of a specific demand by masses. They are often produced by an aggressive and creative minority. In this condition the State may get into a habit to oversimplify the social costs involved in economic development. It cannot then act as a leader of trade union movement. On grounds of determinism, the State in a hurry is then likely to become impatient with basic social values. The need of independence of trade union becomes of vital importance in such a situation. Yet the facts of African life which have many parallels for all developing nations are a reasonable excuse for such over-statements. The trade union movement in Africa, though in its infancy, cannot afford to be a mere protest movement simply because trade unionism in the world started as a protest and struggle. The democratic State and national trade unionism have got ends in common in form of national aspirations. The revolution of rising expectations puts common practical responsibilities on their shoulders. This is a greater area of public policy and action. And in this respect Mr. Yesufu's remarks a new pattern of industrial relation are quite appropriate and deserve our serious consideration. The African scene highlight quite an important role of the modern trade union movement.

It will not be out of place, however to make a passing mention of the effect of this State and Trade Union combination in Africa on other related

sectors. These effects hold a great potential force in the shaping of trade union involvement in future national economic reconstruction. Though it is not possible to predict the outline of this future course, since several alternatives are open—they do give us a circumstantial enviornment that can condition the role of trade union movement confined to modern industries. We have already stated that the Governments in Africa are playing quite a large role as leaders of trade union movement. This has often let to giving of a distortant influence to purely social workers in the technical matters. A most fantastic example of this development can be seen in the appointment of Kenya committee on African Wages (1953) which made far reaching recommendations on wage policy. This Committee had no economist amongst its members, nor did it consult one, on extraordinary grounds that since economists differed amongst themselves any way, and one could contradict another, it was better to do without their services altogether. Though this is a singular instance yet the trend of giving importance to trade union leaders in matters of economic policy is widely practiced. One result of this policy has been that the wage policy of African Government is a high wage policy. It has been upheld by wage-fixing authorities in Kenya, Tanganyka, Uganda, South Africa etc; that with higher wage levels employers will adopt more capital-intensive techniques of production, the structure of the modern sector of economy will change and individual efficiency will rise offsetting the wage increase. While many economists hold these arguments in defence of high wage policy as unconvincing, expensive and uncertain, its effects on other sectors have started telling. No doubt wage earners in most African countries have substantially improved their position in last 15 years. In West African cities between the late 1940's and the early 1960's real wages rose in the order of 30–50 p. c. In Congo between 1950 and 1958 real wages doubled. While in Southern Rhodesia between 1949 and 1958 they rose by almost 70 p. c. (we know that in India they are going down). But these increases in non wage incomes were much higher than comparative income increases in non-wage sector. In the Belgian Congo in 1958, for example, income per capita was 3800 francs in the wage sector and 1400 francs in the nonwage sector, and in Senegal in the late 1950's it was estimated that wage income per capita was more than twice as high as incomes of traders and artisans and were three times higher than peasants and fisherman's income per capita was more than twice as high as incomes of traders and artisans and were three times higher than peasants and fisherman's income. Wage earning families, representing a little over 10 p. c. of the African incomes. Every where wage increases far out-spaced improvements in income of farmers. This is said to be one effect of increasing associaton of trade unions with Government policy making. It is said many times that wage-fixation in Africa is not so much a process of negotiation as a process of legislation. Labour Departments are expected to exercise persuasive pressure to educate employers into making a constructive response to what may be considered as belligerent demands of the unions. Thus though the unions are weak in membership their political power is great. In the internal pressures of trade unionism the pressure of skilled and educated workers is felt to a large extent. There is on the whole of Africa an anormously wide spread bet-

ween the wages of workers with little or no skill and those on the upper rungs of the skilled ladder. At the top the African civil service enjoys an array of fringe benefits such as free housing, car allowances, liberal leave, medical care etc. All these differences are creating acute dilemmas. Narrowing of differentials it is felt, will make a major contribution in developing a sense of shared sacrifice. As a reaction at least one country the Ivory Coast has in 1962 eliminated in one stroke all subsidised housing which was estimated to be equivalent to a 30% wage cut. Like wise the French speaking countries have now laid down a special procedure for job classification. The ramifications of wage policy are thus reaching into the heart of general economic policy and development strategy. It is therefore hard to tell how far the cooperative or administrative role of trade unionism as against the role of protests and conflicts has arisen out of an original vision and approach as claimed by African leaders or out of the natural repurcussions of uneven economic growth process on general morals. Perhaps both the factors may be present side by side. In any case the role that trade unions are playing in Africa has got much positive content for a developing economy and is prolific for its virtues and pitfalls, its utilities and limitations.

### The Middle East

The Arab–Moslem world of the Middle East presents to us a different problem of industrialisation where the workers are not in a mood to commit to industrialisation on religious grounds. The only exception is Israel which is a case apart. Almost all authors on the Arab-Moselem world attribute the lack of economic drive to the Moslem mentality. The absence of a collective motivation or ideology for industrialisation, virtual non-existence of a middle class and a traditional attitude that turns persons educated in western style into physically displaced persons has created a psychological vacuum which is being filled by the army. There is no wonder that trade unions are weak and divided and suffer from ignorance and distrust on the part of the army and intelligentia. However, the influence of the outside world is penetrating fast and instances are on record where the State itself promoted both workers' and employers' unions by means of legislation. For reasons of national prestige trade unionism is not prohibited in any country of the region but the Governments are cautious to see that freedom of association does not open the door to extreme left–wing elements. There is however an increasing concern to establish a typology of development where the trade union is seen as a partner of the State. The potential role of trade unionism within a socialist economy is defined as one of the participant in the development process. The United Arab Republic is a typical example of this trend. As against Africa, the trade unions in Middle East are prohibited from engaging themselves in political activities. However, many union leaders are individually active in political life. But since the political parties are not organised on the basis of classes they provide rather a meeting ground for employers and trade union leaders on a friendly basis with an intention to remove differences and create national

unity. In Egypt, the State is considered as the prime mover of development and the entrepreneur is regarded as the organiser and co-ordinator of the collective effort. This is slowly becoming a model for Moslem economy. But it is not yet clear whether the workers have accepted any role in the whole process. Even the attempt to set up works committee provided for by law have encountered suspicion on the part of workers and trade unions are often required to oppose the same.

In Egypt, since 1952 the Government is making a strenuous effort to accelerate the socio-economic development of the country. In order to obtain the peoples' support for its economic policy the Egyptian Government has adopted a system of workers' participation in management and profits. The economic power has been largely decentralised. The size of the board of directors of all firms has been standardised and is limited to nine out of which four are elected from among the workers of employees for a period of two years. They cannot be dismissed or suspended from their employment without previous recourse to the court of First Instance. Twenty five percent of the net profits is distributed to the workers and employees up to a maximum of £ 50 per person. 10 % of this is given in cash, 5% for social services for those working in the establishment and 10 p. c. for special services for all other workers. The General Managers for all industries or firms are appointed by Presidential decree on the recommendation of a competent minister. They are therefore no longer responsible in any ultimate way to shareholders but to the public organisation parent to their firm The essential duty of a manager is to achieve the targets led down in the plan but he has to work every day under the control of the board, which meets in a regular manner. In any establishment of 50 workers and over there are a number of formal organisations such as Trade Union Committee, Personnel Committee, Joint consultative Committee, Board of Directors and Socialist Union Unit. There is much overlapping of functions between these organisations.

The whole organisational structure of the labour movement is based on law. A Labour Code introduced in 1959 decreed that the labour movement was to be based on 'general' unions composed of persons engaged in a given occupation, trade or craft in the whole country. Occupational, industrial and agricultural activities are grouped under 27 headings. Each of these groups is formed into a general union composed of union committees. Fifty or more workers in any given establishment may constitute a union committee. These committees combine and form the general union. The law stipulates that each union committee must be represented by its own delegates which may vary in number between 1 to 35 according to the size of membership. The law also provides that union members may be fined should they fail to cast their vote for election of union officers, a typical military mentality. The focus of power is the general union. The system of check off prevails. The expenses of both general union and union committee are not to exceed 30 % of the revenue of general union. Another 30 p. c. is distributed by the general

union to the various committees in proportion of dues collected by each. This amount is to be used for the welfare of the members. Out of the remaining 40 p. c., 25 p. c. is allotted for educational and welfare activities. 10 p. c. is paid to the National Labour Federation and 5 p. c. is kept in reserve. There is a close legal security of union finances. The law also lays down provisions regarding dissolution of the union. Formerly, trade unions could be dissolved by ministerial order but now this can take place only through a court decision. There is a legal provision to second an employee to a union as full-time officer for a certain period after which he has to return to his former employment. Outsiders who are not connected with that particular industry or firm cannot hold office in the union. Similarly, a person cannot hold office in more than two trade union organisations.

Following the developments such as workers' participation in management and the nationalisation of most industries it is now widely discussed that collective bargaining has no place in a socialist economy. The means of production belong to the people and it should be everyone's concern to be the custodian of production. The main role of trade union is said to be to increase production and productivity and to improve working conditions. The differences between management and unions should be minimised and if they fail to reach mu ual agreement or get helpful mediaiton then they may resort to compulsory arbitration. However, to evolve a rational criteria for wage fixation a great need is felt to establish a job evaluation system. In 1963 the Government of Egypt appointed a special ministerial committee to make recommendations on the adoption of a suitable job evaluation system. This was followed with the setting up of a permanent Central Authority for Organisation and Administration. Since that day a number of statements have been made concerning the issue of job classification, wages and salaries. The Government has controlled not only the trade unions but also the managements. Recruitment procedures are laid down by law through prescription of occupational qualifications and examinations. Perhaps the occupational structure of trade unionism might have influenced this unique national provision. Similarly, there are restrictions on dismissal and trade union activists can be reinstated by court order. As a result of such an all embracing and controlling legislation both the employers and workers are increasingly relying on Government to settle their differences. On the other hand the Government also stands for trade unionism. The National Character of Egypt which was adopted in 1962 as the basis of nation's socio-economic development lays down that membership within the trade union is prerequisite for anyone wishing to assume leadership in any national activity such as in National Congress or Voluntary Associations. Egypt is today in the throes of deep socio-economic changes and the trade unionists and the technocrats are the main architects of these changes. The 1962 Charter of the United Arab Republic therefore rightly lays dawn:

"The new system expands the role of labour organisations. These organisations no longer remain a mere counterpart of management in production

operation, but become the leading vanguard of development . . . . . The position of labour in the new society can only be measured through the success of industrial development and the working potentialities and efficiency to achieve them."

Egypt is slowly becoming a model for the Arab-Moslem world. The focus that Egypt has placed on role of trade union leadership raises the question, are the unions to be considered as bargaining unions or administrative unions? How they should deal with pressures emanating from Government and those emanating from rank and file? How far they can retain independent social and economic power? We have already seen that religious traditions are weighing heavily on Muslim mind in transition to industrialisation. For example, Mr. Al Habib Bourguiba of Tunisia has recently appealed Muslims to give up fasting during Ramzan since it brings in a fall in production and reduction of working hours. What the trade unions are supposed to do with such appeals? How far the State relies on them for leadership in such matters? In a de jure one-party state like Egypt such questions take a very pertinent turn. The expected and accepted, the assumed and actual role of trade union as a social and economic organisation independent of a one party or military state introduces a delicate interdependence.

### South East Asia

The whole of Asia and particularly the South East Asia presents to us a still different problem in fixing up a role of trade unionism. The culture, history, tradition and geographical environment have played a major part in deciding labour and management attitudes in Asia. The polarisation of whole thinking is around the family Indirect and objective stimulus do not work to the same extent as they do in other parts of the world. The effective relationship often stems from considerations regarding the concerned individual, his family, caste, province or ethnic group The recruitment and promotion policies of management, voting patterns in electing political or trade union leaders are largely influenced by these factors. Even skills for certain jobs are traditionally acquired and are a family trait. It is almost a case of a polyethnic society and the transition to a industrial society can present problems not only to the economist but even more to sociologist, psychologist, anthropologist, industrial expert and political scientist. Even the trade names have ethnic bearings. e. g in Malaya and Ceylon the word for labour recruiter is kangani–a Tamil word, while the one for foreman or overseer of un-skilled labour is Mandor–a Portuguese word and for employer or owner they use the Chinese word Towkay, and for employers' association another Chinese word Kongsi. Each ethnic group has it's own work mentality. For instance, a long history of droughts, famines, floods and destruction have left in the Chinese an inherent sense of frugality, of economy, a sense of 'must work to save'. Deep tradition created many problems when women began to enter service. The exact modus operandi of these factors has not yet been well traced in appreciating problems of trade unionism and economic development in Asia. The life in this part of the world

did flower in the past round the family and the temple. This has cultivated many virtues. But if instead of harnessing these schools of social education for the ends of public policy, concept of westernised industrialsation and trade unionism seeks to destroy them, then how it can fill the resultant vacuum? This is a central problem having important bearing on human motivation, morals and social organisation. Mr. Arthur M. Ross has summed up this problem in a fine manner while writing the introduction to the proceedings of a conference held at Geneva in 1966 by the International Institute for Labour Studies. He says,

"If economic development is elevated to the status of an ideological absolute, traditional institution such as religion, families and tribalism, together with philosophical views other than acquisitive and materialistic, tend to be viewed solely as barriers to development. But if economic development is regarded as an instrument of human welfare, it is not clear that established institutions and values should be viewed negatively as obstacles to be culiminated. Throughout history economic development has been a cruel process for the populations immediately involved. The challenge of the present is whether development can proceed at a satisfactory rate without understanding other important aspects of life encountered in its path."

The point of non-political and non-economic consideration having an important bearing on process of industrialisation is extremely well taken in the above quotation. This has a very important bearing in considering the role of trade unions in country's life. For it is a roll not vis-a-vis State and economic progress, but a role of trade unions as a social organisation in country's cultural progress. Even the role of Government and its labour machinery requires to be examined from this angle. For if economics is bread, culture is life itself. The cultural aspect cannot be wished away. The neglect of these factors creates much hypocracy in public life. For example, Mr Charles Gamba, President, Industrial Arbitration Court, Singapore, has developed a thesis that face is becoming an important ingredient in the relationship between industrial parties. He links the word 'Face' to circumlocutory phrasing, designed to avoid embarrassing situations. The concept of face arises because the many questions thrown by non-economic factors on economic processes and institutions are not given their frank and right appraisal. The trade unions in South East Asia are functioning amidst these environments.

The background of ethnic considerations gives to political life a colour of the thirst for personal power. Consequently philosophies are used as cheap slogans without any idea of adherence. This has affected even the labour movement. For example, a writer on labour movement in Malaya and Singapore points out that trade union leaders change their labour philosophy overnight. Some leaders may have been jailed without trial for their militant support of a free trade union movement; but today these same leaders para-

doxically encourage partisan restrictive legislation and action. Government's labour policy can also change from one union to another and from one person to another. Industrial tribunals find themselves operating in an emotional political economic atmosphere. Writers of many countries in South East Asia have reported malpractices in payment of wages. Communalism in the membership and leadership creates jealousies which splinter the whole trade union movement. The ethnic basis prevent unions from coming together. The situation has become quite complicated due to the operation of Chinese Secret Societies under the cover of labour movement. These societies have become a cancerous growth on an otherwise law abiding community. Penetrating the trade unions these Secret Societies exploit the communal issues for party ends. An interesting side effect of ethnic groups is a family tradition of inherited skills to perform certain jobs. There are cases when industrial tribunals found it difficult to assess the degree of skill involved in a job while settling a wage claim on the basis of job evaluation. A worker belonging to the particular specialised caste or family pleads for higher wages for strenuous training he has to take to acquire the skill but the one traditionally performing it is unaware of the gifts he brings to bear on job. Tribunals faced with these comparisons were forced to admit virtue in making recruitment to certain jobs on basis of ethnic consideration Even collective bargaining charges its character when it takes place between two groups of the same ethnic origin or between groups of two different ethnic backgrounds. So also the ethnic background of conciliator and minister has its play. Lack of uniformity and coherent policy, mark the climate of industrial relation. The industrial action by unknown have also therefore no logical issue. The reasons for the strikes often are; to test the employer's strength, to strengthen the union, to keep membership on its toes and to counteract demands by competing unions. It is often difficult to separate the political from the industrial strike. Government's labour policy has therefore often been an attempt to isolate groups of opposition and a create a corporate rather than a free trade union movement. The greater or lesser use of police when a strike takes place has also been a factor that requires study. Broadly speaking, the political life in this region is still unstable and therefore the source of trade union attitudes is not uniformly economical. The various industrial relation institutions and machinery is serving only a formal or advisory role. The real picture has little logic of Economics. The actual course of transition to an industrial society is an interaction between the imperatives of the industrialisation and pre-existing culture. The battle ground is at a variety of points and levels; or ethical values, family system, class alignments, educational system, Government structure and legal system. The law imported from western books does not square account with thinking in traditional terms and so the mechanical application of legislation has got no respectability. Rules and procedure are misunderstood. There is a dislike on the part of labour of technicalities and legal forms. Behind this attitute lies the fear that legal technicalities may hide something detrimental. There may be anxiety that there are implicit, unknown

meanings which would result in undesirable conclusions. These are basically the fear of the unknown and the language worsens and vitiates the whole atmosphere. Awards are handed down in foreign language. Workers are at a loss to know their meaning and connotations. Litigation over meaning of words continues unabated and in the process personal integrities are also challenged. Instead of encouraging and helping labour in presentation of the case difficulties in argumentation make the atmosphere of courts injudicious. Industrial tribunals become the butt of political controversy and their decisions are taken as imposition than justice. The independence of tribunal in such a background can be maintained by fighting with the executive. The corruption is also entering the chambers of justice and presents a serious problem. The fact this corruption is entering the ranks of western educated classes breaking the traditional thought and speaking socialistic slogans is not taken as a mere accident. The cultural gap or vacuum feared on break with tradition is not a fear of the unknown but appears as a valid hypothesis. It is a miracle in fact that in spite of these troubles many developing countries of this region are making some progress. The magnitude and variety of problems of adaptation to industrialisation are too great and so the role of trade unionism assumes numerous facets. In fact many of these facets are awaiting a clearer definition. It is possible that when problems reflected by each of these facets are resolved the result will be a many sided diamond. While writing on Indonesia, Shri. J. H. Boeke has explained this concern by saying that western scholars cannot possess sufficient insight to understand this battle. Trained in political economy and social reform based on economic equalisation they are apt to look upon the characterisation of the eastern way of living with many deficiencies in the national society. As said by Mr. Arthur, M. Ross in quotation given above when economic development is viewed as one of the instruments of human welfare and not the sole or the most important instrument the moulding of industrialisation to Eastern pattern raises more than philosophical isuses. Here the term tradition has not the Western connotation of backwardness but has a positive social contact based on familism and life around the temple. The battle of East and West is fought on the fields of modern industry and the role of trade union movement becomes more subserving to cultural and only secondarily to political and economic ends.

### The Communist Bloc

The role of trade union movement in furtherence of communist ideology is fully reflected in teachings of Mao-Tse-Tung of China. All other versions of this role, however noble and practical and nationalist are clearly a deviation from the original communist teaching and show an interesting game of accommodation of what Mao describes as economism. Even in China, President Liu Shao Chi with his thinking on trade unionism has proved to be a tough adversary. Liu holds that the role of the trade unions lies in improving and stepping up industrial production and look after the welfare of the union members. He believes in distribution of prizes to the workers for improving

production in various ways. Mao's followers have attacked this feminine job of assigning to trade unions a work to nurse the convalescents, cry at funerals and send condolance to bereaved families or at its highest to decorate houses and enjoy picnics. Mao is un-compromising in assigning to trade unions the manly cause of world revolution. Since it is impossible to establish the victory of Communism in any one country till it is established all over the world and co-existence of different systems is denied, the logical role of trade unions in a communist country will be to create a socialist economic base and to reach out to the workers of the world to conduct the fight of dictatorship of the proletariate. If instead of this proletarian politics the workers' attention is diverted to material incentives for their own sake then selfishness will rule and not idealism. Mr. Mao has, therefore rightly condemned Mr. Liu for stirring up the evil wind of economism. This revisionist trash will surely undermine the cause of working class unity all over the world and will put money, welfare, production expertise, and technology in the forefront. Then the trade unions will be left with no time and energy to give prominence to politics and revolutionise the peoples' thinking They will then forget the world-wide class struggle, ignore the ties of world brotherhood and sink into bourgeoise nationalism. Then the production will be for the sake of production and immediate consumption and not to build up the military power needed for the victory of the workers of the world. In a real communist country the trade unions can not afford to settle down to look after workers' welfare. They are in the midst of a universal battle. They should keep the workers ready to live on minimum needs and devote their full attention to spread the all-illuminating thought of world communist revolution. For this purpose the whole thinking on art, literature, marriage system, education etc., has to be revolutionised and the people imbibed with the Mao's thoughts. This all-pervasive role to prepare the proletariat for overthrow of world capitalism is then the central and sole task of the trade union movement in a communist country. This role of trade union is thus clearly defined by Mao-Tse-Tung. No wonder he should have deemed in proper to dissolve the central trade union organisation of China.

It is not clear how far the Soviet Russia tried to mould the whole of her trade union movement to play a historic role for communism on the world scene. Mr. Lenin has certainly the revolutionary zeal in full. His personal life and the way in which he did build the workers' movement in Russia provides an all time ideal for any trade union worker who wants to harness the potentialities of the movement to the task of nation building. But Lenin was forced to become more of a national than a real communist hero. After all the communist party was never successful in over-throwing the mighty czarist regime as it is popularly believed The Czars were replaced by Kerensky Government which was a combination of various forces whose motivation was democracy. The Communist Party was only one of these forces. But being a combination the Kerensky Govt. was weak enough and could be overthrown by communists. Mr. Lenin did this but it cannot be forgotten that many Lenin's colleagues had advised him that it was

not ripe time for communist take over. Capitalism was not then ripe as Marxist philosophy would have it. Moreover, even the Russian Communist Party was not equal to the task that was demanded for the success of world movement of Communism. The impatience of Lenin served a national cause in Russia but not the communist cause to build a base of operation for workers 'universal march'. These gaps of history's accident are not usually given the importance they deserve. But thereby we jump to wrong conclusions in basic thinking. Just as in India no Congress movement was strong enough to overthrow the Empire of Britain, so also in Russia the Communist thought was never intrinsically strong enough to conquer Czardom. So when it got its first chance to come in power, it seized the opportunity and began to lose its ideological zeal with intoxication of the throne. It proceeded to make itself stable as groups of so many men or a nation and developed inter-national outlook on the basis of a Nation with a mere slogan of idealism. The modern Russian can hardly be described as Communist and the workers organisations in Russia have hardly anything to do with real Communism.

In the history of modern Russia, we throughout find this tussel between doctrinaire communism and actual operation of public action. Lenin himself started with paying first tribute to electrification and second to Soviets. He said that one technician is equal to twenty Communists. The vanguard of his revolution was not the proletariate but the professional plus the technocrat. Lenin's new economic policy was described by some as a deviation from Marxism and Lenin's only reply was that Karl Marx did not write a single word about the economics of socialism. So the state capitalism was inaugurated in Russia and the process of Capitalist development had its repurcussions on the economy of people. As is well-known the old type of Capitalist development (old because Israel and Yugoslavia present us a different picture) proceeds by exacting a social cost from people. Marshal Stalin exacted this price in a ruthless manner. The trade unions were entirely subordinated to the party and the long reign of Stalin was characterised by regimentation of labour, coercion, terror, the secret police and the labour camps. A pattern was set on the basis of nationalisation of the means of production, centralised planning, single political party and trade union organisation and a specific economic and social doctrine. The discussion on various alternatives in taking the course for economic policy was cut short by introduction of personality cult.

Now the period after Stalin is showing marked changes and so the role of trade unions too has started changing. However, the imprints and burdens of Stalinist regimentation and doctrinnaire thinking still loom large and the resultant picture is quite mixed. In the whole of Communist world, trade unions are considered as only one form of workers' organisation and not the only one as in other countries. The Party, the Soviets or workers' councils, cooperatives etc., are also regarded as spokesmen for the workers. Consequently, what is known as the trade union is allotted only few functions for workers' welfare.

But now with increasing decentralisation and liberalism the spokesmanship of workers is being slowly shifted to trade unions. But there is a official hesitation in accepting this shift or giving it any publicity. The State Labour and wages Committee of the Council of Ministers of the U. S. S. R. regulates all wages in the country. The Government defines the minimum salary of each type of workers and the different levels of payment of each category of labour. There are several organisations e. g. Research Institute of Labour, Methodological Centre for Labour etc., to advise wages committee. The Committee works in close cooperation with the State planning Committee and the Finance Ministry. The present minimum wage is 45 Rubles per month and it is proposed to be raised to 70 Rubles by 1970. However, it is said that if value of fringe benefits is added the present minimum can be computed at 130 Rubles per month. For each industry minimum level of production per hour based on minimum qualification is laid down and each worker knows that his wage will be increased if he produces more products of higher quality. There are differences of wages in industries, the ranking from the highest downward being coal, iron and steel, oil, paper, pulp etc., and further down textiles, printing and footwear and at the bottom food processing and garment manufacture. Higher wages continue to be paid in occupations and regions with labour shortage and earnings have thus responded to changes in demand and supply. The teachers are paid a minimum wage of 80 (eighty) rubles for 18 hours work in a week and they are supposed to supplement their earning by doing other part–time work. A taxi driver has to work for 7 hours a day, 41 hours a week and gets an average wage of 80 rubles p. m. However, it can increase according to his qualification and daily collection. Recently, National Union organs are however increasingly expected to share formal responsibility in major decision on wages, and labour legislation. An upward revision of wage scale is related to productivity and plant level unions are expected to devote themselves to get these productivity based increases. This has brought in an era of plant collective agreements A polish writer has published a study on the potential role of collective agreement. Perhaps this may mean a beginning of collective bargaining. There are occasions when the trade unions have differed with the wage fixation committee, but at present on such differences, the final opinion of the Government prevails. It is constantly held before the Soviet people that fulfilling production plans and increasing productivity of labour is the necessary basis for gains in real income. Even then a number of strikes also take place. Strike protests against production standards, strikes over norms and pay are well-known though the Soviet press does not publish any news on strikes. Soviet spokesmen, however, constantly insist that stoppages are not needed since there are many channels for settling disputes. Moreover, there are numerous reported cases where managers act like dictators, driving for production at all costs, violating labour laws, ignoring the opinion of workers and unions, supressing criticism and violating workers' rights. So a protest form of trade unionism also finds its office.

The trade unions being the official organs of the State and the party, many of their functions and powers are integrated with governmental action. They can take fee from the workers upto a maximum of 1% of his salary. Each establishment pays to the Union 4 to 10% (differs from establishment to establishment) of the wages fund. They also contribute @ 0·15% of the wage fund to the cultural fund of the trade unions. Their main task is to raise the standard of living of the workers by initiating Socialistic competition i. e. People's movement by inducing amongst the workers the feeling of doing more and better work than other workers. For this purpose they conduct educative work through clubs, cinemas, libraries etc. which are at their disposal. The trade unions own newspapers, publish a number of magazines and own a publishing house which makes profits. The vast social security scheme is operated through the unions and they pay pensions and allowances to pensioners. Every citizen is assured of security in old age and also in case of illness and loss of working capacity. Benefits are given for temporary incapacity, maternity, old age pensions, invalidity pensions and survivor's pensions. The expenditure on social security is entirely borne by the State by allocating a certain percentage from the wages fund of the undertaking and by special state appropriation without any deduction from the wages of the worker. The establishments also pay certain percentage out of their profits to the pension and allowances fund of the Trade Unions, e. g. the Coal Industry pays 9% while collective and state farms pay 4% Pensions are fixed by Special Committee of each regional level on which a representative of the trade union is nominated. Each worker is a member of his plant level union and all the unions are affiliated to their industrial federations. There are 25 federations on the basis of industry. All funds of federation are pooled at one place. The State helps citizens by providing free medical care but costly medicines are still required to be purchased by patients. The education is also free. The State looks to the interests of children and mothers. Unmarried mothers are granted leave with wages in case of pregnancy. To have a large number of children is taken as a distinction and mothers who have borne ten children or more are awarded the title of Mother Heroine. On the birth of each child the Mother receives a grant and a monthly allowance and both these go on increasing with the number of children. Such is the type of social care taken by Soviet States and the trade unions have to play a prominent role in this social sphere. Quite a large part of social work is directly handled by trade unions and they are indirectly involved in the rest. In matters of day to-day discipline at the plant level also the local union is supposed to exercise its influence to tackle indisciplined behaviour. This exercise and its work for productivity gives to trade union its administrative and economic role.

It is now well understood that the Communist bloc countries specially the Eastern Europeans are finding that the systems developed by them require modification. The U. S S. R. was only for a moment considered as a model.

The Yugoslavia has shown a distinct genius which we shall study separately. East Germany and Poland are still apparently labouring under Russian influence. Rumania and Czechoslavakia are fastly changing The Czecks have separated the Government from the Party. There is a greater freedom of speech, assembly, etc., Press is given its freedom. In Parliamentary elections multiplicity of candidates is no more forbidden and Parliament is held supreme. In the field of economy they have permitted a greater relaxation of the principles of central planning. Many features of market economy are introduced. With the inauguration of new economic reform in the Soviet Union even the Communist attitude to profit motive has undergone a sea-change. The latest convert is Rumania who has also started experimenting with material incentives. The factories are getting increasing freedom to organise their work force in terms of job designations and wage levels within the planned wage total. It is believed that by the end of this year the entire Soviet industry will shift to the new economic policy. Even Mr. Khruschev's decentralisation policy based on 50 regional economic councils was considered by Mr. Kosygin as too multi-staged and cumbersome and is now decentralised further to give scope for development of local initiative. This is indeed a deliberate verdict on the type of society to be built and a significant break-through in the struggle for greater freedom.

Having started with a bookish or doctrinaire approach it is not easy for communist world to acclamatise with these winds of change. A general survey or reporting of these changes are attended with serious ideological problems. Research is purposely given less publicity and what is published sets only a over-all view of economic structure and methods, in a largely theoratical or doctrinal manner. The data drawn on practical experience is concealed and developments of labour relations and workers movement is treated as a secondary theme. Trade Union activities are no longer the subject of general reports. But many research workers are put on work to attend to problems connected with extending the functions of trade unions and their changing role. The increased importance of the Soviets is now being emphasised and the theme of building a stateless society and the replacement of law by communist morality is being harped upon. Poland has published special monograms on research findings examining the specific function of socialist labour law and labour relations, namely, the establishment of a new set of ethical and moral values as a step towards the withering away of all relationships based on law. This development of theory and practice in communist bloc is placing on trade unions quite a new responsibility as holder of moral law. However, that law is still taking its origin from state or party thinking and is not yet as in ancient India a rememberance of basic law of God at work.

### Latin America

In complete contrast to the picture of organised state in the Communist world we find in countries of Latin America that the State and the

Society is not organised at all to bring any idea to the fore or carry out any rational development. The pressure groups in Latin American countries are either few in number (the army, the church and the students groups) or else they are extremely numerous and virtually indistinguishable from the semi-individual interests they actually represent. Urbanisation is proceeding at a faster rate than industrialisation. Development is not based on any economic programming. The United Nations 1963 Report on the world social situation states that many authors of recent studies of social structure and social mobility in Latin America are asking anxiously whether traditional nearly static two-class society, now obviously disrupted is really going to be replaced by a society with a continum of many social strata, with considerable movement from one to another, with a widely diffused sense of participation in national affairs. The working class is largely organised and participates in popular political movements. However, still its plight is described as horrible. Very significantly enough the reason for this state of affairs is stated to be the absence of a properly developed middle class. The Economic Commission for Latin America feels that it is only as the middle sectors will rise to power by seeking the support of the board masses of working population, that the marginal sectors of population will begin to participate actively in national life. In their absence impersonal work relations and institutional frame work have left the trade unions as mere protest organs. This has led to immobility on both sides. The role of the urban middle class is considered of strategic importance for the future of Latin America. This has been emphasised by almost all writers on Argentina, Brazil and Chile.

A peculiar feature of Latin American trade unionism is that in many cases the state initiated an active policy to promote trade unions. This has given rise to many plant-level unions. But there are no industry-wide unions and the national fedrations are also a loose and passive body. As a result the trade union leadership lacks trading to participate in making national decisions. It is observed that the trade union movement lacks any common view point regarding the economic and political premises on which action by the Government and the private sector is based. So there is only a blind suspicion among workers devoid of any understanding of the problems and processes of economic development. There is as yet no dialogue between the Government and Employers' Organisations on the one hand and central trade union organisations on the other. The Unions are financially weak. The Argentine Ministry of Labour and Social Security and the University of Chile conducted enquiries into assets of trade union and have come to the conclusion that check off system is necessary to improve union finances. The ideological orientation of trade unions is very vague and it is only due to sheer weight of numbers and concentration in Cities that they carry some political impact. But since the organising ability and experience of self-government falls short of requirements they quickly succumb to outside influences. Even the unions sharing the same aims, programmes and even tactics operate in isolation. That attitude of

employers towards workers or unions is still tinged with authoritarianism or paternalism, they shun contact with unions and adopt generally a conservative approach. One curious result of state taking interest in promoting trade unions is that a large body of social research is done on labour laws. The state not only protects but also controls the trade union. It seeks to organising trade unions. The Government have come to the general conclusion that labour legislation should be based on a thorough analysis of labour problems in the light of national circumstances and that foreign systems, should not simply be transplanted because they are presumed to be efficient. A new feature as evidenced by the movement of Bolivian Indians, the Cuban peasants and peasant organisations in Brazil, Ecuador, Peru and Venezuela is that the rural population is also beginning to organise itself. This has probably started telling upon the process of income distribution. The whole question however has been how to give a social-political opening to these organisations and ensure effective counselling, participation and commitment of these groups in development. It is here that the need of middle classes is felt as most urgent. Mexico is however an exception in all this regard. We propose to study this under a seperate heading.

### Western Democracies

There is a flood of literature pouring in India about trade union movement in the developed West. Even the names of many unions and union leaders are frequently referred to in trade union classes and it is not uncommon to refer at length to English, American or Australian case law in Indian law courts. Much of our legislation is based on these studies. The Western trade unions are a well developed mighty force and are well equipped for collective bargaining. The Americans appear to have crystallised the concept about management prerogatives and areas open for collective bargaining. In western Europe, however there is no uniformity in ideas over the subject. A running theme in theory is that if workers are capable of running their own industries then there will be an end to all controversy. However, this movement for worker's control, inspired by the doctrine of self-government is not receiving uniform support even from labour and is challenged from consumer's platform. The compromise with State and consumer's interests is dragging the advocates of worker's control into difficulties. There is also a day-to-day difficulty to determine division of power between the workers and further difficulties between the administrative and technical controls. The Guild Socialists led by G. D. H. Cole tried to solve the difficulty by including all classes of workers in the Guilds. He laid emphasis on the gradual extension of workers power in industry by means of encroaching control—an approach parallel to the Fabian concept of gradual extension of public ownership. In Soviet Russia however the basic principle of Social Organisation still consisted of one-man management. After a great deal of experimentation (which is still going on) it seems the ideas about workers role in management has underwent a remarkable change. Despite the Yugoslav experiment that is still given a close study, the

extremist position of workers control has given way to associating workers with management and consumers through a device of autonomous boards. In America the ball started rolling from the management side and the concept of scientific management rested itself on the development of proper and intensive communication at all levels of the plant. The American employers adopted representation plans treating workers as partners in production and changing the constitution of the world labour relations to an approach of behaviourial science in problems of Human relation. The concept of industrial democracy was not opposed but rather given an opening by the gates of participative management. This action of enlightened capitalism in U. S. A. put the workers on defensive and in order to preserve the previleges of collective bargaining they reached an understanding with employers on division of functions. Moreover, with increase in the standards of living many workers became shareholders in their respective companies and that added to their perspective of factors leading to efficient management. The successive recommendations of I. L. O. also stressed the need for cooperation between management and labour in continuous improvement of productive efficiency and the collaboration of workers and employers in the preparation and application of social and economic measures. The technological or research revolution leading to fast changes in job content following mechanisation and automation, effect of competition is fast changing market and changing patterns of the quantum and skill of human labour required in a given productive process or industry brought further concern over the security of jobs. This led to the emergence of co-management and co-determination in France, Germany and the Scandinavian countries. One lesson that emerges out of all this turmoil of experience is that no artificial structures can be erected in any given society and unless any particular type of scheme is evolved out from traditional values of society and gets fully integrated into the social system, desirable results can never be expected.

### France

In France, works committees and councils of various kinds had sprung up spontaneously in the wake of liberation after second World War. The position was sorted out in 1945 and joint consultation was given the sanction of law. The worker's delegates on the joint committees in France are elected in accordance with the system of proportional representation on the basis of lists of candidates drawn up by the trade unions seperately for workers and salaried employees. This is compulsory for all non-state organisations employing more than 50 workers. In addition to these elected representatives, each recognised union may send one adviser for board meeting, in the public sector, the board of directors of a nationalised institutions of an industrial or commercial character are composed of representatives of State, representatives of the staff nominated by the most representative trade unions and representatives of the general interests of the country chosen in most cases by trade union federations, large-scale family associations or groups of consumers and users. For the industry as a whole these tripartite bodies are formed at the national,

regional and local levels. The system was introduced through the compulsion of law and circumstances and lacked the secure basis of mutual understanding developing over the years. Moreover, communists have used the works councils as a place for dispensing political propoganda. Therefore, the workers' delegation in the works council can hardly be a coherent group. Suspicious of each other and watching each others activities the worker members often attempted to out-bid one another. This inevitably vitiates the atmosphere of constructive cooperation. Moreover, the complexity of industrial problems, inadequate training, lack of technical aid and the play of the factor of professional secret handicapped the nationalist trade unionists from building confidence into the system. A certain overlapping of spheres of coverage by works committees and trade unions also has created many ticklish organisational problems. The general impression in France is that while the Communists stand for class war, the non-Communist unions have not proved equal to their task. The French national spirit is however set on finding new courses in social policy with an air that the tide of history will eventually force other industrialised countries to follow. The latest experiment is of introducing compulsory worker profit sharing scheme on a national basis. The main idea is to force companies to give away part of the increase in their assets each year to their employees in the form of new shares. By this process it is calculated that in 25 years the employees can become the majority shareholders in many companies creating a new partnership between capital and labour and providing themselves with a new stimulous to productivity. Gen. De Gaulle's idea in promoting the scheme appears to be that it would speedily end the class-war and give that unity to France which is indispensible to national greatness. A public opinion poll over the scheme however revealed that while 51% of the population as a whole was indifferent to the scheme, nearly 2/3rd of the workers felt that the profit-sharing measures would either be of no consequence or have unfavourable consequences. The gains it is said will be ridiculously small and profit-sharing will not be on the basis of true figures. The latter objection is significant in view of the fact that in France the 1959 Decree has given the workers' committees the right to examine the books of the company employing them. It is said that this decree is never applied in practice and the profit-sharing scheme will give the employers only a pretext for opposing the legitimate demands of the workers. Thus the French people are going on experimenting in finding out a right socio-economic structure for themselves. The recent upsurge in France, the influence of Communist unions in situations of conflict and pressure of public opinion for stability, all depict unmistakably the see-saw of French mind in determining the exact role of trade union movement. It is easier for the unions to take the postures of conflict but to the extent that this is due to their incompetence to play the role of effective participants in constructive economic planning and administration, they weaken their case before the mass of public opinion. With a State being prepared to help the workers, the unions are finding that they have to face ultimately the consumer. They have yet however a case to blame the employers also and hence the fight is increasingly taking a triangular contest.

**England**

The cautious and pragmatic British people are content to accept the fact that there is no one set of forms and principles that can give to trade unionism its role in national reconstruction. They prefer to see that in this respect as in others the law should follow the custom and attitudes are more important than prescriptions. This trend is specifically noticeable in the zigzag course which modern Britain is following in case of the concept of workers' participation in management. The Britain was perhaps the first to advocate the setting up of a consultative machinery parallel to the negotiating machinery in industrial relation. The 1917 Whitley Report recognised that spheres of conflict and spheres of cooperation can be better handled by two parallel lines of communication between management and labour and made its recommendation on those lines. No unusual interest was however shown in implementation of this concept. But the second world war focussed the attention of British people on need of close cooperation between labour and management in common national interest. Mr. Earnest Bevin, the then Minister of Labour, himself a trade unionist of great influence, sponsored joint production committees and they worked well during the war. That gave rise to new concepts of socialist trade unionism, but from the end of war till today the Britishers are still finding it hard to fix the place of cooperative efforts amidst the militant stances of a conflict-oriented trade unionism. Even then England has shown a remarkable wisdom in slowly evolving a right pattern for industrial relation. The existing conditions are far from perfect but they appear to have caught a central theme of immense importance.

The joint consultative bodies in England are based on agreements between the managements and the trade unions. They have a variety of structure. The main theme is that, 'Let each undertaking work out it's own method'. Organisation for joint consultation, it is said, should itself develop by joint consultation. The United Kingdom Ministry of Labour and National Service in its official publication states, "Although the value of a well-coordinated system of consultative machinery is considerable, the attitude of mind with which both management and workers approach it remains of fundamental importance. The foundation of successful joint consultation is the management's willingness to treat its employees as an intelligent and responsible working force and the workers' willingness to accept the responsibility of contributing to the solution of common problems." Emphasis is everywhere laid on the imperative necessity of developing the right attitudes. If joint consultation is adopted as a tiresome necessity, as a concession reluctantly granted or merely as a new technique of progressive management, then the British people say that it is foredoomed to be ineffective. When this is introduced by statute then neither side knows and cares about what it means. The Action Committee says, "The transaction of such a statutory committee are then confined to drinking a cup of tea, drawing the attendence fee and arranging the date for the next committee." Moreover, effective

consultation they know is not possible without adequate knowledge and understanding of industrial problems by representatives of workers. Otherwise consultation is treated as another method of exerting power rather than one of exchanging views. No modification to any structure can change this position. It has been recognised by the British trade union movement that the growth of shop stewards provides workers with a factory-floor leadership for effective consultation. The importance of bringing in the whole of middle management, the foreman, the junior management and shop steward at the consultation table is well recognised. It is realised that otherwise the joint consultation machinery may cut across the normal channels of command and communication in industry and arouse the antagonism of powerful intermediary forces. From the workers side it is not uncommon to agree that shop-stewards be given ex-officio representation on consultative committees side by side with elected members. Many local unions have however expressed the fear that this will make the shop-stewards all powerful, break down union loyalties and weaken the authority of permanent union officials. This fear often results in cornering the shop-steward and he is told that he cannot wear two hats. The Trade Union Congress at the highest level has however realised that the shop steward is the nexus between management and workers. The labour experts in Britain hold that there is no necessary connection between the success of the consultative machinery and the existence of a strong trade union. Each has its own logic. The collective bargaining is increasingly centralised and is done at the industry level, while the consultation machinery, it is said, must develop from the shop floor. It should be in built process of communication and permeat all levels, including that of technicians and supervisors. In this respect great importance is attached to training of supervisors and workers representatives. The workers representatives are therefore admitted to supervisor's courses though it is not known whether vice versa holds good. A recent trend in workers training for trade unionism however is that they should no more be run by T. U. C. but by the constituent unions so that the technique of the industry concerned can also govern the content of training. One other interesting tip given to the trade union representatives is that they should keep the members informed by oral communication. As T. U. C. has laid down. "The trade union movement grew out of its mouth and by its mouth shall it live." The British Trade Union Congress has rejected the idea of worker control and they conceived their responsibility to be to secure higher wages for workers and it was undesirable to combine that with responsibility towards the consumer. If the labour leaders happen to be on the board of directors, specially in nationalised industry, they were expected to act not as representatives of labour but as that of community as a whole. The idea of co-determination is rejected. The 12 man Royal Commission on Labour, handed by Lord Donovan which has presented its report only this year, has also opined against having workers' directors on the boards of companies. The British Labour Party appears to on its way to abandon the myth of social ownership and democratic administration. Public ownership it is held does not automatically lead to maximisation of production efficiency. It does not neces-

sarily enthuse the workers to give their best. The egalitarian concept of democratic administration is also a myth. Managerial expertise is a somewhat rare attribute and everybody is not endowed with this ability so as to exercise leadership upon a call. The tradition of trade union participation with Government and Industry in the elaboration of national economic policy and in administering social services appears, however, to have taken a firm root in England. At that level the necessary experience and spirit of co-operation appears to be available. That is the reason why the British Trade Union Congress could support the Labour Prime Minister Mr. Wilson when on July 20, 1966 he announced a total standstill on prices, wages and profits. But this wage freeze though divided into 5 periods of complete standstill, severe restraints and moderation each of six month's duration has affected the fate of Labour Party at polls. It is to be seen how far in future the central labour organisation can stand for such a trial. In the meanwhile the necessities of decentralisation of decision-making in Industry on technical grounds has made the recent Royal Commission on Labour to advise the abandonment of the present nation-wide wage agreements negotiated in various industries. In their place it recommended a pattern of local agreements worked out at factory-floor level. It is felt that during the rest of this century this far-reaching shake-up of union negotiating machinery proposed by the Royal Commission may alter all the factors of industrial frame-work. To-day British output per person is lower than anywhere else in Europe except Italy. This has naturally hurt the British pride and it is to be seen how that Nation and her nationalist trade union congress recast their roles in future system of industrial relation.

### The Scandinavians

The Scandinavian countries on the whole present to us a more idealistic picture of practical trade union working. Industrialisation came at a later stage in this part of the world than rest of Europe. These countries took full advantage of this fact and made advance study of experience in other countries. Therefore, right from the beginning of industrialisation they encouraged growth of strong trade unions and established with them a tradition of co-operation rather than one of conflict. The result was that during the period 1958–66 the wages of Scandinavian workers rose by leaps and bounds. During this period the hourly wages in Sweden rose from kr. 6.50 to kr. 11, in Denmark from kr. 4.86 to kr. 8.95 in Norway from kr. 5.26 to kr. 8.56 and those in Finland from kr. 4.21 to kr. 7.14. By contrast British wages only went up from kr. 4.71 to kr. 6.95 during the same period. Swedish wages are now practically approaching the levels obtaining in the United States. The wage bargains in Sweden are on a national level and are done in a prospective fashion. For example, the 3 year wage agreement signed in 1966 provides for wage increases of about 5% each in 1966 and 1967 and 3% in 1968. Recently, there are complaints from some quarters that this quantum of wage rise is leading to inflation. However, Sweden has so far managed to remain competitive in the world

market and this is typical for other Scandinavian countries too. The main reason for such a record of industrial relation becomes apparent when we examine the history of Sweden, the leader of the Scandinavian group which has long achieved the frame of a strike-free society. Though, it is not possible to predict how long this progress can be sustained, the tradition of Sweden deserves our close study.

### Sweden

The Second World War brought vast psychological changes in the economic, social and cultural concepts in Sweden. During the war the workers and employers worked in close consultation with each other and they realised that co-operation pays best dividends to both the parties. This gave rise to the concept of Industrial Democracy and autonomy. By the word autonomy the Swedish Trade Union Movement means its functional autonomy. To quote the words of a trade union leader, "In this country, we, on both sides are strongly opposed to out-side intervention in the activities of the joint organisations of trade unions and employer. We opposed any form of legislation concerning the structure and functions of the organisation. We are opposed to any system of compulsory arbitration." This has been so in spite of the fact that for more than 20 years labour's own party was in power. This has been due to the high degree of organisation, local as well as central, both among the employers and employees, and to the great degree of wisdom with which the industrial relations are built.

On 30th August 1946, the Swedish Employers' Confederation on the one hand and the Confederation of Swedish Trade Unions and Central Organisation of Salaried Employees on the other reached a historic agreement to set up work councils. These work councils have been exceedingly successful in Sweden and hold the key for a high degree of satisfaction in industrial relations. They were founded on the conviction, held by both sides, that they ought to be able to solve their problems between themselves and should do so with due regard to the basic interest of the nation and of individual citizen. One other reason was to forestall projected legislative action in the field of labour dispute. The agreement gave only a framework structure and it was left to the member organisations to arrive at collective agreements on that basis. It got a rapid currency and acceptance and joint councils were set in all firms having 25 or more employees. The workers representatives were normally chosen by elections organised by the local trade union to which the majority of workers belong and the right to vote was limited to members of such trade unions which have accepted the agreement. The councils are competent to deal with questions concerning the technique, organisation, planning and development or production and make proposals on economic and financial matters affecting the concern. It can also discuss cases of dismissal, discharge, or lay-off, but wages and other working conditions are outside its scope and are left for nationwide bargains. In Sweden both the sides attach great value to voluntary

agreements. It is experienced that agreements can always be applied with more flexibility and effect than statutory enactment. On the other hand it is doubtful whether even very carefully worked out legislation could be of real value if it was not rooted in mutual confidence. Besides the representative of employer and employees the Swedish joint council includes technical staff such as overseer or foreman and can take the evidence of experts whether from within the concern or outside it. In the beginning the employers were not unanimous on the value and importance of organised consultation but their central council adopted from the outset a positive attitude to the conception of work council. At Association Headquarters in Stockholm it started a special department for works council and at Yxtahol started a specialised training school. The trade union organisations also established corresponding departments at their own Headquarters and set in motion a far-reaching information and instruction programme for members of the works council representing employees. In the trade union's course subjects such as factory or workshop democracy, management economics, and specialised industrial subjects are given special prominence. The employees' attitude to these specialised economic problems has throughout been factual and objective. In day-to-day working of works councils the labour ranks attach great importance to the employers furnishing information on production and economic questions. The vast majority of Swedish employers have realised the importance of giving the employees regular and dependable information about their concern and their manifold problems. They take care to avoid giving the impression that anything is being held back. They say that the best way to do it, is to be completely frank and honest and there is no other satisfactory alternative. These practices have established a tradition of egalitarianism and widespread interest in economic matters. Fire-brands are usually frowned upon and leadership on both sides is extremely enlightened. One of the cardinal principles of both employers and unions is to keep Government intervention out and preserve the autonomy in industrial relation. Nationalisation is not a live issue with any union. They bring pressures for the passing of information but not for participation in management. Almost no cases are now referred to the Labour Courts and if any dispute does by chance go to the Government, it has instructed its officials to develop an attitude of calculated laziness and not of energetic intervention, so that things do get themselves settled in the meantime. The secret of Sweden's success in this field is that both the parties took an energetic campaign of education, avoided at an early stage the crystallization of hostile attitudes and were quick lo devolop a tradition of co-operation rather than of conflict. The aim of trade union training is to make the worker fit to be a good trade unionist, a good citizen and a good participant at the council table. The employers have got positive and compelling statistical evidence of the day-to-day rationalization brought by this invisible activity resulting in greater care of plant and tools, economy in use of consumption articles, improvement of minor details, higher average quality of manufactures etc. The psychological satisfaction felt by the workman whose suggestion has been accepted and adopted in practice has also got a tonic effect on morale.

decision in matters laid down by Law such as working hours, leave, training, job and piece rates, engagements, regarding transfers, dismissals, rationalisation, amalgamation, etc. Thus they can use their veto on these matters but in case of matters of serious nature there is a provision for decision by a conciliation committee. Their other duties include, making recommendations regarding plant working, ensuring application of acts and agreements, negotiate with employer regarding grievances, participate in application of safety measures and promote employment of disabled persons. The jurisdiction of the works council does not extend into the economic field i. e. methods of manufacture and work, production programme, economic situation of the concern, production and marketing situation etc. For this pursose there are two bodies, the Managing Board and the Supervisory Board, The Supervisory Board usually consists of 11 members. Four are elected by the shareholders, two by a works council elected by the men and two are appointed by the trade union. Then each foursome appoints two indenpendent personalities enjoying its confidence, making 10 members in all. The eleventh man is appointed by agreement between the two sides, a procedure calling for much bargaining. A number of prominent politicians and trade unionists have found their way into the world of industrial management by this route. The supervisory Board appoints the Managing Board which in coal and steel includes a Labour Director. The Labour Director is nominated by the Union in consultation with the plant works council. The number of other members of the Managing Board is usually two and they are in charge of the commercial and technical sides. At present a great controversy is going on in W. Germany over the extension of the system of Labour Director beyond coal and steel industry. The Trade Union Federation is pressing for extension of the system to all companies including Banks and Insurance Companies. There is much political support for their wish but equally the opposition is strong. In this connection it will be useful again to recall the historical factor that brought about the co-management in Germany. One factor was the reputation earned by workers in rehabilitating the economy. But Germany cannot so easily forget the experience of dictatorship. She was opposed to full worker control in the supervisory body since with centralised and powerful unions there was a danger of ushering in the period of another dictatorship. Germany knows that political democracy is not sufficient to prevent captains of industry from financing political crime and from liquidating democracy. She is not sure that industrial democracy will not follow the same pattern. So the object of co-determination was not worker or employer control but balance of power. The general opinion in Germany at present is that the retention of a peace-loving democracy is dependent on its success in intergrating in a genuine way all levels of the population. In order to achieve this target the system of election of members on the various bodies such as works council, supervisory body and the managing body the law codifies a system of checks and balances through many complicated provisions. These provisions while supporting the interests of workers as organised in trade union and apex federations seek to avoid undue importance being given

to trade union bosses on the one hand and the shareholders' representatives on the other. There are provisions and provisions to regulate the election of outsiders ensure employee representation in both groups of wage-earning and salaried employees, representation for women, works-council, trade union, central federation etc., e. g. the Central Federation of trade unions can object to a nominee of the works council on the ground that, "he could not be relied upon to co-operate responsibility in the work of the board of supervision for the good of the undertaking and of the national economy as a whole." One remarkable thing in Germany is that there is little of class feeling between different grades of employees unlike our own division between officers and the rest. The result is that quite often higher paid members are elected to represent workers on the staff committee. In fact one explanation of how the system of co-determination has worked is that the quality of personnel placed by the unions in manning the organs of co-management is very high, persons well acquainted with the problems of the industry and at the same time dedicated trade unionists. German Federations are proud of having with them such men of outstanding quality who could not be corrupted by attraction of office. Otherwise, it was practically impossible to institute and promote the system of labour Directors. Another reason for the success of co-determination lies in German work-habits and mentality. German workers have been so devoted to reconstructing their economy that they frown upon anything which would retard production. As a result voting in boards is rarely divided on the basis of shareholders' representatives versus labour representatives. The third reason for the success is the practical attitute of give and take adopted by both the parties. Fields of power are informaly divided: the labour representatives have more say in certain matters and the shareholders' representatives in others. There is a recognition of mutual inter-dependence and each side permits the other to operate comparative freedom in the areas of their primary interests. This freedom has at times created wonders. For example, when recently the coal and steel concern of the Ruhr had to cope with the depression and there was need to reduce the industry to economic size by closing the pits and undertaking mass dismissals, the Labour Director could do it without strikes or serious demonstrations. The Labour Director was complaining long against absenteeism and he took his chance during recession to call a number of notorious slackers. The unions quote this example in advocating the extension of the system. The German trade unions are not opposed to automation since they can take full care of problems arising out of deployment, transfers etc. They co-operate closely with universities in giving the workers political and social education. They are not attached to any political party but still the representation of trade unionists in German Parliament is as much as 48 % and even 50% in state legislatures. This is through all the different political parties of the German Federal Republic. There is a complete freedom to form trade unions, the army and civil workers of different rank and denominations are members of public service unions. But there is a peculiar allurement. For example, in the German Railways, workers are divided

into civil servants and wage earners. The working conditions for the latter are determined through negotiations with trade unions. But the working conditions for civil servants are laid down by law. They have no right to strike and are generally better paid and have permanency with provision for pension on retirement. But the most curious point is that it is not occupation which decides what a civil servant is. The term civil servant represents just a status and it is permissible to acquire this status on application by the worker. In that case he opts himself out of trade union jurisdiction and loses his right to strike. Otherwise, there is no bar on strikes even in public utilities. But the record states that since 1952 there has been no strike in any of the essential services in Germany. Even the number of grievances taken to the court are very few and are decreasing with years. In the Railways where there are many unions, the members of various committees at the workshop, district and central level are elected on the principle of proportional representation, separate provision being made for various groups. The German have thus evolved a new form of industrial relation. The system of co-decision has worked from down upwards. There is now a demand for co-determination at national level through an economic council dealing with broad matters of economic policy and extension of the system of Labour Directors beyond coal and steel industry. The system of co-determination is taking its roots in a deep and widespread fashion and though legalistic approach has become traditional in deciding on a broad frame-work, working solutions are found out by restricting the use of veto in spheres of co-decision by informal understandings and restraints.

### Special Cases

Such is the canvass of broad global design of industrial relation obtaining to-day on our Mother Earth. On this Atlas which marks industrial continents like, Africa, Middle-East, South-East Asia, Latin America, Communist Block and Western Democracies (including America, Australia and Scandanavian countries) there are four nations who have shown a markedly different temperament that has lessons for us besides those which the broad regional studies indicate. These countries are; Mexico, Japan, Yugoslavia and Israel. Though these nations are quite small when compared with India, still the experiments which they are making and have made are quite useful and have got some unique features (which cannot be fitted in any broad categories). They point out to a different role for trade union movement. We propose to make a passing reference to these features.

### Mexico

Mexico presents us with a undiluted non-communist virgin system of industrial relation-a system that has features which Man not knowing Karl Marx would have developed in the normal West. It becomes difficult to understand the system of industrial relation in Mexico unless we keep aside all thoughts of class-conflict and appreciate the background of Mexican situation. Almost all writers on Mexico have said that it is very subtle

and difficult to describe adequately the complex set of relationships in industrial life of Mexico. Formal institutions have grown slowly over a period of more than a century and below the crust of these formal institutions there has grown a body of custom and living practice. Maxicans have justification in their pride that their system is organic; its complexity is as great as that of human body and its operation is equally simple like human breathing system. It is openly stated by Mexicans that the only challenge for their system can be corruption, that time often brings as a deteriorating factor.

Mexico is the only Latin American country that achieved both political stability and economic growth from a very early stage of industrial revolution. Moreover Mexico, was the first to get herself industrialised in that region. The workers' organisations in Mexico were formed in 1935 and are functoining since then. The Mexican Revolution of 1810 was lonely one and unique in its features. It is a matter of pride to Mexican that it came before the Russian. It was brought about by a peasant movement led by middle-class intellectuals and ably assisted by workers battalions organised under the leadership of the Cama Obrero Mundial, an anarchist association of trade unionists. Being a lonely revolution it was not required to be emulative. Being original it could be pragmatic. It was introverted and non-mesianic. It came at a time when patience was possible and the maturity that manifests in slow progress could mould contry's institutional pattern. To state the Mexican system in terms of modern industrial and political usage is indeed making violence in presentation and distort its true image. Almost all writers of international labour scene have described the Mexican pattern as one which cannot be duplicated anywhere else. This also seems to be the opinion in I. L. O. circles. But we submit that this is too hasty a generalisation.

In Mexico, there is only one political party not by law but by natural development. There is no individual membership in the party though all politicians and public men figure in it. The party structure is organised through combinations of organisations in four interest groups the basic sectors of labour, agriculture, the military and popular. The last is a heterogeneous group of affiliated organisations, but its basic strength is in unions of Government employees which are not affiliated to any of the trade union confederations. This basic sector organisation of the party was carried through successive reorganisations over a period of time in which great care was exercised to prevent the development of effectively autonomous centres of political power outside the party. Thus the nation stood as one body. This evolution has implied very great use of sector organisations, including labour unions as both means of two-way communication and instruments of self-control and significantly enough not as means by which a dominant interest group controls the Party and its policies. This has not meant that the labour movement has little or no freedom of action. The Unions have retained considerable independence, although within well understood limits and the Government has

not attempted to sponser administrative unionism. Withing the broad limits imposed by the economic policies of the party, the labour movement is completely free to serve the economic ends of its membership. What the labour movement is required to do is to recognise the limits within which it can act without a collision with the Government. These limits are both political and economic e. g. the oil strike in 1946 and railroad strike of 1958 were considered as attacks on the foundation of power and were ruthlessly dealt with by the Mexican Government. In economic matters range of freedom is wide and bargaining is the rule. But the Secretary of the labour is kept informed. In any bargain of significant import to the economy whose internal economic effect or potential effect on Mexico's international financial position is considered to be intolerable great pressure is put on that party to the bargain which insists on an untenable position or one inconsistent with public interest and policy. But such occasions are rare. Normally the unions pursue their bargaining objectives freely and without any interference. They control hiring through the operation of closed shops and enforce collective agreements very vigorously. In cases when the position appears to be very delicate for any group there exists adequate mechanism within the party to find out solutions honourable to all concerned. Both the unions and employers have ample forum to meet each other in an environment free from industrial tensions. Both have equally great say in influencing Government policy. Of the last four Presidents of Mexico, two were relatively friends to business and two to labourers. The public support to a cause is mobilized on a joint forum of a party through its sector organisation and this lends to a great pragmatism and flexibility to the system of industrial relation. The flexible approach and party environment indeed constitutes the major part of industrial relation. However, it has also developed many other unique features.

As early as the beginning of this century the Workers' delegates within the Mexican Party were pressing that workers' rights should be incorporated in the country's constitution. The result was that the constitutional Amendment of 1917 incorporated through Article 123 of the Mexican Constitution an extensive list of guarantees of the rights of Mexican workers. This article in Constitution was unique for its time and is still extraordinary in its details. It provides for a maximum of eight hours work per day and six days per week with a constitutional provision for overtime premium pay, minimum standards for night work of men and regulation of factory work of women and children in numerous respects, minimum maternity protections and benefits for women workers, procedures and standards for the setting of minimum wages and a right to profit sharing, equal pay for equal work without regard to sex or nationality, protection of wages against granishment and other abuses, the obligation of employers to assure decent housing, schools and infirmaries for workers, employer-responsibility for occupational accidents and disease, a requirement that employment service be free, encouragement of social security funds and housing co-operatives; standards for contracts between foreign employers and

Mexican Nationals; the right of workers to combine and to strike. So vast is the canvass of constitutional guarantees to workers and they are all spelled out in detail. For example, regarding strikes it is laid down that "strikes shall be lawful when they have as their object to achieve equilibrium between the several factors of production, harmonising the rights of labour and of Capital....They will be considered unlawful only when a mojority of the strikers engage in acts of violence against persons or property or in the case of war when the workers are attached to establishments or services pertaining to Government." To elucidate further the constitutional provisions on extensive labour Code known as the Federal Labour Law was passed in 1931 i. e. 14 years after guarantee of constitutional rights. Such is the leisurely pace of Mexican labour legislation–but the leisure is put to good use. This later law specifically affirms the legality of the closed shop and the right of unions to demand the dismissal of a non-member. Since the right to strike has been a constitutional right given in the early period of industrialisation and the strike can be unlawful only when a majority of strikers turn violent, the later period since 1917 has many difficulties to deal with strikes which were usually lawful and constitutional. A great deal of custom and procedural law then developed to deal with strike situation. These procedural requirements pertain to the lawful declaration of a strike e. g. it is laid down that before a strike can be lawfully declared a majority of the employees must vote for strike. The law gives to the employer, employees or third parties the right to petition the labour court for declaration that the procedural requirements were not met. The labour court is empowered to declare that the state of strike does not exist whereupon the strikers are given notice to present themselves for work within 48 hours, at the risk of being replaced. The strike can also be declared to be imputable to the employer in which case he is required to pay his workers for the period of the strike. The strike can become imputable to the employer if he refuses to offer justification for his refusal of the workers' demands before the mediatory sessions of the labour court or if an award upholds the union in each and every one of its demands. If a lawfully declared strike constitut·s an imminent danger to the economic life of the nation, the President of Mexico can sign a decree terminating the stoppage of work and turning the management of the concern to a Government administrator. Then the legal state of strike continues but the workers' report on duty and the Government assumes direct responsibility to settle the dispute. The legal state of strike continues till the Federal Labour Court declares it to be inexistent. This is a similar provision as the one elaboratly recommended by Shri Dandekar, Director of Gokhale School of Economics and Politics, Poona, at the 1967 Session of Maharashtra State Body of B. M. S. On December 26, 1961, the Mexican Constitution was further amended to expand and regulate workers' rights. This amendment transferred the subject of labour from State to Federal list and elaborated at length the right of employees to participate in the profits of the enterprise. The Constitution has now established a permanent National Commission composed of representatives of workers, of employers and of the Government to determine the distribution of profits,

Procedure for election of workers' and employers' representatives is also laid down. Local and regional organisations are assigned votes in accordance with their members and are entitled to elect delegates to the National Convention which in turn elects the designees to the National Commission. The proceedings of the National Commission since its establishment indicate that the direction in which change might occur in coming future might be towards participation of workers in day-to-day management. It will be of interest to observe how the Maxicans develop this side of participant trade unionism in day-to-day work in Industry. Mexican Unions have an active and powerful influence in the plant and on daily life of workers. But since they are organised on craft, industrial and geographical bases no confederation has monopoly and many unions have got overlapping jurisdictions. The Unions have so far got no right to interfere in the management or administration of enterprise, though union leaders are influencing economic decisions through the sector organisation of the party. Recently, however, there is a wide talk about corruption entering the ranks of labour leadership and hence the movement to institutionalise workers' direct participation in industrial management. The constitutional reforms of 1961–62 have taken many steps towards the realisation of this goal. It makes a remarkable statement of human goals of industrial Society in the area of industrial relations. The tripartite National Commission for profit-sharing and the National convention of trade unionists that elects workers delegates on this commission has opened gates of immense potency. Mexico is once again on her way to usher in with patient evolution participative trade unionism on the values and traditions of its own peculiar culture.

### Japan

The system of industrial relations in Japan is based on old traditional values of Asian people where loyalty of servant to his master is taken for granted, but so also the fatherly care which employer is supposed to give to his employees is equally taken for granted. In this type of relationship the employer or the Government assumes with a natural air a position of guardianship and often lives true to this concept but they become upset and intolerant with the slightest challenge made to their authority or when a disturbance is planned by workers. We find, therefore, in Japan a paradox that while Government and employees take great care to nurse the aspirations of workers they have dealt with trade unionism with a ruthless spirit. This continuous crusade against trade unionism often took forms of heavy repression because the communists who entered the trade union sought to disturb even the cultural values on which the best in dynamic paternalism was based. There did come up some nationalist trade union organisations which sought to work out a trade union pattern in the mould of traditional values and they did succeed to some extent. Similarly, after the second world war the Occupation authorities enforced certain labour laws on Western models. But even then Japan is yet hesitating to put her belief in Trade Unionism as an institution of any real and lasting value for social life. All attempts to build industry-

wide or nation-wide unions have continuously failed and trade union economic activities are confirmed still within the walls of the enterprise. The Japanese Government and Employers are definitely and strongly anti-trade union, but to speak the truth, one hesitates to call them anti-labour.

In the larger sphere of economic planning the State took the care that maximum employment is maintained, traditional skills are put to best use and a vigorous but regulated drive for industrialisation is taken in broadly planned way. The most notable characteristic of this broad planning was that both the traditional and modern sectors of industry co-existed for a long period of time and complemented each other. The traditional sectors like agriculture, manufacturing and retail sales were the centre of quantitative economic development. Small manufacturing enterprises with traditional human relations accomplished maximum efficiency with old techniques through the labour intensive method of production. This traditional mode of production existed side by side with modern industry by accepting a largely subordinate position and provided a favourable condition for industrialisation. It was a valuable source of public finance for technological change during the Meiji era and made it possible for the Government to realise its ambitious modernisation plans first in the light industry and later on in the heavy industry. Thus the social order, human resources and other national wealth were not neglected but used for the new start. The chief agency of change was emphasis on high level of technical education and financial incentives to the elite. All available surplus was devoted to capital accumulation and educational investment and advantageous positions were offered to industrialists. The key policy phrase for structural reform was promotion of modern culture through international intercourse and its guiding directive the slogan "enrich the country and strengthen the military power." The Government stimulated industrialisation, transplanted advance level of science and technology from abroad as quickly as possible and used them with careful consideration of the domestic situation through the self-sacrifice of the nation and people without relying upon any foreign country. The major sources of man-power were the ex-samurai, traditional craftsmen, farmers and prisoners. There was a great gap in the quality of this labour force and that required by the newly imported modern industry. Training on the job was used to fill this gap. The shift of the labour force from primary to secondary sectors was achieved by developing great difference in real incomes between traditional and modern industries and occupations. The technically qualified workers were given a highly privileged position, security of job, jump promotions, extensive fringe benefits etc. Large scale enterprises are making huge investments in technical training schools of their own with courses of 2-3 years for educated workmen. Trainees are treated as on duty or in due course they become key workers with commitment for life to the enterprise. Then they get much better facilities and treatment, good houses, medical care and welfare amenities and the marked difference in their status is hailed as an open invitations to others to acquire like skills and talents.

But all this has been done with a policy of heavy repression of trade unions. Since 1880, Japan has witnessed various organised protests from workers. The riots of coal-miners, protests of domestic craftmen and resistance by female workers were the first of these confrontations. Studying these protests and the way they are dealt in foreign countries the Japanese Government worked out a European-style labour protection Bill. But this was not supported by Parliament. Labour resistance was thereafter suppressed under a penal clause of the criminal code. What is known in the West as a progressive labour policy is considered in Japan an obstacle to industrialisation, since the latter requires sacrifices which unions are not prone to encourage. Both the management and Government adopted extremely hostile and aggressive attitudes against unions. The securlty policing Act of 1900 prohibited all persons from joining a union or joining a strike for purpose of negotiating work rules and working conditions. The penalty was imprisonment or heavy fines. Then various social factors combined to arouse concern about poor working conditions and this helped the passage of Factory Act of 1911 which embodies a measure of public acceptace of social policy regarding labour. But even the implementation of this law was delayed by five years after its passage when its validity was agreed as being confirmed for an experimental period of 15 years. Taking advantage of this position Yuaikai, a labour Union was organised in 1912 with the slogan "Co-operation through negotiation". This union adopted a careful attitude towards the anti-union policy of management, behaved with moderation, established a tradition of reformism and became the core of a labour union movement which has been continued with some changes in the present Sodomei Federation. Dispite its moderation, the union was involved in an increasing number of strikes as its membership began increasing. After the first world war, with inspiration given by Russian Revolution of 1917 the union became openly aggressive and organised most of its branches by taking strike actions. It was at this time that the name was changed from Yuaikai to Sodomei. The leftist faction within the union started increasing its influence and antagonism between leftists and rightists became a matter of routine and caused internal power struggles among the founders of the union. This produced a split and the leftists formed Hyrmed-radical union movement. The first five years of this radical union witnessed a close combat with Government and in 1928 the union was compelled to disband as was the Communist Party. It then began to operate as an illegal underground organisation under the name of Fenkyo. The Second World War gave a different fillip and orientation to co-operative type of trade unionism. The nationalist elements established a new labour organisation named as Sangyo Mokokukai in 1938 with its motto as labour-management co-operation, Company familism and realisation of National goals through work in industry. It was organised within each Company by replacing the independent unions of workers. Systematic co-operation by workers was indispensible to the war effort. Most Union workers in Japan showed a co-operative attitude as the war went on, but, nevertheless, the Government tried to detach the workers from their unions. There was rarely

any democratic negotiation between management and labour in search of an agreeable compromise. The wage policy of Government and management was very clear. It was to encourage industrialisation by patronising the modern sector and its key workers who acquire the skills necessary for operation of new technological devices. Even in the modernised sector of industry there was a group of privileged workers, and on the hand were the common labourers who worked under conditions similar to those in small and medium scale enterprises of traditional industry. If there was a wage bargain, it fixed only the general wage level of the enterprise but not the wage for each job. This left the management free to pursue the policy of giving heavy incentives for acquisition of technological skills. As the co-operative type of trade unionism was growing the Government tried to soften its aggressiveness by giving workers certain rights; but each time as communists tried to exploit there rights for their purpose the Government resorted to suppression. For sometime even the compulsory arbitration authority was manned by policemen. Thus, there is a consistent attempt of Government and management to prevent the emergency of a politically oriented class struggle. Since this emergency was hidden in the formation and growth of trade unions a hidden tussle between Government and even the best type of co-operative trade unionism has been a characteristic of Japanese Society. The after effects of Second World War added a new element to the situation. Japan's economy, immediately before the end of the war, faced complete disintegration as a result of exhaustion and destruction. The Occupation forces pressed hard to promote democracy in politics, in the economy and in all other aspects of life. The major steps taken by these authorities eliminated the great part of the former elites' activities in Government and business. Legal protection was given to trade unions and their rights were guaranteed for the first time in Japan's history. Within a few years, rates of organisation and number of strikes reached levels considered to be honourable in comparison with those in advanced countries. But this was a brief respite. All this infiltration of the Western Democracy had happened in a country where tradition has had a dominent power position in society. The position of former elite in Government was that of a nucleus which could serve as a centre for productive activities. With its elimination by occupation authorities, stagnation, confusion and social disorder spread over the country. New leaders failed to emerge and trade unions were not able to provide leadership for rebuilding economic activities. They could do strikes, but they had no training for self-government. The pressure of hardship in daily life increased and the unions proclaimed a large scale general strike in early 1948. This was banned by occupation authorities just before the planned data. The rationalisation processes were again set in. Now even small business were compelled to utilise a higher level of technology. International cooperation came forth and was put to best use. The productivity centre played a key role. The immediate result of the turn was to produce pressures or surplus production leading to a critical slump in economic activity. The realisation had, however already dawned on Japanese Economic leaders that good wages to workers and

good payment to farmers is necessary to expand the domestic market. So the new democratic urges that had manifested themselves through union demands were partially met and purchasing power was thus put into the hands of the people to provide market for production. The outbreak of the Korean war also offered Japan an opportunity for economic recovery. By 1955 basis for Japanese economic growth were thus completely built. The joint hegemony of government and business again reappeared on the scene but now with and added arm of paternalism namely that managements also strived to establish cooperative relations with labour by consolidating the joint consultation system within each enterprise. It was said that joint consultation was deeply rooted in Japanese tradition, recommendations of I. L. O. on this subject were warmly received by Japanese Management. However, unions are still restricted to enterprise level and though they are divided into Socialist circle and communist circle, industry-wide or nation-wide bargains are still a dream. The wide gulf discrimination between technically trained workers and rest continues. The great number of temporary workers and employees of labour contractors are regarded as safety-valve for adjusting the amount of employment in line with economic fluctuations. These are treated as social costs inevitable for rationalising processes of industrial-isation. It is largely admitted now that this traditional and paternalistic practice will not survive for a long time. But what the real requirements of modernisation are and what procedures should be adopted to fulfil them are among the biggest issues of public debtate in Japan today. Even though the occupation policy laid down the basis for an explosive expansion of union organisation these changes were not of the natural development of Japanese social relations. Japanese people still regard trade unions as an alien institution. The conflict between demands of industrialisation and those of deeply rooted traditions continues to this date in Japan and it is very difficult to predict the future. With failure of Occ-upation policy it is now well recognised in Japan that labour legislation must reflect the specific economic, political, social and cultural background of the people, otherwise it proves sterile. But the problems that the clea-vage which importation of technology creates between its own demands and that of tradition is yet felt as an insoluble problem for Japanese thinkers.

Can it be said in these circumstances that the Japanese Government which is admittedly anti-trade-Unionist is therefore by defination anti-labour? The weight of tradition is so great on the people and the loyalty of servant to master is still regarded as so high a virtue by mass mind that the trade unions are looked upon as a foreign product. It cannot be forgotten that progressive labour legislation brought by successive governments was thrown away by Parliament. The traditional social relations of Company familism were invoked to lend a great support to paternalistic type of industrial relations. The use of new technology was sought to be based on old social

relations and social values. But the dedication of worker to his job and master that is demanded in this approach was already a treasure of tradition. The history of communist movement in Japan as given in "Whither going Japan" by Prince Otto shows clearly that communism flourished only in academic atmosphere of universities which were away from realities of life. But Japanese youth gave an early recantation because "communism in Japan was a conceit and not a conviction". It never took roots in the Japanese soil. The majority of Japanese workers are said to have accepted given disciplines without a murmur. One should see the day-to-day working of Japanese firm to appreciate this point. No Japanese worker smokes on the job. There is no chat, no tea cup, no pisup, just work e. g. one technical journalist describes, "A poster in Hondaplant making the N600 minicars states that 60 brake drums will be finished by 7 A. M., 121 by 7.30, 182 by 8 A. M. and so on. And they are so, every day". But see too the industrial familism. During the lunch break you will find that Japanese workers-men and women sprawl on the grass in the Company compound happily chanting the songs and for this the Company supplies them the instruments and amplifier. When a worker gets married the company pays his full wedding bill. Once a worker is taken as secured then he is never dismissed, whatever may be his fault. Everyday you will find that groups of children between 8-12 years of age are on a tour of works and slowly these children slide into factory as workers taking their first job as a life-time career. This is Japan-a typical family of Asia.

### Yugoslavia

There is much discussion in India and elsewhere about Yugoslavia's system of workers management or automanagement. When Tito had a break with Stalin in 1948, Yugoslavia found herself isolated. Mistrusted in the West as a Communist power and faced with the real threat of a Russian Military attack from the East, Yugoslavia had to work out a system to command popular support at home. She elected to try a form of workers' management, an idea that has deep roots in East European labour thinking. We are witnessing in the present decade that a widespread interest is now shown in Yugoslavia's system of decentralisation and direct demoracy and similar tendencies are manifesting themselves in other Socialist countries. Here the workers themselves constitute the management and there is no question of consultation or sharing of powers with representatives of private capital. The law conferring these rights on the workers proclaims that the factories, mines, communications, transport, trade, agriculture, forestry, municipal and other State economic enterprises, as National property are to be managed by the workers' collectives in the name of the community, within the scope of the state economic plan. The workers' collectives manage these enterprises through the workers' councils and management boards. The basic law on the subject is the law of 1950 on the management of enterprises by work collectives. In small enterprises with less than 30 workers the entire body of

workers performs the function of workers council. Otherwise the number of members on the Council is prescribed by the status of the enterprise. They are elected every year by secret ballot, all the workers and technical personnel including engineers and other technicians having the right to vote. They elect and can recall and change the management board or its individual members. The Council elects its own Chairman who cannot, however, be a member of the management board. The management board comprises of 3 to 11 members including the Director. The Director, who is a non-voting member of the board and the Chief executive of the concern is chosen by the Committee of six people, consisting of three representatives of the workers' Council and three of the Commune in which the plant is situated. The basic principle of Yugoslav's direct democracy is decentralisation. In the sphere of administration direct democracy has led to the constitution of People's Committee, District committees and communes all of which have been endowed with real power. All organs of democracy are thickly involved in the enterprises located in their region. The last one viz. the Commune, we have seen has an equal say with workers to elect the Director of the enterprise who is people's man. The general body of workers may recall individual members or the whole Council at their discretion. The general body meeting can be convened either by the trade union or by the Council at which results obtained in the enterprise and important problems relating to its organisation and operation are discussed. The workers' council is not obliged to adopt the recommendations made at these meetings of the general body, but is bound to give reasons for non-acceptance. The council takes decisions on basic and key matters of organisation and management, such as the drawing up and amendment of the statutes of the enterprise, the wage and salary scales, the economic programme, distribution of that proportion of the profits which remains at the disposal of the enterprise, the use of funds which can be handled autonomously, the election of the Board of Management and Supervision over its work. Administration is in the hands of the Managing Board. In order to ensure proper composition of the Managing Board it is laid down that at least three-fourths of the board members must come from among those workers who are directly involved in production or in the basic economic processes of the enterprise. The rest of the board members are chosen from the technical personnel, engineer and other employees. The responsibility of the Board is to draw up the proposals for the Annual Basic Plan and also to prepare the Monthly operative plan. It looks after the internal organisation of the enterprise including job classification. It must ensure adequate production by improving techniques and increasing the productivity of labour, lowering the cost of production and improving the quality of the product. Execution of policy is in the hands of the Director. He is however, not merely an organ of workers' management but is also the representative of the State. He has direct responsibility for seeing that the enterprise functions in accordance with State regulations and if he is called upon to implement a decision which, in his judgement, is contrary to the regulations,

he is bound to submit it to the people's Committee of the Commune. The Director is in charge of hiring and of allocation of jobs. He can also decide on dismissals except in the case of Executives who are dismissable only by the Board of Management. A worker has the right to file a complaint with the Management Board against a Director's decision regarding work relations. The Yugoslav's point out that in these arrangements they have evolved the correct compromise between the hierarchical principle which is necessary for efficiency and the principle of democratic control. Pay regulations fixed by the workers council require the agreement of the People's Committee of the District and of the Trade Union. In case of disagreement, there is provision for arbitration. Payment is usually by results and it claimed that pay-scales have been based on job evaluation. Slightly different arrangements for self-government have been made in regard to services like Railways, Posts and Tele-communications and Electricity where centralisation is necessary e. g. The Railways are divided into separate enterprises, one enterprise for passengers and good transport, the other for rolling stock and equipment etc. These enterprises are under the management of the workers' Council, the Board of Management and the Director. There is a similar organisation at the basic unit level of stations, workshops, etc. Management at the top level is in the hands of administrative committee consisting of 20 to 30 members. This Committee is elected by the workers' councils of the enterprises. The Committee ensures the application of uniform transport and technical rules, co-ordinates the time-table and supervises the enterprises. All the various railway systems are then united into one Federal Community of Yugoslav Railways. This also is administered by an administrative committee elected by the administrative committees of the separate railways. The arrangement in Post and Tele-communications and in Electricity are similar. Similarly large complex enterprises are divided into units. There was a body of opinion that the introduction of direct democracy at these levels would prejudice unity of management. The predominant opinion, however, is that organs of self-management in units should have the right of decision when the policy of the enterprise as a whole is not prejudiced.

A great deal of thought has also been given in harmonising the interests of the enterprise with the requirements of general economy. A measure of regulation for this purpose was clearly necessary, as otherwise these numerous pockets of self-government would have led to confusion. Under the law of the planned management and National Economy planning is concerned with "basic orientation of economic development and to the determination of general conditions of industry and the material obligation of the enterprise towards the community". This orientation is determined by social plans adopted by the Federal National Assembly, Republican National Assemblies and by the peoples' Committees, each in its own territory. The rights of the State organs are restricted to the adoption of laws and regulations determining the organisation and business of the

enterprises and supervision of the implementation of these regulations. Consistently with these regulations and the social plans the enterprises are entitled to do business independently. Then next, there are regulations about assets and profits. The enterprise is required to keep up the value of the fixed assets allotted to it at the time of its founding. A tax on profits is payable to the Federal Government, a certain percentage is credited to the Reserve Fund and a part goes to the commune or District. Out of the remaining, a part goes to workers and the remaining is used for rationalising production, for housing and for other welfare measures. If an enterprise works at a loss it must first draw upon its Reserve Fund. If the Reserve Fund is inadequate, the Peoples Committee of the Municipality must step in to see whether it can save the enterprise. If solvancy is unlikely, the enterprise is wound up. These regulations as well as conditions of free market and competition introduce some checks and balances. To obviate the danger of wages being raised unduly thereby burdening the community with the liability of insolvent enterprises, there is provision in the Social Plan regarding the total amount which may be distributed as wages. Thirdly, there are industry-wise organisations such as economic chambers and economic associations to whom certain functions of State administration are entrusted. They acquaint the state with Industrywise problems and cooperate in the preparation of legislation and social plans. Their activities also include co-ordination of activities in the technical improvement of production, assistance in co-operation of enterprises, organisation of joint auxiliary specialised services and organisation of training of cadres. For every economic branch there is a separate chamber and for every chamber are Assembly and Administrative Committee. The assembly consists of representatives of enterprises elected by the workers councils. They also have Tribunals of Honour to settle disputes arising from infringement of good business practice. One other noteworthy feature of the Yugoslav Bicameral Legislature is that its one chamber called the Council of Producers is elected by representatives of Producers. This is at all levels, the commune, district and Republic. The Council of producers in Districts and Communes are elected by the members of the workers Councils and other self-managing bodies of producers and the district councils elect the members of the Councils at the Republic level. For the purpose of representation producers are divided into two groups of industry, commerce and handicrafts and the group of agriculture. The number of seats for each group at each level is proportionate to its contribution to the national income. This is defended on the ground that man's voice in the fortunes of his community should be proportionate to the value of what he contributes to the national income. Both chambers have equal rights in matters such as passing of social plans and of other regulations and decisions concerning national economy as a whole but certain questions relating to the work of economic units, government organisations and self-governed institutions are within the separate field of the Councils of Producers. This is how the social and economic

organs of the people are integrated at all levels of the highly decentralised economy.

The working of the national economic plan becomes more clear as we examine the principles and process of income distribution in Yugoslavia. The revised 1963 constitution of the Socialist Federal Republic of Yugoslavia vide Article 6 rests on self-managements the function of the distribution of social products in the working organisations and the social community. The constitution used the word income and distribution of income in place of wages, salaries or profit-sharing. There are two stages of this income distribution. In the first stage, income is distributed between Society as a whole and the labour force. In the second stage the income belonging to the labour is distributed among individual workers. The criteria for dividing the income between the Society and the labour force is the predominant problem of the Yugoslav system. The first stage determines the general level of workers real income. Article 9 of the Constitution gives to self-management the right and duty of the working people to distribute the income belonging to the working organisation" – not the whole of the income produced by the working organisation. This first stage distinction is necessitated by productivity differences in individual enterprises resulting from differences in equipment, by different levels of productivity of land and to the differential monopoly power present in the factory and product markets, by the social ownership of the means of production and the resulting need to eliminate property derived income. The first charge on income of the enterprise is the value of the factors used, cost of material and depreciation. The balance is called net product. From the net product the enterprise must pay sales tax, interest on fixed or circulatory capital and land rent tax. The rest is net income. This may be utilised for paying membership fees, the training of young workers and for specific personal expenses such as travelling. The final balance is the income of the enterprise. The 1962 averages showed that 76.2 p. c. of the gross income was appropriated for factor usage. Assuming the remaining 23.8 p. c. net product as equal to 100, sales tax amounted to 13.5 p. c. interest on circulatory or fixed capital 9.3 p. c. and land rent 0.5 p. c. The discretionary payments came to 6.5 p. c. and the income of the enterprise constituted 70.2 p. c. of the net product. There are three factors contributing to the income of every enterprise 1) land, 2) physical plant and 3) monopoly power. If an appropriate rate equal for all enterprises is applied to each of the 3 groups of factors combined in any one enterprise in the sense that corresponding parts of income are siphoned out of enterprise all income that results from differential productivity of these factors is eliminated. Thus the remaining income expresses more or less accurately the work and management of individual enterprises. It can be distributed among workers without fear that the Socialist principle of 'remuneration according to work' threatened. But the remaining is not what the workers receive in pay. They constitute gross personal income

out of which several taxes and charges such as social security, housing, transport and other contributions amounting to some 45 p. c. of the gross personal income are deducted before that net personal income is received by the workers. The first stage enterprise level decisions are made according to general rules of distribution ratio between personal income on the one hand and funds formations on the other is on an average 3:1. On these rules, in 1963 a detailed elaboration of the principles was prepared in the form of an agreement between the Federal Secretariat for work, the Central Council of the Yugoslav Trade Unions Confederation and the Federal Economic Chamber. According to these rules every enterprise must analyse the results of its work and management to discover which factors contributed to the production of net income and in what relative degree. Bearing in mind its long term development plans, the enterprise must decide how to divide the net income between personal and collective consumption on the one hand and its productive funds on the other. The analysis of work and management results must be based on a comparison of the current years results and factor contributions with those of the previous year and by comparing the enterprise results and factor contributions with those of similar enterprises. The distribution formula is as follows :—

$$Yp = \frac{Pn}{1 + x\,k}$$

Where Yp = personal income bill, Pn = net income of enterprise, k = a factor by which the enterprise qualifies its analysis of work and management results and

$$x = \frac{C.X_0}{C_0}$$

where c = Capital per capita in the current year, Co = Capital per capita in the previous year and Xo the distribution relation in the previous year.

The Communal Assembly exercises a general supervision over decision-making in the field of income distribution in enterprise. It can request any firm in the territory to submit for examination its rules related to net income distribution. After examination, the commune notifies the enterprise of its objections and make recommendations for the introduction of appropriate amendments. If the workers' Council disagrees, it must justify it position before the communal Assembly. If the Assembly is not satisfied, the matter is finally settled by the Republican Assembly. Thus though the workers Council is in principle autonomous, it must, in defining its income distribution policy take into account the general interests of the national economy. In the case of disagreements the organs of the social and political communities are the official interpreters of the interests of national economy. We have already seen that large enterprises are divided into economic units. There are different rules defining the distribution of the net income of the enterprise between its various units. The units enjoy a relative technological independence and internal cohesion. Each unit has its own accounting system. It purchases raw materials from other units and similarly sells its

products to still others. Many relations between units are regulated by contracts as for instance, in the case of excess workers, quality of products and timing of output. This helps division of net enterprise income into units. This division into semi-autonomous units is found to be necessary to give a reality to principle of self-management. Once an enterprise has over 300 or 400 workers, its workers council cannot effectively control the productive process. Any direct contact with individual workers and any clear insight into human problems of production participation is then weakened. In such a case the workers council becomes an organ merely difining the policy of enterprise. An economic unit with it's own council is much more adapted to meet the numerous requirements of really full participation. Yugoslav has done this and for this purpose has developed many criterians for apportioning the net income of enterprise between various economic units. Among such criteria are for instance : internal accounting selling or cost prices, planned personal income and planned net income per unit of product, average monthly personal income for the planned number of workers, the actual hours worked, the charges in cost price per unit of product and quality of product. The economic unit distributes its income to workers. Each unit can have its own rules concerning this distribution. In such cases the rules adopted at the enterprise level to guide the economic units contain only such general provisions as would be necessary to guarantee the unavoidable minimum of uniformity. They usually contain the following provision of personal income differentials between the highest and lowest basic personal income for all economic units, general principles of job evaluation; merit rating, piece work and standard times, quality, material saving and bonus. The rules of each unit contain concrete evaluations of different jobs and different categories of workers expressed in dinars or points, usually the latter. It contains also concrete piece work rates or standard time for every type of work under quantitative incentive systems, qualification of bonus with respect to improved quality of product; savings in materials and power, percentages governing allocations to reserve funds of personal incomes and conditions for utilising such funds. The job factors usually include : contribution of the job to accomplish economic units and enterprises plans; the skill and experience necessary to perform the job, education, responsibility, strenuousness and working conditions pertaining to the job. The merit factors considered are : qualifications, seniority, initiative and attitude towards work and contributions to the success of the economic unit. This is how the largely impersonal character of modern enterprise is made closely personal to bring to each individual worker a feel of how he can himself count in all operations of industry and get individual justice for himself. Of greater importance are state regulations on minimum wage. According to the Decree on guaranteed and minimum incomes promulgated in 1962, the gross income of individual workers cannot fall below din. 61 per hour or din. 12,700 per month + 20 p. c. depending on the communal assembly's decisions. By multiplying the hours worked during a period of time by the gross personal income guaranteed to the corresponding industry a minimum gross personal bill

is established, payable by every industry irrespective of workers performance. If the industry is short of funds, the commune will supply them from the communal reserve fund.

To the orthodox trade unionist the above description is likely to give an impression that the trade union has no role to play in the Yugoslay set up. There appears to be no scope for collective bargaining, no recognised procedure for settlement of demands and grievances. But there is a great deal of real nation building work for unions to do. The trade unions serve to assist and support the workers organs of self-government in enterprise, organise a control over the work of there organs and train too the direct producers for participation in these organs. In the enactment of wages and salary schedules, which includes rates for all work posts and jobs, the workers council, the people committee and the union jointly participate. Their agreement differs from a collective agreement not merely in that it is not conclude between parties with conflicting interests but in that the participants in the enactment of the wages and salaries schedules do not assume mutual commitment as is the case with collective agreements. The union is quite often organised on a District basis and their participation is helpful for co-ordination of the pay rate relations on their territories among enterprises of one and the same branch of industry and between them and communes. They are pledged in principle to endeavour that equal rewards be paid for equal work and differentials should be the result of better work and better operations. If in case pay commission or arbitration becomes necessary, the union is inevitably represented on this body. The unions are preparing to become the chief bearers and managers of the labour mediation service. The Unions present workers view before Government and Parliament and they help in the explanation of national policy to workers. They are not organs of powers but are guides to auto-management. They advise on the distribution of resources, attempt to prevent monopolistic tendencies and co-ordinate the interests of different categories of workers. They exercise influence over the selection of members of workers' councils. Membership of trade unions is voluntary but a vary large majority ( about 85 % ) are members. It cannot be, however, said that it is a free trade union movement because all unions are necessarily affiliated to one national centre. Workers are not permitted to organise trade unions of their own choice which would be independent of the Communist dominated centre. Great importance is attached to workers education. A part from technical instruction imported through industrial schools organised by trade unions and in many cases by tne undertaking itself workers are given instruction in economic matter relating to the management. A visitor to workers University senses immediately the atmosphere of sincere endeavour prevailing all round. Teaching is largely through seminars and group discussions. The subjects are : Management of enterprises, organisation of workers' Councils and Management Boards and their meetings, the organisation

of production in various enterprises, costs of production, the general and commercial organisation of an enterprise and its financial activities, industrial relations, planning of production, the correct use of materials, the interpretation of cost accountant's reports, balance sheets and other documents.

The Yugoslav picture has many unique features. It is a great educational experiment in practical art or direct democracy. The system is not without faults. There is continuous self-criticism. So there is hope for improvement. It has become possible for Yugoslavia to make such a bold experiment because at the background there works a strong party whose large numbers of ideologically unified members exercise a cohesive influence for discipline and form the back-bone of the self-governing bodies. The technicians are also given a great respect. In the first flush of enthusiasm some workers collectives thought that a Director was unnecessary and day-to-day management could be exercised by a committee. Working results have, however, shown the worth of the Director and Directors of proved capacity are much sought after. There has also come about greater recognition of the worth of highly qualified technicians. The responsibility for new industries and new factories is placed on local community or the Republic. But in this as well the other field of entrepreneurship that calls for taking of risks and prudent long-term planning, the Yugoslav is still struggling for an answer. There is a conflict between demand for higher wages in the present and the needs of investment for the future. The Government's fiscal policy that is chalked out to support development is felt too harsh. For the workers representatives there is coming a uncomfortable realisation that workers control does not itself create wealth. The workers councils showed an instinct to find out short term but self-defeating solutions such as raising prices, demanding tariff protection, forming cartels ets. For the ordinary worker, the workers management has become no different from any other management. Regardless of the fact that the management is their own they go on strike on many occasions in support of wage demands. In a large factory, workers soon feel alienated from their elected representatives. Then there is a problem of large un-employment. To the unemployed, workers self-management can afford little satisfaction. Moreover in the name of equality, there is a tendency in workers councils to allow very small wage differentials between the pay of unskilled and those of skilled workers. That is making the skilled workers emigrate. Yugoslav is trying hard to overcome their difficulties. The economic policy statement of 1968 makes a major declaration to achieve these goals of increased production and national income. Federation has released large funds from its own custody to the economy. It has abolished its own right to draw upon credits from the National Bank. Contributions to Federal budget from personal incomes is reduced. So also is reduced the commission payable to public book-keeping ( auditing ) service and all revenue stemming from foreign scurces is renounced. Another major change

is that all problems relating to the distribution of income are made public so as to throw as much light as possible on important problems and deficiencies. The adoption of sound rules is regarded as a matter of concern to all citizens. The press explains to its readers the new principles of distribution. It draws the public's attention to examples of successful work and criticises enterprises in which instructions are misunderstood or where the work is lagging. The Press is thus increasingly playing a great role in decision-making. The collectives of economic units have also started establishing joint committees or commissions to settle their internal conflicts. A typical process of grievance procedure is developing on the plant level. The dissatisfied worker enquires from his fellow workers what they think about his grievance? If he senses a response he may try to enlist his fellow's support. If such support is strong he will press his case. If not, he will probably decide to drop the issue. A psychological and social conflict between the decision to consume more and the other one to invest more is however prevailing the whole scene. The invisible hand of investment is making the worker unhappy. His only solace is that all are sailing in the same boat. How to make investment a boon rather than a burden is the pressing problem before the Yugoslav worker.

## Israel

The story of the development of Israel, the plot of that development, its plan speed of action, the role of the characters and their interrelationships and interactions is quite dramatic in every sense of that term. The theme of this drama was patriotism. Its lesson–the message of national attitude and spirit. No doubt, the span of time in which the recent developments have taken place is too small to give us any permanent generalisations, but then this can be said with a slight degree of variance about other isms as well. The country is small, but then the obstacles were very great. The world Jewry took up a historic decision to make up for centuries of neglect of their dear Motherland. They had to start everything from the scratch. The immigrants brought with them very little besides the clothes on their backs. The natural resources found within and around the Dead Sea were extremely limited and the only natural abundance was of sun-shine. Most of the means essential for economic development were lacking. But the potential mental and physical ability of the people was highly impressive. It made up for everything that was lacking and the sole determining factor for every action was a strong feeling of patriotism. Again it is true that assistance capital flowed in a large way from world Jewry, from friendly nations and from German reparations funds. Moreover the largest part of this capital inflow was composed of unilateral transfers,–a dedication to Motherland by her sons working in other parts of the World. There was, in fact, a time when most economists would have explained the economic growth of Israel only in terms of her ability to import capital from abroad. Put with a closer and larger study of facts, few economists would now maintain that argument. It is assumed in traditional economic thinking that there is a definite relationship between employ-

ment, capital input and total product, that is to say in the absence of a proportionate increases in capital investment an increase in labour force has a negative effect on economic development. The actual experience of Israel has belittled this theory. She has shown that an increase in labour force does not necessarily require a proportionate increase to keep total per capita product unchanged or increasing. The Israel experience is that the unavoidable condition for economic growth is the readiness of a larger proportion of population to work, to work longer hours and more efficiently and to display a willingness to co-operate thus creating the socio-political and institutional conditions amenable to such growth. Israel has shown that whatever progress in economic growth she has achieved is in no small measure due to such an attitude on the part of her population and her institutions, notably the Government, the employer and the trade union organisations. On the other hand recent experience in many less developed areas has shown that capital and labour may be wasted not only due to lack of knowledge about the manner in which to organise production, but primarily due to lack of positive attitude to production on the part of some of the country's institutions and labour force and also to a lack of favourable incentives for institutions and the population at large to make the most of available resources. After the Israel experience, most students of economic development now hold that economic growth is affected by a nation's social, political and cultural fabric and by the quality of its human resources no less than by its economic relationships. An understanding of the nature of Israel's institutional relationships and of the manner in which the policies, procedures and practices pursued advanced or hindered development is therefore of much use in drawing general conclusions to help socio-economic policy formulation. Let it be clear that there is still much to be desired in these respects and the entrepreneurial and labour problems and demands which beset other economies are far from absent in Israel. Nevertheless, on the balance, the attitudes and behaviours of labour force and economic organisations have definitely made a positive contribution to development and to development planning.

Israel had certain unique factors which could create many positive attitudes. The very political situation in which Israel found herself tended to create a positive attitude. The early going was most difficult and so the tendency to forego certain benefits and to develop a creative and collective spirit was more natural. A deeper philosophy will have to show how such attitudes can be made permanent. Secondly, there was a unusually large burden of defence. So expenditure on imported consumer goods had to be minimised and a greater reliance placed on local production. Thirdly, though there was a common historical experience for the people uniting them into a nation, there was a complete lack of any tradition of social patterns. That made it easier to reach social decisions necessary for economic growth. On the other hand, there were groups within the population one of economic specialisation and of a background capable of adapting themselves to economic specialisation. There were many instructors willing to go out to

the different localities to study local problems to teach the new immigrants and to develop a broad base of local leadership that could shorten the period of transition to a new socio-economic milieu. Lastly a unique feature of top national leadership was that all the outstanding figures in that leadership came from the trade unions. They continued to maintain a close contact with the trade unions and with their experience in community organisation and collective action they could see to it that the development of workers' national movement was based on work and the emphasis on pro rather than anti. This resulted in the formulation of a political unionism of a positive character. It is pro-government and pro-economic development though not subordinate to the government. This has been possible due to the comparatively democratic nature of the trade unions, the high level of membership vociferousness and a live grass-root pressure. Against this background Israel developed her socio-economic organisation of life, her plan of mobilisation and direction of resources, her strategy and tactics in selection of favourable determinants around the plan and its implementation.

In one sense it can be said that Israel does not really have a plan i. e. if by the term plan it is meant that there exists a programme which it is presumably in the power of the government to carry out in its entirety. Israel's national plan consists of a programme of desirable socio-economic objectives estimated to be attainable in a given period of time and ways and methods with which an active government is to influence the attainment of those objectives. In order to ensure effective support of the population for the plan in Israel, the various interest groups are involved in the preparation of the plan through consultations, advisory boards and commissions and in the implementation of the plan at the levels of the industrial branch, the region and individual enterprise. The formulation of the plan takes place in a number of stages and is the product of many individuals, committees, commissions, organisations, institutes and ministries. The work of the various bodies is co-ordinated by the Economic Planning Authority which is a part of the Prime Minister's office. Informal, preliminary discussions take place with government officials and key personalities of public institutions and various interest groups such as the labour Federation (Histadrut) the employers' associations, farmers' group and so forth. Thereafter the Economic Planning Authority prepares in general lines a draft which includes present economic indicators, possible future trends and targets to be fixed for the coming period. It, thereupon indicates what steps will have to be taken to achieve the targets, who will be responsible and how the planning for the respective targets will be carried out as well as a time-table for various stages. This draft is then submitted to the Ministers Committee for planning which consists of six relevant cabinet ministers and the Governor of the Bank of Israel. This ministerial committee avails itself of the advice of the Council for Economic Affairs,-a government appointed body consisting of five members from Government, three from the labour Federation, three from the management

and five public figures. After detailed consultations and deliberations the Ministers committee for planning determines its attitude to the draft plan and issues instructions to the various Ministries to develop their respective parts of the plan. The Ministries prepare their respective sections of the National plan in consultation with various inter-ministerial and public bodies which consist of (a) Policy Planning Commissions such as the Commission for the Dispersion of population, Commission for Manpower and vocational training and Commission for Efficiency and Productivity and (b) Economic branch planning Committees. On practically all of these commissions and committees are to be found individuals from the various interest groups including trade unions. However, they are appointed as individuals rather than representatives of their organisations to avoid their coming to meetings with instructions embodying pressures of various interest groups. Most Ministeries submit draft of their plans to the interested parties for their comments and suggestions and finally submit their plan to the Economic Planning Committee. At this stage there are again drafts and redrafts and revisions till finally the Ministers Committee submits the National Development plan to the Government for approval and incorporation in the Budget Bill. Throughout the various planning stages, literally hundreds of people are consulted, views of respective interest groups are expressed. Formally and informally, influence, argument and data are brought to bear upon the final shape of the plan and there are discussions of the issues in the Press, both partisan and independent. A democracy's plan for an economy of scarce resources by the very nature has to cope with serious conflicting interests-employers (vs) workers, savings vs. consumption, full employment and relatively high incomes vs. price stability, shortterm vs. long term objectives etc. A democratic plan cannot simply be formulated or implemented unless the public and its articulate leaders are informed on economic matters. Mr. Levi Eshkal, the Prime Minister of Israel, has stated the problem in the following words, 'Only those who deal with these problems on a day-to-day basis know how to connect the various links into a single chain, for behind the partial bits of information that reach the public, and behind the hundreds and thousands of decisions that are not publicised, there is one line which guides the government in it's economic policy....(that line is).... the social and economic relations limit the Government in the carrying out of an economic policy that suits the longrun national economic needs'. So this strategy of planning requires that the Government ministers and other officials keep in contact with the various interest group organisations and through them with the people at large to keep them informed of economic conditions, problems involved, what action the government is taking thereby response to and support for the government's socio-economic programme. The concern for the need of the masses to understand the complicated economic problems facing the nation often requires the reduction of these problems to their simplest terms for presentation in the form of the people's and the nation's experiences, needs and aspirations. For this purpose the government and the trade unions information (explanation) departments have to exert much, for

this is no easy task. Secondly, people may even understand and yet be concerned with personal interests which may conflict with the general interests. They may differently define general interest, or the means by which it may be served. This requires eliciting, if not agreement, at least acceptance and awareness of the general goals, and understanding has to be reached on the extent to which the government is to take into consideration and balance the specific needs of the interested parties and to what extent the parties will have to accept the government's attempts to direct these needs, so that they do not conflict too much with overall and long-run goals. Israel has realised that it is only at this point of mutual acceptance that the starting base for the plan's construction is achieved. This is almost a perfect system of communication which holds the key of good industrial relation. It is no wonder then that positive attitudes should develop from the grass-root levels.

Another peculiarity of Israel's planning is that its objectives are based on the pragmatic approach that the people's energies cannot be mobilised only on the basis of promises of future gains. The plan programme is based not only on the country's long-run economic objectives, resources and constraints but also on the present needs and desires of its people. At the same time it is based on the realisation that the long-run objectives can be attained only to the extent that the people can and are willing to make the necessary short-run sacrifices for them. If the support of all the interest groups is to be mobilised behind the Development plan, it cannot be done on the basis of a promise of improved welfare in the future only. At least part of the gains must be realised immediately by the present participants. A social philosophy based on the concept that the needs of the people are paramount, necessarily lead to the kind of social action. The Israel Federation of labour, Histadrut and its members who constitute 92 % of the country's wage and salary earners would not accept a policy whereby they should be participants in the increased economic activity while only a small percentage of the population would gain from it. It is known in Israel that a democratic government does not only lead, it also follows the wishes of the electorate. Therefore, whatever targets Israel's various development plans may have from time to time, it has always placed before it the following three goals viz. (1) Increased welfare of the population (2) high level of employment and (3) economic independence. Of these three the improved welfare has always been the central objective. We find the beneficial effects of this policy in Israel's economic growth. In 1962 inspite of an increase in the population of 4.4 per cent, unemployment was reduced from 4.3 to 3.8 p. c. and per capita product in real terms rose by 4.6 p. c. The figures for 1963 are population increase 4.0 p. c. reduction of unemoloyment from 3.8 to 3.6 p. c. and per capita product increase by 6.2 p. c. And thus Israel's economy is managing to boom along unabated. The gross national product shows no signs of showing down from the hectic 10 p. c. or more expansion pace of recent years. Consumption too has been climbing fast by

an estimated 6. p. c. per year in real terms since 1964 giving the 19 year old nation a standard of life that is no less than in any country of Southern Europe. Their exports are also rising very fast and they are hopeful that original designs and high quality will soon earn for them substantial markets in Europe and other parts of the world. They have already achieved full employment and even shortages of labour in some areas, and the emphasis in planning has already changed from the first target of physical expansion to the second target of greater selectivity, concentration on improvements in methods and quality of production.

The basic motivation that has informed all this development is a strong feeling of patriotism. The entire population is influenced by patriotic motives and other collective goals. One of its expression is in the nature of union-management relations which exist in the country for its course of existence so far. There are of course disagreements, disputes and even conflicts between union and the management. There are individual and collective grievances on both sides which at times take the form of strikes, slow-downs and even lockouts. These conflicts hardly even express themselves in violent struggles. There is no feeling on the part of the union that an employer is out to destroy it, or on the part of an employer that the union is out to ruin. Negotiations may be protracted over a longer or shorter period of time but they generally end in a spirit of accommodation. Moreover, it is not unusual for management and workers to undertake joint action regarding an intra-plant problem or a public campaign. When in 1949, in the very first budgetary speech to Parliament, the Government proposed to management and workers the establishment in each factory of joint councils which would be concerned with improving efficiency and increasing productivity, it was soon considered by both parties and some time later they were actually established and started doing a brisk business. A national agreement in this regard provided, inter alia for norms of production based on work study to be established in each plant and that for each per cent increase in production above the norm, the worker would receive an additional per cent increase in the form of premium pay. The government on its part also came forward and declared that earnings from premium pay would be subject to a lower rate of income-tax than that applicable to basic wage. For such premium pay to be eligible for the lower tax rate, the national productivity Institute would have to certify that the established norm is a fair norm actually established on the basis of an objective work study. In the beginning some of the left wing political parties opposed the establishment of such norms and productivity techniques because they claimed that employers would exploit them to speed up and sweat the workers. But the environment of patriotism was so compelling that the workers began to press for the establishment of a norm and premium system. Today there is hardly an industrial establishment that does not work under this system. The experience by the workers of direct benefit from the increased production plus the feeling of satisfaction derived

from participation and the opportunity to have a say in the system's administration has not only kept it functioning but it would now be difficult to do away with it. It is understood that when a change in the method of work is introduced, a new work-study is conducted and a new norm is established. Moreover, the national agreement between the trade unions and the manufacturers Association also provides for workers contributions to method improvement. In Israel, it is not only the Government or the Employers who award the prizes to the best workers the trade unions also award prizes to 'Heroes of Labour' from all branches of the economy, farming, transportation, industry, service etc. These prizes are presented by Minister for Labour with all the pomp of a national publicity campaign. A more recent experience of collaboration was in the area of wage policy. In a patriotic concern for National welfare the dangers to the solution of Country's economic problems stemming up from tendency to concentrate on promoting sectional interests were publicly discussed not only through the newspapers and other mass media of information but at trade union meetings and factory meetings. It finally resulted in an agreement to link wage increases to the annual rate of increase in net national product. A research Institute for Production and Incomes was established and is directed by a Public Council of 27 – 9 from government, 9 from trade unions and 9 from employers. The Institute has a professional management of 7 and consists of 1 each from the above groups plus 1 member each from the Central Bureau of Statistics, the Bank of Israel, the Productivity Institute and the Economic Planning Authority. The professional management supplies the Council with the statistical and economic facts. The Council evolves national wage policy with the help of these facts by free discussion. The first national agreement on this basis was arrived at in 1964. Thus the interest groups are not only consulted in the fixing of objectives of the National Development Plan but are directly involved in its implementation. In the field of training and manpower development, there are not only representatives of trade unions and employers on the public and government committees but all parties have also established their own schools e. g. the labour Federation is conducting a chain of vocational schools. The clerks union has got centres not only for training and improving skills of clerks but has also opened a school of management to enable members to prepare for more responsible managerial positions. The trade unions have recognised that the management plays a decisive role in affecting labour productivity and therefore they are supporting activities that lead to improvement of managerial skills. Along with the representatives of management there are also workers representatives on principal public bodies such as (1) Advisory Council for Development Budget which advises the Ministry of Commerce and Industry in the selection of investments and sanctions of loans (2) The Advisory Council for Pricing and Marketing and (3) The Public Council for the protection of local products which is actually concerned with import liberalisation policy.

The principles on which Israel has based her system of involving the interest groups in formulation and implementation of economic planning merit a serious study for developing countries. The success of these principles has

knocked down many economic theories about planning by presenting a social dimension of planning not only as a factor to be taken into account but as the very fulcrum that gives optimum uplift to the socio economic progress. The Israelis believe that the success of a development plan depends to a large extent on the discipline of the population, their readiness to behave in a manner that will not run counter to the objectives of the plan. In order to achieve the plan's objectives it may be necessary to modify economic structure, methods of production and distribution as well as to modify group and individual attitudes and behaviour in the areas of Savings, consumption, incomes and the like. In a democratic Society such profound changes and economic discipline cannot be based on fear. It is only a partial truth to say that the success or failure of a system depends upon its intrinsic nature. It is a greater truth that it depends upon what men choose to believe about them. When men participate in an undertaking there is less need to convince them of the desirability of and the method of achieving the objective. They believe in it because they are a part of it. Contemporary Society tends to be more and more organised along interest groups–workers trade unions, professional organisations, consumers societies, farm groups etc. This can constitute a permanent danger that they will each pull in different directions and in opposition to the direction required by the national development plan. Preliminary public consultation and as wide a participation by the interest groups as possible tend to minimise socio-economic conflict and offer greater possibility of reaching mutual consent on the overall aims. Consultation and participation tend also to develop a work force of superior quality. It enhances the status and prestige of the participants and develops a positive attitude towards development beyond the personal monetary gains to be achieved. This is true not only on the national and regional levels but also on the enterprise level. Workers participation at the plant level in the solution of such problems as efficiency, methods improvements, elimination of waste of materials, maintenance of equipment and increased productivity makes the task of management easier by making it possible to delegate more of the organising functions to the workers themselves. Its valuable by-product is that it brings to the fore in a natural way, able men who can shoulder responsibility and thus throws up a reservior of supervisory and management skills. The relationship that can make this participation possible and the organisational form and social policy that can make it fruitful should ensure that priority is given to full employment, worker is free from fear of losing his job, organisational framework is based on respect to positive attitudes adopted by all interest groups. In the process of copying with problems stemming from the objectives of development, it is not only the employers who constitute agencies for change, the trade unions and their members too become agencies of change rather than deterrents to change. In democratic planning it is not only possible but essential, to involve often conflicting groups. In order to achieve success for this involvment it is necessary to conduct mass educational campaigns so as to ensure acquaintance with the country's economic problems and the direct relationship between the economic problems and peoples social

welfare. Instituations where national policy is known to all and supported by the overwhelming majority, the interest groups react favourably and it becomes difficult even for individuals to oppose it.

Informed by above principles the trade union in Israel performs more than a consumptionist function. It also performs a productionist function. One other pecularity of Israel is that the agricultural sector, which is based on the Kibbuts and Moshar type of organisation is among the most progressive elements of the population and is most actively involved in the country's socio-economic development. It is no accident that there are more public committees, commissions and councils attached to the Ministry of Agriculture than any other Ministry, all of them being involved in the formation and implementation of the plan at various stages. Moreover, as an integral part of the trade union movement, they are actively involved in the Histadrut's leading committees and participate in formulation of policy and is providing leadership for the various activities of the Israel Federation of labour. It is this section of the population that is most imbued with a pioneering spirit and has laid the foundation for modern economic growth.

The involvment of trade unions in planning has certainly diverted the emphasis of planning from more investment targets to actual levels of consumption achievement. But this has been a boon and has given to economic practitioners a new theory. The concern with present social welfare needs certainly constituted an economic cost in so far as resources were diverted from investment to consumption. But it was found to be a cost more in the nature of investment. This concern for social progress has been one of the main factors in determining that all interest groups are 'on the in' rather than 'on the out' of the process of national economic development. So this has been the same type of economic cost as that spent on factors of production such as equipment and materials. It differed from them in so far as social welfare is not only a means of achieving economic growth but the very object for which economic activity is undertaken. The Israel experiment indicates that economic development does not have to be accompanied by social hardships. This is an important lesson. Social welfare does not have to be a cost in the usual sense but an investment that can pay dividends in the short run as well as in the long run.

## The Lesson

From the above study of the different countries following facts can be deduced.

1. Notwithstanding broad structural uniformity in the trade union organisations of the World, the role of trade union movement in different countries is different;

2. This is occasioned by the differences in their processes of historical growth and patterns of present socio-economic orders;

3. In both these respects, India has its own peculiar characteristics–e. g. we have a heritage of a rich mass and diversity of thousand lines of experience which are all informed by a spirit at once unique and universal;

4. Consequently, though every country has to offer a lesson or a warning to us in one respect or the other, we will have to evolve our own pattern in consonance with and against the background of our own traditions and conditions;

5. The trade union movement plays a very significant part in the formulation and implementation of Planning, at least in some countries. There is no reason why in India it should not be called upon to associate itself more actively and decisively with the formation and implementation of the plans.

6. With view to enable it to make a more substantial contribution to the national prosperity, it is necessary to free the trade union movement from the slavery of all 'isms'. The attitude and approach must be pragmatic, not doctrinaire.

7. No legal measure or structural pattern can yield any results, in the absence of a strong sense of patriotism in the country. Nationalism, rather than internationalism, is the real source of inspiration to work hard and to make supreme sacrifices. The industrial, democratic planning can be successful only to the extent to which the employers, the employees and the Government identify themselves with the entire nation. This psychology of national integration can alone mould properly all the various aspects of industrial relationship.

The inertia of all sections of our population including labour, can be shaken off only by furnishing them with a great national ideal and enthusing them with the spirit of National Renaissance. Every citizen must be given the awareness of his role as a nation-builder. Lofty idealism-not petty allurements, can be solid foundation of national renaissance.

Bharatiya Mazdoor Sangh is of the view that the role of Trade Union movement in the country cannot be determined in isolation. It is to be considered as an integral part of the total scheme of national reconstruction. Some fresh thinking, hard thinking, must be brought to bear on this subject. We must steer clear of over cautionism in the name of conservatism and adventurism in the name of radicalism. We must profit by the experience and experiments of all the countries, without trying to imitate any one of them blindly; we must conduct thorough investigation into the assets and liabilities of our hoary past, without losing sight of our present plight and future aspirations. In all sections of our population we should be able to generate missionary zeal for the cause of the Nation so that all of us may stand shoulder-to-shoulder in our common march towards the National Destiny.

Explaining the process of Reconstruction flowing naturally from the spirit of identity, Shri M. S. Golwalkar, the Sarsanghchalak of the R. S. S. observes, "Once the life-stream of unity begins to flow freely in all the veins of our body-politic, the various limbs of our national life will automatically begin to function actively and harmoniously for the welfare of the Nation as a whole. Such a living and growing Society will preserve out of its multitude of old systems and patterns whatever is essential and conducive to its progressive march, throw off those as have outlived their utility and evolve new systems in their place. No one need shed tears at the passing of the old orders nor shirk to welcome the new order of things. That is the nature of all living and growing organisms. As a tree grows, ripe leaves and dry twigs fall off making way for fresh growth. The main thing to bear in mind is to see that the life-sap of oneness permeates all parts of our social set-up. Every system or pattern will live or change or even entirely disappear according as it nourishes that life-sap or not. Hence, it is useless in the present social context to discuss about the future of all such systems. The supreme call of the times is to revive the spirit of inherent unity and the awareness of its life purpose in our Society. All other things will take care of themselves."

These observations of Shri Guruji acquire additional significance when we take into account the fact that, like ancient Manu trying to preserve specimen of all types of life in his boat during the period of deluge, this seer of Universal Dharma and its Adhisthan the Bharatiya Nationalism is striving persistently through his organisation to preserve and promote all the qualities and virtues necessary for national resurgence and human glory.

It is high time that we should think collectively about the role of Trade Union movement in India in the spirit of these observations.

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## CHAPTER XX

# Constitution and Function of State -The Socio-Economic Order of society

### Ideal of Planning

For rousing genuine enthusiasm among people about the implementaion of planning, it is imperative that the plan should be in keeping with the 'संस्कृति' of the nation. The term 'संस्कृति' denotes a trend of impressions on the mind of the society which is peculiar to its own and which again is the cumulative effect of its passion, emotion, thought, speech and action throughout the ages.

जातिराष्ट्रादिसंघातां साकल्यं चरितस्य यत् ।
व्यक्तं 'संस्कृति' शब्देन....ज्ञानकोशकार

The objective of planning according to our 'सस्कृति' has always been the progressive realisation of 'धर्म' The characteristic of Dharma is the 'धारण।' of society. The Dharma was narrated for the prosperity of the beings, what is accompained by prosperity is indeed Dharma :

प्रभवाय हि भूतानां धर्मप्रवचनं कृतम्
यस्त्यात् प्रभव संयुक्तः स धर्म इति निश्चयः
महाभारत.

The term 'प्रभव' indicates material advancement as well as spiritual elevation. ( यतोभ्युदयनिःश्रेयशसंसिद्धिःसधर्मः). Any planning which concerns itself only with either one of these two objectives is lopsided–incapable of achieving balanced development of the scciety. For practical purposes, minimum required spiritual elevation should enable the citizens to dedicate the fruit of their labour at the sacred feet of the 'समाज पुरुष'. ( स्वकर्मणा तमभ्यर्च्य सिद्धि विन्दन्ति मानवा : ) In absence of this spirit of dedications, the sterling qualities and notable achievements of different individuals will become mutually competetive, instead of being complimentary. On material plane, every individual born in our society has right to live. In ancient India, no one was allowed to be born except with his bread. The right to work according to one's own nature was regarded as a fundamental right and duty of every inpividual by Indian Polity. :It is un-Indian that our present constitution has not yet incorporated this right. It was recognised that unless the primary necessities of life become available, men would have no mental peace and leisure enough to concentrate upon higher pursuits. All-round individual development is possible only if one is allowed to take up a job in keeping with one's aptitude ( स्वभावज गुणकर्म ).

The aptitudewise arrangement of jobs was the special feature of Bharatiya socio-economic order. Individuals endowed with similar aptitude and engaged in similar job constituted one occupational family; occupational families working within the same industry were constituent units of their industrial family: all industrial families within the same region formed the region-cum-industrywise socio economic group; and all such vertical and horizontal groups put together constituted the Nation. Every family or group enjoyed internal autonomy, freedom to evolve its own plan, subject to the general discipline and approval of its higher organism. Greater stress was laid upon self-discipline, and disputes at different levels were disposed off by popular, industrial assemblies at those levels. The State intervention was minimum and the State itself was subject to the rules and regulations prescribed for it by the moral leaders of the Society who had neither power nor wealth. This, in brief, was the picture of our society with its autonomous, self-governed socio-economic constituents-evolving their own plans which formed part and parcel of the comprehensive national plan.

This, according to us, is the ideal condition. If the state is accepted as the sole authority of planning, authoritarianism would become inevitable. If the various interest groups not sharing common consciousness were allowed to have their own way, and if a class of moral leaders of the society is absent, each group is bound to pull in its own direction and the emergence of a National Plan would be inconceivable. Internal autonomy of various groups is a must but it must be accompanied by strong sense of nationalism, and guided by self-less, disinterested persons having the good of the entire society at heart. Then alone state intervention can be minimum.

Under the present circumstances, the main difficulty in pursuing this line effectively is the lack of adequate organisational level of some of our socio-economic groups. For example, while some sections of industrial workers in the organised industries have attained the required organisational levels, those engaged in agriculture, cottage industries and small scale industries are certainly far below the minimum required standard. The same holds good regarding the communities of self-employed persons and some other sections, such as, scheduled tribes. All these groups will have to be given proper organisational shape before they are called upon to participate in the evolution of planning.

While we are confident that all nationlists will strive their best to expedite the above process of consolidation, we feel that, under the present setup, Trade Unions constitute one of such organised groups, though in course of time, we aspire to develop them into the occupational and the industrial families of the Bharatiya Type.

### Basis of State

So then we have seen that the trade union movement is not merely an agency to ventilate the grievances or demands of the workers but it is a sense and organ of society that is vitally involved in the process of social and

economic transformation. Rather the latter is it's true function and the former has an incidental or instrumental importance. To the extent that in this process the trade unions represent the down-trodden sections of population who require immediate relief and assistance, the trade unions have a greater responsibility to discharge than other limbs of the society due to the sensitiveness of the situation in the present Indian context. Once all the sections of population achieve a certain minimum of economic standard then the importance of the trade union may shed its overriding urgency but will still remain an important section of society as the knower and controller of day-to-day operations of economic life of the people. As such the aims and objects of the trade union movement require a greater accommodation in consideration of public policy and a certain amount of autonomy in the exercise of powers in public or individual matters. A certain pro-totalitarian view about the role of the state may find an over-lapping of functions of Government and trade union movement in the above statement; while a concept of state that is pro-anarchist or liberal may find difficulties in conferring upon the trade union movement the above mentioned role. In fact both these hesitations proceed from a thinking that regards State as a centre of all influence. But the available facts of history show us that this is true only for a short term and in longer run of things the basic forces of Human Nature assert themselves as a primary factor and bring in contradictions and confusions about the exact utility of the State. The wisdom of the Ancient Indian Thinkers lies in their Vision of a Rashtra-Purusha Virat as a living and growing unity of people. Samaj from whose organic constitution proceed all Dharmas-whether of State or any group of people formed on regional or functional or any other basis and of individuals according to their status, age or function in life. This Dharma-the laws of nature that hold together the people and govern their March (लोकसंग्रह and लोकयात्रा) were clearly seen and stated in the science of living शास्त्र and each part of society was called upon to realise how the obedience of these laws gives them a real freedom and harmony and fulfilment in the life. This Shastra was not legislation that has to be administered by State power or somebody else. It was a statement of the working of Truth in all its diverse manifestations and complexities and subtle interrelations and was given to men as a guide for their action. The Society was organised by taking the constant help of this Shastra. The history or Purana narrated to common men the importance of Shastra as revealed by the life-experience of the race. The Shastra did not lay down rules of any mandatory nature for observance by the people but rather explained the process of action and its results 'कर्मफल' and suggested approaches to concrete situations. It is thus that labour code was explained from time to time by Indian Seers and we find a number of advices on industrial matters given by बृहस्पति, याज्ञवल्क्य, नारद, मनु, शुक्र, कौटिल्य and others. The state assumed it's office to serve the requirements of Samaj-purusha. In the Shanti-Parva of Mahabharat we find that when Yudhisthira inquires of Bhishma the origin of State, the latter replies that in ancient times there was neither the state nor the State Officials, neither the punishable nor those

authorised to punish. The people used to protect one another only on the strength of Dharma.

न राज्यं नैव राजाऽसीत न दण्ड्यो न च दाण्डिक : ।
धर्मेणैव प्रजा सर्वे रक्षन्ति स्म परस्परम् ॥

They had no constitution and consequently there was no disciplinary action prescribed.

तेषां नासीद विघातव्यं प्रायश्चित्त कथंचन ।

There was no capital punishment, public censure was the only punishment in ancient times.

पुरा धिग्दण्ड एवा ऽसीत् वधदण्डो ऽद्य वर्तते ।

The society gradually degenerated from this ideal condition. Reason? Bhisma says'

ते मोहवशमापन्ना मनुजा मनुजर्षभ ।
प्रतिपत्ति विमोहाश्च धर्मस्तेषामनीनशन ॥

Confusion began to prevail in the minds of men, their original knowledge became perverted and consequently their Dharma disintegrated. Thereupon on the advise of the Lord a resort was taken to the institution of the State and Raja was installed as the guardian of the Social Constitution.

वर्णाश्रमधर्मप्रतिपालको राजा ।

Here it may be noted that the word King or Monarch is not a real equivalent of Raja whatever the foreigners might have taught us to believe. Raja was executor of Dharma not a lord or master of land and creater of laws. Rather he was himself governed by the laws. None could become Raja or even Yuvaraja (the coming Raja) till he is installed as such with the consent of Sabha and further blessed by Seers from all parts of land. Even a Raja for a small place could not take his office till the self-less and wise Rishis residing on banks of seven rivers (obviously outside his jurisdiction but belonging to all parts of Bharat) performed the Abhishek and then he was given duties and functions to be performed and thrice told that धर्मदण्ड can punish him or remove him from his seat if he fails to observe the Dharma. The Indian Polity is full of mandates given to Raja and interpretation of these mandates given from time to time. The Rig-Veda (Tenth Mandal) and Atharveda (Sixth Mandal) told the Raja that we have now installed you amidst us. Remain Stead-fast on principles that hold together the Nation-so that all the groups of people may desire your presence. Do not allow the Nation to slip into degeneration. Know that you are peoplised (विशामय) and you have to sustain eternally the nation. So functioning people from all parts of land and having different thoughts will help you with one mind and their assemblies sustain you permanently ;

आत्वाहार्षमन्तर भूर्ध्रुवस्तिष्टाविचलत् ।
विशस्त्वा सर्वा वाञ्छन्तुमा त्त्वद्राष्ट्रमाधिभ्रशत् ॥
इन्द्र इवेह ध्रुवस्तिष्टेह राष्ट्रमुधारय ।
ध्रुवो राजा विशामयम् – राष्ट्रं धारयतां ध्रुवम् ।
सर्वा दिशः संगनसः सध्रीचीर्ध्रुवाय ते समितिः कल्पतामिह ॥

This is the origin of the state idea and with all claims of modern mind about it's progress every experienee of State philosophy brings us round to the realisation that this very first idea promises to be the last. It will be wiser to see this concept of Dharma in clear terms, spell out its Dharanas that hold and sustain the united march of a free and great people and work out the logic of this vision.

### Social Order and State

So far in our submission we have spelt out the structural formations, motivations, attitudes, procedures, ideals, principles, modes of collective action, constructive directions that together make up these Dharanas for life of an industrial family and its integration with national spirit. Now, in this last chapter it is necessary to present a glimpse of working of these concepts and indicate the constitution and function of State which our ideal indicates as a first step, we have already referred to the formation of works committee in every unit of the industry and giving to them many powers regarding rule for day-to-day operations and opining on dismissals etc; We have also referred to the necessity of mooting the idea of an Industrial Family and considering Industry as a unit for administration of Social Security, unemployment insurance and like schemes and providing cushion for making decisions on rationalisation and technology in a manner unharmful for labour. There has been a reference too to the process of making workers the shareholders of an enterprise and thus marching towards a progressive labourisation. A standardisation of duties and nomenclature and guiding principles of job evoluation and wage policy can also help us to form effective groups of occupation cutting across the industry. We have also indicated the necessity of associating labour with planning and shown the necessity of orienting our plan to a decentralised net-work of town ship planning with one town harbouring principally only one industry and the whole social life of the town giving a proper place to the building up of a Home for each worker. All these suggestions are intended to serve as a bridge to reconstitute our society on the pattern of a self-possessing collectivity-at once autonomous and integrated as was the ancient system of India, in its broad frame-work. For, these are sound principles of socio-economic structure. The Narad Smriti speaks of a hierarchy of industrial assemblies of old. There was a occupational union comprising of all persons related to one other by occupational relations as one Kula.

जातिसम्बन्धि बन्धूनां समूहः कुलम् ।

The principle of brotherhood was well enshrined at this stage of Kula which was authorised to settle all internal differences. When people performing

different occupations came together to deliver one final product or work or service it formed a shreni.

नानाजातीयानामेकजातीयं कर्मकुर्वतां समूहः श्रेणयः।

A union of all the workers scattered in different occupations and industries but attached to a common region formed the Pug.

भिन्नजातीनां भिन्नवृत्तीनाम् एकस्थाननिवासिनां समूहाः पूगा।

Their relation to each other was hierarchial.

कुलानि श्रेणयश्चैव गणाश्चाधिकृतो नृपः।
प्रतिष्ठा व्यवहाराणां गुर्वेभ्यस्तूत्तरोत्तरम्॥

Our review of industrial relations all over the world has shown us how eth modern tendency everywhere is to form like bodies of industrial workers at different stages and give them appropriate and co-related powers and functions. Following these basis of sound socio-economic organisation we should therefore have a works committee at a plant level related as in Yugoslavia to the regional union of all workers-the Pug of old Indian description. Many matters regarding work standards, production distribution (including wage policy) exchange, living and working conditions can be determined by a coordinated nexus of plant or firm level assembly of workers and management and the region-level assembly of citizen and industrial workers. We have seen that Yugoslavia has worked out to some extent this nexus. Then there has to be an occupational assembly to discharge functions such as training and research and upholding of professional standards and providing horizontal mobility within the same occupation. This specialised body can also perform the function of acting as a check of firmwise assemblies in case the latter use their brute majority to neglect or suppress the importance of a particular occupation. This is the English pattern of categorywise union whose importance cannot be denied without bringing any harm to social life. Above these assemblies should come the status of Industrial family and the upper house of Parliament based on functional representation. All these bodies should be given appropriate decision-making powers and responsibilities in implementation of their respective programme of action and national plans. What these powers and function should be and how they should be consulted or involved in the formation and implementation of a national plan has already been indicated by us. The examples of Israel and Mexico give us an indication of how this co-ordination can be worked out by formal and informal means. The only one difference that we envisage is that the functioning of these different bodies should not be by a system of committees but rather these ought to be assemblies at each stage where Dharma can be spelled out with the help of wise and disinterested men. That is how the Jatak defines Sabha.

न सा सभा यत्थ न सन्ति सन्तो ।
न ते सन्तो ये न भणन्ति धम्मं ॥
रागं च दोसं च पहाय मोहं ।
धम्मं भणन्ता च भवन्ति सन्तो ॥

This is in the nature of a qualitative quorum for Assembly. Unless any सभा or assembly is attended by a few exponents of Dharma those who are detached in mind, are faultless in expression and action and have no allurements to attend the Assembly the same cannot be declared as properly constituted or held. This is indeed a unique constitution of Assembly and the deep wisdom behind this constitutional provision is unchallengeable. We can even to-day visualise, how our worthy forefathers after entering the fourth Ashram of सन्यास rich in experience, and knowledge always wandering from place to place without staying anywhere for more than three days or like वसिष्ठ reaching advanced stage must be enlightening the assemblies by propounding the truth of God's working – explaining each problem before the Assembly ( as Mahabharat profusedly shows ) the science of living it's cause and effect relationship and then leaving to the House to take it's own decision and though assemblies like those of कंस or दुर्योधन may not have heeded the advice of sages as all were free the functioning of democracy with this unique provision about Sabha is the best possible way yet found by Humanity to achieve its true goal. At each level of policy-decision there should be one Assembly or समिति. They should be moved by one common inspiration, come to a common decision and accept common rules and regulations : समानो मन्त्रः समितिः समाती समानं व्रतम् ।
as described by Rig-Veda. All this hirarchial and inter-related collective life constitutes the life of a nation. Amidst them should stand the state as the holder of the rules that facilitate the working of these assemblies and National life. Thus alone there comes an increase in production, increase in welfare, spread of enlightenment and all-round prosperity. As the अभिषेकमन्त्र explains to Raja

इयं ते राष्ट्र । यन्तासि यमनो ध्रुवोऽसि धरुणः ।
कृष्यैत्त्वा, क्षेमाय त्वा, रय्यैत्त्वा, पोषायत्त्वा ॥

It is the duty of the state to keep itself informed about how this prosperity comes to people, how their hedonistic tendencies are to be blended for the profit and maintenance of nation by अर्थशास्त्र as Kautilya defines it.

मनुष्याणां वृत्तिरर्थः मनुष्यवृत्ती भूमिरित्यर्थः ।
तस्याः पृथिव्या लाभपालनोपायः तस्यं शास्त्रमर्थशास्त्रमिति ॥

This definition of अर्थशास्त्र is broader than Economics since it is a science not only of Human behaviour but also of Technology and bases itself on knowledge of human desires काम on one hand and laws of social synthesis धर्म on the other.

All this Shastra forms a part of राजधर्म that lays down the setting of the State. They are born from the necessities that gave birth to the idea of State and show how that function can be completely fulfilled. As Manusmruti starts its seventh chapter.

राजधर्मान्प्रवक्ष्यामि यथावृत्तो भवेन्नृपः ।
संभवश्च यथा तस्य सिद्धिश्च परमायथा ।।

The Shanti Parva of Mahabharat also tells us that once a person is enthroned on the seat of political power he should not go after his own likes or dislikes, but according to what is necessary for the promotion of good of the people–just as a pregnant woman keeps away her likes and adopts all that which is beneficial for the child in the womb.

यथा हि गर्भिणी हित्वा स्वं प्रियं मनसोऽनुगम् ।
गर्भस्य हितमाधत्ते तथा राजाऽप्यसंशयम् ।।
वर्तितव्य कुरुश्रेष्ठ यथल्लोके हितं भवेत् ।।

Again Shanti Parva tells us that 'He can be considered the best King under whose rule citizens live without fear just as the children live in the home of their own father'

पुत्रा इव पितुर्गेहे विषये यस्य मानवाः ।
निर्भया विचारिष्यन्ति स राजा राजसत्तमः ।।

Both the similies are indeed very fitting to describe the requirements of state policy for industrial relations. It should be the business of the State to see that each citizen can pursue, without any fear whatsoever, the lines of his own growth through work and life. At the same time it is the constant responsibility of the State to deliver at each moment that which is potential in the race. This creative role of the State to help the growth of the seed of Samaj–Purusha requires great and delicate care on the part of politicians, without which they are sure to prove impotent. In every respect of public policy the state should be worthy of reliance of the people.

'राजा भवति भूतानां विश्वास्यो हिमवानिव ।'– शांतिपर्व

Such are the functions and such the constitution of State as conceived by Indian Thinkers of old and given to us by a noble and great tradition.

एवं परंपराप्राप्तम् इमं राजर्षयोः विदुः । स कालेनेह महता धर्मो
नष्टः परंतप । स एवायं मया तेऽद्य योगः प्रोक्तः पुरातनः ।

Indeed as it was necessary for Krishna to restate the lost yoga in Bhagawadgita, so too it is necessary now to restate the traditional knowledge about the constitution and functions of the state – a knowledge that was known and practiced by the King–Seers of the old. This is necessary not because it is our

own old heritage – that is a side though very inspiring aspect, but because it gives the most scientific definitions about the duties of state and its place in the life of the people. No ism of modern times has been able to recover this knowledge in full though every ism is striving in search of this knowledge and with progressive experience is tending towards it – as if inspite of itself, कर्तुं नेच्छारी यन्मोहात् करिषस्यावशोऽ पितत्। as said by Gita.

Thus we have now before us a picture of an orgainised Society of our dream. Not a state that cherishes its strict, well-finished, armoured effeciency on an exaggarated dependance on system and institution, on legislation and administration and the deadly tendency to develop in place of living people a mechanical state. On the other hand we hold before us vision a hierarchy of assemblies at the plant levels, for the category, for the Pug – i. e. the region– cum– industry base, on a national scale for each industry all culminating into a functional upper house of Parliament उद्योगसभा. All of them together giving us full image of samaj–purusha. In this organic hierarchy of peoples the basic small community of plant level assembly develops through the first stage of a vigorous and spontaneous vitality ( as the recent Russian compulsions in grass–root trade unionism and forced decentralisation indicate from the other end ). Given a freedom ( as the Western democracies have given it to their trade union movement ) these small assemblies will find naturally and freely their own norm and line, cast up form of life and social and economic institution out of the vital intuition and temparament of the basic communal being. In their grouping at progressively higher level, they should begin to fuse into each other into an increasing cultural and social unity and forming still larger and larger bodies, they develop a common spirit and a common basis and general structure allowing of a great freedom of variation in minor line and figure Such was the ideal of Indian Society. There was no need of a rigid uniformity, the common spirit and life impulse were enough to impose on the structural plasticity a law of general oneness. In this mould of society the characteristic institution at the lower and smaller level are incorporated rather than destroyed in the cast of socio–economic structure. Whatever could not survive in the natural evolution of the people or was no longer needed, fell away of itself and passed into desuetude, whatever could last by modifying itself to new circumstances and environment was allowed to survive, whatever was in intimate consonance with the psychical and vital law of being and temparament of the people became universalised and took its place in the enduring figure of the society and polity. A profound respect for the creations of the people, natural expression of Indian mind and life, the sound manifestation of Dharma or right law of being has always been the strongest element of the settled principles of Indian science of Society. Economics and Politics. To substitute the mechanical for the natural order of the life of the people has been the disease of the European civilisation now culminating in the monstrous artificial organisation of the bureaucratic state. Our review of the world canvas on the role played by trade union movement shows us how the free instinct of the

people is everywhere trying to come out of this iron and deathing law of State rule and mechanical or contractual life. For, Indian life on the other hand the foundational actualities of life have always been the true and sound and dependable constructors. Life is regarded as a manifestation of the self. The community was the body of the creator Brahma, the people was a life body of Brahman in Samasti, it was the collective Narayan as the individual was Brahman in the Vyasti and in the same way Raja or State the instrument of Dharma with other orders of the community taking their place as the natural powers of the collective self प्रकृतय:. All these organs of society had therefore not only a binding authority deriving their powers from State but rather a certain sacrosant character which it is not in the competence of State to dilute. As Sri Aurobindo puts it succintly, the right order of human life as of the Universe is preserved according to the ancient Indian idea by each individual being following faithfully his Swadharma the true law and norm of his nature and the nature of his kind and by the group being the organic collective life doing likewise. The family, class, caste, social, religious, industrial or other community, nation, people are all organic group beings that evolve their own Dharma and to follow it is the condition of their preservation, healthy continuity, sound action. There is also the Dharma of the position, the function, the particular relation with others as there is too the Dharma imposed by the condition, environment, age, Yugadharma and all these acting on the natural Dharma, the action according to Swabhav, create the body of the law. The self-determining individual and self determining community living according to the right and free law of his being and it's being is therefore the ideal ( The business of the state ) is not to interefere unduly with the life of the society which must be allowed to function for the most part according to its natural law and custom and sponteneous development but to superintend and assist its right process and see that the Dharma is observed and in vigour and negatively to punish and repress and as far as may be prevent offences against the Dharma. The main function of ruling members of body politics was therefore to serve and assist the maintenance of the sound law of life of the society. The sovereign was the guardian and administrator of the Dharma. The function of society itself included the right satisfaction of the vital, economic and other needs of the human being and of his hedonistic claim to pleasure and enjoyment, but according to their right law and measure of satisfaction and subject and subordinated to the ethical and social Dharma. All the members and groups of the socio-political body had their Dharma determined for them by their nature, their position, their relation to the whole body and must be assured and maintained in the free and right exercise of it, must be left to their own natural and self-determined functioning wtihin tLeir own bounds, but at the same time restrained from any transgression encroachment, or deviation from their right working and true limits. All that the State was called upon to do was to coordinate, to exercise a general and supreme control to repress crime and disorder, to assist, promote and regulate in its larger lines the economic and industrial welfare, to see to the provisions of facilities and to use for these

purposes the powers that passed beyond the scope of others. Thus in effect the Indian Polity was the system of a very complex communal freedom and self-determination, each group unit of the community having its own proper life and business, set off from the rest by a natural demarcation of its fields and limits, but connected with the whole by well-understood relations, each a co-partner with the others in the powers and duties of the communal existence, executing its own laws and rules administering within its own proper limits, joining with the others in the discussion and the regulation of matters of a mutual or common interest and represented in some way and to the degree of its importance in the general assemblies of the State. The State was an instrument of coordination– and exercised a supreme but not absolute authority, for in all its rights and powers it was limited by the Law and by the will of the people and in all its internal functions only a co-partner with the other members of the socio-political body. This was the theory and principle and the actual constitution of the Indian Polity, a complex of communal freedom and self-determination with a supreme coordinating authority armed with efficient powers, positions and prestige but limited to its proper rights and functions, at once controlling and controlled by the rest, admitting them as its active co-partners in all branches, sharing the regulation and administration of the communal existence and all alike, the state, the people and all its constituent communities, bound to the maintenance and restrained by the Yoke of the Dharma. Moreover the economic and political aspects of the communal life were only a part of the Dharma and not a part not all separate but inextricably united with all the rest – the religious, the ethical, the higher cultural aim of the social existence. The life of the Society was regarded not so much as an aim in itself in spite of the necessary specialisation of parts of its system but in all its parts and the whole as a great frame-work and training ground for the education of the human mind and soul and it's development through the natural to the spiritual existence". The whole Indian system was founded upon a close participation of all the orders in the common life, each predominant in its own field, but none excluded from his share in the civic life and an effective place and voice in politics, administration, justice. As a consequence the old Indian Polity at no time developed, or at least it did not maintain for long, those exclusive forms of class rule that have so long and powerfully marked the political history of other countries. The Indian mind and temparament thus arrived at least at a wise and stable synthesis – not a dangerously unstable equilibrium, not a compromise or balance – but a synthesis of all the natural powers and orders, an organic and vital coordination respectful of the free functioning of all the organs of the cnmmunal body and therefore ensured not against the decadence that overtakes all human systems, at any rate against any organic disturbance or disorder.

### What Then Must We Do

These are the basic tenets of Indian Polity on its side of socio-economic reconstruction and they are not less but even more applicable

to-day than what they were before. No other country in the world has been able to indicate or produce a better framework for human living. There is nothing in these basic tenets which contradicts or does not fit into our modern requirements and aspiration; if anything they provide for us and for the whole world, a larger synthesis of many ideas for which the universe is in travail. It is for us a fortune that we have got such a rich heritage and we shall be ill-advised to neglect it. We must first rediscover ourselves, bring to the surface the profoundest truth given to us by wisdom of ages and find by virtue of this new self-knowledge and self-appreciation our own recovered and larger synthesis. Thus reorganised this ancient Nation will enter more easily and powerfully into the reorganised life of the world to fulfill her mission to lead them in the God-ward endeavour. This knowledge of polity is not too distant for us to recapitulate again. We find traces of its practice in very close pages of our history e. g. it was an normal style of Indian administrative practice to describe the requirements of an office not so much by it's outer functions but by the inner qualities that are necessary to discharge the duties of a post. Even the four functional Varnas are described by reference to inner qualities such as शमो दमस्तपः शौचं . . . . etc. The Shukra-Niti describes advisors to the Raja as follows :-

राजा तु धार्मिकान् सभ्यान नियुञ्ज्यात् सुपरीक्षितान् ।
व्यवहारधुरंवोढुं यें शक्ताः पुत्रवा इव ॥
लोकवेदज्ञधर्मज्ञाः . . . . . etc.

We find the same type of thinking governing the administrative practice of all worthy tradition of administrators. In Maratha History the orders issued by Ramchandra Nilakantha Amatya (अमात्यांची आज्ञापत्रे) is full of directions reflecting this age-old system of statecraft. e. g. while describing Shivaji's ways of handling men he describes, "मनुष्य परीक्षेनें नूतनच सेवक नवाजून योग्यतेनुसार भार वाढवून महत्कार्योपयोगी करून दाखविले. येकासयेक असाध्य असतां स्वसामर्थे सकलांवरि दया करून येकाचा येकापासून उपमर्द होऊं न देतां येकरुपर्तेने वर्तऊन त्याहातून स्वामि कार्ये घेतली." This small description of administrative practice speaks volumes on ways in which the Government should be organised and made to function effectively for a given cause. It show that Indian administrators were aware of how to read the qualities of man at the time of selection and appointment, how he should go through a process of induction and training so that he will be capable of discharging more and more responsible and larger dimension of work and how he will become worthy to stand equal to the greatness of a task. They were also aware of how a team-work can be ensured from the Master-mind group of many ambitious men, how to avoid their mutual conflicts, how to utilise power for the spread of love and beneficience so that no one will prove to be a disturbance to other and all will be fused together in a spirit of oneness to dedicate themselves for a common command. What is required in India's labour and Industrial Administration is the

expression of these qualities of mind and heart, for they alone can create and sustain the living frame-work of the desired social and economic life. How to cultivate these virtues in men is a province of enquiry for the first of the four Ashramas viz. ब्रम्हचर्याश्रम. The science of Indian Education has given us sure processes of cultivating by a concentrated practice these potentialities of each individual being, but about that we shall have to speak on a different forum. For here, we are speaking about the second Ashram गृहस्थाश्रम. The field of labour and field of industrial practice is concerned about the establishment and prosperity of this गृहस्थाश्रम which is the back-bone of social life-on which all other Ashrama's sustain and flourish. And of that which is the principle work before a National concern for labour of the direction of human energy in fields of production and distribution and exchange and of the socio-economic frame-work that can invite and organise this human effort give an 'Akara frame to श्रम-आ-श्रम we have herein indicated a basic or rather preliminary approach. We are aware that this attempt is a little halting and set ill-organised one, but we are aware to of the fact that the solutions to modern problems stated herein have arisen out of the being of Bharat-Mata-a small portion of Her deepest and largest knowledge. We must now return upon ourselves, that is the only way of salvation. For the nation as well as the man who most finds and lives from one's own inner self, can most embrace the universal and become one with it; the Svarat, independent, self-possessed and self-ruler can most be the Samrat, possessor and shaper of the world. It is true that we cannot go backward to a past form of our being; but we can go forward to a large repossession of ourselves which will enable us to make a better, more living, more real, more self-possessed and full and perfect use of our own intervening experience and of up-to-date world experience. In fact we are in a priviledged position in the sence that a fidelity to our own spirit, nature, and ideals given us an ideal ground-work to assert our-selves successfully in meeting all the problems of modern age, and create our own characteristic forms for the coming age and future environment that will be capable for a strong and masterful dealing of all influences and circumstances. In the application of these principles-the degree, the way, the guiding perceptions, it will not do to be too dogmatic. Each capable Indian mind must think it out and work it out in its own light and power and field of action. The spirit of Indian Renaissance which is now becoming wide awake will take care of the rest-for the ancient immemorable Shakti is recovering Her deepest self, lifting her head high towards the supreme source of light and strength and turning to discover in the ever-new and greater India the complete meaning and a vaster form of her Dharma.

स्वे स्वे कर्मण्यभिरतः संहता स्वात्मशासिताः ।
परस्परं भावयन्तः श्रेयः प्रेयः समन्विताः ॥
राष्ट्रांगभूताभूत्यर्थं राज्ययंत्रेण सेविताः ।
उद्योगजनसंघास्ते धर्मचक्रप्रवर्तकाः ॥

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